ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILE 8672 1229
1661 SCOMM 64: SEN. SPEC. COMM. ON INT'L TRADE AND TOURISM, 1989-90

A series of annotated attachments to this memorandum provide background information on the amendment and the debate surrounding its enactment. Attachment A contains an index to, and copies of, the sections of the Act affected by Jackson-Vanik (section 402 is the meat of the amendment). Attachment B contains summary descriptions of the amendment, Vanik testimony and senate action. Attachment C contains a summary of the amendment as originally proposed and an exchange of letters between Secretary of State Kissinger and Senator Jackson. The letters discuss administration objections to the amendment and the specific level of Jewish emigration from the Soviet Union necessary to comply with the intent of the measure.

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I hope this is enough information for your purposes. Please call if you have questions.

Attachments

ATTACHMENT A
Index to, and Copies of the Sections
of the Federal Trade Act of 1974 Affected
by Jackson-Vanik

Investment Company Act of 1940

Aug. 22, 1940, ch. 686, title I, 54 Stat. 789 (Title 15, §§ 80a-1 to 80a-52)
Aug. 10, 1954, ch. 667, title IV, §§ 401-403, 68 Stat. 689 (Title 15, §§ 80a-2, 80a-24)
Aug. 21, 1958, Pub. L. 85-699, title III, § 307(c), 72 Stat. 694 (Title 15, § 80a-18)
Aug. 28, 1958, Pub. L. 85-791, § 25, 72 Stat. 949 (Title 15, § 80a-42)
June 25, 1959, Pub. L. 86-70, § 12(d), (e), 73 Stat. 143 (Title 15, §§ 80a-2, 80a-6)
June 11, 1960, Pub. L. 86-507, § 1(14)(15), 74 Stat. 201 (Title 15, §§ 80a-8, 80a-39)
July 12, 1960, Pub. L. 86-624, § 7(c), 74 Stat. 412 (Title 15, §§ 80a-2, 80a-6)
July 1, 1966, Pub. L. 89-485, § 13(i), 80 Stat. 243 (Title 15, § 80a-3)
Oct. 15, 1970, Pub. L. 91-452, title II, § 215, 84 Stat. 929 (Title 15, § 80a-41)
Dec. 14, 1970, Pub. L. 91-547, §§ 2-22, 84 Stat. 1413-1430 (Title 15, §§ 80a-2, 80a-3, 80a-8, 80a-13, 80a-15, 80a-17, 80a-19, 80a-22, 80a-24, 80a-28, 80a-31, 80a-32, 80a-35, 80a-42, 80a-43)
Nov. 3, 1971, Pub. L. 92-165, 85 Stat. 487 (Title 15, § 80a-27)
Oct. 27, 1972, Pub. L. 92-595, § 2(g), 86 Stat. 1316 (Title 15, § 80a-18)
June 4, 1975, Pub. L. 94-29, § 27(e), 89 Stat. 163 (Title 15, § 80a-48)
Feb. 5, 1976, Pub. L. 94-210, title III, § 308(c), 90 Stat. 57 (Title 15, § 80a-3)
Nov. 6, 1978, Pub. L. 95-598, title III, § 310, 92 Stat. 2676 (Title 15, §§ 80a-2, 80a-6, 80a-25)
Oct. 21, 1980, Pub. L. 96-477, title I, title VII, § 703, 94 Stat. 2275, 2295 (Title 15, §§ 80a-2, 80a-3, 80a-6, 80a-46, 80a-53 to 80a-64)
Oct. 13, 1982, Pub. L. 97-303, § 5, 96 Stat. 1409 (Title 15, § 80a-2)
Dec. 4, 1987, Pub.L. 100-181, Title VI, §§ 601 to 627, 101 Stat. 1260 to 1263 (Title 15, §§ 80a-2, 80a-3, 80a-5, 80a-6, 80a-9, 80a-12, 80a-15, 80a-17, 80a-18, 80a-20, 80a-21, 80a-22, 80a-24, 80a-26, 80a-28, 80a-35, 80a-41, 80a-52, 80a-53, 80a-54, 80a-56)

Investment Company Amendments Act of 1970

Pub. L. 91-547, Dec. 14, 1970, 84 Stat. 1413 (Title 15, §§ 77b, 77c, 78c, 78l, 80a-2, 80a-3, 80a-8, 80a-13, 80a-15, 80a-17, 80a-19, 80a-22, 80a-24, 80a-28, 80a-31, 80a-32, 80a-35, 80a-42, 80a-43, 80b-2, 80b-3, 80b-5, 80b-6a)

Irish Wilderness Act of 1984

Pub.L. 98-289, May 21, 1984, 98 Stat. 199 (Title 16, § 1132 note)

Irrigation Acts

Mar. 3, 1891, ch. 561, 26 Stat. 1095 (Title 16, §§ 471, 607, 611, 611a, 613; Title 25, § 426; Title 43, §§ 161, 162, 165, 173, 174, 185, 212, 262, 321, 323, 325, 327-329, 663, 671, 718, 728, 893, 946-949, 989, 1165, 1166, 1181, 1197
June 17, 1902, ch. 1093, 32 Stat. 388 (Title 43, §§ 372, 373, 381, 383, 391, 392, 411, 414, 416, 419, 421, 431, 432, 434, 439, 461, 476, 491, 498)

Irrigation Investigation Act

See Arid Land Act

Isolated Tract Act

Mar. 28, 1912, ch. 67, 37 Stat. 77 (Title 43, § 1171)

Isthmian Canal Act

See Panama Canal Acts

Sections of act affected by JV amendments

Jackson-Vanik Amendment

See, also, Trade Act of 1974
Pub.L. 93-618, Title I, §§ 152, 153, Title IV, §§ 402, 407, 409, Jan. 3, 1975, 88 Stat. 2004, 2006, 2056, 2063, 2064, (Title 19, §§ 2192, 2193, 2432, 2437, 2439)

Jadwin Act

See Mississippi River Flood Control Act

James Madison Memorial Fellowship Act

Pub.L. 99-500, Title I, § 101(b) [Title VIII, §§ 801 to 818], Oct. 18, 1986, 100 Stat. 1783-76 (Title 20, §§ 4501, 4501 note, 4502 to 4517)
Pub.L. 99-591, Title I, § 101(b) [Title VIII, §§ 801 to 818], Oct. 30, 1986, 100 Stat. 3341-76 (Title 20, §§ 4501, 4501 note, 4502 to 4517)

Japan-United States Friendship Act

Pub. L. 94-118, Oct. 20, 1975, 89 Stat. 603 (Title 22, §§ 2901-2906)
Pub. L. 94-350, title IV, § 401, July 12, 1976, 90 Stat. 833 (Title 22, §§ 2902, 2905, 2906)
Pub. L. 95-426, title VII, § 703(a), Oct. 7, 1978, 92 Stat. 992 (Title 22, § 2905)
Pub. L. 97-241, title V, § 503, Aug. 24, 1982, 96 Stat. 298 (Title 22, §§ 2905, 2906)

Townsite Acts—Continued
July 1, 1870, ch. 193, 16 Stat. 183

Toxic Substances Control Act
Pub. L. 94-469, Oct. 11, 1976, 90 Stat. 2003 (Title 15, §§ 2601-2629)
Pub. L. 97-129, § 1, Dec. 29, 1981, 95 Stat. 1686 (Title 15, §§ 2627, 2628)
Pub. L. 98-80, § 2(c)(2)(A), Aug. 23, 1983, 97 Stat. 485 (Title 15, § 2625)
Pub.L. 98-620, Title IV, § 402(19), Nov. 8, 1984, 98 Stat. 3358 (Title 15, § 2622)
Pub.L. 99-419, §§ 2, 3(b)(c), Oct. 22, 1986, 100 Stat. 954 (Title 15, §§ 2614, 2618, 2619, 2641 to 2654)

Toy Safety Act of 1984
Pub.L. 98-491, Oct. 17, 1984, 98 Stat. 2269 (Title 15, §§ 1261 note, 1274)

Trade Act of 1974
Pub. L. 93-618, Jan. 3, 1975, 88 Stat. 1978 (Title 5, §§ 5312, 5314, 5315, 5316; Title 19, §§ 160, 162-164, 170a, 1202, 1303, 1315, 1321, 1330, 1332, 1333, 1337, 1352, 1484, 1515 note, 1516, 1862, 1863, 1872, 1981, 2101, 2102, 2111-2119, 2131, 2137, 2151-2155, 2171, 2191-2194, 2211-2213, 2231, 2232, 2251-2253, 2271-2274, 2291-2298, 2311-2322, 2341-2354, 2371-2374, 2391-2394, 2411, 2412, 2431-2441, 2461-2465, 2481-2487, 2631, 2632; Title 26, § 3302; See Title 31, §§ 1513, 1514)
Pub. L. 96-39, § 3(e), title I, § 106(b)(3), title II, §§ 202(e)(1), 224, title V, §§ 502(b), (e), 503, 507, title VI, § 601(b), title IX, §§ 901, 902, title XI, §§ 1101, 1103, 1104, 1106(c), 1111(a), July 26, 1979, 93 Stat. 150, 193, 202, 235, 251, 253, 268, 295, 299, 307, 308, 310, 311, 315 (Title 19, §§ 1315, 1352, 2101 note, 2111 note, 2112, 2119, 2131, 2135 note, 2155, 2192, 2194, 2211, 2251, 2253, 2411-2416, 2432, 2434, 2462, 2463, 2464, 2481, 2486)
Pub. L. 96-417, title VI, § 612, Oct. 10, 1980, 94 Stat. 1746 (Title 19, § 2322)
Pub. L. 97-35, title XXV, §§ 2501-2504(a), 2505(a), 2506(2), 2507-2511, 2513(a)-(c), (d)(6), 2521-2527, Aug. 13, 1981, 95 Stat. 881-893 (Title 19, §§ 2272, 2274, 2275, 2291-2293, 2296-2298, 2311, 2313, 2315, 2317-2319, 2343-2347, 2353, 2355)
Pub. L. 97-164, title I, § 163(a)(5), Apr. 2, 1982, 96 Stat. 49 (Title 19, § 2395)
Pub. L. 97-456, § 3(a)-(d)(4), Jan. 12, 1983, 96 Stat. 2504 (Title 5, §§ 5312, 5314; Title 19, § 2171)
Pub. L. 98-120, §§ 2, 3, 4, Oct. 12, 1983, 97 Stat. 809 (Title 19, §§ 2272, 2317, 2345)
Pub.L. 98-369, Title VI, §§ 2671 to 2673, 98 Stat. 1172 (Title 19, §§ 2293, 2297, 2298, 2355)
Pub.L. 98-573, Title II, §§ 248, 249, Title V, §§ 502 to 505, 507, Title VII, § 703, Oct. 30, 1984, 98 Stat. 2988, 3018 to 3020, 3023, 3043 (Title 19, §§ 1330, 2171, 2192, 2251, 2253, 2461, 2462, 2464 to 2466)
Pub.L. 99-47, § 8(b), June 11, 1985, 99 Stat. 84 (Title 19, §§ 2112, 2462, 2463, 2464)
Pub.L. 99-107, § 3, Sept. 30, 1985, 99 Stat. 479 (Title 19, § prec. 2271 note)
Pub.L. 99-155, § 2(b), Nov. 14, 1985, 99 Stat. 814 (Title 19, § prec. 2271 note)
Pub.L. 99-181, § 2, Dec. 13, 1985, 99 Stat. 1172 (Title 19, § prec. 2271 note)
Pub.L. 99-189, § 2, Dec. 18, 1985, 99 Stat. 1184 (Title 19, § prec. 2271 note)
Pub.L. 99-272, Title XIII, §§ 13002 to 13008, 13023, Apr. 7, 1986, 100 Stat. 300 to 305, 307 (Title 19, §§ 2171, prec. 2271 note, 2271, 2272, 2291, 2292, 2293, 2296, 2297, 2311, 2317, 2319, 2341 to 2344, 2346)
Pub.L. 99-514, § 1887, Oct. 22, 1986, 100 Stat. 2923 (Title 19, §§ 2112, 2138, 2155, 2171, 2462, 2464)
Pub.L. 99-570, Title IX, §§ 9001, 9002, Oct. 27, 1986, 100 Stat. 3207-164, 3207-166 (Title 19, §§ 2462, 2491 to 2495, 2702)
Pub.L. 100-203, Title IX, § 9504, Dec. 22, 1987, 101 Stat. 1330-382 (Title 19, § 2171)
Pub.L. 100-204, Title VIII, § 806(a), (b), Dec. 22, 1987, 101 Stat. 1398 (Title 19, § 2492)

Trade Adjustment Assistance Reform and Extension Act of 1986
Pub.L. 99-272, Title XIII, §§ 13001 to 13009, Apr. 7, 1986, 100 Stat. 300 (Title 19, §§ 3101 note, prec. 2271 note, 2271, 2272, 2291, 2291 note, 2292, 2293, 2296, 2297, 2311, 2317, 2319, 2341 to 2344, 2346)
Pub.L. 99-272, Title XIII, §§ 13024, 13032, Apr. 7, 1986, 100 Stat. 308, 310 (Title 19, § 58b)

Trade Agreements Act
June 12, 1934, ch. 474, §§ 1-4, 48 Stat. 943 (Title 19, §§ 1001, 1201, 1351-1354)

or resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of an implementing bill or approval resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate is not debatable. A motion to recommit an implementing bill or approval resolution is not in order.

SEC. 152. RESOLUTIONS DISAPPROVING CERTAIN ACTIONS.

(a) Contents of Resolutions.—

(1) For purposes of this section, the term "resolution" means only—

(A) a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: "That the Congress does not approve ________ transmitted to the Congress on ________", the first blank space being filled in accordance with paragraph (2) and the second blank space being filled with the appropriate date; and

(B) a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: "That the ________ does not approve ________ transmitted to the Congress on ________", with the first blank space being filled with the name of the resolving House, the second blank space being filled in accordance with paragraph (3), and the third blank space being filled with the appropriate date.

