

SCOMM

65:14

cliff

TESTIMONY FOR "PORTS ALASKA"

WHAT:

"PORTS ALASKA" IS A FEDERATION OF INDEPENDENT PORTS FROM ACROSS THE STATE. IT WAS RECENTLY CREATED BY A GROUP OF PORT DIRECTORS WHO FELT A NEED FOR GREATER COMMUNICATION AND COOPERATION BETWEEN ALASKA'S PORTS.

THIS JANUARY I ATTENDED THE FIRST MEETING OF "PORTS ALASKA" ON BEHALF OF KODIAK, THE THIRD LARGEST FISHING PORT IN THE UNITED STATES. I LEARNED SOME EXCITING THINGS. I LEARNED THERE IS FAR MORE POTENTIAL FOR COMMERCE AND ECONOMIC DEVELOPMENT IN ALASKA BY WORKING TOGETHER, THAN APART. *Ports are*

THE PURPOSE OF PORTS ALASKA IS TO BRING PORTS TOGETHER TO:

- PROVIDE A FORUM OF COMMUNICATION IN WHICH OUR PORTS CAN SHARE INFORMATION AND DISCUSS IDEAS
- TO CREATE AND DEVELOP MARKETING PROGRAMS
- GIVE SPECIAL CONCERN TO THE IDEA OF PORT FUNDING, PLANNING AND DEVELOPMENT
- PROVIDE EDUCATION TO PORT PERSONNEL
- ACT AS AN ADVOCATE AND SPOKESMAN FOR ALASKA'S PORT PERSONNEL
- CREATE AN IMAGE OF PROFESSIONALISM AND INTERNATIONALISM TO PORT USERS

HOUSE CONCURRENT RESOLUTION 26 ASKS THE ALASKA STATE LEGISLATURE TO RECOGNIZE AND SUPPORT THE CONCEPT OF "PORTS ALASKA".

There is a long term advantage to AK's ports working together. Co-Chairman of PORTS AK, Mr. Paul Fels, is here also to answer any questions you may have.

PAGE 2

II. INTERNATIONAL MARKET PLACE

-LONG TERM ADVANTAGE TO ALASKA'S PORTS WORKING TOGETHER

-MR. PAUL FUHS, MAYOR OF UNALASKA CAN EXPAND FURTHER ON THIS
TOPIC OR PERHAPS ANSWER ANY QUESTIONS YOU MAY HAVE

-PRESENTATION BY MAYOR PAUL FUHS, UNALASKA AND CO-CHAIRMAN OF
"PORTS ALASKA" (WITH MR. LARRY DINEEN, PORT DIRECTOR OF
ANCHORAGE)



Representative George Jacko, Jr., Chair
House Special Committee on Foreign Trade

DATE: 3/22/89

PLACE: ^{Room} 102 State Affairs

SUBJECT OF MEETING:

HCR 26 (Part of Alaska)
SJR 32 (250th Russian Anniversary)
Part of Alaska Overview

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Paul Fuhs	City of Uralaska	Box 141 Uralaska	99645	—	—	☒ Y ☐ N	HCR 26
						☐ Y ☐ N	
						☐ Y ☐ N	
						☐ Y ☐ N	
						☐ Y ☐ N	
						☐ Y ☐ N	
						☐ Y ☐ N	
						☐ Y ☐ N	
						☐ Y ☐ N	
						☐ Y ☐ N	
						☐ Y ☐ N	

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 17, 1989

FURTHER REFERRALS: TRANSPORTATION RESOURCES

Date of Committee Action: _____

The HOUSE SPECIAL COMMITTEE ON FOREIGN TRADE considered:

HCR 26

HOUSE CONCURRENT RESOLUTION NO. 26

[SUPPORTING PORTS ALASKA]

Supporting the establishment of Ports Alaska.

RECOMMENDATIONS:

RECOMMENDATIONS: [] the same title
[] be replaced with _____ [] a new title

[] be replaced with [] a new title

☐ have attached amendment(s)

```
[ ] do pass
```

[] do not pass

[] no recommendation

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS:

ADOPTS: letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

[] fiscal impact

[] fiscal note(s) _____

[] zero fiscal note

[] zero fiscal note(s)

[] zero with analysis_____

[] zero fn/analysis _____

SIGNING DO PASS:

[illegible]

SIGNING:

(Check approp. column)

[illegible]

Chairman's signature



Official Business

Alaska State Legislature

House of Representatives

P.O. Box V
State Capitol
Juneau, Alaska 99811
907-465-4942

Special Committee On Foreign Trade

MEMORANDUM

TO: Irene Cashen
Chief Clerk

FROM: Rep. George Jacko, Jr.
Chairman
Special Committee on Foreign Trade

DATE: MARCH 9, 1989

SUBJ: Foreign Trade Committee Schedule For Week of Mar. 20

The committee will meet Tuesday, March 21; 12:00 NOON; Room 124 Capitol; and will consider:

SJR 32 am Commemorating the 250th anniversary of the
Russian discovery of Alaska

The committee also will hear a presentation on present
and prospective foreign trade opportunities in Unalaska,
by the Honorable Paul Fuhs, Mayor of the City of
Unalaska.



STATE OF ALASKA

HOUSE OF REPRESENTATIVES

Box V, Juneau, Alaska 99811

(907) 465-2487 • 465-2498

MAR 16 1989

REPRESENTATIVE CLIFF DAVIDSON • DISTRICT 27 • Box 746, Kodiak, Alaska 99615 • (907) 486-8250

MEMORANDUM

TO: All Members, House of Representatives
Alaska State Legislature

FROM: Representative Cliff Davidson *CD*
Co-Chairman, House Resources Committee

DATE: March 15, 1989

SUBJECT: "Ports Alaska" Resolution

I invite and encourage your cosponsorship of the attached legislation.

The proposed house joint resolution supports "Ports Alaska", an organization recently created to develop, market, and fully realize the potential of Alaska's ports.

Historically, ports have been the lifeline of Alaska, serving as hubs of communication, transportation and commerce. As we enter the next century, Alaska's ports will resume an even greater role in the commerce and economic development of our state.

The purpose of "Ports Alaska" is to provide a forum of communication in which our ports can share information and discuss ideas; create and develop marketing programs; give special concerns to the issues affecting port funding, planning and development; provide education to port personnel; act as an advocate and spokesman for Alaska's port industry; and create an image of professionalism and internationalism to port-users.

This legislation has no fiscal impact, and I would appreciate your cosponsorship.

Please contact my staff at 465-2487 with any questions.

Thank you.

DRAFT

1 IN THE HOUSE

BY DAVIDSON

2 HOUSE CONCURRENT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Supporting the establishment of Ports
6 Alaska.

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

8 WHEREAS Alaska is a maritime state with 95 percent of its population
9 along navigable waterways; and

10 WHEREAS the future of the state is closely linked to the future of its
11 ports; and

12 WHEREAS Alaska's ice free ports at tide water are closer to the major
13 trade centers of the North Pacific than any other port in North America;
14 and

15 WHEREAS Ports Alaska is a federation of independent ports in the state
16 organized to cooperate in mutually beneficial projects; and

17 WHEREAS the mission of Ports Alaska is to facilitate the realization
18 of the maximum potential of Alaska's ports; and

19 WHEREAS Ports Alaska supports the marketing and economic development
20 of Alaska's ports; and

21 WHEREAS it is important to develop a strategy to build a strong mari-
22 time industry in the state, now that state and federal expenditures in the
23 state are declining;

24 BE IT RESOLVED that the Alaska State Legislature supports the estab-
25 lishment of Ports Alaska and the goal of Ports Alaska to maximize the
26 potential of the state's ports and to foster a strong maritime industry in
27 the state.
28
29



Official Business

Alaska State Legislature

House of Representatives

Special Committee On Foreign Trade

P.O. Box V
State Capitol
Juneau, Alaska 99811
907-465-4942

TO: FOREIGN TRADE
COMMITTEE MEMBERS

FROM: REP. GEORGE JACKO, JR.
CHAIRMAN

DATE: MARCH 21, 1989

SUBJ: SJR 32
PROPOSED AMENDMENTS

Because there has been some discomfort over the wording of SJR 32 as it passed the Senate, I am proposing several amendments. You'll find the amendments, listed below, incorporated into a work draft for a proposed CS.

SJR 32 Amendments:

- (1) On line 14...after "first" insert "documented"
- (2) On line 17...after "government," strike "marks the beginning of" and insert "stands as one of the earliest episodes in"
- (3) Lines 20, 21, 22...strike all
- (4) On line 24...strike "generate further warm relations among" and insert "build on the foundation of understanding brought about by the recent interchanges between"
- (5) On line 29...strike "Alaskan-" and insert "Alaska-"

Ports of Alaska Take First Steps towards Unification

Port Directors, Harbormasters, and elected and employed representatives of ports from around the state came together Monday and Tuesday, January 23 and 24, to pinpoint areas of common interest that would justify creation of a statewide organization.

The participants decided it would indeed be worthwhile to formally incorporate as a "federation of independent ports organized to cooperate in mutually beneficial projects such as conducting governmental relations, general goal setting, and information sharing."

More specifically, according to the mission statement they hammered out during the meetings, cooperation will

extend to:

- Originating marketing programs and materials that will portray Alaska's port industry to potential customers, investors, and the general public;
- Giving special concerns to issues affecting port funding, planning and development;
- Providing educational programs for port managers, staff members and elected/appointed officials;
- Acting as an advocate for Alaskan ports at the State, borough and city levels of government on behalf of legislation brought before such governments;
- Taking a pro-active stance in matters

affecting Alaskan ports;

- Functioning as a spokesman for the Alaska port industry;
- Providing a forum through which all Alaska ports can communicate with each other, gain an understanding of issues and reach consensus on issues;
- Creating an image of professionalism for Alaskan ports; and
- Fostering an attitude of internationalism in Alaska communities.

As well as developing the mission statement they could agree on as the basis for Ports Alaska, in the process, they got brought up to date on port-instigated economic development in Alaskan ports. They discussed financing alternatives, developing world technology that may offer them opportunities, ways of assuring themselves trained personnel, and marketing.

After approving its mission statement, the group elected Mayor Paul Fuhs of Unalaska/Dutch Harbor, and City of Anchorage Port Director Larry Dinneen co-chairmen of the new group.

Ports Alaska members passed four resolutions during the course of their business meeting.

• They expressed their gratitude to the Army Corps of Engineers for its past and on-going programs in support of their ports and harbors and their willingness and intention to work with the Corps as it develops its own 10-year and 20-year plans for harbor and port work around the state and on obtaining appropriate federal funds for development.

• They supported the governor's plan to narrow the definition of the unitary tax

now in existence in Alaska to "water's edge." A unitary tax is one that requires businesses to treat revenues worldwide in their calculations of the tax they would owe in Alaska. Alaska is presently the only state with such a tax requirement, and the proposed definition would required firms to include only American revenues.

• They supported good forestation management that protects harbors and ports and fisheries from pollution while allowing development to occur.

• They agreed to explore stable funding sources for their ports. They stopped short of advocating for any of the alternatives discussed during the meeting such as designating Permanent Fund income funds to port development, or expanding the role of the Alaska Industrial and Export Development Agency, or various types of bonding. Rather, they made it a priority to uncover and analyze all alternatives to see what may be particularly appropriate for ports and harbors as the foundation for coastal community economic development.

The move to bring the ports together began about a year ago when Fuhs approached the City of Anchorage with a plan for mutual support of Unalaska/Dutch Harbor's water/sewer project, the Fishery Industrial Center construction in Kodiak, and Data systems development in Anchorage. The fruitfulness of that alliance motivated Fuhs and Dinneen to invite personnel from Alaska's other ports to consider mutually beneficial participation in a statewide organization.



**Reeve
Aleutian
Airways**

TIME TABLE RESERVATIONS: 243-4700

	LEAVE	ARRIVE	FLIGHT	STOPS	FREQ.	SERVICE
TO: ADAK	9:50 a	11:40 a	721	0	MO/WE/FR	L
	9:50 a	11:40 a	723	0	TU/TH/SA	L
FROM ADAK:	3:25 p	7:00 p	722	0	MO/WE/FR	D
	12:40 p	7:00 p	724	1	TU/TH/SAT	D
TO: CHIGNIK	10:50 a	2:00 p	35/659	1	XSU	S
FROM: CHIGNIK	2:05 p	6:30 p	660/36	5	XSU	S

BY DAVIDSON, JACKO, MENARD,
FOSTER, ELLIS, CATO, MARTIN
NAVARRE, BROWN, ZAWACKI AND
COLLINS

1 IN THE HOUSE

2

HOUSE CONCURRENT RESOLUTION NO. 26

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

Supporting the establishment of Ports
Alaska.

