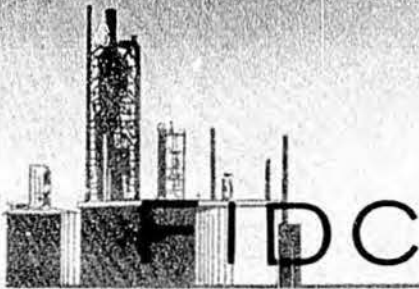


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FOCUS
NORTH



DR. WILLIAM R. WOOD
EXECUTIVE VICE PRESIDENT

FAIRBANKS INDUSTRIAL DEVELOPMENT CORPORATION
Phone 907 452-5400 or 452-5752 619 Eleventh Avenue Fairbanks, Alaska 99701

June 9, 1977

Ms. D. Milton, Secretary
Permanent Fund Committee
Alaska State Legislature
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Ms. Milton:

Thank you for the interest in FOCUS NORTH issued by the Fairbanks Industrial Development Corporation. This publication is yet in an experimental stage, and only three issues have been printed at the end of 1976. However, on the basis of response to the first issues of FOCUS NORTH, plans are being drawn for a continued effort.

We will be pleased to add the Permanent Fund Committee to the FIDC mailing list. There is no charge since our funding is entirely non-government.

Sincerely yours,

William R. Wood
Executive Vice President

WRW/kb



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Facts on Fairbanks Growth, Opportunities & Profits

Sept. 15, 1976

Vol. I No. 1

FIDC publication aims at real Fairbanks story

Think of Alaska and what do you picture?
Snow, ice, cold, remote, inhospitable, backward, isolated.

WRONG.

This is the first issue of Focus North, an iconoclastic publication bound and determined to shatter all the myths you've ever dreamed up about the far north.

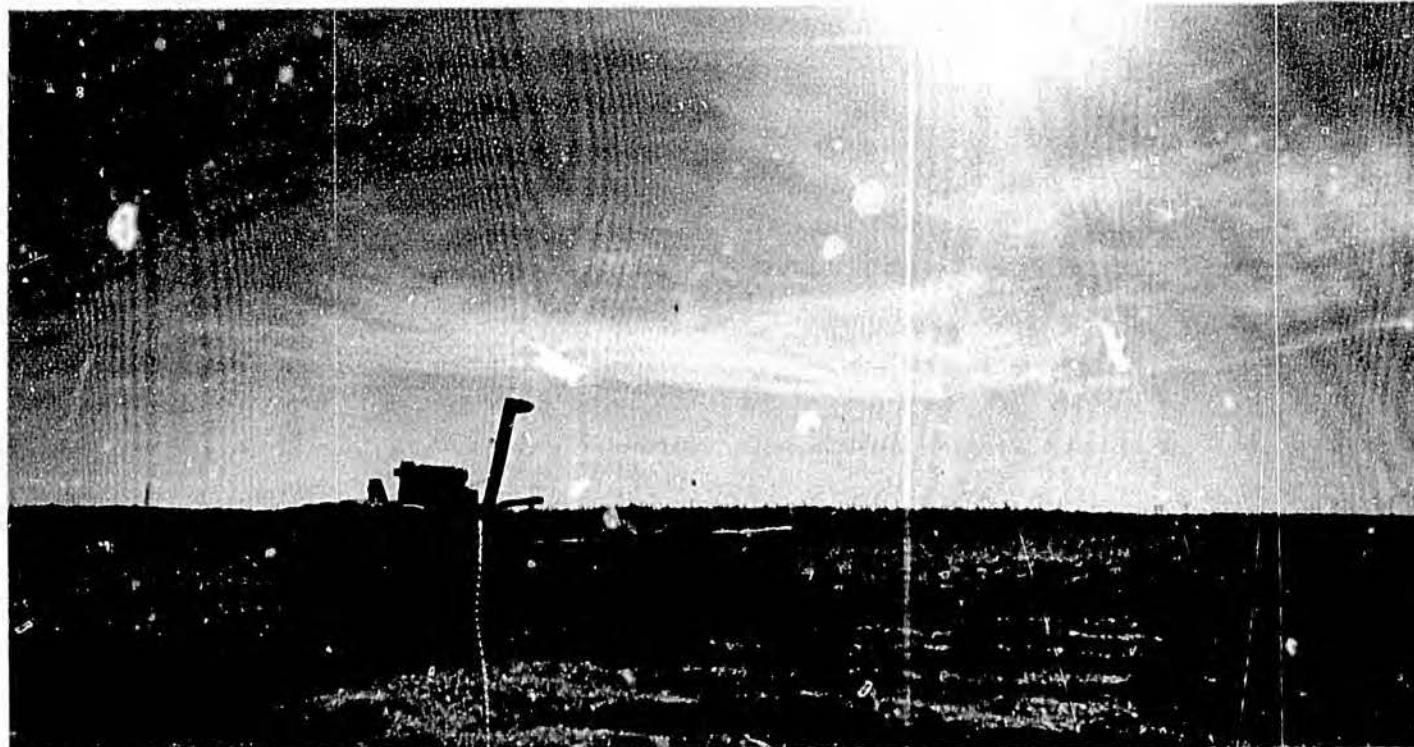
At the time of this writing, we're looking out on a cloud studded blue sky under a 70-degree sun, flowers are blooming, folks are out and about and it's just about time for harvesting all those backyard gardens.

We're also looking out on a thriving community with scaffolds and skeletons of new construction in every direction; looking out on brand new roads stretching to the north, south and west; looking out on a community that is tired of hearing horror stories about the trials and tribulations it faces in order to survive.

We're here and we like it, and Focus North intends to tell you why.

Dr. William Wood, director of the Fairbanks Industrial Development Corp., thinks Fairbanks has a very solid and

(See Page 4, Col. 1)



HARVEST TIME—Fields at the University of Alaska's Experimental Farm lie cropped in the sun. Agriculture in

Alaska is becoming more of a reality. For details see inside.
Photo by Jim Truett

Co-op looks toward marketing

The experimentation has gone on for 78 years and now it's time to do something with the facts learned.

That sentiment expressed by Dr. James Drew, head of the University of Alaska Agricultural Experiment Station, started the Alaska Farmers Cooperative, Inc. in Delta in June of this year. Since its first meeting the coop has grown to 57 members and has begun tackling some of the major obstacles to a viable agricultural economy in Alaska.

Fairbanks Realtor Frank Geiger, an officer in the cooperative, said the main thrust of the organization is to get across the idea that participation and cooperation are the only ways to achieve an economically feasible agricultural industry here.

"Even big corporations are not big enough," Geiger said. "We need more people and more acreage."

