

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

3015 SCOMM 126: HOUSE SPEC. COMM. ON EC. DEV. ON TRADE, TOURISM '05-'06

clearly covers the situation. In fact the Alaska state government could file the petition on behalf of the fishing industry, so long as a substantial percent of the industry – I believe it's 80% – supports the action. Engagement by the state government would increase the political weight behind the petition and increase the pressure on USTR to take strong action.

#13

The state also gets involved with macro diplomacy when state, not federal, laws and regulations are at issue. I'll make up another example. Let's say the state legislature is considering a bill to increase user fees at the Anchorage airport, with revenue earmarked for airport improvements. No doubt you will hear from Federal Express, both on the record in public testimony and off the record in private communications. But you might not hear much, especially on the record, from foreign shippers and carriers who will be affected, unless you ask them to comment. You might want to do that – invite foreign companies to submit statements for the record, or to present oral testimony, regarding proposed legislation that is likely to affect them in serious ways. Whatever happens in the end, people usually feel better about a decision if they've been part of the process and have had a chance to be heard. You may also be able to use the process to build relationships and a reputation for fairness that will be helpful in the future.

#14

That's macro diplomacy. Micro diplomacy happens when the government steps in between U.S. companies and foreign governments or government-controlled entities. This is where U.S. embassies get involved.

When U.S. private companies are dealing with foreign private companies, of course, the U.S. government and its embassies stand clear. But you'd be surprised – or maybe not – by how many private deals get tangled up in some government regulation or requirement. That can bring the embassy into play.

An American embassy, and especially an American ambassador, can be a very powerful ally for American business. For almost every country in the world, the United States is the most important trading partner, the most important market. For many countries, the United States directly or indirectly provides security. Because of the importance of the United States, the American ambassador generally has excellent access to high officials in the host country.

A good ambassador uses this access wisely. He builds trust and confidence. He is someone that officials in the host country listen to and take seriously.

I should say there are some bad ambassadors out there also. Some are lazy or self-indulgent. They don't get out to meet the people they ought to meet, they don't speak the local language or understand the local politics. And some follow their personal views rather than their instructions from Washington, which makes them unreliable as representatives of the president. But most ambassadors and embassy staffs are competent, highly dedicated people.

Just by indicating their interest, embassies elevate a commercial issue and give it some political importance. For example, when a U.S. power company bid on a project in the United Arab Emirates a couple of years ago, the company asked the embassy to get involved. The company had French competition and wanted to make it harder for the French to win the deal with bribery or kickbacks. The U.S. company thought that the

Emirates would be much more careful about sticking to their own rules, which prohibit that sort of stuff, if they knew the United States government was watching. The embassy did get involved – and stayed involved throughout a year of negotiations – and the company won the contract.

#15

Like everyone else, ambassadors and their staffs work better when they are well prepared. The best advice to a company working overseas is to keep the embassy informed, so that they are ready to go if there's a crisis. And I would always tell anyone who is going to brief an ambassador to tell the whole story, not just one side of it. An ambassador going to see a foreign official has to be credible, and he won't be credible if he gets sandbagged because he didn't know the other side of the story.

Where U.S. relations with a country are poor, embassy involvement in a commercial issue may backfire. The host government may see a chance to play up to nationalist sentiment by saying no to Uncle Sam, in a loud voice. That's why some companies don't want to be associated with the U.S. government. When Argentina defaulted on its debts, devalued its currency and imposed price controls at the end of 2001, most U.S. companies invested in the country came to the U.S. embassy for help. But some stayed away. One of the big grain traders told me: "We decided we had better relations with Argentina than the U.S. government did, so we handled our problems ourselves. We think we were better off that way." That's a judgment call, and the grain trader may have been right. The embassy and the U.S. government have leaned on the Argentine government for the past four years, so far with little to show for the effort.

Can a state government get involved in this kind of micro diplomacy, and if it can, should it?

The key to micro diplomacy is leverage. Generally its the federal government that has the leverage to negotiate with foreign governments, and only the federal government has the view across the whole range of bilateral relations to reach a judgment on how to handle any particular case.

Of course state officials can steer businesses with problems to the right people in the federal government – to a U.S. embassy, to the Departments of State, or Commerce, or Agriculture, as the case requires. But frankly, most businesses can figure out for themselves where they need to go. The state government only adds value if it can provide an introduction – if there is a state official who has developed personal relationships with people in U.S. embassies and in the Washington agencies and is known and trusted by them. Alaska is such an export-oriented state that you may already have someone on the payroll who fits that description. If not, maybe you should.

#16

Export promotion

State governments have a larger role in two areas, promotion of exports and attracting inward investment.

Alaska is especially well positioned to make export promotion a state function, because the range of goods and services available for export is not too large, and because some them – tourism obviously, but I would guess also seafood and maybe some wood products – can be Alaska branded. I don't have to tell you about export promotion. The

state knows all about trade missions and trade fairs and the other standard techniques. I would offer only one piece of advice.

I think it's a good idea to charge companies to take part in state-sponsored promotional events, maybe on a one-for-one matching basis. It's a good idea because the companies are the biggest beneficiaries, so fairness indicates they should pay a higher share of the cost. But more important, if the fees are high enough, companies will make sure they get their money's worth. They will set a standard that the government has to meet, and they will know how to measure success. Programs that don't produce a return won't find support, and the ones that do work will be heavily subscribed. The government can't get that kind of feedback in any other way.

#17

Attracting investment

Promoting inward foreign investment is controversial. The federal government doesn't do it at all. One reason is that the government doesn't want to do anything that would favor a foreign investor over a domestic investor. Another is that the federal government doesn't want to favor one state or region over another. So federal policy tries to be strictly neutral.

I don't know what Alaska does about foreign investment, but I'll bet you follow the same policy of neutrality between foreign and domestic investors that the federal government does. Probably when the state goes out promoting investment in Alaska, you're at least as eager to go after investors in the lower 48 as in the rest of the world.

The best thing the state can do to attract foreign investment is to create a business climate that is friendly to investment, domestic or foreign. I mentioned near the

beginning of this talk that the United States attracts more foreign investment – I mean direct investment, ownership of businesses, not just foreigners buying stocks and bonds – than any other country. That's because of the business climate here, the blend of good return and low risk.

Investment promotion is education, making the opportunities here known to investors who otherwise wouldn't think about Alaska, whether those investors are in Taipei or New York.

One way to get the attention of foreign investors is to put Alaska on the itinerary of touring diplomats, including American ambassadors to countries of interest, and ambassadors from those countries to the United States. You can show the diplomats the grandeur and beauty of the state and also teach them something – I'll bet they know very little about the range or scale of opportunities or the legal framework for resource development. Diplomats will repeat your message to people that count, they'll get press attention overseas, they are good multipliers of your message that way. There are a few organizations that have put tours by diplomats together, using a blend of public and private funds, and you might be able to tap into their experience.

Representative Coghill asked me to talk about what the states can do in diplomacy, on their own or by making the country's national resources work for them. I hope I've come up with a few ideas, but I'm sure I haven't exhausted the topic. I'd be happy to take questions.

Commercial Diplomacy

Juneau

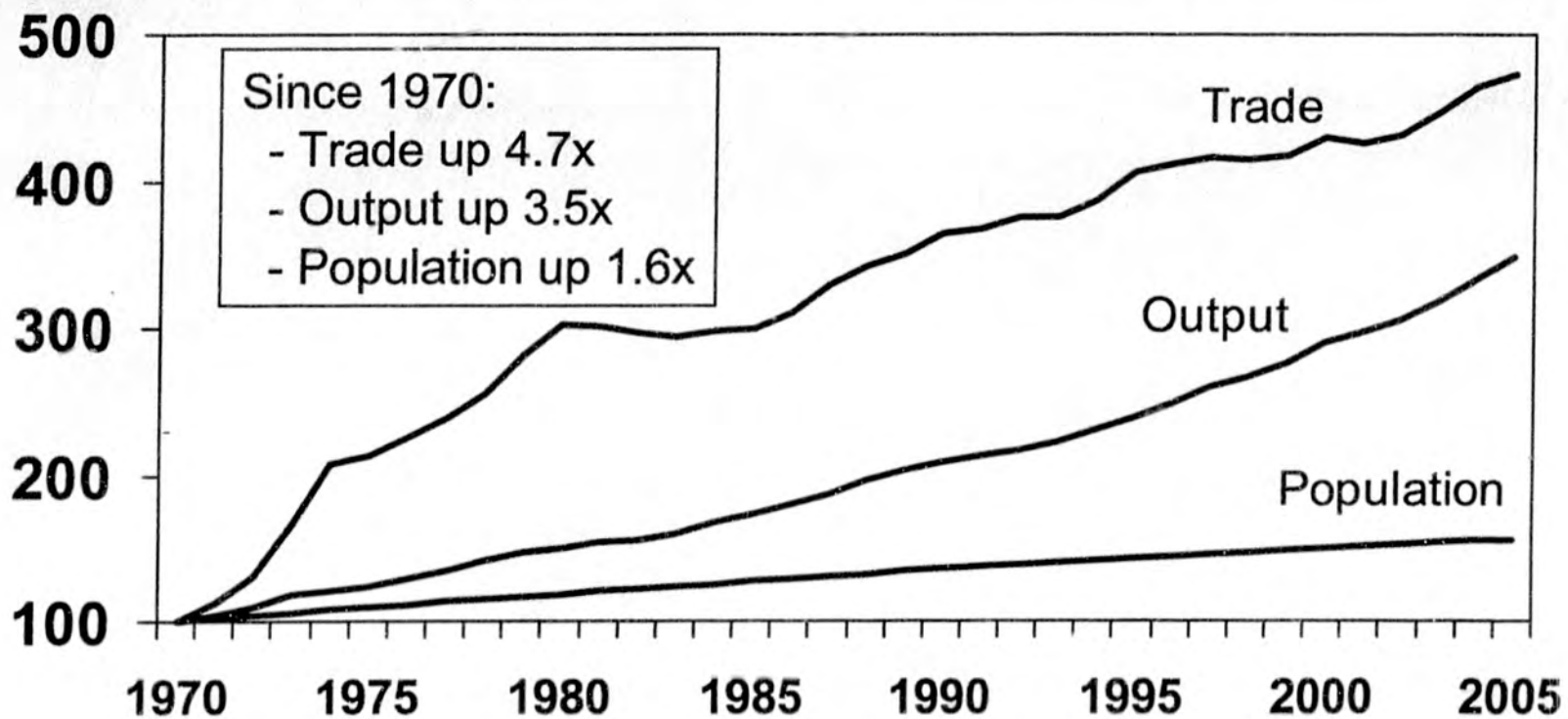
February, 2006

U.S. Constitution - Preamble

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

Global trade, global growth (1970 = 100)

