

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984

3063 SSA SCR 37 - SJR 17 8672

Alaska State Legislature

Advisory Council Members
Senator Kerttula, Chairman
Senator Bernett
Senator Fahrenkamp
Senator Vic Fischer



1024 W. 6th Avenue, Suite 203
Anchorage, Alaska 99501
Phone: (907) 274-1426

SENATE ADVISORY COUNCIL

MEMORANDUM

TC: SENATOR JALMAR KERTTULA

FROM: ELIZABETH J. HICKERSON *EJH*

RE: SCR 37, relating to "Sexual Assault and Abuse Awareness Month."

DATE: FEBRUARY 22, 1984

The incidence of sexual assault and abuse in our state is alarming. According to the Council on Domestic Violence and Sexual Assault (Council), Alaska had the highest rate of rape in the United States for 1982 (Annual Report, January 1984). The occurrence of child sexual assault and abuse is startling. In FY 80, the Division of Family and Youth Services reported 139 suspected cases of child abuse. In FY 83, 616 suspected cases were reported to the same agency. During FY 83, 6,986 clients were served by sexual assault and domestic violence programs statewide. These statistics may only represent the tip of the iceberg.

It is unclear whether the incidence of sexual assault and abuse is on the increase or whether the reporting of these crimes has increased. Barbara Miklos, Director of the Council, believes that public awareness through education has significantly contributed to the increased reporting. One fact is certain, sexual assault and abuse exist in Alaska. Many of the victims are defenseless children who have been taught that sexual assault and abuse are a part of normal family dynamics.

The first step necessary to break this chain of violence is through public awareness. SCR 37 will bring this issue to the public's attention. To ensure the effectiveness of this resolution all three branches of our government, sexual assault and abuse programs, human services providers, private businesses/corporations, organizations, religious associations, and local governments, must carefully plan and participate in events during the Sexual Assault and Abuse Awareness Month.

8

Letter from SAC

COMMITTEE REPORT
SENATE

FURTHER:

2/10/84

Date 2/23/84

Mr. President

The Committee on STATE AFFAIRS considered SCR 37

relating to "Sexual Assault and Abuse Awareness Month.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Kelly

Tom Boley

V. Fischer

Chairman

do pass

Chairman recommendation

SENATE AMENDMENT

By State Affairs

To: _____ SENATE BILL No. SCR 37

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 10

ADD, "and unreported" after the word "reported"

Pg 1, Line 16

DELETE "June"

ADD, "May" after the word "of"

S

J

R

G

3/22/83

Senator Fischer

I view of the enclosed,
the Senator intends
to request that he
be allowed to withdraw
SJR 6 during tomorrow's
session.

We are sorry for any
inconvenience and unless
you have an objection,
the resolution will
be withdrawn.

Thank-you

Henry Van Doren



ALASKA STATE FIREFIGHTERS ASSOCIATION

P.O. Box 187 ~~XXXXXXXXXX~~ Juneau, Alaska 99801 99802

March 21, 1983

The Honorable Robert H. Ziegler, Sr.
Alaska State Senate
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Senator Ziegler:

Our two Associations appreciate your interest and support for the Fire Service in Alaska.

Our thanks to you for introducing many bills regarding the Fire Service resulting from resolutions passed during our respective annual meetings last October in Ketchikan.

Senate Joint Resolution No. 6, introduced by you on January 18, 1983, stemmed from Alaska State Firefighters' Association Resolution 82-17 and Alaska Fire Chiefs' Association Resolution 82-2 dealing with use of excess military equipment.

I am sorry to now inform you that our Associations, including myself, did not complete our homework on this subject. The Department of Defense Appropriation Act of 1981, Section 765A, deals only with the "leasing to non-federal agencies in the United States aircraft or vehicles owned or operated by the Department of Defense".

When I appeared before the Senate State Affairs Committee on February 1, 1983, I stated "we are in favor and support the language in SJR-6 which requests the Secretary of Defense to interpret Section 765A, of the Act, as not prohibiting the disposal of surplus military equipment to the use of state and local governments for the purpose of fighting fires in Alaska".

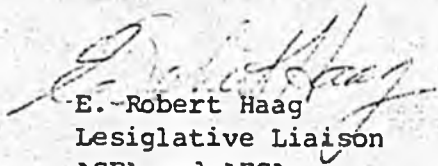
Additional research, including the letters from the Defense Logistics Agency and those from Senator Stevens and Congressman Young, clears up the matter. Therefore, such a request to the Secretary of Defense is not necessary. Enclosed are copies of the letters.

I regret any inconvenience to you and the State Affairs Committee for what is now unnecessary action by the Legislature. If you consider it appropriate, I will send a letter to Senator Vic Fischer asking for SJR-6 to die in Committee.

I am sending a letter to Representative Niilo Koponen, who introduced HJR-32 on this subject, advising him of the facts.

Again, Senator, I apologize for any inconvenience to you and Guy.

Sincerely,



E. Robert Haag
Legislative Liaison
ASFA and AFCA

ERH:djo
enclosures



DEFENSE LOGISTICS AGENCY

HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22314

IN REPLY
REFER TO

DLA-SMP

3 FEB 1983

Roger C. Havens, President
Alaska State Firefighters Association
Box 1537
Cordova, Alaska 99574

Dear Mr. Havens:

Thank you for your letter of 21 December 1982 to President Reagan concerning surplus military vehicles for fire prevention and disaster equipment. Your letter was referred to the Defense Logistics Agency (DLA) for response as the DLA is responsible for the Department of Defense (DoD) surplus personal property utilization and disposal program worldwide.

Section 765A of the 1982 Appropriations Act, P.L. 97-114, to which you refer, requires that "None of the funds made available by this Act shall be used in any way for the leasing to non-Federal agencies in the United States aircraft or vehicles owned or operated by the Department of Defense when suitable aircraft or vehicles are commercially available in the private sector."

We are unaware of any provision which prohibits the DoD from disposing of aircraft, vehicles and other equipment excess to its needs, as alluded to in the Resolution No. 82-17 of your Association. Therefore, we are taking the liberty to explain the process through which DoD personal property disposal is effected.

Excess property, including vehicles, which becomes available for disposal is offered for further use throughout the DoD and the Federal civil agencies, including the Federal Emergency Management Agency, formerly Civil Defense Agency. If the property is not needed within the Federal government, it is made available for donation as surplus to eligible donees through authorized programs.

The Federal Property and Administrative Services Act of 1949, as amended, makes available for donation certain surplus property, including vehicles, to eligible donees through the State surplus property agencies under programs administered by the General Services Administration (GSA). The enclosed pamphlet explains the donation programs.

DLA-SMP PAGE 2
Roger C. Havens

The Alaska Surplus Property Service, listed on page 4 of the pamphlet, is the appropriate State agency to determine the eligibility of the Alaska State Firefighters Association, or the Cordova Volunteer Fire Department, as a donee under the GSA programs. The Alaska State Agency is also the office through which vehicles and other surplus property may be obtained by a municipal entity such as a city fire department should such property become available. The State agencies are responsible for establishing priorities and assuring the equitable allocation of surplus property donated within their States.

We trust that the above information will assist you in acquiring DoD surplus property in which you are interested.

Sincerely,



RICHARD G. FENNER
Executive Director
Department of Defense Services

1 Encl
Donation pamphlet

COMMITTEES:

INTERIOR AND INSULAR
AFFAIRS

MERCHANT MARINE AND
FISHERIES

Congress of the United States

House of Representatives

Washington, D.C. 20515

2331 RAYBURN BUILDING
TELEPHONE 202/225-5765

DISTRICT OFFICES

FEDERAL BUILDING AND
U.S. COURT HOUSE
101 C STREET, BOX 3
ANCHORAGE, ALASKA 99513
TELEPHONE 907/271-5978

BOX 10, 101 12TH AVENUE
FAIRBANKS, ALASKA 99701
TELEPHONE 907/456-6949

January 24, 1983

Mr. Roger C. Havens, President
Alaska State Firefighters Association
Box 1537
Cordova, Alaska 99574

Dear Mr. Havens:

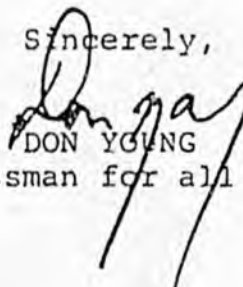
Thank you for your recent letter regarding the procedure whereby fire departments have acquired surplus military vehicles. I appreciated hearing from you and share your concerns.

I contacted the House Appropriations Subcommittee on Defense and expressed my concern over this issue. They responded that the 1981 law to which you referred was enacted as a result of the California Medfly crisis. Apparently, while there were suitable commercial helicopters available to meet that crisis, the State of California nevertheless began leasing vehicles from the Department of Defense. Congress decided at that time that when appropriate commercial vehicles existed, non-federal agencies could not lease federal military equipment. However, the 1981 provision was not intended to affect the sale of military equipment to non-federal agencies under the Surplus Property Program, although there was a great deal of confusion over this in the public.

The Continuing Resolution passed in December, 1982, specifically addresses the issue that you discuss and attempts to clarify the situation. It states unequivocally that the sale of excess military equipment to local fire departments and disaster groups as allowed under the Surplus Property Program shall continue to be allowed.

I hope that I have helped clarify this matter for you. If you have additional comments or questions concerning this or any other issue, please feel free to contact me. With best regards,

Sincerely,



DON YOUNG

Congressman for all Alaska

DY:rass

DWELL P. REICKER, JR., CONN.
HEE A. MACCLURE, IDAHO
LARRY T. HEY,
JARRN, UTAH
J. COCHRAN, NEB.
JARRK ANDREWS, V.
JAMES ANDERSON, T. S. D.
ROBERT W. ROBERTS, W. V.
ALFONSE M. D.
WACK MATTINGLY, VA.
YARREN RUDMAN, N.J.
WLEN SPECTER, PA.
ETE V. DOMENICI, N. J. CA.

ROBERT C. BYRD, W. VA.
WILLIAM PROKHMIRE, WIS.
DANIEL K. INOUYE, HAWAII
ERNEST F. HOLLINGS, S.C.
THOMAS F. EAGLETON, MO.
WYTON CHILES, FLA.
BENNETT JOHNSTON, LA.
ER D. HUDDLESTON, KY.
TIN N. BURDICK, N. DAK.
RICK J. LEAHY, VT.
GASSER, TENN.
JANIS DE CONCINI, ARIZ.
DALE BUMPERS, ARK.

United States Senate

COMMITTEE OF APPROPRIATIONS
WASHINGTON, D.C. 20510

J. KEITH KENNEDY, STAFF DIRECTOR
FRANCIS J. LULLIVAN, MINORITY STAFF DIRECTOR

January 28, 1983

Mr. Roger C. Havens
President
Alaska State Firefighters Association
Box 1537
Cordova, Alaska 99574

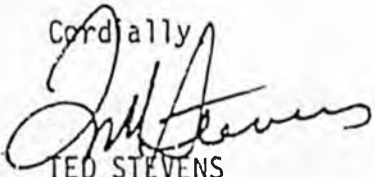
Dear Roger:

I have read the ASFA Resolution 82-17 pertaining to the Defense Appropriations Act of 1981 as it regards the disposal of surplus equipment. It is my understanding that the provisions of Section 765-A in the 1982 Defense Appropriations Act and the similar section in the 1983 Defense Appropriations Act, Section 794, do not affect in any way the disposition of surplus government equipment. Nor do they change the equipment loan programs administered through the Alaska Department of Natural Resources' Division of Forestry Fire Management.

As a point of clarification, these sections prohibit "the leasing to non-federal agencies in the United States aircraft or vehicles owned or operated by the Department of Defense when suitable aircraft or vehicles are commercially available in the private sector." This provision should not and has not altered policy concerning disposition of excess equipment as it has been practiced for more than 20 years. Further, nothing in the DoD Appropriations Acts was intended or should be construed as altering priorities for distribution of surplus equipment between claimants.

I appreciate your writing to me on this important matter and trust this information will be helpful in clarifying the matter.

With best wishes,

Cordially

TED STEVENS
Chairman
Subcommittee on Defense

Bradley

Introduced: 1/18/83
Referred: State Affairs and
Resources

1 IN THE SENATE BY ZIEGLER BY REQUEST

2 SENATE JOINT RESOLUTION NO. 6

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 Relating to the use of military equip-
6 ment for fighting fires in Alaska.

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

8 WHEREAS the state is dependent on available military equipment that is
9 excess to military needs for fighting fires in the state; and

10 WHEREAS the state and local governments of the state have historically
11 relied on excess and available military equipment for essential aircraft,
12 bulldozers, and other vehicles useful in the fight against forest fires in
13 the state; and

14 WHEREAS, if the state and local governments are required to purchase
15 or contract in the private sector for excess equipment traditionally ob-
16 tained from the military, the expense will be prohibitive; and

17 WHEREAS reasonable fiscal and public policy requires that military
18 equipment paid for by the taxpayers of the nation continue to serve public
19 needs, including fire protection, when that equipment is not required for
20 military purposes; and

21 WHEREAS sec. 765A of the Department of Defense Appropriation Act of
22 1981 (P.L. 97-114) has been interpreted to prohibit the Department of
23 Defense from making aircraft, bulldozers, and other vehicles excess to the
24 needs of the department available to the state and local governments of the
25 state for use in fighting fires; and

26 [WHEREAS sec. 765A of the Department of Defense Appropriation Act of
27 1981 prohibits the disposal of aircraft or vehicles to the state or local
28 governments [in Alaska only] when suitable aircraft or vehicles are commer-
29 cially available in the private sector"; and

1 WHEREAS "suitable aircraft or vehicles" are not in fact generally
2 available to the state for lease from the private sector;

3 BE IT RESOLVED that the Alaska State Legislature respectfully requests
4 Congress to delete sec. 765A from future Department of Defense appro-
5 priation acts; and be it

6 FURTHER RESOLVED that the Secretary of Defense is respectfully re-
7 quested to interpret sec. 765A as not prohibiting the disposal of surplus
8 aircraft, bulldozers, and other vehicles to the use of state and local
9 governments for the purpose of fighting fires in Alaska ~~unless the Secre-~~
10 ~~tary determines that aircraft, bulldozers, and other vehicles are in fact~~
11 ~~available in the private sector.~~

12 COPIES of this resolution shall be sent to the Honorable Ronald
13 Reagan, President of the United States; the Honorable Casper Weinberger,
14 Secretary of Defense; the Honorable George Bush, Vice-President of the
15 United States and President of the U.S. Senate; the Honorable Thomas P.
16 O'Neill, Jr., Speaker of the U.S. House of Representatives; and to the
17 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
18 the Honorable Don Young, U.S. Representative, members of the Alaska delega-
19 tion in Congress.



ALASKA STATE FIREFIGHTERS ASSOCIATION

SENATE STATE AFFAIRS COMMITTEE

Hearing on Senate Joint Resolution No.6 Relating
to the Use of Military Equipment for Fighting
Fires in Alaska

February 1, 1983

Mr. Chairman:

My name is E. Robert Haag today I represent the
Alaska State Firefighters Association and the Alaska
Fire Chiefs Association.

