

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672
2186 SCOMM 84: SENATE SPECIAL COMM. INTL. TRADE & TOURISM, 1991-92

204

SCOMM

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SENATE COMMITTEE REPORT

DATE: 1/22/92

FURTHER: L&C
Resources

DATE TURNED INTO OFFICE: 3/12/92

Senate Special Committee on
Internat'l Trade and Tourism

considered

HOUSE JOINT RESOLUTION NO. 48

Relating to a Pan-American energy alliance.

and recommends:

replace with S CS HJR 48 (ITT)
or adopt previous CS ()
 attaches amendment(s)

same title
 new title
 technical
title change
(HB only)

adopts Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes House Rules 1/16/92

fiscal notes _____

DO PASS:

Al S. Daniels
Kathy Cleary
Collin Stimpert

OTHER RECOMMENDATIONS:

Paul Frick (Do Pass)
Chair: Signature and Recommendation

FISCAL NOTE

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

No. 2
 Bill Version: HJR 48
 (H) Publish Date: 1/21/92

Revision Date: January 16, 1991 Department Affected: N/A
 Title: Relating to Pan-American BRU: _____
energy alliance. Component: _____
 Sponsor: Rep. Mark Boyer
 Requestor: _____ COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0					
TRAVEL	0					
CONTRACTUAL	0					
SUPPLIES	0					
EQUIPMENT	0					
LAND & STRUCTURES	0					
GRANTS, CLAIMS	0					
MISCELLANEOUS	0					
TOTAL OPERATING	0					

CAPITAL	0					
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REVENUE	+					
FUND SOURCE:	0					

FUNDING: (Thousands of Dollars)

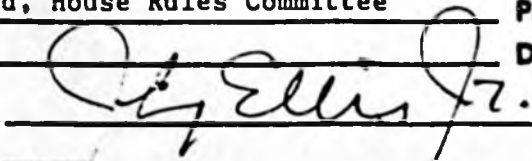
GENERAL FUND	0					
FEDERAL FUNDS	0					
OTHER						
FUND SOURCE:	0					
TOTAL	0					

POSITIONS:

FULL-TIME	0					
PART-TIME	0					
TEMPORARY	0					

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Jim Nordlund, House Rules Committee Phone: 465-3704
 Division: _____ Date: January 16, 1992
 Approved by Commissioner: 
 Agency: _____ Date: January 16, 1992

COMMITTEE COPY

near, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Alaska State Legislature

Senator Paul Fischer, Chairman
Senator Al Adams, Vice-Chair
Senator Rick Uehling
Senator Arliss Sturgulewski
Senator Fred Zharoff



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Senate Special Committee on International Trade and Tourism

MEMORANDUM

TO: Nancy Quinto
Senate Secretary

FR: Senator Paul Fischer, Chairman *PF*
Senate Special Committee on International Trade & Tourism

DATE: March 5, 1992

RE: Committee Schedule for the Week of March 9, 1992

Wednesday, March 11, 1992 2:30 pm Fahrenkamp Room

- SJR 44 - Supporting increased access near Mt. McKinley through establishment of a visitor activity area at Kantishna.
- HJR 60 - Relating to the expansion of the National Air and Space Museum.
- HJR 48 - Relating to a Pan-American energy alliance.

RECEIVED FEB 24 1992

Alaska State Legislature

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Anchorage, Alaska 99503
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During Session:
P.O. Box V
Juneau, Alaska 99811
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Senator Drue Pearce
District G

To: Senator Paul Fischer

From: Senator Drue Pearce

A handwritten signature in cursive script that reads "Drue Pearce".

Date: February 20, 1992

Re: HJR 48, Pan American Energy Alliance

I'm a member of The Energy Council and am respectfully requesting that you hear HJR 48 as soon as possible... or consider waiving it through the Senate International Trade and Tourism Committee. (It would still have to make its way through Senate Labor and Commerce and Senate Resources.) It calls for Congress and the President to move toward the formation of a Pan American energy alliance which would provide reciprocal energy security measures.

I will be in Washington D.C. March 29-31 for the Energy Council's Federal Energy and Environmental Matters Conference. I'd really like to get this passed by then so I can deliver it while I'm there.

Thanks for any help you can provide.

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE CHAIRMAN
HOUSE FINANCE COMMITTEE



House of Representatives

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MEMORANDUM

TO: Senator Paul Fischer, Chair
Senate International Trade & Tourism Committee

FROM: Representative Mark Boyer

DATE: February 3, 1992

RE: HJR 48, Pan American Energy Alliance

During the floor debate on HJR 48 questions were raised regarding the dated statistics included in this resolution. In response to those concerns I contacted the Energy Council to request more up-to-date information.

The attached draft committee substitute contains the most current information available from the Energy Council. I would appreciate it if the International Trade and Tourism Committee would consider adopting this committee substitute at your earliest convenience.

Thank you.

FAIRBANKS 20B



Alaska State Legislature

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REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN
HOUSE FINANCE COMMITTEE



House of Representatives

MEMORANDUM

TO: Senator Paul Fischer, Chair
Senate International Trade & Tourism Committee

FROM: Representative Mark Boyer *MB*

DATE: January 24, 1992

RE: HJR 48, Pan American Energy Alliance

I would like to request that the International Trade and Tourism Committee schedule a hearing on HJR 48. This resolution passed the House 40-0 and enjoyed broad support throughout the committee process.

HJR 48 urges Congress and the President of the United States to engage in formal deliberations with the governments of Canada, Mexico and Venezuela, as well as other interested Western Hemispheric countries, to develop a Pan American Energy Alliance to provide reciprocal energy security measures. The Energy Council, of which Alaska is a member, has adopted a similar resolution.

Thank you.

FAIRBANKS 20B



DRAFT CS FOR

HOUSE JOINT RESOLUTION NO. 48

1 Relating to a Pan-American energy alliance.

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

3 WHEREAS the past year's fluctuations in prices and supply patterns for oil once again
4 demonstrate that the access of the United States to this vital strategic resource is vulnerable to concerted
5 political action by governments in the Middle East; and

6 WHEREAS, in 1990, the reliance of the United States on imported oil increased to 47 percent, the
7 highest percentage in nine years, and with the demand in the United States for oil increasing at an average
8 rate of three percent each year for the last five years, this reliance on imported oil will increase because
9 the domestic oil exploration and production capability of the United States has seriously eroded; and

10 WHEREAS, until 1986, the United States had successfully increased its import of
11 petroleum products from its neighbors in the Western Hemisphere and decreased its imports from the
12 volatile Middle East, but this positive trend has been reversed, and Middle East imports
13 of crude oil to the United States continue to increase; and

14 WHEREAS the energy crisis of the 1970's taught the United States that manipulation of the

1 world oil market by sovereign governments can run counter to the interests of the United States; and

2 **WHEREAS** the energy crisis of the 1970's also proved that several of the trading allies of the
3 United States could be counted on for support in troubled times, since Venezuela, Mexico, and Canada
4 increased their exports of oil to the United States during the crisis while other nations reduced their
5 exports to the United States; and

6 **WHEREAS** Canada and the United States have the most extensive reciprocal trade situation in
7 the world, and each is the other's largest export market, with Canada selling three-quarters of its exports
8 to United States markets while absorbing almost one-quarter of the total exports of the United States;
9 and

10 **WHEREAS** Canada and the United States have a history of cooperation and trade as energy
11 partners; Canada currently supplies about twelve percent of the oil consumed in the United States and
12 approximately seven percent of the natural gas consumed in the United States, the equivalent of over
13 700,000 barrels of crude oil a day; if United States oil and natural gas supplies are reduced, imports of
14 Canadian gas will contribute greatly to the energy security of the United States; and

15 **WHEREAS** Mexico shares not only a common border but also a rich cultural heritage with the
16 southwestern part of the United States, and has developed into one of the major sources of imported oil
17 and natural gas for the United States; Mexico was the sixth largest supplier of crude oil to the United
18 States during 1990; and

19 **WHEREAS** Mexico depends on oil earnings to provide revenue for its government, and the
20 investments by Peteroles De Mexicana, a company owned by the Mexican government, in future oil and
21 gas development, and the United States' clear need for stable, long-term supplies of oil suggest that the
22 United States' trading relationship with Mexico will grow in the future; and

23 **WHEREAS** more than one-half of all Venezuelan oil exports are made to the United States and,
24 during 1990, Venezuela was the leading exporter of petroleum products and the second largest exporter of
25 crude oil to the United States; Venezuela is second only to Saudi Arabia as the most significant
26 oil exporter to the United States; and

27 **WHEREAS** Venezuela has the ability to export large quantities of crude oil and petroleum
28 products for many decades, and the United States and Venezuela are close geographical neighbors that,
29 like Mexico and Canada, share similar forms of democratic government; and

30 **WHEREAS**, since the United States will need to rely on foreign sources of oil for the
31 foreseeable future and the oil situations and long-term energy interests of Venezuela and the United

1 States are complementary, the United States and Venezuela should continue to be important commercial
2 partners for many years under fair conditions of trade; and

3 **WHEREAS** Canada, Mexico, Venezuela, and the United States are long-standing energy trading
4 partners who share a history of working together in successful oil and gas exploration and development
5 and who share the fluctuations of a rapidly changing energy environment; and

6 **WHEREAS** Canada, Mexico, Venezuela, and the United States share a common vision of the
7 future in which a sound energy industry in each of the countries is able to provide the energy security
8 needed to ensure the health and vitality of the entire economy of the American nations; and

9 **WHEREAS** the governments of the United States, Canada, Mexico, and Venezuela are striving
10 to improve the overall well-being of all of their citizens while providing rich opportunities for individual
11 freedom and growth, and it is natural for their representatives to explore options that will increase the
12 energy security of the Western Hemisphere; and

13 **WHEREAS** the Energy Council, of which Alaska is a member, actively supports and
14 promotes the concept of an energy alliance among the nations of the Western Hemisphere;

15 **BE IT RESOLVED** that in recognition of the long-standing trading history with Canada, Mexico,
16 and Venezuela and, in order to plan for increased security of the people and economies of the United
17 States, Canada, Mexico, and Venezuela, the Alaska State Legislature urges the President of the United
18 States and the United States Congress to engage in formal talks with the governments of Canada,
19 Mexico, and Venezuela, as well as with other interested American countries, to develop a Pan-American
20 energy alliance to provide reciprocal energy security measures for the nations of the Western
21 Hemisphere; and be it

22 **FURTHER RESOLVED** that the Alaska State Legislature supports the efforts and work of the
23 Energy Council to promote a Pan-American energy alliance and urges Governor Hickel and
24 the current administration of the state to participate in these efforts.

25 **COPIES** of this resolution shall be sent to the Honorable Dan Quayle, Vice-President of the
26 United States and President of the U.S. Senate; the Honorable Robert C. Byrd, President Pro Tempore
27 of the U.S. Senate; the Honorable George J. Mitchell, Majority Leader of the U.S. Senate; the Honorable
28 Thomas S. Foley, Speaker of the U.S. House of Representatives; to the Honorable Ted Stevens and the
29 Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
30 members of the Alaska delegation in Congress; and to Lori Cameron, Executive Director of the
31 Energy Council.

WHY WE NEED A NATIONAL ENERGY POLICY

by James J. MacKenzie
August 1990

The importance of gasoline and other petroleum products to U.S. economic and national security has been dramatically highlighted by Iraq's invasion of Kuwait. But, paradoxically, while the United States appears ready to go to war to protect petroleum suppliers on the other side of the world, it has no long-term strategy to reduce national dependence on these producers by either improving energy efficiency or developing new energy sources. This precious commodity for which we are willing to risk American lives is treated as a substance of little economic value in the U.S. marketplace, where consumers pay substantially more for a gallon of bottled water than they do for a gallon of gasoline.

With giveaway fuel prices, it is not surprising that U.S. consumers, especially motorists, use so much oil and care so little about fuel efficiency. The Middle East crisis should drive home, once and for all, the need for long-range federal energy policies—not just for oil but for other energy sources as well. Especially important to any national energy policy is more rational energy pricing. Fuel and electricity prices must be made to reflect the full range of environmental and security risks entailed by their use. As general goals, federal policies should encourage more efficient energy use while at the same time supporting a long-term shift toward energy sources that don't threaten the environment or our national security. Nowhere is this need greater than in transportation, which is virtually totally dependent on oil.

The Middle East oil crisis is only one important problem related to U.S. energy policy. Air pollution, acid rain, and increased global warming from the greenhouse effect are

also associated with energy use, largely the burning of fossil fuels. While oil is at issue in the Persian Gulf crisis, global warming—a problem likely to become more pressing within this decade—stems from the use of all fossil fuels: oil, coal, and natural gas. Together, these linked problems provide compelling grounds for developing a long-term national energy strategy that will ensure adequate domestic energy supplies while protecting the nation's environmental health and national security.

The overwhelming reaction of the U.S. public, Congress, and the Administration to the crisis in the Middle East has been surprise and anger. To date, the U.S. government's response has been primarily diplomatic and military, and its immediate goals are to prevent an invasion of Saudi Arabia and to force Iraq back out of Kuwait. But even if Iraq retreats without bloodshed and irreparable economic damage, where does that leave the United States? A military success by our troops in the Middle East would not begin to address the important long-term issues related to the nation's oil resources, patterns of petroleum use, and the lack of a national policy relating the two.

What are the energy-related factors underlying the Persian Gulf crisis and what can we do about them? The following discussion summarizes in simple terms the changing patterns of global oil supply and demand and the strategic importance of the Middle East in the coming decades.

TRENDS IN GLOBAL OIL DEMAND AND SUPPLY

Petroleum is by far the largest source of commercial energy worldwide.¹ In 1989, oil accounted for about 39 percent of global energy supply, followed by coal (28 percent), natural gas (21 percent), hydroelectricity (7 percent), and nuclear power (6 percent). (See Figure 1.) The

James J. MacKenzie is a Senior Associate in the World Resources Institute's Program in Climate, Energy, and Pollution.



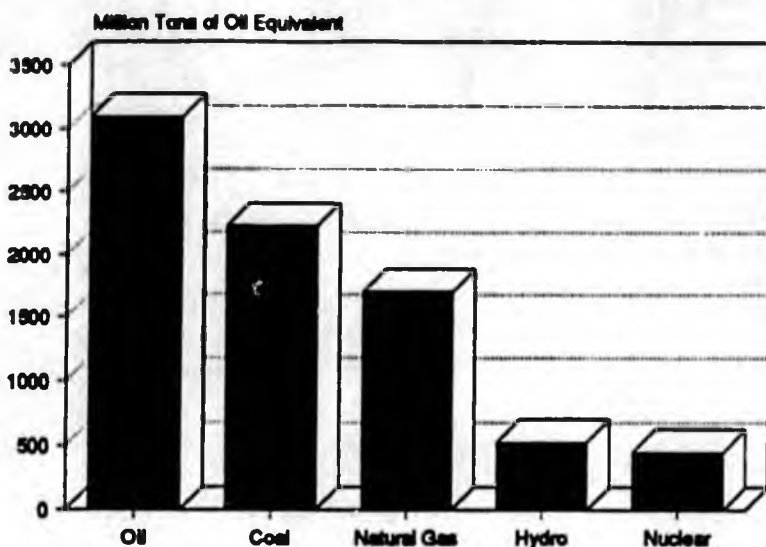
WORLD RESOURCES INSTITUTE

1709 New York Avenue, N.W.

Washington, D.C. 20006

202-638-6300

SOURCES OF GLOBAL ENERGY (1989)



Source: WRI & BP Stat. Review, 8/90

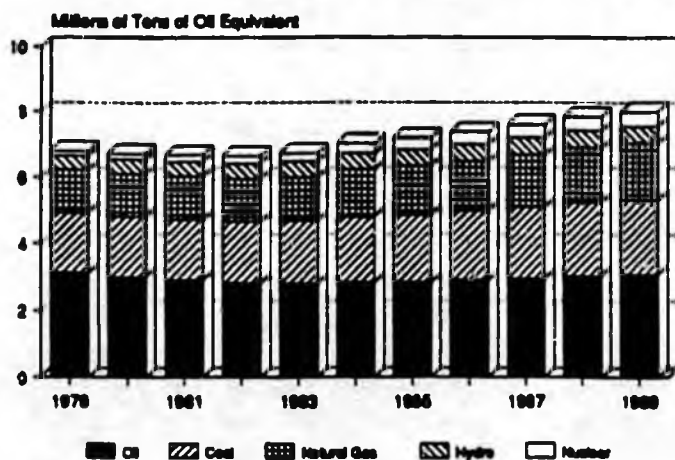
Figure 1

mix among energy sources has changed continually over the past decade as oil-consuming nations have attempted to substitute more plentiful and more secure energy sources for oil. (See Figure 2.) In absolute terms, global oil consumption was only 1.4 percent lower in 1989 than it was in 1979. But with the growth in other energy sources, especially natural gas and coal, the relative contribution of petroleum dropped from 46 percent of global energy supply in 1979 to about 39 percent in 1989.

Japan and the Western industrialized nations account for a large share of world oil demand, but contribute only modestly to oil supply. Indeed, this simple fact explains much of the current anxiety among the industrialized nations over Iraq's recent military action against Kuwait. (See Figure 3.) In 1989, North America and Western Europe consumed nearly half of the world's oil output, but contributed only 23 percent of world supply. The Persian Gulf nations², on the other hand, accounted for 26 percent of global supply but only 4.5 percent of world oil demand.