Index 1970 = 100



Source: IMF WEO database; US Bureau of the Census

Among the missing

Afghanistan*

Algeria*

Azerbaijan*

Belarus*

Bosnia*

Iran

Iraq*

Lebanon*

Laos*

Liberia

Libya*

North Korea

Russia*

Somalia

Syria

Tajikistan*

Ukraine*

Uzbekistan*

Yemen*

* observer

Top traders, 2004 (\$ billions)

	EXPORTS	IMPORTS
USA	1,137	1,786
Germany	1,046	910
China	655	633
Japan	661	589
France	558	562
<i>World</i>	<i>11,278</i>	<i>11,590</i>

Source: WTO. Goods and commercial services.

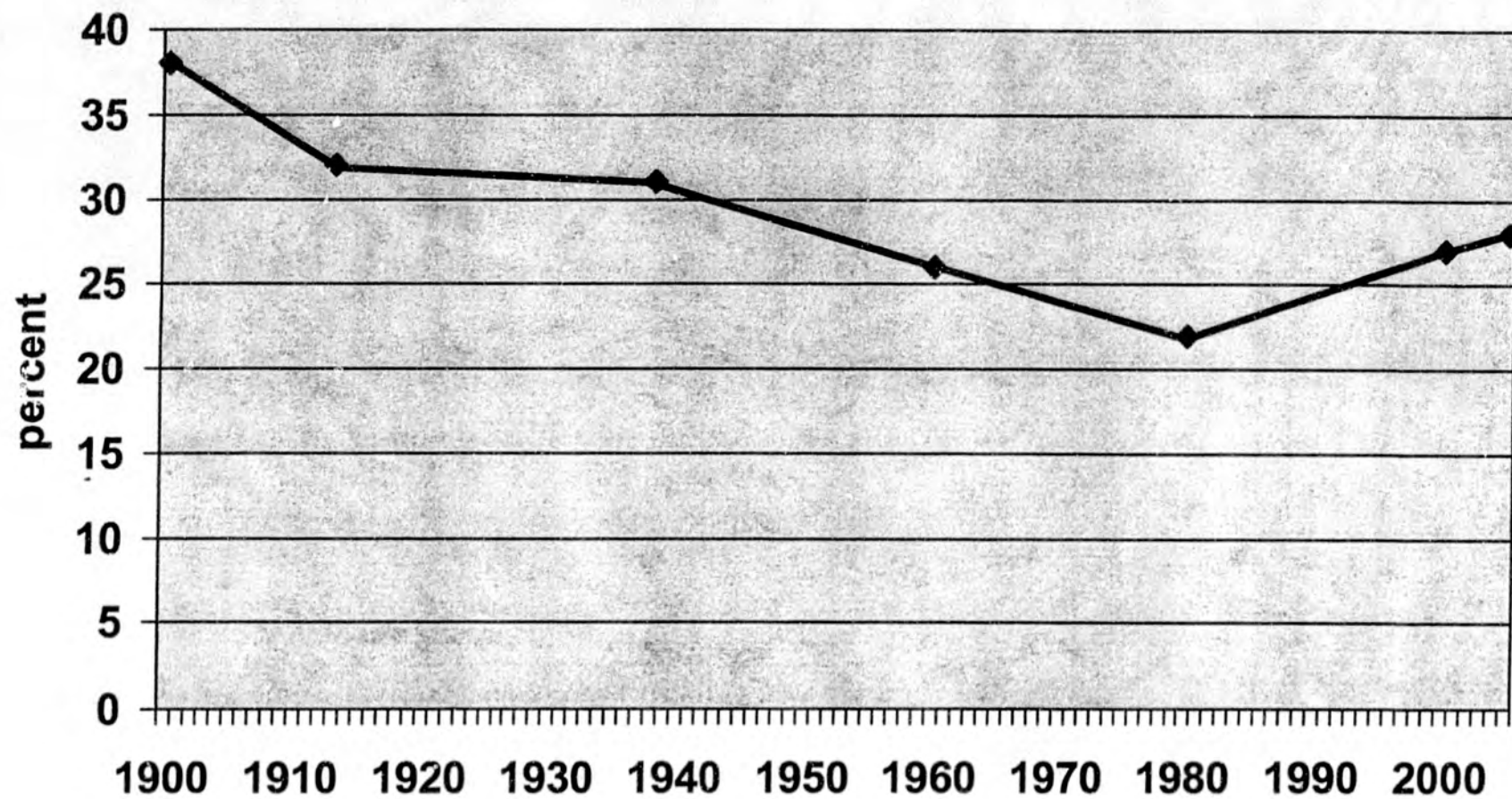
U.S. Business Climate

- Lucrative place to sell, reliable place to buy
- Safe place to invest or raise capital
- Mobile, educated workforce
- Risk-taking entrepreneurs
- Transparent, enforceable rules

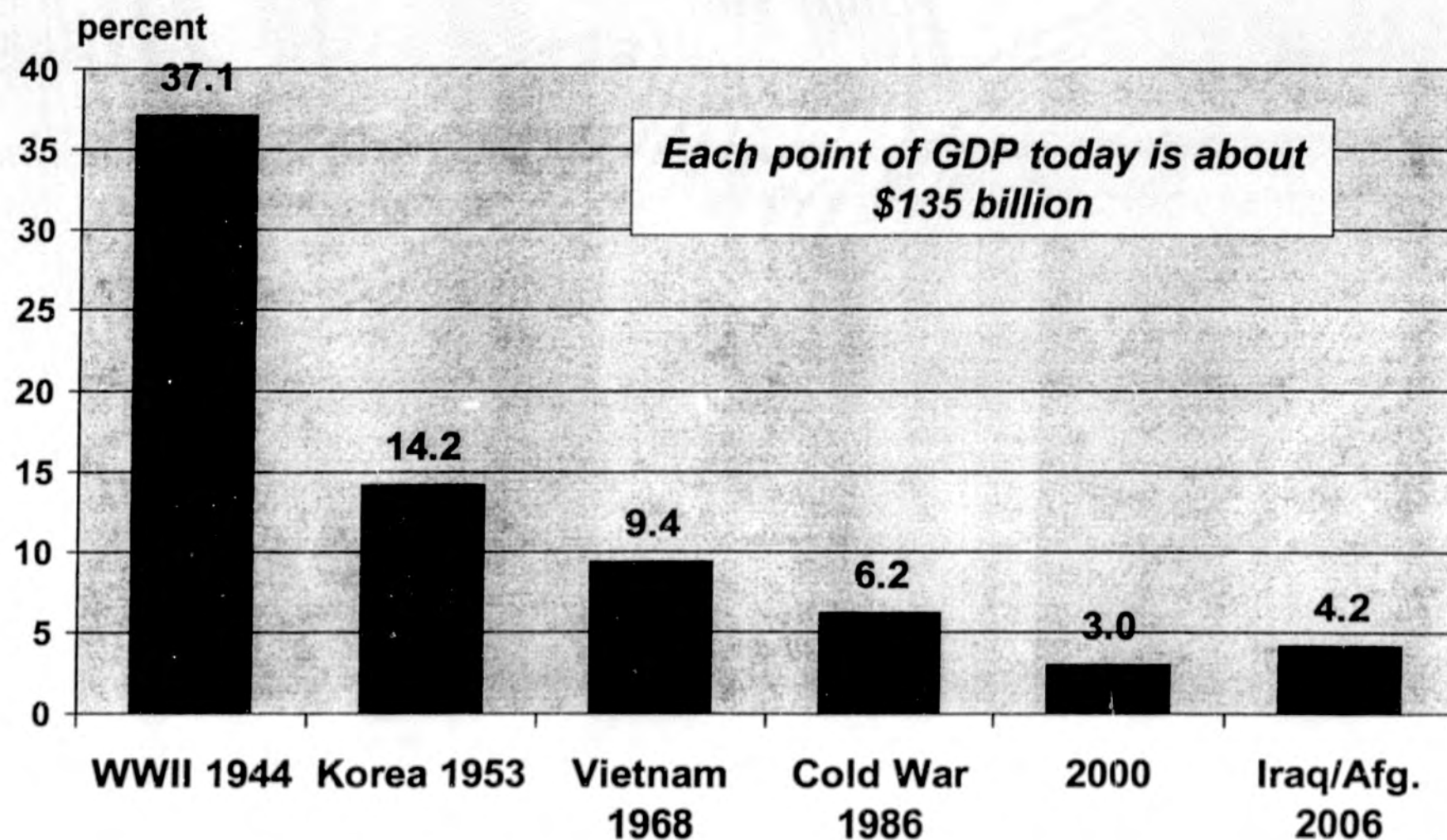
World output, 2005

	\$ trillions	percent
<i>World</i>	43.9	100%
USA	12.5	28%
Japan	4.7	11%
Germany	2.8	6%
UK	2.2	5%
France	2.1	5%
China	1.9	4%

U.S. share of world output



Defense spending as % of GDP



Commercial diplomacy

Macro

- Rules
 - Tariffs and quotas
 - Patents
 - Standards
 - Subsidies
- Requires compromise

Micro

- Transactions
 - Specific companies
 - Specific deals
 - Not a precedent
- Winners and losers

Engaging the federal government

- Private interest → public purpose
- Consistency
- Principle

Engaging the federal government

- Private interest → public purpose
- Consistency
- Principle
- A state can petition USTR on behalf of an industry (Section 301)

State laws

- Some state laws affect foreign trade, investment
- Bring affected foreign parties into the process

Embassies at work

- USG may step in when U.S. companies deal with foreign governments
- US power = ambassador's access
- Political element when embassy acts

Embassies at work

- USG may step in when U.S. companies deal with foreign governments
- US power = ambassador's access
- Political element when embassy acts
- Preparation, candor, full disclosure
- Some risk of backlash
- Role for State government?