6

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lishment of Ports Alaska and the goal of Ports Alaska to maximize the
potential of the state's ports and to foster a strong maritime industry in
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26

28

COPIES of this resolution shall be sent to each municipality in Alaska
and to each harbor master and port director in Alaska.

29



STATE OF ALASKA
HOUSE OF REPRESENTATIVES
Box V, Juneau, Alaska 99811
(907) 465-2487 • 465-2498

REPRESENTATIVE CLIFF DAVIDSON • DISTRICT 27 • Box 746, Kodiak, Alaska 99615 • (907) 486-8250

M E M O R A N D U M

TO: All Members, House Special Committee on Foreign
and Domestic Trade

FROM: Representative Cliff Davidson *cliff*

DATE: March 21, 1989

SUBJECT: House Concurrent Resolution 26, Supporting the
Establishment of "Ports Alaska"

House Concurrent Resolution 26 supports "Ports Alaska", an organization recently created to develop, market and fully realize the potential of Alaska's ports.

Historically, ports have been the lifeline of Alaska, serving as hubs of communication, transportation, and commerce. As we enter the next century, Alaska's ports will resume an even greater role in the commerce and economic development of our state.

The purpose of "Ports Alaska" is to provide a forum of communication in which our ports can share information and discuss ideas; create and develop marketing programs; give special concerns to the issues affecting port funding, planning and development; provide education to port personnel; act as an advocate and spokesman for Alaska's port industry; and create an image of professionalism and internationalism to port users.

"Ports Alaska" was created by a group of port directors last year with membership consisting of seaports, airports, and riverports across the state.

Thank you for your consideration of House Concurrent Resolution 26.

Ports of Alaska Take First Steps towards Unification

Port Directors, Harbormasters, and elected and employed representatives of ports from around the state came together Monday and Tuesday, January 23 and 24, to pinpoint areas of common interest that would justify creation of a statewide organization.

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Airways**

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TO: CHIGNIK	10:50 a	2:00 p	35/659	1	XSU	S
FROM: CHIGNIK	2:05 p	6:30 p	660/36	5	XSU	S

PORTS ALASKA MISSION

The mission of Ports Alaska is to facilitate the realization of maximum potential of Alaska's ports. Port Alaska shall be federation of independent ports organized to cooperate in mutually beneficial projects such as conducting governmental relations, general goal setting and information sharing.

- 1) By originating marketing programs and materials that will portray Alaska's port industry to potential customers, investors and the general public.
- 2) By giving special concerns to issues affecting port funding, planning and development,
- 3) By providing educational programs for port managers, staff members and elected/appointed officials,
- 4) By acting as an advocate for Alaskan ports at the State, borough and city levels of government on behalf of legislation brought before such governments,
- 5) By taking a pro-active stance in matters affecting Alaskan ports,
- 6) By functioning as a spokesman for the Alaska port industry,

7) By providing a forum through which all Alaska ports can communicate with each other, gain an understanding of issues and reach consensus on issues,

8) By creating an image of professionalism for Alaska ports,

9) By fostering an attitude of internationalism in Alaska communities.

Corky

PORTS ALASKA

JANUARY 23, 1989

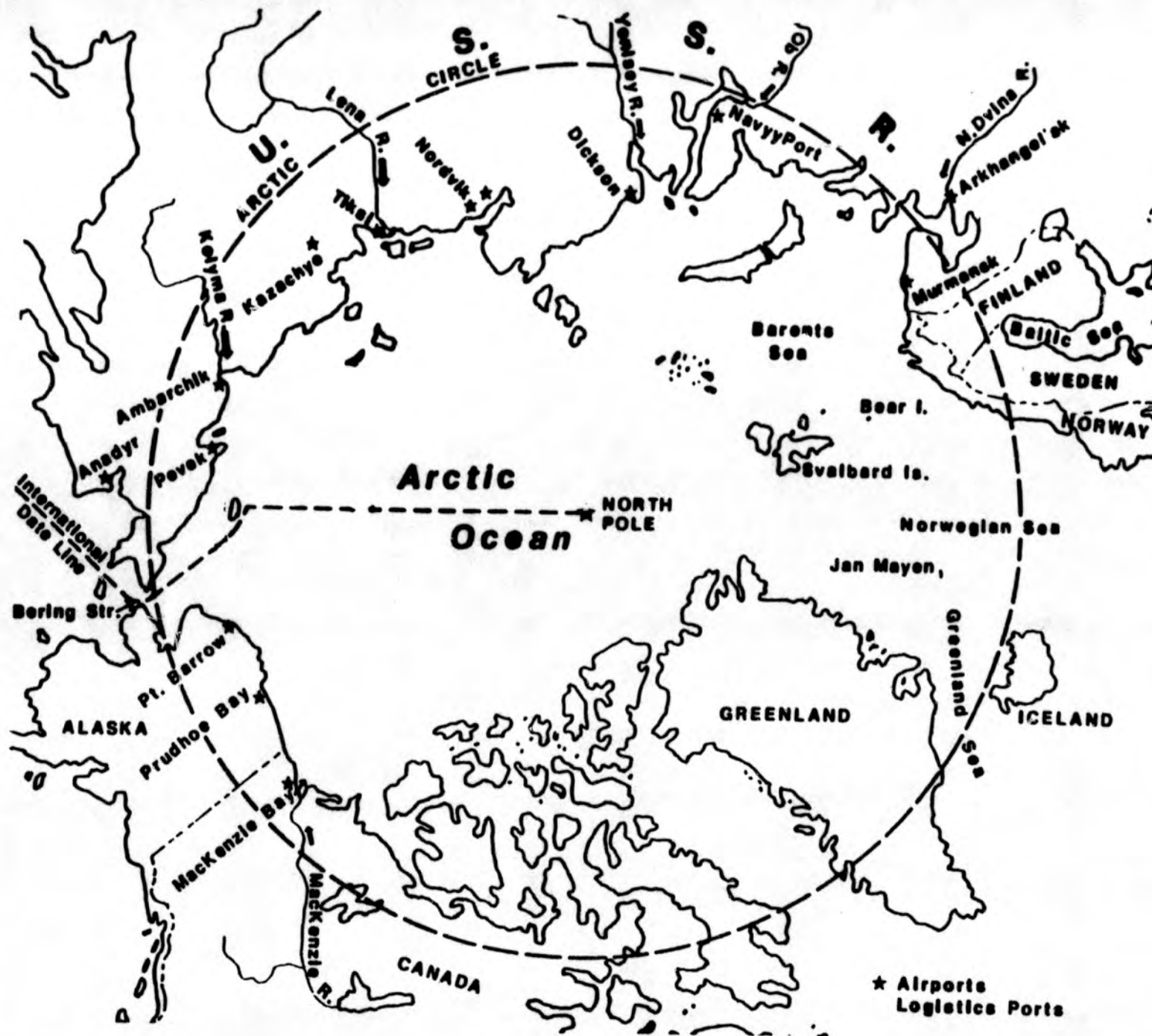
Karrie Bohi
Carl Borash
Perry Brady
Jack Brown
Vern Chase
Luther "Spike" Christopher
Darrel C. "Sarge" Connick
Gary Daily
Larry Dinneen
Charles Doan
Tom Dowd
James "Bud" Dye
Paul Fuhs
Chris Gates
-Joe Graham
-Shari Gross
John Henderschedt
Zane Henning
Herv Hensley
Tyler Jones
Ron Kahlenbeck
Rod Koon
Keith Korneus
John Levy
Jacquiline Lindauer
Stephanie Love
"Corky" McCorkle
Vern McCorkle
Penny Mendenhall
Dale Muma
Shieley Nelson
Dave Orr
Rose Palmquist
Robert Poe
Betty Poeschell
Leon Quesuel
Rene Roussel
Tiny Schasteen
Ron Sheardown
Tim Troll
Harry Utti
Bill Walker

Bill Wason
Fred Zharoff

Cliff Davidson

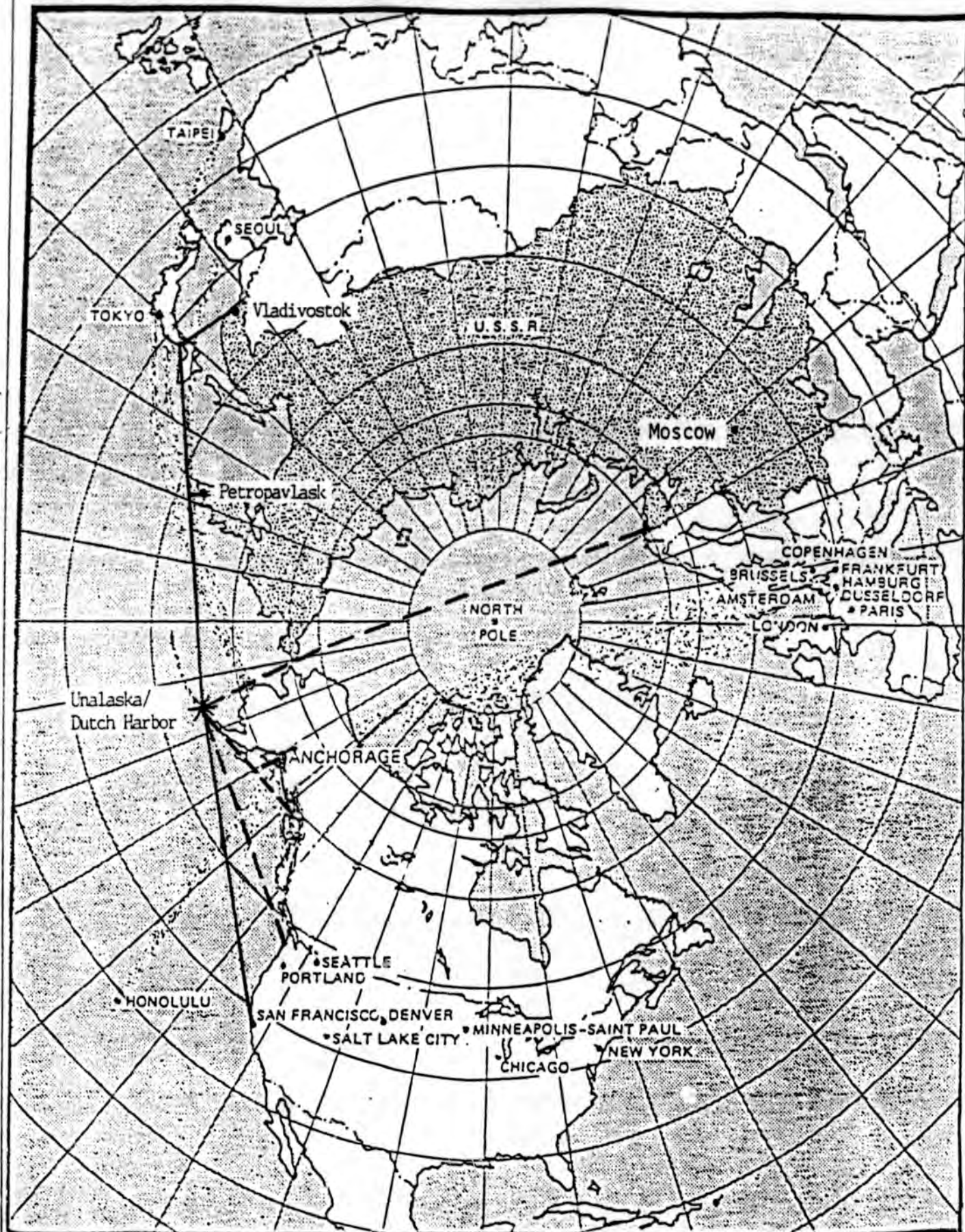
KAKM
Corps of Engineers
Alaska Husky Wood
Port of Anchorage
Port of Valdez
P/H Homer
Port Director/Harbormaster Bethel
Port of Dutch Harbor
Port of Anchorage
Port of Tacoma, Tacoma, WA
Alaska Sea Grant
Port of Anchorage
Mayor, Unalaska/Dutch Harbor
City/Port of Seward
Port of Juneau
Port of Tacoma
Marine Resources Co. Int.
City of Unalaska/Dutch Harbor
City Manager, Unalaska - Dutch Harbor
Port of Anchorage
Military Seakift Command - Alaska
Port of Tacoma
City of Kenai
SW Alaska Munic. Conference
Editor, Aleutian Eagle
Staff - Rep. Cliff Davidson
Port of Kodiak
City of Saint Paul
Whittier Harbor Master
Port of Cordova
Alaska Businesss Monthly
Private Studies
Pt. MacKenzie Port
Office of International Trade
Whittier, Alaska
Kenai
U. S. Coast Guard
City Council Unalaska/Dutch Harbor

Port of St. Mary's
Matsu - Port Development
Hughes, Thorsness, Gante, Parnel
Brundin
Port Graham
Senator District N



VG # 1

CITY OF UNALASKA/DUTCH HARBOR
STRATEGIC LOCATION IN INTERNATIONAL COMMUNICATIONS ROUTES



----- Western US Trans Arctic Shipping Route utilizing Soviet Icebreaking Containerships to European Market
———— Trans Pacific Fiber Optic Cable Route (Also Great Circle Shipping Route)

Soviet Arctic Marine Transportation

Lawson W. Brigham

The development of marine transportation in the Soviet Arctic during the past three decades has been an extraordinary achievement. The Northern Sea Route (NSR), which stretches approximately 5000 kilometres across the Soviet maritime Arctic, has steadily become linked to the overall development of Siberian resources.