Bringing the analogy down to the farm, Geiger pointed out the industry here is in a "which-comes-first-the-chicken-or-the-egg" dilemma: "We need processing and shipping to support a lot of acreage and production, but we need a lot of acreage in production before it can support the processing and shipping."

The coop is addressing the problem in several ways. The Delta group is just the nucleus of a statewide organization, Geiger explained, and eventually hopes to hook up with farmers in the Matanuska Valley, Nenana, Kodiak and other places in the state.

On a more immediate level, the coop hopes to get started soon in cooperative marketing and retailing in this area, procuring seed and fertilizer on a volume basis for member farms, and moving into cereal and grain handling and marketing for Alaska's barley, oats and wheat.

Down the road is a plan for feed lot operations and beef processing plants in cooperation with beef farmers in Kodiak. The plan calls for calves from Kodiak to be shipped to the Delta area for "finishing," or the final feeding stage before slaughter, thereby freeing the Kodiak farms to carry more breeding stock.

Other long range plans include a joint venture with the University of Alaska Agricultural Sciences Department to study waste heat utilization from pipeline pump stations (see related story) and a joint venture with Farmland International Energy Division of Farmland Industry to come up with a proposal to purchase up to 100 per cent of the state's royalty gas for agricultural purposes.

This latter plan would call for construction of a petrochemical fertilizer plant in Alaska nearest to areas of greatest usage for the products. The plant first would be a topping plant for the agricultural fuels propane and butane, and eventually would expand to producing fuels for consumer use.

The cooperative was to meet with Gov. Jay Hammond this month on a tour of the farmers in the Delta area, and already has hosted a U.S. Senate agricultural subcommittee on a tour of the state.

Geiger feels the time is right for agriculture to sink its roots into Alaskan soil.

"Everything seems to be happening all at once," he said, noting the pipeline waste heat studies, the possibilities for topping plants to make agricultural fuels and fertilizer, and the growing interest in securing enough land for agricultural uses in the state.

"Right now Alaskans import from 96 to 97 per cent of their food stuffs," Geiger said. "We can grow that and compete in the market."

Biz Squibs

Rod Bouchard, vice president of Energy Company of Alaska, has moved from Dallas, Tex. to North Pole with his wife Ona. Bouchard will be affiliated with the North Pole Refinery now under construction...Shop space is reported 90 per cent leased in the new Bentley mall under construction on College Road...Entries in the 1976-1977 Yellow Pages are expected to top last year's jump of 21 new pages... A new business in Fairbanks is the recently opened Cord's Custom Upholstery, 313½ Davis Road. Owner James McCord says the firm will reupholster anything that moves...New members of the Fairbanks Industrial Development Corporation are: Alaska Airlines, Alaska Architectural & Engineering Co., Alaskan Resource Sciences Corp., Atlantic Richfield Co., Barnes Company Realtors, Beak Consultants, Carrington Co., Carr's Quality Centers, D-8 Co., Inc., Eagle Creek Roadhouse, El Paso Alaska, Foster & Marshall, Inc., GDM & Associates, Girl Friday, Heat, Inc., Ken Jernstrom Co., Kenworth Alaska, Inc., KJNP, Life Systems, Inc., McCauley's Reprographics, McLee Construction Co., N.C. Machinery Co., National Electrical Contractors Assoc., Northern Television, Polaris Investment Co., Dr. Arnold V. Pflugrad, Inc., Plywood Supply, Inc., Quality Meats, Rice, Hoppner & Hedland, Sohio Pipeline Co., Dr. Arthur J. Schaible, Inc., Totem Ocean Trailer Express, Inc., "TOTE," Universal Services, Inc., Yerkes, Street & Associates.

Focus North is published monthly by the Fairbanks Industrial Development Corp., 619 Eleventh Avenue, Fairbanks, AK 99701.

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University officials testify during U.S. Senate subcommittee visit here

Washington, D.C. came to the University of Alaska, Fairbanks recently for an update on the developing agriculture industry.

The Senate Subcommittee on Agricultural Production, Marketing and Stabilization of Prices heard testimony urging federal support for cultivating the industry here. Speakers included UA President Robert W. Hiatt and Dr. James Drew, head of the UA Agricultural Experiment Station.

Hiatt told the visiting federal officials, "Alaskans today import 95 per cent of the food they consume. The significance of this virtually complete dependence on food shipped from elsewhere is evident to all Alaskans each time they pay the weekly grocery bill."

Both Hiatt and Drew maintained the full potential of agriculture here will be realized if the industry is developed so it can compete with production in other states. Hiatt said prices here then will be commensurate with prices in other areas.

The president urged federal support to develop resource inventories and economic analyses, to aid farmers and to improve transportation. Drew asked for federal assistance for two specific research proposals.

Hiatt explained, "Alaska is attempting to plan the use of enormous areas of land with a bare minimum of information about the distribution and behavior of Alaska's soils for agriculture, forestry, rangeland and other uses." He asked for increased support for research and for the Soil Conservation Service's soil survey.

Under improving transportation, Hiatt discussed studies made of the feasibility of linking the Alaska Railroad to Tanana, Delta Junction and the Canadian

Border. He pointed out increased federal support for highway construction also would benefit agricultural development.

Dr. Drew described two proposed research projects aimed at overcoming traditional limitations of Alaska agriculture. UA is looking for federal assistance for these projects which involve the use of waste heat.

Drew pointed out there are 8.5 million tillable acres of land in Alaska. But only about 17,000 acres are in production.

He said barley, oats, forages, potatoes and a number of other vegetable crops are suited to the soil and climate here. Drew added the yields and quality of these crops equal or exceed the yields and quality of the same kinds of crops grown elsewhere.

In pursuit of these goals, the UA project would use waste heat from pump station nine on the trans-Alaska pipeline to dry grain and to dehydrate and pellet forage in the Clearwater-Big Delta area. Also, fish meal, a waste product in the fishing industry, would be used as a high protein supplement in pellets produced for livestock feed.

Drew explained, "the use of waste heat in these processing operations can provide, for the first time, a means of offsetting the cool and somewhat wet harvest seasons that have frustrated Alaskan producers of grain and forage in the past."

The second research proposal would test a broad spectrum of waste heat application. It is a joint proposal of the university and the Alaska Energy Office.

Both Hiatt and Drew emphasized Alaska agriculture has the potential of increasing U.S. production significantly.

