

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4621 HSES SB 348 - SB 379

193

Table 1 shows that 24 percent of pharmacies are chain stores and 50 percent are non-chain stores. When facility contracts with non-chain pharmacies are included, 58 percent of Alaska's pharmacies are non-chain pharmacies.

TABLE 1
Types and Number of Alaska Pharmacy Licenses

Type of license	Number	Percent of total (%)
Chain pharmacies:*	30	24
Non-chain pharmacies:	63	50
Facility contracts with non-chain pharmacy:	10	8
Facility contracts with chain pharmacy:	2	2
Facility owns pharmacy:	14	11
State purchases pharmaceuticals:	3	2
Federal government purchases pharmaceuticals:	3	2
Total:	125	

Source: Alaska Board of Pharmacy

* The 30 chain pharmacies are in the Railbelt area and in Juneau. They include 4 in Fairbanks, 20 in Anchorage, 2 in Kenai-Soldotna, 3 in Palmer-Wasilla and 1 in Juneau.

II. PERCENT OF PHARMACY SALES REIMBURSED BY MEDICAID

1. Dittman Poll. Dittman Research is currently conducting a poll for the Alaska Pharmacy Association to determine what percent of pharmaceuticals are Medicaid reimbursed. The poll will be complete next week, according to the association president.

I have asked for a copy for your office. When I receive it, I will send it to you.

2. Informal survey. An informal telephone survey of a small number of pharmacists was conducted from this office. The survey shows the following estimates of Medicaid-reimbursed pharmaceuticals:

Carrs at Gambell in Anchorage:	18-25%
Hewitt's Drug in Spenard:	45%
Ron's Apothecary in Juneau:	10%
White's Pharmacy in Sitka:	15-20%

3. Medicaid reimbursement in pharmacy contracts. Some private pharmacies contract to provide pharmaceuticals to hospitals, long-term care (including all Pioneer Homes) and mental health facilities. Following are reports from two of these pharmacies, selected at random.

- A. Hewitt's Drugs in Spenard. Owner Dennis Jurgens says Hewitt's contracts with the Anchorage Pioneer Home and with all the mental health intermediate care facilities in Anchorage. Jurgens estimates that 45 percent of his business is Medicaid reimbursed. (If the Pioneer Home is not counted, 30% of Hewitt's business is Medicaid.) Jurgens says chain stores probably aren't interested in competing for high-volume Medicaid business because it is too time-consuming. He said a chain looked at buying him out and declined for that reason.

- B. White's Pharmacy in Sitka. Co-owner Trish White says the pharmacy contracts to the Sitka Pioneer Home where 17 of the 112 residents are Medicaid patients. White estimates that 20 percent of the pharmacy's business is Medicaid-reimbursed. (If the Pioneer Home is not counted, 15-20 percent of the pharmacy's business is Medicaid reimbursed.) This is a "mom and pop" pharmacy (White co-owns the pharmacy with her husband). White says in the past two years, the number of non-Pioneer Home Medicaid clients using their pharmacy has doubled. There are two other pharmacies in Sitka.

4. The proportion of Medicaid recipients who use Medicaid each month. Nancy Bennett of the Department of Health and Social Services reports there are 25,000 Medicaid-eligible Alaskans and that out of these, 36 percent (about 9,000) use Medicaid-reimbursed pharmaceuticals. This is about two percent of the Alaska population of 537,800.

III. OTHER PERTINENT DATA.

1. Income of pharmacists

- A. Wages paid to registered pharmacist employees. The Alaska Career Information System, published in 1987 by the Alaska Department of Labor, surveyed pharmacists for a report on wages paid to Alaska pharmacists. The results are on Table 2 below.

TABLE 2

Wages Paid to Alaska Pharmacist-Employees -- 1987*

Level	Average per month (\$)	Range per month (\$)
Entry wage:	2,900	2,400-3,100
After 2 years:	3,200	2,900-3,400
Maximum:		3,300-3,700

Source: Alaska Department of Labor

* There are about 220 licensed pharmacists in Alaska. About 25% are self employed.

B. Income of self-employed pharmacists. Following are three examples of income reported earned in non-chain pharmacies:

- 1) Ron's Apothecary, Juneau. Co-owner Ron Sedgwick is a volunteer lobbyist for pharmacists and formerly was on contract with the Department of Health and Social Services. He reports his pharmacy netted \$52,000 in 1987, after expenses and before wages. Sedgwick and his wife, both pharmacists, are the only employees. Sedgwick says between them, they work 100 hours a week and make \$10 an hour each.
- 2) A Southeast Alaska pharmacy (not in Juneau). This pharmacy reports a net profit of \$43,659 in 1987. It is a "mom and pop" pharmacy, owned by a husband and wife pharmacist. They estimate they earn \$5.25 an hour. (The pharmacist asked to remain anonymous.)
- 3) An Anchorage pharmacy. The owner says over the past ten years he has broken even. Last year he earned \$42,000 and the business made a profit of \$15,000 after paying other employee wages. He said he works 10-12 hours a day and could make the same wages at a chain store in an eight hour day with less headache. He recently sold his business.

C. The price of pharmaceuticals.

Background. Pharmacists say there has been an influx of expensive drugs on the market in the last two years. They say this impacts their business because competition forces them to use a "sliding scale" profit margin, making less margin on expensive drugs. State officials say the cost of Medicaid pharmaceuticals to the State increased by \$1 million in the past two years.

- 1) The average cost of prescriptions. In 1973, the average cost to the consumer of pharmaceuticals statewide was \$7. In 1985, the average cost of pharmaceuticals was \$16 at McCorkle's Pharmacy and \$18.67 at Ron's Apothecary (both stores are in

Juneau). Today the average cost of prescription drugs at Ron's Apothecary is \$25.61. McCorkle's went out of business in 1985. (Source: Sedgwick).

- 2) Expensive prescription drugs. Table 3 shows the wholesale prices of certain costly prescription drugs. The prices were provided by pharmacists during telephone conversations.

TABLE 3

Wholesale Price of Certain Costly Prescription Drugs -- 1988

Name of drug	Cost per month 'S)	Quantity
Navane (a psychotropic drug):	143	200
Loxitane (for mental health patients):	102	100
Tagomet (for ulcers):	64	100
Mevacor (anti-cholesterol)	90	bottle (\$2/pill)
AZT (AIDS)	1,000	?

Note: the AZT cost was estimated by R. Sedgwick.

- 3) Increases in cost of pharmaceuticals. The nationwide cost increase in pharmaceuticals between 1986 and 1988 is as follows:

Cost to druggist: 8% increase

Cost to consumer: 18% increase

Two explanations have been advanced to explain this discrepancy:

- (a) Chris Coursey, president of the Alaska Pharmacy Assn., speculates that the discrepancy reflects what paying customers are charged to make up for the federal government's fixed dispensing fee policy.