The politically and economically dangerous lack of overlap between consumers and suppliers is even more dramatic if current production is compared to proven reserves.³ (See Figure 4.) The size of a region's oil reserves—or better, its ratio of proven reserves to annual production (R/P)—says far more about its long-term prospects as a major supplier than current annual production does. Thus, despite its relatively large current contribution to world oil supply (about 17 percent), North America possesses only 4 percent of global proven oil reserves. More troubling, its ratio of reserves to annual production (R/P) is only about ten years, which means that if these reserves were consumed at today's production rate

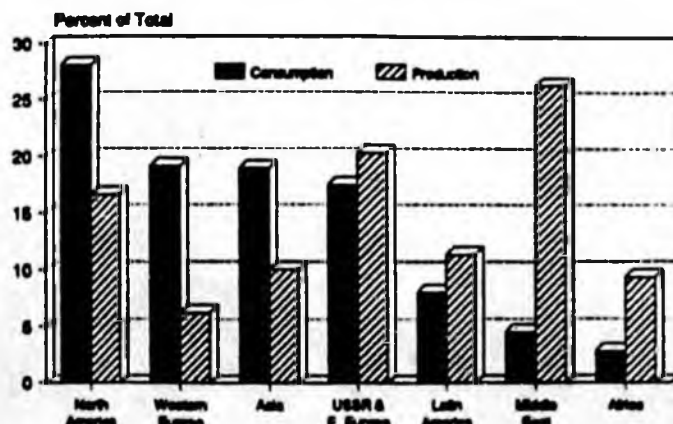
TRENDS IN GLOBAL ENERGY SUPPLY



Source: WRI & BP Stat. Review, 8/90

Figure 2

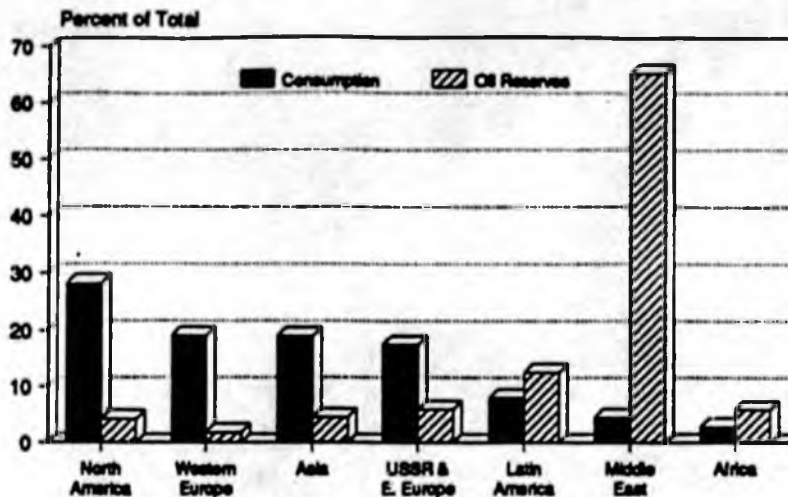
GLOBAL OIL CONSUMPTION AND PRODUCTION (1989)



Source: WRI & BP Stat. Review, 8/90

Figure 3

GLOBAL OIL CONSUMPTION AND RESERVES (1989)



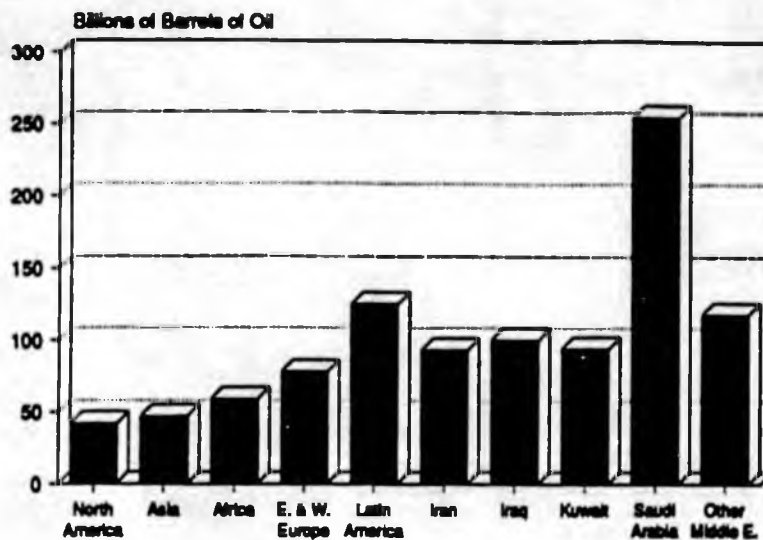
Source: WRI and BP Stat. Review, 6/89

Figure 4

OIL FACTS

- Most of the world's proven oil reserves are in the Persian Gulf region (65 percent) and in OPEC nations as a whole (75 percent). More than 44 percent of the world's proven oil reserves are in Iraq (9.9 percent), Kuwait (9.3 percent), and Saudi Arabia (25.2 percent).
- Thanks to international efforts to switch to more plentiful, more secure energy sources, oil's contribution to world energy supply dropped from 46 percent in 1979 to 39 percent in 1989.
- World oil consumption has closely mirrored world oil prices: as prices have risen, demand has fallen, and vice versa.
- The industrial democracies consume well over half of the world's oil. In 1989, the OECD countries accounted for 56 percent of world oil demand (the United States for 26 percent).
- U.S. oil production, both in the lower 48 states and in Alaska, is falling and is likely to continue declining indefinitely. Imports are now approaching 50 percent.
- In 1989, 46 percent of the U.S. oil supply was imported, compared to 32 percent in 1985. U.S. imports of Persian Gulf oil in 1989 (2.1 million barrels per day) were almost double 1973 imports (1.1 million barrels per day).
- The transportation sector dominates U.S. oil consumption (63 percent of the total) and is almost totally dependent on oil. Over the past two decades gasoline demand has proven sensitive to price.
- Despite major gains in U.S. vehicle fuel efficiency, total motor-vehicle fuel use has increased by 40 percent since 1970. Alongside declining U.S. gasoline prices, new-car fuel efficiency dropped 4 percent between 1988 and 1990.
- Motor-vehicle fuel prices in most industrial countries are two to four times those of the United States, due largely to fuel taxes. Per capita fuel use in these countries is one fourth to one half what it is in the United States.
- Measured in constant dollars, U.S. gasoline prices before the Iraqi invasion were the lowest they have been in 40 years. In 1989, gasoline was cheaper than almost any other liquid, including bottled water.

WORLD PROVEN OIL RESERVES (1989)



Source: WRI & BP Stat. Review, 8/90

Figure 5

they would last only a decade.⁴ A similar situation holds in Western Europe, which accounts for 6 percent of global oil production and has less than 2 percent of world oil reserves; its R/P is also small, about 13 years.

Persian Gulf producers are in an entirely different situation. In 1989, these nations accounted for only 4.5

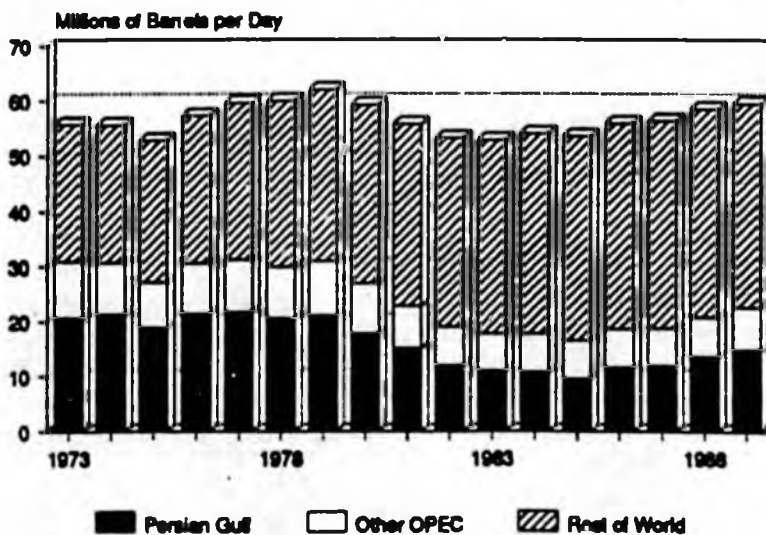
percent of world oil consumption but possessed 65 percent of proven world oil reserves. Moreover, the average reserve-to-production ratio for this region is over 100 years. If the Persian Gulf nations were to continue producing at today's rate without ever discovering another barrel of oil, their reserves would last over a century.

OPEC as a whole⁵—which includes seven producers outside of the Persian Gulf—controls about 75 percent of the world's proven oil reserves and has a reserves-to-production ratio of about 92 years. Proven reserves for most of the important producers are shown in Figure 5, which shows how dominant Middle East producers are.

Trends in world oil production between 1973 and 1989 have closely mirrored world oil prices. (See Figure 6.) Following the 1973 oil boycott, world oil production fell briefly. As prices softened during the latter half of the 1970s, world demand increased again. In 1979, the Iranian revolution touched off significant oil price increases, again leading to a four-year decline in oil consumption and a major reduction in world reliance on OPEC oil. During this period, OPEC

oil production dropped about 45 percent, from 31.5 million barrels per day (b/d) in 1979 to 17.3 million b/d in 1985. With the crash in oil prices in 1986, world oil demand again began to rise. Now OPEC production stands at 23 million b/d.

TRENDS IN WORLD OIL PRODUCTION



Source: WRI & DOE, 8/90

Figure 6

UNITED STATES' DETERIORATING OIL OUTLOOK

Figure 7 graphically illustrates the continuing decline in U.S. domestic oil production, one of the primary reasons for the nation's increasing reliance on imports. Oil production in the lower 48 states peaked in 1970 and has been declining since, despite a massive ten-year exploration effort beginning in the mid-1970s and

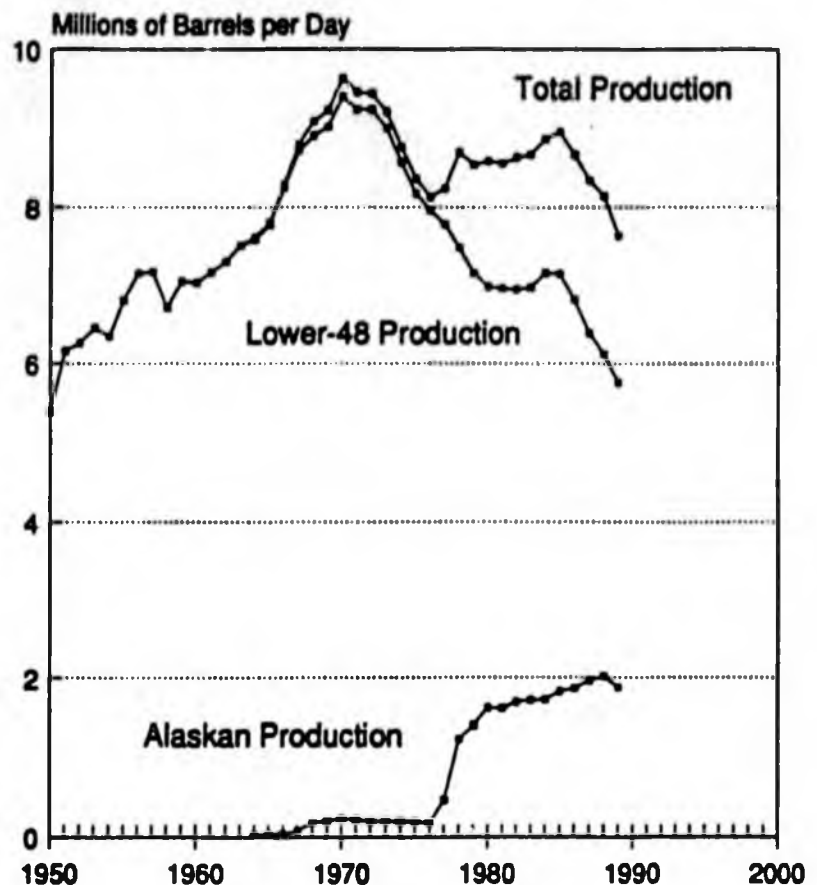
lasting until oil prices began their sharp decline in 1986. (At the peak in 1981, over 90,000 wells were drilled in the United States; yet, during this period additions to reserves remained fairly constant at about 2.5 billion barrels per year. By 1989, the number of wells drilled had fallen to about 28,000.) In Alaska, production peaked in 1988 and is expected to fall slowly over the coming decade.

The lower 48 states represent the most explored real estate on earth. According to the Department of Energy, as of 1986, about 80 percent of all the wells ever drilled worldwide (about 2.9 million) were drilled in the United States. The chances of finding large new oil fields, at least in the lower 48 states, are slim. Indeed, the success rate in finding new oil in the United States has continued to decline over the past 2 decades, from 17 barrels per foot drilled in the 1970s to about 8 barrels in the 1980s. With declining exploration and lower success rates in finding oil, U.S. proven reserves have dropped by 15 percent over the past decade.

Against this backdrop, it is clear that the United States is squeezing nearly depleted wells ever more tightly to get oil.⁶ The average oil well in this country produces about 13 barrels per day of oil, down from a high of 18 barrels per day in 1970; in the Middle East, the average well produces more than 2500 barrels per day.

As for consumption, as Figure 8 shows, it is about the same in the United States now as it was in 1973. In between, demand hit an all-time peak in 1978 and a relative low in 1983. Since 1973, total oil use in electric power generation and the heating of buildings has declined by almost 50 percent. Industry has cut its oil consumption by about 10 percent. Transportation, on the other hand, uses 20 percent more oil now than it did then and presently accounts for 63 percent of U.S. oil consumption. Not surprisingly, motor vehicles (cars, trucks, buses) and airplanes—with essentially no flexibility to switch fuels—will be the most

TRENDS IN U.S. OIL PRODUCTION



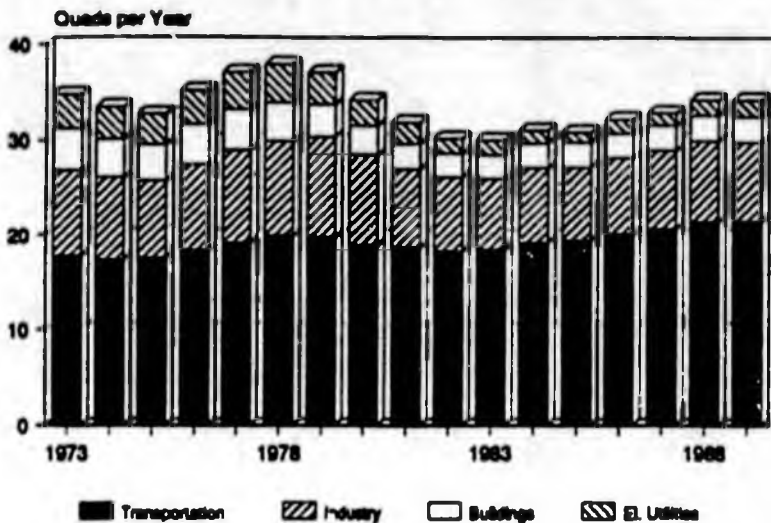
Source: WRI & DOE, 8/90

Figure 7

vulnerable oil consumers if petroleum supplies are disrupted for long.

With production slipping and consumption remaining high, the sources of supply have also changed. As Figure 9 illustrates, imports from all sources rose from 6.2 million b/d in 1973 to a peak of 8.8 million b/d in 1977. After dropping as a result of the 1979 price shock, they have been climbing again since the early 1980s. Imports reached 8 million b/d in 1989, accounting for 46 percent of domestic supply. The annual bill for U.S. oil imports (in constant 1989 dollars) is shown in Figure 10. From a high of over \$100 billion in 1980, the cost of U.S. imports dropped to less than \$40 billion in 1986. By 1989, it had risen to \$50 billion and was rising. Cumulative U.S. payments for oil imports between 1970 and 1989 totalled \$1.1 trillion.

TRENDS IN U.S. OIL CONSUMPTION



Source: WRI and DOE, 8/90

Figure 8

In 1973, U.S. oil imports from the Middle East stood at about a million b/d, about 6 percent of total U.S. supply. (See Figure 9.) In 1979, Persian Gulf imports peaked at 3.4 million b/d, about 18 percent of supply. After declining in the mid 1980s, they began rising again, and in 1989 they reached 2.1 million b/d, about 12 percent of domestic

supply. In other words, in 1989 the United States was twice as dependent on Persian Gulf oil (relatively and absolutely) as it had been in 1973.⁷

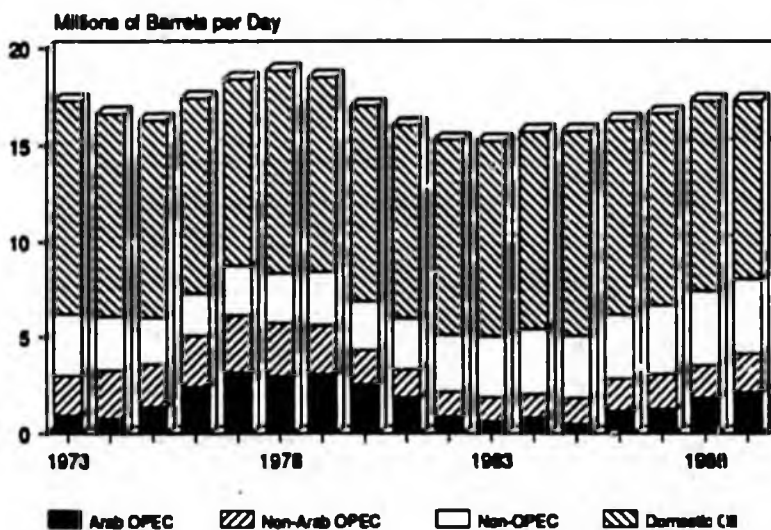
The relationship of motor vehicle fuel consumption to changes in fuel prices can be seen in Figure 11. The pattern is unmistakable: consumption of gasoline is an almost perfect reflection of the price of gasoline. When prices fall (as they did from 1974-1978 and 1982-1989), demand rises; when prices rise (as in 1973-1974 and 1978-1982), demand falls.

Although average U.S. transportation efficiency has improved over the past 15 years, the overall trend in fuel use is still up. U.S. cars, trucks, buses, motorcycles,

and other vehicles account for about half the nation's oil consumption. As Figure 12 shows, averaged over the entire U.S. vehicle fleet, the fuel consumed *per vehicle* dropped 15 percent—from about 830 gallons per year in 1970 to about 700 gallons in 1988. This decline reflects the net results of many (sometimes opposing) trends, including improved vehicle fuel efficiency (partially offset by growth in the number of miles driven per vehicle), the substitution of trucks for cars (the latter are more efficient) in commuting, higher (less efficient) driving speeds, increasing congestion, and so forth. Despite this fleet-wide reduction in average fuel use, however, total motor-vehicle fuel use actually increased by more than 40 percent between 1970 and 1989, the result of a 70-percent increase in the number of motor vehicles on the road.

If the past is any indicator of the future, the prospects of large reductions in oil use solely through improvements in vehicle efficiency do not look promising. As a result, totally different kinds of vehicles, such as electric or hydrogen-powered

TRENDS IN U.S. OIL SUPPLY



Source: WRI and DOE, 8/90

Figure 9

cars, will have to be developed as part of a long-term energy strategy.

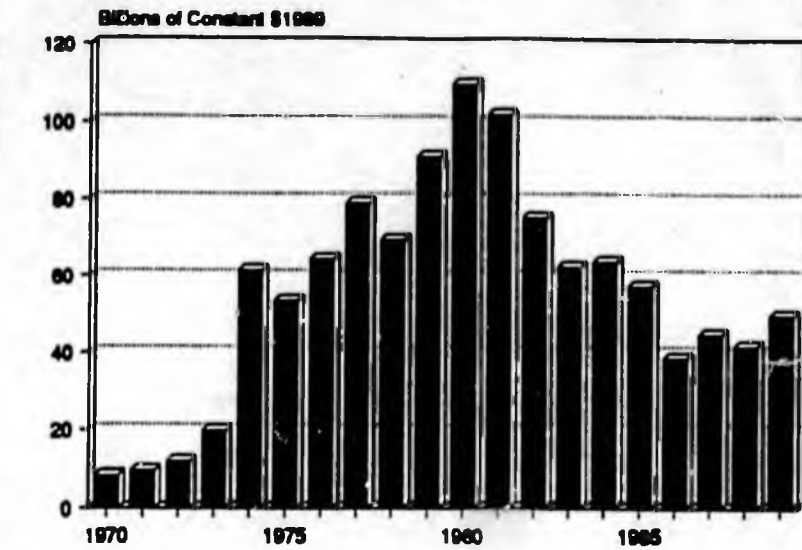
Dealing with the Middle East oil crisis will be but the first step in a larger effort to fashion consistent national policies affecting energy supply and demand. In the United States, oil policies are largely transportation policies, and the history of motor vehicle fuel use over the past two decades, both here and overseas, shows that fuel prices are a very important—if not the most important—factor in motor fuel consumption. The unrealistically low U.S. fuel prices of the past few years have given us a false picture of the security and environmental risks posed by these fuels. Low prices have led to excessive oil use, increased imports from a politically volatile region, and a growing burden to the nation's balance of payments.