(2) The first blank space referred to in paragraph (1)(A) shall be filled as follows:

(A) in the case of a resolution referred to in section 203 (c), with the phrase "the action taken by, or the determination of, the President under section 203 of the Trade Act of 1974"; and

(B) in the case of a resolution referred to in section 302(b), with the phrase "the action taken by the President under section 301 of the Trade Act of 1974".

(3) The second blank space referred to in paragraph (1)(B) shall be filled as follows:

(A) in the case of a resolution referred to in section 303 (e) of the Tariff Act of 1930, with the phrase "the determination of the Secretary of the Treasury under section 303(d) of the Tariff Act of 1930";

(B) in the case of a resolution referred to in section 407(c)(2), with the phrase "the extension of nondiscriminatory treatment with respect to the products of ________" (with this blank space being filled with the name of the country involved); and ferred, or after such committee or committees have been discharged from further consideration of such bill.

(3) For purposes of paragraphs (1) and (2), in computing a number of days in either House, there shall be excluded any day on which that House is not in session.

(f) Floor Consideration in the House.—

(1) A motion in the House of Representatives to proceed to the consideration of an implementing bill or approval resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the House of Representatives on an implementing bill or approval resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the bill or resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit an implementing bill or approval resolution or to move to reconsider the vote by which an implementing bill or approval resolution is agreed to or disagreed to.

(3) Motions to postpone, made in the House of Representatives with respect to the consideration of an implementing bill or approval resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to an implementing bill or approval resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of an implementing bill or approval resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

(g) Floor Consideration in the Senate.—

(1) A motion in the Senate to proceed to the consideration of an implementing bill or approval resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on an implementing bill or approval resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with an implementing bill or approval resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill or resolution, except that in the event the manager of the bill

(C) in the case of a resolution referred to in section 407(c)(3), with the phrase "the report of the President submitted under section ______ of the Trade Act of 1974 with respect to ______." (with the first blank space being filled with "402(b)" or "409(b)", as appropriate, and the second blank space being filled with the name of the country involved).

(b) **Reference to Committees.**—All resolution introduced in the House of Representatives shall be referred to the Committee on Ways and Means and all resolutions introduced in the Senate shall be referred to the Committee on Finance.

(c) **Discharge of Committees.**—

(1) If the committee of either House to which a resolution has been referred has not reported it at the end of 30 days after its introduction, not counting any day which is excluded under section 153(b), it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution introduced with respect to the same matter, except no motion to discharge shall be in order after the committee has reported a resolution with respect to the same matter.

(2) A motion to discharge under paragraph (1) may be made only by an individual favoring the resolution, and is highly privileged in the House and privileged in the Senate; and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the resolution, and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(d) **Floor Consideration in the House.**—

(1) A motion in the House of Representatives to proceed to the consideration of a resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the House of Representatives on a resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the reolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order. It shall not be in order to move to reconsider the vote by which a resolution is agreed to or disagreed to.

(3) Motions to postpone, made in the House of Representatives with respect to the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives

to the procedure relating to a resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a resolution in the House of Representatives shall be governed by the Rules of the House of Representatives applicable to other resolutions in similar circumstances.

(e) **Floor Consideration in the Senate.**—

(1) A motion in the Senate to proceed to the consideration of a resolution shall be privileged. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

(f) **Special Rule for Concurrent Resolutions.**—In the case of a resolution described in subsection (a)(1), if prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to the same matter from the other House, then—

(1) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(2) the vote on final passage shall be on the resolution of the other House.

SEC. 153. RESOLUTIONS RELATING TO EXTENSION OF WAIVER AUTHORITY UNDER SECTION 402.

(a) **Contents of Resolutions.**—For purposes of this section, the term "resolution" means only—

(1) a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: "That the Congress approves the extension of the authority contained in section 402(c)(1) of the Trade Act of 1974 recommended by the President to the Congress on ———, except with respect to ———", with the first blank space being

filled with the appropriate date and the second blank space being filled with the names of those countries, if any, with respect to which such extension of authority is not approved, and with the except clause being omitted if there is no such country; and

(2) a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: "That the ______ does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on ______ with respect to ______", with the first blank space being filled with the name of the resolving House, the second blank space being filled with the appropriate date, and the third blank space being filled with the names of those countries, if any, with respect to which such extension of authority is not approved, and with the with-respect-to clause being omitted if the extension of the authority is not approved with respect to any country.

(b) **Application of Rules of Section 152; Exceptions.—**

(1) Except as provided in this section, the provisions of section 152 shall apply to resolutions described in subsection (a).

(2) In applying section 152(c)(1), all calendar days shall be counted, and, in the case of a resolution related to section 402(d)(4), 20 calendar days shall be substituted for 30 days.

(3) That part of section 152(d)(2) which provides that no amendment is in order shall not apply to any amendment to a resolution which is limited to striking out or inserting the names of one or more countries or to striking out or inserting an except clause, in the case of a resolution described in subsection (a)(1), or a with-respect-to clause, in the case of a resolution described in subsection (a)(2). Debate in the House of Representatives on any amendment to a resolution shall be limited to not more than 1 hour which shall be equally divided between those favoring and those opposing the amendment. A motion in the House to further limit debate on an amendment to a resolution is not debatable.

(4) That part of section 152(e)(4) which provides that no amendment is in order shall not apply to any amendment to a resolution which is limited to striking out or inserting the names of one or more countries or to striking out or inserting an except clause, in the case of a resolution described in subsection (a)(1), or a with-respect-to clause, in the case of a resolution described in subsection (a)(2). The time limit on a debate on a resolution in the Senate under section 152(e)(2) shall include all amendments to a resolution. Debate in the Senate on any amendment to a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such amendment, the time in opposition thereto shall be controlled by the minority leader or his designee. The majority leader and minor-

ity leader may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any amendment. A motion in the Senate to further limit debate on an amendment to a resolution is not debatable.

(c) Consideration of Second Resolution Not in Order.—It shall not be in order in either the House of Representatives or the Senate to consider a resolution with respect to a recommendation of the President under section 402(d) (other than a resolution described in subsection (a)(1) received from the other House), if that House has adopted a resolution with respect to the same recommendation.

SEC. 154. SPECIAL RULES RELATING TO CONGRESSIONAL PROCEDURES.

(a) Whenever, pursuant to section 102(e), 203(b), 302(a), 402(d), or 407(a) or (b), or section 303(e), of the Tariff Act of 1930, a document is required to be transmitted to the Congress, copies of such document shall be delivered to both Houses of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

(b) For purposes of sections 203(c), 302(b), 407(c)(2), and 407(c)(3), the 90-day period referred to in such sections shall be computed by excluding—

(1) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die, and

(2) any Saturday and Sunday, not excluded under paragraph (1), when either House is not in session.

CHAPTER 6—CONGRESSIONAL LIAISON AND REPORTS

SEC. 161. CONGRESSIONAL DELEGATES TO NEGOTIATIONS.

(a) At the beginning of each regular session of Congress, the Speaker of the House of Representatives, upon the recommendation of the chairman of the Committee on Ways and Means, shall select five members (not more than three of whom are members of the same political party) of such committee, and the President pro tempore of the Senate, upon the recommendation of the chairman of the Committee on Finance, shall select five members (not more than three of whom are members of the same political party) of such committee, who shall be accredited by the President as official advisers to the United States delegations to international conferences, meetings, and negotiation sessions relating to trade agreements.

(b)(1) The Special Representative for Trade Negotiation shall keep each official adviser currently informed on United States negotiating objectives, the status of negotiations in progress, and the nature of any changes in domestic law or the administration thereof and entire compensation in an action before the Court of Claims pursuant to the procedures of section 1498 of title 28, United States Code.

"(j) Definition of United States.—For purposes of this section and sections 338 and 340, the term 'United States' means the customs territory of the United States as defined in general headnote 2 of the Tariff Schedules of the United States."

(b) Section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) is amended by adding at the end thereof the following new sentence: "Each such annual report shall include a list of all complaints filed under section 337 during the year for which such report is being made, the date on which each such complaint was filed, and the action taken thereon, and the status of all investigations conducted by the commission under such section during such year and the date on which each such investigation was commenced."

(c) The amendments made by this section shall take effect on the 90th day after the date of the enactment of this Act, except that, for purposes of issuing regulations under section 337 of the Tariff Act of 1930, such amendments shall take effect on the date of the enactment of this Act. For purposes of applying section 337(b) of the Tariff Act of 1930 (as amended by subsection (a)) with respect to investigations being conducted by the International Trade Commission under section 337 of the Tariff Act on the day prior to the 90th day after the date of the enactment of this Act, such investigations shall be considered as having been commenced on such 90th day.

TITLE IV—TRADE RELATIONS WITH COUNTRIES NOT CURRENTLY RECEIVING NONDISCRIMINATORY TREATMENT

SEC. 401. EXCEPTION OF THE PRODUCTS OF CERTAIN COUNTRIES OR AREAS.

Except as otherwise provided in this title, the President shall continue to deny nondiscriminatory treatment to the products of any country, the products of which were not eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of the enactment of this Act.

SEC. 402. FREEDOM OF EMIGRATION IN EAST-WEST TRADE.

(a) To assure the continued dedication of the United States to fundamental human rights, and notwithstanding any other provision of law, on or after the date of the enactment of this Act products from any nonmarket economy country shall not be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), such country shall not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

(1) denies its citizens the right or opportunity to emigrate;

(2) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or

(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice,

and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2), or (3).

(b) After the date of the enactment of this Act, (A) products of a nonmarket economy country may be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), (B) such country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (C) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country shall include information as to the nature and implementation of emigration laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter so long as such treatment is received, such credits or guarantees are extended, or such agreement is in effect.

(c)(1) During the 18-month period beginning on the date of the enactment of this Act, the President is authorized to waive by Executive order the application of subsection (a) and (b) with respect to any country, if he reports to the Congress that—

(A) he has determined that such waiver will substantially promote the objectives of this section; and

(B) he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

(2) During any period subsequent to the 18-month period referred to in paragraph (1), the President is authorized to waive by Executive order the application of subsections (a) and (b) with respect to any country, if the waiver authority granted by this subsection continues to apply to such country pursuant to subsection (d), and if he reports to the Congress that—

(A) he has determined that such waiver will substantially promote the objectives of this section; and

(B) he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

(3) A waiver with respect to any country shall terminate on the day after the waiver authority granted by this subsection ceases to be effective with respect to such country pursuant to subsection (d). The President may, at any time, terminate by Executive order any waiver granted under this subsection.

(d)(1) If the President determines that the extension of the waiver authority granted by subsection (c)(1) will substantially promote the objectives of this section, he may recommend to the Congress that such authority be extended for a period of 12 months. Any such recommendation shall—

(A) be made not later than 30 days before the expiration of such authority;

(B) be made in a document transmitted to the House of Representatives and the Senate setting forth his reasons for recommending the extension of such authority; and

(C) include, for each country with respect to which a waiver granted under subsection (c)(1) is in effect, a determination that continuation of the waiver applicable to that country will substantially promote the objectives of this section, and a statement setting forth his reasons for such determination.

(2) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c)(1), such authority shall continue in effect with respect to any country for a period of 12 months following the end of the 18-month period referred to in subsection (c)(1), if, before the end of such 18-month period, the House of Representatives and the Senate adopt, by an affirmative vote of a majority of the Members present and voting in each House and under the procedures set forth in section 153, a concurrent resolution approving the extension of such authority, and such resolution does not name such country as being excluded from such authority. Such authority shall cease to be effective with respect to any country named in such concurrent resolution on the date of the adoption of such concurrent resolution. If before the end of such 18-month period, a concurrent resolution approving the extension of such authority is not adopted by the House and the Senate, but both the House and Senate vote on the question of final passage of such a concurrent resolution and—

(A) both the House and the Senate fail to pass such a concurrent resolution, the authority granted by subsection (c)(1) shall cease to be effective with respect to all countries at the end of such 18-month period;

(B) both the House and the Senate pass such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 18-month period; or

(C) one House fails to pass such a concurrent resolution and the other House passes such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 18-month period.

(3) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c)(1), and at the end of the 18-month period referred to in subsection (c)(1) the House of Representatives and the Senate have not adopted a concurrent resolution approving the extension of such authority and subparagraph (A) of paragraph (2) does not apply, such authority shall continue in effect for a period of 60 days following the end of such 18-month period with respect to any country (except for any country with respect to which such authority was not extended by reason of the application of subparagraph (B) or (C) of paragraph (2)), and shall continue in effect for a period of 12 months following the end of such 18-month period with respect to any such country if, before the end of such 60-day period, the House of Representatives and the Senate adopt, by an affirmative vote of a majority of the Members present and voting in each House and under the procedures set forth in section 153, a concurrent resolution approving the extension of such authority, and such resolution does not name such country as being excluded from such authority. Such authority shall cease to be effective with respect to any country named in such concurrent resolution on the date of the adoption of such concurrent resolution. If before the end of such 60-day period, a concurrent resolution approving the extension of such authority is not adopted by the House and Senate, but both the House and Senate vote on the question of final passage of such a concurrent resolution and—

(A) both the House and the Senate fail to pass such a concurrent resolution, the authority granted by subsection (c)(1) shall cease to be effective with respect to all countries on the date of the vote on the question of final passage by the House which votes last;

(B) both the House and the Senate pass such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 60-day period; or

(C) one House fails to pass such a concurrent resolution and the other House passes such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 60-day period.

(4) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c)(1), and at the end of the 60-day period referred to in paragraph (3) the House of Representatives and the Senate have not adopted a concurrent resolution approving the extension of such authority and subparagraph (A) of paragraph (3) does not apply, such authority shall continue in effect until the end of the 12-month period following the end of the 18-month period referred to in subsection (c)(1) with respect to

any country (except for any country with respect to which such authority was not extended by reason of the application of subparagraph (B) or (C) of paragraph (2) or subparagraph (B) or (C) of paragraph (3)), unless before the end of the 45-day period following such 60-day period either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of the Members present and voting in that House and under the procedures set forth in section 153, a resolution disapproving the extension of such authority generally or with respect to such country specifically. Such authority shall cease to be effective with respect to all countries on the date of the adoption by either House before the end of such 45-day period of a resolution disapproving the extension of such authority, and shall cease to be effective with respect to any country on the date of the adoption by either House before the end of such 45-day period of a resolution disapproving the extension of such authority with respect to such country.