We wish to speak in support of Senate Joint
Resolution No. 6.

The Alaska State Firefighters Association and the
Alaska Fire Chiefs Association, during their annual
meetings last October 1982, passed resolutions requesting
that Section 765 A, of the Department of Defense
Appropriation Act of 1981 (PL 97-114) be removed.

These resolutions (copies attached) were forwarded
to the President of the United States, Governor of Alaska,
the Western Fire Chief's Association, and the International
Association of Fire Chiefs.

Section 765 A, of the Act provided that "None of
the funds made available by this Act shall be used in
any way for leasing to non-Federal agencies in the United
States aircraft or vehicles owned or operated by the

Department of Defense when suitable aircraft or vehicles are commercially available in the private sector"

Prior to this Act the state and local governments were allowed to obtain excess and available military equipment as an economical source of fire and disaster equipment. The Fire Departments and the Volunteer fire organizations are on tight budgets. The expense of purchasing equipment, by bids and contracts, is prohibitive.

The Alaska Fire Fighting forces and the citizens of Alaska have been dependent upon available excess military equipment for fighting fires.

It is sound fiscal and public policy that military equipment already paid for by this nation's taxpayers should continue to serve public needs, particularly in the fire protection area, when such equipment becomes excess to the military.

We are in favor and support the language in SJR-6 which requests the Secretary of Defense to interpret Section 765 A, of the Act, as not prohibiting the disposal of surplus military equipment to the use of state and local governments for the purpose of fighting fires in Alaska.

We would be pleased to provide any information your Committee might need so that this Resolution may find early passage through the Legislature.

ALASKA STATE FIREFIGHTERS ASSOCIATION

RESOLUTION No. 82-17

WHEREAS the Alaska Fire Fighting forces and the citizens of Alaska are dependent upon excess military equipment as an economical source of fire and disaster equipment; and

WHEREAS the State Forest Fire protection forces have historically relied on excess military equipment for essential aircraft, vehicles, bulldozers and other material; and

WHEREAS the expense of such material would be wholly prohibitive if state and local entities were required to purchase on contract for such material in the private sector; and

WHEREAS it is sound fiscal and public policy that military equipment already paid for by this nation's taxpayers should continue to serve public needs, particularly in the fire protection area, when it becomes excess to military needs; and

WHEREAS the Defense Appropriation Act (PL 97-114) was amended December 15, 1981 to add Section 765-A which prohibits the Department of Defense from a long-standing practice of disposing of aircraft, vehicles and other equipment excess to its needs; and

WHEREAS such amendment was not the subject of any public hearing,

NOW, THEREFORE, BE IT RESOLVED that the Alaska State Firefighters Association strongly urges that Paragraph 765-A be removed from the Defense Appropriation Act, Public Law 97-114.

BE IT FURTHER RESOLVED that the President of the Alaska State Firefighters Association is directed and authorized to forward copies of this resolution to the President of the United States, Governor of Alaska, Alaska Congressional Delegation Members, the Western Fire Chiefs' Association, and the International Association of Fire Chiefs.

ACTION

Passed

DATE:

October 23, 1982

Leigh Gallagher
LEIGH GALLAGHER, President, ASFA

Alaska Fire Chiefs' Association



RESOLUTION No. 82-2

WHEREAS the Alaska Fire Fighting forces and the citizens of Alaska are dependent upon excess military equipment as an economical source of fire and disaster equipment; and

WHEREAS the State Forest Fire protection forces have historically relied on excess military equipment for essential aircraft, vehicles, bulldozers and other material; and

WHEREAS the expense of such material would be wholly prohibitive if state and local entities were required to purchase on contract for such material in the private sector; and

WHEREAS it is sound fiscal and public policy that military equipment already paid for by this nation's taxpayers should continue to serve public needs, particularly in the fire protection area, when it becomes excess to military needs; and

WHEREAS the Defense Appropriation Act (PL 97-114) was amended December 15, 1981 to add Section 765-A which prohibits the Department of Defense from a long-standing practice of disposing of aircraft, vehicles and other equipment excess to its needs; and

WHEREAS such amendment was not the subject of any public hearing,

NOW, THEREFORE, BE IT RESOLVED that the Alaska Fire Chiefs' Association strongly urges that Paragraph 765-A be removed from the Defense Appropriation Act, Public Law 97-114.

BE IT FURTHER RESOLVED that the President of the Alaska Fire Chiefs' Association is directed and authorized to forward copies of this resolution to the President of the United States, Governor of Alaska, Alaska Congressional Delegation Members, the Western Fire Chiefs' Association, and the International Association of Fire Chiefs.

APPROVED in conference October 20, 1982 in Ketchikan, Alaska.

BASIL J. SANDS, Jr., President

ALASKA STATE FIREFIGHTERS ASSOCIATION

RESOLUTION No. 82-17

WHEREAS the Alaska Fire Fighting forces and the citizens of Alaska are dependent upon excess military equipment as an economical source of fire and disaster equipment; and.

WHEREAS the State Forest Fire protection forces have historically relied on excess military equipment for essential aircraft, vehicles, bulldozers and other material; and

WHEREAS the expense of such material would be wholly prohibitive if state and local entities were required to purchase on contract for such material in the private sector; and

WHEREAS it is sound fiscal and public policy that military equipment already paid for by this nation's taxpayers should continue to serve public needs, particularly in the fire protection area, when it becomes excess to military needs; and

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ACTION _____

DATE: _____

LEIGH GALLAGHER, President, ASFA

Alaska Fire Chiefs' Association



RESOLUTION No. 82-2

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BE IT FURTHER RESOLVED that the President of the Alaska Fire Chiefs' Association is directed and authorized to forward copies of this resolution to the President of the United States, Governor of Alaska, Alaska Congressional Delegation Members, the Western Fire Chiefs' Association, and the International Association of Fire Chiefs.

APPROVED in conference October 20, 1982 in Ketchikan, Alaska.

EASIL J. SANDS, Jr., President

STR

Date Received _____

Bill Number _____ Title _____

Fiscal Note - Date Requested _____ Of Whom _____

Position Paper - Date Requested _____ Of Whom _____

Contact People

People Who Expressed Interest

Follow-up

SJR

13

MEMORANDUM

State of Alaska Department of Transportation & Public Facilities

TO: John Katz, Special Counsel
State/Federal Relations
444 N Capital, N.W.
Suite 518
Washington, D.C. 20001

FROM: Daniel A. Casey, Commissioner
Department of Transportation
and Public Facilities
and
Richard Lyon, Commissioner
Department of Commerce and
Economic Development

DATE: March 18, 1983

FILE NO: 000H

TELEPHONE NO: 465-3900

SUBJECT: State's Position on HR 1076
Marine Freight Transportation
to Alaska.

Our position, in which the Governor concurs, is opposed to this legislation. We more favorably support Senator Steven's position concerning the third proviso such that some quid pro quo for relinquishing the existing relief through Prince Rupert from the Jones Act is gained in exchange.

On the other hand, we are not comfortable that the relief of the Jones Act that we now have through Prince Rupert should be relinquished solely for the American Presidents Lines' right to stop at Dutch Harbor. We think in the long run the potential for traffic through Prince Rupert may be greater than the American Presidents Line request and the psychological threat to the Port of Seattle is such that we could lever our current posture to better gain.

In the long term best interest to the State the third proviso has important strategic value. For example, our ability to replace the Marine Highway fleet is significantly impacted by the Jones Act. The fleet is now approaching 14 to 15 years of age and we have to begin to recognize a need to plan hullage replacement and in some cases hullage expansions. This undertaking, in light of current financial outlook, will be impossible if restricted to the Jones Act. The alternative savings, and the ability to use foreign builders for these kinds of vessels, is dramatic. In addition, with the development of the westward fishing industries, our relief from the Jones Act with regards to port-to-port processors and transportation networks is again significant in that the viability of that industry's development hinges on the tremendous degree of capital intensity surrounding the cost of hullage. Finally, these cost savings also flow to Alaska consumers.

One important compromise, if offered at the appropriate time, would be to support stipulations that American design safety standards and/or crews still be mandated. We feel there can be significant finesse in how this give and take is handled and it must be in the context of an overall commitment to greater hullage construction flexibility.

In summary, in our opposition to HR 1076, we recognize there are significant interests on both sides of this issue that are of immediate impact. However, for the long term strategic benefit of the State, the intention of the third proviso with regards to the Jones Act is critical until we can leverage that in exchange for more significant opportunities for hullage expansion in the future.

cc: Bill Sheffield, Governor, State of Alaska (with attachment)
Ben Harding, Special Staff Assistant to the Governor (with attachment)

Attachment

Dan Casey - Admini:
JONES ACT

- in long run - repeal.

- polit. - not in best
interest of the past
at this time

if → quick program, esp
if repeal 3rd provision

- can't be against
Jones act

- but diminishing need for
repeal at this
time.

↳ Amend Jones

foreign ^{built} vessels all to the specs

- Am registry, crewed by US personnel

- coast specs

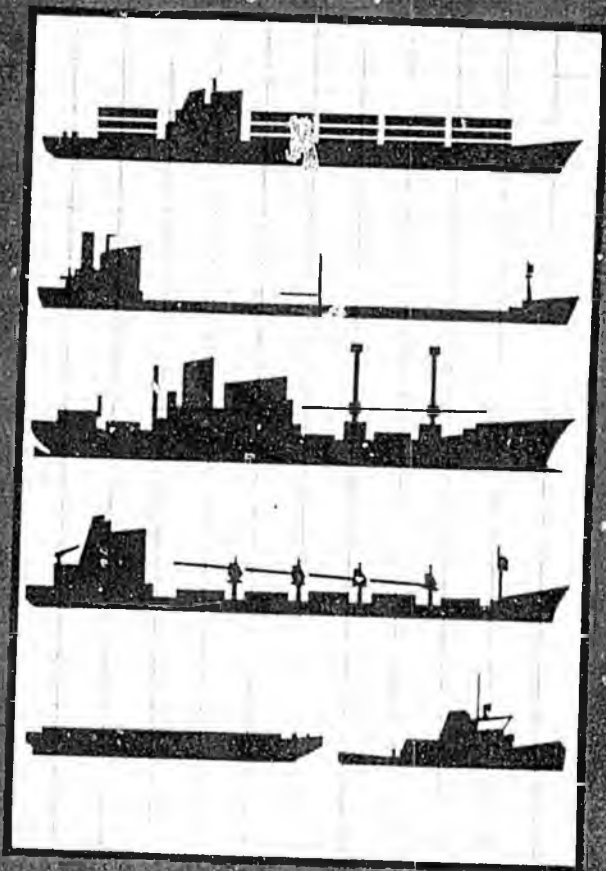
MARITIME

INDUSTRY



A \$800 Million Benefit to the
Alaska Economy

ALASKA



PACIFIC MERCHANT SHIPPING ASSOCIATION

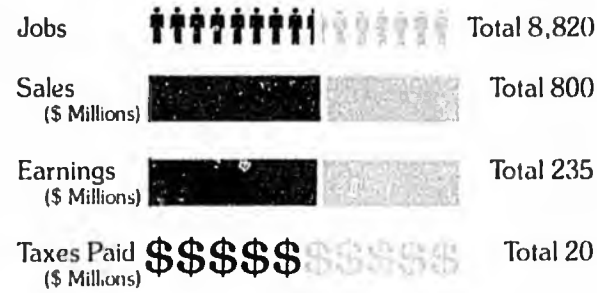
THE MARITIME INDUSTRY AND ALASKA

Maritime trade handled by Alaska means jobs and income for the state. As the volume of cargo grows, so do the benefits.

The Economic Benefits

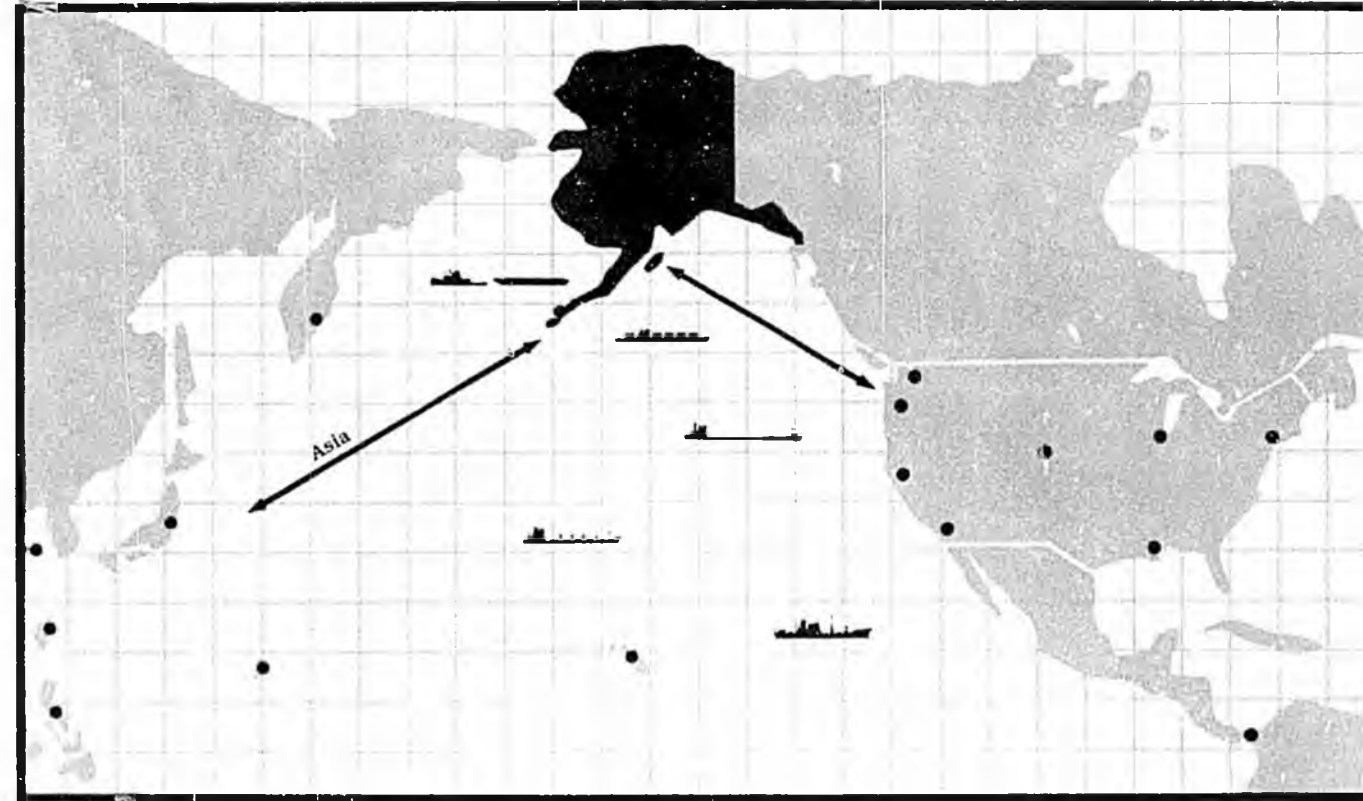
Through its multifaceted activities, and through industry and household purchases, the maritime industry in Alaska generates 1 in every 20 jobs.