A prudent national oil strategy would encourage more efficient oil use by gradually increasing motor vehicle fuel prices through some kind of fuel tax. At the same time, national transportation priorities should be shifted so that fewer people drive to work (especially alone) and more use public transport. A high priority should also be given to the introduction of electric and hydrogen-powered vehicles that could be run on domestic energy sources. Together, these

policies would protect the environment by cutting emissions of both pollution and greenhouse gases, reduce oil imports, and enhance national security.

The United States can never be indifferent to the invasion of one sovereign nation by another. But if we had a national energy strategy based on the use of renewable and domestic energy sources, what's happening now in the Persian Gulf would be cause for moral indignation toward the invader and support for the invaded, but not of deep and justified fear about our own country's economic future. □

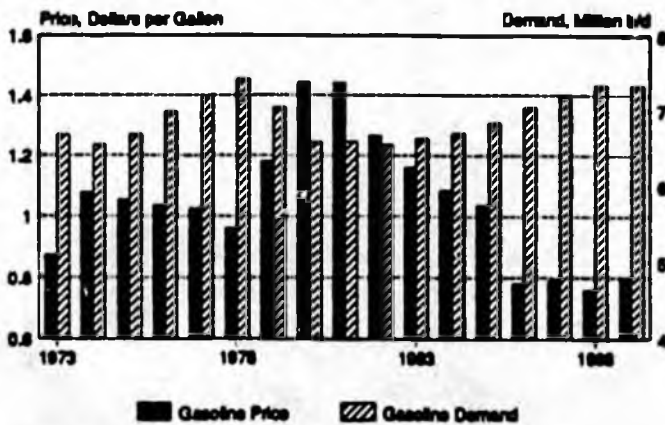
ANNUAL OIL IMPORT BILL FOR THE U.S.



Source: WRI & DOE, 8/89

Figure 10

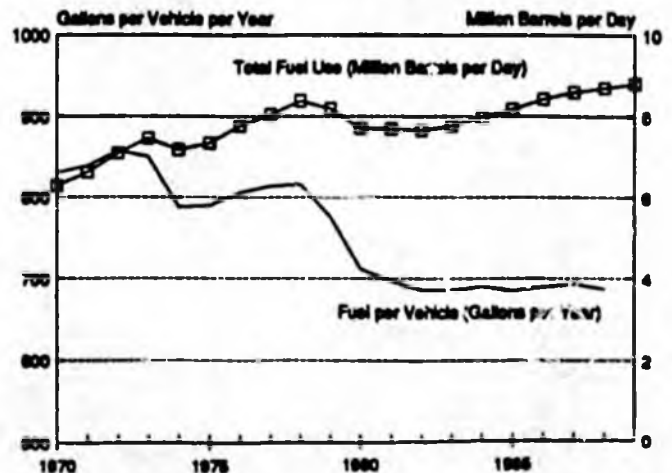
TRENDS IN U.S. GASOLINE PRICES (IN \$1983) AND DEMAND



Source: WRI & DOE, 8/89

Figure 11

FUEL TRENDS IN U.S. MOTOR VEHICLES



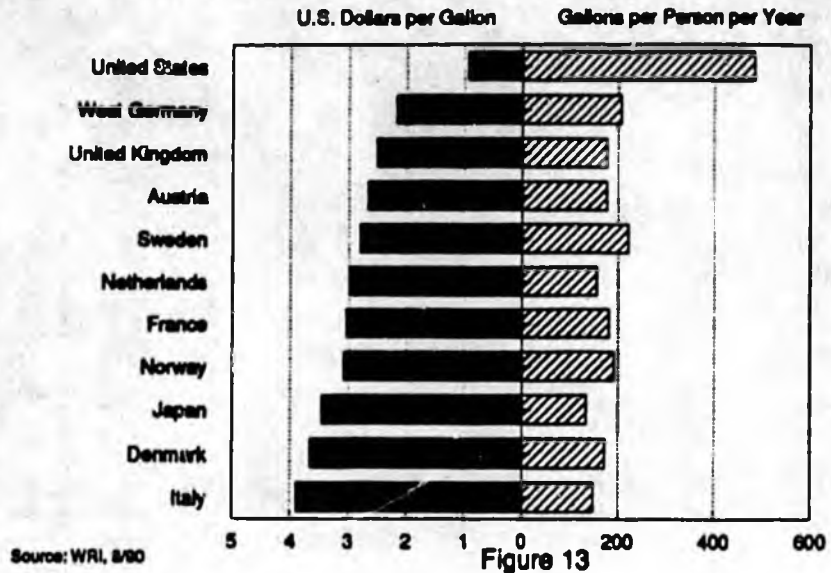
Source: WRI & DOE, 8/89

Figure 12

EFFECTS OF LOW FUEL PRICES

One of the results of very low prices for motor-vehicle fuels is illustrated by Figure 13. U.S. gasoline prices in 1988 averaged one fourth to one half those in Europe and Japan. Corresponding per-capita motor vehicle fuel use and vehicle-miles-traveled in these countries averaged one fourth to one half those of the United States too. Higher fuel prices abroad have translated into less reliance on the individual automobile for travel and greater use of trains and other forms of public transportation.

A COMPARISON OF 1988 GASOLINE PRICES AND PER CAPITA MOTOR FUEL USE



NOTES

1. Commercial energy includes only those energy forms that are bought and sold in markets. Thus, fuelwood, dung, and crop residues are not counted.
2. The largest sources are Abu Dhabi, Dubai and N. Emirates, Iran, Iraq, Kuwait, Neutral Zone, Oman, Qatar, and Saudi Arabia.
3. Proven reserves are identified deposits of crude oil that are recoverable under present and expected economic conditions with existing available technology.
4. Technically, of course, continued exploration and drilling will lead to new reserves that will at least partially replace the oil being produced. Also, production of a resource such as oil does not occur at a constant rate until it "runs out." Rather, it hits a peak and declines over a longer period of time. (See Figure 7.)
5. OPEC members include Iran, Iraq, Kuwait, Qatar, Saudi Arabia, United Arab Emirates, Algeria, Libya, Gabon, Nigeria, Indonesia, Ecuador, and Venezuela.
6. In 1989 there were over 600,000 wells producing oil in the United States. In all of the Middle East, there were only 6000 producing wells.
7. Unlike 1973, however, the United States now has a Strategic Petroleum Reserve with about 600 million barrels of crude oil in it, enough to replace net imports for about 3 months.

ABOUT WRI

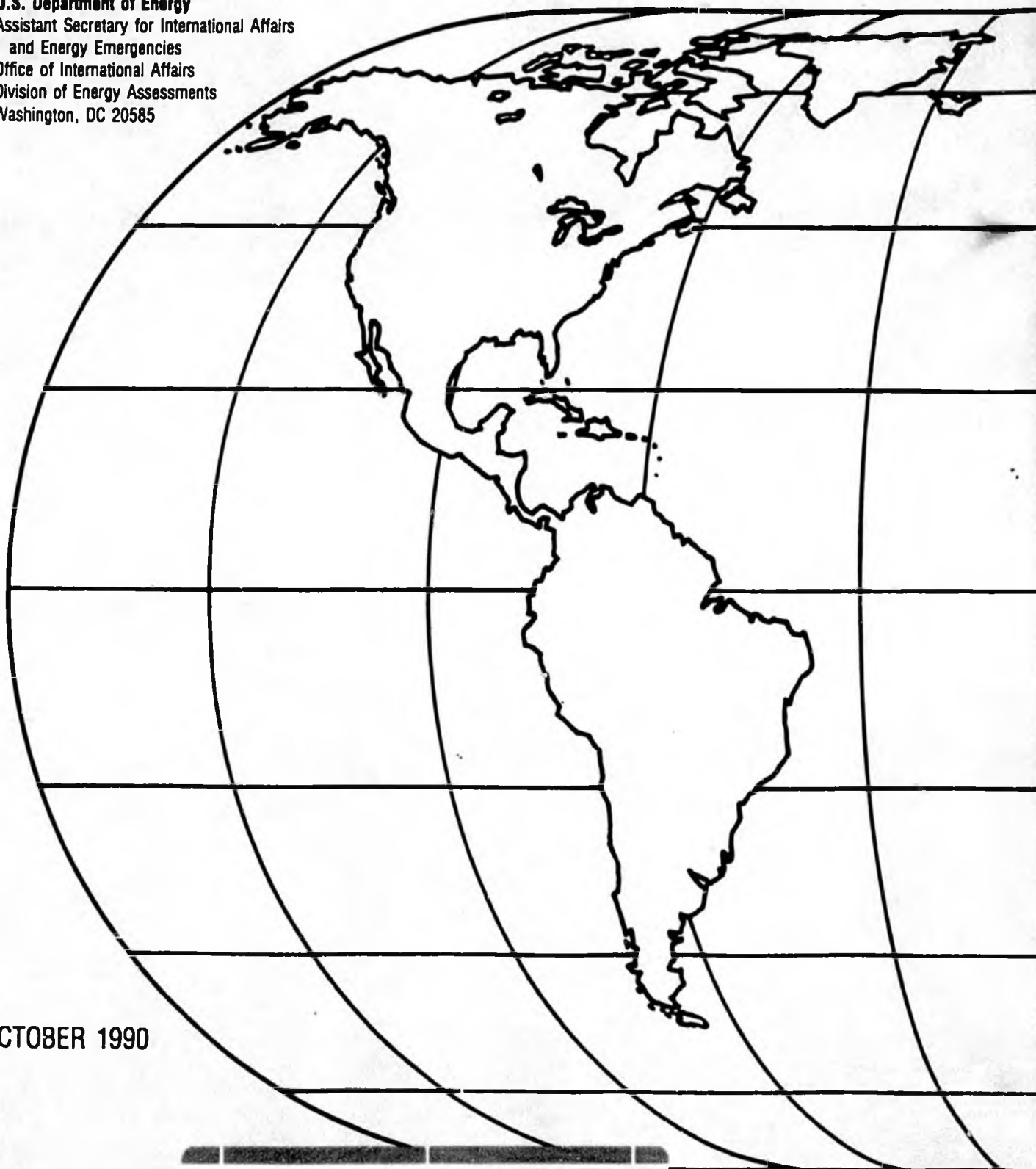
World Resources Institute (WRI) is an independent research and policy institute founded in 1982 to help governments, environmental and development organizations, and private business address a fundamental question: How can societies meet basic human needs and nurture economic growth without undermining the natural resource base and environmental integrity?

The institute's 95 staff members span science, economics, and policy to provide accurate information on global resources and develop viable policy options. WRI currently focuses on four broad areas—forests and biological diversity; energy, climate, and pollution; economics and institutions; and resource and environmental information—and augments policy recommendations with field services and technical support for groups working with natural resource management.

WRI is funded by private foundations, United Nations and governmental agencies, corporations, and concerned individuals.

The Report on the **Western Hemisphere Energy Cooperation Study**

U.S. Department of Energy
Assistant Secretary for International Affairs
and Energy Emergencies
Office of International Affairs
Division of Energy Assessments
Washington, DC 20585



OCTOBER 1990

EXECUTIVE SUMMARY
THE REPORT ON THE WESTERN HEMISPHERE ENERGY COOPERATION STUDY

I. INTRODUCTION

In July 1988, the President signed Public Law 100-373, an extension of title II of the Energy Policy and Conservation Act (EPCA), which contained language directing the Secretary of Energy in cooperation with the Secretaries of State and Commerce to conduct a study on "how best to enhance cooperation between the United States and other countries of the Western Hemisphere with respect to energy policy including stable supplies of, and stable prices for, energy. On completion of the study, the Secretary of Energy shall propose a comprehensive international energy policy for the United States designed to enhance cooperation between the United States and the other countries of the Western Hemisphere" (see Appendix I). This language has been referred to as the "Leland Amendment" after its initiator, the late Congressman Mickey Leland from Houston, Texas.

Over the two years since the initiation of the study there has been radical change in the Western Hemisphere. Democratic elections have been held in the majority of the key countries of the region. While the events in Eastern Europe and the Soviet Union have dominated the world's attention, the changes in Latin America have been nearly as fundamental.

Iraq's invasion of Kuwait and the attendant oil price volatility provides an even more current reminder of the need for continuing and developing Western Hemisphere energy cooperation as a key component in strengthening U.S. energy security. While this review was essentially completed before the actions taken in the Persian Gulf, the recommendations given in the report take on additional meaning in light of the recent developments.

The Department, through its Office of International Affairs and Energy Emergencies, has been actively involved in the development of "The Western Hemisphere Energy Cooperation Study" since the fall of 1988. The goal of this effort has been to identify initiatives that would assist in increasing the reliability and security of energy supply, reduce long-term dependence on imported oil, and help restore economic vitality and viability in developing countries of the Western Hemisphere. In addition to conducting the study with the Departments of Commerce and State, the Department of the Treasury, the Agency for International Development, the U.S. Trade Representative, the Overseas Private Investment Corporation, the Export-Import Bank of the U.S., the U.S. Trade and Development Program, and the Environmental Protection Agency all contributed to the development of the study.

This report is organized with an introduction and five major sections. The first section summarizes incentives for cooperation as they relate to the perceived needs of both the United States and Latin America and the Caribbean. The second section provides a description of our relationship with Canada and the numerous cooperative agreements that have emanated out of that relationship. The third and fourth sections discuss current interaction among

It is out of mutual recognition of the benefits to be gained that an energy trade relationship has developed and prospered between the United States and Canada. It has strengthened and stabilized the markets in each country and has enhanced the energy security of both, individually and collectively.

IV. U.S. GOVERNMENT COOPERATION ACTIVITIES

Energy cooperation activities take place in a number of different forms with varying objectives. Technical cooperation activities by the Department of Energy are intended to be mutually beneficial to the parties involved. Policy consultation activities serve as a vehicle to explain U.S. energy policy and the philosophies underpinning that policy, to understand policy developments in other countries, and to identify areas of cooperation. DOE and other U.S. agencies provide support for U.S. energy companies by identifying commercial opportunities and applications for U.S. technology. Finally, U.S. aid agencies provide developmental assistance to countries in addressing energy problems.

V. MULTILATERAL ENERGY COOPERATION PROGRAMS

Many multilateral banks and organizations provide significant funding to energy related programs to the countries of the region. This lending tends to focus on large scale power generation projects. Other energy projects are usually underwritten by the smaller regional support groups with less funding available. There is no formal coordination currently between multilateral groups.

VI. CONCLUSIONS AND RECOMMENDATIONS FOR ENHANCING ENERGY COOPERATION IN THE WESTERN HEMISPHERE

The following conclusions and recommendations resulting from this study provide a framework for a comprehensive international energy policy designed to enhance cooperation between the United States and the other countries of the Western Hemisphere. The implementation of the report's recommendations is designed to foster greater energy security for the region, engender respect for the environment, increase energy efficiency, and invigorate stagnant economies.

CONCLUSIONS

- o Current levels of bilateral and multilateral cooperation, while extensive, lack coordination and, in many cases, a technical energy focus.
- o Energy resource allocation in the region would benefit from removal of government controls.
- o Communication networks are necessary to enhance energy cooperation.
- o All countries in the region can benefit from continued and closer cooperation in energy.

- o Rapidly changing political and economic environments provide new opportunities for cooperation.
- o More open markets and the need for competitively priced goods and services will create new markets for the U.S. private sector.
- o All nations of the Hemisphere will benefit from placing greater emphasis on economic and environmentally sound energy strategies through mixed and diversified energy supplies, conservation, and efficiency of energy use.
- o Coordinated bilateral and multilateral aid and lending are critical in the development of efficient energy systems in many countries in the Western Hemisphere.

RECOMMENDATIONS

- o Establish active relationships with regional energy organizations.
- o Expand network of bilateral energy consultations with key countries in the region to promote U.S. policies to enhance energy security through supply diversification, market based trade, and safe and environmentally sound technology development.
- o Pursue specific bilateral issues of potential mutual benefit.
- o Provide greater assistance in the identification of opportunities for utilization of U.S. energy technologies.
- o Establish a policy working group to assure that energy programs of the major financial and aid agencies are consistent and support economic development and environmental goals.

U.S. energy policy aims to set up Western Hemispheric alliance

By Michael Arndt **A.6**
Chicago Tribune

WASHINGTON—Just as the United States is working to create a new world political order, it is trying to shape a new order in the world of energy.

In the future, the Bush administration and many in Congress want to see the nation get more of its oil imports from within the Western Hemisphere. International cooperation also might extend to linking natural gas pipeline networks and electricity grids, at least throughout North America.

If such an alliance is achieved, under either a multilateral free trade agreement or a set of bilateral pacts, the U.S. could reduce its oil dependence on the volatile Persian Gulf region.

Until recently, the United States has been the chief—and sometimes sole—advocate of a Pan-American energy pact. But Pan-American oil producers, hungry for U.S. investment and anxious about losing the U.S. market to other exporters, are growing more accepting.

Even Mexico, the nation in the hemisphere that is perhaps the most fearful of U.S. economic domination, is considering a free trade treaty with the U.S.

"Our feeling is that we need to build a new hemispheric strategy with Venezuela, Mexico, Canada, all combined," Energy Secretary James Watkins said last Thursday. "We have a lot of work to do. But I think here is part of the new world order emerging. And here's the time to take advantage of it."

Hoping to do just that, Commerce Secretary Robert Mosbacher last week led a delegation to Venezuela to discuss oil matters with senior officials of the government and Venezuela's state-owned oil company.

Mosbacher's meetings followed others by Watkins and President Bush. They also had similar agendas, say people familiar with the meetings.

Many in Congress also support a Western Hemispheric energy alliance. House Budget Committee Chairman Leon Panetta (D-Calif.) introduced a wide-ranging energy measure Friday that calls for greater hemispheric energy cooperation.



Energy Secretary James Watkins

Proponents acknowledge that the old order hinders development of a new one. Throughout the Americas—North, South and Central—the United States is regarded with suspicion and resentment.

Free trade pacts would require other countries to give up at least some of their economic sovereignty.

Meeting such a demand may be politically impossible. The Mexican constitution, for example, explicitly prohibits foreign ownership of any of the nation's oil assets—most of which U.S. corporations owned until Mexico nationalized them in 1936.

Even the free trade treaty between the United States and Canada, the nation most like the U.S., took years to negotiate.

Moreover, unless governments expend huge amounts of money to subsidize the development of non-conventional oil sources, such as tar sands in Alberta, the United States still would have to buy some oil from Europe, Africa and the Middle East, which now supply nearly two-thirds of U.S. imports.

But if these non-conventional sources were developed and gas and electric networks were expanded, allowing greater use of these energy sources, the Western Hemisphere could become self-sufficient.

The Americas' unconventional

oil sources hold a huge potential. Venezuela's belt of heavy substance more like oil but more expensive contains an estimated 100 billion barrels. That is more than the world's known crude oil.

"There certainly is a desire for a Western Hemispheric alliance," said G. Henry Schuler, director of the Center for Strategic and International Studies' energy section. "There are advantages for us and our trading partners in the hemisphere."

Many trade and energy experts believe continental federations are the wave of the future. They envisage Europe fueled by itself; Japan fueled by the Far East; and the United States fueled by the Americas.