(5) If the waiver authority granted by subsection (c) has been extended under paragraph (3) or (4) for any country for the 12-month period referred to in such paragraphs, and the President determines that the further extension of such authority will substantially promote the objectives of this section, he may recommend further extensions of such authority for successive 12-month periods. Any such recommendations shall—

(A) be made not later than 30 days before the expiration of such authority;

(B) be made in a document transmitted to the House of Representatives and the Senate setting forth his reasons for recommending the extension of such authority; and

(C) include, for each country with respect to which a waiver granted under subsection (c) is in effect, a determination that continuation of the waiver applicable to that country will substantially promote the objectives of this section, and a statement setting forth his reasons for such determination.

If the President recommends the further extension of such authority, such authority shall continue in effect until the end of the 12-month period following the end of the previous 12-month extension with respect to any country (except for any country with respect to which such authority has not been extended under this subsection), unless before the end of the 60-day period following such previous 12-month extension, either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of the Members present and voting in that House and under the procedures set forth in section 153, a resolution disapproving the extension of such authority generally or with respect to such country specifically. Such authority shall cease to be effective with respect to all countries on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority, and shall cease to be effective with respect to any country on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority with respect to such country.

(e) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of the enactment of this Act.

SEC. 403. UNITED STATES PERSONNEL MISSING IN ACTION IN SOUTHEAST ASIA.

(a) Notwithstanding any other provision of law, if the President determines that a nonmarket economy country is not cooperating with the United States—

(1) to achieve a complete accounting of all United States military and civilian personnel who are missing in action in Southeast Asia,

(2) to repatriate such personnel who are alive, and

(3) to return the remains of such personnel who are dead to the United States,

then, during the period beginning with the date of such determination and ending on the date on which the President determines such country is cooperating with the United States, he may provide that—

(A) the products of such country may not receive nondiscriminatory treatment,

(B) such country may not participate, directly or indirectly, in any program under which the United States extends credit, credit guarantees, or investment guarantees, and

(C) no commercial agreement entered into under this title between such country and the United States will take effect.

(b) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of the enactment of this Act.

SEC. 404. EXTENSION OF NONDISCRIMINATORY TREATMENT.

(a) Subject to the provisions of section 405(c), the President may by proclamation extend nondiscriminatory treatment to the products of a foreign country which has entered into a bilateral commercial agreement referred to in section 405.

(b) The application of nondiscriminatory treatment shall be limited to the period of effectiveness of the obligations of the United States to such country under such bilateral commercial agreement. In addition, in the case of any foreign country receiving nondiscriminatory treatment pursuant to this title which has entered into an agreement with the United States regarding the settlement of lend-lease reciprocal aid and claims, the application of such nondiscriminatory treatment shall be limited to periods during which such country is not in arrears on its obligations under such agreement.

(c) The President may at any time suspend or withdraw any extension of nondiscriminatory treatment to any country pursuant to subsection (a), and thereby cause all products of such country to be rapidly, either absolutely or relatively, so as to be a significant cause of material injury, or threat thereof, to such domestic industry.

SEC. 407. PROCEDURE FOR CONGRESSIONAL APPROVAL OR DISAPPROVAL OF EXTENSION OF NONDISCRIMINATORY TREATMENT AND PRESIDENTIAL REPORTS.

(a) Whenever the President issues a proclamation under section 404 extending nondiscriminatory treatment to the products of any foreign country, he shall promptly transmit to the House of Representatives and to the Senate a document setting forth the proclamation and the agreement the proclamation proposes to implement, together with his reasons therefor.

(b) The President shall transmit to the House of Representatives and the Senate a document containing the initial report submitted by him under section 402(b) or 409(b) with respect to a nonmarket economy country. On or before December 31 of each year, the President shall transmit to the House of Representatives and the Senate, a document containing the report required by section 402(b) or 409 (b) as the case may be, to be submitted on or before such December 31.

(c)(1) In the case of a document referred to in subsection (a) (other than a document to which paragraph (2) applies), the proclamation set forth therein may become effective and the agreement set forth therein may enter into force and effect only if the House of Representatives and the Senate adopt, by an affirmative vote of a majority of those present and voting in each House, a concurrent resolution of approval (under the procedures set forth in section 151) of the extension of nondiscriminatory treatment to the products of the country concerned.

(2) In the case of a document referred to in subsection (a) which sets forth an agreement entered into before the date of the enactment of this Act and a proclamation implementing such agreement, such proclamation may become effective and such agreement may enter into force and effect after the close of the 90-day period beginning on the day on which such document is delivered to the House of Representatives and to the Senate, unless during such 90-day period either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval (under the procedures set forth in section 152) of the extension of nondiscriminatory treatment to the products of the country concerned.

(3) In the case of a document referred to in subsection (b) which contains a report submitted by the President under section 402(b) or 409(b) with respect to a nonmarket economy country, if, before the close of the 90-day period beginning on the day on which such document is delivered to the House of Representatives and to the Senate, either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of those present and voting in that

House, a resolution of disapproval (under the procedures set forth in section 152) of the report submitted by the President with respect to such country, then, beginning with the day after the date of the adoption of such resolution of disapproval, (A) nondiscriminatory treatment shall not be in force with respect to the products of such country, and the products of such country shall be dutiable at the rates set forth in rate column numbered 2 of the Tariff Schedules of the United States, (B) such country may not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (C) no commercial agreement may thereafter be concluded with such country under this title.

SEC. 408. PAYMENT BY CZECHOSLOVAKIA OF AMOUNTS OWED UNITED STATES CITIZENS AND NATIONALS.

(a) The arrangement initialed on July 5, 1974, with respect to the settlement of the claims of citizens and nationals of the United States against the Government of Czechoslovakia shall be renegotiated and shall be submitted to the Congress as part of any agreement entered into under this title with Czechoslovakia.

(b) The United States shall not release any gold belonging to Czechoslovakia and controlled directly or indirectly by the United States pursuant to the provisions of the Paris Reparations Agreement of January 24, 1946, or otherwise, until such agreement has been approved by the Congress.

SEC. 409. FREEDOM TO EMIGRATE TO JOIN A VERY CLOSE RELATIVE IN THE UNITED STATES.

(a) To assure the continued dedication of the United States to the fundamental human rights and welfare of its own citizens, and notwithstanding any other provision of law, on or after the date of the enactment of this Act, no nonmarket economy country shall participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

(1) denies its citizens the right or opportunity to join permanently through emigration, a very close relative in the United State,[25a] such as a spouse, parent, child, brother, or sister;

(2) imposes more than a nominal tax on the visas or other documents required for emigration described in paragraph (1); or

(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate as described in paragraph (1),

and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2), or (3).

25a. So in original.

(b) After the date of the enactment of this Act, (A) a nonmarket economy country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (B) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country shall include information as to the nature and implementation of its laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate to the United States to join close relatives. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter, so long as such credits or guarantees are extended or such agreement is in effect.

(c) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of enactment of this Act.

(d) During any period that a waiver is in effect with respect to any nonmarket economy country under section 402(c), the provisions of subsections (a) and (b) shall not apply with respect to such country.

SEC. 410. EAST-WEST TRADE STATISTICS MONITORING SYSTEM.

The International Trade Commission shall establish and maintain a program to monitor imports of articles into the United States from nonmarket economy countries and exports of articles from the United States to nonmarket economy countries. To the extent feasible, the Commission shall coordinate such program with any relevant data gathering programs presently conducted by the Secretary of Commerce. The Secretary of Commerce shall provide the Commission with any information which, in the determination of the Commission, is necessary to carry out this section. The Commission shall publish a detailed summary of the data collected under the East-West Trade Statistics Monitoring System not less frequently than once each calendar quarter and shall transmit such publication to the East-West Foreign Trade Board and to Congress. Such publication shall include data on the effect of such imports, if any, on the production of like, or directly competitive, articles in the United States and on employment within the industry which produces like, or directly competitive, articles in the United States.

SEC. 411. EAST-WEST FOREIGN TRADE BOARD.

(a) The President shall establish an East-West Foreign Trade Board (hereinafter referred to as the "Board") to monitor trade between persons and agencies of the United States Government and nonmarket economy countries or instrumentalities of such countries to insure that such trade will be in the national interest of the United States.

ATTACHMENT B

Summary Description of Amendment, Summary of Senate Action with Respect to Jackson Amendment, Summary of Vanik Testimony and Proposed Jackson-Vanik Amendment

Amendment	Bill page No.	Description of amendment
370—Con.		(9) Amends Section 337(c) of the Tariff Act to require the Commission to notify the Secretary of the Treasury promptly whenever it has reason to believe during its investigation that there may be a violation of the countervailing duty law or antidumping act. (10) Amends the Tariff Act to require that each annual report by the Commission to the Congress include a list of all Section 337 complaints filed during the year, their dates, action taken and the status of investigations and the dates they began.

TITLE IV.—TRADE RELATIONS WITH COUNTRIES NOT CURRENTLY RECEIVING NONDISCRIMINATORY TREATMENT

371–374		Replaces "Enjoying" in title with "Currently Receiving."
375		Authorizes the President to waive, under certain circumstances, the freedom of emigration requirements of Section 402 for Communist countries not currently receiving MFN treatment. The President could waive the freedom of emigration requirements for 18 months from the date of enactment of the bill for any such country after receiving assurances that the emigration practices of that country will lead substantially to the achievement of the objectives of Section 402. The President may extend the waiver at the end of the 18-month period and every year thereafter, subject to a Congressional veto by a majority of either House. (Jackson floor amendment 2000 adopted by a vote of 88 to 0.)
376–377		Technical, conforming, or clerical.
378		Adds a condition to the extension of nondiscriminatory treatment, participation in U.S. Government credit or credit or investment guarantee programs, and implementation of a bilateral commercial agreement on the President submitting a report to the Congress indicating that the country is cooperating with the United States to account for all U.S. personnel missing in action in Southeast Asia, to repatriate alive personnel, and to return the remains of the dead. The report must include information on the nature

country was eligible for MFN status. Additionally, any country denying its citizens the right to emigrate would be prohibited from receiving U.S. government credits and credit or investment guarantees from the Export-Import Bank and the Commodity Credit Corp., and prohibited from signing a bilateral trade agreement with the United States. That agreement was necessary to receive MFN; membership in GATT was not enough.

After the president reported to Congress, either house could veto the extension of government credits and guarantees to a country by a majority vote within 90 days. Ex-Im Bank credits had been a major issue blocking final passage of a conference version of HR 15977, extending the bank's authorization. *(Export-Import Bank, Economic Policy Chapter)*

All future bilateral agreements between the United States and a Communist country would be subject to approval by both houses of Congress before the president could proclaim most-favored-nation status, and would be limited initially to three years, subject to renewal thereafter. The committee also included safeguards to prevent disruption of U.S. markets by imports from Communist countries.

The committee barred Czechoslovakia from receiving MFN until it paid all claims for damages awarded to U.S. citizens by the U.S. Foreign Claims Settlement Commission.

The committee also conditioned MFN treatment on a presidential determination that the country had cooperated in locating U.S. personnel missing in action in Southeast Asia.

Senate Floor Action

The Senate Dec. 13 passed HR 10710 by a 77-4 vote. *(Vote 511, p. 78-S)*

Senate passage was eased by innovative use of the Senate cloture rule to forestall potentially crippling unrelated amendments. Under Rule 22 of the Senate's Standing Rules, non-germane amendments may be ruled out of order after cloture has been invoked. In addition, each senator is limited to one hour of debate on the bill and all pending motions and amendments affecting it. While the cloture procedure is normally used to cut off debate on a bill, there had been no filibuster on HR 10710.

Before the vote on passage, the Senate added a host of amendments, including the one offered by Henry M. Jackson (D Wash.) embodying the compromise on most-favored-nation trade status for the Soviet Union and on its emigration practices. It was adopted 88-0. The Senate rejected 35-49 an amendment by Thomas J. McIntyre (D N.H.) that was protectionist in its thrust—narrowing the president's authority to reduce tariffs and duties.

Voting against HR 10710 were three Democrats—James Abourezk (S.D.), Vance Hartke (Ind.) and Lee Metcalf (Mont.)—and one Republican, James A. McClure (Idaho). Hartke said the bill "endorses the same type of unchanged policies which have been a failure in the past;" he listed nine shortcomings, including the continued "export" of American jobs, capital and technology. "It is my belief that the present trade bill continues worn-out economic philosophy, and it is an element which is driving us fast down the highway toward the destruction of the western economic system," he argued.

Both the White House and Finance Committee Chairman Russell B. Long (D La.) denied press reports that Ford had agreed to sign an oil cargo preference bill (HR 8193) supported by Long in exchange for trade bill cooperation by cargo preference backers. Ford pocket vetoed HR 8193 Dec. 30. *(Story, Energy and Environment Chapter)*

Cloture Vote

The key vote on the bill came on the morning of Dec. 13 when the Senate voted 71-19 to invoke cloture on the bill. The vote, on the motion offered by acting majority leader Robert C. Byrd (D W.Va.), was 11 more than the necessary two-thirds majority. The White House's desire for passage of the bill in 1974 was evident in the cloture vote, with 34 Republicans and 37 Democrats voting to limit debate and only 4 Republicans and 15 Democrats voting against. *(Vote 505, p. 78-S)*

Before the vote, Byrd said his intent was not to limit debate but to prevent consideration of complicated but popular non-germane amendments. Some members had said they intended to offer amendments dealing with natural gas deregulation, income tax changes and the taxation of U.S. firms operating overseas. Long told the Senate that opening up the bill to even one non-germane amendment would have meant its death.

Hartke, who had planned a series of amendments on multinational taxation, objected to limiting debate before any had taken place. He said his amendments, as well as those proposed by others, while not strictly germane, were relevant to the trade bill and should be considered.

Jackson Amendment

The most significant of the provisions added on the floor was the Jackson amendment on Soviet trade status, adopted 88-0. *(Vote 509, p. 78-S)*

As reported by the Senate and as passed by the House, the bill denied most-favored-nation (MFN) trade status and credits to non-market (Communist) countries that did not permit free emigration.