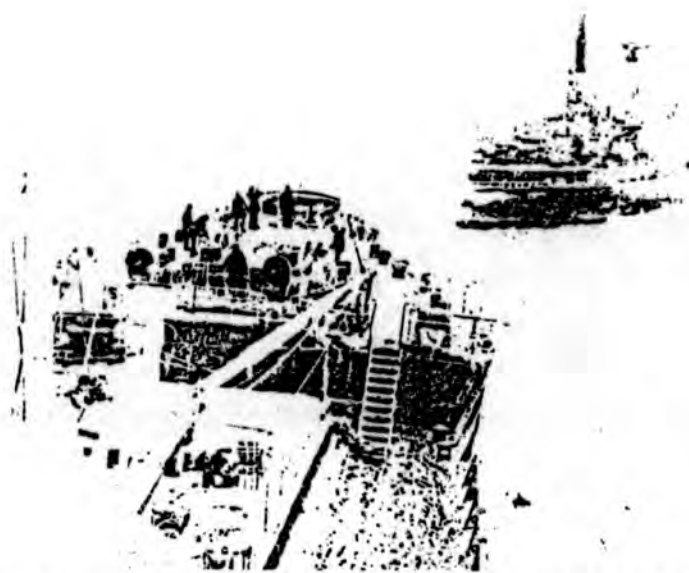
Since 1978 Soviet ice-breakers and ice-strengthened carriers have maintained year-round navigation to Dudinka, port city for the industrial complex at Noril'sk. Thus, ships are routinely plying the ice-covered waters of the Barents and Kara seas throughout the winter, a rare occurrence around Alaska and in the Canadian Arctic. Summertime navigation along the entire NSR, including the numerous rivers, estuaries, and deltas of the Soviet northern coast, continues to be expanded through the application of a broad range of advanced marine technology. Much of this technology has been developed in Finland and the Soviet Union.

A recent estimate of the annual level of operation of the NSR shows approximately 600 freighting voyages carrying six million tons of cargo.² The attainment of this level of marine commerce in the Arctic Ocean, and the high capital investment required to maintain and improve such a difficult transportation route, underscore the

significance and long-term commitment successive Soviet leaders have attached to this endeavour.

Figure 1 illustrates the main marine transportation routes from Murmansk on the Kola Peninsula east to the Pacific Ocean. Also shown are the north-flowing rivers of the Soviet Arctic, an inland waterway of great importance to the movement of cargo and passengers throughout the interior of Siberia. These rivers serve as the major link between the NSR and the principle railroads to the South. It is clear that development of much of Siberia is dependent on an effective and reliable marine and river transportation system because industrial and population centres are widely dispersed in areas that lack roads and railways.

Three general patterns of arctic operations exist along the NSR. The most prominent by a wide margin is the support of the industrial complexes on the Ob' and Yenisey rivers by ice-breakers and commercial ships to and from Murmansk and Arkhangel'sk. Gas pipelines for the



Novosti Press Agency

Nuclear-powered ice-breaker *Sibir* (right) escorting ships in Kara Sea

Principal Ports, Rivers, and Routes of the Soviet Maritime Arctic



Figure 1

extensive oil and gas industry on the Yamal Peninsula are generally shipped to the Ob' estuary and moved upriver by barge. Timber from the milling centre at Igarka is shipped down the Yenisey and to the West (including foreign ports). Copper and nickel ore from the Noril'sk area is carried by rail to the river port of Dudinka and then shipped on the NSR to Murmansk where there is nearby excess capacity for smelting.

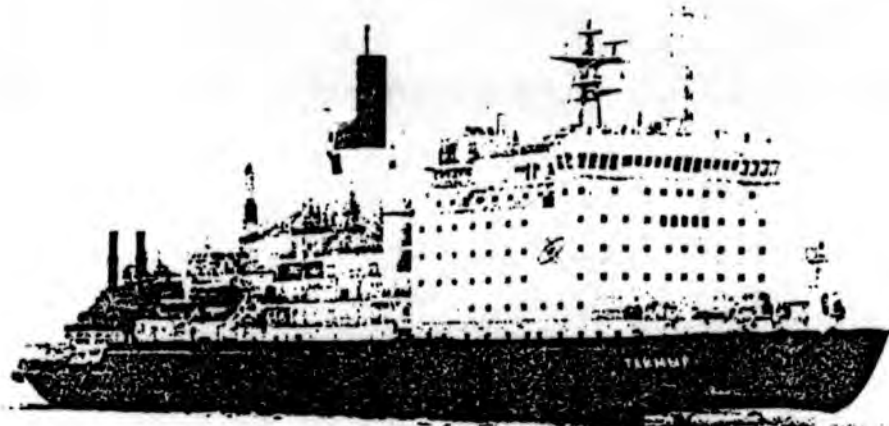
In the Far East, operations are run from Vladivostok and other Pacific ports to the port of Pevek on the East Siberian Sea and the Kolyma River. Precious metals and other mining enterprises are serviced, and many coastal communities lacking harbours and adequate cargo-handling facilities are supplied. The third operation,

experimental voyages have been accomplished by ice-breakers escorting cargo ships for the duration of the transit. In 1984 and 1985, cargo ships, a majority being the new SA-15 arctic ice-breaking vessels, made transits from Vancouver, B.C. and Japan to ports in the western sector of the NSR. Remarkably, several of the SA-15 voyages were unescorted for the length of the NSR.

The Soviet Ice-breaker Fleet

One of the most visible aspects of the operations on the NSR is the extraordinary Soviet ice-breaker fleet. More than 75 ships specially designed as ice-breakers sail the Soviet maritime Arctic. Comprising this fleet are many unique arctic vessels, in-

the first nuclear surface ship (44 000 shaft horsepower). *Arktika*, *Sibir*, and *Rossiia* (all three at 75 000 shaft horsepower). Four additional nuclear polar ice-breakers are currently under construction in Leningrad and Helsinki. In the spring of 1988 one of these ships, *Taymyr*, a shallow-draft, nuclear ice-breaker, was delivered by the Finnish shipbuilder Wartsila to the Soviet Union for installation of a nuclear reactor. Twelve diesel-electric-powered ships, all built since 1959 in Finland and all with shaft horsepowers greater than 22 000, make up the balance of the Soviet polar ice-breaker fleet. In comparison, Canada operates only a single polar ice-breaker in this size range, the Canadian Coast Guard's *Louis St Laurent*. The United States has only the ice-breakers *Polar Star* and *Polar*



Wartsila Marine Industries

Shallow-draft nuclear-powered ice-breaker *Taymyr* undergoing sea trials, March 1988

somewhat less well established, involves the central region of the Soviet maritime Arctic. Freight comes mainly from the West during July through October to the port of Tiksi on the Laptev Sea and to the Lena River. At times there is a linkage of sea convoys with river craft. Cargo is also distributed along a route between the Lena and Kolyma rivers.

In recent years the entire length of the NSR has been accessible to shipping from mid-July to October.³ This is achieved by stationing polar ice-breakers in the straits and other areas of difficult ice conditions to provide escort as required. However, through voyages of the NSR have not been made in any regular fashion. Several

cluding such diverse types as polar, sub-arctic, salvage, river, large harbour, and research ice-breakers. Most important for arctic marine transportation are 16 large polar ice-breakers of exceptional ice-breaking capability.⁴ These ships, designed for convoying commercial ships in the high latitudes, are the keys to providing virtually unlimited access to much of the Soviet North. Each of these 16 ships ranks among the largest and most powerful ice-breakers in the world.

Polar ice-breakers are generally defined as those ships capable of independent operations in the heavy, multi-year ice of the Arctic Ocean. The Soviet ships in this category include four nuclear ships: *Lenin*,

Sea to match the capabilities of these Soviet ships.

Technological Challenge

The Soviet ice-breaker fleet is an obvious necessity for the effective movement of marine traffic along the NSR. Just as important, however, is a modern fleet of multi-purpose cargo ships capable of independent transits (without continuous ice-breaker escort). The early *Lena* and *Amguema* class arctic ships built in the 1950s and 1960s proved too small and low-powered for the extended navigation seasons pioneered since the late 1970s. During the past decade the Administration

Major Events in the Modern Development of Soviet Arctic Marine Transportation

1960

NSR—Northern Sea Route

Nuclear polar ice-breaker *Lenin* (world's first nuclear surface ship) commences escort duties along the NSR in July.

1970

Lenin and the subarctic ice-breaker *Kapitan Belousov* convoy the cargo ship *Gizhiga* to Dudinka in an experimental winter voyage.

1971

Lenin and the polar ice-breaker *Vladivostok*, in a May–June demonstration, forge a high-latitude passage across the NSR without convoy.



Arktika

Novosti Press Agency

1975

Nuclear polar ice-breaker *Arktika* (world's most powerful ice-breaker, at 75 000 shaft horsepower) enters service.

1977

Arktika becomes the first surface ship to reach the North Pole, on 17 August 1977.

1978

Nuclear polar ice-breaker *Sibir* and the cargo ship *Kapitan Myshevskiy* conduct a high-latitude voyage north of the Soviet island groups in May–June.

1978

Successful attempt during the 1978–79 season at year-round navigation from Murmansk to Dudinka.

1982

First two SA-15 ice-breaking cargo ships, *Noril'sk* and *Tiksi*, are delivered by Finnish shipbuilders.

1983

Kosmos-1500 satellite launched with imaging radar which will improve strategic ice information.

1983

51-ship convoy becomes trapped in heavy ice off the north coast of Chukotka near Pevek during October–November; rescue is accomplished by a major ice-breaker group, but not without the loss of one ship and serious damage to many.

1984

Six trans-Arctic voyages are completed by ships (five are SA-15s) sailing the NSR from east to west—from Japan and Vancouver, B.C. through Bering Strait to ports in the West.



Lawson W. Brigham

SA-15 Class

1984

Ice-breaking LASH (lighter-aboard-ship) carrier *Aleksey Kosygin* makes its maiden voyage north from Vladivostok.

1985

Three SA-15 ships participate during November–December in an experimental navigation season extension, sailing from Vancouver, B.C. across the NSR to Arkhangel'sk.

1986

Nuclear ice-breaking LASH ship *Sevmorput*, built for routes between Vladivostok and eastern ports along the NSR, is launched in Kerch.

1987

Sibir reaches the North Pole on 27 May 1987.

1988

Nuclear shallow-draft polar ice-breaker *Taymyr*, built by Wartsila in Helsinki, is delivered to the U.S.S.R. for installation of a nuclear reactor.