Export promotion

- Branding
- Why companies should pay
 - Fairness
 - Efficiency
 - High standards
 - Feedback

Investment promotion

- Federal government: strict neutrality
 - Between foreign and domestic investors
 - Among regions of the USA
- State government
 - Neutral in policy
 - Business climate
 - Use diplomats to get the word out

SCOMM

136:9

Alaska State House of Representatives

Representative Jay Ramras, Co-Chair

Alaska State Capitol, Room 104

Juneau, Alaska 99801-1182

Phone: (907) 465-3004

Fax: (907) 465-2070

House District 10

**Representative Mark Neuman, Co-Chair**

Alaska State Capitol, Room 432

Juneau, Alaska 99801-1182

Phone: (907) 465-2679

Fax: (907) 465-4822

House District 15

House Special Committee on Economic Development, Trade & Tourism

Sponsor Statement

HCR 34 (24-LS1714\Y)

The Arctic Fresh program is being established to promote Alaska grown produce and food products to the visitor industry. Alaska growers and food manufactures proudly provide a rich and diverse array of quality products. It is the intent of the Arctic Fresh program to bring together the division of agriculture, farmers and related farm associations, processors, seafood processors, distributors, the visitor industry, and restaurants and related culinary support associations to provide visitors to the State of Alaska with wholesome, quality Alaska produce and products.

By simply shifting the buying preferences of the visitor industry, the Arctic Fresh program will ensure that visitors to the State of Alaska experience the freshest produce and products grown and manufactured throughout the state. Additionally, the Arctic Fresh program will provide an additional market for farmers and producers in the state to sell their goods. All of which makes this an exciting win-win program for everyone involved.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCR34-DNR-Ag-03-09-06
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title Alaska Agricultural Products for Tourists RDU Resource Development
 Component Agricultural Development
 Sponsor (H) Rules by Request
 Requester (H) Economic Development, Trade & Tourism Component No. 455

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal: ☐

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is expected as a result of this proposed House Concurrent Resolution promoting Alaska grown produce and food products in the visitor industry through the Arctic Fresh program.

Prepared by: Larry DeVilbiss, Director Phone 907 761-3867
 Division Agriculture Date/Time 3/9/2006
 Approved by: Michael Menge, Commissioner Date 3/9/2006
 Agency Natural Resources

**Office of the Chancellor**

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March 3, 2006

Representative Mark Neuman, Co-Chair
Representative Jay Ramras, Co-Chair
House Special Committee on Economic Development, Trade and Tourism
Alaska State Legislature
Alaska State Capitol
Juneau, Alaska 99801

Re: HCR 34 – Relating to promoting Alaska grown produce and food products to the
visitor industry through the Arctic Fresh program

Dear Representative Neuman and Representative Ramras:

The purpose of this letter is to encourage legislative support of the Arctic Fresh program as provided in HCR 34. The "Arctic Fresh" label will promote Alaska produced agricultural products to the tourism industry.

Success of this program will require a cooperative effort among the visitor industry, the state Division of Agriculture, and the University of Alaska Fairbanks, specifically the School of Natural Resources & Agricultural Sciences (SNRAS), and the Cooperative Extension Service. UAF provides research and outreach on production and storage of food products, food quality, and marketing through its entities. Benefits to the university will be increased visibility, development of valuable partnerships with industry, and hopefully in the future increased research dollars.

Dean Carol Lewis SNRAS, is already working with Representative Jay Ramras and Larry DeVilbiss, the director of the Division of Agriculture, to help make this program work. Formal support of the resolution from the legislature would be appreciated.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'Steve Jones'.

Steve Jones
Chancellor

cc: Representative John Coghill
Representative Bob Lynn
Representative Nancy Dahlstrom
Representative Harry Crawford
Representative Beth Kerttula
Representative Bill Stoltze

Pass the Peas Please

Buying locally grown produce for use in state park restaurants makes just about everyone happy.

By Leslie Teach Robbins



Visitors at the Greenbo Lake State Resort in Kentucky get more than pizza, hot-dogs and nachos when they visit the dining room in the Jesse Stuart Lodge. Instead, they find just-picked tomatoes on the salad bar and pies made fresh with homegrown berries.

All the produce on their plates was delivered by a lucky local farmer who's a member of the Kentucky Proud program. He's been teamed with the restaurant's chef who plans menus around the fruits and vegetables to be harvested that week. The farmer is lucky because there's no middle man. His produce sells for better prices than he could get selling to a cooperative or a distributor. Only a

year ago, the state parks chefs would have ordered their produce from a wholesaler.

Kentucky has 17 resort-style parks (more than any other state) with lodges, cabins and dining rooms run by state employees. In other states, food service is usually contracted out to large corporate management companies like Aramark or Sodexo.

Bob Perry, director of food service for Kentucky State Parks, couldn't be more perfect for the job. He's a chef and a gardener and he lives on his wife's family farm. As chef, Perry is dedicated to using the freshest and highest quality produce available. As gardener, he saw immediately that there was a market open for family farms. "We are estimating that we'll spend over \$500,000 on produce for parks in 2005," he says, "and

DIRECT MARKETING PROGRAMS HAVE CATCHY NAMES

Alaska Grown
Arizona Grown
Buy California
Colorado Proud
Connecticut Grown
Fresh From Florida
Georgia Grown
Georgia, Always in Good Taste
Idaho Preferred
Illinois Product
Kentucky Proud
"Get Real Maine"
Maryland's Best
Massachusetts grown....and fresher!
Minnesota Grown
Make Mine Mississippi
AgriMissouri
Montana's Choice
New Hampshire's Own
Jersey Fresh
New Mexico Taste the Tradition/
Grown with Tradition
Pride of New York
Goodness Grows in North Carolina
Ohio Proud
PA Preferred
Rhode Island Grown: Take Some Home
South Carolina Quality
Pick Tennessee Products
Go Texan
Utah's Own
Vermont Seal of Quality
Virginia Grown
"From the Heart of Washington"
West Virginia Grown
Something Special from Wisconsin

that money should go back to local farmers."

The Department of State Parks works with the State Department of Agriculture's direct marketing program, "Kentucky Proud," bringing a lucrative new market to local produce growers. The move was possible because the legislature in 2002 amended the state's procurement code to allow state agencies to support local agriculture. It exempted agricultural products from the competitive bidding process. As a result, the state park restaurants and three cafeterias in state government buildings in Frankfort purchase produce directly from local farmers.

Each week, prices are established by averaging the prices at several different wholesale companies. The parks continue to pay a wholesale price that keeps them within their

Leslie Teach Robbins covers environmental health for NCSL.

KENTUCKY'S NOT ALONE

The concept of "buy local" campaigns has been around for decades. A number of states have created direct marketing assistance programs within their state department of agriculture to help small- and medium-family farmers stay in business.

The Pride of New York program offers marketing materials and assistance to food producers. It also runs promotions that highlight state grown produce. The Heart of Washington program started in 2001 with assistance from a federal grant. It not only markets state grown fruit and vegetables, but also highlights the state's livestock, processed foods, wine, nursery products and seafood. These programs provide farmers a cost-efficient marketing tool by spreading out the costs over a large group of growers who participate in the program.

budget, but the local farmer gets a higher price than he would elsewhere.

Park chefs use a wide variety of fruits and vegetables. In a typical month, a dining room might serve 30 or more different kinds of produce including lettuce, tomatoes, melons, berries, peppers, green beans, corn, cabbage, pumpkins and squash.

"When it's fresh, our guests are happy," says Cary Lyle, a resort manager. Diners aren't just those staying at the resort, they come from the local community as well. "It's all because they know the food is fresh from local farms," he says.

GOOD FOR THE FARMER

The departments of parks and agriculture are estimating this program has the potential to bring in about \$2 million in sales for Kentucky fruit and vegetable producers.

Rusty Monahan, a part-time farmer in Germantown, Ky., has started to market his berries to two state parks. "I have a couple more lined up," he says. "This whole program gives me a good outlet and good price."

Monahan says farming is a sideline for him, but he's already planning to expand. "The demand is better than what I thought it would be."

NOT JUST PARKS

It's not just the park kitchens that are involved in Kentucky Proud. The agriculture department, which gets funding from the tobacco settlement for the program, has searched out all kinds of new markets and opportunities for farmers. It is promoting a wide variety of products, from goats and aquaculture to beef, produce and specialty foods.

More than 20 family farms supply the food on the menu for the Kentucky Derby. Matching ad dollars go into high-visibility promotions linked to major retailers like Kroger and Wal-Mart and popular family-run supermarkets in the state.