But all three economic blocs would also continue to rely on the Middle East.

In terms of energy, a vibrant trade relationship in the Western Hemisphere already exists. The United States buys virtually all of the oil exported by Venezuela, Canada and Mexico.

These three countries provide 33 percent of the oil that the U.S. imports.

In addition, Venezuela and Brazil sell sizable quantities of gasoline to the United States, while Canada supplies increasing amounts of natural gas and electricity to U.S. consumers.

The nations' energy companies are becoming integrated as well. Exxon Corp. and Amoco Corp., among other U.S. firms, own big subsidiaries in Canada.

Meanwhile, Petroleos de Venezuela S.A., Venezuela's national oil company, owns Citgo Petroleum Corp. and an independent refinery in the United States.

The next linkup may be between U.S. oil companies and the Mexican national oil company, Petroleos de Mexico S.A. In November, Mexico accepted a \$1.5 billion loan from the United States to build up its oil production.

In return, Mexico indicated it might allow U.S. firms to drill for oil.

Should the arrangement succeed, trade experts say it would better the chances of an overall bilateral trade agreement.

SCOMM

84:11

SENATE COMMITTEE REPORT

DATE: 2/12/92

FURTHER:

DATE TURNED INTO OFFICE: 3-12-92

Senate Special Committee
on Internat'l Trade and Tourism considered HOUSE JOINT RESOLUTION NO. 60

Relating to the expansion of the National Air and Space Museum.

and recommends:

replace with _____ CS _____ ()

or adopt previous _____ CS _____ ()

attaches amendment(s)

same title
 new title
 technical
title change
(HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes House Trans / 1-27-92

fiscal notes _____

DO PASS:

Al Adams
Antonio Fernandez
John ...

OTHER RECOMMENDATIONS:

Paul Frank De Pau
Chair: Signature and Recommendation

FISCAL NOTE

Revision Date:
Title: Expansion of the smithsonian
air/space museum

Department Affected: DOT&PF
BRU:

Sponsor: Rep. Phillips
Requestor: House Transportation Comm.

Component:
Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY93	FY94	FY95	FY96	FY97	FY98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL FUNDING:	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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Wendy Mulder, Committee aide

Phone: 465-4858

Division: House Transportation Committee

Date: 1/27/92

Approved by Commissioner: Richard Foster

Phone:

Agency: Chairman, House Transportation Committee

Date: 1/27/92

Distribution By Preparer: Leg. Finance, Leg. Sponsor, Requestor, OMB/DBR, Gov. Leg. Office, Impacted Agency(ies).

Alaska State Legislature

Senator Paul Fischer, Chairman
Senator Al Adams, Vice-Chair
Senator Rick Uehling
Senator Arliss Sturgulewski
Senator Fred Zharoff



Post Office Box V
Juneau, Alaska 99811
(907) 465-3791
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Senate Special Committee on International Trade and Tourism

MEMORANDUM

TO: Senator Al Adams
Senator Fred Zharoff
Senator Arliss Sturgulewski
Senator Rick Uehling

FR: Senator Paul Fischer, Chairman *PF*
Senate Special Committee on International Trade & Tourism

DATE: March 5, 1992

RE: Committee Schedule for the Week of March 9, 1992

Wednesday, March 11, 1992 2:30 pm Fahrenkamp Room

- SJR 44 - Supporting increased access near Mt. McKinley through establishment of a visitor activity area at Kantishna.
- HJR 60 - Relating to the expansion of the National Air and Space Museum.
- HJR 48 - Relating to a Pan-American energy alliance.



Alaska State Legislature

HOUSE OF REPRESENTATIVES

REPRESENTATIVE GAIL PHILLIPS

STATE CAPITOL
JUNEAU, ALASKA
99801-1182

Official Business

PHONE: (907) 465-2689

FAX: (907) 465-3472

HJR 60

SPONSOR STATEMENT

House Joint Resolution 60, relating to the expansion of the Smithsonian Institute's National Air and Space Museum (NASM), is before your committee today, and I ask for your support in passing this resolution.

The Smithsonian Institute determined in the early 1980's to expand the National Air and Space Museum, and since that time the location of this proposed expansion has been continually debated.

As a result of a presentation at this fall's Western Legislative Conference in Cheyenne, Wyoming regarding an on-going discussion over where to place the much-needed addition to the Smithsonian's NASM, I introduced HJR 60. Whether or not the expansion should be located on the East or West Coast has been debated for years. WLC passed a resolution supporting competition in the selection process. Three western states (Colorado, Wyoming and Idaho) have passed similar resolutions, while at least five other states have passage of such resolutions pending. In addition, the Western Governor's Conference recently adopted a resolution supporting the concept of competition in the selection process.

HJR 60 supports Stapleton Airport in Denver as the location of the NASM expansion. A federally funded research report listed key reasons for expanding the NASM at Denver's redeveloped Stapleton International Airport. Among those reasons are the fact that Stapleton would allow for greater public accessibility; increased non-governmental financial support; greater storage capacity for NASM acquisitions; visitor amenities; and an ability for NASM to reach its objective of becoming a "Museum With A Global View."

Not only would the expansion of the NASM in Denver cost \$200,000,000 less than finding acceptable space on the East Coast (such as Washington, D.C. or Baltimore, Maryland), but it would also greatly enhance tourism activities in the Western portion of the United States, which is proven to have "trickle down" benefits to Alaska.

INTERIM PHONE: (907) 235-6748

INTERIM ADDRESS: BOX 3304, HOMER, AK 99603

The Committee file on HJR 60 before you includes a letter to Senator Tim Wirth from Mr. Mick Snapp, Air and Space West's Principal Consultant, requesting Senator Wirth's support of developing ANWR.. Mr. Snapp recently provided valuable testimony before the House Transportation on HJR 60.

I encourage you to support the Western States by passing this resolution.

Thank you.

M.K. SNAPP & ASSOCIATES

Michael Snapp

January 31, 1992

Senator Tim Wirth
SR-380 Russell Office Building
Washington, DC 20510-0603

Dear Senator Wirth; *Tim*

Tuesday of this week I had the honor of testifying before the Transportation Committee of the Alaska State House. The Committee was considering a resolution supporting Colorado's proposal to bring the Smithsonian Air and Space extension to Stapleton. The committee felt strongly that locating the extension in the West would be good for the whole region and they supported the resolution unanimously.

During the hearing several committee members took the opportunity to ask me about another regional issue which was of great concern to them--development of the oil reserves in the Arctic National Wildlife Refuge. I realize that this is an extremely delicate matter but would ask that you remember their support for our efforts when you review the Johnston/Wallop Energy Security Act in the next few weeks. As I understand the plans the projected area of full development would only be about twice the size of Stapleton Airport.

Thank you for your continued support for the Smithsonian recruitment effort. Things continue to go well and your help in locking-in co-sponsors will mean a great deal to the campaign.

Sincerely;

Mick Snapp
Mick Snapp
Principal

7490 South Gallop
Suite One
Littleton, Colorado 80120
(303) 730-6761

LETTER FROM MICK SNAPP



WESTERN LEGISLATIVE CONFERENCE THE COUNCIL OF STATE GOVERNMENTS
121 SECOND ST. 4 TH FL SAN FRANCISCO, CA 94105 PHONE (415) 974-6422 FAX (415) 974-1747

APPROVED RESOLUTION NO. 91-7

PROMOTING THE DEVELOPMENT OF THE AMERICAN
COMMERCIAL SPACE INDUSTRY AND SUPPORTING A
NATIONAL COMPETITION FOR THE SITE OF THE
NATIONAL AIR AND SPACE MUSEUM EXPANSION

(Urging the U.S. Congress to Approve Measures
to Encourage Further Development of the Commercial
Space Industry)

(Introduced by the Economic Development and
International Trade Committee)

WHEREAS, the commercial space industry generates additional jobs and revenues for western states through related manufacturing, fabricating and service industries, and supports educational programs and research into the development of advanced communications, remote sensing of the environment to help understand problems such as global warming, and helps in innovative in-space manufacturing processes such as microgravity; and

WHEREAS, the commercial space industry creates about \$3.6 billion in revenues annually and produces thousands of jobs for those states with active commercial launch operations; and

WHEREAS, several western states have or are developing viable commercial space launch facilities or programs including Alaska, California, Colorado, Hawaii and New Mexico; and

WHEREAS, the federal government recently released the National Space Launch Policy which recognizes the vital role of the U.S. commercial space industry; and

WHEREAS, the U.S. Congress is considering legislation designed to stimulate the commercial space industry and thereby create more jobs for Americans and revenues for the states; and

WHEREAS, access by the citizens of the West to the historical treasures of America's air and space history would enhance their awareness and support for air and space industry; and

WHEREAS, the House Subcommittee on Interior Appropriations has recommended the selection for the site of the planned national Air and Space Museum Extension should be a competitive process and

WHEREAS, legislation, H.R. 3281 "National Air and Space Museum Expansion Site Selection Act of 1991", has been introduced which requires a nationwide site selection process;

WESTERN STATES

ALASKA

ARIZONA

CALIFORNIA

COLORADO

HAWAII

IDAHO

MONTANA

NEVADA

NEW MEXICO

OREGON

UTAH

WASHINGTON

WYOMING

PACIFIC ISLANDS

AMERICAN SAMOA

COMMONWEALTH OF THE
NORTHERN MARIANA
ISLANDS

GUAM

APPROVED RESOLUTION NO. 91-7

Page 2

NOW, THEREFORE, BE IT RESOLVED that the Western Legislative Conference of the Council of State Governments urge NASA, the U.S. Department of Transportation and the National Space Council to maintain and improve the international competitive position of the American commercial space industry through the states and private sector; and

BE IT FURTHER RESOLVED THAT the Western Legislative Conference of the Council of State Governments urges the Congress to adopt measures to encourage the further development of the U.S. Commercial space industry, including but not limited to:

1. a competitive federal grant program for the states to support the development of space-related infrastructure and technologies,
2. federal tax exemptions for certain types of space and aerospace investments designed to encourage technological innovation in the commercial space industry,
3. a national inventory of surplus military and civilian launch vehicles and related equipment such as tracking, telemetry and launch systems which could be used by the commercial space industry to enhance existing launch sites and facilities and to establish new launch sites and facilities and related infrastructure and
4. a national policy providing for the use of surplus military and civilian space equipment by the commercial space industry which is based on the need to promote growth in the industry while recognizing that commercial space companies require a stable, consistent and long-term federal policy; and

BE IT FURTHER RESOLVED that the Western Legislative Conference of the Council of State Governments urges all members of Western Congressional Delegations to actively support passage of H.R. 3281.

(RESOLUTION APPROVED BY THE CONFERENCE AT ITS
1991 ANNUAL MEETING ON SEPTEMBER 25 IN CHEYENNE, WYOMING.)

91ED9-1A

Representative Dave Choquette
Alaska House of Representatives
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Juneau, AK 99811

Senator Paul Fischer
Alaska Senate
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Representative Tom Moyer
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Representative Robert S. Light
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Representative Louis J. Horvath, Jr.
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Senator Joseph K. Harvey
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Senator Marguerite McLaughlin
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Carson City, NV 89710

Representative Bruce A. Hinchey
Wyoming House of Representatives
State Capitol
Cheyenne, WY 82002

Senator Haven J. Barlow
Utah Senate
State Capitol
Salt Lake City, UT 84114

Representative John P. Marton
Wyoming House of Representatives
State Capitol
Cheyenne, WY 82002

Representative R. Haze Hunter
Utah House of Representatives
State Capitol
Salt Lake City, UT 84114

Senator Jim Twiford
Wyoming Senate
State Capitol
Cheyenne, WY 82002

Senator Eldon A. Money
Utah Senate
State Capitol
Salt Lake City, UT 84114

Senator Milton Marks
California Senate
P.O.B. 942848, Rm. 5035
Sacramento, CA 94248-0001

Representative James Yardley
Utah House of Representatives
State Capitol
Salt Lake City, UT 84114

Delegate Thomas Patris
Palau National Congress
P.O.Box 8
KOROR, Republic of Palau 96940

Senator Alan Bluechel
Washington Senate
Legislative Bldg.
Olympia, WA 98504

Representative Elmira Forner
Washington House of Representatives
417 John L. O'Brien Bldg
Olympia, WA 98504

*[Sen. Marks (CA) is on list at his
personal request - not a member]

Representative Pete Kremen
Washington House of Representatives
J. L. O'Brien Bldg. #308
Olympia, WA 98504

bp:\version\labels\econ1725/~~8-87-92~~
11-28-91

Senator Dwight Pelz
Washington Senate
Room 402-B JAC Building
Olympia, WA 98504

Senator Jerry Dixon
Wyoming Senate
State Capitol
Cheyenne, WY 82002

SCOMM

844:12

SENATE COMMITTEE REPORT

DATE: 3/23/92

FURTHER: L&C

DATE TURNED INTO OFFICE: 4-23-92

Senate Special Committee on
Internat'l Trade & Tourism

considered HOUSE JOINT RESOLUTION NO. 81

Relating to travel advisories issued by the Department of State.

and recommends:

replace with _____ CS _____ ()

or adopt previous _____ CS _____ ()

attaches amendment(s)

same title
 new title
 technical
title change
(HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes House ITT 3-4-92

fiscal notes _____

DO PASS:

Curtis S. Anderson

Paul G. Fink

OTHER RECOMMENDATIONS:

Paul G. Fink (Do Pass)

Chair: Signature and Recommendation

STATE OF ALASKA
1992 LEGISLATIVE SESSION

No. 1
 Bill Version: HJR 81
 (H) Publish Date: 3-4-92

Revision Date: _____ Department Affect: _____
 Title: Relating to travel advisory BRU: _____
issued by the Dept. of State Component: _____
 Sponsor: House ITT
 Requestor: House ITT COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0					

CAPITAL	0					
---------	---	--	--	--	--	--

REVENUE FUND SOURCE:	0					
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Rep. Tom Moyer *Tom Moyer* Phone: 465-4930
 Division: Chair, House ITT Date: 3-3-92

Approved by Commissioner: _____ Date: _____
 Agency: _____

Alaska State Legislature

Senator Paul Fischer, Chairman
Senator Al Adams, Vice-Chair
Senator Rick Uehling
Senator Arliss Sturgulewski
Senator Fred Zharoff



Post Office Box V
Juneau, Alaska 99811
(907) 465-3791
(907) 465-3883 FAX

Senate Special Committee on International Trade and Tourism

MEMORANDUM

TO: Senator Al Adams
Senator Fred Zharoff
Senator Arliss Sturgulewski
Senator Rick Uehling

FR: Senator Paul Fischer, Chairman *of*
Senate Special Committee on International Trade & Tourism

DATE: April 16, 1992

RE: Committee Schedule for the Week of April 20, 1992

Thursday, April 23, 2:30 - 3:30 pm Fahrenkamp Room

HJR 81 - Relating to travel advisories issued by the Department of State.

HJR 82 - Requesting the federal Office of Management and Budget to revise the Standard Industrial Classification system so that distinct statistics for the travel and tourism industry are compiled.

HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

ALASKA STATE LEGISLATURE

P.O. BOX V, JUNEAU 99811
(907) 465-2973



MEMORANDUM

DATE: March 23, 1992

TO: Senator Paul Fischer, Chair
Senate Special Committee on
International Trade and Tourism

FROM: Representative Tom Moyer, Chair *TM*
House Special Committee on
International Trade and Tourism

RE: HJR 81 "Relating to travel advisories issued by the
Department of State"

I would like to respectfully request that you schedule HJR 81, which relates to travel advisories issued by the Department of State, for a hearing at your earliest convenience. I've attached back-up information on this resolution, along with copies of numerous articles on the Alaska-Canada Highway. The resolution passed the House unanimously on Friday, March 20.

As you probably know, the resolution is the direct result of a travel advisory issued by the U.S. State Department's Bureau of Consular Affairs in early February. The State Department issued this advisory on the Yukon and the Alaska-Canada (Alcan) Highway, which was very negative for both Alaska and the Yukon and there were many erroneous statements in the advisory. These advisories are issued in written form and also placed on a recording that can be accessed by dialing a hotline number.

After prodding from the Yukon and Alaska tourism offices and the Alaska Congressional delegation this advisory was finally reworded earlier this month and the recording has been changed. The current recording is not quite as sensational as the original one. I still believe that the Legislature should go on record urging the State Department to contact states and other entities that might be affected by such advisories in the future.

Thank you for your prompt scheduling of HJR 81.

ALASKA

Alaska Division of Tourism
P.O. Box E
Juneau, Alaska 99811-0800
Phone: (907) 465-2010

Department of Commerce &
Economic Development
State Office Building, Ninth Floor
333 Willoughby Avenue
Fax: (907) 668-8399

TELECOPIER TRANSMITTAL SHEET

DELIVER TO: Dave Johnson 604-685-5285

FROM: Conn Murray

U.S. Consul General's office

State of Alaska, Director
of Tourism

Number of pages INCLUDING transmittal sheet: 1

DATE: 2-6-92

OPERATOR: _____

TIME: _____

IF TELECOPY DOES NOT TRANSMIT PROPERLY, PLEASE CALL (907) 465-2012.

The Travel Advisory on the Yukon tended to blind-side not only our friends in Canada, but Alaska as well since the Highway is our only land-link to the "lower 48."

Please note that there is no point on the highway where there is more than 97 miles between gas stations -- and the average is closer to 55. There are places on the U.S. interstate system where they're further apart than that. As for medical facilities, almost every little town has them. In one spot there is about 150 miles between medical facilities -- I'll bet there are places in Nevada or Kansas that are similar. Peak season on the highway it's always advisable to have reservations, just as it is in Alaska, Hawaii or any other tourist destination. But the Government of the Yukon assures us that with new and expanded facilities they are expecting business as usual in '92, and so are we in Alaska. Gas prices throughout Canada are higher than the U.S. On the highway they average \$2.19 per U.S. gallon, certainly not triple most U.S. prices. As for food, lunch in Teslin runs from \$3.00 to \$7.00, with dinner \$5.00 to \$17.00, and other highway towns are comparable. Based on world prices, or even many other U.S. prices, travel on the Alcan highway might be considered a bargain. For this reason, I'm sending along our suggestions for changes in the Advisory to make it confirm a little more closely to the facts.

Thanks for your help. I'm hoping your recorded message can be changed, and perhaps a revision provided the press.

note: Our division is moving the following press release in Alaska.

ALASKA DIVISION OF TOURISM P.O. BOX E.

JUNEAU, AK 99811-8800 (907) 465-2012 FAX 668-8399



MEMORANDUM
Thursday February 6, 1992

TO: Susie Kemp/State Division of Tourism
FROM: John Kravonis, Senator Stevens' Office (202) 224-1031
RE: State Department Notice on Travel to Western Canada

Attached is the State Department notice on travel to Western Canada.

State has a service where you can call up and hear tape recorded notices about travel conditions in different countries. I don't think that the notice sounds as bad on paper as it does when you hear it on the tape. The number for the tape is 202-647-5226. Ask for the tape on travel conditions in Canada.

I've spoken with State about the tape and they seem willing to make changes if you have any suggestions. You can either contact the US Consul General in Vancouver, Dave Johnson at 604-685-4311, or you can contact Tim Collins who is with the Canada Desk at the State Department. Both gentlemen were very willing to help.