Sources: *Polar Record*, *Vodnyy Transport*, *Soviet Shipping*, and *Polar Geography and Geology*.

of the Northern Sea Route has focused its attention on improving the ice-breaking capability, cargo capacity, and range of specialized ice-breaking freighters. As a result, the Soviet Union has recently built several such vessels in its own shipyards and has also sought the advanced ice-breaking technology of Finnish shipbuilders. All of the recent additions—Soviet-built nuclear and non-nuclear lighter-aboard-ship (LASH) carriers (*Sevmorput* and *Aleksey Kosygin*),⁵ Finnish-

metres and in temperatures that reach as low as -50°C . These extreme temperatures can have adverse effects on most external ship systems, such as cargo-handling equipment. The shallow depths of the deltas and estuaries of many regions of the NSR also limit draft design. Finally, high structural standards must be met for ice-breaking, since transits must be made in narrow straits where the ice can be under extreme pressures. Collectively, these criteria pose unique challenges and call for

tempted, frequently linking Canadian, Japanese, and other Pacific ports with the western sector of the Soviet maritime Arctic.

This expansion of operations in the Soviet Arctic may provide several opportunities for Canada. Under existing science and technology agreements, Canadians can potentially learn a great deal about Soviet ice navigation and the applications of advanced technology to the Arctic. The potential also exists for the export of technology proven in the Canadian Arctic. As the next century unfolds we may conceivably see the transits of Canadian polar ships across the NSR with the helpful assistance of Soviet polar ice-breakers.



Nikolai Stepanov, First Mate, Arkhangel'sk

Novosti Press Agency

built SA-15 ice-breaking cargo ships (*Noril'sk* class),⁶ and a Soviet-built SAS-8 shallow-draft arctic freighter (*Vitus Berling*)—are technically advanced and represent vastly superior designs for arctic commerce on the NSR.

The breadth of technical and environmental challenges faced by the designers of Soviet arctic cargo ships is impressive. A lack of port facilities in the Soviet North forces designers to consider alternative solutions such as using roll-on/roll-off configurations and barge or lighter systems. Soviet arctic cargo ships must have the capability to moor along ice wharfs and unload cargo on shorefast ice. Widely spaced port fuelling stations require these ships to have large fuel capacities and to be capable of refuelling from Soviet polar ice-breakers, so that ice-breaking operations can be sustained. Due to these endurance limitations, nuclear power has become an attractive and viable alternative. Commercial ships with ice-breaking hull forms must be able to operate in level ice thicknesses of 1.5

innovative technical solutions by both Soviet and Finnish ship designers.

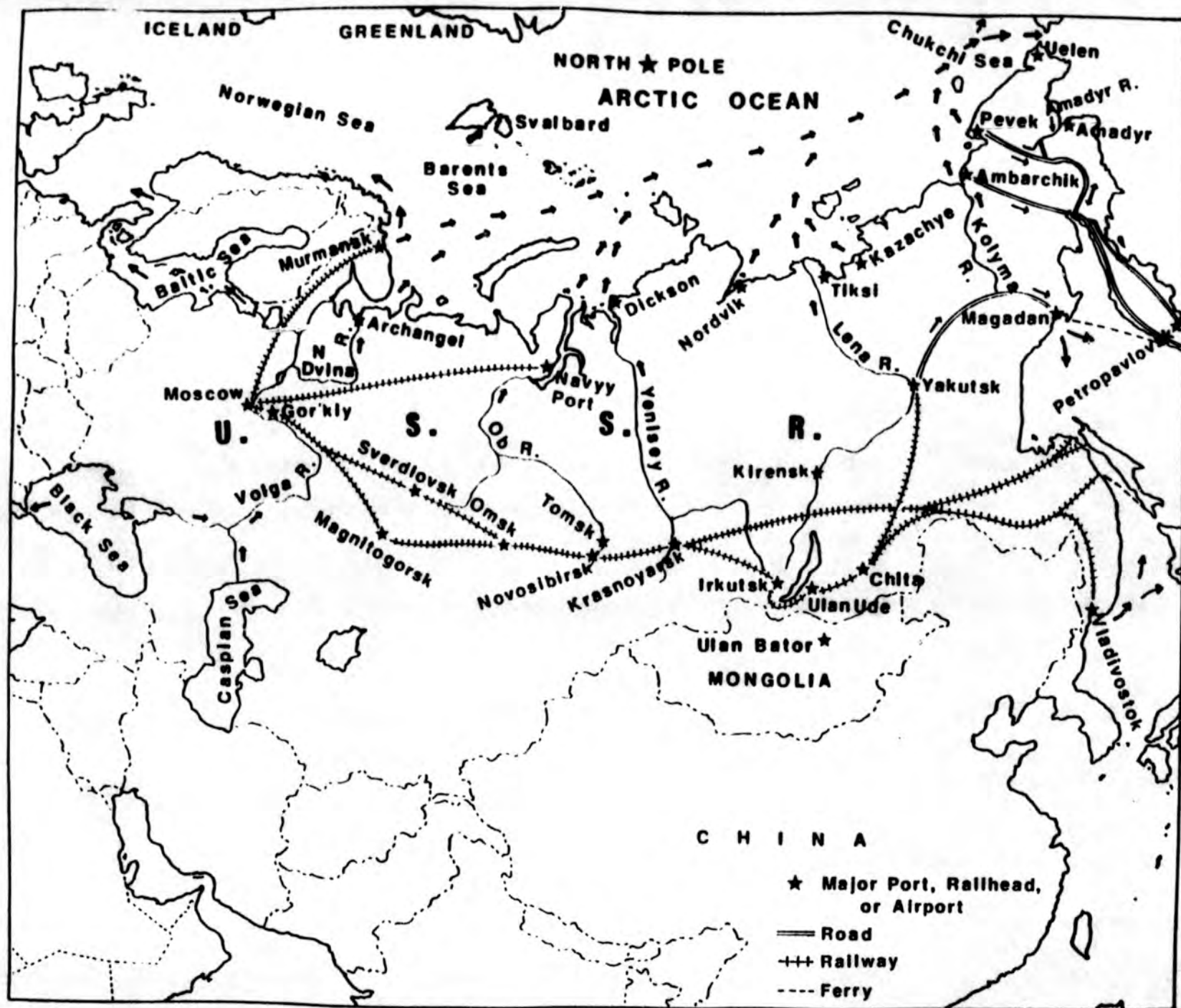
The Future and Implications

The future of Soviet arctic marine transportation appears secure. As resource development expands in Siberia, investment in the ships and support infrastructure for the NSR will increase. This will surely include improvements in remote-sensed ice imagery for strategic as well as tactical use. By the early 1990s a sizeable nuclear fleet of polar ice-breakers and commercial ships will be operational (perhaps as many as a dozen nuclear ships). These vessels of unlimited endurance will be able to support an increase in the number of winter transits to the Yamal Peninsula and to the port of Dudinka. An expansion in the navigation season in the Laptev and Eastern Siberian seas to six months may also be possible. The technological development of larger and more capable ice-breaking cargo ships will continue. Thus, more independent through transits of the NSR may be at-

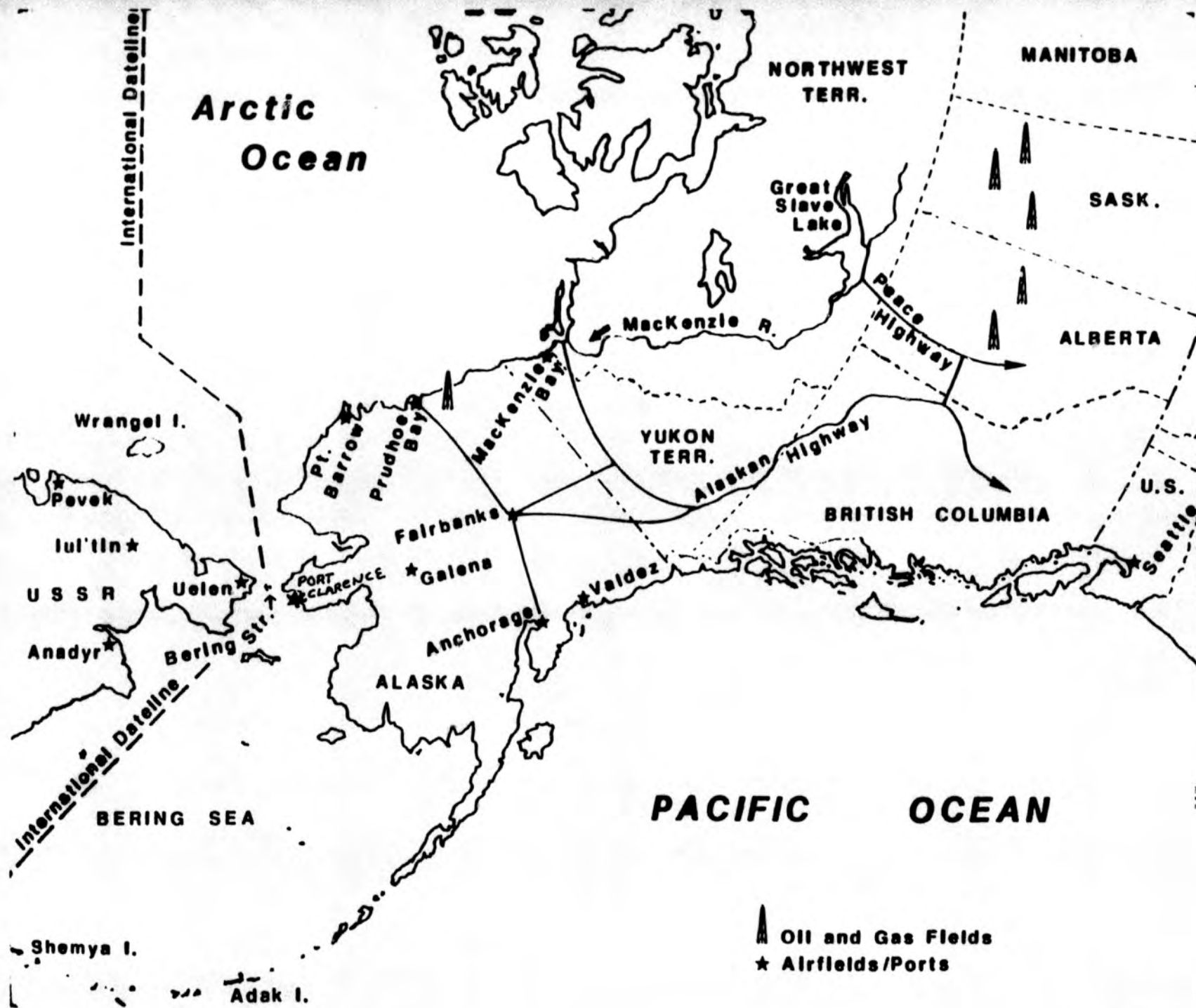
Notes

1. The Northern Sea Route is the system of sea lanes north of the Soviet coast from the straits between the Barents and Kara seas (south of Novaya Zemlya) to the Bering Strait.
2. L. Brigham, "International workshop on the Soviet Maritime Arctic", *Polar Record*, vol. 24, no. 149 (April 1988), p. 132, estimate by T. Armstrong of Scott Polar Research Institute.
3. T. Armstrong, "The Northern Sea Route, 1986", *Polar Record*, vol. 23, no. 146 (May 1987), p. 589.
4. The Soviet polar ice-breakers (depending on their maximum power) can continuously break 1.4 to 2.4 metres of level ice at 3 knots.
5. LASH ships carry materials in barges or lighters that are off-loaded by a gantry system to waters in areas lacking port facilities. The *Sevmorput* will carry 74 barges of 1300 containers.
6. A total of 19 SA-15 arctic ice-breaking cargo ships will soon be in operation. Each 174-metre ship of 14 500 tons is capable of continuously breaking 1-metre level ice.

Lawson W. Brigham is a Commander in the U.S. Coast Guard and a Guest Investigator at the Marine Policy Center of the Woods Hole Oceanographic Institution, Woods Hole, Massachusetts.



VG#2



VG#3

DAVIS WRIGHT & JONES

LAW OFFICES

SUITE 1450 • 550 WEST 7TH AVENUE • ANCHORAGE, ALASKA 99501
(907) 276-4488

February 1, 1989

Mr. Larry Dinneen
Mr. Paul Fuchs
Co-Chairmen
Ports Alaska
2000 Anchorage Port Road
Anchorage, Alaska 99501

Dear Larry and Paul:

It was a pleasure attending the Ports Alaska meeting concerning possible revenue sources for the construction and operation of ports in Alaska. I appreciated the opportunity to make some comments. As requested I am summarizing my points in writing for consideration by the various parties. If I can be of any service, in further defining these thoughts for the benefit of Alaska's local communities, please feel free to contact me.