Resolution 77 opens doors

Following is the text of Senate Resolution No. 77, perhaps the most important breakthrough for agricultural development in the history of Alaska. In order to carry out the intent of Resolution 77, Task Force 77 was formed, and the following individuals make up the Agriculture Study Group appointed by Gov. Jay Hammond:

- (1) Mr. Jalmar Kerttula
- (2) Mr. Paul Huppert
- (3) Mr. Walter Kubley
- (4) Mr. Allen Linn
- (5) Dr. James V. Drew
- (6) Mr. Ed Merdes
- (7) Mr. Graydon Nichols
- (8) Mr. Bob Palmer
- (9) Mr. Roland Snodgrass
- (10) Dr. Donald Dinkel
- (11) Mr. James G. Patton

SENATE CONCURRENT RESOLUTION NO. 77

Relating to the establishment of a comprehensive and meaningful agricultural policy for the State of Alaska.

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

WHEREAS without a state policy, boldly set out and strongly backed by the people, the Legislature, and the Executive, little can or will be done to establish agriculture in Alaska as an economically worthwhile endeavor; and

WHEREAS a sound and sustained agricultural production, processing and marketing industry is necessary to the healthy economic life and future well-being of Alaska; and

WHEREAS no geographic entity has ever attained lasting greatness through extractive resource production alone; and

WHEREAS the agriculture potential of the Great Land is perhaps its single most significant prospect for a stable future—a point clearly and emphatically made in three federal-state university studies: (1) "Development of New Lands in Matanuska-Susitna Borough", 1970; (2) "Irrigation

(See Page 4, Col. 2)

(Continued From Page 1)

bankable future, and points out these positives about living in the north in general and Fairbanks in particular:

Financial picture: There are five commercial banks, two savings and loan institutions and one credit union. The cost of money here is comparable to that anywhere else in the United States.

Employment picture: The unemployment rate, among those able to work, is negligible in Fairbanks.

There are many investment possibilities in Fairbanks, and in the month of August alone the North Star Borough received 130 applications for business licenses.

The community has one of the highest per capita educational levels in the country and a large population of professional and managerial persons.

With the improvement of transportation facilities in the form of new roads, railroad spurs, air facilities and upgraded warehousing, Fairbanks offers a central and accessible jumping off point to the whole north.

Living picture: On the lighter side, there are exceptional recreation opportunities for persons of all ages inside and outside educational institutions. There is also a realm of cultural activities from visual to performing



GOLDEN GRAIN—Barley is one crop well-suited to Interior Alaska's climate and soil. In fact, experts at the University of Alaska Department of Agricultural Science say Alaska's grain products contain more protein than their counterparts in the Lower 48.

Photo by Evan Bracken

arts, all springing from community involvement, not government subsidy.

Schools, medical facilities, housing and shopping opportunities are outstanding for a community the size of Fairbanks, and even in 1976, with the wind-down of trans-Alaska pipeline construction evident, three new shopping centers, several new schools, two medical clinics and a hospital addition are under construction.

A post pipeline bust? We don't think so.

Focus North will provide a monthly look at the positive side of Fairbanks: detailed reports on many of the above mentioned areas, an economic barometer, features on the leisure side of life on the last Frontier and a brief round-up of business news in the community.

We hope you enjoy it and will join us in focusing energy, time and talent on the north.

(Continued From Page 3)

Potentials, Tanana River Valley, Alaska," 1972; and (3) "Alaska's Agricultural Potential," 1974; and

WHEREAS, given any one of many possible natural disasters—prolonged drought, floods, virulent disease among plants and animals, extreme climatic change, unpredictable weather in the continental United States—Alaska, because it is at the end of the nation's food system, would suffer the most direct and immediate impact; and

WHEREAS Alaska is known to have at least 17.5 million acres of tillable land, plus at least 10 million more acres of conventional grazing land for potential agricultural use, as well as 100 million acres of land suitable for reindeer and musk-ox grazing; and

WHEREAS in the past there has been a lack of coordination of government programs and policies regarding agriculture; and

WHEREAS Alaska now produces less than five per cent of the food it consumes annually, agriculture, as a resource management tool, could provide a much larger percentage of the state's basic consumer needs in food, fiber, industrial raw materials, and aesthetic products at a reasonable price;

BE IT RESOLVED by the Alaska State Legislature that the State of Alaska hereby commits itself to an agricultural policy that encourages and promotes wise use of its agricultural base, including, but not limited to the following courses of action:

(1) The state shall promptly determine how best to make available land for agricultural use.

(2) The state shall encourage agricultural production, processing and marketing through identification and use of massive amounts of potentially recyclable waste energy.

(3) In connection with the commitment of "in kind" state royalties of oil and gas, provision shall be made for the production of reasonably priced fertilizer and fuel for local Alaska use.

(4) The state shall demand that all land identified in "Alaska's Agricultural Potential," 1974, as having tillable agriculture potential be removed from D-2 classification, and, in the national interest, be set aside for future agricultural production.

(5) The state shall actively encourage the production of phosphate, limestone, and fish meal resources in Alaska for use in agricultural production.

(6) The state shall actively assist in the establishment and financing of agriculture processing plants in key agricultural areas of the state to encourage local farm production.

(7) The state agencies shall work closely with private land owners, native regional corporations, village corporations, and other management organizations to stimulate agricultural production, processing and marketing.

(8) The Legislature, in cooperation with the Governor, shall establish a task force, composed of representatives of agriculture, business, and consumer interests, which shall be responsible for the study of legislative opinions for implementing the policies enunciated in this resolution.

Get Subscription



No longer the end of the road

Highways lead from Fairbanks

In all of its 586,412 square miles, Alaska has only some 6,200 miles of highways. And that figure includes the Alaska Marine Highway—traversed by automobiles only with the help of the state's ferry system.

The completion in 1975 of the North Slope Haul Road marked the first permanent road north of the Yukon River, but it is still a private construction road. Even when it is turned over to the state in mid-1977, the haul Road is likely to remain closed to general use for some time. (See related story, p. 4)

Yet trucking and surface transportation are a viable and growing industry in the state. And the highways are stretching, straightening and widening to meet the demands of those who roll on them.

In 1975, trucking and warehousing in Fairbanks experienced the most dramatic growth in the transportation industry with employment advancing around 73 per cent, according to a mid-year report on the Alaskan Economy put out by the Department of Commerce and Economic Development.

That growth in the industry has brought on wear and tear to roads, particularly around Fairbanks where pipeline related traffic was heaviest. The State Department

of Highways is asking voters to approve more than \$53 million in transportation bonds to reconstruct and rehabilitate existing routes to accommodate increasing amounts of traffic.

Commissioner of Highways Hesdon Scougal told a group of Fairbanks business persons in September that the department is asking an additional \$70 million from the federal government to upgrade roads affected by pipeline impact.

"We've been building highways for years for everyone but ourselves," Scougal said. The Alaska Highway, the Richardson, the Glen, the Steese, the Elliott and the Parks have taken a terrific beating in the past three years from the high priority traffic hauling heavy pipeline equipment.