One thing to bear in mind, much of the information in the notice seems realistic about actual conditions in Western Canada. And, the State Department is required by law to let American travellers know about conditions in foreign countries -- travelling in Western Canada is not like travelling in the Chicago suburbs. However, the tone, and some of the comments, might not be the most appropriate. Again, I suggest Susie and the Division of Tourism coordinate a response to State where you recommend changes in the text.

Let me know if you meet any obstacles.

FAK
J. PERT
403 667-2634

INFORMAL MESSAGE

Date posted: 06-Feb-1992 16:15 DST
From: HA Van der Veer WSHDC - UNTO
VANDEHACZ
Dept: WSHDC UNTO
Tel No: (202) 682-7705

TO: J Normand Guerin UTO (GUERIJNC AT A1 AT UOTTER)
TO: Paul Desbiens UTO (DESBIPC AT A1 AT UOTTER)
TO: Gilles JW Tasse UTO (TASSEGJC AT A1 AT UOTTER)

Subject: Travel Advisories YUKON

We have received the following from Yukon Tourism, which could be interpreted in several ways, including one that assumes subjective statements by the US Government about travel in Canada.

Rather than issuing a SPECIFIC advisory about the potential of MENINGITIS-related illness, the release editorializes whether the YUKON is definitely frontier, and that getting a motel room, medical care or car service in the Yukon may be tough. In fact, by inserting the health issue, the continuation of the text could imply that these conditions of lack of facilities prevail ANYWHERE in Canada outside Whitehorse.

Yukon Tourism has expressed concern about this kind of tactic, and addressed the fax to me since the dateline is Washington. Travel advisories are accessed through the public telephone system. Anyone interested in advisories, which usually range from health alerts to civil war and uprisings (Georgia, Haiti, Yugoslavia, Venezuela) can dial a phone number which gives that type of information.

Can you advise whether this merits any steps to be taken by the Department, Tourism Canada or this Mission to address the question of implicit discouragement of travel in Canada.

Here's the text as transmitted:
(WASHINGTON) THE STATE DEPARTMENT TOLD AMERICANS TODAY (WEDNESDAY) THAT FINDING A MOTEL ROOM IN THE YUKON CAN BE TOUGH, AND THERE AREN'T TOO MANY GAS STATIONS EITHER.

THE DEPARTMENT'S BUREAU OF CONSULAR AFFAIRS EXPECTS MORE TOURISTS TO DRIVE THE ALASKA-CANADA HIGHWAY THIS YEAR DURING ITS 50TH ANNIVERSARY, AND IT ISSUED A TRAVEL ADVISORY TO LET VISITORS KNOW WHAT THEY'RE IN FOR.

AMONG OTHER SUGGESTIONS - THE ADVISORY SAID TRAVELERS TO EASTERN CANADA SHOULD CONSIDER VACCINATING CHILDREN BECAUSE OF A RISE IN MENINGITIS CASES AND RELATED DISEASES.

THE ADVISORY SAID TRAVELERS CAN EXPECT TO FIND FEW MOTEL ROOMS AWAY FROM CITIES - AND LIMITED CAR REPAIR AND MEDICAL FACILITIES OUTSIDE OF WHITEHORSE.

IN FACT THE DEPARTMENT NOTED: "THE YUKON IS DEFINITELY FRONTIER COUNTRY".

② WASHINGTON NR 202 647-5225

328

1. The U.S. State Department is warning travellers about visiting the Yukon. The Department has issued an advisory that contains a number of negative comments about travelling in the Territory. (Elaine Schiman) The traveller advisory is described in an Associated Press wire story. The advisory is categorized as a notice which means it's telling people which areas might be inconvenient or difficult to travel in. The notice on the Yukon says finding a motel room or a gas station can be tough. It says camping and motel facilities can range from primitive to non-existent, away from population centres. The notice also says traffic outside of towns can be very sparse even during peak tourist season and it says the Alaska Highway runs through some spectacularly beautiful areas but much of it is essentially uninhabited. Finally, the advisory noted the Yukon is definitely frontier country. Shauna Sutton is the executive director of the Tourism Industry Association of the Yukon. She was surprised to hear of the advisory but admits many people in the south believe the north is much rougher and tougher than it really is. Sutton says her association will try to educate people more on how good the highways up here really are.

(Sutton) "... I think the important thing that will come out of this is that we will have to put on a stronger thrust as far as educating people down south as to what we're all about up here." The Tourism Department of YTG only just heard of the travel advisory this morning. Spokesman Graham McDonald says the tourism people are looking into it to try to find out how it happened and how widely the news of it has been distributed. The Department had been informed of it by a tourism representative from Juneau who had heard it on the radio there and was quite concerned.

2. The Whitehorse Chamber of Commerce is hoping to hire someone to develop and implement a tourism plan for Whitehorse. That is one of two proposals put forward at a public meeting last night. The other is to hire someone to work at attracting conventions to the city. (Dave Cooper) About 30 people turned out at a public meeting last night to talk about ways to attract more tourists to Whitehorse. There are two main proposals. One is from the Tourism Industry Association. It wants to hire someone whose job would be to attract conventions to Whitehorse. It would cost from \$75,000 to \$150,000 to do that. The cost would be shared by the city, YTG, business :

14139

NO. 460 FEB 2 1955

NO STATE DEPT TRAVEL ADVISORY

TRAVEL ADVISORY - CANADA - NOTICE

1. SUMMARY: THERE HAS BEEN AN INCREASED NUMBER OF CASES OF MENINGOCOCCAL DISEASE IN SEVERAL AREAS OF EASTERN CANADA. ALTHOUGH THE RISK FOR TRAVELERS IS VERY LOW, U.S. TRAVELERS MAY WISH TO CONSIDER HAVING THEIR CHILDREN BETWEEN THE AGES OF 2 AND 14 VACCINATED AGAINST THE DISEASE. IN ADDITION, IN WESTERN CANADA, THE YUKON TERRITORY IS COMMEMORATING THE 50TH ANNIVERSARY OF THE BUILDING OF THE ALCAN HIGHWAY - ITS "RENDEZVOUS '54". U.S. TRAVELERS PLANNING TO ATTEND "RENDEZVOUS '54" SHOULD BE AWARE OF AND TAKE APPROPRIATE PRECAUTIONS RELATED TO TRAVEL IN THE FAR NORTH. END SUMMARY.

and the Public and Ontario Health Ministers -

2. MENINGITIS: THE U.S. CENTERS FOR DISEASE CONTROL HAVE ISSUED A HEALTH ALERT CONCERNING THE INCREASED NUMBER OF CASES OF MENINGOCOCCAL DISEASE IN SEVERAL AREAS OF EASTERN CANADA. THE AFFECTED AREAS INCLUDE

THE OTTAWA-CARLTON AREA, THE LAURENTIDES REGION NORTH OF MONTREAL, THE LANAUDIERE REGION, THE OUTAOUAIS AREA IN WEST QUEBEC, AND PRINCE EDWARD ISLAND. AS A PREVENTIVE MEASURE, A PROGRAM OF VACCINATION IS BEING INSTITUTED FOR CHILDREN IN THOSE AREAS. THE RISK FOR SHORT-TERM TRAVELERS IS VERY LOW AND NO PARTICULAR PRECAUTIONS ARE NEEDED FOR THOSE TRAVELING TO THE AFFECTED AREAS FOR MOST ACTIVITIES, SUCH AS SKIING OR SHOPPING. HOWEVER, BECAUSE THE NUMBER OF CASES AMONG SCHOOL-AGED CHILDREN IS SUBSTANTIALLY ABOVE NORMAL, VACCINATIONS SHOULD BE CONSIDERED FOR CHILDREN 2 THROUGH 14 YEARS OF AGE TRAVELING TO THE AFFECTED AREAS IF THEY WILL BE IN VERY CLOSE PHYSICAL CONTACT WITH LOCAL SCHOOL-AGED CHILDREN, OR WILL BE STAYING MORE THAN THREE DAYS AND EXPECT TO HAVE SOCIAL CONTACT WITH LOCAL SCHOOL-AGED CHILDREN. IDEALLY, THE VACCINE SHOULD BE ADMINISTERED AT LEAST 30 DAYS BEFORE TRAVEL. VACCINATION IS NOT RECOMMENDED FOR CHILDREN UNDER TWO YEARS OF AGE, AND ADULTS ARE CONSIDERED AT VERY LOW RISK. FOR FURTHER INFORMATION, CONTACT THE CENTERS FOR DISEASE CONTROL'S INTERNATIONAL HOTLINE AT (404) 222-4889.

3. RENDEZVOUS 78: 1978 MARKS THE 80TH ANNIVERSARY OF THE BUILDING OF THE ALCAN HIGHWAY. THE YUKON TERRITORY IS COMMEMORATING THE EVENT WITH A SERIES OF HIGHLY PUBLICIZED CELEBRATIONS THROUGHOUT THE YEAR AS PART OF ITS "RENDEZVOUS 78" CELEBRATION. AS CANADIAN OFFICIALS ANTICIPATE A LARGE INFLUX OF U.S. VISITORS, IT IS

WORTHWHILE FOR U.S. CITIZENS TO KEEP IN MIND POTENTIAL PROBLEMS WHEN TRAVELING IN THE FAR NORTH.

4. THE FRONTIER: THE YUKON IS DEFINITELY FRONTIER TERRITORY. FACILITIES FOR CAR REPAIR OUTSIDE OF THE CAPITAL, WHITEHORSE, ARE EXTREMELY LIMITED. ALMOST ALL CONSUMER GOODS MUST BE BROUGHT IN FROM OTHER PARTS OF CANADA OR ALASKA OVER LONG DISTANCES. IT IS 1200 MILES FROM EDMONTON TO WHITEHORSE AND 1800 MILES FROM VANCOUVER TO WHITEHORSE. THE COST OF FOOD, GAS, ETC. CAN BE TRIPLE WHAT IT WOULD BE IN THE U.S.

5. THE HIGHWAY: THE ALCAN HIGHWAY RUNS FROM EDMONTON, ALBERTA, THROUGH BRITISH COLUMBIA (DAWSON CREEK, FORT ST. JOHN, FORT NELSON) THROUGH THE YUKON (WATSON LAKE, WHITEHORSE) AND INTO ALASKA. FOR MOST OF ITS LENGTH IT IS A TWO OR FOUR LANE DIVIDED HIGHWAY. MOST OF IT IS IN GOOD CONDITION AND PREVIOUSLY ROUGH SECTIONS HAVE BEEN REPAIRED FOR THE CELEBRATIONS. THE DISTANCES ARE VAST. THE HIGHWAY RUNS THROUGH SOME SPECTACULARLY BEAUTIFUL AREAS, BUT MUCH OF THE AREA IS ESSENTIALLY UNINHABITED. EVEN DURING PEAK TOURIST SEASON, TRAFFIC OUTSIDE OF TOWNS CAN BE VERY SPARSE.

6. LODGING: A FULL RANGE OF CAMPING AND HOTEL LODGING CAN BE FOUND IN THE YUKON. FURTHER AWAY FROM POPULATION CENTERS, THE FACILITIES CAN RANGE FROM PRIMITIVE TO

NON-EXISTENT. SEVERAL NEW HOTELS AND CAMPGROUNDS ARE OPENING THIS YEAR, BUT TRAVELERS ARE ADVISED TO HAVE CONFIRMED RESERVATIONS, ESPECIALLY FOR THE WHITEHORSE AREA, DURING THE PEAK SUMMER MONTHS.

7. MEDICAL CARE: AS WITH CAR REPAIR, MEDICAL FACILITIES ARE EXTREMELY LIMITED OUTSIDE OF WHITEHORSE. CARE CAN BE EXPENSIVE AND MOST HOSPITALS AND CLINICS WILL INSIST ON PAYMENT BEFORE DISCHARGE. WHILE SOME (BUT NOT ALL) NOW ACCEPT VISA OR MASTERCARD, MOST WILL NOT WAIT FOR PAYMENT FROM INSURANCE COMPANIES. PROBLEMS WITH COLLECTING BILLS FROM AMERICANS HAVE MADE MEDICAL INSTITUTIONS INCREASINGLY CAUTIOUS. TRAVELERS SHOULD CHECK TO MAKE SURE THEIR MEDICAL AND AUTO INSURANCE COVERS THEM WHILE IN CANADA. IN MANY INSTANCES A SUPPLEMENTAL POLICY IS REQUIRED.

8. FIREARMS: WHILE NOT LIMITED TO THE YUKON, ALL TRAVELERS TO CANADA SHOULD KEEP IN MIND CANADA'S EXTREMELY STRICT LAWS REGARDING FIREARMS. IN GENERAL, HANDGUNS ARE NOT PERMITTED IN CANADA. CANADIAN LAW REQUIRES THAT OFFICIALS MUST CONFISCATE GUNS FROM ANYONE CROSSING THE BORDER WHO DENIES HAVING A GUN IN HIS/HER POSSESSION. THE CONFISCATED GUNS ARE NEVER RETURNED. IT IS POSSIBLE TO TAKE HUNTING RIFLES INTO CANADA UNDER CERTAIN CIRCUMSTANCES. ANYONE CONSIDERING IT SHOULD CONTACT THE NEAREST CANADIAN CONSULATE IN ADVANCE FOR

DETAILED INFORMATION AND INSTRUCTION. IN ALL CASES, TRAVELERS SHOULD DECLARE ANY FIREARMS IN THEIR POSSESSION TO CANADIAN CUSTOMS AUTHORITIES WHEN ENTERING CANADA. IF THE TRAVELER IS DENIED PERMISSION TO BRING THE FIREARM INTO CANADA, IN MANY CASES THERE ARE FACILITIES NEAR THE BORDER CROSSING WHERE FIREARMS COULD BE SURRENDERED AND STORED PENDING THE TRAVELER'S RETURN TO THE U.S.

9. INFORMATION: FOR FURTHER INFORMATION/ASSISTANCE U.S. CITIZENS TRAVELING TO RENDEZVOUS '82 MAY CONTACT THE CONSULAR SECTION OF THE U.S. CONSULATE GENERAL AT 1075 WEST GEORGIA ST., VANCOUVER, CANADA V6E 4E9 AT TEL: 604-685-4333. THOSE TRAVELING TO EASTERN CANADA MAY CONTACT THE CONSULAR SECTION OF THE U.S. EMBASSY AT 300 WELLINGTON ST. OTTAWA, CANADA K1P 5T3 AT (613) 928-2238.

10. REVIEW DATE: AUGUST 3, 1990.

11. THIS ADVISORY ALERTS U.S. CITIZENS TO AN INCREASED NUMBER OF CASES OF MENINGITIS IN EASTERN CANADA AND POTENTIAL PROBLEMS IN THE YUKON TERRITORY DUE TO THE ANTICIPATED LARGE INFLUX OF VISITORS FOR "RENDEZVOUS '82".

4. THE FRONTIER: THE YUKON MAY BE CONSIDERED FRONTIER TERRITORY IN MANY AREAS. FACILITIES FOR CAR REPAIR, WHILE GENERALLY ADEQUATE, MAY SOMETIMES BE LIMITED OUTSIDE OF THE LARGER COMMUNITIES. BECAUSE OF DISTANCE FROM MAJOR POPULATION CENTERS, PRICES ARE HIGHER THAN IN THE CONTINENTAL UNITED STATES. GASOLINE COSTS AVERAGE \$2.19 PER U.S. GALLON. LUNCH IN A TYPICAL SMALL COMMUNITY LIKE TESLIN RUNS FROM \$3.00 TO \$7.00, WHILE DINNER IS \$5.00 TO \$17.00.

5. THE HIGHWAY: THE ALASKA (FORMERLY THE ALCAN) HIGHWAY STARTS IN DAWSON CREEK, B.C. AND RUNS NORTH AND WEST THROUGH FT. ST. JOHN, FT. NELSON TO THE YUKON TERRITORY TOWNS OF WATSON LAKE, THE CAPITAL CITY OF WHITEHORSE AND ON INTO ALASKA, ENDING AT FAIRBANKS, NEARLY 1,500 MILES FROM ITS BEGINNING. FOR MOST OF ITS LENGTH IT IS A TWO OR FOUR LANE DIVIDED HIGHWAY. MOST OF IT IS IN GOOD CONDITION, AND PREVIOUSLY ROUGH SECTIONS HAVE BEEN REPAIRED FOR THE CELEBRATIONS. DISTANCES ARE VAST. THE HIGHWAY RUNS THROUGH SOME SPECTACULARLY BEAUTIFUL COUNTRY, BUT MUCH OF IT IS SPARSELY INHABITED. GAS STATIONS AVERAGE AROUND 50 TO 60 MILES APART, WITH THE LONGEST STRETCH BEING ABOUT 97 MILES. ALMOST EVERY COMMUNITY PROVIDES MEDICAL SERVICES, WITH THE LONGEST STRETCH BETWEEN FACILITIES BEING ABOUT 150 MILES.

6. LODGING: A FULL RANGE OF CAMPING AND MOTEL LODGING CAN BE FOUND IN THE YUKON. FURTHER AWAY FROM POPULATION CENTERS, HOWEVER, FACILITIES CAN RANGE FROM RUSTIC TO PRIMITIVE. SEVERAL NEW MOTELS AND CAMPGROUNDS ARE OPENING THIS YEAR, BUT AS WITH ALL DESTINATION ROUTES TRAVELERS ARE ADVISED TO HAVE RESERVATIONS -- PARTICULARLY DURING THE PEAK MONTH OF JULY. IT MIGHT ALSO BE WISE TO PLAN TRAVEL EITHER A LITTLE EARLIER OR A LITTLE LATER THAN PEAK SEASON. BOTH LATE MAY AND EARLY SEPTEMBER CAN BE BEAUTIFUL AND RELAXED TIMES TO VISIT ALASKA AND THE YUKON.

ALASKA

FOR IMMEDIATE RELEASE
February 7, 1992

For Information Contact:
Connel Murray, Director
Alaska Division of Tourism
(907) 465-2012

NORTHERN TOURISM OFFICIALS CRITICIZE REPORTS OF STATE DEPARTMENT TRAVEL ADVISORY

ANCHORAGE, ALASKA -- Tourism officials in both Alaska and Canada reacted strongly today to reports of a travel advisory issued by the United States State Department, which indicated travelers might have trouble finding accommodations along the Alaska Highway in the Yukon Territory.

"We've read the advisory and frankly we're mystified as to how reports could be so misleading," said Connel Murray, Alaska's Director of Tourism.

One report, widely circulated in Alaska, stated flatly that finding a motel or a gas station in the Yukon can be tough. Not necessarily true, said Murray.

• more •



"We've been monitoring the situation closely, and while we are expecting a banner year because of the 50th anniversary celebration of the construction of the Alaska highway, we have no indication that travelers will have problems finding accommodations and other services."

Murray's views were echoed by Klaus Roth, director of tourism marketing for Canada's Yukon Territory. Roth indicated the Yukon has been aggressive in increasing its ability to accommodate visitors. As an example, he cited the expansion of existing R.V. parks and campgrounds, and the addition of new ones to accommodate the expected increases in traffic. He also noted the Alaska Highway, which gained fame as the "Alcan" when it was constructed through virtual wilderness in 1942, is now paved through most of its nearly 1,500-mile length.

He also stressed that while the highway did, indeed, traverse the Yukon's "frontier country" -- as the travel advisory described it -- services for the motorist were more than adequate.