The Benefits to Alaska in 1981



 Direct Maritime Industry  Induced Economic Impact

The maritime industry itself contributes a substantial part of this total.



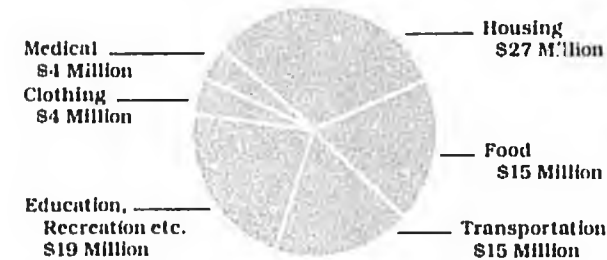
Maritime Industry Jobs and Revenues in 1981

	Jobs	Gross Sales (\$ Million)
Total	1,660	450
Cargo Handling & Services	3,450	380
Shipbuilding & Repair	200	10
Port Development	100	20
U.S. Flag Shipping	250	10
Company Headquarters		
Government Maritime Services	660	30

About 13,620 people in maritime worker households are supported either wholly or in part by the

industry payroll. Spending by maritime industry employees and their families benefits many local businesses:

1981 Personal Expenditures



The remaining \$36 million goes to taxes, insurance, and savings.

Purchases made by maritime industry firms and their employees stimulate other sectors of the Alaska economy. Every dollar received by the maritime industry is worth \$1.78 to the State.



Integral Part of the Economy

In addition to the maritime industry and its suppliers, many Alaska industries benefit from maritime trade. Access to larger markets and to supplies of materials enable increased production and employment. Some examples:

Benefits Attributable to Maritime Trade in 1980

Selected Industries	Sales (\$ Million)	Jobs	% of the Industry
Petroleum	5,700	5,700	98%
Fish & Shellfish	650	3,650	50%
Forest Products	290	2,350	69%

Alaska relies on maritime transportation for much of its trade inside and outside the State. Even non-manufacturing industry, such as mining and contract construction, employing 15,000 people, depends on maritime transportation for its essential materials.

Together, port user industries in Alaska can attribute at least 11,700 jobs and \$6.6 billion of their sales to maritime trade. This represents one in every 15 jobs in the State.

The Ports

Alaska's ports are vital to its development and economic well-being. From its earliest days, Alaska has relied on the maritime industry for obtaining essential raw materials and provisions. Today, the industry is essential for bringing Alaska's vast natural resources to U.S. and foreign markets. Four shipping lines; all U.S. flag operators, provide regularly scheduled liner service to Alaska's major ports.

The Cargo

Alaska's waterborne trade has grown by 1,800% since 1971.

Alaska's Waterborne Trade
(Millions of Revenue Tons)



Note: Revenue tons, used in ocean tariff schedules, generally are equal to the greater of weight or measurement tons.

In 1981, Alaska ports handled foreign trade valued at \$1.3 billion. The great majority of Alaska's trade is with other U.S. ports. Shipments include fish products and lumber as well as bulk petroleum; receipts include construction materials and modules, other inputs to Alaskan industry, and consumer goods.

U.S. flag vessels carried 56% of Alaska's commercial liner trade exports in 1981. Domestic trade is carried solely by U.S. flag vessels.

Industry Impact at a Glance

ALASKA

Maritime Industry Contribution to State Economy

1981	\$800 Million Sales Transactions
1982	\$845 Million Sales Transactions
1983	\$900 Million Sales Transactions

In addition, port user industries had sales of at least \$6.6 billion in 1980.

Maritime Industry Contribution to State Employment

1981	Jobs: 9,000 Earnings: \$234 Million
1982	Jobs: 9,000 Earnings: \$249 Million
1983	Jobs: 9,000 Earnings: \$268 Million

Port user industries contributed an additional 11,700 jobs in 1980.

Maritime Trade Through Washington Ports

1981	99 Million Revenue Tons
1982	100 Million Revenue Tons
1983	100 Million Revenue Tons

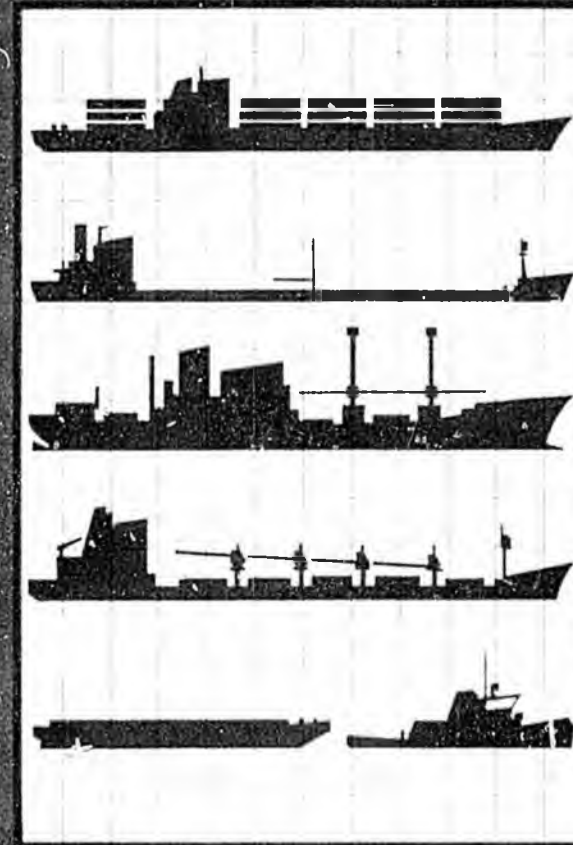
Note: 1981 actual figures; 1982, 1983 forecast figures as of June 1982.

The maritime industry of Alaska with all its related and supporting activities, represents a vital part of Alaska's economy. It provides 9,000 jobs, contributes \$800 million to state gross sales, and pays \$20 million in state and local taxes. Maritime trade enables the development of the State's resources, provides its population with essential commodities, and contributes to the economic health of Alaska.

MARITIME INDUSTRY

A \$800 Million Benefit to the
Alaska Economy

ALASKA



PACIFIC MERCHANT SHIPPING ASSOCIATION

The Pacific Merchant Shipping Association (PMSA) is the only regional maritime association based on the West Coast. Its primary function is to monitor the local, state and federal issues which impact the maritime industry on the West Coast. Its members include operators and owners of U.S. and foreign flag vessels which trade in the Pacific Basin.

PMSA has been representing a major segment of the West Coast maritime industry since it was founded as the Pacific American Steamship Association in 1919. It was chartered as PMSA in 1974 to initiate, sponsor, promote, and carry out plans, policies, and activities which will tend to further the prosperity and development of owners and operators of vessels engaged in the transportation by water of cargo or passengers from and/or to the Pacific area of the United States and to engage in all lawful activities and operations usually and normally engaged in by a business league.

American President Lines, Ltd • C.G.M./Incotrans • Crowley Maritime Corporation • Hapag-Lloyd, AG • Johnson Seastar, (N.A.) • Kawasaki Kisen Kaisha, Ltd • Los Angeles Steamship Association • Lykes Bros. Steamship Co., Inc. • Maersk Line • Matsun Navigation Co., Inc. • Neptune Orient Lines, Ltd • Polynesia Line, Ltd • Sea-Land Service, Inc. • Showa Shipping Co., Ltd • Star Shipping A/S • United States Lines, Inc. • Yamashita-Shinnihon Steamship Co., Ltd

PMSA

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Oakland, California

THE JONES ACT

An amendment to the Merchant Marine Act was sponsored in 1920 by Senator Wesley L. Jones of Washington, Chairman of the Senate Commerce Committee. This amendment prohibited the use of any but American-built, American-owned vessels in the carriage of cargo between points in the United States. Such carriage was to include the coastwise, intercoastal and territorial trades. Forfeiture of cargo and a fine of \$200 per passenger were fixed as the penalties for violation. This provision-Section 27 of the Merchant Marine Act of 1920-together with cabotage laws covering fishing, passenger and cargo transport are today commonly referred to as the "Jones Act." Response from abroad to Senator Jones' amendment was highly critical. British insurance interests publicly debated whether they would continue to insure American vessels, in view of this restrictive policy. The U.S. State Department claimed that the Jones Act would necessitate the revision of 24 commercial treaties with other trading nations. Foreign interests proclaimed the Act a radical departure from traditional U.S. maritime policy.

In reply to foreign criticism of the amendment, Senator Jones said:

"We are entering no brotherly love Sunday School in seeking our part of the world carrying trade. Fair means and foul will be used to defeat us. Fierce assaults will be made upon us from every angle. No meek turning of the cheek will win. We must fight back and fight hard to maintain ourselves, and every honorable means must be used to advance. Other nations will make concessions to attain certain advantages. We have it in our power to secure concessions that we should have."

"No merchandise shall be transported by water or by land and water on penalty of forfeiture thereof between points in the United States, including districts, territories and the possessions thereof embraced within the coastwise laws, either directly or via a foreign port, in any other vessel than an vessel built in and documented under the laws of the United States . . . Sec. 27, 46 U.S.C.883

Cabotage is defined as the trade or transport in coastal waters or between two points within a country. Many other nations, besides the United States, have laws restricting cabotage to vessels sailing under their national flag. Among countries protecting this trade are Australia, Brazi, Canada, Finland, France, West Germany, Greece, Spain and the U.S.S.R. This list includes three of the top four maritime nations in the world. The reasons for protecting this trade are many and varied. The most salient arguments, however, for cabotage restrictions are those of increased economic welfare to the country and heightened national security.

The principal reasons for passage of the Jones Act in 1920, namely, heightened national security and economic welfare, are still valid today.

The U.S. merchant marine has been referred to as the nation's "fourth arm of defense." So crucial is our merchant

marine for national security that Congress charged the Maritime Administration with maintaining a merchant fleet capable of serving as a naval and military auxiliary in times of war or national emergencies. The Jones Act assures us that we will have a healthy domestic fleet capable to serve in national defense capacities.

The economic considerations underlying the Act were to assure employment of American citizens in shipbuilding and vessel manning, and to protect the ratepayer by prohibiting low-cost foreign competition from entering U.S. domestic trade routes, thereby driving out U.S.-flag carriers, and then increasing rates to unreasonable levels.

Today, the Jones Act Deep Draft Fleet numbers 251 ships. This is almost 50 percent of the entire U.S.-flag oceangoing fleet. Of these, 213 are tankers. This accounts for over 80 percent of the total U.S.-flag tanker fleet. As a nation whose security and welfare depend greatly on the unrestricted movement of petroleum, it would be devastating to allow our fleet to be destroyed by foreign competition.

Also, participating in the Jones Act trade are a number of U.S.-flag bulk and container ships which provide a range of services. These ships provide efficient and dependable service to non-contiguous areas and territories of the United States (Alaska, Hawaii, Puerto Rico, and Guam).

Over 4,500 towboats and tugboats on the inland and coastal waterways system move a significant portion of all U.S. bulk

The Department of Defense includes the nation's merchant marine as a key component of its logistical planning, yet Admiral Thomas H. Moorer, former Chairman of the Joint Chiefs of Staff, and other defense experts testified before the last Congress that the United States does not have adequate military sealift capability to support its troops overseas in the event of a war. Over 90 percent of all supplies necessary to support any sustained military operation overseas must be carried by ship. At a time when the nation is working to bolster its defense capabilities, it would be disastrous to further weaken our already struggling merchant marine.

The Jones Act has helped support our nation's shipbuilding mobilization base. The Jones Act fleet has been a major generator of the demand for U.S.-build ships. Since 1950 the domestic shipping industry has purchased 62 percent of the nation's shipbuilding tonnage.

The U.S. economy has greatly benefited from the Jones Act. In 1975 more than 185,000 American workers owed their livelihoods to the domestic waterborne transportation industry protected by the Jones Act. This large number included seamen, employees of shipyards, and employees in allied industries which support domestic ocean shipbuilding efforts.

The use of U.S.-flag vessels in domestic shipping keeps billions of dollars in wages, taxes and shipping revenues at home. Were the Jones Act not in existence, our country would experience a large increase in its balance of payments deficit.

goods, including foodstuffs and energy products. It is the most energy efficient transportation network in the country. Without the Jones Act nothing would prevent foreign operators from moving in and engaging in rate-cutting wars with American carriers; once the American fleet was eliminated, they could raise rates and reduce service as desired.

The Jones Act plays an important role in our national security. The availability of our domestic fleet during time of war or national emergency is a critical necessity for the United States. Also critical is the availability of a ready reserve of manpower to operate these vessels. The merchant marine has been an active participant in our national defense throughout our history. Examples include:

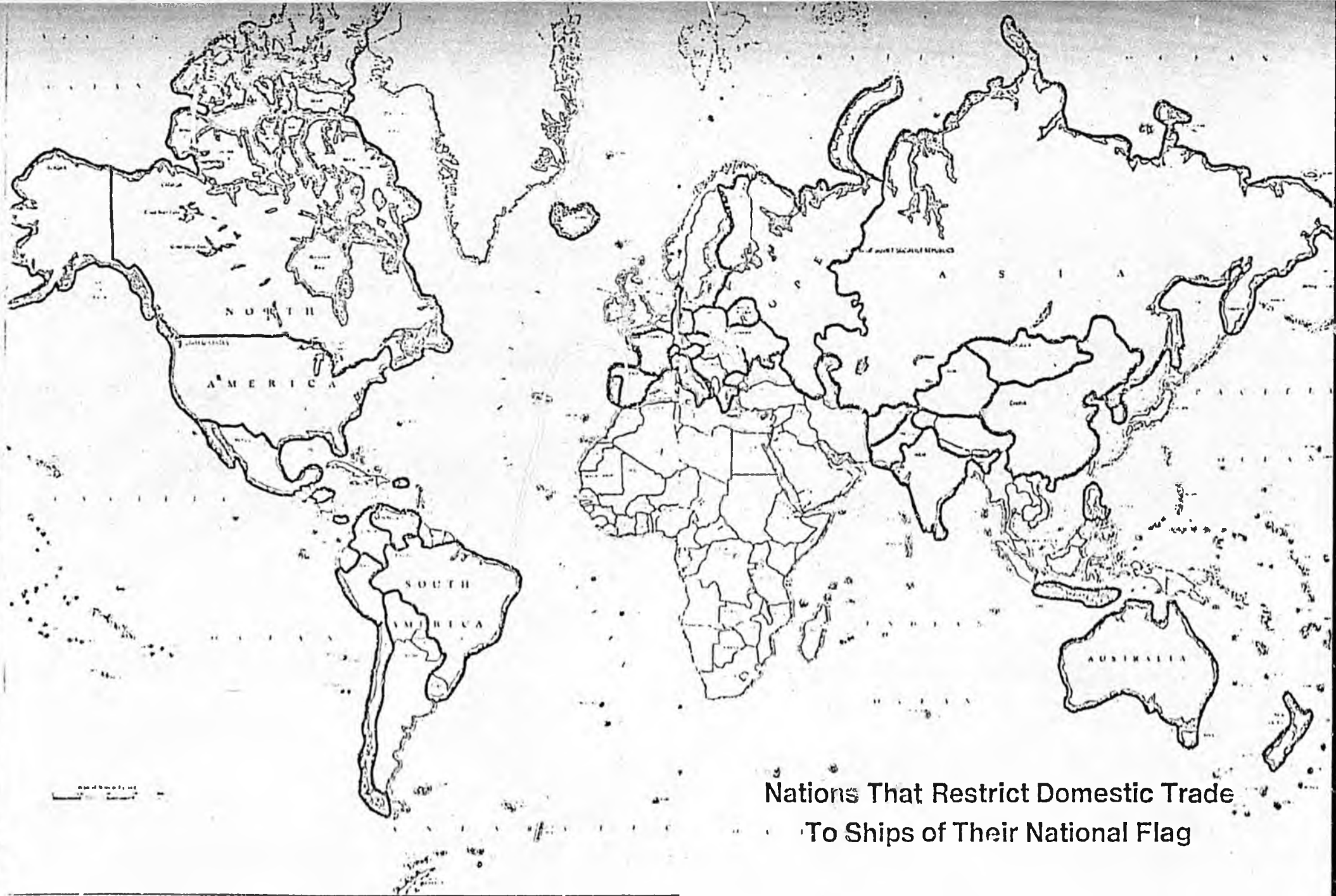
* When Pearl Harbor propelled the United States into the war in the Pacific and subsequently in Europe, the government immediately turned to the domestic fleet for its first-line response to the demand for overseas shipping.