- (b) Ron Sedgwick, pharmacist lobbyist, says the discrepancy reflects the recent influx of new, expensive drugs. He points to his own profit margin, which fell from 51.9% in 1985 to 37% in 1987, while the average price of the pharmaceuticals he sold rose from \$18.67 in 1985 to \$25.61 in 1987. Sedgwick says his margin fell because the market place will not allow a 50% markup on expensive drugs.

(Note on markup: Hewitt's Drug in Anchorage marks its prescription drugs up an average 23 to 29 percent. Dennis Jurgens says that some Anchorage pharmacies have higher markups.)

2. Pharmacists' objections to SB 255.

- A. "A fixed fee concept will not work on a profit margin system." Pharmacists say pharmacies will get a lower return, forcing them to do one of three things: 1. Charge more to paying customers. 2. Go out of business. 3. Stop serving Medicaid patients. Pharmacists object that they are the only retail merchants asked to support the federal government.

The Department of Health and Social Services says a fixed dispensing fee is adequate. Why should a pharmacist who takes two bottles -- one expensive and one inexpensive-- out of a box and gives them to customers be paid more for handing over the expensive bottle? Remember that the pharmacist is already paid for the cost of the drug. The Department's 2/2/88 position paper says there is "no indication" federal Medicaid coverage in other states has "resulted in withdrawal of pharmacies from participation".

- B. "Small pharmacies were forced out of business when the federal government took over Medicaid payments for pharmaceuticals in the late 60's and early 70's." Virtually every Alaska pharmacist interviewed said the professional journals were full of "horror stories"

recounting the "devastation to Mom and Pop pharmacies" after the federal switch over in the Lower 48.

My efforts to check these assertions with the National Association of Retail Druggists as well as the executive directors of pharmacy association in other states have been unsuccessful because those with historical perspective are all in an annual meeting in Phoenix this week. I will have more information on this later.

- C. Pharmacists are being asked to buy a "pig in a poke". Pharmacists say they do not want to put their imprimatur on a plan they haven't seen. They say the State has not set a fixed dispensing fee or determined how the base cost would be calculated.

The Department has included funds to hire a pharmacist consultant to design a program that would be least disruptive to pharmacists. A Department official two years ago told pharmacists the fixed dispensing fee would be about \$5.

- D. "The reimbursement price on expensive items could be less than the wholesale cost of the product." Pharmacists say one popular method used in the Western States to determine base cost is "Average Wholesale Price" minus an 11 percent discount (for bulk buying) OR the pharmacist's usual and customary price -- whichever is lower. They say this is unworkable because small Alaska pharmacies do not get a discount for bulk buying. They cite as an example a bottle of Mevcor, an anti-cholesterol drug, which costs the pharmacist \$90 a bottle wholesale. At a 11 percent discount, the reimbursement would be \$80.10 plus a dispensing fee. If the dispensing fee were \$5, the pharmacist would be paid \$85.10 -- which is less than the product cost him.

- E. "Alaska is unique."

- 1) Distance from the market forces Alaska pharmacists to stock inventory for two weeks in order to have a supply. Trish White, co-owner of White's Pharmacy in Sitka, said Alaska pharmacies must stock an inventory two to three times that of pharmacies in the Lower 48. She made that estimate after attending a Pharmacy Management Clinic at the University of North Carolina

in Chapel Hill this year. She said that compared to Lower 48 pharmacies, her pharmacy's turn-over rate is "amazingly low". If pharmacies in Lower 48 cities don't have a bottle on the shelf, "they can run over to a chain store and get it," she said. "We can't."

- 2) Alaska pharmacists have to pay high freight costs, while those in the Lower 48 have low trucking costs. A small box of prescription drugs costs \$10 through the mail (pharmaceuticals are mailed to keep the product fresh). White says that the policy in her store is to absorb the air mail or Gold Streak cost if the pharmacy must special order a drug which is normally stocked.
- 3) Rural paying customers may be charged more for drugs. Eleven rural towns in Alaska have only one pharmacy (list attached). Pharmacists contend that under the new plan, paying customers will surely be charged more in one-pharmacy towns to make up for losses from Medicaid, there being no local competition to keep the prices down.
- 4) Rural areas may be left without Medicaid service -- or without a pharmacy. Pharmacists contend that in the 12 one-pharmacy towns, pharmacists may be forced by economics to stop serving Medicaid-reimbursed clients. Those pharmacists who feel an ethical obligation to continue serving Medicaid clients may be forced out of business, leaving the entire town without a pharmacy.
- 5) Region X is unwilling to consider alternative suggestions. Pharmacists contend that Region X does not appear willing to accept alternatives put forth by pharmacists, both in Alaska and other states. Pharmacists say Hawaii, which has problems of distance similar to Alaska's, has tried twice to modify its Medicaid-reimbursement plan (the latest try was this year), with no luck. A long-time Oregon pharmacist and consultant agrees. Stan Hartman of Beaverton says Region X is concerned about "sovietizing" the Medicaid pharmacy plan, but that if the State is "firm" and has back up in the law, it can prove the legality of a proposed alternative and go back to national headquarters to force Region X to accept the plan.

3. An alternative suggestion. In a recent telephone conversation, Stan Hartman, an Oregon pharmacist and author of articles in trade journals, recommended that Alaska use a plan in place in his state. This plan is the Pharmacists Service Group.* It has been in place for four years and sells its services to insurance companies to fulfill health plans. The group competes with national companies providing similar services in Oregon. These companies use a payment plan similar to that used for Medicaid reimbursement: an average wholesale price less 11 percent, plus a \$2.70 dispensing fee. But the Pharmacists Service Group uses a usual-and-customary charge plan with a cap at the 90th percentile (the payment is not more than that charged by 90 percent of participating pharmacies).

In 1987, the plan had 10,000 recipients: it has added the Oregon State Employees as well as other organizations and will number over 150,000 recipients next year.

Why the plan is "better", according to Hartman:

- A. The plan saves more money than a dispensing fee system.
- B. Pharmacists on this plan show a higher use of generic drugs than pharmacists on competing fixed-fee plans.
- C. The plan cuts down on drug costs by allowing up to a 90-day supply (Alaska has a 30-day supply system, in order to reduce consumer abuse.) Audits show that a 90-day supply of one drug sold for \$47 while three 30-day supplies of the same drug cost \$19 more. The decreased cost was the result of the economy of scale plus lower administrative costs. Under a fixed fee system, pharmacists are encouraged to dispense smaller amounts of the drug in order to reap more dispensing fees.

*

Information about this plan was supplied by Hartman and by lobbyist Ron Sedgwick. The plan's state director was out of the office this week and I was unable to contact him. I will contact him next week for written information on his plan and when it arrives, I will send it to your office. Should you wish to contact him yourself, his name is Robin Richardson, 503-585-4887. The plan's designer is Dr. Lee Strandberg of the School of Pharmacy at Oregon State University. His telephone number is 503-754-3424.

Senator Faiks
March 25, 1988
Page 11

- D. The Oregon plan uses a "co-pays" system (the recipient pays a fee when the prescription is picked up). The aim is to reduce utilization. (In Alaska, the Bristol Bay Hospital, which buys its drugs through the Public Health Service, requires a fixed pick-up fee of \$10.) See Table 3.