Under the Jackson amendment, the president would be authorized for 18 months after the bill's enactment to waive this restriction after he received assurances from a non-market country that its emigration practices would henceforth lead substantially to free emigration, and informed Congress of his expectations on emigration. At the end of 18 months, the waiver could be renewed if Congress adopted a concurrent resolution extending the president's authority for a year. The president must request such an extension at least 30 days before the end of the 18 months. If both houses rejected the resolution, the waiver authority would expire.

If Congress did not approve or disapprove the resolution within 60 days of the expiration of the 18-month period, the waiver authority would continue unless either house, within 45 days, passed a resolution of disapproval. After the original 18-month period, the waiver could be extended at one-year intervals if the president reported to Congress that it would promote free emigration and if neither house adopted within 60 days a resolution of disapproval. If Congress did not act, the waiver would automatically be extended for another year.

Behind the Jackson amendment was the compromise announced Oct. 18 between the White House and Jackson and other members of Congress who worked with him on the emigration issue. An exchange of letters between

Jackson and Secretary of State Henry A. Kissinger released that day outlined the conditions the Soviets would have to meet in their emigration policies in order for the president to certify to Congress that their practices were leading substantially to a free emigration policy, as provided for in the waiver. Jackson said the agreement, based on assurances of Soviet leaders, assumed that the annual rate of emigration from the Soviet Union would rise from the 1973 level of about 35,000 and would in the future correspond to the number of applicants, which Jackson said exceeded 130,000. A benchmark of 60,000 annually would be considered a "minimum standard" of compliance, he said.

[On Dec. 18, the day House-Senate conferees reached agreement on the bill, the Soviet Union issued a statement denying that it had given any specific assurances that emigration policies would be eased in return for American trade concessions and refuting in particular Jackson's claim that emigration would increase. It also released the text of an Oct. 26 letter to Kissinger from Soviet Foreign Minister Andrei A. Gromyko, criticizing the Jackson-Kissinger letters as a "distorted picture of our position as well as of what we told the American side on that matter." Gromyko called the issue a wholly domestic one and said the Soviet Union expected a decrease, rather than an increase, in the number of persons wishing to emigrate.]

In Dec. 3 testimony before the Senate Finance Committee on the agreement, Kissinger had said there had been no commitments "either in form or substance" made by the Soviet Union on the issue of emigration. "...If I were to assert here that a formal agreement on emigration from the USSR exists between our governments, that statement would immediately be repudiated by the Soviet government," he said. Kissinger explained that his letter to Jackson was based on "clarifications" of Soviet emigration practices given him and President Ford by Soviet leaders. The answering letter from Jackson contained interpretations and elaborations "which were never stated to us by Soviet officials," Kissinger continued. "I cannot give you any assurance concerning the precise emigration rate that may result...," he said. He added, however, that he expected the emigration rate to correspond to the number of applications. Kissinger said the Soviet Union was the only country for which such clarifications had been received, but that discussions had been held with Romania on emigration.

McIntyre Amendment

In the only other roll-call vote on an amendment, the Senate rejected 35-49 the amendment offered by McIntyre that restricted the president's authority to reduce tariffs, duties or import restrictions. It provided that if imports of an article that is also produced in the United States exceeded 33-1/3 per cent of the domestic consumption of that item for three of the past five years, the president could not lower import restrictions on that article unless he determined the reduction would not hurt the domestic industry. *(Vote 510, p. 78-S)*

McIntyre said the amendment would help to provide "minimal protection" for industries suffering from high levels of imports. He and other New England senators mentioned specifically the footwear industry; he said imports had risen from 5 to 40 per cent of the domestic market since 1960, with a loss of more than 43,000 jobs.

Opponents said the amendment went too far in its impact, that it imposed too much rigidity and that the footwear industry was adequately protected by other provisions of the bill.

Communist Nations

In actions affecting Communist countries, the Senate adopted by voice vote amendments:

- By Jesse A. Helms (R N.C.), preventing U.S. credits, investment guarantees and trade agreements with any non-market country that denied its citizens the right to emigrate to join permanently a very close relative in the United States or imposed more than nominal taxes on exit visas and procedures. Jackson said the amendment was unnecessary, that his amendment covered such situations. Helms responded that his included Poland, which the Jackson amendment did not because it applied only to Communist countries without most-favored-nation status, and that his amendment provided executive branch accountability of a country's practices through the submission of semi-annual reports to Congress. He had modified his amendment by dropping its application to citizens wishing to visit close relatives in the United States.
- By Harry F. Byrd Jr. (Ind Va.), placing a $300-million limitation on the aggregate amount of government loans, guarantees and insurance to Russia without prior congressional approval. A similar limitation was included in the conference report on the Export-Import Bank bill (HR 15977).
- By Pete V. Domenici (R N.M.), prohibiting any non-market country from receiving most-favored-nation status or U.S. credits and trade agreements if it failed to agree to provide regular statistics, including future estimates, on production, consumption, demand and trade of agricultural commodities or failed to live up to such agreements. It would not apply to Communist countries which already had MFN status (Poland and Yugoslavia). While the Soviet Union had signed such an agreement in 1973, Domenici said it had not fulfilled it. "...We would simply be demanding that they comply with an agreement which they have already entered into," he said, adding that U.S. ability to contend with food shortages in cooperation with other governments depended upon accurate crop and food information.
- By Walter F. Mondale (D Minn.), permitting special preference on tariffs to Communist countries that were parties to the General Agreement on Tariffs and Trade (GATT), were members of the International Monetary Fund, were eligible for MFN status and were not dominated or controlled by international communism. Mondale said the blanket prohibition on generalized preferences to Communist nations contained in the bill as reported in effect applied only to Yugoslavia and Romania and that denying preferences to them would adversely affect their economic development and U.S. relations with them.
- By Russell B. Long (D La.), to establish a 12-member East-West Foreign Trade Board, chaired by the Special Representative for Trade Negotiations, to review and control trade agreements made with non-market countries. Its decisions on agreements of more than $5-million to one country or $50-million to all Communist nations would be subject to congressional disapproval by concurrent resolution by either house.

Industry Protection

In actions to protect various industries from being adversely affected by imports, the Senate adopted by voice vote the following amendments.

personnel missing in Southeast Asia.

• Requiring a renegotiation of the gold issue with Czechoslovakia before MFN or a bilateral treaty could be signed and dropping an amendment giving the U.S. District Court authority to adjudicate the gold dispute.

• Permitting the president to deny MFN to countries not providing information on agricultural products, rather than the mandatory denial approved by the Senate.

Conferees also approved the establishment of an East-West Foreign Trade Board to monitor trade with Communist countries. Transactions involving more than $50-million would be subject to congressional veto. Conferees accepted a Senate amendment limiting U.S. loans, guarantees and insurance to Communist countries to an aggregate total of $300-million without prior congressional approval and exempting the Commodity Credit Corporation.

Conferees dropped a Senate amendment providing for the gathering of information on the overseas operations of U.S. firms.

Final Action

The House approved the conference report on HR 10710 Dec. 20 by a vote of 323-36. *(Vote 532, p. 168-H)*

Al Ullman (D Ore.), prospective chairman of the Ways and Means Committee, said the bill was a monumental piece of legislation affecting "not only the economy of the United States but of the whole world, the free world, the developing countries and the Communist world."

Charles A. Vanik (D Ohio), who had sponsored the amendment denying preferential trade to Communist nations restricting emigration, called the bill "unprecedented," saying it was the first time economic legislation took into account "some regard for the liberty and happiness of people."

Opponents of the bill argued that the conference report was being considered too hastily on the final day of the session, that it would not adequately protect American industry and workers and that the Soviet Union should not be eligible to receive preferential trading status, credits and loans.

The Senate approved the conference report the same day by a vote of 72-4, thus clearing the measure for the President. *(Vote 544, p. 83-S)*

Before final passage, it defeated by voice vote a motion by Helms to table the conference report. He objected to the conference version of his amendment on the emigration of persons joining relatives in America.

TURKISH OPIUM

Fears of a renewed flow of heroin into the United States in the wake of Turkey's July 1, 1974, announcement that it was lifting a ban on opium poppy production prompted a variety of congressional responses in 1974:

• The House Aug. 5 passed H Con Res 507, expressing the concern of Congress over the Turkish decision and directing the President to suspend all assistance to Turkey if negotiations failed to protect the United States from the importation of illegal drugs.

• The Senate July 11 adopted an amendment to the Drug Enforcement Administration authorization bill (S 3355) to bar U.S. aid to any country that permitted the production and diversion of opium and its derivatives into illicit markets. *(Story, Crime and Judiciary Chapter)*

• The House included in its version of the Export-Import Bank bill (HR 15977), passed Aug. 21, a provision to prohibit Export-Import Bank financing for Turkey until the President reported to Congress that the Turkish government was cooperating with the United States in efforts to curtail traffic in heroin, derived from poppies grown in Turkey. *(Story, Economic Policy Chapter)*

Action on the proposals was sidetracked, however, after U.S. negotiations with Turkey produced an agreement that certain production methods would be followed that would decrease the possibility of illicit heroin entering the United States. The Senate did not act on H Con Res 507, and Senate-House conferees dropped the opium provisions from the other two bills. Proponents of an aid ban agreed to wait to see if the production controls were effective before pressing for legislation.

Meanwhile, Congress enacted other legislation to cut off U.S. military aid to Turkey in reaction to Turkey's July invasion of Cyprus with American arms supplied through the foreign aid program. *(Turkish aid restrictions, this chapter)*

Action on H Con Res 507

H Con Res 507 was reported (H Rept 93-1258) by the House Foreign Affairs Committee Aug. 2 and passed by voice vote of the House Aug. 5.

Turkey had agreed in 1971 to halt opium poppy cultivation after pressure from the United States, including its promise of $35.7-million to help offset the foreign exchange losses resulting from the ban, develop alternate crops and provide assistance to Turkish farmers. Drug enforcement officials had estimated that as much as 80 per cent of the heroin entering the country illegally before the ban had originated in Turkey. The committee said in its report that since the ban began in the fall of 1972, the quality and quantity of heroin in the United States had decreased and that the number of heroin addicts had fallen from between 500,000 and 700,000 to about 200,000.

As amended by the committee and passed by the House, H Con Res 507 directed the President to begin negotiations with Turkish officials to prevent the resumption of production or to assure that adequate controls were implemented to prevent an illicit flow of opium and its derivatives into the United States. If negotiations failed, the President was directed to use his authority under the Foreign Assistance Act Amendments of 1971 (PL 92-226) to suspend all assistance to Turkey.

Administration officials, including Secretary of State Henry A. Kissinger, had opposed a cutoff, citing Turkey's strategic importance as a member of the North Atlantic Treaty Organization and expressing confidence that adequate safeguards would be possible.

In the House Aug. 5 members representing urban districts with a history of high heroin addiction expressed doubts that Turkey could institute adequate controls, particularly since it had increased from four to seven the number of provinces in which poppy cultivation would be permitted and had such a dismal record in the past in controlling heroin traffic.

"I can only believe that Turkey's promise of strict control is diplomatic subterfuge in an attempt to pacify the U.S. outrage," said Charles B. Rangel (D N.Y.), whose district included Harlem.

ATTACHMENT C

Proposed Jackson-Vanik Amendment and Secretary of State Kissinger and Senator Jackson Letter Excnange

FREE WORLD TRADE WITH THE U.S.S.R. AND EASTERN EUROPE

[In U.S. dollars]

	Free World (billions) [1]		United States (millions) [2]	
	Exports	Imports	Exports	Imports
1950	1.1	1.3	27	80
1951	1.2	1.4	3	64
1952	1.2	1.3	1	40
1953	1.1	1.2	2	36
1954	1.5	1.5	6	42
1955	1.8	1.9	7	56
1956	2.1	2.3	11	65
1957	2.6	2.6	86	61
1958	2.6	2.7	113	62
1959	3.0	3.0	89	81
1960	3.6	3.6	194	81
1961	3.8	3.9	134	81
1962	4.1	4.1	125	79
1963	4.5	4.6	167	81
1964	5.4	5.3	340	98
1965	5.8	6.0	140	137
1966	6.6	6.7	198	179
1967	6.8	7.0	195	177
1968	7.3	7.7	215	198
1969	8.3	8.4	249	195
1970	9.7	9.3	354	226
1971	10.1	9.9	384	223
1972	13.1	11.1	819	321
1973	18.2	15.5	1,797	519
1974 (Jan.-Sept.)	N.A.	N.A.	1,011	662

[1] Exports are f.o.b. and imports, in general, are c.i.f.
[2] Exports and imports are f.o.b.
N.A. Not Available.

Note: East European countries include East Germany, Czechoslovakia, Poland, Hungary, Estonia, Latvia, Lithuania, Albania, Romania, and Bulgaria.

Source: U.S. Department of Commerce.

FREEDOM OF EMIGRATION IN EAST-WEST TRADE

(Section 402)

Section 402 would make the products of a nonmarket economy country not now receiving nondiscriminatory treatment (i.e. all communist countries except Poland and Yugoslavia) ineligible to receive such treatment during any period in which the President determines that it denies its citizens the right or opportunity to emigrate, or imposes more than nominal charges on emigration (or on related documents) or on its citizens as a consequence of their desire to emigrate. Such countries would be barred from participating in any program of the U.S. Government that extends credits or credit guarantees or investment guarantees, directly or indirectly, for example, under programs of the Export-Import Bank and Commodity Credit Corporation. Conclusion of commercial agreements by the U.S. Government with such countries would also be barred.

After the President submits to Congress a report indicating that emigration practices of a country not now receiving nondiscriminatory treatment satisfy these criteria, its products would become eligible for such treatment, and the President would no longer be enjoined from concluding a commercial agreement with it. Nondiscriminatory treatment could not be extended, and such a commercial agreement could not take effect until the Congress has approved a bilateral commercial agreement with such country. In the case of countries with existing bilateral agreements with the United States, nondiscriminatory treatment may be provided the products of such country unless the Congress vetoes the extension of such benefits to such country. The President's report should include information on the nature and implementation of the country's emigration laws and policies, and restrictions or discrimination applied to or against persons wishing to emigrate. The report would be required biannually as long as nondiscriminatory treatment, credits, or guarantees are extended, or a commercial agreement remains in effect.