"Owning a small family farm is increasingly a challenge," says Representative Tom McKee, chairman of the House Agriculture and Small Business Committee. "This program provides benefits to the farmer, the consumer and the community. Local produce doesn't have to be transported great distances. Consumers get better-tasting fruits and vegetables. We eliminate or reduce fuel, packaging and refrigeration costs," he says. ■



REPRESENTATIVE
TOM MCKEE
KENTUCKY

SCOMM

136:10



Presentation to the House Committee
Economic Development, Trade & Tourism
March 20, 2006

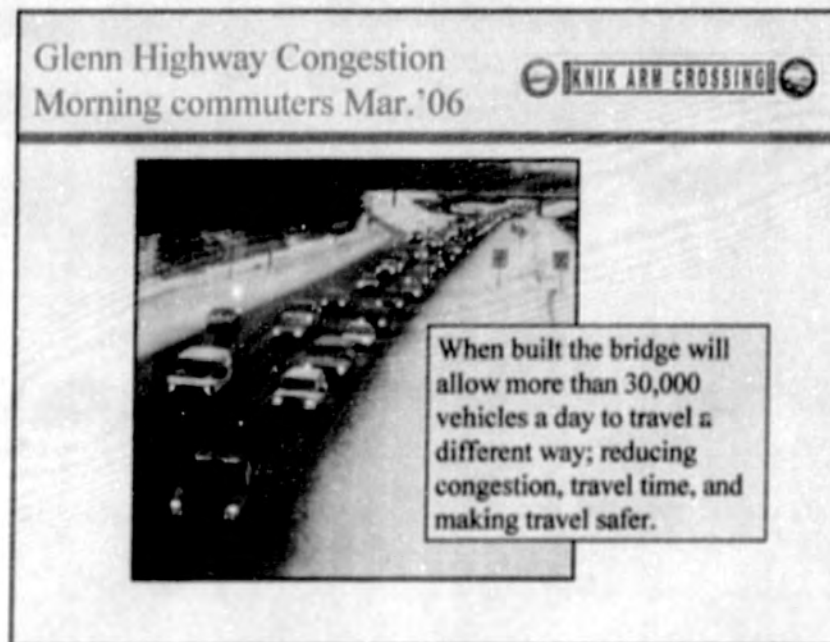
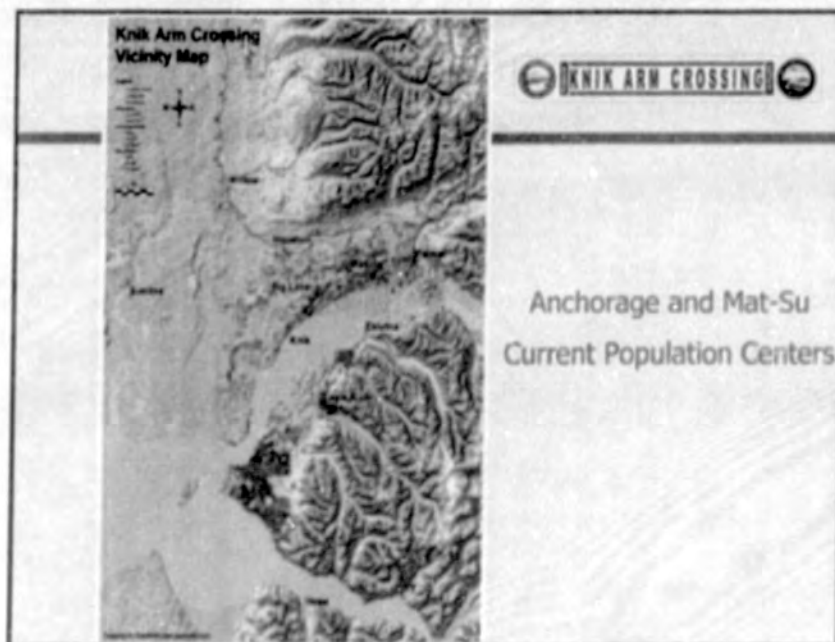


Photo Credits:
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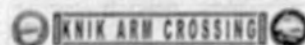
Alaska Statute 19.75



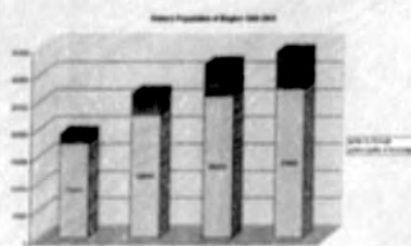
KABATA was created by the Alaska Legislature in 2003 to develop, stimulate, and advance the economic welfare of the state and further the development of public transportation systems in the vicinity of the Upper Cook Inlet **with construction of a bridge to span Knik Arm** and connect the Municipality of Anchorage and the Matanuska-Susitna Borough.



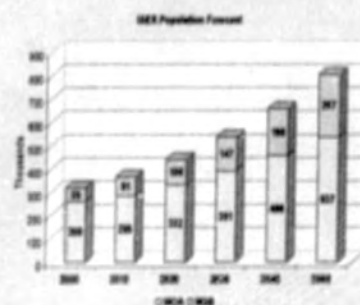
Population Growth Studies



HISTORIC GROWTH 1980-2003



PROJECTED POPULATION 2004-2050



Source: Current Projections by State and by Southern Table
2000-2010, 2010-2020, 2020-2030, 2030-2040, 2040-2050. Note: The 2000-2010 period was
extended to 2010 to reflect the 2000-2010 period. The 2010-2020 period
growth rate was used for the 2020-2030 period.

2030 ISER Population & Employment



550,000 People (~200,000 households)

+72% regional growth over year 2000

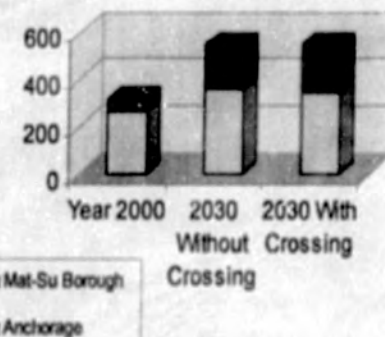
With Crossing compared to No Crossing:

5,800 households shift

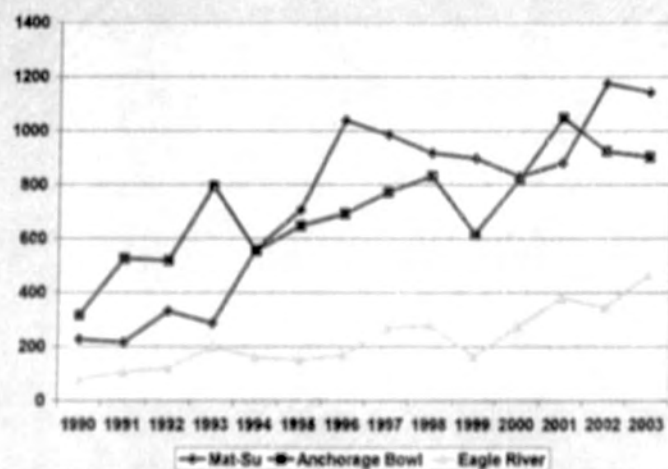
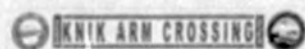
- -4.5% Anchorage
- +8.7% Mat-Su

6,700 jobs shift

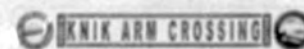
- -3.7% Anchorage
- +13.4% Mat-Su



New Single Family Homes

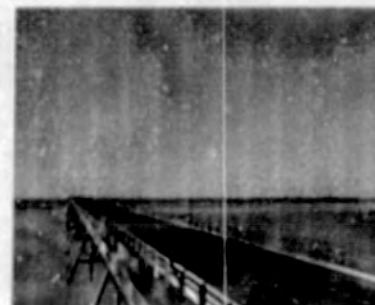


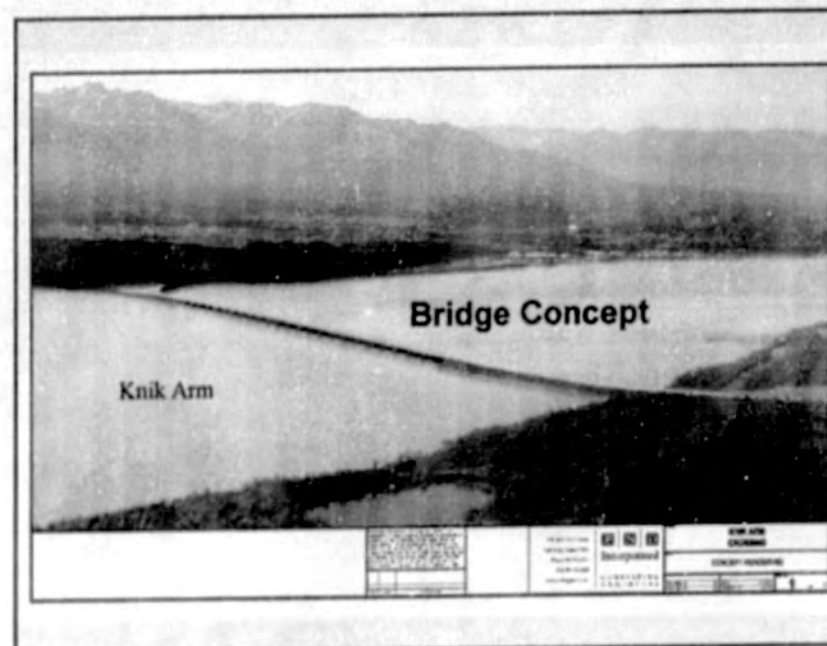
Bridge Concepts



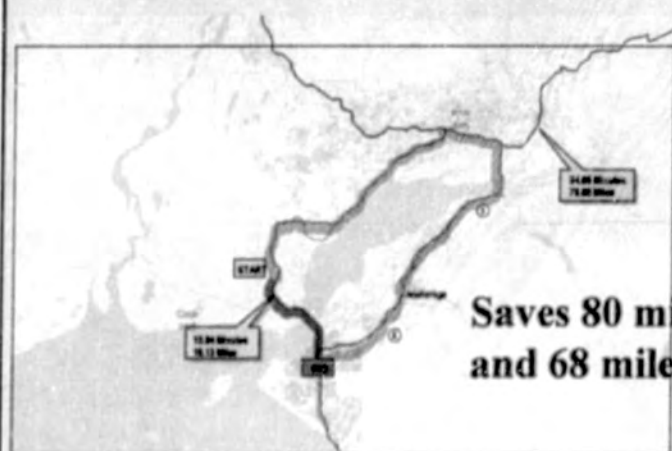
Concrete Bridge

Steel Bridge





Travel Time: Distance Comparison



**Saves 80 minutes
and 68 miles**

Mat-Su Land Use with Bridge



Figure 1.1: Map of Mat-Su land use with a bridge. The map shows the location of Anchorage and the Mat-Su area. The map also shows the location of the bridge and the land use categories. The map is a map of the Mat-Su area and the location of the bridge.