TABLE 3

Amount charged customer compared to the average per capita prescription cost under the Oregon Pharmacists Service Group plan

Amount co-paid for prescription	Percent of utilization (%)	Average per capita amount spent monthly on prescription (\$)
\$2.00	57.5	\$4.80
\$2.50	48.6	\$4.72
\$3.00	38.9	\$3.19
\$4.00	32.4	\$2.18
\$5.00	35.6	\$1.75

Source: Ron Sedgwick

Enclosed for your information is a position paper by Ron Sedgwick explaining these and other pharmacist objections in detail. Also enclosed are the bill's fiscal note and a 2/2/88 position paper by the Department of Health and Social Services entitled "SB 255". Other enclosures include a list of possible reimbursement schemes proposed by pharmacists Ron Sedgwick of Juneau and Bill Larson of Anchorage; the Department of Labor list of pharmacist-employee salaries; a list of Alaska towns with a single pharmacy; the Federal Register with an explanation of new Medicaid regulations concerning pharmaceuticals; and the Board of Pharmacy list of pharmacy licenses which expire in June of 1988.

If you require additional information, please let me know.

Attachments

S B

371

HOUSE COMMITTEE REPORT

4/26

Date referred: 4/13/88

FURTHER REFERRALS:

Judiciary
Finance

DATE: 4-26-88

The Health, Education and Social Services Committee has considered CSSB 511(Fin)

"An Act relating to alcoholic beverages in an area that has prohibited or restricted the sale of alcoholic beverages by local option election; and to delivery, purchase, and municipal regulation of alcoholic beverages."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

[Handwritten signatures: Bill Hudis, Bob E. Kelly, J. Ellis]

SIGNING OTHER RECOMMENDATIONS:

[Handwritten notes: Joyce Stanley - do Rec, Measurement - do pass with amendment to section six]

[Handwritten signature: J. Ellis]
 Co chairman's signature
[Handwritten signature: Bill Hudis]

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H HESS

4-26-88

8:30 a.m.

FISCAL NOTE

REQUEST:

Revision Date: 2/4/88
Title: An Act Relating to the Sale of Alcoholic Beverages
Sponsor: Sen. Halford
Requestor: Senate Finance

Agency Affected: Revenue
BRU: Alcoholic Beverage Control Board
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Patrick L. Sharrock, Director
Division: Alcoholic Beverage Control Board

Phone: 277-8638
Date: February 4, 1988

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: February 4, 1988

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

FISCAL NOTE

REQUEST

Revision Date: _____
Title: "An Act relating to the sale of
alcoholic beverages"
Sponsor: Sen. Halford
Requestor: Senate Finance

Agency Affected: Public Safety
BRU: Alaska State Troopers
Components: Detachments and the Criminal
Investigation Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No additional enforcement activities are anticipated to result from the passage of this legislation.

Prepared by: Francis C. Allan *F.C.A.*

Phone: 269-5691

Division: Alaska State Troopers

Date: 2/11/88

Approved by Commissioner: Arthur English *A.A.*

Date: 2/11/88

Agency: Public Safety

Distribution: (by preparer):

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

Senator Rick Halford



Senate District 1
Chugiak, Eagle River, East Anchorage, Fort Richardson

Senate Finance Committee
Co-Chairman

April 22, 1988

MEMORANDUM

TC: Johnny Ellis, Co-Chairman
Niilo Koponen, Co-Chairman
House Health, Education, and Social Services
Committee

FROM: Senator Rick Halford, Co-Chairman
Senate Finance Committee

SUBJECT: Senate Bill 371 - Alcohol Bill

Rick Halford

The committee substitute before your committee combines the ideas expressed in SB 371, SB 404, SB 412 and those expressed during work sessions on the bill.

* Section 1 shifts the burden of proof to the individual who is undergoing prosecution for unlawful sale of alcoholic beverages if the amount found in their possession exceeds a designated amount. This concept was originally found in SB 412.

* Section 2 is intended to make the purchase of bootlegged alcohol illegal. Under current law only the sale is prohibited.

* Sections 3 and 4 limit the amount of alcohol that can be shipped to an area that has restricted the sale of alcoholic beverages to a designated amount within a seven day period. It also prohibits a package store from dividing or combining shipments in an effort to get around the restriction.

* Section 5 amends AS 04.11.502 by prohibiting a local option election to remove a restriction on the sale, importation, or possession of alcohol to occur more than once every 12 months.

* Sections 6, 7, and 8 are intended to ensure that alcohol is not knowingly delivered to an intoxicated person or a person under the age of 21.

Page Two

* Section 9 limits the amount of alcohol a person can transport into an area that has restricted the sale of alcoholic beverages unless the container is clearly labeled and has an itemized invoice stating the purchase value of the alcoholic beverages on the outside of the container.

* Sections 10 and 11 allows a municipality to adopt ordinances governing the importation of alcohol and to impose a sales and use tax on alcohol if the sale of alcoholic beverages has been prohibited by an election of the community.

FISCAL NOTE

REQUEST:

Revision Date: 2/4/88
Title: An Act Relating to the Sale of Alcoholic Beverages
Sponsor: Sen. Halford
Requestor: Senate Finance

Agency Affected: Revenue
BRU: Alcoholic Beverage Control Board
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Patrick L. Sharrock, Director Phone: 277-8638
Division: Alcoholic Beverage Control Board Date: February 4, 1988
Approved by Commissioner: Hugh Malone Date: February 4, 1988
Agency: Department of Revenue

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

CITY OF BARROW

RECEIVED FEB 9 1988

"farthest north incorporated city"
BOX 629
BARROW, ALASKA 99723
PHONE (907) 852-5211

RESOLUTION 88-6

"A RESOLUTION OF THE CITY COUNCIL OF BARROW, ALASKA ENDORSING SENATE BILL NO. 371, AN ACT RELATING TO THE SALE OF ALCOHOLIC BEVERAGES."

WHEREAS, the Alaska State Senate has introduced a bill to prohibit the sale of alcohol by phone or mail to nonlicensees; and,

WHEREAS, the City Council of Barrow understands that a need exists to address the alcohol abuse problem that exists within its City; and,

WHEREAS, the City Council of Barrow feels that the Senate bill will assist Barrow in dealing with its alcohol abuse problem; and,

WHEREAS, the City Council of Barrow suggests that Senate Bill No. 371 will be more effective if it was amended to include TELEX sales as being prohibited ; and,

WHEREAS, the City Council of Barrow suggests that the bill be amended to prohibit the delivery of alcohol through air freight shipment;

NOW, THEREFORE, BE IT RESOLVED that the City Council of Barrow endorses Senate Bill No. 371 with an amendment to include TELEX orders as prohibited sales; and,

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of Barrow endorses Senate Bill No. 371 with an amendment to prohibit the delivery of liquor through airfreight shipment.