* Vice Admiral Edward L. Cochrane testifying before the House Merchant Marine and Fisheries Committee in 1952 stated that a lesson had been learned from the Korean affair: "...the American merchant marine has been able so far to accomplish everything it was called upon to do." Without the protection of the Jones Act, the fleet would not have been nearly so effective.

* As the Vietnam conflict escalated, the U.S. merchant marine carried more than 300,000 men and 98 percent of the

Finally, the domestic waterborne fleet has maintained an enviable record of reliable service to its customers. It goes without saying that the absence of the Jones Act could jeopardize the availability of adequate, reliable service to all areas of domestic waterborne commerce.

The future of the Jones Act depends on the fortitude of the Congress in its support of the U.S. Merchant Marine and its contribution to national security. We, as a nation, derive tremendous benefit from a strong merchant fleet and the Jones Act provided the base for that fleet. Any effort to subvert the intent of the Jones Act must be weighed against these benefits. It quickly becomes evident that the United States cannot afford to allow its cabotage to be overrun with foreign vessels. It is, therefore, imperative that the Jones Act remain in full force.



(50)

MARITIME INDUSTRY

AN \$800 MILLION BENEFIT TO THE
ALASKA ECONOMY

ALASKA

PACIFIC MERCHANT SHIPPING ASSOCIATION

THE PORTS

Alaska's ports are vital to its development and economic well-being. From its earliest days, Alaska has relied on the maritime industry for obtaining essential raw materials and provisions. Today, the industry is essential for bringing Alaska's vast natural resources to U.S. and foreign markets. Four shipping lines, all U.S. flag operators, provide regularly scheduled liner service to Alaska's major ports.

THE CARGO

Alaska's waterborne trade has grown by 1,800 percent since 1971.

ALASKA'S WATERBORNE TRADE (Millions of Revenue Tons)				
	Container	Liquid Bulk	Other	Total
1971	0.3	2.1	2.8	5.2
1981	2.2	93.8	3.0	99.0

Note: Revenue tons, used in ocean tariff schedules, generally are equal to the greater of weight or measurement tons.

In 1981, Alaska ports handled foreign trade valued at \$1.3 billion. The great majority of Alaska's trade is with other U.S. ports. Shipments include fish products and lumber as well as bulk petroleum; receipts include construction materials and modules, other inputs to Alaskan industry, and consumer goods.

U.S. flag vessels carried 56 percent of Alaska's commercial liner trade exports in 1981. Domestic trade is carried solely by U.S. flag vessels.

THE MARITIME INDUSTRY AND ALASKA

Maritime trade handled by Alaska means jobs and income for the state. As the volume of cargo grows, so do the benefits.

The Economic Benefits

Through its multifaceted activities, and through industry and household purchases, the maritime industry in Alaska generates 1 in every 20 jobs.

THE BENEFITS TO ALASKA IN 1981			
	Direct Maritime Industry	Induced Economic Impact	Total
Jobs	4,660	4,160	8,820
Earnings (\$M)	120	115	235
Sales (\$M)	450	350	800
Taxes Paid (\$M)	10	10	20

The maritime industry itself contributes a substantial part of this total.

MARITIME INDUSTRY JOBS AND REVENUES IN 1981		
	Jobs	Gross Sales (\$ Million)
TOTAL	4,660	450
Cargo Handling & Services	3,450	380
Shipbuilding & Repair	200	10
Port Development	100	20
U.S. Flag Shipping Company Headquarters	250	10
Government Maritime Services	660	30

About 13,620 people in maritime worker households are supported either wholly or in part by the industry payroll. Spending by maritime industry employees and their families benefits many local businesses:

1981 EXPENDITURES

Food	\$15 Million	18%
Transportation	\$15 Million	18%
Housing	\$27 Million	22%
Medical	\$4 Million	5%
Clothing	\$4 Million	5%
Education, Recreation etc.	\$19 Million	22%

The remaining \$36 million goes to taxes, insurance, and savings.

Purchases made by maritime industry firms and their employees stimulate other sectors of the Alaska economy. Every dollar received by the maritime industry is worth \$1.78 to the State.

Integral Part of the Economy

In addition to the maritime industry and its suppliers, many Alaska industries benefit from maritime trade. Access to larger markets and to supplies of materials enable increased production and employment. Some examples:

BENEFITS ATTRIBUTABLE TO MARITIME TRADE IN 1980			
Selected Industries	Sales (\$ Million)	Jobs	% of the Industry
Petroleum	5,700	5,700	98%
Fish & Shellfish	650	3,650	60%
Forest Products	290	2,350	69%

Alaska relies on maritime transportation for much of its trade inside and outside the State. Even non-manufacturing industry, such as mining and contract construction, employing 15,000 people, depends on maritime transportation for its essential materials.

Together, port user industries in Alaska can attribute at least 11,700 jobs and \$6.6 billion of their sales to maritime trade. This represents one in every 15 jobs in the State.

INDUSTRY IMPACT AT A GLANCE

ALASKA

MARITIME INDUSTRY CONTRIBUTION TO STATE ECONOMY	
1981	\$800 Million Sales Transactions
1982	\$845 Million Sales Transactions
1983	\$900 Million Sales Transactions

In addition, port user industries had sales of at least \$6.6 billion in 1980.

MARITIME INDUSTRY CONTRIBUTION TO STATE EMPLOYMENT		
	Jobs	Earnings
1981	9,000	\$234 Million
1982	9,000	\$249 Million
1983	9,000	\$268 Million

Port user industries contributed an additional 11,700 jobs in 1980.)

MARITIME TRADE THROUGH ALASKA PORTS	
1981	99 Million Revenue Tons
1982	100 Million Revenue Tons
1983	100 Million Revenue Tons

Note: 1981 actual figures; 1982, 1983 forecast figures as of June 1982.

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PMSA

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U.S. FLAG MERCHANT MARINE COMPANIES IN THE ALASKA TRADE

Totem Ocean Trailer Express, Inc. (T.O.T.E.)

Sea-Land Service Inc.

Crowley Maritime (several companies)

Foss Alaska Line (other companies)

Marine Leasing Inc.

Southeast Alaska Barge Lines

Northland Services

Coastal Alaska Barge Lines

Western Pioneer

Artic Gulf

Jacobsen Brothers

Knappton Marine Corp. (several companies)

Pacific Western Lines

Western Towboat

Boyer Halverson

Samson Tug & Barge Company

Dahl Transportation

Page Two

Alaska Marine Highway System

North Star III

Pacific Alaska Lines

HISTORY OF U.S. CABOTAGE LAWS

In 1789 the First Congress passed a Tariff Act providing for a 10 percent reduction in customs duties on goods imported into the U.S. on American vessels. Two years later Congress enacted a law requiring that all American flag vessels be built by U.S. citizens in an American yard and be commanded by a citizen of the United States.

During the two centuries since that act was passed, the laws reserving coastwise trade to American-built, American-owned, American-manned ships has been sustained, clarified and extended.

In 1793 Congress passed a law prohibiting foreign-flag fishing vessels from landing any part of their catch or any fish products in U.S. ports. Nearly a century later-in 1874-an act specifically prohibiting the use of foreign-built fishing vessels in domestic fishing strengthened the policy of reserving the fisheries to U.S. nationals-a policy which is still in force, excepted only by specific treaties and conventions.

While laws passed in 1808 and 1817 excluded foreign vessels from the domestic trades, the nineteenth century maritime policies of the United States evolved largely from reciprocal treatment by the European maritime powers. Among maritime nations, the common method of assisting domestic shipping industries was to reserve coastal shipping to ships of the national flag.

This policy was abandoned by Great Britain with repeals of the Navigation Acts in 1850 and 1854. Consequently, British ships were admitted into U.S. ports on the same terms as American ships were

admitted into British trade.

Oceangoing passenger and cargo trades burgeoned with the development of steam power, screw propulsion and the use of iron and steel during the Industrial Revolution. Mechanical power brought with it the decline of America's magnificent fleet of clipper ships. The growth of steam-powered foreign fleets brought both increased infringements on U.S. passenger service and major safety hazards which caused heavy losses on the seas. Congress moved to shelter the passenger trade as well as provide strict safety standards.

The Bureau of Navigation was created in 1884, charged with the responsibility to administer and enforce provisions for the safety of life and property on U.S. vessels.

Two years later Congress enacted a law that provided heavy penalties for foreign vessels caught transporting passengers between ports in the United States when those passengers had been taken aboard at other U.S. ports. The Act of 1886 also gave the President explicit powers to suspend commercial privileges to vessels of countries that denied the same privileges to American ships.

Cabotage regulations were tightened in 1898. All vessels engaged in coastwise trading had to be constructed in U.S. shipyards to American standards. And their owners, including any officers of corporations with ownership, had to be citizens of the United States

In 1912 Congressional insulation of the domestic fleet was

buttressed with the prohibition of the registry of foreign-built vessels under the American flag unless they were exclusively engaged in foreign commerce.

In the years following the outbreak of war in Europe in 1914, powerful business, banking and professional interests represented by the National Marine League called for "a campaign of education of the non-maritime public...to bring the average voter to a realization of his own personal interest in American control of the ocean transportation of American products."

The New York Times admonished the shipping industry to seize the "ripe plum" while they might-in reference to the war-created opportunity to regain supremacy on the seas. American ships and sailors had been the standard of the world in the nineteenth century. By 1916, nationalism was running high and the nation longed to reestablish itself as a major ocean shipping power.

Such was the mood that prompted the passage of the Shipping Bill of 1916. One stipulation of that act was that controlling interest in a ship-owning corporation and 75 percent of its stocks be owned by citizens of the United States. The stock ownership provision was designed to circumvent the possibility of the sale of the corporation stock to foreign interests. Ships owned or effectively controlled by foreign nationals, The Times warned, could present serious dangers in the event of U.S. involvement in the war. Such owners would seek to hinder the passage of regulatory legislation desirable for the United States' fleet but which would disadvantage foreign


operators, the newspaper held.

The Act of 1916 also created the Shipping Board-forerunner of the Maritime Administration-and gave it regulatory powers over the merchant fleet. Because of the shortage of available shipping, the Board was authorized under the Ship Purchase Act of 1916 to allow foreign-built vessels to engage in the coastwise trade-provided they were purchased from the Shipping Board by citizens of the U.S. and registered under the American flag for the express purpose of serving domestic trade. The Shipping Board could not operate ships itself unless it was unable to sell, lease or charter them to private corporations.

Private and public interests alike worked to prepare the U.S. flag fleets for a share of the rich opportunities available to neutralist shipping. And they worked doubly hard to assure that the profits would flow directly into American pockets.

Spurred by the emergency shipbuilding program toward the end of the war, the U.S. merchant fleet nearly quintupled in size between 1913 and 1922-gross tonnage jumped from 3 million to 14.7 million. Government orders to private yards authorized by the Ship Purchase Act caused a boom in the shipbuilding industry, vastly increasing the tonnage available to American shippers.

After World War I, there was a slowdown in shipbuilding, coupled with escalating rate wars. The maritime nations strove to bring maximum advantage from the enormous dislocations of commercial life that had been brought about by the conflict.



Recommendations

1 Alaska should become an activist state. It should take a lead among states to define the boundaries of state powers in our union.

In our two years of work, we have studied federal-state conflicts both past and present. We noted the powers at stake. We considered who won each argument, and why. Distilling these principles, we applied them to the state of Alaska.

Our conclusion is that action must force each issue.

If resource states feel threatened by propaganda from the Northeast-Midwest Institute, the solution is to generate our own research and distribute it in the same circles of press and Congress. If other resource states are slow to get underway on this, then Alaska should put up seed money to get a research agency started.

If we need an agreement with another state or a Canadian province, we should proceed to get it. We need not seek Congress's approval. Our research shows that the Supreme Court rarely invalidates such agreements for lack of congressional consent. In fact, seeking congressional approval often produces delay and unwanted conditions tied to this consent.

Some federal grants require a reorganization of state practices as a condition of receiving money. If we do not like to be thus dictated to, we should refuse the grant and take our protest to those who write the conditions.

In government, power flows to those who use it.

Across the nation, state officials moan about federal intrusion. Yet they have shunned using the built-in control the Constitution offers: the states' power to propose and ratify amendments

independent of Congress. The framers saw amendments suggested by the states sitting in convention as vital to equilibrium between states and the national government. But the states have never held such a convention.⁹ All proposals have seeped through Congress, which consistently favors federal sprawl at the expense of the states.

The greatest hindrance to a convention for proposing amendments is the lack of procedural rules. If the states want results, they should first assemble a constitutional convention solely to set rules for future conventions.

If Alaska or another state feels a federal action violates the constitutional balance of powers, it should promptly sue. As important as the suit is getting support from all states and municipalities affected by the action. The best way to organize this support is through a legal action fund.

Our point is simple: the federal government responds poorly to suggestions from the sidelines. To preserve their powers states must use their powers and accept the risks that such action brings.