I think that your group's meeting is a step forward for the State of Alaska. I commend each and every one of the port directors and their staff participating in this effort to move Alaska's economy in the right direction. It was particularly noteworthy that the Press was in attendance. One important effort is to educate Alaskans - at almost all levels - on the importance of our maritime location in terms of the creation of wealth.

In my two years as Commissioner I began to understand how little the public, the legislature and the general government understands about economic development and the creation of wealth. As a result of Alaska's recent history of consuming oil wealth, very few people really focus on the difference between the creation of wealth and the provision of short term jobs. Consuming petro-dollars has a multiplier affect, but it does not create long-term wealth. Long-term wealth is created from the land, sea, the air or our ingenuity. It is, in the macro-economic sense, that point where money is brought in to an economic system, or the system produces a product which would otherwise be brought into the system. Thus, with the exception of import substitution, the creation of wealth almost by definition requires a Port as a predicate to economic activity.

FAX: (907) 279-1761

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Mr. Larry Dinneen
Mr. Paul Fuchs
February 1, 1989
Page 2

This fact of economic life is well understood by our competitors. The Soviets, the Japanese, the Danes, the Norwegian all understood that for a maritime country (or State in Alaska's case) you need ports in order to engage in international commerce. Thus, in most of these countries, the governments expend grant money in order to insure that a port exists and then they let the private sector pay for the costs of the infrastructure.

This brings us to the next item which seems lost in the shuffle. Breakwaters and the like, in and of themselves, do not create revenues. Breakwaters create an area within which commerce can take place. As a result breakwaters, dredging and creation of land areas are appropriate items for State grants as they don't amortize themselves over a normal commercial time-frame.

Docks, water systems, sewers, waste outfalls and other such infrastructure, however, can support debt and be amortized over a period of time so long as the private sector has a need for the facility and they are built and operated for a reasonable cost. These facilities, therefore, are prime candidates for financing through existing agencies such as AIDEA and the Municipal Bond Bank.

Parenthetically, there needs to be a policy decision as to what is the appropriate cost of the money to construct these kinds of facilities. **Our competitors, particularly Japan, Norway, Denmark, Korea and the Soviet Union,** are willing to accept a very low rate of return for the cost of money, or none at all. For example Norwegian banks are willing to finance retrofits of catcher-processors in the three to five percent range over a long-term period, while U.S. commercial banks want prime or prime plus over an intermediate term; often no more than seven years. The impact of these financing decisions on the cost of the facility's and the ability to generate operating revenues can often preclude the economic development that a state like Alaska so desperately needs.

I would direct your attention to the Industrial Bank of Japan as a model of what AIDEA could be. IBJ was a government institution at the time of Japan's post-war reconstruction. As such it invested heavily in infrastructure and projects of national importance. For example, IBJ financed the Alaska Pulp Corporation in an effort to insure fiber and wood products for the anticipated Japanese national economic need. It can be argued that had IBJ not been in existence, Japan would not have had the fiber and wood products that it needed part of its post-war reconstruction.

Mr. Larry Dinneen
Mr. Paul Fuchs
February 1, 1989
Page 3

A similar role would be appropriate for AIDEA at this point in time, if a policy decision was made to move in that direction. As Alaska cannot diversify its economy without ports to market, I would argue the public policy of insuring that our port costs allow us to be competitive (including amortizing debt and adequate operational costs) is a valid state policy decision. We need to establish a constituency for that concept.

I would urge your group to consider utilizing existing organizations such as AIDEA and the Municipal Bond Bank rather than attempting to establish additional organizations. It is my belief that a rather modest expansion of existing powers would go a long way towards creating a vehicle to allow Alaska to take advantage of its resources, its population's creativity and our proximity to expanding in world markets.

AIDEA, for example, has at least \$50 million in equity and it would be preferable to use that to create real economic growth than to have it raided to add to the General Fund. I would also point out that a rather modest expenditure in buying down interest rates could change the economics of operating a port so that some of Alaska's industries can take off.

At this point, we need to be careful of the "subsidy" issue. Unfortunately, some of the excesses of the late 70's and early 80's have created a belief that any policy decision to accept a return of less than prime plus over a twenty-year period is a subsidy. I don't believe that this is the case. In my view it is appropriate for a development authority to accept a very secure rate of return for the use of its money over a long-term period at a lower rate than prime or prime plus; if this insures that the facility will be operated at a cost that encourages additional private sector activity. Ports are historically a common use facility and, in my view, there is a great deal of difference between subsidizing an industry as compared to permitting the development and the operation of a public use facility on a basis that recognizes there are more returns to the public than just a return on the cost of the money.

I would like to point out that the Municipal Bond Bank is a little known, and little used, public agency which has immense potential. In the first instance, it allows small cities which are not household names on Wall Street to market their bonds. In addition, it brings to the table the moral obligation of the State. The moral obligation can often spell the difference between whether an issue is saleable or not. By allowing

Mr. Larry Dinneen
Mr. Paul Fuchs
February 1, 1989
Page 4

credit worthy, but little known, local governments to approach the market through Municipal Bond Bank issues the Municipal Bond Bank could be a viable instrument of state policy in developing port facilities so we can take advantage of our maritime and natural resources.

At this juncture, there are a number of institutions looking for tax exempt private placements. Under the recent tax law, port facilities are generally exempt. In addition, certain municipalities can achieve tax exempt status for their debt and thereby find a market through a private placement. There are also other opportunities for public offerings in the normal course.

My last comment was in the nature of political experience. The suggestion was that there should be a person in the State government who is charged with the responsibility of coordinating port development and insuring that the economic development issue is constantly before the public consciousness. It is my belief that such a position needs to be institutionalized. This would dictate that the position should be in the Department of Commerce and Economic Development or another line agency with statutory responsibility for economic development and fostering the growth of the State's private sector economy, such as the Department of Community and Regional Affairs.

One of Alaska's attributes is that this is a small state where we all know each other. A liability is that politics become awfully personal. My experience is that all Governors enjoy periods of rapport and periods of animosity with the legislature. In periods of animosity the first thing the legislature does is to try to pick off Governor office programs. The result is that all functions placed in the Governor's office, which are not peculiarly a part of the governor's personal program, run a risk of being buried politically through no fault of the programs or the parties. I would therefore urge that this group consider institutionalizing Tom Dowd's suggestion in a line department or agency.

These brief remarks are not intended as any exhaustive analysis of the options. I was asked to reduce my comments to writing. If you or any of the members of Ports Alaska desire more in depth analysis or would like to discuss any of these issues with me. Please feel free to contact me at the above-address and phone number.

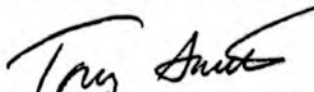
Mr. Larry Dinneen
Mr. Paul Fuchs
February 1, 1989
Page 5

Again, I would like to compliment all of you who are working on this excellent effort raise the public's consciousness as to the real need for our port infrastructure. In Alaska, unfortunately, the resources are often not located in the same locations as the population. This is further exacerbated when the port which allows those resources to enter the stream of international commerce, is located at tidewater many miles away. Alaskans have shown a pretty consistent inclination to spend public dollars on paving the road to the back 40, as contrasted with insuring an adequate port so that we can get our products to market and import the goods we need to keep our economy moving. I do believe, however, there is an increasing understanding that without ports to markets, there is no economy even when the port is miles away at a railhead or other site, such as a river or tidewater.

Thank you very much.

Cordially,

DAVIS WRIGHT & JONES


J. Anthony Smith

JTS/cam
73720

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HCR 26
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Supporting the establishment
of Ports Alaska
Sponsor: Davidson, et al.
Requester: H. Sp. Comm. Foreign Trade

Agency Affected: Commerce & Economic Dev.
BRU: Business Development
Components: _____

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
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REVENUE	0	0	0	0	0	0
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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.)

Prepared by: Tom Lawson, Acting Director
Division: Business Development

Phone: 465-2017
Date: 3/21/89

Approved by Commissioner: Larry Merculieff, S.M.
Agency: Department of Commerce & Economic Development

Phone: 465-2500
Date: 3/21/89

Distribution (by preparer):

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

3628D-1/032189a

page ____ of ____

6-0898H
Cook
3/20/89

Original sponsor: Senate Special Committee on
International Trade and Tourism

1 IN THE SENATE

2 HOUSE CS FOR SENATE JOINT RESOLUTION NO. 32 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to a celebration of the 250th
6 anniversary of the Russian discovery of
7 Alaska.

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

9 WHEREAS the year 1991 marks the 250th anniversary of the European
10 discovery of Alaska by an expedition commanded by Vitus Bering; and

11 WHEREAS the first documented landing of a European on Alaska soil took
12 place at Kayak Island in the Gulf of Alaska, 65 miles southeast of Cordova;
13 and

14 WHEREAS the first documented European to set foot on Alaska soil was
15 the naturalist, Georg Wilhelm Steller; and

16 WHEREAS this event, undertaken through sponsorship by the Russian
17 government, stands as one of the earliest episodes in Alaska's recorded
18 history; and

19 WHEREAS the Bering Expedition Landing Site is on the National Register
20 of Historic Places and is classified as a National Historic Landmark; and

21 WHEREAS the State of Alaska recognizes its Russian heritage and wishes
22 to build on the foundation of understanding brought about by the recent
23 interchanges between Alaska residents, Alaska's indigenous peoples, and its
24 Soviet neighbors and to promote cooperative exchanges in the areas of
25 trade, tourism, and traditional culture; and

26 WHEREAS the goodwill and cultural and historical exchanges that may
27 take place in honor of the 250th anniversary of the Russian landing in
28 Alaska will help build strong Alaska-Soviet ties;

29 BE IT RESOLVED that the Governor is encouraged to develop a bilateral

1 celebration of the 250th anniversary of the Russian discovery of Alaska
2 with Governor Kobets of Magadan, Soviet Union; and be it

3 FURTHER RESOLVED that the celebration will take place in 1991 to
4 commemorate the first Russian landing in Alaska at Kayak Island.

5 COPIES of this resolution shall be sent to the Honorable Nikolai
6 Ivanoich Kashtikan, First Secretary, Chukotka District Communist Party,
7 Soviet Union; Honorable Vyacheslav I. Kobets, Governor of Magadan Territo-
8 ry, Soviet Union; and to the Honorable Ted Stevens and the Honorable Frank
9 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
10 members of the Alaska delegation in Congress.
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STEVE COWPER, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF PARKS AND OUTDOOR RECREATION

3601 C STREET
ANCHORAGE, ALASKA 99503
PHONE: (907) 561-2020

MAILING ADDRESS:
P.O. Box 107001
ANCHORAGE, ALASKA 99510-7001

March 10, 1989

Re: 3330-5 Bering Expedition Landing Site

Senator Mike Szymanski
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

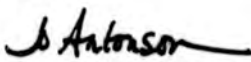
Dear Senator Szymanski:

With reference to Senate Joint Resolution No. 32, the purpose of this letter is to explain why Vitus Bering's second expedition to the North Pacific in 1741 is widely regarded to be the first documented European discovery of Alaska. Members of that expedition returned to Russia with and published materials about Alaska that allowed others to duplicate the voyage if necessary. By the 1700s the European scientific community required maps and written documentation usually by naturalists, ethnographers, or artists to substantiate claims to discovery. Prior expeditions to North America did not return evidence sufficient to meet the standards of the European scientific community.

If I can provide additional materials regarding Bering's second expedition or the history of exploration in the North Pacific, please contact me.

Sincerely,

NEIL JOHANNSEN
Director


by: Joan M. Antonson
State Historian

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SJR 32
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
Title: Celebrating of 250th Anniversary BRU: Tourism
of Russian discovery of Alaska
Sponsor: S. Sp. Com. on International Components: _____
Requester: S. Rules /Trade and Tourism

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

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

POSITIONS:

FULLTIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Hubert J. Gellert, Director
Division: Tourism
Approved by Commissioner: Larry Merculieff
Agency: Department of Commerce & Economic Development

Phone: 465-2012
Date: 3/3/89
Phone: 465-2500
Date: 3/12/89

Distribution (by preparer):

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

page ____ of ____

3536D/031389a

1 IN THE SENATE

BY THE SENATE SPECIAL COMMITTEE
ON INTERNATIONAL TRADE AND TOURISM

2 SENATE JOINT RESOLUTION NO. 32 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to a celebration of the 250th
6 anniversary of the Russian discovery of
7 Alaska.