"After all, people have been driving this highway for half-a-century now and we've had to generate the facilities to take care of them including hotels and motels, rural lodges, gas stations and service facilities, and medical facilities," stressed Roth.

Murray said the State of Alaska had also been taking the necessary steps to accommodate expected increases in highway travel. Waysides and parks have been upgraded and an ongoing highway improvement program is underway as weather permits, he said.

- more -

Additionally, Murray countered points made in the advisory about the highway.

- There is no point on the highway where there is more than 97 miles between gas stations, and the average is closer to 55 miles.
- Almost every town along the highway has medical facilities. The greatest distance between medical facilities is 150 miles.
- Gas prices throughout Canada are higher than U.S. On the highway, prices average \$2.19 per U.S. gallon, certainly not triple most U.S. prices.

Murray also said telephone and mail inquiries were pointing to a longer-than-average season on the highway. Businesses that serve motorists have been alerted to be prepared for visitors arriving earlier than usual, and departing later.

FRANK H. MURKOWSKI
ALASKA

COMMITTEES:

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

United States Senate

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(202) 224-8888

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(907) 488-4233

P. O. BOX 21847
JUNEAU, AK 99802-1847
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KENAI, AK 99811-7718
(907) 283-5808

109 MAIN STREET
KETCHIKAN, AK 99801-8489
(907) 225-8880

February 7, 1992

Ms. Elizabeth Tamposi
Assistant Secretary
Bureau of Consular Affairs
U.S. Department of State
Washington, D.C. 20520

Dear Ms. Tamposi:

A recent travel advisory for Canada has come to my attention (copy attached). I would like to take the opportunity to express several concerns I have about the contents of this travel advisory, and the manner in which it was written.

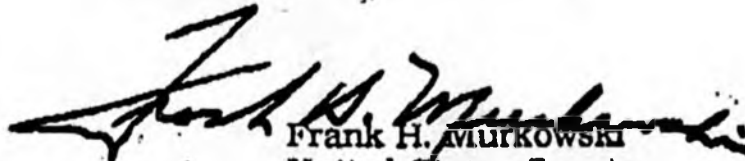
As you know, Alaska is a state that depends heavily on the tourism industry to support its economy. It is unfortunate that the travel advisory that was issued on Canada which concerned a Meningitis outbreak in the Eastern portion of Canada could be mistakenly associated with the advisory's notice about the 1992 celebration of the building of the Alaska Highway, the Alcan. Travelers may not realize the great distances that separate Eastern and Western Canada and may change their travel plans to Alaska accordingly, in order to avoid what they might perceive as a risk to their health. Obviously, this could easily adversely affect Alaska's tourism industry.

I understand that the State Department is attempting to inform travelers of conditions through Canada in this advisory. However, I take exception to the need for extreme detail. Travelers going through Canada to Alaska will probably expect that it is a long distance and do not need to be told, for example, that "Further away from population centers, the facilities can range from primitive to non-existent." On the contrary, the State of Alaska and Canada, in anticipation of the 1992 celebration, have expended much time and effort to provide quality facilities for travelers through these areas.

I am sure you realize that many Americans take seriously the State Department travel advisories. In the future, would it be possible to contact my office in advance of an advisory such as this, since advisory's affecting Western Canada, invariably affect Alaska?

It would be helpful in the future if the travel advisories were worded to be more sensitive to possible adverse outcomes in individual states. Perhaps a statement clarifying that an epidemic condition in one region has no specific bearing on another would be helpful. In this way, you may avoid an unfortunate misunderstanding by readers, and not bring an adverse economic effect.

Sincerely,



Frank H. Murkowski
United States Senator

Enclosure

NEWS



U.S. SENATOR

**FRANK
MURKOWSKI**

OF ALASKA

FOR IMMEDIATE RELEASE:
February 7, 1992

CONTACT:
Mike Heatwole 202/224-3924

Alaska Senator Blasts State Dept. Travel Advisory

Sen. Frank Murkowski today insisted that the State Department modify or rescind a travelers advisory issued Thursday. The advisory warns tourists who want to travel to the 50th anniversary of the Alaska Highway to vaccinate young children because of a meningitis outbreak in Eastern Canada and warned of a lack of hotel accommodations in the Yukon.

"I seriously question whether the person who wrote this advisory has ever been west of the Mississippi. This advisory makes conditions in the Yukon Territory sound worse than a third world country and that couldn't be farther from the truth. It's tone is just lamebrain.

"Americans and Canadians have been traveling the highway for years. It used to be a dirt road chock full of potholes, but now the road is paved almost the entire way. I think now the worst one can expect is a dirty car," Murkowski said.

"I take strong exception to the creative writing used in this advisory. While the accommodations in the Yukon won't rival the Waldorf Astoria, they certainly aren't primitive," Murkowski said.

Murkowski said he had two immediate problems with the advisory.

"While a meningitis outbreak is an issue of great concern, Eastern Canada is 1,250 miles away from where most visitors will be

traveling. Pairing this advisory with the Alaska Highway celebration was irrational and downright shameful.

"Second, the State of Alaska, the federal government and the government of Canada have been preparing for this celebration for years and have gone out of their way to make sure that each person traveling the Alaska Canada Highway this season has an incredible experience and will want to come back. In most cases the facilities and the hospitality a guest will receive will be better than most roadside inns," Murkowski said.

The Alaskan senator said the average distance between service stations was 20 to 50 miles with the longest stretch being 100 miles. In addition, both the Alaska Division of Tourism and the Yukon's Ministry of Tourism have made provisions to accommodate the expected additional visitors this year.

Murkowski said it was unfortunate that this advisory was issued at a time when most people are making their summer plans and that he hoped that the inaccurate advisory could be changed in time to prevent people from canceling their vacations.

Murkowski today sent a letter to the State Department's Bureau of Consular Affairs asking them to correct the traveler's advisory. Murkowski also has been in contact with the U.S. Consulate in Vancouver.

"It's fair to say that a little common sense will go a long way in planning for a journey along the Alaska Highway and the State Department Advisory should have emphasized that. The advisory recommended having reservations made in advance due to the large influx of visitors. The same could be said for someone visiting Hawaii or Vail, Colorado, during peak visiting months," Murkowski said.

The Alaska Highway construction project is generally recognized as one of the greatest engineering feats of the 20th century. During World War II, the Army saw a tactical need to have a road connecting the Lower 48 with the Alaska Territory in case of Japanese invasion. The 1520-mile road project, which took eight months and 12 days to construct, was placed on the "fast-track" after the Japanese bombing of Pearl Harbor.

"The Alaska Highway is full of history. I hope that everyone planning to come up this summer will do so and experience the magic of this place we call home," Murkowski said.

Travel Advisory



United States Department of State
Bureau of Consular Affairs
Washington, D.C. 20520

There are three types of travel advisories. Warnings recommend deferral of travel to all or part of a country. Cautions advise about unusual security conditions, including the potential for unexpected detention, unstable political conditions, or serious health problems. Not intended to deter travel to a country. Notices provide information on situations that do not present a broad-scale risk, but which could result in inconveniences or difficulty for traveling Americans.

Canada — Notice

Canada - Notice
February 4, 1982

Summary: There has been an increased number of cases of meningococcal disease in several areas of eastern Canada. Although the risk for travelers is very low, U.S. travelers may wish to consider having their children between the ages of 2 and 19 vaccinated against this disease. In addition, in Western Canada, the Yukon territory is commemorating the 50th anniversary of the building of the Alcan Highway - its "Rendezvous 92." U.S. travelers planning to attend "Rendezvous 92" should be aware of and take appropriate precautions related to travel in the far north. End summary.

Meningitis: The U.S. Centers for Disease Control and the Quebec and Ontario Health Ministries have issued a health alert concerning the increased number of cases of meningococcal disease in several areas of eastern Canada. The affected areas include the Ottawa-Carleton area, the Laurentides region north of Montreal, the Lanaudiere region, the Outaouais area in West Quebec, and Prince Edward Island. As a preventive measure, a program of vaccination is being instituted for children in those areas. The risk for short-term travelers is very low and no particular precautions are needed for those traveling to the affected areas for most activities, such as skiing or shopping. However, because the number of cases among school-aged children is substantially above normal, vaccinations should be considered for children 2 through 19 years of age traveling to the affected areas if they will be in very close physical contact with local school-aged children, or will be staying more than three days and expect to have social contact with local school-aged children. Ideally, the vaccine should be administered at least 10 days before travel. Vaccination is not recommended for children under two years of age, and adults are considered at very low risk. For further information, contact the Centers for Disease Control's International Hotline at (404) 332-4559.

"Rendezvous 92": 1992 marks the 50th anniversary of the building of the Alcan Highway. The Yukon territory is commemorating the event with a series of highly publicized celebrations throughout the year as part of its "Rendezvous 92" celebration. As Canadian officials anticipate a large influx of U.S. visitors, it is worthwhile for U.S. citizens to keep in mind potential problems when traveling in the far north.

The Frontier: The Yukon is definitely frontier territory. Facilities for car repair outside of the capital, Whitehorse, are extremely limited. Almost all consumer goods must be brought in from other parts of Canada or Alaska over long distances. It is 1200 miles from Edmonton to Whitehorse and 1500 miles from Vancouver to Whitehorse. The cost of food, gas, etc. can be triple what it would be in the U.S.

The Highway: The Alcan highway runs from Edmonton, Alberta, through British Columbia (Dawson Creek, Fort St. John, Fort Nelson) through the Yukon (Watson Lake, Whitehorse) and into Alaska. For most of its length it is a two or four lane divided highway. Most of it is in good condition and previously rough sections have been repaired for the celebrations. The distances are vast. The highway runs through some spectacularly beautiful areas, but much of the area is essentially uninhabited. Even during peak tourist season, traffic outside of towns can be very sparse.

Lodging: A full range of camping and motel lodging can be found in the Yukon. Further away from population centers, the facilities can range from primitive to non-existent. Several new motels and campgrounds are opening this year, but travelers are advised to have confirmed reservations, especially for the Whitehorse area, during the peak summer months.

Medical Care: As with car repair, medical facilities are extremely limited outside of Whitehorse. Care can be expensive and most hospitals and clinics will insist on payment before discharge. While some (but not all) now accept Visa or Mastercard, most will not wait for payment from insurance companies. Problems with collecting bills from Americans have made medical institutions increasingly cautious. Travelers should check to make sure their medical and auto insurance covers them while in Canada. In many instances a supplemental policy is required.

Firearms: While not limited to the Yukon, all travelers to Canada should keep in mind Canada's extremely strict laws regarding firearms. In general, handguns are not permitted in Canada. Canadian law requires that officials must confiscate guns from anyone crossing the border who denies having a gun in his/her possession. The confiscated guns are never returned. It is possible to take hunting rifles into Canada under certain circumstances. Anyone considering it should contact the nearest Canadian consulate in advance for detailed information and instruction. In all cases, travelers should declare any firearms in their possession to Canadian customs authorities when entering Canada. If the traveler is denied permission to bring the firearm into Canada, in many cases there are facilities near the border crossing where firearms could be surrendered and stored pending the traveler's return to the U.S.

Information: For further information/assistance U.S. citizens traveling to "Rendezvous 82" may contact the Consular Section of the U.S. Consulate General at 1075 West Georgia St., Vancouver, Canada V6E 4E9 at tel: (604) 685-4311. Those traveling to eastern Canada may contact the Consular Section of the U.S. Embassy at 100 Wellington St., Ottawa, Canada K1P 5T1 at tel: (613) 238-5338.

No. 82-016

This advisory alerts U.S. citizens to an increased number of cases of meningitis in eastern Canada and potential problems in the Yukon territory due to the anticipated large influx of visitors for "Rendezvous 82."

FOR RELEASE

February 7, 1992 #018

U.S. STATE DEPARTMENT ADVISORY CONSIDERED MYSTIFYING

WHITEHORSE - "There's no denying" says Tourism Minister Art Webster, "that compared to downtown Washington D.C., the Yukon is definitely 'frontier country.' But the services provided and the amenities offered by hospitable people throughout our beautiful territory exceed every expectation of the thousands of American highway travellers who safely visit the Yukon every year."

The minister was reacting to a U.S. State Department travel advisory released Wednesday.

It warned travellers that it may be hard to find a motel or gas stations along the Alaska Highway during this summer's 50th anniversary commemorations of the construction of the Alaska Highway.

"The statement is ridiculous," said Webster. "Certainly our bookings are up due to the Highway Anniversary, but recent indications are that plenty of accommodation is still available."

Webster went on to say although research indicates that the anniversary events this year may result in an increase of 18,000 to 20,000 visitors over last year, the expected increase equals tourist highs set in 1987.

"We certainly didn't have a problem accommodating tourist needs in '87," the minister said, "so I can't imagine why we would have one now. Our industry has developed significantly in the past four years and we are well-positioned to handle the numbers."

The advisory warned Americans that gas stations and medical facilities are limited.

.../2

"The Yukon portion of the Alaska Highway is about 600 miles, Webster continued. "There are gas stations approximately every 50 miles and medical facilities ranging from nursing stations to full-fledged hospitals in the communities along the route."

The Yukon Department of Tourism is currently working with representatives from Alaska, Tourism Canada and the Tourism Industry Association of the Yukon to correct the impressions left by the advisory.

"People who have been researching a trip to the Yukon are well informed about our geography and our amenities," the minister said. "However, we have to allay any false impressions to ensure future travellers aren't discouraged from travelling to the Yukon."

- 30 -

CONTACT:

John Spicer
Director, Tourism Development
(403) 667-5633

Dennis Senger
Public Affairs Bureau
(403) 667-5431

Government of the Yukon
Box 2703
Whitehorse, Yukon, Y1A 2C6

**** PRESS RELEASE ****

DATE: MARCH 20, 1992

**CONTACT: REPRESENTATIVE TOM MOYER'S OFFICE
ALEXIS MILLER
465-4930**

**BOGUS TRAVEL ADVISORY CONDEMNED BY HOUSE. PLEA MADE TO STATE
DEPARTMENT TO AVOID FUTURE FLAPS**

Future flaps over travel advisories on the Alaska Highway may be avoided with the unanimous passage of HJR 81. The resolution, introduced by the House Special Committee on International Trade and Tourism, chaired by Representative Tom Moyer (D-Fairbanks) passed the House this morning. HJR 81 urges the U.S. State Department to check with affected parties, such as tourism offices, on the accuracy of travel advisories issued by the Bureau of Consular Affairs.

The recent flap erupted over an erroneous travel advisory issued by the State Department in early February. The federal agency's 24-hour hotline number to its Citizens Emergency Center in Washington, D.C. offered a taped recording about conditions in the Yukon and British Columbia along the Alaska Highway.

Sensational statements were made about food and gas prices, medical facilities, and lodging and car repair. Ultimately the State Department reissued the advisory after prodding from Alaska

and Canadian tourism officials.

-MORE-

2-2-2-2

March 20, 1992

Representative Moyer said, "The bogus travel advisory ended up getting us a lot of good press because we were able to nip it in the bud. Next time we might not be so lucky. So, we don't want a 'next time.' If the State Department listens to this resolution, there won't be one!"

-30-

NORTH COUNTRY OVERTURE

Alaska Highway marks its 50th

BY N. PATTY

As we were driving north in the Alaska Highway about 100 miles from Seattle, it passed in either direction in a half-hour on the Yukon. Suddenly, shafts of sunlight on a chain of snow-tipped steep hills and climbing. The sun flashed from a cloud that was fastened to the wall of

North Country overture. It was beautiful. There were no mountains anywhere. A grand road pointed north — a road of road curving and spruce forests to low mountains, bounding hills of low hills in the road bending around river the track of a wandering

from Dawson Creek, in British Columbia, to the Yukon Territory, deep in Alaska. The Alaska Highway from Dawson since the northern is opened 50 years ago. Distance: 1,488 miles to Fairbanks. And de- which access route to is chosen — from the miles from Seattle to 2,331 miles from Great to Fairbanks. In front of us, nobody said the granddaughter. Are we going to start see-

road shimmering like liquid Klusene Lake, the Yukon a milepost 1000 from Dawson

breaze ruffled a patch of wild wildflowers by a wood marked the spot as Sol-

there, on a frosty day in 1943, that American and officials cut a ribbon to Alaska Highway to north-convoy. The war was at war had bombed Pearl Harbor. We fears that enemy forces had invade Alaska — and six after they did.

1, 1943 — President Franklin Roosevelt ordered construction of a new highway to Alaska. In 1943 — Thousands of a bewildered American soldiers themselves in tent camps out through 1,568 miles of wilderness.

of peak of construction, 11,500 troops and 7,500 civilians work on the new highway. Engineers regiments built

cludes the 10th, 35th, 63rd, 85th, 97th, 104th and 111st regiments. They came civilian contractors to straighten some of the curves and flatten dangerous grades. The job was done in just eight months and 11 days. The Corps of Engineers called the project "one of the greatest undertakings since the building of the Panama Canal." And now it is time to remember. Throughout 1992, Alaska and Canada will be celebrating Alaska Highway Bicentennial '92, with a series of events to mark the highway's 50th birthday.

It is estimated planners are predicting that at least 100,000 visitors will be traveling the Alaska Highway in 1992. That would compare with about 70,000 highway travelers in 1991.

Hopefully, says Susan Kemp, executive director of the Fairbanks-based Great Alaska Highways Society, the turnout will include many of those veterans who built the wartime road.

Today's Alaska Highway, while still an adventure road, is mostly a mild, two-lane highway that is paved for all but a few miles.

"We're going to have a party," she says. The highway-builders of 1943 faced brutal conditions. Bottomless muskeg swamps swaled trucks and bulldozers. Flash floods ripped away dozens of bridges. Clouds of mosquitoes tormented workers. Steel snapped to temperatures that fell to 70 degrees below zero. Trucks overturned on sharp curves around rivers and lakes, taking their passengers to frigid graves. Tired rookie truckers, unaware of the hazards of hypothermia, pulled off the road for naps — and never awakened.

Brig. Gen. James A. O'Connor, the officer in charge of construction in the southern sector, said of the troops: "They were from the same pattern as the frontiersmen who followed Lewis and Clark across the continent."

We were reading the sign at Soldier's Summit when a fancy, blue-and-white motorcoach coasted to a stop above Klusene Lake. The logo on the side of the coach read: "Alaska Yukon Explorer."

This was not just any motorcoach. It was 60 feet long and came equipped with an add-on lounge unit — attached to the rear of the coach with a sort of accordion fold — where an attendant serves pampered passengers soft drinks and pastries.

called "Great day." He glanced at the Soldier's Summit sign, lit a cigarette and stretched. The ghosts of the Alaska Highway stirred. If the crews who built the remarkable road back in 1943 had seen anything like this fancy bus, they probably would have thought it was delivering passengers from another plane.

Tourism was far from the minds of those tired, homesick men. The first highway was a primitive truck trail. Conditions ranged from sudden mudslides to choking dust as the seasons changed.

Today's Alaska Highway, while still an adventure road, is mostly a mild, two-lane highway that is paved for all but a few miles.

"No longer a wilderness road, rather a road through the wilderness," says the editors of "The Milepost," the reliable Alaska Highway guide book. It is an accurate description.