2 Repeal of the Jones Act will serve Alaska's and the nation's interest, and Alaska should seek repeal. In the short term, the state should dedicate itself to obtaining an amendment to the Jones Act which would allow the use of foreign-built ships in the Jones Act trade.¹⁰

Alaskans have long felt that the federal law called the Jones Act, also known as the Merchant

⁹It is important to add that states can--with their resolutions calling for a convention--push a reluctant Congress into action. The U.S. Senate long opposed direct election of senators, but after two-thirds of the state legislatures called for a convention to propose this amendment, Congress did pass a similar proposal which was ratified as the 17th Amendment in 1913. If 34 states call for a convention to propose rules for Article V conventions, Congress will probably propose the rules in legislation to prevent such a first convention being held.

¹⁰Commissioner Davic strongly disagrees with the commission's conclusions and recommendations concerning the Jones Act. Commissioner Davic submitted additional materials supporting his position which are part of the official record of the commission.

Marine Act of 1920, works to the state's disadvantage. Our research on the economic effects of the Jones Act on Alaska confirms this intuition. We also found that the Jones Act--intended to protect and nurture a merchant marine for the nation's benefit in war and peace--is in fact destroying it.

This is one of the ironies of the Jones Act...our merchant fleet has dropped by half since World War II while the world tonnage has gone up sixfold.

The Jones Act requires that vessels carrying goods between U.S. ports be built in the U.S.; registered in the U.S.; and owned and manned by U.S. nationals. Jones Act vessels enjoy protection from free-market competition by foreign ships, which have much lower construction and manning costs.¹¹

As typical of protected markets, higher freight rates result in the U.S. coastwise trade. In the contiguous states, where ships face lively competition from land transport, the coastwise liner trade in most cargoes has priced itself out of business. Rail and truck lines move the goods more cheaply.

This is one of the ironies of the Jones Act. It seeks to build a sheltered environment for U.S. vessels to create domestic prosperity and wartime security. Yet our merchant fleet has dropped by half since World War II while the world tonnage has gone up sixfold.¹²

Because they have no legal alternative to the Jones Act fleet, Alaska and Hawaii and the contiguous territories (except the Virgin Islands, which is exempt from the act) pay the higher freight rates which it imposes. These freight rates amount to a subsidy--the lifeline of the remaining Jones Act fleet.

If the nation feels it benefits from the Jones Act, it should distribute its costs evenly across the nation. As matters are, the Alaska trade now supports nearly one-third of the entire Jones Act fleet.

The Jones Act burdens Alaska in several ways. Its strongest effect is to reduce state oil revenue. The act also raises the cost of all domestic freight coming to Alaska. And it discourages the development of new oilfields and mineral deposits in Alaska.

The Jones Act decreases state oil revenues because the extra shipping costs it imposes decrease the "wellhead" price of Alaska oil. Each extra dollar of shipping costs decreases the wellhead price by a like amount.

Wellhead price is the price upon which Alaska levies royalties and taxes.¹³

Our research shows that the Jones Act, by requiring the use of high-priced American tankers, reduces the wellhead value of Alaska oil by at least \$225 million yearly, and perhaps as much as \$630 million yearly. Because Alaska would get about 28 cents of each dollar increase in wellhead value (in taxes and royalties), *this means Alaska is foregoing between \$63 and \$176 million dollars yearly in state revenue.*

In addition to its effect on oil income to the state, the Jones Act adds approximately \$41 million yearly to the cost of goods coming to Alaska in the liner trades, mostly consumer goods, building materials and business supplies.

The Jones Act chills the development of oil fields and mineral deposits which would be on the "margin" between profitable and unprofitable. An example is the huge Ugnu/Kuparuk oil-tar deposit west of Prudhoe Bay. If developed, it will have very high production costs. An extra dollar of shipping cost per barrel of oil can knell financial death for such a field.

This is perhaps the worst effect of the Jones Act--that down the years, the act will continue to sour the development of Alaska.

Strong lobbies back the Jones Act. We fear that total repeal of the act is unlikely to occur in the near term, though the entire nation would benefit from repeal. More domestic cargoes would move by water than now do (Tussing, p. 40). The federal government would reap \$135 to \$378 million more each year in revenue from Alaska oil, since it gets about 60 cents of each dollar increase in wellhead value.¹⁴

The state's long range goal must be to get the act repealed. One amendment to the Jones Act holds immediate promise. It would allow into the Jones Act trade *foreign-built ships* that meet American safety standards. It would keep in force the requirements of U.S. manning, U.S. registry, and U.S. ownership. The requirement of U.S. construction--by far the most expensive feature of the Jones Act--would be dropped. This would ease the burden on Hawaii, Alaska and other noncontiguous parts of the U.S. and would help expand the size of the U.S. merchant fleet.

¹¹See the Alaska Statehood Commission publication, *The Jones Act and its Impact on the State of Alaska*, by Simat, Helliesen and Eichner, Inc., 1982.

¹²See the Alaska Statehood Commission publication, *Alaska's Economy and the Merchant Marine Act of 1920*, by Arlon R. Tussing and Associates, Inc., 1982.

¹³Wellhead price equals the price a refinery pays for a barrel of oil *minus* the cost of moving that oil from well to refinery. The price the refinery pays is roughly the "world price" for that grade of oil as determined by world market conditions and actions of the Organization of Petroleum Exporting Countries

¹⁴Based on an annual increase in wellhead price of \$225 to \$630 million (Tussing, 1982, p. 2).

Our research shows that this change would bring a net increase in U.S. shipping jobs. New jobs in the resurrected contiguous-states coastwise trade would more than offset the jobs lost in U.S. shipyards now building merchant vessels.

We would hear the objection that some U.S. shipbuilding capacity would not be available should another protracted, non-nuclear conflict like World Wars I or II occur. Congress should weigh the alleged national defense benefits against the present-day costs of the act. The Jones Act breeds high prices and inefficiency. It is slowly destroying our U.S. merchant marine. The act must be amended; it ought to be repealed.

3 Alaska and our congressional delegation should vigorously oppose extension of that portion of the Export Administration Act of 1979 which effectively bans the export of Alaska North Slope oil.

Federal law prevents the export of Alaska North Slope oil and keeps it from a natural market:

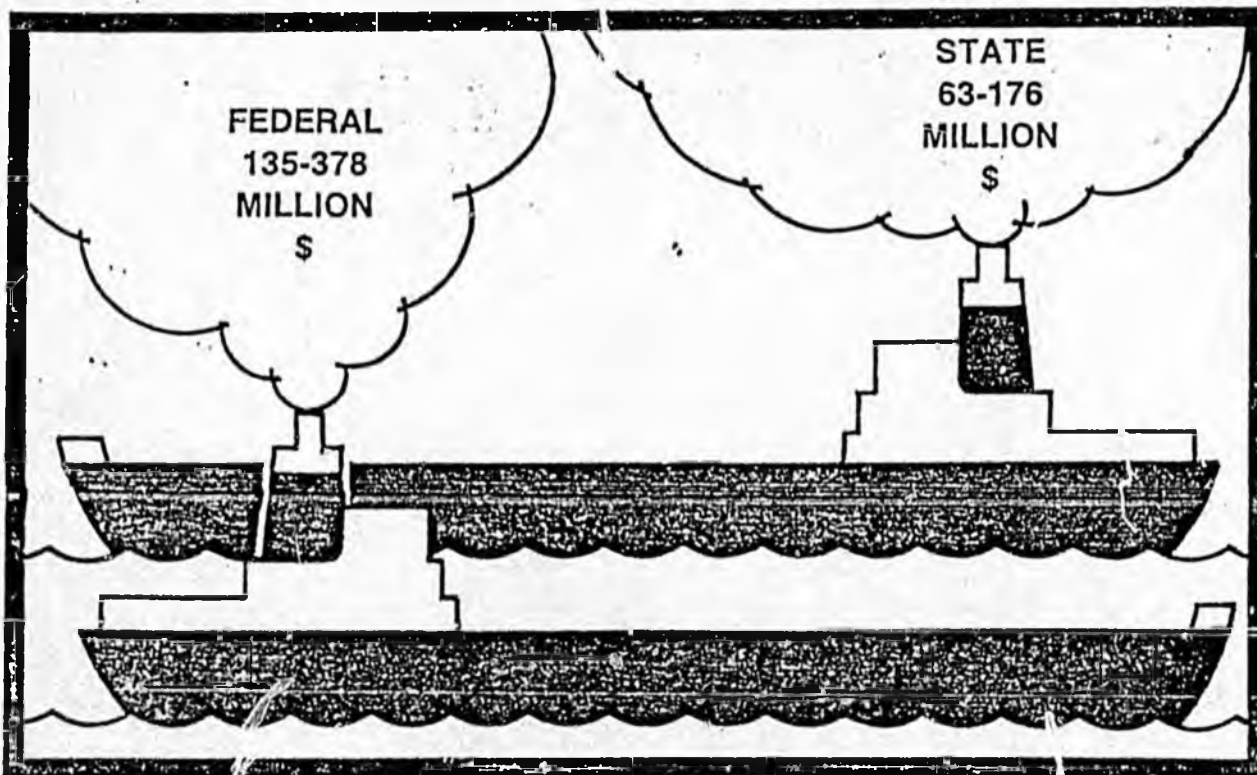
Japan and the Orient. It forces this oil into expensive American tankers and depresses the price of Alaska oil in other ways as well. Lifting the export ban might ultimately increase Alaska's oil revenue by \$500 to \$800 million annually.¹⁹

Two federal laws encumber the export of North Slope oil. One is the Trans-Alaska Pipeline Authorization Act of 1973. It places difficult, but not insurmountable, obstacles to the export of any oil which has flowed down a pipeline sitting on leased federal land. (This law covers the Alaska pipeline and some pipelines in other states as well.)

The second law is a section of the Export Administration Act of 1979. It aims only at Alaska North Slope oil. It sets conditions so numerous and so harsh that, in effect, it lays a total ban on the export of this oil.

The Export Administration Act of 1979 expires on Sept. 30, 1983. State officials and the Alaska congressional delegation should devote themselves to blocking extension of that part of the act relating to North Slope oil. If Congress renews it, a national opportunity to export our oil will not come again for years. North Slope production may be declining by then.

The export prohibition, by default, requires



OIL REVENUES LOST FROM JONES ACT RESTRICTIONS

The effect of the Jones Act on wellhead price depresses federal and state oil revenues, in the dollar ranges shown.

¹⁹See pp. 25-28 of the Alaska Statehood Commission publication *Alaska's Economy and the Merchant Marine Act of 1920*, by Arlon R. Tussing and Associates, Inc., 1982.

In defense of the Jones Act

A response to "Jones Act authorizes stealing" by Rick Luttmann, Aug. 5.

We are not talking about job creation when we support the closure of the Third Proviso. We do not say it would take less people if the closure fails. It would only take less American people.

When the Interstate Commerce Commission stopped controlling rates on through-rail shipments (Hydro-Train to Alaska Railroad, for example) the people in Fairbanks thought they might get cheaper rates. This did not happen.

The shippers who had pipe, drilling mud, and other high-tonnage shipments to Prudhoe Bay got the "cheap freight." The everyday consumers' rates went up, because someone has to pay the tab.

We have fierce competition now between TOTE and Sea-Land in the "hot freight" shipping as well as competition among numerous barge lines on shipment to Alaska.

Leaving the Third Proviso open isn't going to save Alaska consumers \$100 a year, or even \$1 a year (if anyone believes it will give me a call; I have a bridge I'd like to sell).

But I suppose Mr. Luttmann and I are destined to disagree. He probably drives a Toyota and I don't believe in that baloney, either.

8/22/63 AG Ben Rule



Resource Development Council

for Alaska, Inc.

444 West 7th Avenue, Anchorage, Alaska 99501
Box 516, Anchorage, Alaska 99510-507/278-9615

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Eitel H. "Pete" Nelson
E. Thomas Pargeter

April 6, 1983

Senator Jay Kerttula
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Kerttula:

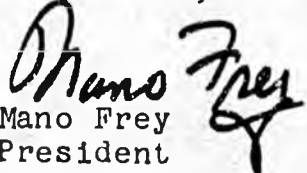
Each year the the Resource Development Council for Alaska reviews legislation introduced during the session and makes public comment on those which we believe will have impact on the development of Alaska's economic future. We wish to express our support for the basic principles expressed in Senate Joint Resolution No. 13 introduced by the Rules Committee at the request of the Alaska Statehood Commission.

There is no question that repeal of the Jones Act could significantly enhance the maritime industry in Alaska and the nation. We recognize, however, that many private investors have expended significant energy and financial resources to comply with the provisions of the Jones Act. We therefore urge you to consider incorporating provisions into the resolution which would provide reasonable protection for private investments already made to comply with the provisions of the Jones Act.

We look forward to receiving your comments on the concerns we have expressed.

Sincerely,

RESOURCE DEVELOPMENT COUNCIL
for Alaska, Inc.


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President

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Resource Development Council

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DRAFT

POLICY STATEMENT NO. 14

TRANSPORTATION

Resource development of any kind is dependent upon the existence of a cost-effective transportation system for the movement of materials, equipment and supplies, people and products.

The United States faces a serious trade deficit. Alaska holds numerous developable world-scale mineral resource deposits, as well as fishing, timber and agricultural potentials. In order for Alaska's resources and products to become competitive in the world markets, its under-developed transportation system and facilities must be brought to modern capacity and efficiency.

Exports can be developed, if and when suitable transportation systems and infrastructure are in place, and if and when the development of such potentials is encouraged and induced by the state through its taxing and spending policies.

In many cases the resources available for development in Alaska are situated far from ocean, river, road, rail and air service facilities and thus require new approaches from a development standpoint. Historically, federal funding has substantially aided in the establishment of major transportation facilities and networks and should continue to do so in Alaska. Such programs have supported growth and encouraged development.

The Resource Development Council urges that state revenues be used to diversify the economy, creating a broader economic base through provision of transportation infrastructure and capital improvements for support of multi-modal transportation systems.

Coordinated public and private investments in research and planning for the selection of integrated approaches to derive cost-effective transportation schemes are imperative. Such investments in research and development will enhance, encourage and induce private sector growth, benefit Alaska's present and future populations, and the nation as a whole.

With these points in mind, the Council urges the Alaska Legislature and administration to:

continued...

RAIL

Underwrite expansion of Alaska's railroad systems into world scale-resource areas with connecting links to the facilities of other modes of transport.

(See separate Policy Statement on the Alaska Railroad [#15])

DRAFT

II. MARINE HIGHWAY

Place the Alaska Marine Highway System under an autonomous authority or delegate operation of the system to private enterprise.

Analyze and implement means for improving management, reducing operational costs, and more efficiently transporting increased tourist traffic and cargo.

Develop ferry system port facilities which are compatible with and complimentary to other modes of effective transportation.