INTRODUCED: FEBRUARY 4, 1988

ADOPTED: FEBRUARY 4, 1988

Nathaniel Olemaun, Jr., Mayor
CITY OF BARROW

Attest:

Karen Bunnell
City Clerk

Daily News - Jan 31, 1988 G-2

One solution to mail order booze

The war on alcoholism in Alaska's villages must be waged on many fronts, but Sen. Rick Halford has launched a frontal assault that promises immediate gains. In a one-sentence bill co-sponsored by 10 Senate colleagues, Sen. Halford proposes flatly prohibiting telephone and mail liquor orders. An amendment may be added in committee that would include telegram orders, as well.

Repeated examples show that such shipments play a major part in both bootlegging and the binge drinking that spawns so much violence and misery in the Bush. Too often, existing regulations are skirted for the "convenience" of customers — and for the profits of urban liquor stores.

Under Sen. Halford's bill, SB 371, only licensed distributors could order shipments by phone or mail. Bush residents who want liquor would have to travel to the nearest package store to buy it.

Certainly, a lot of determined souls will snowmobile their way several miles through the wilderness to get their hands on a bottle. But many others would be dissuaded by the cost and inconvenience — and they would no longer have cases of liquor virtually delivered to their doors.

Already, support for SB 371 has started coming in from the Bush. And the fact of 10 co-sponsors — including two Bush senators, John Binkley of Bethel and Willie Hensley of Kotzebue — virtually guarantees Senate passage.

A hearing on the measure is scheduled before the Senate Finance Committee at 9 a.m. Friday. The committee should make that a teleconference hearing. This measure obviously is aimed at the Bush, and Bush residents deserve an opportunity to be heard on it.

But concerned urban dwellers need to show their support to the Senate, too. Powerful forces can be expected to oppose Sen. Halford's bill; Alaskans need to demonstrate to the Senate the support SB 371 needs.

For too long state regulations have blindly catered to the demand for alcohol while overlooking the obvious side effects of such a policy — and its dire social and economic costs. Sen. Halford's bill would reverse that woefully wrong-headed approach, and help stop the river of booze drowning much of Alaska.



Another one that

Try this idea for size: Let's give the oil companies operating in Alaska an extra \$150 million to add to their growing profits, and then tap into our permanent fund to pay for education in the state.

Sound crazy to you? Me, too, but that's precisely what Gov. Steve Cowper and Big Oil's buddies in the Alaska State Senate have planned for this legislative session. It's the dumbest idea since Mike Gravel suggested using blimps to take tourists to Mt. McKinley, but it's got a good chance of becoming real in the funhouse in Juneau this session.

Gov. Cowper, to give him credit, doesn't think the oil companies deserve that gift. He tried last session to take it back, and got the state House to go along with him, but ran afoul of the Senate Oil Slick and skidded off course. Senate President Jan Faiks and the other Slickers managed to hold off every effort to repeal the ELF (economic limit factor) law that cuts taxes on the vastly profitable oil operations at Prudhoe Bay.

But although the governor would rather see Alaskans get back the fair share legislators gave away, he's offering the



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Maybe the FBI is

NEW YORK — The latest FBI horror story is about the pranks white agents in Omaha played on Donald Rochon, the only black agent in the office.

Like the time somebody

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cant problem to the public. Commercial vessels have high frequency radio transmitters that will enable them to reach other distress receivers still in operation, he said.

.A 30 percent cut in the sea time of high- and medium-endurance cutters and a 15 percent reduction in fixed-wing aircraft time already is in place in Alaska, Moreth said. There are no plans to move cutters now working in Alaska.

The Coast Guard has been working since its fiscal year started Oct. 1 to reduce its expenses.

"Life-saving missions shouldn't be affected by the cuts," Moreth said.

or seat belt users

River, said he the mandatory might be consid- erate. mp's incentive fine, but it's no a mandate, Cot- e point of having ry to encourage se safety equip- uldn't be against t think it would ve as a mandato- w," he said.

Nix said the bill might prompt more use of seat belts, but police officers and troopers might have a hard time enforcing it. They would not be able to tell if a driver and passengers were wearing seat belts all along or had just buckled up after being stopped.

The state would lose a small amount of fine revenues if the bill becomes law.

The 10 percent reduction would apply to bail or fines connected with such violations as speeding, ignoring a stop sign or having faulty equipment. It would apply only to infractions that do not carry jail time.

r administration neutral position tive bill after l potential prob- outlined by Bill s acting commis- sionic safety when s introduced in

legislative news

Coghill goes to bat for small utilities

JUNEAU — Sen. Jack Coghill is trying again to get small phone and electric companies freed from oversight by the Alaska Public Utilities Commission, a proposal vetoed last year by Gov. Steve Cowper. Coghill has introduced a bill (SB36) that would halt automatic commission oversight of rate changes made by utilities with fewer than 500 customers. The Nenana Republican says the small utilities cannot afford to go through the regulatory process. Cowper said at the time he did not believe blanket exemptions from oversight would benefit ratepayers. The governor's office has not taken any position on new proposal, said Cowper spokesman David Ramseur.

Bill would ban mail-order liquor sales

JUNEAU — Sen. Rick Halford wants the state to ban the sale of alcoholic beverages by phone or mail order. The Chugiak Republican on Tuesday introduced a bill (SB371) that would prohibit liquor license holders from taking phone or mail orders. The bill would allow such sales between license holders, such as one store selling to another outlet in a different town.

Senators want state history in schools

JUNEAU — A dozen senators have sponsored a resolution asking the state Board of Education to require Alaska history and government instruction in high school. The resolution (SCR39) says 33 percent of Alaska's high school seniors reported in a 1987 survey that they received no school instruction in state history. The Board of Education requires high school students to take at least three years of social studies, but Alaska history and government are not included in the requirement. The resolution asks the state board to require at least one semester of Alaska history and government for graduation.

Daily News wire reports

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Lawmakers offer few measures against alcohol abuse in villages

By HAL SPENCER
Daily News reporter

1-24-88 analysis

JUNEAU — Between bites of a turkey sandwich, Sen. Arliss Sturgulewski remembered Harold Napoleon, a rising Native leader until he was imprisoned for the drunken slaying of his 4-year-old son in 1984.

Sturgulewski's words were tinged with genuine sadness as she recalled Napoleon's eloquence in a 1979 speech seeking more local control in village Alaska.

"Harold's words were beautiful, like poetry," the Anchorage Republican said of the former head of the Bethel-based Association of Village Council Presidents. Now Napoleon is serving a 40-year sentence for a murder he didn't remember, Sturgulewski said.

Alaska legislators travel the state more than most, and many are intimately acquainted with the devastation



Halford

Hoffman

Binkley

that regularly visits Native villages: alcohol-fueled self-destruction, suicide, homicide, drownings, freezings. One lawmaker talks with quiet anger of a Bethel bootlegger, a man who swaps booze for food stamps he then uses to buy groceries, a man who

spends four months of the year in Hawaii on his illegal earnings. Another mentions the liquor store at Red Devil, and the misery its alcohol spreads up and down the Kuskokwim River. Somebody, in-

See Back Page, LEGISLATORS

LEGISLATORS: They're aware of alcohol and despair in villages, but not sure what they can do

Continued from Page A-1

dividual legislators say, should do something.