The department's five year highway construction program for the Interior emphasizes reconstruction of existing roads to reduce maintenance costs and upgrade roads to meet present and future public demands. Some of the projects include:

- Complete reconstruction of all sections of the Steese Highway northeast to Central. A new bypass around Fairbanks connecting the Richardson Highway and the Steese is under construction and is expected to be completed next fall;

- Bringing the entire Elliott Highway up to secondary standards within the next five years. This road, connecting with the North Slope Haul Road, was the most severely impacted by pipeline traffic;

- Reconstruction of the Alaska Highway between the Canadian Border and Delta Junction;

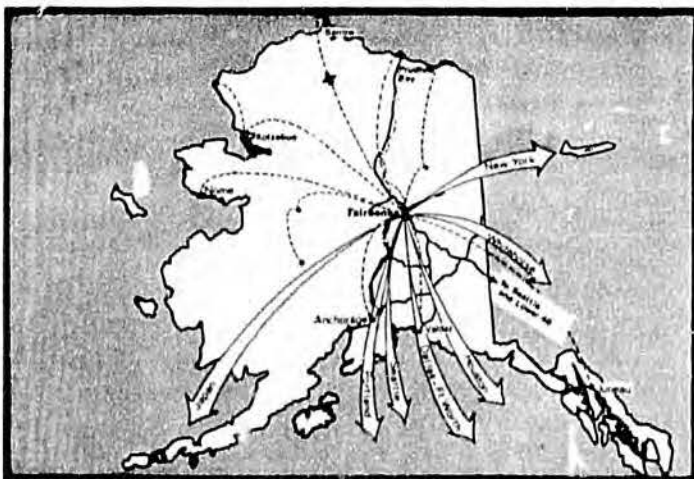
- Interchanges on the Richardson Highway at North Pole and Six Mile;

- Replacement of the Peger Road Bridge in Fairbanks.

This summer the department completed construction of a new interchange at Fairbanks International Airport and a new approach to the University of Alaska. The Anchorage to Fairbanks highway has been reconstructed except for two short sections, which are included in the five year plan.

The money from the transportation bonds, if they are approved, will be used to fund many of these projects.

Rolling on these new roads are trucks on daily schedules



TRANSPORTATION HUB—This issue of Focus North looks at transportation and the many modes that carry goods back and forth in Alaska. Fairbanks, at the heart of the state, offers rail, highway, air and combinations of these to the North, South and East.

(Cont. on p. 3)



NORTHERN NETWORK—Extension of the Alaska Railroad to Delta Junction and beyond to the Canadian border offers a possible link in a nor-

thern trans-continental rail network that would tie Alaska to the Lower 48 states by rail as well as by road, air and sea.

Alaskan transportation system linked to future role railroad will play

An integral part of the Alaskan transportation system are the 568 miles of rail stretching from Seward to Anchorage to Fairbanks to Eielson Air Force Base.

Now a federally owned and operated railroad, the Alaska Railroad is coming under scrutiny as Alaskans look to the future transportation needs of the state and the place the railroad can or should take in that overall picture.

Historically the railroad has helped to develop the railbelt area along its tracks. More recently it has been a key factor in the delivery of the huge tonnage of material for the construction of the trans-Alaska oil pipeline.

"We successfully met the challenge of pipeline impact," says William Dorcy, general manager of the ARR. "We witnessed our high point in gross revenues, ton miles and

employment." Now the railroad, and the growing number of Alaskans who use it, are looking at the challenges of the future: the winding down of pipeline activity, the promise of further mineral development in the north, the beginnings of agricultural and timber development in South Central and Interior Alaska and the overall development of industry and transportation modes—the lifeline to sound resource utilization.

Dorcy, who was visiting Fairbanks this month to listen to what business people here had to say about the railroad and the ways it could serve their needs, assumed the position of general manager in April this year. He came to Alaska from the mid-west, where he was vice president of marketing for the "Katy," the Missouri-Kansas-Texas Railroad. Dorcy has a long background in railroading, from yard clerk to brakeman to cost analyst, and has worked for the Great Northern, the Soo Line and the Illinois Central.

After several lean years, Dorcy said, the Alaska Railroad was able to take the profits from the pipeline and implement a capital improvements program for the railroad, leaving the limited Alaska Rail system at present in good working order despite hard use over the past two years. The question now is where do we go from here?

"The people of Alaska have to decide if the railroad is of any value, then decide what to do with it," Dorcy told the board of directors of the Fairbanks Industrial Development Corporation. "I don't believe we should or can leave it like it is."

He met with the board to gather Fairbanks' opinion on status of the railroad, the pros and cons of changing that status to private enterprise, state ownership, or government corporation, and ideas for expansion of the railroad.

(Cont. on p. 5)

Focus North is published monthly by the Fairbanks Industrial Development Corp., 619 Eleventh Avenue, Fairbanks, AK 99701.

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HIGHWAYS . . .

(Cont. from p. 1)

between Anchorage and Fairbanks and on regular schedules to remote areas with highway connections.

Trucking in Alaska has become as normal an operation as trucking anywhere else and rolls 365 days a year. Aside from travel on the North Slope where hazardous weather and extreme cold make operating more of a challenge, the biggest danger on the road these days is traffic, not snow.

Good equipment, good driver training and the techniques to handle all commodities make surface transport just one more link in moving goods in Alaska. Even perishable items hit Fairbanks on the fifty or sixth day after they leave Seattle on barge—by air on the same day. And with techniques that create a controlled atmosphere inside trucks, extra days are added to the shelf life of produce and meats.

Like all other aspects of transportation in Alaska, trucks are part of intermodal systems. Right now Fairbanks is served by three different shipping companies sailing from two to three times weekly out of Seattle, then trucking items from Anchorage. Interchangeable containers mean an item might move by barge, rail and truck before it reaches its final destination.

While rates are often a source of complaint, anyone shipping things into Alaska is paying a round trip fare for a one-way haul. With a combination of water and surface, however, price and frequency are comparable to anything outside.



STRETCHING—A new interchange, above, approaches the University of Alaska and connects with the Anchorage-Fairbanks Highway. Below, the new Steese bypass shoots off the Richardson Highway and stretches north to connect eventually with the Elliott Highway; the route to the North Slope. (Photos by Jim Truett)



Fairbanks meets service/supply challenge

Fairbanks is the undisputed warehousing capital of the North since the advent of the trans-Alaska pipeline and the investment of millions of dollars in new facilities.