By the way, the Alaska Highway never officially was the "Alcan." Alcan is a nickname, of uncertain origin, left over from World War II. Old-timers also dubbed it the "Old Can Highway," for all the discarded oil cans and fuel drums strewn through the construction zones. The modern Alaska Highway has an appeal for free-roaming travelers that is difficult to explain. It's something like trekking in the Himalayas or rafting the Amazon.

Robert Service, the Yukon's gold-rush bard, tried to explain the spell of the North Country with rhymes that told of a land "where the mountains are nameless and the rivers all run God knows where."

But there's more to it than that, say highway travelers. First, there is the solitude of the open road, the silence. "The wilderness," the Alaskans call it.

Nature turns up the volume for the snap of a twig, the song of a bird, even the dive-bombing whines of a mosquito. The sky seems bigger, wider here.

You're on your own — it might be a half-day's drive between repair garages and doctors — but the feeling is one of exhilaration, not danger.

Another here is the scenery — and the scale of it. The route through the North Country is orchestrated with a vast wilderness of lofty mountains, shining lakes, braided rivers and wildlife.

Mountains fill the sky. Forests spread across foothills, over the horizon, beyond imagination. Herds of caribou, muskoxen in the thousands, moose and reindeer like ideas over mountains and marshes. Highways wind atop ridges so high that at times the view is like looking down from a high plane.

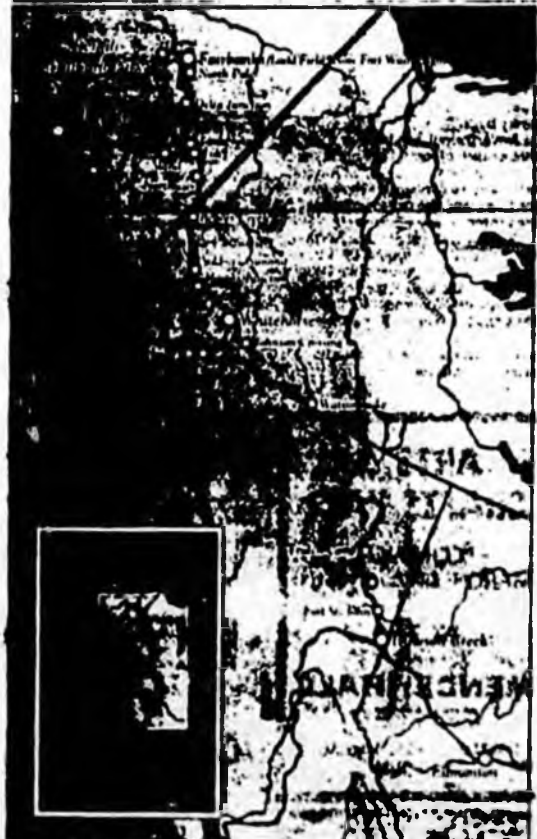
And only once in awhile is there evidence of human presence — scattered highway houses, a building of log cabins, a covey tourist lodge, a cabin that smells of many mornings' bacon on the grill, a wind-battered country store, a tiny church.

The only "big" city in the almost



On the road: Mountains tower above the Alaska highway near Klusene Lake in the Yukon.

THE ALASKA HIGHWAY



North to Alaska: The highway covers 1,488 miles from Dawson Creek to Fairbanks.

Warning is eased Highway is 'basic,' not dangerous

THE ASSOCIATED PRESS

The State Department has revised a recent warning to travelers planning trips on the Alaska Highway through Canada's Yukon Territory. The department issued a traveler's advisory Feb. 4 warning that there were few motel rooms, service stations and medical facilities along the Yukon stretch of the highway.

"The new advisory encourages travelers to use common sense, which makes sense in planning any long journey."

— Sen. Frank Murkowski

The highway runs from Dawson Creek, British Columbia, through the Yukon to Fairbanks, Alaska and the Yukon are celebrating its 50th anniversary this year, and many tourists are expected to travel the highway this summer.

The revised advisory uses "far less sensational language," according to a news release issued recently by Sen. Frank Murkowski, R-Alaska. Rather than saying lodging is "primitive to non-existent" along the Canadian stretch of the highway, the new advisory says lodging is "basic" outside of the four main towns. It also warns that the longest stretch between medical facilities is about 130 miles, rather than saying such facilities were "extremely limited outside Whitehorse."

"The new advisory encourages travelers to use common sense, which makes sense in planning any long journey," Murkowski said. "But at least it isn't the totally uninformative trips that was released earlier."

Murkowski said the new advisory was issued after complaints by Alaska's congressional delegation and other Alaskans.

Last year, 85,000 vacationers drove the two-lane road, which is sometimes called the last great driving adventure remaining in North America. This year, with both Alaska and Canadian governments actively promoting the anniversary, the figure is expected to be 20,000 higher.

"The first two words are mysterious and magic — that's what comes to me when I think of the road. And I was born here in Alaska," says Susan C. Kemp, executive director of the Great Alaska Highways Society.

But tourist officials do worry that the celebration, which kicked off 11 days ago in Dawson Creek, could pose problems for the industry. Peak summer tourist travel on Alaska roads often means traffic jams, miles of no-vacancy signs, road stoppied with human waste and long waits for everything from dinner reservations to accommodations to seats on the buses that take night-travelers into Denali National Park.

The Los Angeles Times contributed to this report.

NORTH COUNTRY OVERTURE

Alaska Highway marks its 50th

By STANTON H. PATTY

We were driving north on the Alaska Highway, about 1,800 miles from Seattle.

No vehicles had passed in either direction for more than a half-hour.

Daybreak in the Yukon. Clouds parted. And suddenly, shafts of sunshine poured down on a chain of mountain peaks - snow-tipped steeples, 6,000 feet high and climbing, that seemed to be hanging in the sky.

A burst of sun flashed from a blue-white glacier that was fastened like a gaudy diamond in the wall of mountains.

It was a North Country overture, big, bold, and beautiful.

"I never knew there were mountains like that anywhere," a granddaughter said from the back seat.

The highway pointed north - a long, thin ribbon of road curving through birch and spruce forests toward faraway mountains, bounding over the saddles of low hills in the foreground and bending around river gorges like the track of a wandering grizzly.

The route - from Dawson Creek, in northeastern British Columbia, through Canada's Yukon Territory and on to Fairbanks, deep in Alaska's heartland.

Everything on the Alaska Highway is measured from Dawson Creek, milepost 0 since the northern highway was opened 50 years ago.

Driving distance - 1,488 miles from Dawson to Fairbanks. And depending on which access route to Dawson Creek is chosen - from the west or from the east - motorists cover 2,313 miles from Seattle to Fairbanks, 2,354 miles from Great Falls, Mont., to Fairbanks.

"Nobody in front of us, nobody in back of us," said the granddaughter. "When are we going to start seeing bears?"

Just ahead shimmering like liquid jade was Kluane Lake, the Yukon's largest. Milepost 1030 from Dawson Creek.

A light breeze ruffled a patch of pink and gold wildflowers by a wind-eroded sign that marked the spot as Soldier's Summit.

It was there, on a frosty day in November 1942, that American and Canadian officials cut a ribbon to open the Alaska Highway to northbound military convoys.

America was at war. Japan had bombed Pearl Harbor. There were fears that enemy forces would invade Alaska - and six months later they did.

Feb. 11, 1942: President Franklin D. Roosevelt ordered construction of an emergency highway to Alaska. March 1942: Thousands of soldiers, bewildered American settlers found themselves in tents, camped in mud through 1,500 miles of tundra.

At the onset of construction, 11 military troops and 7,500 civilians were at work on the new highway.

Soldiers from seven U.S. Army Corps of Engineers regiments built the banner road. The roll call in-

cludes the 18th, 35th, 83rd, 86th, 97th, 240th and 341st regiments.

Then came civilian contractors to straighten some of the curves and flatten dangerous grades.

The job was done in just eight months and 11 days.

The Corps of Engineers called the project "one of the greatest undertakings since the building of the Panama Canal."

And now it is time to remember. Throughout 1992, Alaska and Canada will be celebrating Alaska Highway Rendezvous '92, with a series of events to mark the highway's 50th birthday.

Rendezvous planners are predicting that at least 100,000 visitors will be traveling the Alaska Highway in 1992. That would compare with about 70,000 highway travelers in 1991.

Hopefully, says Susan Kemp, executive director of the Fairbanks-based Great Alaska Highway Society, the turnout will include many of those veterans who built the wartime road.

Today's Alaska Highway, while still an adventure road, is mostly a mild, two-lane highway that is paved for all but a few miles.

"We're going to have a party," she says.

The highway-builders of 1942 faced brutal conditions:

Bottomless muskeg swamps swallowed trucks and bulldozers. Flash floods ripped away dozens of bridges. Clouds of mosquitoes ferociously bit.

Neck snapped in temperatures that fell to 70 degrees below zero. Trucks overturned on sharp curves around rivers and lakes, taking their passengers in frigid graves. Tired, rookie truckers, unaware of the hazards of hypothermia, pulled off the road for naps - and never awoke.

Once then James A. O'Connor, the officer in charge of construction of the southern sector, said of the team: "They were from the same pattern as the frontiersmen who followed Lewis and Clark across the continent."

"We were reading the sign at Soldier's Summit when a lance, blue and white motorcoach crashed to stop above Kluane Lake. The sign on the side of the coach read: 'Alaska-Yukon Reporter.'"

"This was not just any motorcoach. It was a long and cumbersome rig with an add-on sounder attached to the rest of the coach with a sort of accordion fold - there an attempt to serve as a barrier between soft drinks and coffee."

Here is one of the passengers

called "Great day."

He glanced at the Soldier's Summit sign, lit a cigarette and stretched.

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If the crews who built the remarkable road back in 1942 had seen anything like this fancy bus, they probably would have thought it was delivering passengers from another planet.

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By the way, the Alaska Highway never officially was the "Alcan."

Alcan is a nickname, of uncertain origin, left over from World War II. Old-timers also dubbed it the "Oil Can Highway," for all the discarded oil cans and fuel drums strewn through the construction zones.

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Mountains fill the sky. Forests spread across foothills, over the horizon, beyond imagination. Herds of caribou, sometimes in the thousands, roam and move like lilies over meadows and marshes. Highways wind atop ridges as high that at times the view is like looking down from a bush plane.

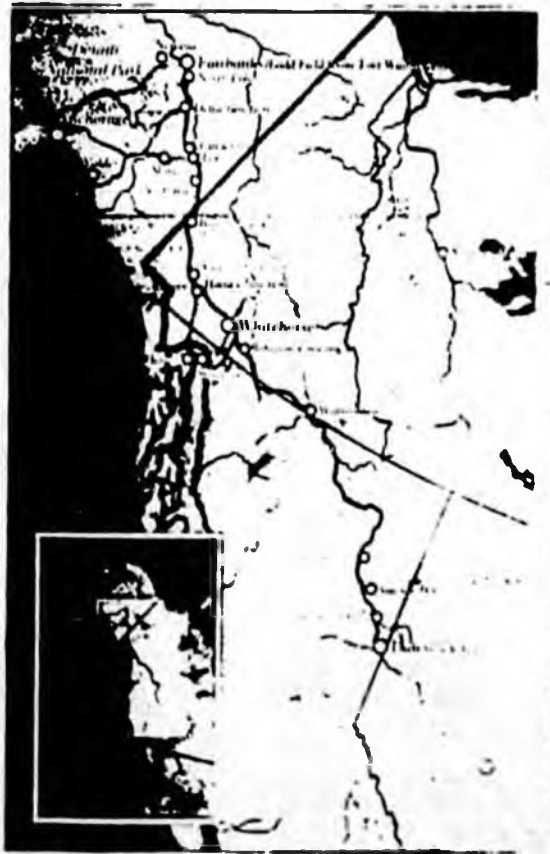
And only once in a while is there evidence of human presence - a trailered highway hamlet, a huddle of log cabins, a cozy tourist lodge, a cafe that serves all manner of baked goods on the griddle, a sand-battered country store, a lily church.

The only "big" city in the alms: Please turn to Highway, Page 10



On the road: Mountains tower above the Alaska Highway near Kluane Lake in the Yukon.

THE ALASKA HIGHWAY



North to Alaska: The route through the Yukon Territory and into Alaska, ending in Fairbanks.

Warning is eased Highway 'basic,' not dangerous

The State Dept. revised a warning to travelers about the route through Canada's Yukon Territory.

The department's earlier advisory Feb. 6 said there were few motel facilities and medical facilities in the Yukon stretch of the

'The new advisory encourages travelers to use common sense, which is common sense in planning any long journey'

- Sen. Frank Murkowski

The highway runs from Creek, British Columbia, Yukon to Fairbanks, Alaska. Yukon are celebrating its 50th anniversary this year, and are expected to travel the highway.

The revised advisory is less sensational language, according to a news release issued by Sen. Frank Murkowski.

Rather than saying the "primitive to non-existent Canadian stretch of the highway," the new advisory says leaders outside of the four main cities also warns that the longer between medical facilities, 150 miles, rather than smaller cities were "extremely remote."

"The new advisory encourages travelers to use common sense, which makes sense in planning any long journey," Murkowski said. "The total trip that was released."

Murkowski said the new advisory was issued after consultation with a congressional delegation to Alaska.

Last year, an 800-telephone number for the two-lane road, sometimes called the "Alaska Adventure Road." This year, with the Alaska Highway committee promoting the route, the figure is expected to be higher.

"The first two words and more," that's what I mean when I think of the Alaska Highway," said Sen. C. Nemo, executive director of the Alaska Highway.

But tourist officials of the celebration, such as the Alaska Highway, are also aware of the problems for the highway. They are aware of the problems of the highway, such as the lack of services, and are working to improve the highway. The Alaska Highway is a vital link between the Yukon and Alaska.

The Los Angeles Times

Highway...

Continued from Page 8
1,500 miles between Dawson Creek and Fairbanks is Whitehorse (pop. 20,721), the capital of Yukon Territory.

But even though you're on your own when driving the Alaska Highway - perhaps as never before behind the wheel - you are not really alone. Dusty caravans are in sight much of the time...automobiles, camper trucks, trailers and motorhomes; many hauling canoes, skiffs and mountain bikes.

And the country cues quick friendships with other travelers. One day we turned into a campground by Kluane (Kloo-AH-Ne) Lake. There was a chilly breeze. We walked for awhile by the shore, then decided to have a snack of juice and rolls from the traveling pantry in the trunk of the car.

"Better yet, why don't you have lunch with us?" asked Raul and Yvonne Miller, from Esccondido, Calif.

Our granddaughter, Christine, 12, thought that was a great idea. Shyness is not one of her failings.

The Millers, midway through a two-month circle trip through the north, had parked their camper by Kluane Lake the night before.

Yvonne was heating toasted

cheese sandwiches and vegetable soup.

Raul weighted a table cloth with rocks and pieces of firewood. "There's plenty of food, dig in," he said.

Offering a can of insect repellent is a sure way to get a conversation going with strangers. A popular T-shirt worn by highway travelers has a sketch of a giant mosquito and these words: "I GAVE BLOOD ON THE ALASKA HIGHWAY."

Are the mosquitoes really that bad?

Well, it depends. They can be. But modern repellents - right up there with wonder drugs, say Alaskans and Yukoners - do help discourage the pesky bugs.

Nevertheless, we did hear a motorcoach driver telling about the time up at Delta Junction, in Alaska, when someone mistook a mosquito for floatplane and began refueling the critter.

You'll also meet genuine North Country characters along the way.

There are long-timers like Doug Elston - "Old Griz," they call him - at Kluane Wilderness Village in the Canadian Yukon. For a small fee, he teaches newcomers how to pan for gold, and he tells colorful tales, tall and true.

It is true that Elston helped to build this highway, as a bulldozer operator, back in '42?

"We didn't have enough sense to know that the job was just about impossible." Old Griz said as he swirled a pan of paydirt.

Up in Tok (rhymes with "joke"), about 200 miles southeast of Fairbanks, watch for a hot-pink sign reading: "Rita's Campground and Potpourri Gifts."

Rita and Doug Ewers, highway pioneers for sure, established the first privately owned campground on the Alaska Highway at Tok in 1967.

In those days, only truckers and adventurous motorists dared to drive the mostly gravel, mostly curvy early version of the Alaska Highway. Business was skimpy.

"We advertised at \$1 a person per night, showers included," Rita recalls.

"We worked the whole thing by ourselves then, and that's still the case."

There have been some changes, however. The rate is now \$10 a night, but the showers are still included.

Rita and Doug say that nothing could persuade them to leave Alaska.

"I went 'Outside' (Alaskan for the Lower 48 states) once, for surgery," Doug says. "That was in 1960. I've never had a reason to go back."

From Soldier's Summit, we pulled out onto the highway, aiming toward another distant horizon.

"You're clear forever," the granddaughter said from the back seat, glancing up and down the empty road.

"Mush," she added, giggling. "When are we going to see bears?"

Stanton H. Perry is the retired assistant travel editor of the Seattle Times. He lives in Vancouver, Wash. This article originally was written for the Alaska Division of Tourism.

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Published February 26, 1992



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Advisory

Continued from page A1

Friday and referred inquiries to its main office in Washington, D.C.

State Department officials in Washington, D.C., were unavailable for comment. The federal agency's 24-hour hotline to its Citizens Emergency Center in Washington, D.C., offered the taped recording about the Alaska Highway, along with numerous other taped messages about travel worldwide. The hotline number is (202) 647-5225.

The federal government's notice details difficulties in finding lodging, car repair and emergency medical care in the Yukon, and warns motorists that prices can be triple those charged in the United States.

Murray said he was mystified at the advisory's "misinformation." Costs along the highway are not even double that of the United States, there are plenty of accommodations, no more than 97 miles between gas stations and no more than 150 miles between medical facilities, he said.

"After all, people have been driving this highway for half a century now," said Klaus Roth, director of tourism marketing for the Yukon, in a statement Friday. "And we've had to generate the facilities to take care of them, including hotels and motels, rural lodges, gas stations and service facilities and medical facilities."

Drivers familiar with the Alaska Highway seemed unfazed Friday by news of the advisory.

John Spalding, sales manager for Niles Travelers Inc., an Anchorage recreational vehicle dealer, said he could imagine lines of unsuspecting travelers at motels along the highway and unprepared drivers hitching back to town for a tank of gas.

But Spalding, who has driven the highway many times, said driving the route always has required planning, and motels are almost always full in summer.

"People could get caught running out of gas in between places if they're not paying attention, but there are signs that say no gas for 260 miles or something like that," said Pat Keller, an Anchorage truck driver for the moving company Bekins Northwest.

The American Automobile Association always advises its members to make lodging reservations ahead of time, bring two spare tires, and fill the gas tank when its below half full, said Dan Winker, manager of AAA Alaska. The association also rates summer as the third best time to drive the Alaska Highway, with fall and winter ranked higher, he said.

"I think everybody's panicking (in the Lower 48) because they think 90 million people are coming up," Winker said. "I haven't talked to anybody on this end who's panicking."

The Anchorage

ANCHORAGE TIMES

FURNISHED BY THE ANCHORAGE TIMES
FOR MEMBERS OF THE LEGISLATURE
FLY ON TO JUNEAU COURTESY OF
ALASKA AIRLINES

SATURDAY, February 8, 1992

Locally owned since 1915, Alaska's best newspaper

18 No 39 25¢

U.S. warns travelers to avoid Iraq, Alaska Highway

By DOUG FORD
TIMES BUSINESS WRITER

No Hilton, no Holiday Inn, not even a Motel 6 with a light on awaits travelers along the 1,520-mile Alaska Highway. But does that mean unwary visitors will have to sleep in the rain?