The Committee anticipates that an amendment will be offered during the Senate's consideration of the bill which would allow a temporary, conditional waiver of this provision under circumstances to be specified in the amendment. This amendment was not available by the time the Committee ordered the bill favorably reported, and the Committee has therefore not had an opportunity to study or take a position on the amendment. The Committee will hold a hearing on the amendment before the bill is taken up on the floor.

The Committee reserves the right to recommend to the Senate such amendment as may be necessary to clarify the procedures relating to the determination of freedom of emigration after conducting public hearings on the subject and before consideration of the bill on the Floor of the Senate.

In the case of freedom of emigration from the Soviet Union, the following exchange of letters between Secretary of State Henry A. Kissinger and Senator Henry M. Jackson (D. Wash.) sets forth certain understandings with respect to persons wishing to emigrate from the Soviet Union.

EXCHANGE OF LETTERS BETWEEN SECRETARY KISSINGER AND SENATOR JACKSON

OCTOBER 18, 1974.

DEAR SENATOR JACKSON: I am writing to you, as the sponsor of the Jackson Amendment, in regard to the Trade Bill (H.R. 10710) which is currently before the Senate and in whose early passage the administration is deeply interested. As you know, Title IV of that bill, as it emerged from the House, is not acceptable to the administration. At the same time, the administration respects the objectives with regard to emigration from the U.S.S.R. that are sought by means of the stipulations in Title IV, even if it cannot accept the means employed. It respects in particular your own leadership in this field.

To advance the purposes we share both with regard to passage of the trade bill and to emigration from the U.S.S.R., and on the basis of discussions that have been conducted with Soviet representatives, I should like on behalf of the administration to inform you that we have been assured that the following criteria and practices will henceforth govern emigration from the U.S.S.R.

First, punitive actions against individuals seeking to emigrate from the U.S.S.R. would be violations of Soviet laws and regulations and will therefore not be permitted by the government of the U.S.S.R. In particular, this applies to various kinds of intimidation or reprisal, such as, for example, the firing of a person from his job, his demotion to tasks beneath his professional qualifications, and his subjection to public or other kinds of recrimination.

Second, no unreasonable or unlawful impediments will be placed in the way of persons desiring to make application for emigration, such as interference with travel or communications necessary to complete an application, the withholding of necessary documentation and other obstacles including kinds frequently employed in the past.

Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant. Concerning professional status, we are informed that there are limitations on emigration under Soviet law in the case of individuals holding certain security clearances, but that such individuals who desire to emigrate will be informed of the date on which they may expect to become eligible for emigration.

Fourth, hardship cases will be processed sympathetically and expeditiously; persons imprisoned who, prior to imprisonment, expressed an interest in emigrating, will be given prompt consideration for emigration upon their release; and sympathetic consideration may be given to the early release of such persons.

Fifth, the collection of the so-called emigration tax on emigrants which was suspended last year will remain suspended.

Sixth, with respect to all the foregoing points, we will be in a position to bring to the attention of the Soviet leadership indications that we may have that these criteria and practices are not being applied. Our representations, which would include but not necessarily be limited to the precise matters enumerated in the foregoing points, will receive sympathetic consideration and response.

Finally, it will be our assumption that with the application of the criteria, practices, and procedures set forth in this letter, the rate of emigration from the U.S.S.R. would begin to rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants.

I understand that you and your associates have, in addition, certain understandings incorporated in a letter dated today respecting the foregoing criteria and practices which will henceforth govern emigration from the U.S.S.R. which you wish the President to accept as appropriate guidelines to determine whether the purposes sought through Title IV of the trade bill and further specified in our exchange of correspondence in regard to the emigration practices of non-market economy countries are being fulfilled. You have submitted this letter to me and I wish to advise you on behalf of the President that the understandings in your letter will be among the considerations to be applied by the President in exercising the authority provided for in Sec. 402[1] of Title IV of the trade bill.

I believe that the contents of this letter represent a good basis, consistent with our shared purposes, for proceeding with an acceptable formulation of Title IV of the trade bill, including procedures for periodic review, so that normal trading relations may go forward for the mutual benefit of the U.S. and the U.S.S.R.

Best regards,

HENRY A. KISSINGER.

OCTOBER 18, 1974.

DEAR MR. SECRETARY: Thank you for your letter of Oct. 18 which I have now had an opportunity to review. Subject to the further understandings and interpretations outlined in this letter, I agree that we have achieved a suitable basis upon which to modify Title IV by incorporating within it a provision that would enable the President to waive subsections designated (a) and (b) in Sec. 402 of Title IV as passed by the House in circumstances that would substantially promote the objectives of Title IV.

It is our understanding that the punitive actions, intimidation or reprisals that will not be permitted by the government of the U.S.S.R. include the use of punitive conscription against persons seeking to emigrate, or members of their families; and the bringing of criminal actions against persons in circumstances that suggest a relationship between their desire to emigrate and the criminal prosecution against them.

Second, we understand that among the unreasonable impediments that will no longer be placed in the way of persons seeking to emigrate is the requirement that adult applicants receive the permission of their parents or other relatives.

Third, we understand that the special regulations to be applied to persons who have had access to genuinely sensitive classified information will not constitute an unreasonable impediment to emigration. In this connection we would expect such persons to become eligible for emigration within three years of the date on which they last were exposed to sensitive and classified information.

Fourth, we understand that the actual number of emigrants would rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants, and may therefore exceed 60,000 per annum. We would consider a benchmark—a minimum standard of initial compliance—to be the issuance of visas at the rate of 60,000 per annum; and we understand that the President proposes to use the same benchmark as the minimum standard of initial compliance. Until such time as the actual number of emigrants corresponds to the number of applicants the benchmark figure will not include categories of persons whose emigration has been the subject of discussion between Soviet officials and other European governments.

In agreeing to provide discretionary authority to waive the provisions of subsections designated (a) and (b) in Sec. 402 of Title IV as passed by the House, we share your anticipation of good faith in the implementation of the assurances contained in your letter of Oct. 18 and the understandings conveyed by this letter. In particular, with

[1] Statutory language authorizing the President to waive the restrictions in Title IV of the Trade Bill under certain conditions will be added as a new (and as yet undesignated) subsection.

respect to paragraphs three and four of your letter we wish it to be understood that the enumeration of types of punitive action and unreasonable impediments is not and cannot be considered comprehensive or complete, and that nothing in this exchange of correspondence shall be construed as permitting types of punitive action or unreasonable impediments not enumerated therein.

Finally, in order adequately to verify compliance with the standard set forth in these letters, we understand that communication by telephone, telegraph and post will be permitted.

Sincerely yours,

HENRY M. JACKSON.

It is the Committee's understanding that the "Freedom of Emigration" amendment in the bill is intended to encourage free emigration of all peoples from all communist countries (and not be restricted to any particular ethnic, racial, or religious group from any one country). Accordingly, each communist country which enters into a bilateral commercial agreement with the United States will be expected to provide reasonable assurances that freedom of emigration will be a realizable goal.

The Committee hopes that this section will provide an incentive to the Soviet Union and other countries to discontinue restrictive emigration practices in the interest of developing economic relations with the United States. The Committee recognizes that segments of the private sector wish the U.S. Government to provide credits, investment guarantees, protection of private property rights, and other conditions before private capital investments are ventured. The Committee believes that it is equally reasonable to establish conditions on all basic human rights, including the right to emigrate as well as basic property rights, before extending broad concessions to communist countries.

U.S. Personnel Missing in Action in Southeast Asia

(Section 403)

The purpose of the section is to insure that the communist countries, to which nondiscriminatory treatment and U.S. credit, credit guarantee and investment guarantee programs may be extended, appreciate the importance which the United States attaches to the accounting of U.S. personnel missing in action in Southeast Asia and to secure their cooperation to that end.

Subsection (a) would prohibit the President from extending or continuing nondiscriminatory treatment, government credits, credit guarantees or investment guarantees, or from entering into bilateral commercial agreements with any affected communist country during any period in which he determined that such country was refusing to cooperate with the United States in its efforts to account for U.S. personnel missing in Southeast Asia, to repatriate such personnel who are alive and to obtain the remains of such personnel who are dead. The inclusion of this subsection should enhance the negotiating leverage of the President not only before, but after nondiscriminatory treatment is extended, to insure continued cooperation from the affected communist countries.

STATE OF ALASKA
1990 LEGISLATIVE SESSION

cc

BILL VERSION: HJR 71 No. 1
PUBLISH DATE: HOUSE 1/26/90

FISCAL NOTE

REQUEST:

Revision Date:
Title: Encouraging the President of the U.S. to temporarily reinstate most-favored-nation trading status for the U.S.S.R.
Sponsor: House Spec. Comm. on Foreign Trade
Requestor: House Spec. Comm. on Foreign Trade

Agency Affected: Commerce & Economic Dev.
BRU: Division of Tourism
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary) No fiscal impact for FY 90.

This resolution will have no fiscal impact on the programs of the department.

Prepared by: Linda Wild, Special Assistant
Division: Commissioner's Office
Phone: 465-2500
Date: January 24, 1990

Approved by Commissioner: Larry Merculieff
Agency: Department of Commerce & Economic Development
Date: 24/1

Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

page 1 of 1

LW/dg16185D-2/12490a

SCOMM

64:6

Alaska State Legislature

HOUSE OF REPRESENTATIVES

Official Business

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

TO: Senator Mike Szymanski
Chairman
Senate Special Committee on International Trade & Tourism

FROM: Representative Kay Brown

DATE: March 28, 1990

RE: CS HJR 73 (Foreign Trade)

I am submitting to you a request for a hearing on CS HJR 73 (Foreign Trade), relating to air travel between Alaska and the Soviet Union. Briefly, CS HJR 73 (Foreign Affairs) would direct the Governor and the Alacka delegation in the United States Congress to

- o encourage the establishment of regularly scheduled air routes between cities in Alaska and the USSR;
- o direct the appropriate federal agencies to coordinate and simplify the landing procedures for Soviet charter flights to Alaska;
- o direct the appropriate federal agencies to negotiate with their Soviet counterparts to simplify the international air notification requirements.

On February 16, 1990 a Memorandum of Consideration was signed by the United States Federal Aviation Administration and the Soviet Ministry of Civil Aviation. The immediate effect was that Bering Air, Inc. is now allowed to operate charter flights between Nome Alaska and Provideniya, Magadan Oblast without carrying a Soviet navigator.

In London, on March 1, 1990 A Memorandum of Consultations was agreed between representatives from the U.S.A. State Department and the U.S.S.R. Ministry of Foreign Affairs. It was agreed in principle to:

- o establish additional Atlantic air routes;
- o establish a North Pacific air route from points in the USA to Magadan and Kabarovsk;
- o establish a new Pacific air route from a point or points in the USSR with a mandatory stop in Anchorage with landing rights in San Francisco.

Another work session between representatives from the U.S.A. State Department and the U.S.S.R. Ministry of Foreign Affairs is scheduled for April. It is possible that the memorandum of consultations will be finalized during the April meeting or at the Gorbachev-Bush Summit to be held in Washington D.C. in June.

HJR 73 is a timely resolution and demonstrates that the Alaska State Legislature recognizes the benefits that will accrue from facilitating and fostering business, trade, cultural, scientific, and educational contacts with the Soviet Far East.

Thank you for your consideration.

MEMORANDUM OF CONSULTATIONS

Delegations representing the Government of the United States of America and the Government of the Union of Soviet Socialist Republics met in London, Feburary 27 - 28, 1990, to discuss the expansion of air services between the two countries. Delegation lists are attached. During these discussions, the delegations focused their attention on designations, routes, commencement of new services, frequencies, and charters. The delegations understood that matters relating to financial arrangements and other "doing business" issues would be addressed at a subsequent round of discussions.

The delegations agreed in principle, on an ad referendum basis, and subject to later agreement on all remaining issues, to the following provisions:

1. Routes:

For the U.S. - Designated Airlines

From a point or points in the U.S. via intermediate points on a North Atlantic routing to Moscow, Leningrad, Kiev, Riga, Minsk, and Tbilisi.

From a point or points in the U.S. on a North Pacific routing to Magadan and Khabarovsk.

Note: Not more than two combination and one all cargo carriers may operate the route New York/Washington to Moscow/Leningrad. Not more than two U.S. designated carriers may operate between any other U.S./U.S.S.R. city pair.

For the Soviet - Designated Airlines

From a point or points in the U.S.S.R. via intermediate points on a North Atlantic routing to (1) New York and Washington; (2) Chicago; and, (3) Miami with beyond rights to two points in South America to be mutually agreed later.

From a point or points in the U.S.S.R. on a North Pacific routing to Anchorage (mandatory stop) and San Francisco.

Note (1): The mandatory stop at Anchorage shall cease to be required on March 31, 1993.

Note (2): Not more than two combination and one all cargo carriers may operate the route Moscow/Leningrad and New York/Washington. Not more than two U.S.S.R. designated carriers may operate between any other U.S.S.R./U.S. city pair.

2. Designations:

Prior to April 1, 1991, the Government of the United States of America designates Pan American World Airways, Inc., to operate the agreed services on the routes specified in this agreement. On and after April 1, 1991, the Government of the United States of America may designate an additional four combination carriers and two all-cargo carriers to operate the agreed services on the routes specified in this agreement.

Prior to April 1, 1991, the Government of the Union of Soviet Socialist Republics designates Aeroflot (Soviet Airlines) to operate the agreed services on the routes specified in this agreement. On and after April 1, 1991, the Government of the Union of Soviet Socialist Republics may designate an additional six other airlines to operate the agreed services on the routes specified in this agreement.

3. Frequencies:

A. Until March 31, 1991, the U.S. designated airline may operate fifteen point one (15.1) round trip equivalent flights per week between the United States and Moscow/Leningrad. Until March 31, 1991, the Soviet designate airline may operate up to fifteen point one (15.1) round trip equivalent flights per week between the U.S.S.R. and New York/Washington.