The most centrally located city in Alaska with convenient transportation to an area one fifth the size of the United States, Fairbanks is the service and supply center for the multitude of resource development activities in the north. As the take-off point for the haul road to the North Slope, the city has an unlimited future substantiated by more than \$100 million in building permits during the last year. It is now estimated that Fairbanks has more than a million square feet of warehousing space at prices competitive with the major port of Anchorage.

Haul Road Policy Statement

On September 9, 1976, Gov. Jay S. Hammond announced his decision on use of the North Slope Haul Road, the private pipeline service road that will be turned over to the state in mid-1977. The haul road, constructed to service the 800-mile trans-Alaska pipeline, is the first and only permanent road north of the Yukon River. Following are excerpts from the Governor's interim policy statement:

"Even more than the construction of the pipeline, the uses we make of the North Slope Haul Road will have profound effects on the future of our State in terms of the economy, land use, wildlife, and people.

"The interim policy on the North Slope Haul Road I am announcing has two parts. There is a policy for access, and there is a policy for revenues to meet the costs of opening the Haul Road. My decision is that for the short term: the road will be opened just for use by industrial and mining interests much as it is today. We will expect them to pay for the use of the road, just as they do today...

"...We are investigating various ways of making user charges. They include: reimbursement agreements; fees, license, or taxes imposed on business or industrial highway users; negotiate the removal of portions of the Haul Road from the Federal Highway System so direct charges may be made; seeking Congressional action to permit imposition of direct charges on those who use the Haul Road...

"To completely open the road now would remove all options for the future because once opened we would likely never be able to modify that access...

"This decision is an interim policy for the short term. It will be in effect until the peak industrial demands for the road have subsided and until the Land Use Planning Commission and local governments have developed a rational plan for the sound and profitable management of State and Federal lands in the area affected by the road."

A prime example of the multitude of new warehousing facilities in the Fairbanks area spawned by the pipeline is North Star Terminals. Some fourteen buildings stand in a little over 133 acres in the developing industrial park. These range from small 2,000 ft. curvette-type buildings to three large 60,000 square foot Alyeska Pipeline Service Company buildings. Some accommodate mini storage units. A large new office building is an attractive addition to the complex.

The office building is the latest park unit, and, like other buildings in the park, is made of metal. The fact that it was erected through the winter and in just nine months proves that Fairbanks' limited construction season is definitely a phenomenon of the past. Construction of the metal buildings can be carried on at temperatures of 40 below and colder. Year-round construction capability is a major factor in lowering the costs of construction in Fairbanks. It means a much shorter amortization period and prices calculated to attract industry to the heart of Alaska.

According to the president of North Star, Inc., Chuck Rees, more office buildings and continued development of the industrial park are in the immediate future. He said the park is ideal for retail-wholesale type businesses which deal in commercial trade and require convenient parking areas.

A North Star motel is planned with a minimum of 120 units, a swimming pool and other recreational facilities to serve semi-permanent employees in Fairbanks such as salesmen and others who need a local base of operations.

North Star is one of several facilities that have grown up in recent years to serve a variety of industries operating in Interior, North Slope and South Coast Alaska. Business people now have a choice among desirable locations for their operational and service headquarters.

North Star Terminals and other facilities are located near major highways and truck routes; Metro Airfield is close by as is the Tanana River—navigable by barge; and North Star has invested in 14,000 lineal feet of track to bring a railroad spur into the park.

If air is a prime mode of supply transport, Fairbanks has good warehousing facilities adjacent to its international airport. These facilities also are served by an excellent newly completed highway link to the Anchorage-Fairbanks highway, to downtown Fairbanks and to the Highways leading north, east and south of the city.

Of particular importance to Fairbanks is the amount of prime land available for industrial development. In the south industrial area, 7,000 acres are available for light and heavy industrial use with ample aggregate for building and backhaul. This acreage is unbroken by residential or other development and is in the proximity of air, rail, water and highway transportation.

The land also is contiguous to the North Pole refinery and the Golden Valley Electric Association's new power plant, assuring now an adequate energy supply.

The prospect for resource development as well as service and supply activities in the Fairbanks area has never been brighter.

Air carriers continue to play major role in Alaska transportation

Transportation is the most important industry in Alaska and always will be because of the size of the state, says an individual involved in one of the vital areas of Alaskan transportation—air.

In a land where the frontier was pushed back by daring bush pilots rather than wagon drivers on the ground, air transport continues to take the place of roads and surface transportation of goods to most of the area lying north of the Yukon River and in many other areas of the state.

Air transportation has enhanced development in remote areas, has made life easier for the people who live in those areas and has changed completely the construction picture in Northwest Alaska by extending the time of construction with fast material deliveries.

Despite weather conditions that defy practically all but hardy dog-mushers, Alaska pilots fly every day of the year from Fairbanks International Airport. Technical support for aviation is some of the best in the world, and Fairbanks boasts the mechanic who won the national award for best aviation mechanic.

Alaska has air service for everything from bulk fuel to small packages, flown in airplanes from graceful 180's and Twin Otters, to intermediate DC 3's and DC 6's which can haul whole sections of modular buildings in their holds.

Indeed there are dozens of air taxi, charter, passenger, air freight and commercial airlines that operate out of Fairbanks to all points in Alaska—and around the world. Add to that the skills of the state's bush pilots and there is no trip about which one can say "you can't get there from here," whether it's a remote construction site or a hidden lake where the fishing is great.

Even though construction of the North Slope Haul Road has made accessible by road areas that never were before, air transport will continue to play a major role in Alaskan transportation. Continued development on the North Slope, particularly in villages which do not wish to be connected to the mainstream by roads, will require services that only air can provide: transportation of construction equipment and materials for building schools, homes and meeting facilities.

Jim O'Sullivan, administrative vice president of Alaska International Air, a Fairbanks based company which made aviation history daily during the beginning of pipeline construction, predicts that with developments in Native corporations and construction in remote villages, there will be more air service out of villages as well as into them, with more operators basing their headquarters in the bush and flying between villages.

He said AIA has recognized the downturn that would come with the advent of the road, but believes air will become more and more economical with construction of larger and longer runways and aviation technology that allows for bigger and bigger craft.

Combining this technology with intermodal methods of transportation to provide the most economical ton-mile for the shipper paints a bright future for Alaskan air transport.

An example of this is the rail spur at Fairbanks International Airport. Built at AIA request, the spur has contributed to enhancing Fairbanks International as a distribution center, with cargo originating in Fairbanks instead of Anchorage or elsewhere.

"The transportation industry is very labor intensive, it creates jobs, it's an environmentally good industry. It is imperative that we do anything we can to focus attention on Fairbanks as a distribution center for the North," O'Sullivan said.

RAILROAD . . .