Apparently the U.S. State Department thinks so.

To the chagrin of Alaska and Yukon Territory officials, the federal government has issued an emergency advisory warning people who may be considering visiting Canada and Alaska during the highway's 50th anniversary celebration that they could face an inhospitable wilderness.

Moreover, the taped travel advisory,

released earlier this week, comes on a telephone recording with alarming messages about an outbreak of meningococcal disease in eastern Canada, and hazards in war-torn Yugoslavia and Iraq.

Yes, travel to Alaska, or more precisely driving the highway named for the state that links the 49th state with its Lower 48 counterparts via Canada, has

managed to make the State Department's travelers' advisory on dangerous foreign places.

Rattling their own bureaucratic swords, Alaska and Canada's travel officials said Friday they object to the Alaska Highway being lumped with global hot spots by the U.S. government.

"What started as a localized situation,

has turned into an international flap," said Connel Murray, director of the Alaska Division of Tourism. The Alaska Congressional delegation and Canadian Embassy have demanded the State Department revise the recording, he said.

The State Department's district office in San Francisco declined to comment. See Advisory, back page

TRAVEL ADVISORY

Alaska Highway Celebrations

The Alaska Highway, which stretches through Canada to Alaska, turns 50 years old this year, and communities along the route are celebrating in British Columbia, the Yukon and Alaska. The highway, also known as the Alcan Highway and originally the Alaska Canada Military Highway, was built in 1942 in response to the Japanese threat in the Pacific after the bombing of Pearl Harbor. The road was laid out in eight months and 12 days by seven regiments of the United States Corps of Engineers. It runs 1,520 miles from Dawson Creek, British Columbia, to Fairbanks, Alaska. Twenty-five miles of it remain unpaved.

At least 200 events are planned for the Rendezvous '92 anniversary, which is being co-ordinated by a joint committee. Whitehorse in the Yukon will have 10 days of parades, concerts and dances from May 15 to 24 as well as a storytelling festival July 4 to 6 and an international air show on July 26. Elsewhere in the Yukon, Haines Junction offers a two-hour guided historic tour along a section of the original United States Army pioneer road on the highway from May 24 to Sept. 6. Storytelling by old-timers and American Indian elders at Marshall Creek will also be part of this event. Retired veterans from the Army Corps of Engineer Regiments will attend a homecoming re-

union at Watson Lake Sept. 11 to 13. Among other events are dog sled races, a six-hole golf tournament on the frozen Bering Sea, a fiddling festival and concerts and fairs.

Tourists are advised that although highway services are adequate, they are often some distances apart. Gas stations are on average 50 to 60 miles apart, the longest stretch being 97 miles. Travelers are encouraged to make reservations



The New York Times

for hotels and motels through travel agencies in the United States. Otherwise, visitors should have no problem finding R.V. parks and campgrounds.

The calendar of events can be obtained from Great Alaska Highways Society, Post Office Box 74250, Fairbanks, Alaska 99707; (907) 452-8000.

SCOMM

844:13

SENATE COMMITTEE REPORT

DATE: 4/6/92

FURTHER: L&C

DATE TURNED INTO OFFICE: 4-23-92

Senate Special Committee on
Internat'l Trade & Tourism

considered

HOUSE JOINT RESOLUTION NO. 82

Requesting the federal Office of Management and Budget to revise the Standard Industrial Classification system so that distinct statistics for the travel and tourism industry are compiled.

and recommends:

replace with _____ CS _____ ()

or adopt previous _____ CS _____ ()

attaches amendment(s)

same title
 new title
 technical
title change
(HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes House ITT 3-4-92

fiscal notes _____

DO PASS:

William Sturgis

Paul P. Z...

OTHER RECOMMENDATIONS:

Paul Frank (Do Pass)

Chair: Signature and Recommendation

STATE OF ALASKA
1992 LEGISLATIVE SESSION

NO. 1
Bill Version: HJR 82
(H) Publish Date: 3-4-92

Revision Date: _____ Department Affected: _____
Title: Requesting the federal OMB BRU: _____
to revise the SIC system Component: _____
Sponsor: House ITT
Requestor: _____ COMPONENT SERIAL NO.

--	--	--	--

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0					

CAPITAL	0					
---------	---	--	--	--	--	--

REVENUE FUND SOURCE:	0					
----------------------	---	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Rep. Tom Moyer *Tom Moyer* Phone: 465-4930
Division: Chair, House ITT Date: 3-3-92

Approved by Commissioner: _____ Date: _____
Agency: _____

Alaska State Legislature

Senator Paul Fischer, Chairman
Senator Al Adams, Vice-Chair
Senator Rick Uehling
Senator Arliss Sturgulewski
Senator Fred Zharoff



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Senate Special Committee on International Trade and Tourism

MEMORANDUM

TO: Senator Al Adams
Senator Fred Zharoff
Senator Arliss Sturgulewski
Senator Rick Uehling

FR: Senator Paul Fischer, Chairman *PF*
Senate Special Committee on International Trade & Tourism

DATE: April 16, 1992

RE: Committee Schedule for the Week of April 20, 1992

Thursday, April 23, 2:30 - 3:30 pm Fahrenkamp Room

HJR 81 - Relating to travel advisories issued by the Department of State.

HJR 82 - Requesting the federal Office of Management and Budget to revise the Standard Industrial Classification system so that distinct statistics for the travel and tourism industry are compiled.

HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

ALASKA STATE LEGISLATURE

PO. BOX V, JUNEAU 99811
(907) 465-2973



MEMORANDUM

DATE: April 7, 1992

TO: Senator Paul Fischer, Chair
Senate Special Committee on
International Trade and Tourism

FROM: Representative Tom Moyer, Chair *TM*
House Special Committee on
International Trade and Tourism

RE: HJR 82 (Relating to the Standard Industrial
Classification (SIC) listings by the U.S. Office of
Management and Budget)

I would like to respectfully request that you schedule HJR 82, requesting the federal Office of Management and Budget to revise the Standard Industrial Classification (SIC) system, for a hearing at your earliest convenience. Attached is background information for the resolution.

OMB maintains the Standard Industrial Classification system, which is used to measure industrial activity or material resources in various sectors of our economy. However, the SIC statistics for travel and tourism are not clearly and distinctly identified and are therefore not identifiable within the gross national product or the national trade balance figures.

The U.S. Travel and Tourism Administration is currently advocating for this revision and it appears that OMB is favorably disposed. Revising SIC listings is a lengthy process. Although changes are not scheduled until 1997, we should go on record early and often given that tourism is vital to Alaska's economy.

Thanks for your prompt scheduling of this resolution.

HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

ALASKA STATE LEGISLATURE

P.O. BOX V, JUNEAU 99811

(907) 465-2973



MEMORANDUM

DATE: March 2, 1992

TO: Members, House Special Committee on
International Trade and Tourism

FROM: Representative Tom Moyer, Chair

RE: HJR 82 (Relating to the Standard Industrial
Classification (SIC) listings by the U.S. Office of
Management and Budget

Attached is information on HJR 82, which requests the federal Office of Management and Budget to revise the Standard Industrial Classification (SIC) system so that distinct statistics for the travel and tourism industry are compiled.

The federal Office of Management and Budget maintains a Standard Industrial Classification, which is used to measure industrial activity or material resources in various sectors of our economy. However, under the SIC listings statistics for travel and tourism are not clearly and distinctly identified and are therefore not identifiable within the gross national product or the national trade balance figures.

The U.S. Travel and Tourism Administration is currently advocating for this revision and it appears that OMB will soon make the revision for travel and tourism. However, the earliest the revision can show up on paper is five years from now. Because of the importance of tourism in Alaska, the Legislature should go on record in support of this change.

**FINAL REPORT AND RECOMMENDATIONS
ON SIC CODES - TRAVEL AND TOURISM-RELATED SERVICES
Chuck Y. Gee, Chairman
TTAB Subcommittee-SIC Codes**

Background to Report

The United States Travel and Tourism Advisory Board has proposed a revision to the Standard Industrial Classification (SIC) to include an appropriate classification for the travel and tourism industry. This is a matter of considerable importance in recognizing the significant revenue and employment contributions of travel and tourism to the nation's economy. Currently, there is no divisional heading for travel and tourism-related services even though travel and tourism ranks first or second as an industry in 39 out of 50 states and is one of the only industries providing the U.S. with a positive balance of trade. The present code covers travel and tourism-related services under the various categories of transportation, retail trade, services and elsewhere, making it difficult to gain adequate recognition or support for the industry because it does not have an appropriate statistical base within the SIC system, *inter alia*.

It would appear there is a sufficient critical mass to argue for a separate grouping to give tourism--an industry with domestic expenditures of \$350 billion in 1989 including \$34 billion in expenditures from foreign visitors, which generated \$339 billion in sales receipts after removal of retail sales tax, a payroll of \$73.8 billion, direct employment of 5.8 million persons, and \$42.9 billion in federal, state and local taxes--the recognition it properly deserves.

The rules proposing changes to the SIC, however, are complicated, dealing with such factors as industry classification, historic continuity, economic significance, specialization and coverage, statistical considerations, and cost considerations. The SIC Codes Subcommittee of the TTAB has undertaken a year-long study of the matter, and this final report reflects the subcommittee's assessment and recommendations to the USTTA.

SIC System

The SIC is a system for classifying business and industry establishments by type of economic activity. Its purposes are (1) to facilitate the collection, tabulation, presentation and analysis of data relating to establishments, and (2) to promote uniformity and comparability in the presentation of statistical data describing the economy of the nation. The SIC is used by federal agencies that collect or publish data by industry. It is also widely used by State agencies, trade associations, private businesses, and other organizations. Due to difficulties in developing effective measurements for travel and tourism, there has never been a proper classification for this industry in the SIC.

Presently, there are 10 major economic sectors assigned under a divisional heading within the SIC, covering the industrial classification of hundreds of products or groups of products produced or distributed, or of services rendered. Travel and tourism activities are included among them, but not recognized as a separate entity. These 10 economic sectors in the SIC are:

<u>Division</u>	<u>Data Measure</u>
• Agriculture, forestry, and fishing (except agricultural services)	Value of Production
• Mining	Value of Production
• Construction	Value of Production
• Manufacturing	Value of Production
• Transportation, Communications, Electric, Gas, and Sanitary Services	Value of Receipts or Revenues
• Wholesale Trade	Value of Sales
• Retail Trade	Value of Sales
• Finance, Insurance, and Real Estate	Value of Receipts
• Services (including agricultural services)	Value of Receipts or Revenues
• Public Administration	Employment or Payroll

The federal SIC system, as currently structured, tends to reflect a national economy based on manufacturing and agriculture, rather than a service-based economy. This may be partly attributable to the fact that the service-based industries have not yet developed the consistency and acceptance of definitions, values and worth as they exist with the more traditional industries of agriculture, manufacturing and mining. Technically speaking, any product or service produced by the travel industry can be identified and coded under the SIC system.

At the state level, the SIC Code Subcommittee found that there was a need for departments/divisions responsible for the classification of industries for statistical purposes to be better educated on the tourism industry, its financial contribution, and its relationship to other sectors of the economy. In Missouri, for example, the department of revenue assigns SIC codes and has a great deal of flexibility. Hawaii generally follows the federal model, however, the department of labor maintains separate employment statistics for verification purposes. There are a number of inherent problems as a result of the states' flexibility

in adding and assigning SIC codes including the arbitrary decision of one person (either a business or a state agency employee) to assign the code which can make data between states incomparable. A national model, therefore, is the only logical approach. A 1990 USTTA survey developed by the School of Travel Industry Management, University of Hawaii, which was conducted by Karen Cardran (Attachment B) and compiled by Nancy Langley at the University of Missouri-Columbia found that of the states responding (38/51 or 74.5% response rate) the major problems were: 1) difficulty in determining the respective shares of tourist vs. non tourist revenue 2) determining tourist-related revenue in related areas 3) lack of consistent definition of what constitutes travel and tourism 4) categorization of tourism-related businesses in other economic sectors 5) insufficient data and 6) no adequate measurements for tourism impact. Despite the difficulties in measurement, the responding states found SIC information to be most useful in: 1) economic planning (76.3%), 3) administrative decision-making (60.5%), 3) employment verification (55.3%) and 4) budgeting allocations (42.1%).

In 1987 USTTA was successful in getting 12 new travel-related industry categories adopted within the SIC system because they met or exceeded the minimum economic significance criteria (i.e., number of employees, number of establishments, payroll, value addition, value of sales or revenue). In addition, there are a number of potential categories under "Travel and tourism-related services" which are currently spread amongst the various SIC divisions.

Consideration of Options

In its assessment, the SIC Codes Subcommittee considered three options:

1. The establishment of a short title under the divisional heading of "Services" that might be given a generic caption such as "travel and tourism-related services" to encompass a number of existing SIC categories and a few additional ones. The list included 23 SIC categories representing travel-related establishments that the federal government recognizes as industries for statistical purposes in representing the U.S. economy. It also included recommendations for 6 additional categories. (See Column I in Attachment A).
2. The establishment of a new title "tourism" and the redesignation of existing SIC codes into new code numbers for the tourism industry proposed by Fred Couzans, Executive Director Plymouth Development Corp.. Mr. Couzans' list included 25 SIC categories and included recommendation for 7 additional categories. (See Column II in Attachment A).

3. The retention of the current SIC code numbers but with some method of identification for cross-referencing so that the categories can be readily separated and arranged to meet research and analysis needs.

After consideration of the options, the SIC Codes Subcommittee recommends the third option which would avoid the need to renumber codes and may lessen the confusion that new code numbers might present. The list which follows, therefore, combines all of the SIC categories identified by the SIC Codes Subcommittee and Mr. Cousans in Options 1 and 2. It also includes additional categories recommended by the committee and Mr. Cousans. This list may be considered to be comprehensive and representative and is as follows:

LIST OF TRAVEL AND TOURISM-RELATED CODES

SIC

Transportation, Ground

4131	Inter-city/Rural Bus transport
4142	Bus charter service, except local
4173	Bus terminal and service facilities
7814	Passenger Car Rental
7819	RV rental (part of)
----	Misc. Ground Transportation Services

Transportation, Water

4481	Deep Sea Transportation of passengers except by ferry
4488	Water Transportation of passengers
4493	Marinas
4499	Misc. Water Transportation Services

Transportation, Air

4512	Air transportation, scheduled
4523	Air transportation, non-scheduled
4581	Airport/Terminal facilities
----	Misc. Air Transportation Services

Transportation, General

4724	Travel agencies
4725	Tour Operators
4729	Passenger transportation arrangement, nec
4789	Transportation services, nec
----	Misc. transportation services, nec

Food and Drink Establishments

5812 Eating places
5813 Drinking places

Retail

5961 Recreational vehicle dealers
5947 Gift, novelty, and souvenir shops
5984 Bottled Gas Dealers
---- Misc. Retail Services for Tourists

Lodging

7011 Hotels and motels
7021 Rooming and Boarding Houses
---- Bed and Breakfast Inns
7032 Sporting and Recreation Camps
---- Health Spas and resorts
7033 Trailer parks and campsites
7041 Membership-basis organizations hotels
---- Misc. Lodging Services

Services

7312 Outdoor Advertising services
---- Tour Conducting and sightseeing
---- Tourism-related financial services
---- Conventions and meetings-related businesses
---- Tourism advertising and promotion services
---- Travel-related reservation services
---- Misc. services for tourists

Attractions

7992 Public Golf Courses
7996 Amusement Parks
7999 Amusement and Recreation, nec
8412 Museums and art galleries
8422 Botanical and zoological gardens
---- Misc. Attractions, nec

With the exception of the establishment of a separate category of tourism to be established, the SIC Codes Subcommittee is in basic agreement with the recommendations of Dr. Glenn Weaver, University Extension, University of Missouri, Lincoln University (Attachment C) which are as follows:

- Develop educational materials to inform departments of revenue of the nature and needs of the travel/tourism industry.

- Encourage state offices of tourism to establish closer working relationships with departments of revenue, helping to develop a reporting system that more accurately describes tourism businesses in the state.
- Establish a task force from within the tourism industry to prepare recommendations for the next technical committee on industrial classification.
- Propose that a separate category of tourism be established and that the percentages of tourism businesses generally attributed to various businesses (Reported by the Department of Commerce) be reported in the tourism category.
- The total reported for restaurants, motels, etc. can be flagged with an asterisk to show that a percentage was also reported under the category of tourism.
- Develop a standard research program to measure percentage of tourism related business in each category that relates to tourism. Encourage each state to use the research program to collect data and submit it to the USTTA to be used to refine and establish percentages for each business category related to tourism targeting business which do not have specific SIC codes but which relate to tourism.
- Special attention should be directed toward initiating an educational program through the USTTA to increase understanding of domestic tourism industry emphasizing the relationship and dependency of various business sectors of economy.

The SIC Subcommittee of the TTAB wishes to express its appreciation to Ms. Karen Cardran of USTTA, Dr. Glenn Weaver and his staff at the University Extension, University of Missouri/Lincoln University and Dr. George Ikeda, School of Travel Industry Management, University of Hawaii at Manoa for their invaluable assistance in preparing this report.

Attachment A

SOURCES OF TRAVEL AND TOURISM-RELATED CODES

The following list represents indicates origin of code recommendations from the SIC Code Subcommittee's list (I) and Mr. Cousans' list (II). Where a category appears on both lists it is so designated.

<u>SIC #</u>		<u>I</u>	<u>II</u>
4131	Intercity/Rural Bus transport		X
4173	Bus terminal and Service facilities	X	
4142	Bus charter service, except local	X	X
4481	Deep Sea Transportation of passengers except by ferry	X	
4489	Water Transportation of passengers	X	
4493	Marinas		X
4499	Misc. Water Transportation Services		
4512	Air transportation, scheduled	X	X
4932	Air transportation, non-scheduled	X	
4981	Airport/Terminal facilities		X
4724	Travel agencies	X	X
4725	Tour Operators	X	X
4729	Passenger transportation arrangement, nec	X	X
4789	Transportation services, nec	X	
5561	Recreational vehicle dealers	X	
5812	Eating places	X	X
5813	Drinking places	X	X
5947	Gift, novelty, and souvenir shops	X	X
5984	Bottled Gas Dealers		X
7011	Hotels and motels	X	X
7021	Rooming and Boarding Houses		X
7032	Sporting and Recreation Camps		X
7033	Trailer parks and campsites	X	X
7041	Membership-basis organizations hotels	X	X
7312	Outdoor Advertising services		X
7514	Passenger car rental	X	X
7519	RV rental (part of)		X
7992	Public Golf Courses		X
7996	Amusement Parks	X	
7999	Amusement and Recreation, nec	X	
8412	Museums and art galleries	X	
8422	Botanical and ecological gardens	X	

(Additional categories recommended by the SIC Sub-Committee)

Tour conducting and sightseeing	X
Tourism-related financial services	X
Conventions and meetings-related businesses	X
Tourism advertising and promotion services	X
Travel-related reservation services	X
Health spas and resorts	X