But this Alaska Legislature, like its predecessors, has yet to truly address the deep social problems of rural Alaskans, or to give village Alaska the tools it might use in the struggle with a modern plague of alcohol and despair now killing its young.

And perhaps, some lawmakers say, the legislature cannot. It knows, for example, that the state law permitting villages to ban or regulate the flow of booze is, in Sturgulewski's words, "a joke." The legislature also knows that big petrodollars alone cannot, indeed have not, helped mend the torn cultural fabric of Bush Alaska. The task does get discouraging, legislators say.

Two events during the first days of the 1988 session reminded lawmakers once again

that Alaska Natives are being swept away in a gray river of alienation and despair. Yet there was scarcely a ripple in Juneau. One event was Kotzebue Sen. Willie Hansley's special Senate committee draft report on an epidemic of Native suicide, complete with recommendations. A few reporters, Sturgulewski, and executive branch officials showed up at the report's unveiling late last Monday afternoon. Few lawmakers are aware of what is in the report, and fewer still are prepared to take action on problems it identified, ranging from too much red tape in preventive programs to the lack of residential treatment facilities for suicidal youth.

The other was a 10-day Daily News series that focused in part on the ruined lives among a generation of Natives battling forces beyond its control. Many legislators read at least parts of it, a few made floor speeches, but that was all.

A \$20,000 report commissioned by Gov. Steve Cowper focusing on child care and other needs of Alaska children, drew far more attention as politically connected backers scurried around "touching bases" with the right people.

Sen. Fred Zharoff, an Aleut who represents southwest Alaska from Kodiak to the Aleutians, said he pays little attention to Native social problems because "The problem is pretty much in western Alaska," not in his district, he asserted. Zharoff is by no means the only legislator to view his role in that light.

Cowper called the problems of village Alaska a terrible tragedy, but said he wanted the villages themselves to propose solutions.

Health and Social Services Commissioner Myra Munson said the fiscal year 1989 budget, to be effective July 1, will contain no new money or ideas to address rural social problems. It's too late and money is too scarce this time

around, she said.

That isn't to say the Cowper administration is doing nothing. Cowper's assistant for Native affairs is Rosita Worl, a Tlingit and anthropologist. Worl is behind Cowper's basic position that ideas and solutions must flow from the villages to government.

Worl is busy these days working on issues such as the village of Kipnuk's efforts to search visitors for alcohol and drugs. How can the state help the village, and remain within the law as it applies to individual rights, Worl asked. "We're trying to help the village find a way," she said. But, Worl added, Kipnuk leaders told the state what needed to be done, not the other way around. That, Worl said, is the only truly workable approach.

Among lawmakers, there are a handful who have been working, some of them for years, on the complex needs of rural Alaska.

One is Rep. Lyman Hoff-

man, D-Bethel, who on Friday introduced a bill to come down a little harder on bootleggers. Among other things, the bill would appropriate \$250,000 to finance undercover operations and to amply reward tipsters. Current law allows rewards of only \$200 for tips leading to the arrest and conviction of bootleggers. Sen. John Binkley, R-Bethel, is working on similar legislation.

Binkley on Friday introduced legislation requiring insurance companies to cover the cost of treatment of alcoholism. Many rural Alaskans can ill afford the kind of help they need to defeat the disease, Binkley said.

Republican Sen. Rick Halford of Chugiak said he is working on legislation to ban mail-order sale of booze in Alaska. This is the only state that allows such sales. Halford said it would not stop the flow of booze from urban liquor stores to dry villages, but would establish a better

paper trail to nail bootleggers, and would make alcohol harder to get. "I don't even know if, legally, I can do this. But we're looking into it," he said.

If anything, though, legislators voice a sense of helplessness. "We've thrown big money at alcohol treatment, for instance, and the situation just doesn't seem to get any better," said Rep. Pat Pourchoit, D-Anchorage.

"Anything's worth a try at this stage," he said.

But as a whole, the legislature is preoccupied with other issues, those that matter most to urban voting blocs. Legislators are bickering over a proposed \$150 million "jobs bill" aimed primarily at white, urban Alaska. They're fretting over who gets credit for a bill to fatten dividend checks. They're readying for the 1988 elections, and in the capital press room, the flow of self-promoting press releases is picking up.

LIST OF CITIES WHO HAVE VOTED TO BAN
THE SALE AND IMPORTATION OF ALCOHOLIC BEVERAGES
December 16, 1987

<u>City</u>	<u>Date of Election</u>	<u>Results</u>	<u>Date of Certification</u>	<u>Effective Date</u>
Alakanuk	7-20-81	94-24	7-27-81	8-1-81
Ambler	12-15-81	--	12-15-81	1-1-82
Atmautluak	10-6-81	60-12	4-29-82	5-1-82
Brevig Mission	3-8-83	26-14	3-8-83	4-1-83
Buckland	5-10-82	52-6	5-11-82	6-1-82
Chalkyitsik	7-20-82	21-2	7-28-82	8-1-82
Chefornak	10-14-82	48-29	10-15-82	11-1-82
Deering	5-26-82	32-24	6-1-82	7-1-82
Diomedea	9-10-81	27-11	9-29-81	10-1-81
Emmonak	10-12-81	54-12	10-12-81	11-1-81
Eek	11-27-82	90-15	11-27-82	12-1-82
Ekwok	6-10-82	20-3	6-10-82	7-1-82
Elim	8-24-81	49-17	8-81	9-1-81
Golovin	1-16-84	31-22	1-17-84	2-1-84
Goodnews Bay	11-8-83	36-25	11-8-83	12-1-83
Grayling	3-5-85	43-37	3-12-85	4-1-85
Holy Cross	6-12-83	70-44	6-13-83	7-1-83
Hooper Bay	3-1-83	103-44	3-1-83	4-1-83
Kasigluk	10-4-83	74-3	10-17-83	11-1-83
Kiana	12-10-87	81-38	12-17-87	1-1-88
Kipnuk	10-5-82	82-7	10-25-82	11-1-82
Kivalina	1-8-85	79-33	1-9-85	2-1-85
Kwethluk	2-1-82	82-30	2-1-82	3-1-82
Kokhanok	9-18-84	38-19	9-27-84	10-1-84
Kongiganak	7-13-82	50-9	7-28-82	8-1-82
Koyuk	8-25-81	57-8	8-25-81	9-1-81
Kwigillingok	8-9-83	63-5	9-1-83	10-1-83
Minto	7-12-83	59-34	7-21-83	8-1-83
Mountain Village	3-13-84	72-52	3-19-84	4-1-84
Napaskiak	11-1-82	55-4	11-8-82	12-1-82
Newtok	10-30-84	37-9	11-2-84	12-1-84
Noatak	12-7-82	69-53	12-22-82	1-1-83
Noorvik	4-28-87	103-58	4-28-87	5-1-87
Pilot Station	3-8-85	67-58	3-20-85	4-1-85
Point Hope	6-29-82	62-39	7-2-82	8-1-82
Platinum	1-14-82	12-9	1-25-82	2-1-82
Point Lay	7-1-86	30-15	7-11-86	8-1-86
Russian Mission	10-6-87	46-22	10-27-87	11-1-87
Saint Marys	9-22-81	63-48	9-28-81	10-1-81
Saint Michael	8-4-86	39-21	8-7-86	9-1-86
Savoonga	10-14-81	103-18	10-14-81	11-1-81
Scammon Bay	12-7-81	57-10	12-8-81	1-1-82
Selawik	12-17-86	89-69	12-22-86	1-1-87