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

9 WHEREAS the year 1991 marks the 250th anniversary of the European
10 discovery of Alaska by an expedition commanded by Vitus Bering; and

11 WHEREAS the first documented landing of a European on Alaska soil took
12 place at Kayak Island in the Gulf of Alaska, 65 miles southeast of Cordova;
13 and

14 WHEREAS the first European to set foot on Alaska soil was the natural-
15 ist, Georg Wilhelm Steller; and

16 WHEREAS this event, undertaken through sponsorship by the Russian
17 government, marks the beginning of Alaska's recorded history; and

18 WHEREAS the Bering Expedition Landing Site is on the National Register
19 of Historic Places and is classified as a National Historic Landmark; and

20 WHEREAS the State of Alaska recognizes the often mutually beneficial
21 interchanges between the Russian colonists and the already existing Alaska
22 Native population that led to the enrichment of both cultures; and

23 WHEREAS the State of Alaska recognizes its Russian heritage and wishes
24 to generate further warm relations among Alaska residents, Alaska's
25 indigenous peoples, and its Soviet neighbors and promote cooperative ex-
26 changes in the areas of trade, tourism, and traditional culture; and

27 WHEREAS the goodwill and cultural and historical exchanges that may
28 take place in honor of the 250th anniversary of the Russian landing in
29 Alaska will help build strong Alaskan-Soviet ties;

1 BE IT RESOLVED that the Governor is encouraged to develop a bilateral
2 celebration of the 250th anniversary of the Russian discovery of Alaska
3 with Governor Kobets of Magadan, Soviet Union; and be it

4 FURTHER RESOLVED that the celebration will take place in 1991 to
5 commemorate the first Russian landing in Alaska at Kayak Island.

6 COPIES of this resolution shall be sent to the Honorable Nikolai
7 Ivanoich Kashtikan, First Secretary, Chukotka District Communist Party,
8 Soviet Union; Honorable Vyacheslav I. Kobets, Governor of Magadan Territo-
9 ry, Soviet Union; and to the Honorable Ted Stevens and the Honorable Frank
10 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
11 members of the Alaska delegation in Congress.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SJR 32
PUBLISH DATE: 2/23/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: A resolution related to the 250th anniversary of the discovery of Alaska
Sponsor: Szymanski
Requestor: _____

Agency Affected: _____
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

This resolution requests that the Governor develop a bilateral celebration of the 250th anniversary of the discovery of Alaska by Vitus Bering in 1991 with Governor Vyacheslav Kobets of the Magadan Territory, Soviet Union.

Prepared by: Mary L. McBurne / Senator Mike Szymanski Phone: 465-4978
Division: _____ Date: 2-22-89

Approved by Commissioner: [Signature] Date: _____
Agency: _____

Distribution (by preparer):

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Alaska State Legislature

Senator Mike Szymanski

While in Session:

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State Capitol, Room 11
Juneau, Alaska 99811
(907) 465-4978/4979
FAX (907) 465-2652

During Interim:

3111 C Street, Suite 510
Anchorage, Alaska 99503
(907) 561-7617

165 E. Parks Highway
Legislative Information Office
Wasilla, Alaska 99687
(907) 376-MIKE

POSITION PAPER

SJR 32:

A Resolution Related to the 250th Anniversary of the European Discovery of Alaska

The year 1991 marks the 250th anniversary of the European discovery of Alaska by the Russian expedition led by Captain Vitus Bering, in 1741, aboard the sailing vessel, Saint Peter. George Wilhelm Steller, the expedition's physician and minerologist, was the first European to explore the new lands of Alaska at Kayak Island, in the Gulf of Alaska, 65 miles southwest of Cordova, Alaska.

The State of Alaska shares a long history of discovery, exploration and development with the Soviet Union, and the Russian landing at Kayak Island in 1741 marks the beginning of Alaska's recorded history. The Bering Landing Site on Kayak Island is listed on the National Register of Historic Places and is recognized as a National Historic Site.

The intent of SJR 32 is to encourage the Governor to develop a bilateral celebration honoring the 250 year anniversary in 1991 with the Honorable Vyacheslav I. Kobets, Governor of Magadan Territory, Soviet Union. A cooperative celebration of this anniversary would help to establish stronger ties between Alaska and our Soviet neighbors and foster goodwill between the United States and the Soviet Union.

Senate District E

Mat-Su • So. Anchorage • Bird/Indian • Girdwood • Whittier • Nikiski • Cooper Landing • Hope • Seward • Cordova • Valdez

SJR 32 Amendments:

- (1) On line 14...after "first" insert "documented"
- (2) On line 17...after "government," strike "marks the beginning of" and insert "stands as one of the earliest episodes in"
- (3) Lines 20, 21, 22...strike all
- (4) On line 24...strike "generate further warm relations among" and insert "build on the foundation of understanding brought about by the recent interchanges between"
- (5) On line 29...strike "Alaskan-" and insert "Alaska-"

SJR 32 Amendments:

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6-0898H
Cook
3/20/89

Original sponsor: Senate Special Committee on
International Trade and Tourism

1 IN THE SENATE

2 HOUSE CS FOR SENATE JOINT RESOLUTION NO. 32 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to a celebration of the 250th
6 anniversary of the Russian discovery of
7 Alaska.

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

9 WHEREAS the year 1991 marks the 250th anniversary of the European
10 discovery of Alaska by an expedition commanded by Vitus Bering; and

11 WHEREAS the first documented landing of a European on Alaska soil took
12 place at Kayak Island in the Gulf of Alaska, 65 miles southeast of Cordova;
13 and

14 WHEREAS the first documented European to set foot on Alaska soil was
15 the naturalist, Georg Wilhelm Steller; and

16 WHEREAS this event, undertaken through sponsorship by the Russian
17 government, stands as one of the earliest episodes in Alaska's recorded
18 history; and

19 WHEREAS the Bering Expedition Landing Site is on the National Register
20 of Historic Places and is classified as a National Historic Landmark; and

21 WHEREAS the State of Alaska recognizes its Russian heritage and wishes
22 to build on the foundation of understanding brought about by the recent
23 interchanges between Alaska residents, Alaska's indigenous peoples, and its
24 Soviet neighbors and to promote cooperative exchanges in the areas of
25 trade, tourism, and traditional culture; and

26 WHEREAS the goodwill and cultural and historical exchanges that may
27 take place in honor of the 250th anniversary of the Russian landing in
28 Alaska will help build strong Alaska-Soviet ties;

29 BE IT RESOLVED that the Governor is encouraged to develop a bilateral

1 celebration of the 250th anniversary of the Russian discovery of Alaska
2 with Governor Kobets of Magadan, Soviet Union; and be it

3 FURTHER RESOLVED that the celebration will take place in 1991 to
4 commemorate the first Russian landing in Alaska at Kayak Island.

5 COPIES of this resolution shall be sent to the Honorable Nikolai
6 Ivanoich Kashtikan, First Secretary, Chukotka District Communist Party,
7 Soviet Union; Honorable Vyacheslav I. Kobets, Governor of Magadan Territo-
8 ry, Soviet Union; and to the Honorable Ted Stevens and the Honorable Frank
9 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
10 members of the Alaska delegation in Congress.
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DEPARTMENT OF NATURAL RESOURCES

DIVISION OF PARKS AND OUTDOOR RECREATION

3601 C STREET
ANCHORAGE, ALASKA 99503
PHONE: (907) 561-2020

MAILING ADDRESS:
PO. Box 107001
ANCHORAGE, ALASKA 99510-7001

March 10, 1989

Re: 3330-5 Bering Expedition Landing Site

Senator Mike Szymanski
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

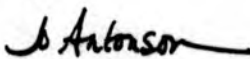
Dear Senator Szymanski:

With reference to Senate Joint Resolution No. 32, the purpose of this letter is to explain why Vitus Bering's second expedition to the North Pacific in 1741 is widely regarded to be the first documented European discovery of Alaska. Members of that expedition returned to Russia with and published materials about Alaska that allowed others to duplicate the voyage if necessary. By the 1700s the European scientific community required maps and written documentation usually by naturalists, ethnographers, or artists to substantiate claims to discovery. Prior expeditions to North America did not return evidence sufficient to meet the standards of the European scientific community.

If I can provide additional materials regarding Bering's second expedition or the history of exploration in the North Pacific, please contact me.

Sincerely,

NEIL JOHANSEN
Director


by: Joan M. Antonson
State Historian

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SJR 32
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
Title: Celebrating of 250th Anniversary BRU: Tourism
of Russian discovery of Alaska
Sponsor: S. Sp. Comm. on International Components: _____
Requester: S. Rules /Trade and Tourism

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, COMMODITIES						
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.)

Prepared by: Hubert J. Gellert, Director
Division: Tourism

Phone: 465-2012
Date: 2/3/89

Approved by Commissioner: Larry Merculieff
Agency: Department of Commerce & Economic Development

Phone: 465-2500
Date: 2/12/89

Distribution (by preparer):

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

page ____ of ____

35360/031389a

1 IN THE SENATE

BY THE SENATE SPECIAL COMMITTEE
ON INTERNATIONAL TRADE AND TOURISM

2 SENATE JOINT RESOLUTION NO. 32 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to a celebration of the 250th
6 anniversary of the Russian discovery of
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8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS the year 1991 marks the 250th anniversary of the European
10 discovery of Alaska by an expedition commanded by Vitus Bering; and

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12 place at Kayak Island in the Gulf of Alaska, 65 miles southeast of Cordova;
13 and

14 WHEREAS the first European to set foot on Alaska soil was the natural-
15 ist, Georg Wilhelm Steller; and

16 WHEREAS this event, undertaken through sponsorship by the Russian
17 government, marks the beginning of Alaska's recorded history; and

18 WHEREAS the Bering Expedition Landing Site is on the National Register
19 of Historic Places and is classified as a National Historic Landmark; and

20 WHEREAS the State of Alaska recognizes the often mutually beneficial
21 interchanges between the Russian colonists and the already existing Alaska
22 Native population that led to the enrichment of both cultures; and

23 WHEREAS the State of Alaska recognizes its Russian heritage and wishes
24 to generate further warm relations among Alaska residents, Alaska's
25 indigenous peoples, and its Soviet neighbors and promote cooperative ex-
26 changes in the areas of trade, tourism, and traditional culture; and

27 WHEREAS the goodwill and cultural and historical exchanges that may
28 take place in honor of the 250th anniversary of the Russian landing in
29 Alaska will help build strong Alaskan-Soviet ties;

1 BE IT RESOLVED that the Governor is encouraged to develop a bilateral
2 celebration of the 250th anniversary of the Russian discovery of Alaska
3 with Governor Kobets of Magadan, Soviet Union; and be it

4 FURTHER RESOLVED that the celebration will take place in 1991 to
5 commemorate the first Russian landing in Alaska at Kayak Island.

6 COPIES of this resolution shall be sent to the Honorable Nikolai
7 Ivanoich Kashtikan, First Secretary, Chukotka District Communist Party,
8 Soviet Union; Honorable Vyacheslav I. Kobets, Governor of Magadan Territo-
9 ry, Soviet Union; and to the Honorable Ted Stevens and the Honorable Frank
10 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
11 members of the Alaska delegation in Congress.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SJR 32
PUBLISH DATE: 2/23/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: A resolution related to the 250th anniversary of the discovery of Alaska
Sponsor: Szymanski
Requestor: _____

Agency Affected: _____
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

This resolution requests that the Governor develop a bilateral celebration of the 250th anniversary of the discovery of Alaska by Vitus Bering in 1991 with Governor Vyacheslav Kobets of the Magadan Territory, Soviet Union.

Prepared by: Mary L. McDurne/Senator Mike Szymanski Phone: 465-4978
Division: _____ Date: 2-22-89

Approved by Commissioner: [Signature] Date: _____
Agency: _____

Distribution (by preparer):

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



Alaska State Legislature

Senator Mike Szymanski

While in Session:

P.O. Box V
State Capitol, Room 11
Juneau, Alaska 99811
(907) 465-4978/4979
FAX (907) 465-2652

During Interim:

3111 C Street, Suite 510
Anchorage, Alaska 99503
(907) 561-7617

165 E. Parks Highway
Legislative Information Office
Wasilla, Alaska 99687
(907) 376-MIKE

POSITION PAPER

SJR 32:

A Resolution Related to the 250th Anniversary of the European Discovery of Alaska

The year 1991 marks the 250th anniversary of the European discovery of Alaska by the Russian expedition led by Captain Vitus Bering, in 1741, aboard the sailing vessel, Saint Peter. George Wilhelm Steller, the expedition's physician and minerologist, was the first European to explore the new lands of Alaska at Kayak Island, in the Gulf of Alaska, 65 miles southwest of Cordova, Alaska.