The round trip equivalent flights are based on the following aircraft equivalent capacity conversion factors:

1	B-737/B-727/IL-62M	= 1
1	A-310/Stretch DC-8/ B-767/IL-86 with 220 seats	= 1.3
1	L-1011/A-300/IL-86 with 250 seats	= 1.5
1	B-747	= 2

New or other types of aircraft may be operated based on a conversion factor which most closely approximates the seating capacity for the listed aircraft.

B. From April 1, 1991 until March 31, 1992, the U.S. designated airlines may operate up to twenty-two (22) round trip equivalent flights per week between the U.S. and Moscow/Leningrad. Beginning on April 1, 1992, the U.S. designated airlines may operate up to thirty-seven (37) round trip equivalent flights per week between the U.S. and Moscow/Leningrad.

From April 1, 1991 until March 31, 1992, the Soviet designated airlines may operate up to twenty-two (22) round trip equivalent flights per week between the U.S.S.R. and New York/Washington. Beginning on April 1, 1992, the Soviet designated airlines may operate up to thirty-seven (37) round trip equivalent flights per week between the U.S.S.R. and New York/Washington.

C. From April 1, 1991 to March 31, 1993, the U.S. designated passenger/combination airlines may operate up to ten (10) round trip equivalent flights per week between the United States and Kiev, Riga, Minsk, Tbilisi, Magadan, and Khabarovsk, with none of these cities receiving more than seven (7) weekly equivalent frequencies.

From April 1, 1991, to March 31, 1992, the U.S. designated all-cargo airlines may operate up to ten (10) round trip equivalent flights per week between the United States and Moscow, Leningrad, Kiev, Riga, Minsk, Tbilisi, Magadan, and Khabarovsk, with none of these cities receiving more than ~~fourteen~~ (7) weekly equivalent frequencies. From April 1, 1992, to March 31, 1993, the U.S. designated all-cargo airlines may operate up to eleven (11) round trip equivalent flights per week between the United States and Moscow, Leningrad, Kiev, Riga, Minsk, Tbilisi, Magadan, and Khabarovsk, with none of these cities receiving more than seven (7) weekly equivalent frequencies. A schedule for the introduction of these frequencies will be discussed at the next round of talks in the context of commercial and financial questions.

D. From April 1, 1991, to March 31, 1992, the Soviet designated airlines may operate up to twenty (20) round trip equivalent flights per week between the U.S.S.R. and New York/Washington, Chicago, Anchorage, Miami, and San Francisco of which not more than ten (10) may operate to New York/Washington, and not more than seven (7) may operate to any one of the other cities specified. From April 1, 1992, to March 31, 1993, the Soviet designated airlines may operate up to twenty-one (21) round trip equivalent flights between the U.S.S.R. and New York/Washington, Chicago, Anchorage, Miami, and San Francisco of which not more than eleven (11) may operate to New York/Washington, and not more than seven (7) may operate to any one of the other cities specified. A schedule for the introduction of these frequencies will be discussed at the next round of talks in the context of commercial and financial questions.

4. <u>Personnel</u>:

For airlines of the Soviet Union, total staff at New York and Washington may: increase to twelve (12) upon signature of the final agreement; and, increase to a total of sixteen (16) after January 1, 1991. On and after January 1, 1991, total staff of the designated airlines of the Soviet Union outside of New York and Washington may not exceed six (6) with not more than three (3) assigned to any one point.

For airlines of the United States, total staff at Moscow and Leningrad may: increase to twelve (12) upon signature of the final agreement; and, increase to a total of sixteen (16) after January 1, 1991. On and after January 1, 1991, total staff of the designated airlines of the United States outside of Moscow and Leningrad may not exceed six (6) with not more than three (3) assigned to any one point.

5. Charters:

The airlines of each Contracting Party may operate commercial charter flights into points in the territory of the other Contracting Party. The total number of such round-trip flights for the airlines of each Contracting Party on the North Atlantic route shall not exceed one hundred (100) charter flights per year. Charter flights over the number mentioned above shall receive positive consideration of the Aeronautical authorities of the respective Contracting Party on the basis of comity and reciprocity. The above quotas may be changed subject to agreement between the respective authorities of the Contracting Parties.

Temporarily, on the North Pacific route, charter flights shall not be subject to a quota but shall be given positive consideration on the basis of comity and reciprocity.

Subject to advance approval of routings and points in compliance with entry, transit, customs and immigration and in accordance with the safety and national security requirements of the receiving Contracting Party, decisions on charter applications shall be made within 20 days of receipt of the application; in the event of denial, the denial shall specify the reason therefore: 1) reciprocity, 2) safety, or 3) national security considerations. Applications filed on short notice shall receive sympathetic consideration.

All charter applications shall receive positive, sympathetic consideration by the aeronautical authorities of the Contracting Parties. Such applications shall be subject to advance approval of routings and points in accordance with the safety and national security requirements of the Contracting Party receiving the application.

All flights not "engaged in the carriage of passengers, cargo, or mail for remuneration or hire", within the meaning of Article 5, paragraph 2, of the Convention on International Civil Aviation, are governed by that Article, and are not subject to quota under this Agreement.

Charter flights shall be operated in accordance with the charter rules of the country in which the charter traffic originates.

The Delegations agreed to resume consultations in London during the last week of April 1990.

For the U.S. Delegation:

Paul R. Wiegerhof
Chairman

For the U.S.S.R. Delegation:

Leonid S. Seliverstov
Chairman

London
March 1, 1990

U.S. DELEGATION

Paul Wiegerhof, Chairman
Director, Office of Aviation Negotiations
Department of State

Paul Gretch
Director, Office of International Aviation
Department of Transportation

Victoria Nuland
Office of Soviet Union Affairs
Department of State

Peter Bloch
Office of the General Counsel
Department of Transportation

Donald Comlish
Air Transport Association

Ralph Ditano
National Air Carrier Association

SOVIET DELEGATION

Leonid S. Seliverstov, Chairman
Director, International Affairs Department
Ministry of Civil Aviation

Gennadi G. Matveev
Director, Europe and America Division
International Affairs Department
Ministry of Civil Aviation

Yuri E. Kuranov
Director, Legal Division
International Affairs Department
Ministry of Civil Aviation

Vasiliy Vorobiev
Director, U.S.A. Division
International Commercial Department
Aeroflot Soviet Airlines

Vladimir L. Piemenniy
Regional Manager for U.S.A. and Canada
Aeroflot Soviet Airlines

Original sponsor(s): REP. BROWN, M.Davis

IN THE HOUSE BY THE HOUSE SPECIAL COMMITTEE ON FOREIGN TRADE

CS FOR HOUSE JOINT RESOLUTION NO. 73 (Foreign Trade)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

Relating to air travel between Alaska and the Soviet Union.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS unprecedented trade, educational, and cultural opportunities are resulting from the growing restructuring of the relationship between Alaska and the neighboring areas of the Soviet Union; and

WHEREAS the nature of air routes through Alaska and the Pacific Rim Basin is changing due to the improvements in technology and the opening of air routes over the Soviet Union; and

WHEREAS flights between Alaska and the Soviet Far East have existed in the past, but present flights are very expensive and difficult to arrange; and

WHEREAS the United States government has approved Native visa free travel between Alaska and the Soviet Far East; and

WHEREAS established air routes would expedite the many agreements concluded by state and federal agencies and by private and public organizations in the Soviet Far East; and

WHEREAS the citizens and the local and state governments of Alaska desire to have an efficient and expedient route of travel between Alaska and their neighbor, the Soviet Far East; and

WHEREAS many benefits will accrue to Alaska from developing business, trade, cultural, scientific, and educational contacts with the Soviet Far East;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Governor and the Alaska delegation in the United States Congress to

CS HJR 73

initiate and promote efforts to

(1) encourage the U.S. Department of Transportation and Department of State to facilitate and negotiate a mutually agreeable bilateral agreement on regularly scheduled air routes between cities in Alaska and the Soviet Union, including Anchorage-Khabarovsk, Anchorage-Magadan, Nome-Provideniya, and Kotzebue-Lavrentiya, in order to accommodate United States passengers and freight carriers interested in expanding opportunities in the Soviet Far East;

(2) encourage the U.S. Department of State, Customs Service, Immigration and Naturalization Service, Department of Agriculture, and Federal Aviation Administration to coordinate and simplify the notification requirements for flight arrangements in order to make it easier for Soviet Union planes to travel from the Soviet Far East to Alaska; and

(3) encourage the U.S. Department of State, the Federal Aviation Administration, and other federal agencies to work with their Soviet Union counterparts to simplify international air notification requirements for chartered flights between Alaska and the Soviet Far East, including navigator waivers on certain established chartered routes.

COPIES of this resolution shall be sent to the Honorable George Bush, President of the United States; the Honorable James A. Baker III, Secretary of the U.S. Department of State; the Honorable Eduard A. Shevardnadze, Minister for Foreign Affairs of the U.S.S.R.; the Honorable Samuel K. Skinner, Secretary of the U.S. Department of Transportation; the Honorable Nicholas F. Brady, Secretary of the U.S. Department of Treasury; the Honorable Richard L. Thornburgh, U.S. Attorney General; the Honorable Clayton K. Yeutter, Secretary of the U.S. Department of Agriculture; the Honorable Robert A. Mosbacher, Sr., Secretary of the U.S. Department of Commerce; the Honorable Gennadi Gerasimov, Chief of Information for the Ministry of Foreign Affairs of the U.S.S.R.; the Honorable Paul L. Gretch, Director of the U.S. Office of International Aviation; the Honorable James B. Busey, U.S.N. (Ret.), Administrator of the Federal Aviation Administration; the Honorable Michael H. Lane, Commissioner of the U.S. Customs Service; the Honorable Gene McNary, Commissioner-Designate of the U.S. Immigration and Naturalization Service; the Honorable James W. Glosser, Administrator of the U.S. Animal and Plant Health Inspection Service; the Honorable Valentine Plehanov, Director of International Flights in the U.S.S.R. Ministry of Civil Aviation; the Honorable Victor Trezubov, Director of the Magadan Branch of the U.S.S.R. Ministry of Civil Aviation; the Honorable Vladimir Srkybnik, Head of the Far East Branch of the U.S.S.R. Ministry of Civil Aviation; Vladimir Kourkov, Director of North American Flights for Aeroflot; Iraklee Zhurabich Chechibaja, Director of the Aeroflot Washington D.C. Office; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: CSHJR [illegible]3(FT) No
PUBLISH DATE: HOUSE 3/7/90

FISCAL NOTE

REQUEST:

Revision Date:
Title: Air travel between Alaska and the Soviet Union
Sponsor: H. Spec. Comm. on Foreign Trade
Requestor: H. Spec. Comm. on Foreign Trade

Agency Affected: Commerce & Economic Dev.
BRU: Tourism
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary) No fiscal impact for FY 90.

Prepared by: Dana Brockway, Director
Phone: 465-2012
Division: Tourism
Date:

Approved by Commissioner: Larry Merculieff
Date: 6-6-90
Agency: Department of Commerce & Economic Development

Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

LW/dg16254D/25

Fiscal Note

MAR 23 1990

UNIVERSITY OF ALASKA FAIRBANKS

Associated Students University of Alaska Fairbanks
Fairbanks, Alaska 99775-0220 • (907) 474-7355

ASUAF Senate Resolution 90-10

Title: Related to the support for Soviet-Alaskan relations
Sponsor: LAMKIN, Otterbacher
Date: March 18, 1990

Whereas the Soviet Union and the United States are showing an increased interest in expanding their relations; and

Whereas the benefits that would accrue from such expansion would not only include educational exchange programs, but advancements in joint geological surveys, tourism, marine transportation, construction materials, mining, sports, commercial fishing, and research; and

Whereas an essential element required in order to initiate these advancements is effective air transportation between the two nations; and

Whereas the Alaska State Legislature is currently considering a joint resolution (HJR 73) to support the establishment of air routes between Alaska and the Soviet Far East; therefore

Be It Resolved that the Associated Students of the University of Alaska- Fairbanks fully support any relationship between Alaska and the Soviet Union that will promote said program advancements.

Be It Further Resolved that copies of this resolution be sent to ASUAA, ASUAS, the Honorable Governor Steve Cowper, the Honorable Lt. Governor Stephen MacAlpine, the Honorable Senate President Tim Kelly, the Honorable Speaker of the House Sam Cotten,.the Honorable Representative Kay Brown, and the Honorable Representative Mike Davis.

ASUAF President [signature] (date) 3-19-90

ASUAF Senate President [signature] (date) MARCH 19, 1990

ASUAF Senate Clerk Kathy Mayer (date) 3-19-90 Vote: UC

Rosolution U of A

Resolution of the Alaska Municipal League

Resolution No. 90-16

A RESOLUTION REQUESTING THE STATE AND FEDERAL GOVERNMENTS TO WORK TOWARD REMOVING REGULATORY OBSTACLES TO EXCHANGES WITH THE SOVIET FAR EAST

WHEREAS, Alaska and the Soviet Far East have a common interest in promoting cultural, governmental, and commercial trade;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League requests the state and federal governments to work toward the elimination of regulatory obstacles to travel, communications, and trade in the Soviet Far East through the diplomatic process.