LIST OF CITIES WHO HAVE VOTED TO BAN
THE SALE AND IMPORTATION OF ALCOHOLIC BEVERAGES
December 16, 1987

<u>City</u>	<u>Date of Election</u>	<u>Results</u>	<u>Date of Certification</u>	<u>Effective Date</u>
Shageluk	3-8-84	31-25	3-84	4-1-84
Shaktoolik	3-13-84	34-28	3-15-84	4-1-84
Stebbins	8-25-87	89-14		
Sheldon Point	8-26-86	28-7	8-27-86	9-1-86
Shishmaref	1-4-83	82-47	1-4-83	2-1-83
Shungnak	10-6-87	46-44	10-10-87	11-1-87
Stevens Village	6-5-84	31-11	6-15-84	7-1-84
Tatitlek	8-23-83	28-15	9-13-83	10-1-83
Teller	5-16-83	47-31	5-16-83	6-1-83
Tetlin	12-7-82	54-7	12-22-82	1-1-83
Toksook Bay	11-23-81	78-32	11-23-81	12-1-81
Tuluksak	10-5-82	61-16	10-5-82	11-1-82
Tununak	8-12-81	90-11	8-81	9-1-81
Wales	8-14-81	29-21	8-17-81	9-1-81
Wainwright	7-8-82	61-42	7-14-82	8-1-82

LIST OF CITIES WHO HAVE VOTED
TO BAN POSSESSION OF ALCOHOLIC BEVERAGES
December 16, 1987

<u>City</u>	<u>Date of Election</u>	<u>Results</u>	<u>Date of Certification</u>	<u>Effective Date</u>
Anaktuvuk Pass	11-4-86	59-45	12-16-86	1-1-87
Atkasuk	10-7-86	28-21	10-9-86	11-1-86
Birch Creek	10-6-87	13-2	10-22-87	11-1-87
Gambell	12-23-86	72-13	12-29-86	1-1-87
Kotlik	3-24-87	51-22	3-25-87	4-1-87
Marshall	10-7-86	37-34	10-8-86	11-1-86
Mekoryuk	10-7-86	49-29	10-8-86	11-1-86
Napakiak	5-5-87	62-14	5-5-87	6-1-87
Nuiqsut	11-4-86	60-56	11-10-86	12-1-86
Nunapitchuk	10-7-86	75-23	10-13-86	11-1-86
Quinhagak	10-6-87	71-27	10-12-87	11-1-87
Scammon Bay	10-6-87	76-29	10-87	11-1-87
Togiak	10-7-86	80-38	10-31-86	11-1-86
Tuntutliak	10-6-87	41-22	10-28-87	11-1-87

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

LIST OF CITIES WHO HAVE VOTED
TO BAN POSSESSION OF ALCOHOLIC BEVERAGES
December 16, 1987

<u>City</u>	<u>Date of Election</u>	<u>Results</u>	<u>Date of Certification</u>	<u>Effective Date</u>
Anaktuvuk Pass	11-4-86	59-45	12-16-86	1-1-87
Atkasuk	10-7-86	28-21	10-9-86	11-1-86
Birch Creek	10-6-87	13-2	10-22-87	11-1-87
Gambell	12-23-86	72-13	12-29-86	1-1-87
Kotlik	3-24-87	51-22	3-25-87	4-1-87
Marshall	10-7-86	37-34	10-8-86	11-1-86
Mekoryuk	10-7-86	49-29	10-8-86	11-1-86
Napakiaik	5-5-87	62-14	5-5-87	6-1-87
Nuiqsut	11-4-86	60-56	11-10-86	12-1-86
Nunapitchuk	10-7-86	75-23	10-13-86	11-1-86
Quinhagak	10-6-87	71-27	10-12-87	11-1-87
Scammon Bay	10-6-87	76-29	10-87	11-1-87
Togiak	10-7-86	80-38	10-31-86	11-1-86
Tuntutliak	10-6-87	41-22	10-28-87	11-1-87

LIST OF CITIES WHO HAVE VOTED
TO BAN THE SALE OF ALCOHOLIC BEVERAGES
December 16, 1987

<u>City</u>	<u>Date of Election</u>	<u>Results</u>	<u>Date of Certification</u>	<u>Effective Date</u>
Barrow	10-4-77	221-135	10-6-77	11-1-77
Bethel	10-4-77	611-207	10-6-77	11-1-77
Iliamna	10-5-82	35-24	10-25-82	1-23-83
Kotzebue	10-6-87	427-404	10-12-87	1-10-87
Nondalton	11-10-86	46-30	12-30-86	1-28-87

LIST OF CITIES WHO HAVE
COMMUNITY LIQUOR LICENSES
December 16, 1987

DBA

Fort Yukon Community Liquor
Kake Community Liquor Store
Liquor Store

CITY

Fort Yukon
Kake
Tanana

A culture in crisis, a people in peril

If it happened in any city in the country, it would make headlines nationwide: a rash of suicides and violent deaths punctuated by rapes, beatings and child abuse.

But the crisis in Alaska's villages is a quiet crisis. When hope dies, it dies silently. And the epidemic of despair that is robbing an entire generation of its birthright happens far from city lights.



Today, the Daily News begins a series that will detail that crisis. These stories run not as a criticism but as a warning to us all. The Native culture that is the heritage of all Alaskans is endangered, threatened by alcoholism, helplessness and despair. From Fort Yukon to Kake, Alaska Natives are dying in vastly disproportionate numbers.

The causes are complicated and varied, but one constant appears over and over again — booze.

In rural Alaska, alcohol is misery's mask. One hundred economic and social problems may lie behind it, but until the mask is laid aside no one can see them clearly.

Make no mistake, Alaska's predominantly white cities offer their own share of grief. Violence born of liquor is no stranger here. But the statistics gradually emerging from the Bush point inexorably to an entire culture in peril.

- Alaska Natives are four times as likely to commit suicide as other Alaskans.

- Alaska Native men between the ages of 20 and 24 are 10 times more likely to kill themselves than non-Natives nationwide.

- Fetal Alcohol Syndrome, where a pregnant woman's drinking damages her unborn child, is 2½ more times more common among Native women than non-Natives.