The State of Alaska shares a long history of discovery, exploration and development with the Soviet Union, and the Russian landing at Kayak Island in 1741 marks the beginning of Alaska's recorded history. The Bering Landing Site on Kayak Island is listed on the National Register of Historic Places and is recognized as a National Historic Site.

The intent of SJR 32 is to encourage the Governor to develop a bilateral celebration honoring the 250 year anniversary in 1991 with the Honorable Vyacheslav I. Kobets, Governor of Magadan Territory, Soviet Union. A cooperative celebration of this anniversary would help to establish stronger ties between Alaska and our Soviet neighbors and foster goodwill between the United States and the Soviet Union.

Senate District E

Mat-Su • So. Anchorage • Bird/Indian • Girdwood • Whittier • Nikiski • Cooper Landing • Hope • Seward • Cordova • Valdez

MAR 9 1989

KEIDANREN

《JAPAN FEDERATION OF ECONOMIC ORGANIZATIONS》

9-4, OTEMACHI 1-CHOME, CHIYODA-KU, TOKYO 100 TELEPHONE: 279-1411 TELEX 222-3188 KDRTOK J FACSIMILE 246-0574



March 3, 1989

The Hon. George Jacko
Alaska State Representative
P.O. Box V
Juneau, Alaska 99811
U. S. A.

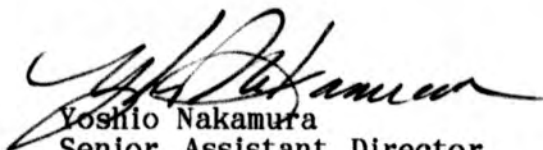
Dear Mr. Jacko:

I have just returned from my recent trip to the United States. I wish to thank you for sparing your time to meet us particularly at this time when economic relationship between Alaska and Japan must continue favorably and smoothly.

I was especially pleased to have had the opportunity to discuss with you the problems of mutual concern and to learn of your intriguing perspectives.

We look forward to a cooperative and mutually beneficial working-relationship with you.

Sincerely yours,



Yoshio Nakamura
Senior Assistant Director
International Economic Affairs
Dept.

HOUSE SPECIAL COMMITTEE ON FOREIGN TRADE
March 22, 1989
5:00 p.m.

MEMBERS PRESENT

Rep. George Jacko
Rep. Mike Davis
Rep. Johnny Ellis
Rep. Bette Cato
Rep. Cliff Davidson
Rep. Virginia Collins

MEMBER ABSENT

Rep. Bill Hudson

COMMITTEE CALENDAR

SJR 32: Relating to a celebration of the 250th
anniversary of the Russian discovery of Alaska.

*HCR 26: Supporting the establishment of Ports Alaska.

A presentation by Mayor Paul Fuhs of Unalaska regarding
HJR 26.

FLOOR/PREVIOUS ACTION

BILL: SJR 32

PRIME SPONSOR: INTERNATIONAL TRADE & TOURISM

JRN-DATE	JRN-PG		ACTION
02/22/89	00485	(S)	READ THE FIRST TIME/REFERRAL(S)
02/22/89	00485	(S)	RULES
02/22/89	00488	(S)	RUL WAIVED FIVE-DAY NOTIFICATION RULE
02/22/89	00498	(S)	RUL RPT 3DP
02/23/89	00499	(S)	ZERO FISCAL NOTE
02/22/89	00499	(S)	RULES TO CALENDAR 2/23/89
02/23/89	00500	(S)	READ THE SECOND TIME
02/23/89	00500	(S)	AM NO 1 ADOPTED UNAN CONSENT
02/23/89	00500	(S)	AM NO 2 ADOPTED UNAN CONSENT
02/23/89	00501	(S)	ADVANCED TO THIRD READING UNAN CONSENT
02/23/89	00501	(S)	READ THE THIRD TIME SJR 32(AM)
02/23/89	00501	(S)	PASSED Y18 N- X1 A1
02/23/89	00501	(S)	HALFORD NOTICE OF RECONSIDERATION

02/23/89	00501	(S)	RECON TAKEN UP SAME DAY UNAN CONSENT
02/23/89	00502	(S)	PASSED ON RECONSIDERATION Y18 N- X1 A1
02/23/89	00504	(S)	TRANSMITTED TO (H)
02/23/89	00438	(H)	READ THE FIRST TIME/REFERRAL(S)
02/23/89	00438	(H)	RULES
02/23/89	00439	(H)	RUL WAIVED NOTIFICATION RULE 23A
02/24/89	00449	(H)	RUL RPT 6DP
02/24/89	00449	(H)	PREVIOUS SEN FN (INT. TRADE) 2/23/89
02/24/89	00449	(H)	RULES TO CALENDAR 2/24/89
02/24/89	00455	(H)	READ THE SECOND TIME
02/24/89	00456	(H)	HELD IN SECOND READING TO 2/27/89
02/27/89	00472	(H)	REFERRED TO FOREIGN TRADE COMMITTEE

BILL: HCR 26

PRIME SPONSOR: DAVIDSON

CO-SPONSOR: JACKO, MENARD, FOSTER, ELLIS, CATO, MARTIN,
NAVARRE, BROWN, ZAWACKI, COLLINS

JRN-DATE	JRN-PG		ACTION
03/17/89	00652	(H)	READ THE FIRST TIME/REFERRAL(S)
03/17/89	00652	(H)	FOREIGN TRADE, TRANSPORTATION, RESOURCES

*First time heard in committee.

WITNESS REGISTER

Paul Fuhs
Mayor of Unalaska
P.O. Box 141
Unalaska, Alaska 99685

ACTION NARRATIVE

TAPE 3, SIDE 1
Number 000

The meeting was called to order by Chairman Jacko at 5:15 p.m. Members present were Representatives Davidson, Ellis, Davis, Cato, and Collins. Rep. Hudson was absent.

Chairman Jacko opened the meeting by announcing that two resolutions were on the calendar, along with an overview of Unalaska trade efforts in the international arena.

SJR 32 was heard first with proposed amendments to clarify wording. Chairman Jacko's staff spoke with Sen. Szymanski, who concurred with the changes.

Number 0068

SJR 32 moved out of committee with individual recommendations.

Number 0080

HCR 26, regarding Ports Alaska and sponsored by Rep. Davidson was brought to the table next.

Rep. Davidson: Ports Alaska is an independent federation of ports from across the state recently created by a group of port directors who felt a need for more communication, marketing programs, and education.

Number 0155

Paul Fuhs, Mayor of Unalaska: Soviets are far more advanced in icebreaking ships than the U.S., and this allows for year around shipping lanes to be kept opened. We need to support the efforts of Ports Alaska to ensure that Alaska is part of this technology.

Number 0174

Rep. Cato mentioned Port Authorities in the state of Washington. Ports Alaska should consider Port Authorities to take the burden off the state. There are fifty-two ports in Washington. Each can establish financing plans and have individual powers.

Number 0208

Rep. Davidson concurred with Rep. Cato and emphasized the importance of ports to Alaska.

Number 0247

Mayor Fuhs stated that ports are the center of commerce in Alaska, both marine and airports. A resource export based economy needs a good transportation system to survive in the international market. Tourism also depends on transportation. Ports are revenue generating, as they are the means in which people and resources arrive and depart the state.

Mayor Fuhs: Ports Alaska was formed to achieve separate political identity and much employment results from ports. Funding will be important. Work may have to be done with

the legislature to establish a port development revolving fund.

Mayor Fuhs also stated that ports are like a business, their revenues have to meet their expenditures. A positive cash flow is created which can run city government. In Anchorage, nearly three quarters of a million dollars is contributed to the general fund.

Number 0308

Mayor Fuhs: A lot of Alaskan resources that can't find a place in the Pacific Rim market could establish themselves in the European market. The Trans-Arctic shipping route would allow wood, coal, and minerals to be transported.

Mayor Fuhs: Because the Soviet ruble does not exchange on the international exchange market, a counter trade is necessary. The Trans-Pacific fiber cable being laid in 1990 is a possibility. A joint effort between Pacific Telecom and International Digital of Japan will produce cable between the West Coast and Japan.

Mayor Fuhs: It can be brought on shore in Seward, and it is easily run and extended wherever there is a railroad. There is a unit that runs the track and lays the line down. It has been brought ashore in the Soviet Union and could be extended in the far eastern portion of the country. Communications systems there are primitive and the Soviets are very interested in upgrading. Railroad lines are available to run the cable.

Mayor Fuhs: The fiber optic services would be the counter trade in exchange for taking Alaskan and U.S. goods through the Trans-Arctic shipping route. Whatever company joint ventures with the Soviets would pay International Digital directly. This is where the foreign currency exchange would take place. Future monies may be needed from the legislature to further the process.

Number 0327

Mayor Fuhs: This would be good for research, part of which would be a study of the Bering Sea as a system, and would also serve as a communications network between the Northwest Fisheries Center in Seattle, the Bering Sea Institute (which is being formed in Unalaska-Dutch Harbor), The University of Hokkaido, and the Pacific Research Institute in Vladivostok.

Number 0342

Mayor Fuhs: A lot of international investment is arriving in Unalaska and over the next two years about two hundred

million in shore-based investment is expected, of which sixty percent will be foreign, predominantly Japanese, but also Korea and Canada have expressed interest. Mariculture joint ventures, if allowed in the future, offer exciting possibilities.

Mayor Fuhs: An invitation to the Foreign Trade Committee is extended to visit Unalaska-Dutch Harbor to observe first hand what is taking place.

Number 0388

Rep. Cato asked how quickly could Port Authorities be established, considering that the three main deep water ports are in Rep. Cato's district: Valdez, Seward and Whittier.

Number 0370

Mayor Fuhs referenced Sen. Duncan's legislation, which enables individual ports to form authorities, and to form as regions, or possibly as statewide authorities. Mayor Fuhs mentioned that ports are part of municipal governments, and the only concern to local governments would be loss of control.

Mayor Fuhs: Ports Alaska has worked closely with outside ports. They are forced to, as they are partners, and all goods must flow through outside ports. Unalaska has worked very closely with the Port of Tacoma. Tacoma has sent people to Alaska to help in port developments.

Mayor Fuhs: A core of engineers want to use Ports Alaska as a planning tool. Ports of Alaska will advise on five, ten and fifty year plans.

Number 0448

Rep. Cato: There needs to be intra-state port competition as exists in the state of Washington.

Number 0461

HCR 26 was moved out of committee with individual recommendations. Chairman Jacko adjourned the meeting at 5:45 p.m.

HOUSE RESOURCES STANDING COMMITTEE

March 21, 1989

3:00 p.m.

MEMBERS PRESENT

Co-Chair Cliff Davidson
Co-Chair Curt Menard
Vice-Chair George Jacko
Representative Mike Davis
Representative Richard Foster
Representative Bill Hudson
Representative Mike Navarre
Representative Bert Sharp

MEMBERS ABSENT

Representative Walt Furnace

COMMITTEE CALENDAR

HJR 32 - Relating to oil and gas drilling on the North
Aleutian Basin Outer Continental Shelf.

HJR 32 was Reported Out of Committee with a zero
fiscal note, and provided NO RECOMMENDATION.

HB 124 - Relating to sport fishing and hunting licenses
and to big game tags; and providing for an
effective date.

HB 124 was HELD in Committee for further
consideration.

Overview - Bottom Fish Industry and Water System
Infrastructure of Unalaska, by Mayor Paul Fuhs,
Unalaska.