III. OCEAN

Focus executive and legislative attention on resolution of cost impacts on Alaskan commerce and the possible discrimination against Alaska in coastwise trade by the Nicholson Act, the Jones Act and Merchant Marine Act.

IV. AIR

Encourage development of fueling and staging points in Alaska to provide rapid transportation of passengers, goods and products between Alaska and domestic and international points. Encourage the development of improved airfields for large aircraft service to reduce the requirements for large storage capacity at outlying locales.

Participate and aid in development of navigational facilities throughout the state and provide continuing adequate maintenance of existing facilities so as to promote maximum utilization of the state's favorable geographic location and aviation network.

V. ROAD

Upgrade the state highway system and extend it as need be to permit access to resource areas.

Obtain rights of way through federal lands for road extensions. Fund and mandate an even-handed and uniform highway maintenance program. (Improved maintenance and repair of the existing system is critical. Deterioration of the highway system causes economic injury including damage to goods and equipment, and significant losses in the area of productivity in the motor transportation arena. A clear mandate with adequate funding is of prime importance to avoid the necessity for rebuilding established roadbeds.)

continued...

VI REGULATORY POLICY

The Alaska Transportation Commission should be given adequate funding to exercise its jurisdiction over regulation of rates, entry into the motor carrier arena and enforcement of regulations.

VI. MULTI-MODAL

Foster and encourage innovative modes of transportation including utilization of lighter-than-air craft, air-cushion vehicles, tunnels, pipelines, cableways and monorails, and develop an adequate modern multi-modal transportation network when and wherever feasible.

Promote a waterborne system of rail-highway roll-on, roll-off barges to serve rural Alaskan communities. In this enterprise, encourage a demonstration project aided by state support of barge access grids at points where such operations are economically appropriate.

VII. TRADE

Encourage the establishment of free trade zones and export trading companies located in Alaska. (Alaska is in a unique position to take advantage of the reduction in artificial export trading barriers being addressed by Congress.)

VIII. DEPARTMENT OF TRANSPORTATION

Improve liaison between DOTPF and agencies under the Departments of Commerce and Natural Resources and encourage long-range interdepartmental planning to accommodate the orderly, environmentally sound expansion and management of the state's multi-modal transportation network for optimum resource development.

PORTS AND HARBORS

Encourage development and improvement of Alaskan ports and harbors, emphasizing those projects which will create efficient transportation links for major resource developments.

Adopted

~~DRAFT~~

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



April 5, 1983
3:00pm

Butrovich Room
Capitol Bldg.

Members Present

Senator Vic Fischer, Chair
Senator Tim Kelly
Senator Arlis Sturgulewski
Senator Pat Rodey

SB 27--Toll free telephone calls

Held over pending House State Affairs Committee action on new proposal.

SB 115--Individual rights of police officers

Senator Rodey (prime sponsor) explained the provisions of the bill. He said that police officers support the bill but that police chiefs oppose it.

Chief Joe Ciraulo, Juneau Police Department (also representing other police chiefs in S.E. Alaska) spoke against the bill. He felt that having a representative of an officer present at each stage of a disciplinary hearing was unnecessary. He also opposed having to get a search warrant to search an officer's locker.

Senator Rodey said that management policies which address some of these problems can change over time. This bill offers uniform rights for all officers.

Senator Sturgulewski asked if this bill would change present policies regarding disciplinary investigations. Chief Ciraulo answered "yes".

Senator Kelly asked if this bill would apply to only local police departments. Senator Rodey responded that the bill would apply to all peace officers in the state.

Senator Fischer stated that this bill requires a written complaint pursuant to a disciplinary action and asked if that is current practice in the Juneau Police Department. Chief Ciraulo said that he thought so.

John Strutko, an Anchorage police officer, spoke in favor of the bill. He felt that it was a good management tool and that officers should not have to give up their civil rights when they put on a badge.

Senator Kelly asked if there was anything in this bill which is not already covered in the negotiated contract with the Anchorage Police Department. Mr. Strutko stated that the provisions prohibiting involuntary polygraph tests were not in the contract.

Richard Ross, Kenai Police Chief, spoke against the bill. He felt it would be a statutory interference with his municipal personnel system. He felt this system works well. He saw some merit to the polygraph provisions.

Senator Fischer asked if police officers have full fifth amendment rights under the present system. Mr. Ross answered "yes". Senator Fischer then asked if officers would lose their jobs for refusing to answer questions relating to a disciplinary investigation. Mr. Ross said "no".

Ed Martin, Kodiak Chief of Police, spoke against the bill. He said that most of the procedures in this bill are now covered in current state and federal statutory and constitutional law as well as most personnel systems.

Holli Ploog, Attorney for the Anchorage Police Officers Association, spoke for the bill. She stated that current laws limiting polygraph tests exempt police officers. She favors the use of a polygraph exam as a hiring tool but opposes its use as an investigatory tool during employment. She said that locker searches without permission were probably unconstitutional. She said that the Fairbanks Police Officers Association also supports this bill as do many officers in other departments.

Brian Porter, Anchorage Police Chief, spoke against the bill. He said that the bill is a special interest of the Anchorage Police Officers Association but is not supported by other police organizations. He felt that it was inappropriate to use a criminal law standard of proof in a personnel disciplinary matter.

Senator Rodey commented that various blue ribbon commissions have recommended approaches similar to this bill.

Rick Potter, an Anchorage police officer, spoke for the bill. He said that thirteen states have similar legislation. He opposes compulsory use of polygraphs.

Louis Bencardino, Seward Chief of Police, spoke against the bill. He said the bill would cause unneeded expenditures in overtime and other costs.

Senator Kelly commented that he is in favor of police rights but that he does not favor putting provisions into state law that are already incorporated into labor contracts.

Jean Krause, President of N.E.A. Alaska, spoke for the bill. N.E.A. believes that all employees should have full due process rights.

It was the consensus of the committee to hold the bill over.

SB 153--Punishment for obstructing a private citizen who assists a peace officer

Senator Rodey (prime sponsor) explained the bill.

Senator Kelly moved and asked unanimous consent that the bill pass from committee with individual recommendations. There was no objection.

SB 218--Disclosure of information

Senator Kelly asked that the bill be held over.

SB 227--Alaska Council on Science and Technology

Senator Fischer said that this bill is the product of the extensive hearing the committee held on the sunset of the council and that it addressed all the concerns identified at that hearing.

Senator Rodey moved and asked unanimous consent to pass the bill from committee with individual recommendations. There was no objection.

SJR 13--Urging repeal of the Jones Act

Greg O'Cleary, Maritime Trades, testified against the resolution. He said the Jones Act is a bill of rights for American Seamen. Repeal would affect 2000 workers.

Senator Fischer stated that the Administration has problems with the timing of this measure. There are political problems with related federal issues.

Greg Olsen, FOSS Alaska Lines, said that repeal would only decrease freight rates for a short time and reduce the overall quality of service.

The resolution was held over.

Meeting adjourned at 5:00 pm.

by
David Dye
Committee Aide

test the issue by signing the contract

SHEFFIELD WANTS AMENDMENT OF JONES ACT: Saying repeal is unrealistic, Alaska Gov. Bill Sheffield says he will seek amendment to the Jones Act, which restricts the use of foreign built ships in the transit of cargo between domestic U.S. ports.

ALASKA ECONOMIC DEPT
JULY 7, 1983
NO. 12/83

NEWS RELEASE

ST
Jones Act

Committee on Merchant Marine and Fisheries

U.S. House of Representatives

Room 1334 Longworth House Office Bldg. • Washington, D.C. 20515 • (202) 225-4047

FOR IMMEDIATE RELEASE
Tuesday, June 14, 1983

Contact: Sue Waldron
202-225-4047

MARINE SANCTUARIES & "THIRD PROVISOR" BILLS OK'D BY HOUSE

Washington, D.C. -- The House of Representatives today passed legislation which will continue the preservation and restoration of marine areas with significant recreational, ecological, and esthetic values. This bill, H.R. 2062, reauthorizes Title III of the Marine Protection, Research, and Sanctuaries Act of 1972 for three years at funding levels of \$2.264 million in FY84, \$2.5 million in FY85, and \$2.75 million in FY86.

Approved by a vote of 379-33, H.R. 2062 reduces conflict over the designation of marine sanctuaries by making explicit Congressional intent for the purposes and policies of the program, and mandating a 45-day Congressional review period before final action may be taken on a proposed sanctuary. The bill also provides that the appropriate Regional Fishery Management Council shall have the opportunity to draft regulations governing fishing within sanctuaries.

"The purpose of the sanctuaries program is to provide protection for nationally significant areas of the marine environment. Six sites have thus far been named marine sanctuaries, the first of which was the wreckage of the USS MONITOR off the coast of my State of North Carolina. Designation as a marine sanctuary has served to protect this national treasure and must be extended to other resources of historical or biological importance," said Walter B. Jones, Chairman of the House Merchant Marine and Fisheries Committee and the Floor Manager of the bill.

In other action, the House passed, 373-44, H.R. 1076, a bill to eliminate the so-called "Third Proviso" of the Merchant Marine Act of 1920 (the Jones Act).

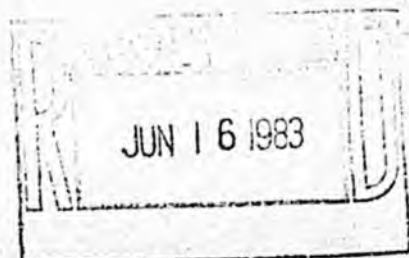
-more-

The Jones Act requires that vessels engaged in trade between points within the United States be built in and documented under the laws of the United States. The Third Proviso exempts merchandise transported over Interstate Commerce Commission through-routes for which tariffs have been filed if the routes are in part over Canadian rail lines and their own or connecting water facilities.

Although this proviso was originally intended to improve transportation by allowing continued operation of the Canadian railroad car ferries on the Great Lakes, little use has been made of it during the past 25 years, and no one operates under it at present.

"The current concern arises from two recent efforts to take advantage of the Third Proviso to install coastwise service from the lower 48 states to Alaska. If the Third Proviso exemption were utilized, cargo now being shipped from U.S. northwest ports on U.S.-flag vessels to Alaska, could instead be moved by ground transportation to a Canadian port and from there to Alaska on foreign-flag vessels. This, of course, would harm Jones Act operators who have invested millions of dollars in the Alaska trade -- as well as have the potential of a loss in U.S. maritime capability at a time when we can scarcely afford a further diminution in our maritime resources," said Chairman Jones, the bill's Floor Manager.

In speaking in support of the bill, its sponsor Don Bonker (D-WA) a Member of the Merchant Marine and Fisheries Committee, said that the diversion of cargo from Pacific Northwest ports "would result in the loss of American seagoing and portside jobs, including terminal operators, longshoremen, and industries that provide supply receiving, warehousing, consolidation facilities and motor and rail transportation services. These services account for 20,000 jobs in Western Washington -- jobs which are directly or indirectly related to the transportation of cargo to Alaska."



SJR

17

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



February 16, 1983

TO: Pete Jeans, Senior Advisor
Senate Advisory Council

FROM: Senator Vic Fischer, Chair
Senate State Affairs Committee

Handwritten initials "VF" in black ink, positioned to the right of the "FROM:" line.

I have a small research request for you. I would like to know how many people live in each of Alaska's four time zones, and also the date on which Southeast Alaska went from Yukon to Pacific time.

I would like to have this information by Monday, February 22, 1983 if at all possible.

Thank you.

Population as of July 1, 1982, from the Department of Labor:

368,100	AST
33,500	BST
58,600	PST
600	YST

Scuttheast Alaska went from Pacific to Yukon Time on April 27, 1980.
The switch back to Pacific time occured in October, 1980.

8941 Elim Street
Anchorage, Alaska 99507
February 25, 1983

To Alaska State Legislators:

When I read in the paper that a resolution had actually passed the House of Representatives in the Alaska Legislature to change all the time zones in Alaska to accommodate a few business (?) people and to help Juneau keep the capitol there, I could not believe that the group of supposedly intelligent people we voted for and sent to the State capitol to represent us had really done this. Are Alaskans so stupid -- or do our legislators just think we are -- that we cannot cope with a few time changes that most people learn about and how to handle while they are still in elementary school?

How do the residents of California communicate with the residents of New York?

By having one state or both change their time ARBITRARILY AND BY SETTING UP FALSE TIMES just because the Californians could not get up a little earlier or the New Yorkers stay up a little later?

I voted to move the Capitol when it first came up, but I voted against moving it this last time because I felt the money, however much or little, could be used to better purpose such as the Susitna Dam projects and fixing up our roads and public utilities. These would provide work for many people and provide services for everyone, not just a few legislators or residents of one town. Now I feel that the residents of Juneau are attempting to control the whole state by attempting to have artificial time zones legislated because they cannot cope with conditions that the rest of us have been handling with ease for several hundred years.

Are we going to advertize to the rest of the United States and the world that we are so dumb that we cannot figure out how the time zones work??? It reminds me of a letter to the Editor I read many years ago when daylight savings time came up and a clam digger from down the Inlet wanted the legislature to pass a

law that low tide would always come in the daytime.

Daylight savings time changes time for our whole country but it means very little in Alaska as we have such long days during the period of the change. It is an arbitrary time that does really not change time, but just changes what we do and when. This gives the law makers a feeling that they are God and can control such things.

If Alaska should take this step, God forbid, we will have so many different zones: one between here and Juneau, one between here and other parts of Alaska, one between here and the west coast, and how about here and the stock exchange in New York? If you are confused now how about that.

Please, legislators, leave things you cannot change alone and get on with the business you were elected to do, namely those things you all promised before you were elected and became anointed by the good Lord to tell your dumb constituents what to do and how to do it. The day of the statesman seems to be gone, and we have nothing but politicians who are coppering their own bets. How about cutting down on government, repairing and building some decent roads, learning to live within the actual income the state will have, provide work for Alaskans instead of hand-outs? Let the cities that have got themselves involved in grandiose schemes and building projects pay for them themselves. Represent all of your constituents not just the loud ones and the ones who want something for themselves not the whole State.

If the residents of Juneau, or the vocal ones, want to keep the Capitol in Juneau let them remember that they are just a small part of the great state of Alaska and that the rest of the state has rights also. If Anchorage is getting to be the center of things in the state it must be because it has more to offer. I would not like to have the Capitol in Anchorage -- the city is getting too big as it is. Most capitols of states are not located in the largest city, but most are more accessible than Juneau. So let Juneau come up with a better mouse trap and people will come to it -- better roads, better ferry service, and last but not least with better legislators who do the work they were

elected for and not trying to legislate everything even time zones. Limit the time of the legislature to 90 days and the legislators will only have to worry about what time it is in other parts of the country for 90 days.