(Cont. from p. 2)

tor in order to get a consensus among the people who actually use the railroad. "After all," Dorcy pointed out, "the original purpose of the railroad was to develop Alaska."

He also stressed that the railroad is only one part of a whole transportation system. "We can no longer look at meeting transportation needs by railroad or plane or truck or barge. We have to look at an intermodal system using all means of transportation," he said.

Barges, trucks and planes are partly competition for the railroad, Dorcy said, but they also create business for the railroad. "You put all the services together to make the best package for the user."

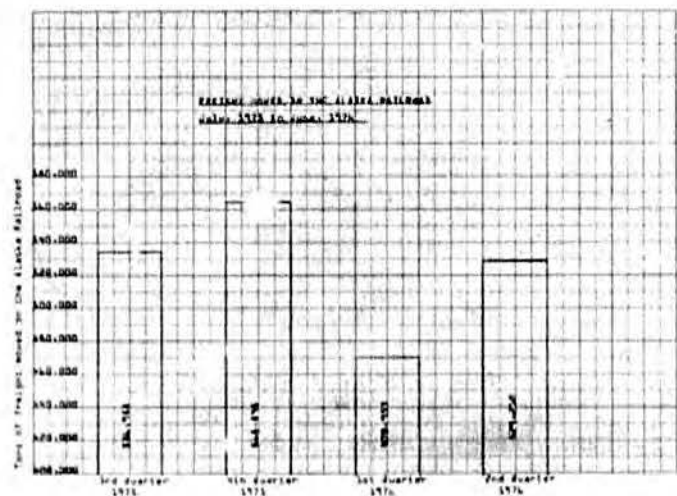
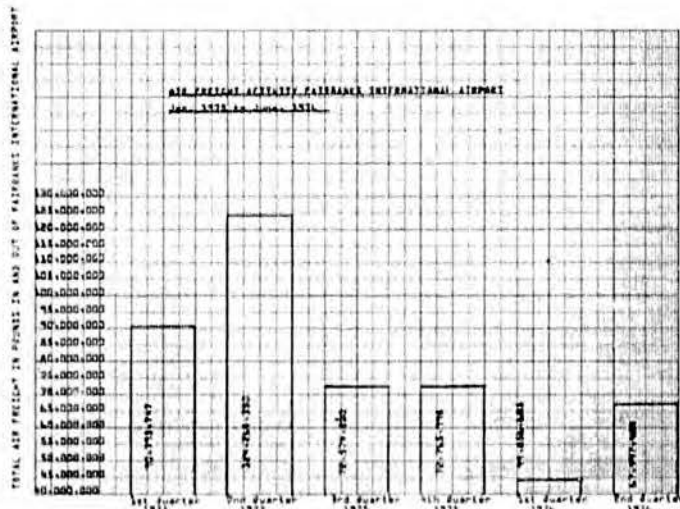
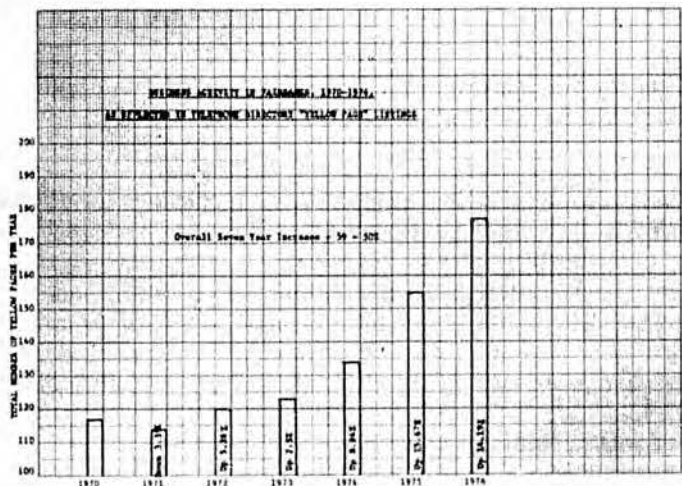
Fred Tolon, a Seattle-based traffic consultant to FIDC, told the group it should consider a three-pronged program for the railroad: (1) getting better funding for the ARR to put it in to service condition and keep it there; (2) achieving a more visible presence of the ARR in Fairbanks, perhaps by making Fairbanks a coterminal operations facility; and (3) determining where the Alaska Railroad should go in terms of expansion to do a better job for Interior, North Slope, Northwest and South Coast Alaska.

The obvious first step is an extension from Fairbanks—Eielson to Delta Junction-Fort Greely. This would require upgrading of the 22-mile Fairbanks to Eielson Air Force Base section and a 72-mile extension from Eielson to the Delta Junction-Fort Greely area. It would serve important national defense needs as well as agriculture, timber, mining and possible petrochemical development requirements foreseen in that area.

That extension also would be a step on the way to meeting the Canadian rail system, creating a vast northern network linking Alaska by rail, as well as by sea, air and highway, to the rest of the United States.

FAIRBANKS TELEPHONE DIRECTORY, 1970-1976,
BUSINESS CATEGORIES LISTED IN YELLOW PAGES

<u>Year</u>	<u>Number</u>	<u>Percent of Increase</u>
1970	756	<u>Base</u>
1973	855	13.10
1976	1,024	19.77
Overall Increase 1970-1976	268	35.45



Biz Squibs

Construction on an \$8 million addition to Fairbanks Memorial Hospital is 20 per cent complete, with projected completion date for the project set next fall...Progress continues on three new shopping malls in Fairbanks, with the HICKEL MALL on Airport and University at 50 per cent complete and the first occupant set to move in March 1; the BENTLEY MALL on College Road is 50 per cent finished, with shops scheduled to move in March 15, and the addition of LA-MONT'S to the MARKET BASKET Mall on Airport and Cowles will open in Spring of '77...Construction in the public sector is moving along as well, with a November '77 target finish date for the multi-million dollar federal building on Gaffney...Other new faces in Fairbanks include a TEAM ELECTRONICS store on Airport Road, three new 24-hour grocery stores—Quik Stop, Bag Boy and Box Boy—bringing to five the total of all night stores, and two new restaurants, Auggie's and Burger King...1976

was a good year for start-up in new small businesses, with nearly a hundred licenses issued in fields from construction to advertising to air to arts and crafts...Some old businesses are moving into new quarters...First National Bank of Fairbanks expanding its present space, Carnation-Meadowmoor Dairies into new quarters, Geiger Realty into a new building on University Avenue, Alaska National Bank of the North into a new headquarters building, and the Operating Engineers, Culinary and Teamsters Unions into new buildings and the Laborers and Electrical Engineers building and remodeling their halls...The new Golden Valley Electric Association generating plant in North Pole is ready to go on line next month, adding 76,000 KW to Fairbanks' power supply...The diesel turbine generators will be followed next year by an addition of nearly the same amount of generation capacity at the plant.