WITNESS REGISTER

Warren Wiley, Assistant Commissioner
Department of Fish and Game
P.O. Box 3-2000
Juneau, Alaska 99811
465-4100

Jay Nelson, House Resource Committee Aide
Rep. Cliff Davidson
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Douglas Phillips, Legislative Assembly Member
Yukon Territorial Legislature
Whitehorse, Y.T., Canada

Paul Fuhs, Mayor
City of Unalaska
Unalaska, Alaska 99685

Ron Somerville
Alaska Outdoor Council
3780 McGinnis Drive
Juneau, Alaska 99801
789-3450

Norma Kassi, Deputy Speaker
Yukon Territorial Legislature
Whitehorse, Y.T., Canada

PREVIOUS ACTION

BILL: HJR 32

PRIME SPONSOR: RULES

BY REQUEST OF THE GOVERNOR

JRN-DATE	JRN-PG		ACTION
02/24/89	00450	(H)	READ THE FIRST TIME - REFERRAL(S)
02/24/89	00450	(H)	RESOURCES
02/24/89	00450	(H)	ZERO FISCAL NOTE/A (GOVERNOR) 2/24/89
02/24/89	00450	(H)	GOVERNOR'S TRANSMITTAL LETTER

BILL: HB 124

PRIME SPONSOR: RULES

BY REQUEST OF THE GOVERNOR

JRN-DATE	JRN-PG		ACTION
01/27/89	00188	(H)	READ THE FIRST TIME - REFERRAL(S)
01/27/89	00188	(H)	RESOURCES, FINANCE
01/27/89	00188	(H)	FISCAL NOTE (FISH & GAME) 1/27/89
01/27/89	00188	(H)	GOVERNOR'S TRANSMITTAL LETTER

ACTION NARRATIVE

(Tape HRC 89-167, Side 1, #000)

CHAIRMAN DAVIDSON called the meeting to order at 3:30 p.m.
Present were Representative Menard, Representative Davis,
Representative Jacko and Representative Navarre.

Representative Hudson arrived at 3:34 p.m., with Representative Foster and Representative Sharp arriving at 3:40 p.m.

Chairman Davidson welcomed and introduced the Yukon Territory Legislative members who were present in the gallery. They were Mr. Maurice Byblow, Ms. Norma Kassi, Mr. Tony Penikett, Ms. Joyce Sandra Hayden, Mr. John Devries, Mr. Douglas George Phillips, Mr. Alan Ronald Nordling and Ms. Missy Follwell.

Chairman Davidson announced that the committee would take up HJR 32 first.

Representative Menard MOVED to Report HJR 32 Out of Committee with individual recommendations. There being NO OBJECTION, it was so moved.

HJR 32 was Reported Out of Committee with a zero fiscal note, and provided NO RECOMMENDATION.

Chairman Davidson brought up HB 124 next and asked Mr. Wiley to address the committee.

WARREN WILEY, Assistant Commissioner, Department of Fish and Game, stated that there was little to add to his previous testimony. However, he had received comments about changing the fees in HB 124 and there was a consensus that the fees, as written, were established after a great deal of consideration, particularly the nonresident alien fees, and the department endorsed them as written. Mr. Wiley urged support of their position.

Representative Davidson informed the committee that a proposed CS dated 3/21/89 was before them for consideration.

REPRESENTATIVE NAVARRE asked Mr. Wiley to address the question of repealing the 25-cent license fee in Section 2.

Mr. Wiley responded that the department had no position on it. He said there had been discussion in the past about abuses to the program so the department did a random 500-name check last summer and found that 55.6 percent of the names didn't match up with Department of Health and Social Services records, indicating that there was either another qualification for those applicants or they were not qualified. He added that in the Anchorage area, the rate was 78 percent. Mr. Wiley pointed out that SB 30, which would raise the 25-cent fishing license fee to \$5 was being considered in the Senate.

Representative Navarre asked about getting additional information to the committee about the abuses and indicated his interest in dropping the 25-cent license because it cost more than that just to do the paperwork. Mr. Wiley agreed that administering those licenses resulted in a net revenue loss to the Fish and Game fund, noting that there were approximately 17,500 of the 25-cent licenses issued in FY 87.

REPRESENTATIVE DAVIS stated his support for amending the 25-cent fee. He suggested that additional revenue raised from higher fees be used for issues related to trapping. He asked if the intent of the chair was to move HB 124 today.

Chairman Davidson replied that there would be additional testimony and discussion of other issues and that HB 124 would probably be held for further consideration.

JAY NELSON, Aide to the House Resources Committee, addressed the changes in the proposed CS for HB 124. He said the CS added several sections which were highlighted in the copies provided to members. Basically, the new sections increased tag fees for categories that had not been raised in the original bill. The CS also increased the nonresident hunting and trapping license fee to \$250 in Section 10 on page 2. Sections 11, 12 and 13 had increases to resident and nonresident license fees for fur dealers, taxidermists and fish farming. The CS also raised the nonresident tag fee for brown or grizzly bear in Section 14.

Mr. Nelson referred to a 3/9/89 memo before the committee outlining the categories of fees and showing figures for ten, twenty and thirty percent increases to the fees in HB 124. It also compared the increases to Canadian provinces and in every case, the tags for big game is less in Canada, except for brown bear. Based on that information, the CS did not increase any tag fees except that for brown or grizzly bear. He explained that the Yukon tag fee system was different than in Alaska, so it was not exactly comparable.

Chairman Davidson asked for further explanation of the Yukon tag system.

DOUGLAS PHILLIPS, Yukon Legislative Assembly Member, clarified that nonresident hunters purchase a hunting license and a particular game seal before they go hunting. If they shoot the particular game, then they pay a game fee when they return. The reasoning is that hunters are more selective about the game they shoot with this system. He said the nonresident hunting license is \$75 and the fees

for the seal are the same as those for residents. A trophy fee is then paid after the animal is taken.

Chairman Davidson asked if any consideration was being given to raising hunting and fishing fees in the Yukon. Mr. Phillips replied that they were not changing their hunting license fees, but a bill had recently passed the legislature that would raise the fishing license fees dramatically and they would be comparable to Alaska.

Mr. Nelson commented that the brown bear tag fee was the only one in HB 124 that wasn't higher than Canada, so it was felt that it could be safely raised. He continued discussing the changes in the proposed CS: Section 15 raises license fees for game mammal and reptile farming, Section 16 raises the brown bear tag fee for nonresident aliens and Section 17 raised the duplicate license fee from \$2 to \$5 to cover administrative costs. Mr. Nelson noted that trapping fees had not been raised because they had already been raised in 1984 and also that gamebird farms had not been raised because it was a recent category as of 1987.

REPRESENTATIVE SHARP asked about the nonresident alien fee on page 4 and Mr. Nelson commented that it was new to the system.

REPRESENTATIVE HUDSON brought up Section 1 which has a resident sport fishing license of 25 cents for those who are blind and asked if there were additional provisions for other disabilities. Mr. Nelson replied that there is a provision in statutes that makes sport fishing licenses free for disabled veterans.

Representative Hudson stated that he wanted similar treatment for other disabled persons and that he may propose language later.

Chairman Davidson announced that he would postpone testimony on HB 124 for a short time to allow Mayor Fuhs, of Unalaska, to make a presentation because he had an upcoming appointment to make.

PAUL FUHS, Mayor of Unalaska, addressed the committee. He stated that the bottom fish industry in Unalaska is a thriving one. They ship twenty million pounds of finished product from Dutch Harbor per week. He showed a videotape which gave an overview of the commercial fishing and processing industry in Unalaska and showed the importance of upgrading the outdated and failing water system to promote further investment by onshore processors. (The soundtrack to the video is recorded on this tape, HRC 89-167.) Mr. Fuhs stated that Unalaska was requesting \$2.5 million from the legislature which would be matched by the

City of Unalaska in order to pay for an upgraded water system. He explained that if the city can show they can provide adequate water, it would encourage onshore processing plant development, noting that there were four interested investors that have inquired, and that it would be a big benefit to the state. A question and answer period followed.

(TAPE HRC89-167, Side 2, #000)

Mayor Fuhs continued fielding questions about fish processing and the water system in Unalaska and then ended the presentation.

Chairman Davidson brought HB 124 back before the committee and asked for further testimony.

RON SOMERVILLE, of the Alaska Outdoor Council, testified that the council had finished their annual meeting in Fairbanks and he distributed copies of their position statement which outlined three major problems they had with HB 124. The first was that the 25-cent license fee in Section 2 should be eliminated. The second was that they opposed the nonresident alien fees because it would jeopardize the guide/outfitting industry by encouraging hunters to go to Canada where it cost less. The third issue concerned subsistence; they wanted language in the bill to say that fees collected from sportsmen wouldn't be used for subsistence programs. Mr. Somerville had a proposed amendment to accomplish that.

Chairman Davidson asked if the Alaska Outdoor Council would be willing to leave the 25-cent license issue alone in HB 124 since it was being addressed specifically in other legislation. Mr. Somerville said they would not be willing to do that because they have asked for separate legislation for six years without success and would like to see it as part of HB 124.

Chairman Davidson asked Mr. Somerville to expand on why there shouldn't be a nonresident alien status. Mr. Somerville replied that the main point was that it was felt hunters would go elsewhere to hunt because of the higher fee.

Chairman Davidson pointed out that the North American big game hunters that would fall under that category could well afford the fees and that it would not be a major consideration in their choice to hunt in Alaska. Mr. Somerville agreed but cautioned that care should be taken in discriminating to the disadvantage of the state.

Chairman Davidson asked who would be in the nonresident alien category. Mr. Somerville replied that they would be non U.S. citizens, such as the Japanese and Europeans, but they were not all in a rich, elite class.

Chairman Davidson brought up a statement made by former Representative Henry Springer that people can hunt in Alaska at "bargain basement prices," making the point that fees are not that high.

Representative Sharp compared the fees for nonresident aliens to that of Canadian provinces as outlined in the 3/9/89 memo and agreed that there may be a possibility of losing hunters in that category.

Mr. Wiley explained that all Canadian provinces have nonresident alien fees, which are defined as non-Canadian, for hunting and fishing. He noted that there is a national trend in fish and game departments to increase fees for the same reasons as those given by his department. He explained that nonresident aliens don't contribute in any other way to fish and game resource management in the U.S. or Alaska, whereas nonresidents do pay federal taxes which help fund the department. He described the Canadian fees and compared them with Alaska.

Chairman Davidson asked for an explanation of the tag system in Canada. Mr. Wiley gave an example in Alberta of a nonresident alien hunting license of \$300 and a \$500 tag for moose, totaling \$800, which is not as high as Alaska.

Chairman Davidson asked that similar examples of hunting comparisons be provided to the committee when they bring up HB 124 again for further consideration.

Mr. Somerville commented that trophy fees are paid after game is taken in Canada, which is a major difference from Alaska and he reiterated his position that Alaska fees may be too high and may force some guides and outfitters out of business.

Chairman Davidson asked if the Alaska Outdoor Council had concern that nonresident aliens don't contribute in any other way to the state's resource management. Mr. Somerville replied that they did and they weren't trying to protect their rights, they just didn't want to lose any business.

Chairman Davidson asked how many groups were in the Alaska Outdoor Council. Mr. Somerville replied there were 54 organizations, three of which were in the hunting business.

Representative Sharp discussed further the comparison of fees in HB 124 to those of Canada.

Mr. Somerville pointed out that there wasn't a nonresident alien category for fishing licenses and asked why. Chairman Davidson commented that it was a good point.

Mr. Wiley made an observation that world class hunters think nothing of spending big money in order to hunt in Alaska.

NORMA KASSI, Deputy Speaker, Yukon Territorial Legislature, commented that the Yukon delegation had recently met with the Commission of Fish and Game and discussed sharing resources between Yukon and Alaska at lower prices. She pointed out that many Yukoners travel to Haines and Skagway to sport fish and it soon may not be worth it because of the lower limits on fish and a higher license fee.

Representative Hudson stated he didn't want to discourage Yukoners from utilizing the state's resources in that way.

Mr. Somerville commented that the last licensing fee increase resulted in a decrease of nonresident hunters for a time.

Chairman Davidson asked if anyone had additional amendments to offer. He indicated that HB 124 may be brought up tomorrow following the scheduled agenda if there is time.

Mr. Somerville stated he had proposed amendments.

Representative Hudson expressed concern that Alaska be compatible and competitive with the Yukon Territory.

(TAPE HRC 89-168, Side 1, #000)

Chairman Davidson expressed curiosity about hunting and fishing fees in the Soviet Union. Mr. Wiley responded that the department can come up with hunting cost comparisons in other regions to present to the committee.

Representative Hudson expressed interest in the department's response to the amendments proposed by the Alaska Outdoor Council.

HB 124 was HELD in Committee for further consideration.

ADJOURNMENT

The meeting was adjourned at 5:04 p.m.