2030 Improvement Tests



Parallel routes not required for local traffic

Pt. MacKenzie Road not cured with Willow Connector

Pt. MacKenzie Road 4-Lane more attractive

Willow Connector



Pt. Mac 4-lane



Reasonably Foreseeable Events



- Railroad spur to Port MacKenzie
- Industrial development, Ports in Anchorage and MacKenzie, cruise ships
- 200 MW gas fired generator, Gas liquids spur line to Mat-Su, Water to Mat-Su
- Ferry to Kenai, Commuter Rail, Willow Connector, Wasilla By-pass
- Hatcher Pass Ski Area, increased military presence, small plane base
- More connectivity

However,

No Airport (not until 2040 or beyond).

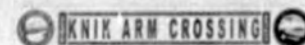
No capitol move.

No bridge over Susitna.

COMMUNITY IMPACTS

Link critical port facilities
Infrastructure to meet growth
Emergency access and egress
Attractive short commute
Reduce transit pollution
Save popular greenbelts
Sustain business base
Access to recreational areas

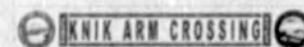
Anchorage Daily News
March 16, 2006



Commercial Sector Population Thresholds



Preliminary Cost Estimate



\$600 million

Includes:

- ✓ Bridge structure
- ✓ West and East bridge approaches
- ✓ Inflation through 2010
- ✓ Contingency
- ✓ Allowance for cost overruns



Photo Credits:
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Photography: C. Lee

Indicative Cost Estimates

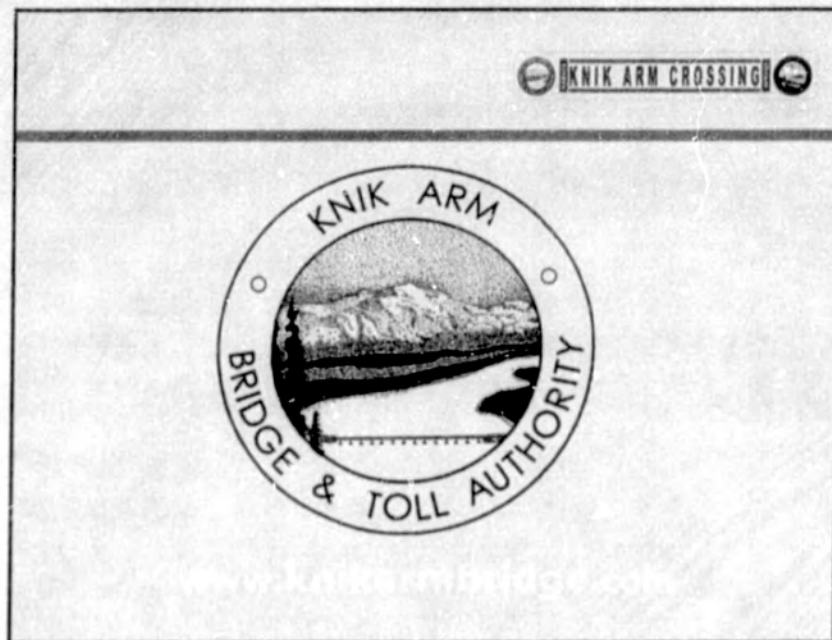


Segment	Cost	Design	ROW	Contingency	2005	Escalation	2008
Mat-Su	\$34	\$5	\$1	\$7	\$46	\$5	\$51
Bridge	\$272	\$39	\$0	\$52	\$363	\$39	\$402
Port	\$47	\$7	\$0	\$9	\$62	\$7	\$69
Tunnel	\$39	\$6	\$7	\$12	\$63	\$6	\$70
Total	\$392	\$57	\$7	\$80	\$535	\$57	\$592

Millions of Dollars – One of Three Variants

Schedule





SCOMM

136:11

Alaska State House of Representatives

Representative Jay Ramras, Co-Chair

Alaska State Capitol, Room 104

Juneau, Alaska 99801-1182

Phone: (907) 465-3004

Fax: (907) 465-2070

House District 10

**Representative Mark Neuman, Co-Chair**

Alaska State Capitol, Room 432

Juneau, Alaska 99801-1182

Phone: (907) 465-2679

Fax: (907) 465-4822

House District 15

House Special Committee on Economic Development, Trade & Tourism

April 19, 2006

Mr. John Potter
Postmaster General
United States Postal Service
475 L'Enfant Plaza, SW
Washington, DC 20260

Re: Proposed Model Conversion from Air to Surface in the Fairbanks-North Slope
Borough Market

Dear Mr. Potter:

The purpose of this letter is to respectfully request that the Postal Service formally engage the State of Alaska in discussions concerning its business plan regarding changes to the current Bypass mail system before proceeding any further.

It is the Public Policy of the Federal Government to provide for a transportation system to serve commerce, the public health, and private individuals throughout the United States. In almost every other state this policy is effectuated through the construction and maintenance of roads and bridges. However, in places where roads and bridges are impractical or in some cases impossible, this same public policy is extended through the Essential Air Services Act.

The absence of a statewide road transportation system is especially conspicuous in Alaska. Moreover, federal land policy actually preempts the construction of roads to serve the needs of rural Alaskans in many cases. To reduce these inequities, Congress modified and extended federal transportation policy by enacting the Rural Services Improvement Act (RSIA).

RSIA goes far beyond the single purpose of mail delivery. RSIA's four basic principles have been described as the "4 - legged stool", these principles are:

- "(A) provide the most affordable means of delivering food and everyday necessities to these rural and isolated communities; and*
- (B) establish a system whereby the Postal Service can meet its obligations to deliver mail to every house and business in the United States; and*
- (C) support affordable and reliable passenger service; and*
- (D) support affordable and reliable non-mail freight service."*

The United States Postal Service's (USPS) business plan to truck the Barrow mail to Deadhorse disregards RSIA. The USPS's plan effectively denies 5400 residents the rights guaranteed to them by RSIA. If mail is moved overland, it is not subject to the laws of the Bypass system and the benefits of the Bypass system to the "stranded communities" are lost. Simply put, the USPS is opting out of its obligation, an obligation that is inseparable from its quasi-franchise (a monopoly) to be the sole provider of mail service in the United States.

It is inappropriate and a violation of federal law for the USPS to move forward with its business plan because it did not consult with the State of Alaska about its plan. Congress recognized that the State of Alaska must be involved with significant changes to the transportation flow by including in the law, 39 USC 5402(g)(3)(A), which states:

"The Postal Service shall determine the bypass mail bush points and hub points described under paragraph (2)(B) after consultation with the State of Alaska and the affected local communities and air carriers. (B) Any changes in the determinations of the Postal Service under subparagraph (A) shall be made-- (i) after consultation with the State of Alaska and the affected local communities and air carriers; and (ii) after giving 12 months public notice before any such change takes effect.... '(10) Without the Intra-Alaska Bypass Mail system--'(A) ... '(B) food, medicine, freight and every day necessities and passenger service for these rural and isolated communities would cost several times the current level.

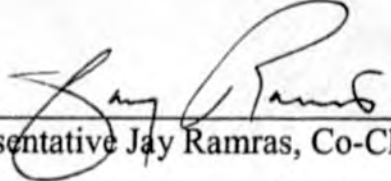
Our initial review of the USPS's business plan gave us grave concern for the operational and financial viability of the plan. We are concerned that the USPS's poorly thought-out plan will place a substantial burden on our citizens and lead to a claim on the financial resources of the State of Alaska.

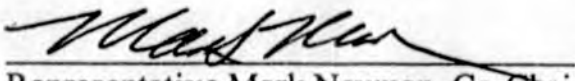
The USPS has not engaged the State of Alaska in their proposed change to the mail system, and the State of Alaska has not had the opportunity afforded to it by law to engage on behalf of the Alaskan people. We thereby request that the USPS contact the

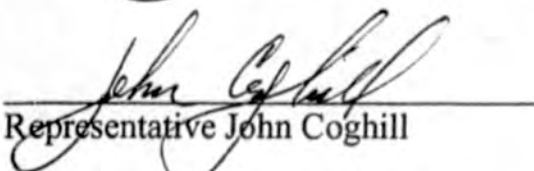
Lieutenant Governor of the State of Alaska to insure that this issue is appropriately heard before any further action is taken to implement this plan.