Adopted at Annual Business Meeting o November 17, 1989 o Juneau, Alaska

AMU Resolution

ISER WORKING PAPERS

Alaska and Soviet Far East
Current Events Brief

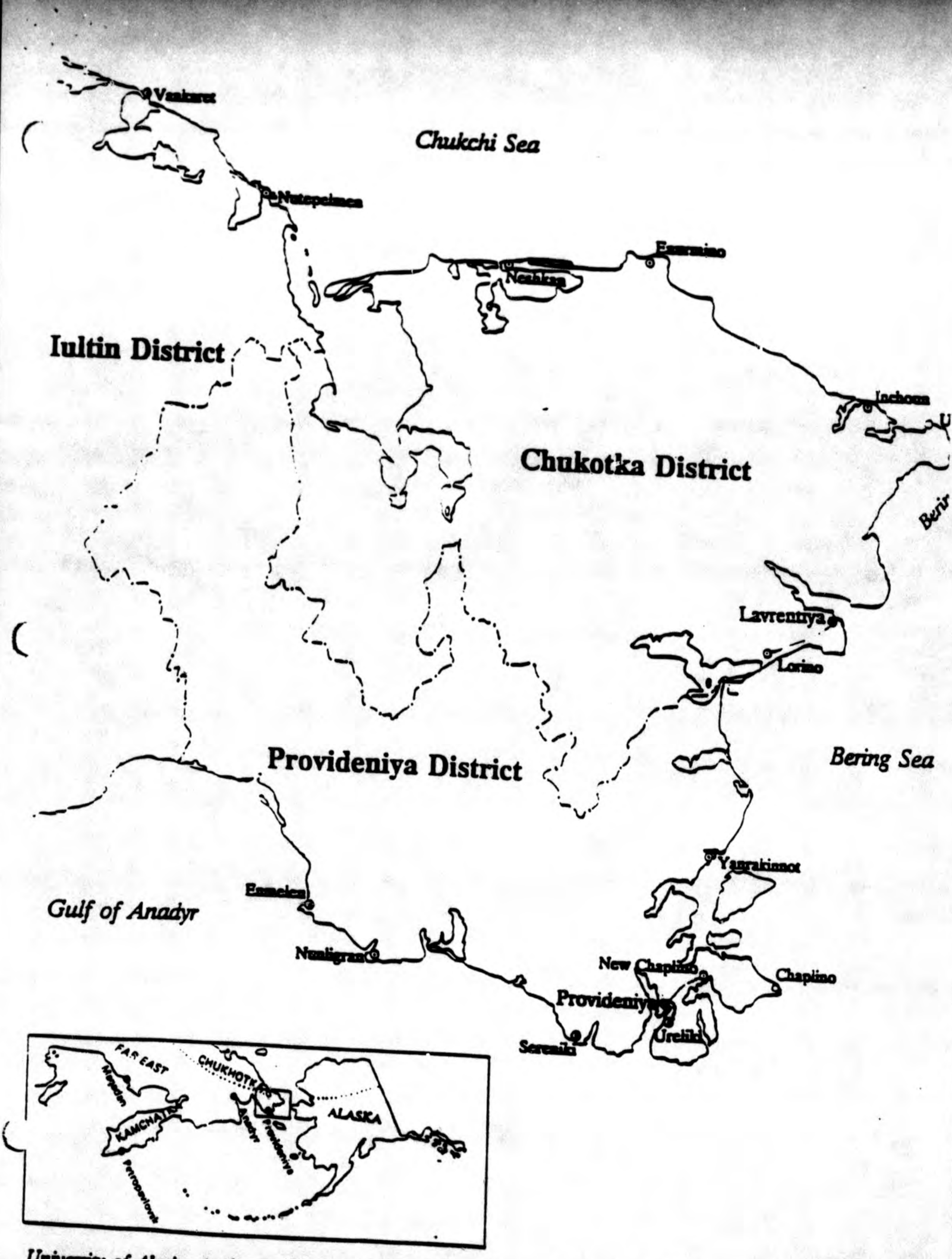
John Tichotsky
Institute of Social and Economic Research
University of Alaska Anchorage
3211 Providence Drive
Anchorage, Alaska 99508
(907) 786-7710

DRAFT
NOT FOR CITATION

February 1, 1990

Note: this is the first draft when the concept of the paper was meant to have more depth. Due to funding, a less detailed 4 page summary will be coming out in about 2 weeks.

ISER WorKINg PApers



University of Alaska Anchorage, Institute of Social and Economic Research 1990

THE SOVIET FAR EAST

THE SOVIET FAR EAST AND ALASKA

THE SOVIET UNION

Mark Air is considering flights to Leningrad. There has been a proposal by the Soviets for a joint-venture between an Alaskan airline and Magadan Aeroflot as a plan to circumvent the Soviet navigator clause for flights to the Soviet Union.

Aeroflot has plans to use four types of airplanes. Tupolev 154 (TU-154), Ilyishin 76 (IL-76) and the Antonov 24 and 26 (The AN-24 and 26), the AN-26 is a cargo version of the AN-24.

The Soviets intend to also have a modified IL-76 that will be able to carry 44 metric tons of cargo. In addition, the IL-76 has a relatively large cargo door that drops from the back (2.93 by 2.96 by 20 meters).

A AN-24 or 26 flying from Provideniya to Anchorage will need 4 metric tons of fuel to return to Provideniya. The cost of which will most likely be the responsibility of the American organization sponsoring the flight.

The Soviets are also planning to introduce the AN-12 cargo plane which can carry 12 metric tons as an intermediate alternative to the An-24 and the IL-76.

Any Alaskan organization ordering or depending on the arrival of an Aeroflot flight should be aware of the process by which Aeroflot secures permission to fly into American airspace.

1) Soviet organizations sends a letter to local Ministry of Civil Aviation (MinCivAir)

2) Local MinCivAir puts in a request to Moscow Aeroflot (Aeroflot is a "brand" name that MinCivAir uses).

3) Moscow Aeroflot sends request to Ministry of Foreign Affairs.

4) Ministry of Foreign Affairs sends request to Soviet Embassy in Washington D.C.

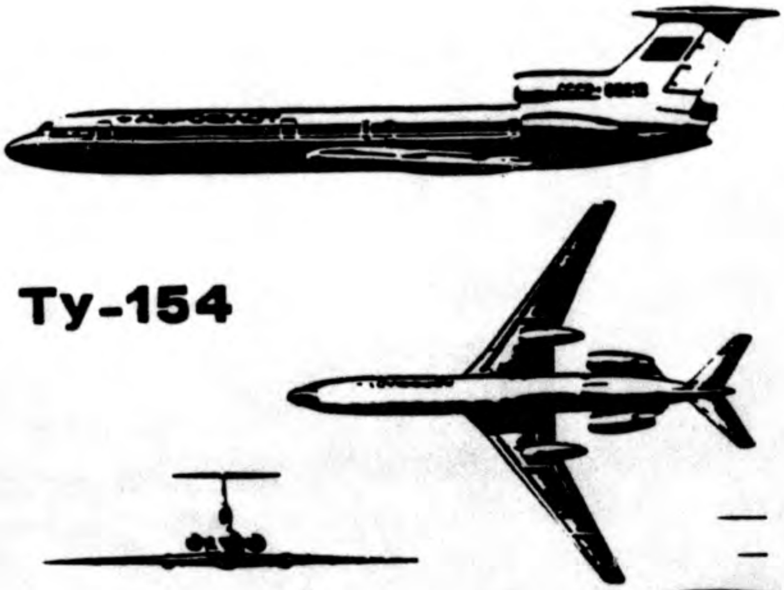
5) Soviet Embassy sends request to State Department.

6) State Department if it approves the flight sends answer to US Embassy in Moscow. The State Department also briefs local, Alaska customs and immigrations (sometimes within 6 hours of the flight). Local customs demands 48 hour notice.(Local Soviet MinCivAir are obligated to follow protocol and cannot directly contact local, Alaskan customs.)

7) US Embassy informs Ministry of Foreign Affairs.

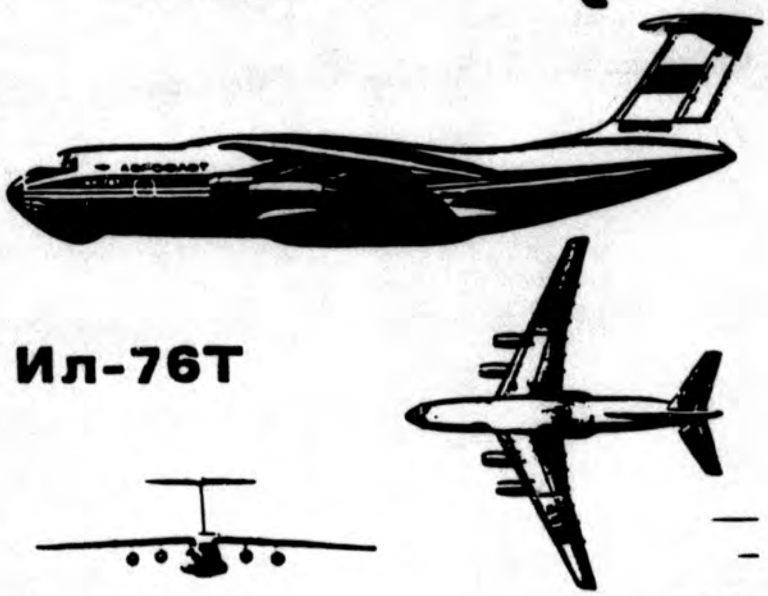
8) Ministry of Foreign Affairs contacts MinCivAir in Moscow.

AEROFLOT JETS AVAILABLE FOR FLIGHTS FROM THE FAREAST



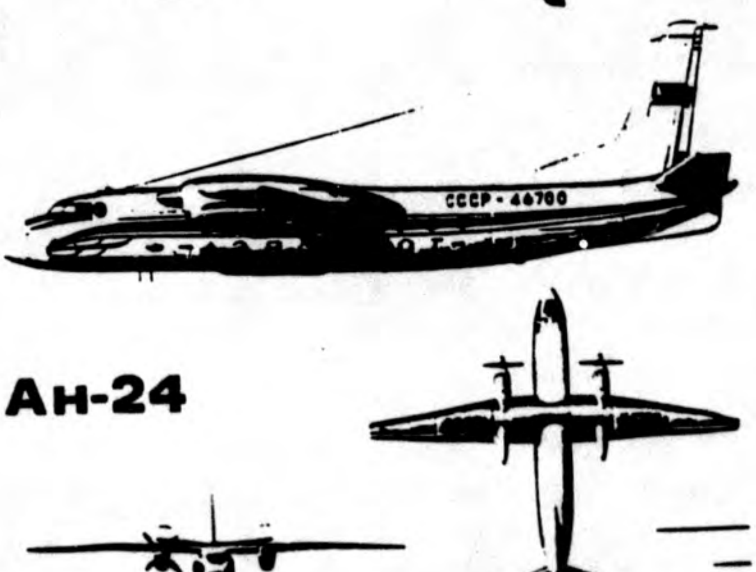
Ту-154

Plane:	TU-154
Number of passengers:	164
Amount of cargo (no passengers, metric tons):	18T
Estimated cost by Aeroflot (roubles an hour):	3.500 r/h
Cost of a round trip (in roubles) Magadan-Anchorage-Magadan:	25.636 r
Estimated travel time Anchorage-Magadan (hours):	4.42 h
Cruising speed:	900 km/h
Base city:	Magadan
Cargo dimensions (meters):	0.7*1.0*1.8



Ил-76Т

Plane:	IL-76
Number of passengers:	-
Amount of cargo (no passengers, metric tons):	40T
Estimated cost by Aeroflot (roubles an hour):	6.000 r/h
Cost of a round trip (in roubles) Magadan-Anchorage-Magadan:	75.348 r
Estimated travel time Anchorage-Magadan (hours):	4.83 h
Cruising speed:	850 km/h
Base city:	Magadan
Cargo dimensions (meters):	2.93*2.96*20



Ан-24

Plane:	AN-24
Number of passengers:	30
Amount of cargo (no passengers, metric tons):	3 to 4T
Estimated cost by Aeroflot (roubles an hour):	1.500r/h
Cost of a round trip (in roubles) Magadan-Anchorage-Magadan:	20.526 r
Estimated travel time Anchorage-Magadan (hours):	9.33 h
Cruising speed:	450 km/h
Base city:	Anadyr and Mag[illegible]
Cargo dimensions (meters):	0.7*1.0*1.8

Source: *Isobrazitel'noe iskusstvo*, Moscow 1989 and Institute of Social and Economic Research, January 1990

AEROFLOT JETS AVAILABLE FOR FLIGHTS FROM THE FAREAST (not pictured)

Plane: AN-26 (not pictured, cargo version of the AN-24)

Number of passengers:	-
Amount of cargo (no passengers, metric tons):	3 to 4T
Estimated cost by Aeroflot (roubles an hour):	1,500r/h
Cost of a round trip (in roubles) Magadan-Anchorage-Magadan:	20,526 r
Estimated travel time Anchorage-Magadan (hours):	9.33 h
Cruising speed:	450 km/h
Base city:	Anadyr and Magadan
Cargo dimensions (meters):	1.8*1.6*10

Plane:	AN-12 (not pictured, intermediate between AN-24 and IL-76)
Number of passengers:	-
Amount of cargo (no passengers, metric tons):	13.7 T
Estimated cost by Aeroflot (roubles an hour):	1,500r/h
Cost of a round trip (in roubles) Magadan-Anchorage-Magadan:	26,988 r
Estimated travel time Anchorage-Magadan (hours):	6.92 h
Cruising speed:	550 km/h
Base city:	Magadan
Cargo dimensions (meters):	2.2*2.6*11

Source: *Izobrazitel'noe iskusstvo*, Moscow 1989 and Institute of Social and Economic Research, January 1990.

Valantine Plehanov
Moscow Aerflot Official Responsible for International Flights
Telephone: Moscow 115-54-40

AMERICAN CONTACTS:

State Department, Soviet Desk
Victoria Nuland
(202) 647-9370
(Has assisted Alaskans in attaining permission for Soviet charter flights)

US Department of Transportation
Mary Pett
International Aviation Section
(202) 366-2370
(Is knowledgable about DOT position on Alaska-Soviet Far East flights)

Alaska Airport Authority
Gina-Marie Lindsey
(907) 266-2542

Mark Butler
(907) 266-2545
(Both have been involved in meetings with Soivet Aeroflot delegations on behalf of the State.)

Local FAA
Frank Cunningham, Regional Director
Donald Keil, Deputy Regional Director
(907) 271-5645
(Both have travelled to the Soviet Far East)

Local Immigrations
Anchorage International Airport
(907) 243-1400

Local Customs
Anchorage International Airport
(907) 243-4312
(Must be informed 48 hours before an Areoflot flight)

Alaska Airlines
Doug Verstig, vice -president
Jim Johnson
(206) 433-3379

Bill Mckay, Alaska Regional Manager
(Alaska Airlines representatives that are dealing with the proposal for scheduled flights between Alaska and the Soviet Far East.)