Sincerely,

Irene Braun

Irene Braun

Copies to all State legislators and to The Anchorage Times and The Anchorage Daily News

Box 177, Highland Dr.
Eagle River, Ak. 99577
February 4, 1983

Dear Senator Fischer,

I would like to express my strong opposition to the time zone change bill (SJR17). It will accomplish nothing to make state government more accessible, only inconvenience the bulk of the state's population. During our months of limited daylight it would only extend by several weeks the time of darkness during the morning hours and add to the safety hazard of small children going to school. As it is our morning and afternoon daylight hours are fairly equally divided creating the balance that Alaska Standard Time was meant to achieve.

I quite agree that Juneau and the Southeast should be on Yukon Standard Time, however, they have elected only recently to remain on Pacific Time which is their prerogative. That choice should be honored. By forcing the entire state to jump over to a new time zone will only create new animosity and divisiveness. The benefits are just not there, we are on daylight time half of the year which is fine, since our Alaskan summers provide us with abundant daylight and it also keeps us in sync with the rest of the country.

The governor has already enacted significant change along these lines by changing state office hours in the Southeast to 9-5:30, thereby moving to within only one hour of Anchorage and Fairbanks state office hours. This change is to be commended, however, one cannot change the laws of nature and geography. If we could I'm sure we would all be on New York - Washington D C. time. (Eastern Standard Time)

Please take the views of the majority of Alaskans into consideration who prefer to remain in their present time zones.

Sincerely yours,

Allen R. Kunes

Allen R. Kunes

Time Zone Changes in Southeast Alaska *

May 29, 1926 - Ketchikan changes from 135th Meridian time (YST) to 120th Meridian time (PST) by Mayoral proclamation

1936 - Wrangell & Petersburg make the same change

April 30, 1940 - Juneau votes for the same change
[this move was controversial and miners continued to work on 135th Meridian Time (YST)]

May 13, 1940 - Sitka makes the same change

- Skagway stays on 135th Meridian (YST) time because of the rail connection to Whitehorse. 135th Meridian time later becomes "Yukon Standard Time"

[date unknown: Skagway switches to Pacific Standard Time]

April 27, 1980 - Most of SE Alaska ~~with~~
switches from PST to PST

October, 1980 Most of S.E. Alaska (inc. Seward)
reverts to PST

* source: Alaska Sportsman, May 1965 (attached)

for David Dye

May In Alaska's History

By:
Bob DeArmond

MAY 19, 1926—

The Ketchikan City Council authorized Mayor Thomas Torry to issue a proclamation adopting Pacific Standard Time, or 120th Meridian time, as official time in the City of Ketchikan, effective at midnight on Saturday, May 29. The action was taken upon the recommendation of the Ketchikan Commercial Club which felt that having the same time as Seattle would be advantageous to the Ketchikan Fish Exchange and to other business houses. The change was made without any reported difficulties. Ketchikan churches held services by Pacific Standard Time on Sunday, May 30, and the schools opened by it the next day.

At that time, before long distance telephones and scheduled air service in Southeast Alaska, it made little difference in one town what time the clocks showed in another, and other towns were slow to follow Ketchikan's example. Wrangell and Petersburg were the first to change, some ten years after Ketchikan. In Juneau the matter became controversial. When it was suggested that the clocks be moved ahead an hour, the miner's union strenuously opposed it. The question was taken before the City Council which in August, 1939, considered a motion to adopt Pacific Standard Time but tabled it. Council members did decide, however, to put the question to the people and on April 2, 1940, Juneauites voted 753-564 in favor of the change, to take place at midnight on April 30. The miners at the Alaska-Juneau Mine announced they would continue to work by 135th Meridian time.

Sitka set its clocks to 120th Meridian time on May 13, 1940. Skagway, with its rail connection to Whitehorse, remained on the old time, which became known as Yukon Standard Time, an hour earlier than the remainder of Southeast Alaska.

MAY 10, 1912—

At about 10 o'clock p.m. during a heavy southwest gale, the tug PIONEER lost her tow, the barge HAYDN BROWN, somewhere between Cape Cleare and Cape St. Elias in the Gulf of Alaska. The HAYDN BROWN was the hull of an old sailing vessel, built as a medium clipper at Newburyport, Massachusetts, in 1876. She carried sail until sometime after 1900 when she was cut down to a barge. On this voyage she had left Seattle in tow on March 16 for Akutan Harbor, under charter to the Alaska Whaling Company. Her cargo included 200 tons of coal, 700 tons of miscel-

laneous supplies and 200 tons of machinery, and she carried twenty-five hands for the whaling plant at Akutan. She was owned by the Griffiths and Sprague Stevedoring Company of Seattle and was returning empty to that port at the end of the PIONEER's towline.

Captain Andrew Peterson was in charge of the HAYDN BROWN and with him were Carl Westerland, donkey engineman; August Palmer and Chris Jansen, sailors; K. Hawakara, cook; and two hands who had been shipped at Akutan and whose names are unrecorded. For forty-eight hours after the towline parted, or was cut—there was some dispute about the facts—the crew of the barge kept watch for the tug, and for thirty-six hours Captain Nielson of the PIONEER cruised around seeking the barge. Neither sighted the other. The gale continued and the hull of the old ship was wracked and pounded by huge seas until it began to go to pieces. She started to go down by the head and, as August Palmer told it afterward, she "crumpled up like an egg crate." This was Palmer's tenth shipwreck and he jumped clear of the vessel as she sank, then swam around until he could get hold of a piece of wreckage.

After Palmer had been some time in the water—he was never sure just how long, but thought it must have been nearly twelve hours—the waves tossed him up on the steep rocky shore of Montague Island. A short while later he saw Carl Westerland come ashore, but when he got to Carl he found that he was dead of injuries apparently suffered when he came through the surf. Palmer saw a body floating offshore, too, but could not identify it.

Palmer, who wasn't sure where he had landed, went into the woods looking for a trail or sign of habitation. He found a trail but it was a bear trail, with bears on it. He said afterward that he did not know much about bears but that these did not act very friendly, so he returned to the beach and found some mussels which he ate raw. For four days and nights he wandered along the shore, dodging the surf and picking his way over the barnacle-covered rocks. He did not sleep because he was afraid the bears might eat him if he went into the woods and that the tide might wash him away if he slept on the beach. The weather did improve some and once he saw a white-hulled steamer passing by. This encouraged him because he thought it might be searching for survivors.

He was right in this because what he saw was undoubtedly the revenue cutter

MANNING which was making a search for the lighthouse tender AMERICA. The passenger steamers NORTON and ADMIRAL SAMPSON were also making a special lookout for survivors. The AMERICA that spotted Palmer, came to pick him up and soon had him warm, fed and asleep. No other survivors of the HAYDN BROWN were found.

Palmer had survived his first shipwreck and his eleventh was soon to come when the AMERICA struck a rock five days later. After he finally reached Juneau and was asked about the future, Palmer said that he was giving strong consideration to leaving the sea. Eleven shipwrecks were bad, each taken by itself, but he didn't like them coming in succession—especially when the ship was so closely approaching the shore.

MAY 26, 1917—

At a few minutes past 6:00 p.m. the freighter REDWOOD, owned by the American Fisheries and on her way to the St. Lawrence wharf in Ketchikan, was toppling into the bay, together with its pipelines and pumps and drums of gasoline and oil.

On the REDWOOD's bridge was Thomas Moore who recently had been appointed manager of the Alaska Fisheries Company to take over the operation. She had been launched at Bellingham earlier in the spring, a wooden-hulled vessel 1,793 tons gross with a met length of 226.4 feet. She had a full load of supplies to the PAF at King Cove in Western Alaska, returning south in ballast and was running into Ketchikan for bunker.

Captain Moore, when asked what happened, made it brief. "At 6:00 we slowed down. At 6:04 I ordered engines stopped. At 6:05 I signaled full speed astern. The engine refused to reverse. We hit the dock."

MAY 15, 1916—

The Post Office Department received the only offer submitted on it to carry mail by airplane by Earl J. Byers of Iditarod, a bid of \$44,900 to carry a million pounds of mail twice each week a year from Seward via Anchorage to Iditarod. Byers did not file the performance bond but said he would if awarded a contract. Post General Burleson did not reject Byers' bid at once; he said it was a good one and another call would be issued.

Sunsets w/in S.A. Jurisdiction
Fiscal notes & audit reports

Status SB 59

move on SB 63

SB 106 Mar 10th

CS SJR 17

~~with~~

Shift to AK. Standard Time &
redefine that zone to co-incide
w/ present Yukon S.T.

Clause (add) important all Alaska
be on all Stand. time, including
western AK and Aleutians

Resumes for appoint's | check w/ House re
Joint Hearing
check w/ Hattle when Pagano will be here

Introduced: 1/28/83
Referred: State Affairs and
Transportation

BY HALFORD, FAIKS, FERGUSON,
V. FISCHER, JOSEPHSON, KELLY,
STURGULEWSKI AND RODEY

1 IN THE SENATE

2

SENATE JOINT RESOLUTION NO. 17

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

Requesting the Secretary of the United

6

States Department of Transportation to

7

revise the standard time zones in which

8

Alaska is located.

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

10 WHEREAS Alaska is the only state that spans four time zones; and

11 WHEREAS the time differences between the communities in Alaska create

12 an artificial barrier that impairs efforts to improve communications among

13 the widely scattered population centers of this vast state; and

14 WHEREAS the elimination of the time differential between the state

15 capital and the other centers of finance, trade, and commerce in Alaska

16 would bring state government closer to all the people of the state; and

17 WHEREAS the transfer of ^{all} ~~most~~ of Alaska to the ^{Alaska} ~~Yukon~~ Standard Time Zone

18 would place ^{all} ~~most~~ Alaskans on an identical time schedule that would avoid

19 inconvenience to the traveler, the transportation industry, and other

20 commercial enterprises; and

21 WHEREAS federal law (15 U.S.C. secs. 260 - 267; 49 U.S.C. sec.

22 1655(e)(5)) regulates the time on which all federal offices and common

23 carriers engaged in interstate and foreign commerce operate and grants to

24 the United States Secretary of Transportation the authority to redefine the

25 boundaries of time zones that serve the United States;

26 BE IT RESOLVED that the Alaska State Legislature requests the Secre-

27 tary of the United States Department of Transportation to redefine the

28 boundaries of the time zones in which Alaska is located by shifting those

29 portions of the state located in the Pacific Standard Time Zone and, the

Whereas it is important that all Alaska be placed
on a single Alaska Standard Time Zone, including western
Alaska and the Aleutian Islands

and the Bering Standard Time Zone

*changing
of the
of YST zone
to AST
zone*

1 Alaska Standard Time Zone) to the Yukon Standard Time Zone and ~~by shifting~~
2 ~~that portion of the state located in the Bering Standard Time Zone to the~~
3 ~~Alaska Standard Time Zone.~~

4 COPIES of this resolution shall be sent to the Honorable Andrew L.
5 Lewis, Jr., Secretary of the U.S. Department of Transportation; and to the
6 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
7 the Honorable Don Young, U.S. Representative, members of the Alaska delega-
8 tion in Congress.

DAVE =====

RE TIME ZONE

-- ANY PROBLEM WITH U.S. DOT ON RENAMING 'YUKON' TO 'ALASKA' ZONE?

-- COULD DOT SECRETARY SIMPLY REDEFINE 'ALASKA' ZONE TO MEAN
SAME TIME AS YUKON ZONE?

PLS ADVISE GOV'S OFFICE THAT WESTERN SENATORS AGREE THEIR REGION
SHOULD BE ON SAME TIME AS REST OF STATE.

ALSO TELL THEM WE WANT IT CALLED 'ALASKA TIME ZONE'

LET'S SCHEDULE TUESDAY, 3/8 REGARDLESS OF ANSWERS TO ABOVE

but let's discuss first

THX

VIC

3/7

Original sponsors: Halford, Faiks,
Ferguson, et al

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SENATE JOINT RESOLUTION NO. 17 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 Relating to the standard time zones in
6 which Alaska is located.

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

8 WHEREAS Alaska is the only state that spans four time zones; and

9 WHEREAS the time differences between the communities in Alaska create
10 an artificial barrier that impairs efforts to improve communications among
11 the widely scattered population centers of this vast state; and

12 WHEREAS the elimination of the time differential between the state
13 capital and the other centers of finance, trade, and commerce in Alaska
14 would bring state government closer to all the people of the state; and

15 WHEREAS all of the state, including Western Alaska and the Aleutian
16 Islands, should be in a single Alaska time zone to improve communication
17 between the people of the state; and

18 WHEREAS placing all of Alaska in a single time zone would allow
19 Alaskans to use an identical time schedule that would avoid inconvenience
20 to the traveler, the transportation industry, and other commercial enter-
21 prises; and

22 WHEREAS federal law (15 U.S.C. secs. 260 - 267; 49 U.S.C. sec. 1655-
23 (e)(5)) regulates the time on which all federal offices and common carriers
24 engaged in interstate and foreign commerce operate and grants to the United
25 States Secretary of Transportation the authority to redefine the boundaries
26 of time zones that serve the United States;

27 BE IT RESOLVED that the Alaska State Legislature requests the Secre-
28 tary of the United States Department of Transportation to redefine the
29 boundaries of the time zones in which Alaska is located by shifting those

1 portions of the state located in the Pacific Standard Time Zone, the Alaska
2 Standard Time Zone and the Bering Standard Time Zone to the Yukon Standard
3 Time Zone; and be it

4 FURTHER RESOLVED that the Alaska State Legislature requests Congress
5 to designate the new single time zone in which all of Alaska will be lo-
6 cated as the Alaska Standard Time Zone.

7 COPIES of this resolution shall be sent to the Honorable Elizabeth
8 Dole, Secretary of the U.S. Department of Transportation; the Honorable
9 George Bush, Vice-President of the United States and President of the
10 Senate; the Honorable Thomas P. O'Neill, Jr., Speaker of the House of
11 Representatives; and to the Honorable Ted Stevens and the Honorable Frank
12 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
13 members of the Alaska delegation in Congress.
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STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SJR 17 Date on Bill: January 28, 1983
 Title: Requesting Sec. USDOT to Change Time Zones
 Sponsor: Halford, Faiks, Furgeson, V. Fischer, Josephson, Kelly, Sturgulewski and Rodey
 Requestor: V. Fischer

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86	
Capital							
Operating							
Total		-0-	-0-	-0-	-0-		

b. Revenues:

Revenue							

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor.

Prepared By: Frank Raye *Frank Raye* Phone: 465-4430
 Division: Personnel Date: 2/28/83

Approved by Commissioner: Lisa Rudd *LRR* Date: 3/10/83
 Department: Administration

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/8/83

Position Paper
SJR 17

This resolution requests the Secretary of the U.S. Department of Transportation to shift Time Zones in parts of Alaska from the Pacific and Alaska to the Yukon Time Zone and other areas of Alaska from the Bering Time Zone to the Alaska Time Zone.

The proposed changes in time zones will improve the communications between the Division of Personnel headquarters and its regional offices as well as between the Division of Personnel headquarters and all other State offices in major portions of the State. This improved communications will result from synchronizing the time between Juneau, Anchorage and Fairbanks.