Fairbanks merchants consider retail future bright here

What is the mood among Fairbanks merchants in the face of a slowdown in pipeline related activity? Optimism.

While the figures on 1976 are not in yet, the consensus is "not as good as 1975" (a banner year for all kinds of sales and the peak of pipeline activity), but retail activity this year is still better than it was in 1974 or 1973.

Based on sales tax revenues collected by the Fairbanks North Star Borough so far this year, \$324,682,000 worth of business was conducted in the borough in fiscal year 1976. And that figure does not include sales of medical services, pharmaceuticals, sales to governments, farm supplies or sales of building and construction supplies to holders of building permits. All these categories and some others are exempt by ordinance from sales tax, and it is estimated they represent at least another \$40 million in sales.

Why are people still spending money on consumer items? Merchants attribute the active retail market to several factors in addition to increased population. Increased sophistication on the part of the Fairbanks consumer is one factor, they say. People here want the same things they see are available in the Lower 48 States. In response to that demand, there is an increased selection of merchandise in Fairbanks these days, different from the days when the consumer had to order by catalogue for any specialty or exotic items. And transportation has improved, making availability of goods only a matter of time. And while the consumer may be tightening the purse strings in the next few months, items like food and clothing will still continue to move in larger numbers than before just because there are more people here requiring these necessary items.

What is the future for retail trades? If financial commitments and construction are any indicators, the future looks bright. Three new shopping malls are under con-

struction now and are expected to be completed by spring 1977. A major department store is considering building a brand new complex downtown. The shops which will be locating in the new malls are retaining their downtown locations. There has been a commitment by downtown merchants to clean up the core area to make it more pleasant for shoppers, and those merchants have been working together on various promotional programs to encourage the consumer to shop downtown.

Those who are making the financial investments in retail trades say the future success of the industry is limited only by the size of the population. Consumers are slowing down their spending, but the money is still here, they say, and will continue to be here. A gas line, state oil revenues, future oil developments, ventures and investments by the Native corporations, all spell cash flow within Alaska for many years and mean people who live here will have money to spend on consumer goods.

Following statistics on Fairbanks North Star Borough based on Borough, U.S. Census, U.S. Bureau of Economic Analysis, borough sales tax and planning and zoning information.

Population	Per Capita Income	Sales Volume*	Per Capita Expenditures **
1970 45,864	\$4,852	\$105,442,200	\$2,255.41
1971 44,413	4,967	208,985,320	2,462.74
1972 46,058	5,514	317,124,100	2,655.01
1973 50,450	5,225	325,764,420	2,455.21
1974 58,003	7,446	336,914,400	2,360.38
1975 63,350	not available	220,512,100	5,480.85
1976 75,519	not available	324,682,000	4,410.50

* Figures do not include sales of medical services, pharmaceuticals, sales to religious, charitable or eleemosynary organizations, sales to governments, farm supplies or sales of building and construction supplies to holders of building permits. See tables for gross receipts in these areas.

** In addition to excluding sales excluded by ordinance, above, these per capita expenditures do not reflect expenditures for hotels, motels, etc.; they do include purchases by businesses and organizations, so are not an accurate reflection of individual consumer expenditures.



HICKEL MALL—A mall addition to the Safeway store on Airport and University is expected to be open for leasing in spring

next year. Among others, the mall will include a drug store.

You can get it here

Fairbanks shopper has choice

Long gone are the days when about all you could buy in Fairbanks were a warm blanket and a gold pan. The variety of staples, consumer items and luxuries stretches from bread and butter to imported cheese, from steel-toed boots to silver slippers and from bulldozers to Swiss music boxes.

While the number of different items may not compare to large cities outside, if you've seen something in your favorite slick magazine, you can probably get it in Fairbanks.

The city boasts seven major grocery stores, one with computerized check-out; half a dozen 24 hour convenience grocery stores, several neighborhood small independent stores and three health food stores. In the way of clothing, Fairbanks has two major department stores, two dozen smaller shops specializing in men's, women's, children's, western, outdoor, high fashion and other types of clothing, and six shoe stores. In addition, there are three catalogue outfits which have locations here, or the consumer can choose from catalogues from all over the country. One catalogue store manager said his company has found that even when a retail store is opened, catalogue sales continue to flourish because the sophisticated consumer is looking for the best buy.

In the way of household, home repair or home maintenance goods, there are two major stores supplying small appliances, do-it-yourself items, tools, gadgets, building supplies. These are in addition to several hardware stores and construction supply stores with more specialized plumbing, heating, electrical goods.

Beyond the necessities, there are three large furniture stores and half a dozen smaller ones, gift shops selling everything from Alaskan-made crafts to Zambian imports, specialty and novelty shops, five record and tape

(See Page 3, Col. 1)

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Market Basket Stores

CHOICES . . .

(Continued From Page 2)

stores, three musical instrument shops, eight major appliance stores, three pet stores, numerous flower shops, nurseries, and five hobby shops.