- Natives comprise only 16 percent of Alaska's population, but make up 34 percent of its prison inmates.

- While the official U.S. Department of Labor unemployment figure for the Yukon-Koyukuk region is 15.5 percent, experts say that if "discouraged workers" — those who have given up — were included, that figure would be two or three times higher.

- And even when they come to the cities in search of jobs or a new life, Natives in Anchorage are three times more likely to be raped, four times more likely to die violent deaths than non-Natives.

Yet the numbers remain cold and impersonal. One cannot remain impersonal in the bush. There are no statistics in the villages, there are husbands and wives, cousins and neighbors — entire families whose potential is lost, and whose despair passes from one generation to the next.

Gradually, though, the code of silence is being broken and the people themselves are talking, exploring ways to break the cycle. By confronting the hegemony of the white culture, they hope to retain their own. It is a sobriety movement born of pain, and it is the best hope for village Alaska.

We talked to many villagers in preparing these articles, including a woman who has lost two sons to suicide. Adeline Edmund's son, Louis, was 22 and a former Alakanuk honor student when he shot himself in the heart on the tundra behind his village. Louis' brother, Benji, was 21 when he killed himself 14 months later.

"Write it down," Adeline Edmund said, so others can learn. In that spirit, we have.

other views

By RICHARD MAUER
and HAL BERTON
Daily News reporters

RETHEL — A sole Alascom telegram office has survived the communications revolution that brought telephones to nearly every village in the Bush.

The office is in Bethel, and it owes its staying power to a steady accumulation of crumpled currency shoved through a slot beneath tinted bullet-proof glass.

The cash, \$100 and \$200 at a time, comes from bootleggers and whiskey drinkers wiring money orders to Anchorage liquor stores.

The office is a humming pump, nourishing the headwaters of Alaska's fearsome river of booze.

Though Alascom shut its other Bush telegram counters over the past decade, the Bethel office is different. The continuous flow of alcohol money orders and

Page A-6, RIVER OF BOOZE

Continued from Page A-1

represents 95 percent of the money wires out of Bethel. Though the liquor stores are 225 miles away, the network linking them with Alascom and the airlines guarantees same-day delivery and mocks Bethel's voter-approved ban on in-town liquor sales.

Alascom is one of dozens of legitimate enterprises whose decisions and policies, sometimes passively, sometimes not, have kept the floodgates wide open for bootleggers and consumers of low-grade whiskey in villages, both wet and dry.

Alascom, like most of the others, says it shouldn't be asked to play policeman and go beyond the restrictions imposed by society itself. "It's a judgment call we can't make," said spokesman Tom Jensen.

Yet the aftermath of those business choices is widespread death, violence, abuse and neglect — for adults whose choice it is to binge, and for children and other victims who find themselves trapped inside another's nightmare.

A passive state liquor agency with a history of toothless regulations, an ineffective local option law, flagrant bootlegging and ambiguous community standards have kept the flood of liquor unchecked. Because liquor starts out as a legal commodity, unlike marijuana or cocaine, gray- and black-marketeers openly take advantage of the network that ties together even the remotest parts of Alaska for legal commerce.

In recognition of the role of alcohol in human misery, the legislature has offered communities a menu of options for its control, ranging from community-owned liquor stores to a complete ban on possession. Some 82 places, from the Kuskokwim Delta center of Bethel, population 4,462, to the Athabaskan hamlet of Birch Creek, population 40, have chosen to restrict the sale or possession of booze.

But residents of those places and the authorities who enforce the laws readily admit that even in the most restrictive villages, where arriving travelers are frisked for flasks, there are still ways for the booze to get in.

Some of it is due to the ingenuity of bootleggers. By uncorking a jug and filling it in a suitcase, they can avoid the telltale gurgle a conscientious baggage handler might detect. Plastic bottles have eliminated the risk of breakage — and the giveaway odor.

It is 1:15 p.m. on a Friday afternoon in October. A steady flow of customers has journeyed to the silver-sided building, beside the huge satellite dish, where Alascom conducts its telegram business. It is just up a dirt street from the Kuskokwim River and the office of Bush Air Service, whose owner was recently charged with transporting liquor to a dry village.

It walks a man with bushy-blond hair. "You must be glad it's Friday," says the Alascom agent, making small talk. "What difference does it make to me?" replies the customer. "One day of the week is the same as the next." He wires \$172 to Party Time Liquor in Anchorage.

The next customer, a Native man with the smell of liquor on his breath, sends \$219.74 to

International Liquor, also in Anchorage.

"Hello, Al," a clerk says to another man. "\$189.50, Party Time," he replies. He pushes a wad of bills through the window; she gives him back some change. Then she walks to the teletype machine. In seconds, the message beams from the dish outside to the satellite Aurora, and back down to the Alascom office in Anchorage. In minutes, a check is ready for Party Time.

ORDERS FROM ANIAK

Like Bethel and a half-dozen other communities in Alaska, the Kuskokwim River village of Aniak has banned the sale of booze, but not its possession or importation.

On a Friday afternoon last October, Postmaster Leonard Morgan was on the phone to a customer. The weather outside was rotten — snow, wind and low clouds — and Morgan told his customer that the Northern Air Cargo plane would be late, so there was still time to get a postal money order shipped by Express Mail to a liquor store in Anchorage.

The one-day Express Mail service provided by the Aniak post office attracts booze customers from as far away as Kalskag, 25 miles downriver. In the summer, they make the two-hour journey by boat, and in winter, in a quarter of the time, by snowmachine or truck on the frozen river. If they make the mail deadline, they'll be back the next day to pick up their shipments at 1:30 p.m. when the Northern Air Cargo DC-6 roars into town.

Where do those orders go?

Primarily to a half-dozen liquor stores in Anchorage and Fairbanks that specialize in the Bush trade, some of which have teamed up with

airlines to offer drinkers a package deal.

20-GALLON LIMIT

Since territorial days, Alaska has allowed people to place orders for alcoholic beverages through the mail for shipment by common carrier. In 1980, the legislature revamped the liquor code and eliminated restrictions on the amount that can be shipped.

Alcoholic Beverage Control Board regulations that went into effect in November require the liquor store to notify the board when an order is 20 gallons or more — the equivalent of about 8½ cases of Windsor Canadian in plastic bottles. Though the rule was supposed to detect bootleggers, loopholes remain, conceded Bill Roche, the commission's chief investigator. Bootleggers selling a case or two a week don't need to place single orders in such a large quantity, he said, and even if they did, they could avoid detection by splitting their orders among several stores, or having confederates place orders.

If 20 gallons proves too loose a restriction, Roche said, the board may change it.

The new rules will mainly affect the few stores that specialize in mail-order sales. In Anchorage, according to ABC board staff, they are Party Time Liquors, Value Liquor, International Liquor, Our Liquor and Brown Jug Warehouse.

According to records filed with the Alaska Department of Revenue, Party Time No on Spenard Road, where the Bush sales are made, sold an average of 1,400 gallons of hard liquor a month over the past year, the equivalent of 5,000 "jugs." That's more than twice its nearest mail-order competitor, Value

Liquor No. 3 on Jewel Lake Road.