The Division supports passage of SJR 17.

Signature Frank Rye
Director of Personnel

Date 3/7/83

Signature Edmund Anderson Jr.
Commissioner of Administration

Date 3/15/83

17D7/0302-1

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE
SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



February 16, 1983

TO: Fellow Senators
FROM: Senator Vic Fischer, Chair
Senate State Affairs Committee
RE: Standard Time Zone

V.

The Senate State Affairs committee is considering a resolution to bring Alaska together by adjusting the various separate time zones.

There appears to be consensus that all of Alaska should ideally be on a single time zone. The committee asked that all senators be polled on the question of which time zone should be used for the state -- Yukon Standard Time or Alaska Standard Time.

Which would you prefer: (PLEASE CHECK ONE OR INDICATE PREFERENCES)

1. Entire state on Yukon Standard Time ? _____
2. Entire state on Alaska Standard Time ? _____
3. Other approach _____

(I would assume that if we chose Yukon time, we'd try and get it renamed "Alaska Standard Time")

I would appreciate having your response as soon as possible.

I. REQUEST

Bill/Resolution No.: SJR 17
 Title: Revise Time Zones
 Sponsor: Halford
 Requestor: _____

II. FISCAL DETAIL

Agency Affected: Administration
 Program Category Affected: Gen. Gov't.
 BRU, Program of Subprogram(s) Affected: Data Processing

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Mike Wheeler *(Signature)*
 Division: Data Processing

Phone: 465-2220
 Date: 3/16/85

Approved by Commissioner: Lisa Rudd *(Signature)*
 Department: Administration

Date: _____

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

3/8/83

ANALYSIS - TIME ZONE REVISION

The recent change in the working hours of Juneau State employees had the effect of shifting the workload on the Juneau Data Center by one hour.

No effect of the convergence of the Juneau and Anchorage peak loads was detectible in either capacity management statistics or in response times of online transactions.

This Resolution will shift the workload one additional hour, assuming that work hours are uniform within Yukon time.

The fiscal impact upon the Data Centers is expected to be negligible.

MW/je
5/0316-18-4/BDGSF1

MSG 03 00003009 PRTY 1 02/11/83 17:44:35 ORIG LA02 IN 0015 OUT
FROM SHIRLEE AND LIO TO: POMS, JUNEAU INF
TARGET LJHL SUBJ TOM

SAVE FOR
MY FILE

0/11/83, SHIRLEE AND LIO, 8009

TO SENATOR , CHAIRMAN, STATE AFFAIRS
SENATORS RAY, STURGULEWSKI, RODEY AND KELLY

FROM FRED APPLEBY
C/O ROOSEHEAD CONSTRUCTION, INC.
SRA BOX 3501-B
ANCHORAGE, AK 99502 (H) 345-5443 (W) 345-5443

I WOULD LIKE TO REGISTER STRONG OPPOSITION TO TIME ZONE
CHANGE RESOLUTION, DUE TO THE FACT THAT DURING THE WINTER
CONSTRUCTION SEASON, THE FRAMING BUSINESS, ESPECIALLY EXTERIOR
WORK, REQUIRES LIGHTING. AS IT IS, OUR DAYLIGHT IS BALANCED
BETWEEN MORNING AND AFTERNOON, WITH THE CHANGE, PUTTING US
ON YUKON TIME, WE END UP WITH 3 HRS. OF DARKNESS DURING EARLY
MORNING HOURS, GREATLY INCREASING OUR COSTS.

∴ STAYING ON AK TIME
AFFECTS FEWER PEOPLE

DAVE

PLS GET SEN. ADV. COMING
A LETTER FROM ME
ASKING FOR # OF PEOPLE IN
EACH OF AK'S TIME ZONES.
ALSO- WHEN DID SE GO OFF YUKON TO
PACIFIC TIME?

To Our Governor + State Legislature

I would like to raise the following arguments at this time in regard to changing the time here in Alaska.

First changing the time so that everyone can communicate with each other sounds and appears to be a good thing as time on the clock really hasent much meaning when the sun dosent rise or set by the clock.

Second if the purpose of changing the time is for the first assumption of markets and communication during business hours with branches of government. It would seem imparatitive that a single time standard is needed.

Third the most logical time standard to be adopted for access to markets and bodies of government suggest that we adopt Eastern Standard Time. As this would give us access to all the Eastern Markets as well as the Stock Market and our Federal Government and State Government via the Computer terminal and telephone.

Fourth everything above being accepted would effectively break our ties and dependance on Seattle as we wouldnt be on their time standard nor would we be using Seattle as a wholesaler for everything we buy from eastern markets.

Fifth now we need some feedback and individual response on how you feel and what you plan to do about your feelings.

Sincerely

Richard E. Harris
148 S. Franklin St.

New time zones for Alaska OK'd

By KARIN DAVIES and DON HUNTER

Daily News reporters

9.16.83

WASHINGTON — Transportation Secretary Elizabeth Cole on Thursday signed a plan that will consolidate Alaska's four time zones into two, federal sources said.

The sources said that the Transportation Department will announce publicly today that the plan, which will put clocks from the Panhandle to the Aleutian Chain on the same time, has been approved.

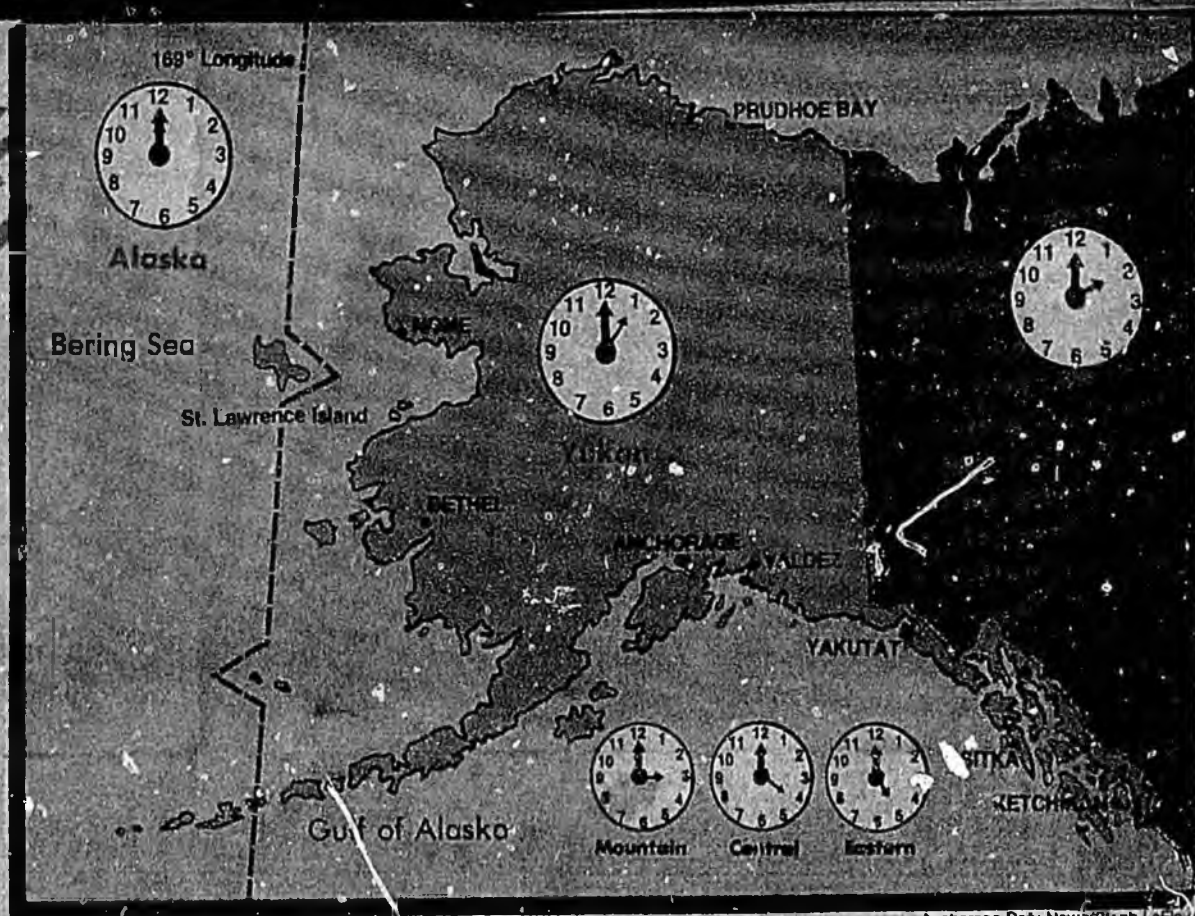
The plan will go into effect Oct. 30, when Daylight Savings Time reverts to Standard Time.

The change was sought by Alaska Gov. Bill Sheffield to remove barriers to doing business in Alaska, improve communications and unify residents. Supporters of the plan say it as a way to forestall further efforts to relocate the state capital, primarily because Juneau and Anchorage will be on the same time.

Spokesmen for the governor here and in Juneau declined to comment on the decision at the request of the Department of Transportation. "We've been told that decision will be announced tomorrow," Pete Spivey, Sheffield's press secretary, said Thursday. When the change is made, more than 90 percent of Alaska residents, all those living east of 169 degrees longitude, will be on Yukon Time.

When Daylight Savings Time ends, Yakutat residents,

See Back Page, ALASKA



Anchorage Daily News Graph Lab

Map shows Alaska divided into two time zones, with most of the state on a single time. The change will put most Alaskans one hour closer to the Lower 48.

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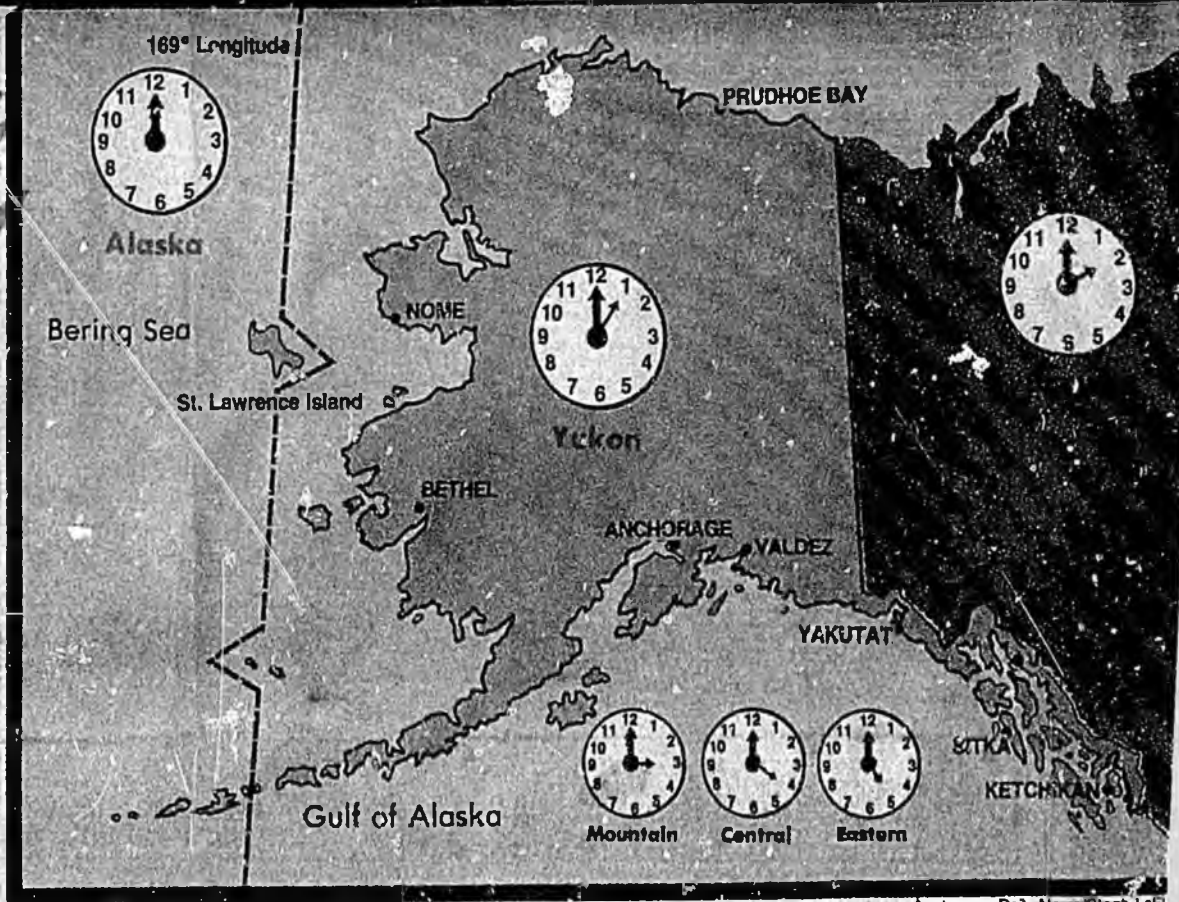
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See Back Page, ALASKA



Anchorage Daily News/Steph. LaFi

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Alaska time

Continued from Page A-1

the only ones now on Yukon Time, will move their clocks back an hour. The rest of southeast Alaska will put their clocks back two hours. Those in the Alaska Time Zone will not change their clocks, and thus will be on Yukon Time.

Most Bering Time Zone residents will move their clocks ahead one hour. Those living west of 169 degrees longitude, including St. Lawrence Island and the far reaches of the Aleutian Chain, will shift to Alaska Standard Time.

Soon after Sheffield announced the plan, it was endorsed by the Alaska Legislature. About 60 percent of Alaskans favored the plan in a statewide poll.

Pockets of staunch opposition endured in some southeast communities, however. At public hearings earlier this year, Ketchikan residents portrayed the time change as the product of a power struggle between the northern and southern portions of Alaska. "The area that's the biggest moneymaker is going to win," James Llanos said last month.

Told Thursday the change had been approved, Sitka Mayor John Dapceovich said he still opposes the consolidated time zones, but said his opposition was strictly a personal stand. The Sitka Assembly decided to take no side in the issue, he said.

Dapceovich said he and most people he knows are against the change for a simple reason. "We don't like to lose the hour of daylight in the spring and late fall," he said. Also, "we would rather be on Seattle time because, down here, most of our dealings are with the Lower 48."

However, another Sitka resident, Cecil McClain, testified in favor of the change earlier and applauded its approval Thursday. "I think here it is pretty evident that a majority of the people are in favor of it," said McClain, who represented the Sitka Chamber of Commerce at the earlier hearing.

"One hour time difference between here and Seattle isn't going to work any hardship," McClain said. The two-hour difference with the rest of Alaska, however, did cause problems, he said.

The change also should help draw residents of the state closer together "and create some good feelings," McClain said.

Bob Ross, Department of Transportation general counsel, said the department received petitions with more than 1,000 signatures and more than 200 written comments on the proposal. He declined to comment on the decision.

This was the first time in more than 15 years that the department was asked to consolidate the time zones