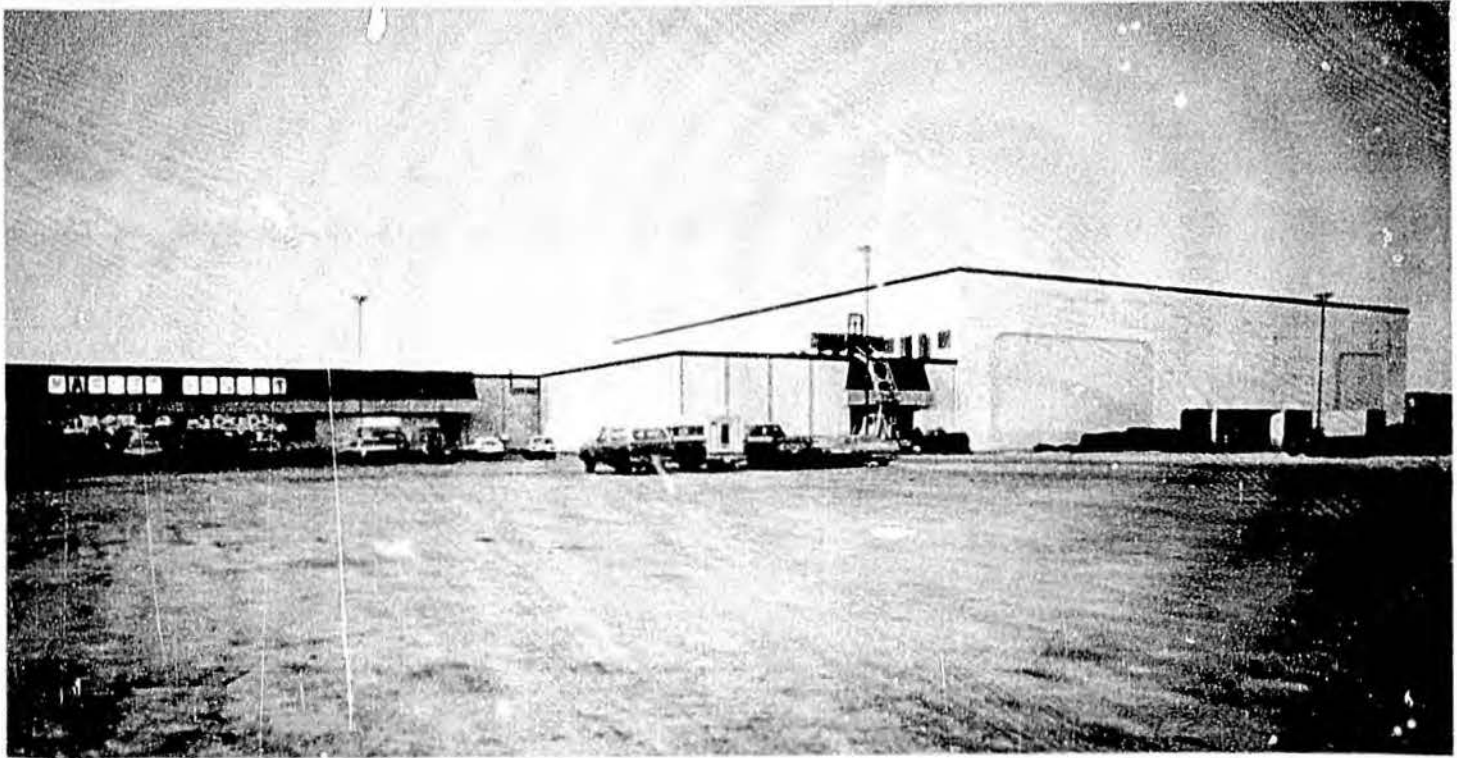
There are even locally manufactured and retailed goods in Fairbanks — a fur shop that makes and sells parkas, boots, hats and so on; a jade shop where custom designed clocks, tables and jewelry are made and sold; several ceramics and pottery shops, and numerous independent crafts people who make and sell jewelry from Alaskan gold and gems.

If one is looking for more expensive items, one needn't go beyond Fairbanks to spend lots of money: there are

four fur dealers, eight jewelers, five art dealers and one leather goods store.

Fairbanks merchants don't have only the consumer in mind, however. Industrial equipment and supplies are available from engines to earth moving machines and from jeweler's screw drivers to generators. There are also five wholesalers dealing in food, liquor and sundries as well as wholesalers in specialized items like automotive or electrical or plumbing supplies.

Fairbanks automobile dealers handle almost every import as well as all American model cars, and there are numerous auto parts and supply houses to help keep cars rolling through Fairbanks winters.



LAMONT'S—An addition to the Market Basket II on Airport and Cowles will house a Lamont's Department Store, a new retail

face on the Fairbanks scene. It, too, is scheduled to open next spring.

*Best wishes from FIDC
for a healthy
and prosperous 1977*

GROSS RECEIPTS IN TRADE AND SERVICE INDUSTRIES IN FAIRBANKS 1973 & 1974

(All figures based on information from Alaska State Department of Revenue)

TRADE	1973	1974
Wholesale	\$31,169,177	\$76,359,689
Retail		
Bldg. Material & Hardware	6,887,860	17,239,411
General Merchandise	15,205,287	21,164,294
Retail Food	24,032,332	28,876,446
Auto	14,383,629	26,874,266
Apparel & Accessories	2,908,103	4,473,721
Furniture & Equip.	3,779,714	6,429,696
Eating & Drinking	6,931,319	9,440,574
Misc. Retail	29,664,748	48,819,719

SERVICE

Hotel & Lodging	3,878,890	6,368,464
Personal Services	1,410,010	1,580,543
Business Services	2,354,706	6,051,253
Auto Repair	1,495,778	1,244,267
Misc. Repair	849,502	1,466,759
Amusements	1,441,257	768,558
Medical	7,741,249	11,292,952
Legal	3,277,678	3,174,276
Other Services	6,664,849	512,202,805*

*Includes metals, mining, drilling and other resource related services.

GROSS RECEIPTS IN TRADE AND SERVICE INDUSTRIES IN ALASKA 1973, 1974 & 1975

TRADE	1973	1974	1975
Wholesale	\$422,287,069	606,909,953	788,516,105
Retail:			
Building	89,508,757	160,908,664	276,026,011
Gen. Mdse.	122,699,351	149,362,743	168,232,772
Food Store	159,870,880	195,209,022	285,851,007
Auto	162,509,851	222,348,083	328,846,232
Eating & Drinking	75,130,975	100,313,390	222,563,687
Other	338,442,275	562,380,923	761,555,125

SERVICE

Hotels & Lodging	52,135,216	66,451,844	96,102,864
Personal	14,354,404	16,980,695	20,532,225
Business	83,758,815	117,027,957	194,747,850
Medical	44,939,121	57,334,859	75,811,929
Legal	33,999,274	25,033,806	31,101,541
Other		639,784,150	809,311,707

Biz squibs

In keeping with the topic of this issue, Focus North welcomes to the Fairbanks retail scene the following new businesses: Bag Boy stores, Pier 1 Imports, Team Electronics, Rampart Mini-Mall, Auggie's, Burger King, Good Thunder, the Gold Mine...New stores that will be appearing on the Fairbanks scene with the opening of malls next spring may include a candy store, an Italian restaurant, an ice cream parlor and a children's clothing shop...While Sears' has no definite plans to open a retail store in Fairbanks in

the near future, the manager indicates that a store was opened in Anchorage when the population stabilized between 90,000 and 100,000 and the same criteria may be applied here...More stores are going to the computer form of check out and record keeping and at Foodland Grocery the manager figures it could save 25% of labor costs in stocking and 22% in check out...A new cost of living survey for Fairbanks is being considered by the federal government. Merchants are pushing for early completion of the survey.

BENTLEY MALL—The Bentley Mall is going up on College Road and about 20 shops already have signed leases to go in spaces between a Safeway store and Pay-N-Save. The mall, to be completed in March 1977, will include a variety of shops from candy and ice cream to cameras and books.





Alaska State Legislature
House

JUNEAU ALASKA

Permanent Fund Committee
538 West 5th Ave.
Anchorage, Alaska 99501

May 25, 1977

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Thank you very much.



D. Milton, Secretary