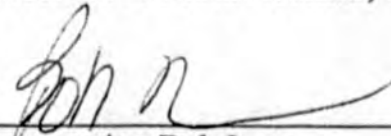
Sincerely,

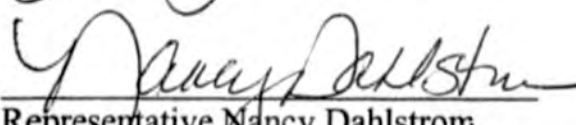
House Economic, Trade, & Tourism Committee

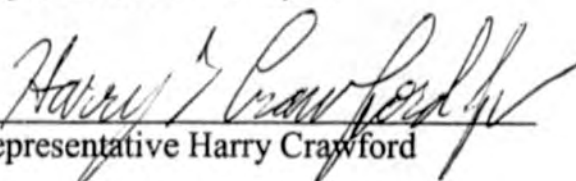

Representative Jay Ramras, Co-Chair


Representative Mark Neuman, Co-Chair


Representative John Coghill


Representative Bob Lynn


Representative Nancy Dahlstrom


Representative Harry Crawford


Representative Beth Kerttula

cc: Senator Ted Stevens
Senator Lisa Murkowski
Congressman Don Young
Governor Frank Murkowski
Senator Gary Wilken
Senator Ralph Seekins
Senator Gene Theriault
Senator Albert Kookesh
Senator Donny Olson
Representative John Coghill
Representative Jim Holm
Representative Mike Kelly
Representative John Harris
Representative David Guttenberg
Representative Richard Foster
Representative Reggie Joule
Jim Whitaker, Mayor Fairbanks North Star Borough
Edward Itta, Mayor North Slope Borough
Steve Thompson, Mayor City of Fairbanks
Jeff Jacobson, Mayor City of North Pole
Nathaniel Olemaun, Jr., Mayor City of Barrow
Elizabeth Hollingsworth, Mayor City of Atkasuk
Joseph Ahmaogak, Mayor City of Ahmaogak
Village Council of Point Lay

Alaska State House of Representatives

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House District 15

House Special Committee on Economic Development, Trade & Tourism

Agenda for Bypass Mail Meeting on April 19, 2006

Jay – opening remarks

Testimony

Steve Deaton
Dennis Roper
Jim Dodson
Trent or Shauna Blankenship

USPS (has a PowerPoint presentation)
North Slope Borough
FEDC
NSB School District (telephonic)

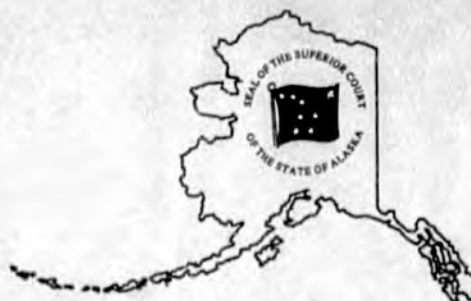
Bill McKay
Rex Wilhelm
Jeff Comstock

Senior V.P. Alaska Airlines (telephonic)
Alaska Commercial Company (telephonic)
Quality Sales (telephonic)

Questions?**Possible Additional Testimony** (these Mayors may or may not be on line)

Mayor Nathaniel Olemaun, Jr.
Mayor Thomas Nukapigak
Mayor George Kingik
Mayor Elizabeth Hollingsworth

City of Barrow
City of Nuiqsut
City of Point Hope
City of Atkasuk



Superior Court

State of Alaska

Second Judicial District

Post Office Box 270
Barrow, AK 99723-0270

Michael I. Jeffery
Presiding Judge

(907) 852-4800
Fax (907) 852-4804

April 22, 2006

Mr. John Potter
Postmaster General
United States Postal Service
472 L'Enfant Plaza, SW
Washington, D.C. 20260

Re: Opposition to US Post Office's Proposed Fairbanks-North Slope Alaska Mode Conversion

Dear Mr. Potter:

I appreciate the fact that the US Postal Service held public meetings during fall 2005 in Barrow and Fairbanks, Alaska about the proposal to change the way bypass mail is delivered to our community. I understand that postal regulations did not require such hearings to be held. I am sure you are aware that testimony at both USPS hearings in Barrow and the hearing in Fairbanks was overwhelmingly opposed to the mode conversion. As you know, bypass mail is currently flown from Fairbanks to Barrow. The plan is to substitute use of special trucks over the remote Dalton Highway in northern Alaska to Prudhoe Bay, storing the freight there, and then flying it from Prudhoe Bay to Barrow. I understand that the Postal Service has decided to go ahead with this plan. This letter is to express my strong opposition to this decision.

It is clear that the frequency of jet service to our community will be reduced, perhaps to as few as one flight a day during the fall, winter and spring months. Having such reduced air service will have an impact on various justice system agencies and public safety in general. If we need to detain a violent juvenile, the juvenile must be flown to Fairbanks to be placed in the nearest licensed, locked juvenile detention facility. While in Barrow waiting for the flight, the juvenile must be watched either at the break room at the police station or in the juvenile probation officers' office for an extended period of time. The guard with the juvenile is not available for other duties affecting public safety in our community. A juvenile probation officer must leave Barrow to escort the juvenile to Fairbanks and would not be able to return for more than a day, leaving the Juvenile Probation Office understaffed for a lengthy period of time each time this

occurs. In addition, with only one plane on most days of the week during most of the year, it would be difficult or impossible to get seats on a plane that must serve the travel needs of the whole community. If the planes go through Prudhoe Bay, even more difficulties in finding seats for emergency transports will occur, as the oil field community struggles for seats along with the school, businesses and families of other North Slope communities.

We face the same problem for North Slope residents who are suicidal or in some other mental health crisis. Acute care treatment must be done in facilities in Anchorage or Fairbanks. Reduced flight availability results in delays in treatment and increased stress on the local mental health providers to ensure humane protective confinement until the flight is available.

Another issue is adult prisoner transport. The Barrow Jail facility is not designed for lengthy jail stays. It also has a limited number of cells. With fewer flights and prior booking of seats, it will be harder to secure outbound seats for transports to relieve jail overcrowding and to remove particularly dangerous individuals from the local jail. Prisoner transport by state trooper planes is an option, but that is extremely costly for the State of Alaska.

The reduction in flights and the likelihood that the air carriers would route them through Prudhoe Bay will result in greater expenses for citizens, law firms and agencies using the trial courts. There are no private lawyers in Barrow and only the Public Defender Agency and the Department of Law have law offices here. It will be more costly for state agencies and other litigants to cover the types of hearings that must be done in person with the reduced schedule. Of course, we will continue to provide the option of telephonic hearings as much as possible, but telephonic hearings cannot be used for trials, complicated hearings and sentencing in most felony cases.

I attended one of the meetings last fall in Barrow and was surprised by the easy assumptions being made by the Post Service representatives. They believed that the quality of perishable goods would not suffer by this plan to use the Prudhoe Bay haul road to bring the goods overland to Prudhoe Bay and then to have air delivery from there to Barrow. They also believed that there would be no noticeable change in air service to the North Slope based on their experience in other parts of Alaska.

But air service will almost certainly be cut. Having lived in Barrow over 29 years, I have seen how long it has taken to get the level of jet service that we currently have. Barrow's very remote location as America's farthest north community and the high cost of fuel to reach Barrow make it virtually certain that air service will be significantly cut if bypass mail is not part of the freight coming to this community.

There are additional problems that will result from the use of the Dalton Highway to truck bypass mail to Prudhoe Bay. I have not driven the Dalton Highway to Prudhoe Bay, but I am certainly familiar with road conditions in the Arctic. Blizzards and flooding

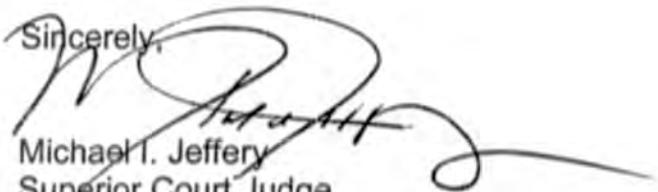
are all likely to slow or eliminate truck service. The State of Alaska and the North Slope Borough will have greatly increased costs in maintaining and policing the Dalton Highway with the increased traffic. While trucking companies based in Anchorage or Fairbanks will surely earn great profits from this plan, air carriers will have empty cargo space from Fairbanks to Prudhoe Bay as they maintain necessary space to fly bypass mail from Prudhoe Bay to Barrow. There are many times when weather is down at Prudhoe Bay and not Barrow or the opposite, which will further reduce the ability of the Post Office to make sure perishable food and other items are delivered to Barrow in a timely way. The quality of life for Barrow and other North Slope residents will be noticeably reduced by lower quality food, higher air fares, and fewer but longer flights in and out of Barrow.

During the hearing I attended in Barrow, I also heard testimony from air carrier representatives that the Postal Service savings realized in the first year would be sharply reduced in future years when the air carriers adjusted the rates they needed to charge when they factor in the empty cargo run from Fairbanks to Barrow and back. Of course there will be substantial investments needed for refrigerated trucks and storage facilities at Prudhoe Bay. The projected \$1.3 million in annual savings for the Postal Service will probably turn out to far less. To the extent there are savings, they will be outweighed by significantly higher costs for the State of Alaska, the North Slope Borough and North Slope residents.

It may be that the US Postal Service will save money, at least in the first year. But these costs will be transferred to the State of Alaska (for road maintenance and prisoner transport) and the citizens and agencies of the North Slope Borough and the justice system personnel and agencies in Fairbanks and Anchorage. I believe that this mode conversion violates the spirit of the federal Rural Services Improvement Act's goal to make sure that there are adequate arrangements for the delivery of food and other necessities to rural areas like the North Slope Borough (an area half the size of California) and to make sure that reliable passenger service and reliable non-mail freight service will be maintained.