Alaska Airlines Cargo
(907) 243-3322
(Have loaded cargo for Aeroflot planes)

KAL chooses Siberian route

Airline's new flight plan will cut into Anchorage airport revenue

By HAL BERNTON
Daily News reporter

Korean Air plans to end Europe-Asia passenger flights through Alaska in favor of a Siberian shortcut opened by the Soviet policies of glasnost.

The Alaska bypass would cost Anchorage International Airport an estimated $3.85 million in landing fees and other revenue, or about 7 percent of last year's operating budget, according to airport officials.

"This is a big hit, no doubt," said Mark Butler, marketing director of the Alaska International Airport System.

The Anchorage pull-back by one of the airport's largest users is scheduled to take effect March 25. "It's almost 99 percent certain," said K.M. Moon, the airline's Anchorage station manager.

Korean Air, like most international carriers, uses Anchorage as a refueling stop on long-haul flights, funneling its passengers into airport duty shops during the one-hour break.

Korean Air plans to divert all 18 weekly Europe-Asia flights to a Siberian route that cuts about four hours off the 18-hour route through Anchorage, Moon said.

Another 13 weekly passenger flights between New York and Asia will remain routed through Anchorage, as well as 39 cargo flights.

Korean Air's route changes are part of a major shift away from Anchorage by international carriers eager to cut passenger travel time by flying the shorter Siberian route. Lufthansa has already pulled out of Anchorage and Japan Air Lines says that by 1991 it will cut Anchorage stopovers from 17 flights a week to four. Most other international airlines flying through Anchorage also have announced shifts to the Soviet route.

Until recently, it appeared Korean Air would be one of the last to leave Anchorage due to the chilly relations between South Korea and the Soviet Union. In 1984, a Korean Air

Please see Page C-6, KAL

Airline News Articles

KAL: Diverting passenger flights

Continued from Page C-1

passenger jet was shot down by the Soviets when it strayed into Siberian airspace. "As a result, they have been the last carrier to begin negotiations with the Russians," Butler said.

Moon said the company has been planning a Siberian route for many months. In January, Korean Air got permission for a temporary route through Siberia to avoid volcanic ash from Redoubt Volcano.

Moon said Redoubt's continued eruptions have helped speed up the airline's partial withdrawal from Anchorage, advancing the schedule several months.

Korean Air's pull-out cuts about 16 percent of the lucrative international passenger travel through Anchorage. While planes refuel at the airport, passengers buy furs, liquor, cigarettes and dozens of other items at the international terminal's Duty Free Shoppers concession.

The airport receives up to 19 percent the Duty Free sales revenue, and that money provides a major share of its operating budget, Butler said.

Duty Free employs about 260 people at the international terminal, and the company has not yet decided whether to lay off any employees, said William Foss, a senior vice president for Duty Free Shoppers. "The (Korean Air) decision obviously came as a great disappointment to us," Foss said.

Airport officials also are trying to expand the airport's already booming cargo traffic, much of which results from North America-Asia trade. Cargo traffic through Anchorage increased 12 percent last year, further consolidating Anchorage's claim as the number one cargo airport in the nation.

But cargo flights can't match the revenue generated by international passenger flights. They offer no tourists to pump currency into duty free shops, and require smaller flight crews in need of lodging.

According to airport statistics, it takes nearly five air freight flights to equal the airport revenue provided by one passenger flight.

The loss of flights through the airport also will ripple through other segments of the Anchorage economy. Korean Air relies on an Anchorage caterer to provide meals and lodges its crews in downtown hotels.

Much of the airport revenue lost by Korean Air's flight diversions may be made up by increasing rates charged other airport users, said Butler. "It will raise the cost of flying here," Butler said. "And may raise tickets."

But airport officials also are seeking to gain revenue through new business.

They are promoting Alaska to international tourists, hoping that will persuade some carriers to view Anchorage as a destination, rather than a refueling point.

Fairbanks backed for air route

By DOUG FORD
Times Business Writer

Alaska Sens. Ted Stevens and Frank Murkowski have thrown their support for a potentially lucrative new United States-Japan air cargo route behind an Emery Worldwide ACF Co. proposal to use Fairbanks as its U.S. gateway, Stevens confirmed Tuesday.

Emery is competing with a United Parcel Service proposal to use Anchorage as an entry and exit point for the Japanese market.

As a result of last year's bilateral airline agreement between the United States and Japan, a new U.S. cargo carrier will gain landing rights in Japan beginning in October 1990.

Emery, with its cargo hub in Dayton, Ohio, and UPS, with its center in Louisville, Ky., are the leading applicants for the route.

Both airlines are trying to line up state and community support for their proposals. A U.S. Transportation Department administrative law judge will use various criteria in awarding the route, including civic support and economic impacts.

'That a senator (Stevens) from Anchorage would support Fairbanks rather than Anchorage surprised us.' — Doug Kuelpman, UPS

"Heavy freight service between Dayton and Tokyo is essential for keeping the pipeline restoration (corrosion repair) project on schedule," said Stevens in a prepared statement read to The Times by his Washington, D.C. office. Dayton is a center for pipeline suppliers, the statement said.

Murkowski's office would not confirm that the senator had supported Emery's application.

"Emery is pleased with the senators' support," said Michael Critchley, Northwest division manager for Emery. "You can't ask for more support than that."

Doug Kuelpman, public affairs manager for UPS, said his company was shocked and disappointed at the news of the senators' support for the Emery application.

"That a senator (Stevens) from Anchorage would support Fairbanks rather than Anchorage surprised us," Kuelpman said. Murkowski, who is from Fairbanks, was expected to back Emery, Kuelpman said.

Congressman Don Young has not taken a public position on the issue. Gov. Steve Cowper remains neutral, supporting both applications, said Dave Ramseur, the governor's spokesman.

Due to the size of UPS' Alaska and worldwide operations, many industry analysts view UPS as the leading applicant. The company had $11 billion in sales last year.

See Route, page E-4

U.S. Sen. Ted Stevens
. . . prefers Emory to UPS

Route

Continued from page E-1

UPS has 150 employees in the state and four flights a day through Anchorage International Airport. UPS is the only company that delivers to all U.S. addresses, including those in Alaska, Kuelpman said.

Emery has seven employees in Alaska but delivers statewide through local contractors, Critchley said. Emery is a division of Consolidated Freightways Inc., a $4 billion trucking and freight forwarding company.

Emery has operated more than 100 cargo flights through Fairbanks over the past two years, said Dave Carlstrom, spokesman for Fairbanks Industrial Development Corp. "They have had a positive experience here, facility-wise and personnel-wise," he said.

Emery runs three flights a week to East Asia through Anchorage, Critchley said. The company does not run scheduled flights through Fairbanks at this time, he added.

"Because of Emery's choice of Fairbanks in the grand overall scheme of things for the state, Emery is the better choice," Carlstrom said. The Fairbanks Industrial Development Corp. has petitioned the judge to intervene in the proceedings on behalf of the municipality and civic groups in the city.

"We are real disappointed that the senators would play this kind of parochial partisan kind of politics. Not only is it bad for Anchorage but for the entire state," said Scott Hawkins, president of the Anchorage Economic Development Corp.

AEDC has applied to participate in the proceedings on behalf of Anchorage and UPS, he said.

"The best thing is to develop one major cargo hub in Anchorage," Hawkins said. It does not help the state to divide the cargo business between two airports several hundred miles apart, he said.

"The warehousing and distribution for Alaska's oil industry is out of Anchorage," he said, disputing Stevens' position that oil pipeline equipment must be shipped via Fairbanks.

The Alaska seafood industry faces a shortage of air cargo capacity to eastern Asia, Hawkins said. Moving additional cargo flights to Fairbanks will not help the industry, he said.

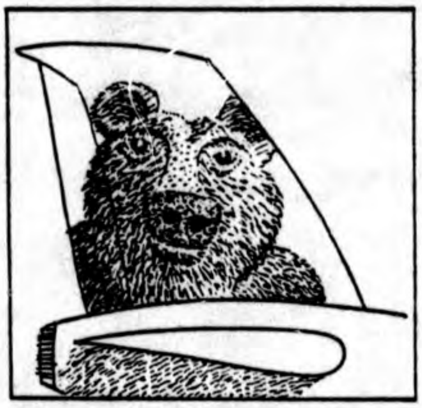
Times - 3/7/90

Crossroads

Glasnost transforms Anchorage air traffic

Glasnost in the Soviet Union has been good to Alaska in many ways. The Soviets' greater openness has thawed the ice curtain between Alaska and Siberia. It has allowed Native families here to visit their Soviet relatives and has stirred a whirlwind of cultural, scientific and business exchanges.

But when it comes to Alaska's historic role as a transcontinental airline hub, glasnost is a more mixed blessing. It has started to cut into the heart of Anchorage's aviation trade, servicing jets on polar routes between the Lower 48, Europe and Asia.



Before glasnost, flights between Europe and Asia had to skirt Soviet territory. Anchorage and Fairbanks served as friendly refueling outposts. Now the Soviets are opening their skies. Carriers can fly direct, skipping their Alaska stops. Korean Air Lines announced last week it will route 18 flights a week across Siberia instead of Alaska. Most other international carriers stopping here have made or plan similar moves.

But glasnost brings a new set of aviation opportunities, too. Under a U.S.-Soviet deal nearing fruition, Anchorage will become a hub for flights between the United States and the Soviet Far East. Several Alaska carriers hope to enter the new market.

One of Alaska's best assets going into the 1990s is our role as the back door between the Lower 48 and the Soviet Far East. As U.S.-Soviet trade and ties grow, so will air traffic in Anchorage. Serving the Soviets will help win back some of the air trade lost to glasnost. Anchorage can still be the Air Crossroads of the World, but glasnost will force the city to work harder at keeping the title.

Times ANCHORAGE & ALASKA B
Sunday, February 25, 1990

Soviet-Alaska air pact nears takeoff

By DEAN FOSDICK
Associated Press

The way is being cleared for new air routes across the North Pacific, with several airlines expressing interest in flying people and cargo between Alaska and the Soviet Far East.

Regional cooperation is speeding agreements between both areas because the deals don't have to be cleared first in Moscow or Washington, D.C., FAA spokesman Paul Steucke said Thursday.

"The Federal Aviation Administration and the Soviet Union's Ministry of Civil Aviation have been given a green light to begin negotiating on a regional level so we can resolve problems that exist and open up regular air commerce between the two areas," Steucke said.

The Soviet Union and Alaska soon will begin exchanging air traffic controllers and meteorologists, he said.

Both nations are working to get navigation aids set on common frequencies, and weather information also will be shared, Steucke said.

"A scheduled carrier cannot take off . . . without knowing what the weather is at the destination," he said. "That's a legal requirement."

Designating Provideniya as an international airport also may ease the way for more flights between Alaska and the Soviet Union. That could involve customs inspectors being stationed at Provideniya and Nome, Steucke said.

"Once we get the aviation system established, that should make it easier for those carriers to get permission to operate in the Soviet Union," he said.

"In addition to opening things up for tourism, it may provide a lot of opportunity for cargo. I understand now it has to go from here to Tokyo and back up (to the Soviet Union)," Steucke said.

Bering Air, which operates out of Nome, has been making charter flights to Provideniya since last summer.

Alaska Airlines has been negotiating with the Soviets for scheduled air service into the country for more than a year.

"We're open to (serving) Provideniya, but longer-term opportunities for us are the larger cities," said Lou Cancelmi, an Alaska Airlines spokesman in Seattle. "But that's all government-to-government stuff."

Markair withdrew its application for a route into the Soviet Far East but probably will renew it once the links are established, a spokesman said.

Northern Air Cargo said it would be interested in flying its prop-driven DC-6 aircraft to and from the Soviet Far East.

Anchorage Daily News Monday, March 5, 1990

Opening of Soviet Union interests airline officials

By JEFF BARNARD
The Associated Press

Alaska Airlines executives say they are encouraged by a preliminary agreement that could lead to the first scheduled air service to the Soviet Far East by the summer of 1991.

"It's definitely a market we think has a lot of potential and will and should open up," Doug Versteeg, vice president for administration, said Friday from his office in Seattle.

"We see tourism as the [illegible]est component of the market. Tourists we bring to Alaska already each season we think would be interested in extending their trip to the Soviet Far East."

U.S. and Soviet negotiators meeting in London on Thursday announced an agreement in principle to open commercial air service between Anchorage and the Soviet Far East cities of Magadan and Khabarovsk.

If a final agreement is reached, Alaska Airlines hopes to offer two to three flights a week during the summer, starting in 1991.

Versteeg said it was too early to project how many people might take advantage of the planned service, but he foresaw business people already traveling between the United States and the Soviet Union using the routes as well as tourists.

"Both countries want to do business," he said.

Gov. Steve Cowper said the memorandum of consultation between the two countries could lead to regular air travel to other Sovie cities by American carrie and service by the Sovie carrier Aeroflot to San Fra cisco.

"Regular air service t the major cities in the Sovie Far East is the ticket to permanent relationship wit out Soviet neighbors," Cow per said.

Anchorage Daily News Wednesday, March 7, 1990

Northern Air seeks Soviet Union route

The Associated Press

Northern Air Cargo has applied for rights to open air cargo service between Alaska and the Soviet Far East in anticipation of an aviation agreement being adopted this summer between the two nations, the carrier's president said Tuesday.

Wilson Hughes, Northern Air president, said the company has applied to fly once a week between Anchorage and Magadan, a regional center on the northern shore of the Sea of Okhotsk.

Hughes said he expected to be carrying construction materials and consumer goods, such as snow machines, chain saws, televisions and VCRs, on the 1,700-mile trip to Magadan, and returning with Soviet goods such as vodka, furs and refined metals.

Hughes said he believed there was a pent-up demand in the Soviet Far East for American goods.

Northern Air still has questions about the quality of fuel, ground handling, flight control and weather information that will be available in Magadan, Hughes said.

The company serves the far-flung reaches of Alaska, flying into the towns and villages scattered throughout the nation's biggest state.