I am offering these comments as an individual Barrow citizen who has lived here more than 29 years and has with my wife Esther raised three children who are now 21, 19, and 17 years of age. I also write as the Superior Court Judge in this community for the last 23.5 years. But I do not speak for the Alaska Court System as an organization. I strongly oppose the US Postal Service decision to eliminate the present system of bypass mail air flights to Barrow.

Sincerely,



Michael T. Jeffery
Superior Court Judge

John Potter, Postmaster General
April 22, 2006
Page 4

cc. Sen. Ted Stevens
Sen. Lisa Murkowski
Congressman Don Young
Governor Frank Murkowski
Rep. Reggie Joule, Alaska Legislature
Sen. Donny Olson, Alaska Legislature
Rep. Jay Ramras, Alaska Legislature
Rep. Mark Neuman, Alaska Legislature
Mayor Edward Itta, North Slope Borough
Mayor Nathaniel Olemaun, Jr., City of Barrow
Mayor Jim Whitaker, North Star Borough
Mayor Steve Thompson, City of Fairbanks
Stephanie Cole, Administrative Director, Alaska Court System
Tom Mize, Area Court Administrator, Second Judicial District
Steve Deaton, Network Plan Specialist, USPS, Anchorage

Headquarters:
217 2nd Street, Suite 201
Juneau, Alaska 99801
(907) 586-2323 FAX 463-5515
www.alaskachamber.com



Regional Office:
601 W. 5th Ave., Suite 700
Anchorage, Alaska 99501
(907) 278-2722 FAX 278-6643

April 21, 2006

Representative Jay Ramras, Co-Chair
Representative Mark Neuman, Co-Chair
House Special Committee on Economic Development, Trade and Tourism
State Capitol Room 120,
Juneau, Alaska 99801

Honorable Co-Chairs and Members of the Committee,

The Alaska State Chamber of Commerce sincerely appreciates your efforts in holding a hearing on the problems associated with changes to the by-pass mail service to Barrow proposed by the U. S. Postal Service (USPS). The by-pass mail program has been a cost-effective system designed to transport goods, particularly groceries and fresh produce, to remote Alaska communities since the mid 1970's.

The USPS has proposed a change in the way bypass mail is transported between Fairbanks and Barrow. Three mainline air carriers including Alaska Airlines, whom also serve as the primary passenger carriers between these communities, transport bypass mail to Barrow. This system of transporting bypass mail by air to Barrow allows passenger carriers to offer more frequent and more affordable service. Frequent air service with a passenger-cargo mix also improves the availability of perishable goods and professional services to north slope region.

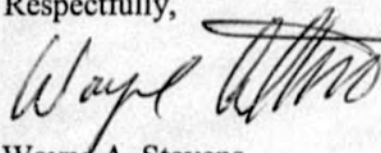
The USPS proposal changes the routing from an air route to a combined route of ground transportation from Fairbanks to Deadhorse and then air from Deadhorse to Barrow. Under the plan, goods will be trucked up the Dalton Highway, unloaded, stored, and then reloaded onto an airplane for movement to Barrow and outlying villages. Additional transport, staging and handling ultimately defeats the purpose for which bypass mail is designed: to by-pass unnecessary handling by the postal service and to increase the rate at which goods are transported to the region. Likely, air carriers will find themselves flying empty aircraft to the North Slope in order to position those aircraft for the transport of bypass mail to the region's communities.

While there may be short-term gains for ground transportation providers, we do not believe short-term gains for one facet of the transportation sector will save any additional money for the USPC or serve Barrow and the outlying communities any better. Since the airmail service essentially subsidizes passenger flights to Barrow, air carriers will likely reduce the number of Barrow-bound flights from Fairbanks. We believe that the USPS has overestimated the potential savings from the new plan, and in fact, may actually spend more money on this proposed plan.

As a proposed cost-savings measure, this shift in procedure may have dire consequences for north slope residents and air carriers operating in the region.

The Alaska State Chamber of Commerce stands ready to assist the committee or the legislature as they look for ways to find a resolution to this issue. We are hopeful that with additional information and overwhelming public comment that the USPS will reverse their course of action in adopting the new by-pass mail plan. Please let us know if there is anything the State Chamber can do to assist the committee with regards to this matter.

Respectfully,

A handwritten signature in dark ink, appearing to read "Wayne A. Stevens", with a horizontal line extending to the right.

Wayne A. Stevens
President/CEO



Superior Court
State of Alaska

Second Judicial District
Post Office Box 270
Barrow, AK 99723-0270

Michael L. Jeffery
Presiding Judge

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Fax (907) 852-4804

April 22, 2006

Mr. John Potter
Postmaster General
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John Potter, Postmaster General
April 22, 2006
Page 2

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John Potter, Postmaster General
April 22, 2006
Page 3

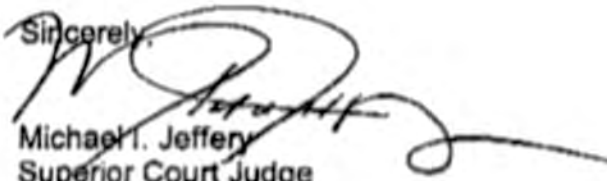
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Sincerely,



Michael I. Jeffery
Superior Court Judge



CITY OF BARROW

"Farthest North Incorporated City"

19 April 2006

P.O. Box 624
2022 Abkovak Street
Barrow, Alaska 99725
Phone (907) 852-5211
Fax (907) 852-5871
www.cityofbarrow.org

Mayor Nate Olemaun, Jr. City of Barrow

Honorable Rep. Jay Ramras, Co-Chair
Alaska State Capitol, Room 104
Juneau, Alaska 99801-1182
House District 10

Rep. Mark A. Jewman, Co-Chair
Alaska State Capital, Room 432
Juneau, Alaska 99801 1182
House District 15

Re: By Pass Mail Testimony on 19 April 2006

My grandfather Perry Inavenna was a dog team, mail carrier from Barrow to Nome in early 1900's. My dad was with army signal corp. as telegram operator and morse code operation before regular delivers of mail to Barrow.

During August 24, 2005 Barrow Public Meeting, about proposal to move mail air to surface/air from Fairbanks, Deadhorse to Barrow.

Approximately 150 residents turned out to express their concern over the plan. The meeting was aired across the slope on KBRW radio. I'm going to state some of the statements. We have written to our federal delegates, Senator Stevens, Senator Murkowski and Representative Young communicating up to today with them.

I believe nobody has taken the trouble to investigate the nature or management of these impacts. It will send us back to 1960's in terms of air transportation. Without by pass-mail on board, our current passenger air service will be cut back severely. At 15 flights to 4 flights per week, Alaska Airlines either passenger fares will skyrocket or air carriers will serve the market with much smaller planes. With new support run-way being built for supposing air service to increase, here in City of Barrow, now.

The reduction of Postal Service is a concern to us, because it will significantly delay the delivery of perishable goods and also cause more spoilage, which will increase retail prices in our communities.

The quality of the bypass mail (especially produce, eggs and milk) will decline due to the extra time of taking them to Deadhorse. Even with by-pass mail now, we are running out

of stock for whaling crews now with our 40 whaling crews getting ready. If by-pass mail stops it really will hurt the Whaling crews getting ready for camping out on the ice with the supplies not in stores. It sends us back to 1950's version of Whaling. Living on what we catch while camping on ice to eat.

In closing, I would like to thank the House Special Committee on Economic Development, Trade and Tourism at Representative Jay Ramras and Mark Newman Co-Chairs and Committee members. I support your letter to postmaster general base on Rural Service Improvement Act.



Mayor Nate Olemaun, Jr.
City of Barrow

Cc: Files



North Slope Borough School District Office of the Superintendent

In the Postal Reorganization Act of 1970, the US Postal Service is granted special protection for the right of post boxes and delivery of first class mail to the US Government because of its commitment to provide a standard of service to all box holders, rural and urban.

In a 1976 amendment to the act, the US Postal Service was required to provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining; it being the specific intent of Congress that effective postal services be insured to residents of both urban and rural communities.

In assisting the Senate to craft reform legislation, the Governmental Accounting Office crafted GAO-04-803 USPS Report on Delivery and Retail Services. In it was the recommendation that the Postmaster General provide improved transparency and communication to inform Congress and other stake holders of the actions it plans to take regarding its retail optimization strategy, including:

- (1) The criteria USPS will use to make decisions related to changing its retail network; we have requested the cost analysis and specific data used to propose this decision, and it has not been provided.**
- (2) The process it will use to communicate with postal stake holders throughout the decision-making process; The Rural Post Office and Community Preservation Act of 2003 and H.R. 3432, Post Office Community Partnership Act of 2003, requires USPS decision makers in our region to involve us in decisions that will impact the quality of service we receive. The Alaska postmaster has not given us the information we requested, we have not been given the opportunity to propose and examine alternatives to this plan. Clearly this decision hasn't been responsive to the Rural Post Office and Community Partnership Acts.**
- (3) The impact on customers, including those in rural areas; Where is the impact data on Barrow and the North Slope for this decision? You are required to share it.**

(4) The time frames for implementing all phases of its retail optimization initiative; We have requested the cost analysis, impact data, timelines and specific data used to propose this decision, and it has not been provided. We have asked you to involve us, to generate alternatives, you have not responded. The GAO noted that the US Congress has made it clear on several occasions to the USPS that the Universal service standard is not to be compromised in rural areas in any contemplated reform, we have requested information that assures us that the Universal Standard will be preserved here; that the mail on the North Slope will be delivered in as timely and reliable fashion under this proposal as it has been delivered previously, but our concerns to this end were not addressed either.

But there is hope for us. In February, S662 on Postal Reform passed, despite being opposed by the USPS. We support their reform of the USPS; we are encouraged to see Congress exert control over our postal system to protect us. We know all too well, it cannot come soon enough for us.

If this decision moves forward, without having provided us a timeline, fiscal impact, cost-benefit analysis, or opportunity for participation, we must be prepared to act as a community.

We need to let this bill's sponsors: Senator Collins of Maine and Senator Carper of Delaware, know that, in the eyes of the Alaska USPS, the people of the North Slope are somehow less deserving than the rest of Alaska.

That while the Senators are championing transparency at a national level, this transaction is being rushed to completion behind closed doors, with no cooperation with our elected representatives in the Borough, the Tribes or the cities.

That while the Senators are championing universal service to all rural areas in Alaska, the USPS believes it is only those rural areas surrounding Anchorage and Fairbanks that should enjoy comparable services, while the service to native peoples in the bush is held to a different, more cost effective standard.

That while those Senators believe that providing universal postal service is the cornerstone of USPS's mission, the Alaska USPS will discriminate among its customers in order to provide a trucking contract and a processing center to businessmen in Fairbanks.

We need to write to Senators Collins and Carper, Senators Murkowski and Stephens and support their belief, embodied in S662, that, and I quote,

"universal service is essential to the nation's communications network and economy; that it is vital to the American people, many of whom rely upon the consistency of mail delivery and convenient access to the retail postal network."

We can prove that, without roads, consistent access to mail is more important here than almost anywhere in America. It is the cornerstone of not only our economy, but our quality of life.

In summary, if this proposal moves forward without transparency, opportunity for participation or regard for universal service, we must come together as a community and provide universal opposition however and wherever possible.

Thanks,

Trent Blankenship

**Testimony of William MacKay
Senior Vice President, Alaska
Alaska Airlines
before the Economic Development, Trade and Tourism Committee
Alaska State House of Representatives
April 19, 2006**

Co-chairs Ramras, Neuman and members of the Committee, my name is Bill MacKay and I serve as Senior Vice President, Alaska for Alaska Airlines. I am joined today by Jeff Carlson, the Manager of Contract Stations for Alaska Airlines. We are grateful for the opportunity to discuss the Barrow bypass mail issue with you today and appreciate the Committee's leadership in addressing this important matter. In my Anchorage-based position, I am involved in leading many aspects of our operations here in the state of Alaska and have been coordinating Alaska Airlines' response to the Barrow mail issue for over a year.

Alaska Airlines is opposed to the U.S. Postal Service plan to truck the Fairbanks-Barrow nonpriority bypass and in-house nonpriority mail from Fairbanks to Deadhorse where it would then be flown to Barrow. Having spent over two decades in statewide leadership positions for Alaska Airlines here in Alaska, I have come to understand very well the critical role the bypass mail program serves in getting essential goods shipped into rural Alaska communities. What's more, this program helps to ensure the economic viability of scheduled passenger airline service to these towns and villages – air service that is critical given the lack of any road connections to these locations.

Alaska Airlines currently operates at least 11 non-stop flights each week between Fairbanks and Barrow. We operate an additional daily roundtrip flight from Anchorage to Deadhorse. This level of service assures that Barrow residents receive all of the necessities moving under the bypass mail program on a daily basis. The Postal Service, however, is now proposing to transfer the approximately 10 million pounds of annual bypass and in-house nonpriority mail for surface carriage from Fairbanks to Deadhorse to connect with an as yet undetermined number of flights between Deadhorse and Barrow. While we are committed to minimizing the negative impact for residents of the North Slope and the interior, the Postal Service plan will force us to significantly alter our schedule and pattern of service to Fairbanks, Barrow and Deadhorse.

Alaska Airlines understands and appreciates that the plan is driven by the Postal Service's desire to reduce its costs. However, we sympathize with those living in the North Slope Borough who are very concerned with how this altered flow of shipped goods will impact the timeliness and quality of mail delivery to their communities. Their very understandable anxiety over delays in receipt of mail and increases in damaged goods caused by the new overland segment and additional handling of the mail should be carefully considered.

Alaska Airlines, therefore, hopes that the Legislature will encourage the Postal Service to indefinitely postpone implementation of its proposed Fairbanks-Barrow program until there has been additional review, with full participation by the residents of Barrow and the other affected communities, of the entire range of social and economic costs the program would impose in addition to whatever savings the USPS might accrue.

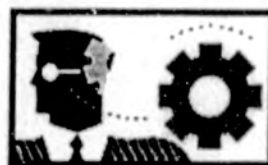
I thank the co-chairs and the committee for your time and interest in this very important matter.



Fairbanks to Barrow

Mode Conversion

Overview





Business Plan

Current Transportation Network

- **Three (3) Certificated Air Carriers
Operating Service Between Fairbanks, AK
and Barrow, AK**
 - **Everts Air Cargo**
 - **Northern Air Cargo**
 - **Alaska Airlines**

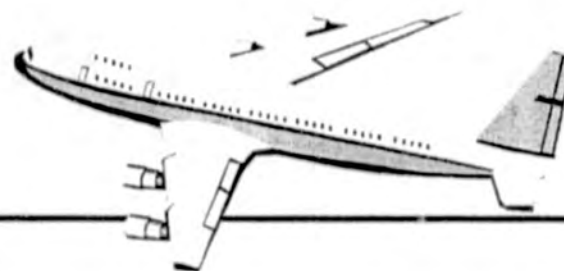




Business Plan

Proposed Service

- **Create surface legs between Fairbanks and Prudhoe Bay/Deadhorse AK**
- **The mail would then be tendered to certificated air carriers for transport between Deadhorse (SCC) and Barrow, AK (BRW)**





Business Plan

Proposed Service





Business Plan

Surface Network Requirements

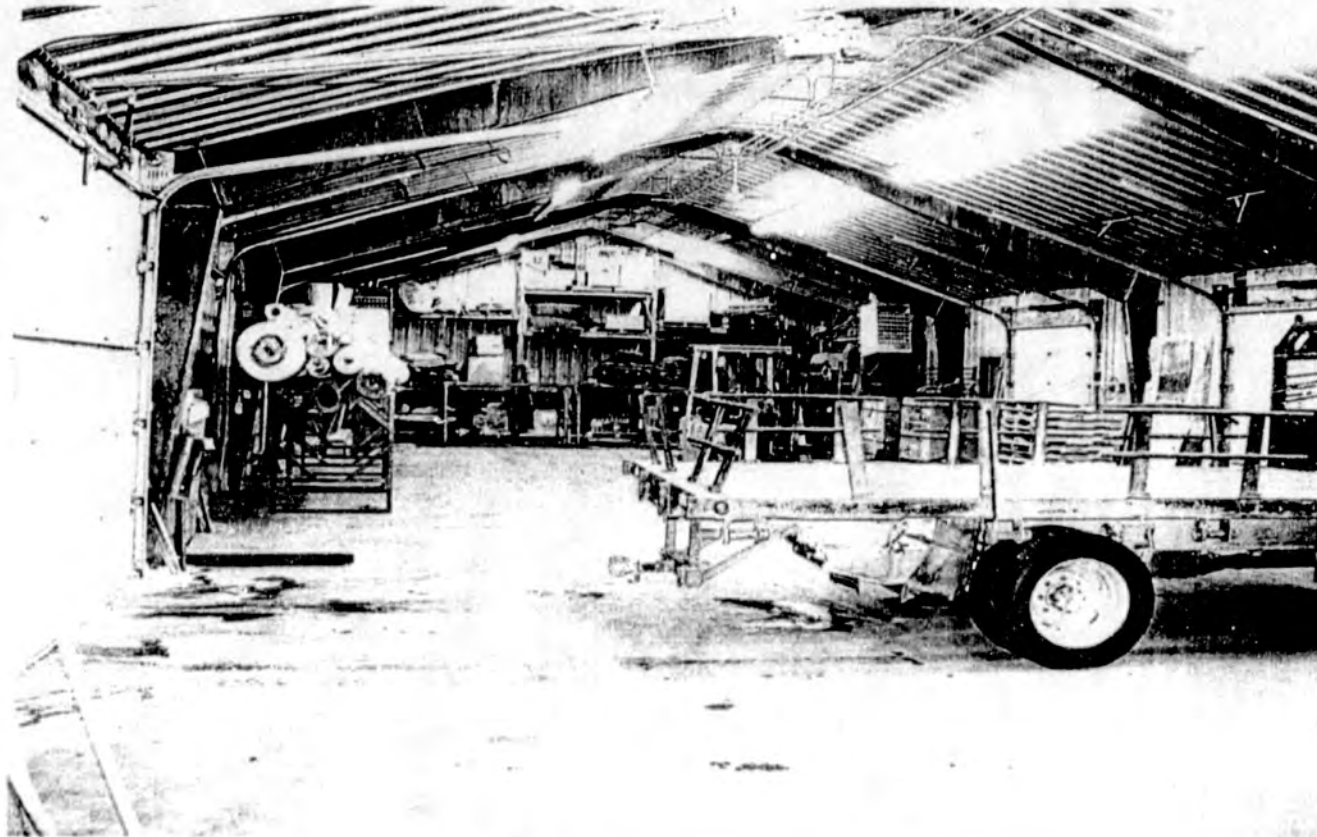
■ Facility Specifications

- No new facilities (FAI/SCC)**
 - Fairbanks (FAI) – current surface carriers facility (Lynden)**
 - Prudhoe (SCC) – current surface carriers facility (Lynden)**
-



Business Plan

Lynden Transport Prudhoe Bay Facility



*heat-treated
palletized (over 2)*