The records don't show proportion of liquor sold at the counter as opposed to mail order, and Party Time owners Michael and Paula Gallagher won't discuss the business. But their competitors estimate that as much as 75 to 80 percent of their sales from the Spenard store goes to the Bush.

In an interview in Bethel, self-described bootlegger says he prefers Party Time because it understands his needs. Clerks ship the bottles in innocuous cartons, like those for potato chips, he said, so "no one can see what you are getting in the box."

And evidence now in court indicates that Party Time may have been increasing its sales by actively courting the bootleg trade. In addition to opening the operations of Party Time to public view, the unusual lawsuit, brought in Superior Court in Bethel, has shown the state liquor board to be ineffective in policing mail-order sales.

The suit, filed in 1986 and not yet tried, was brought by the parents of Moses Strauss Jr., a 20-year-old minor when he was struck by a Bethel city bus on Jan. 14, 1986, and suffered severe head injuries. The suit charges that Strauss was drunk at the time and that he bought his liquor from Malachy Polty, a customer of Party Time.

The Gallaghers declined to be interviewed. Through their attorney, they denied the Strausses' allegations. "We are confident we will be found blameless when all of the facts are presented to a judge and jury. However, we and our attorneys believe it is highly inappropriate to try cases in the press," they said in a prepared statement.

Depositions and documents obtained by the Strausses'

attorney, Kneeland Taylor, include the record of a previously undisclosed 1985 investigation by the beverage commission into allegations that Party Time flouted mail-order rules, shipped to customers from dry villages, and was likely dealing with bootleggers.

In visits to Party Time's store at 4006 Spenard Road over a six-month period, agency investigator Virginia Holland found that the store was helping its large-order customers over regulatory hurdles designed to slow the flow of booze to the Bush, keep liquor from the hands of minors and discourage impulse consumption and binge drinking.

Among the requirements of the law then and now, according to Roche, the beverage board's enforcement officer, was that mail-order customers send the liquor store a signed, written request for each purchase.

Party Time took a creative approach to the rule. According to the depositions, it told customers to mail a batch of signed order forms filled in with huge quantities of anything they could possibly want. Then, when they decided to actually make a purchase, they called Party Time, directed which part of the order to fill, and wired the cash by Alascom. The Party Time clerk scratched off the portion of the order that was filled, leaving the remainder for the next call.

About 2:30 each afternoon, the Party Time truck would leave the liquor store for the MarkAir SpeedMark package express window at the airport for same-day delivery to Bethel.

On a single day, April 12, 1985, most of the orders that left Party Time for the Bush

See Page A-7, **RIVER OF BOOZE**

came from forms with matching handwriting but different names, according to the investigation report. In a later visit to the store, Holland uncovered orders from residents of Napakiak and Nunapitchuk, two dry villages in the Yukon-Kuskokwim Delta.

On Jan. 6, 1986, ABC board Executive Director Patrick Sharrock signed the report of his investigators recommending suspension or revocation of Party Time's license for a pattern of on-going violations: accepting telephone orders, shipping liquor to customers in dry villages and failing to correct deficiencies pointed out during the course of the investigation.

Three days later, Party Time attorney Dan Coffey responded that the fault was not with the store, but with vague regulations. He accused investigator Holland of writing "rules and regulations herself."

In a letter to the beverage board on March 10, 1986, Assistant Attorney General Kay Gouwens recommended against prosecution.

"I understand and sympathize with your concerns about package stores such as this that have a large volume of Bush sales and seem undaunted by the fact that some of what they sell almost certainly finds its way to villages that have banned importation, to bootleggers, and to individuals with drinking problems," she wrote. "However, our existing statutes and regulations are poorly equipped to deal with the problem."

The ABC case was shelved. It took a year and a half to implement new regulations that clarify the absolute ban on telephone orders.

PLENTY OF 'LOOPHOLES'

Holland quit her job in March 1986 and moved to Seattle. In a recent interview, she said her tenure at the liquor board was an exercise in futility. The kinds of violations she observed at Party Time could be found in other liquor stores that ship to the Bush, she said.

"My foremost frustration was the way the regulations were written. They were very vague and nebulous and although anyone can read them and know the intent of the law, they leave all sorts of loopholes for someone who doesn't have a conscience to violate them," she said.

She said she didn't find much official support from either the attorney general's office or the ABC board. The people in positions of authority didn't seem to want to make the effort to fight bootlegging by controlling sales.

"If there is a general consensus, it is that (bootlegging) is one of those victimless crimes. People up there want liquor. People in Anchorage are willing to send it. And nobody gets hurt."

Roche and Sharrock said they sympathized with Holland's frustrations, but they said she quit before the last chapter of her investigation was written.

Roche said the liquor board saw the need for tighter rules, and responded with the new regulations.

AMAZING NUMBERS

In their suit against Party Time, the Strausses built their case upon the ABC investigation. By using a computer to examine subpoenaed records, they've taken it much further.

During 1986, the Strausses reported, Party Time shipped \$475,445.19 in booze to Bethel.

They also documented that the 11 biggest Party Time customers bought 12,175 bottles of whiskey and 2,430 cases of beer during the year, for a total of \$125,775.89.

That averages out to three bottles of whiskey and 72 cans of beer a day for each buyer.

Assuming the proportions of beer to whiskey are roughly comparable among all buyers as they are with the top 11, Party Time's sales to Bethel would translate to a

hard liquor per capita annual consumption rate of 13.4 gallons — more than one and half times the national rate.

And Party Time's sales of five Anchorage liquor stores selling directly to Bethel. Adding to the consumption would be whiskey carried in luggage or booze purchased over the counter and shipped by individuals themselves.

It all goes to a town where the sale of liquor is officially outlawed.

Between Jan. 6 and June 18, 1986, defendant Polty spent \$6,471.46 at Party Time and among his purchases were 480 bottles of whiskey, according to the court record.

To preserve the privacy of the other Party Time patrons their names were not disclosed in the court filings. But a computer printout showed that one of them, identified as "Customer 1," bought 283 bottles of whiskey between June 2 and July 12, 1986, a period that includes

The busy Fourth of July holiday. The most orders went to "Customer 11," who spent \$23,239.47 during the calendar year on 2,423 bottles of whiskey, six bottles of other hard liquor and 21 cases of beer.

The July 14, 1987, affidavit of a former employee, Edith Turkington, accused the Gallagher's son-in-law, Richard Marietta, of forging signatures on Bush order forms.

From a back-room office crammed to the ceiling with booze, she and Marietta would take orders over the telephone or by mail. "Each day we would call Alascom and see who had sent money in," she testified.

When a phone order arrived from a regular customer, she or Marietta searched the customer's file for an order form. The forms were often blank, with only the signature of the customer at the bottom, she said.

"On many occasions, we would not have a signed blank order form and Richard just forged the signature," she said.

The Gallaghers kept a ledger for each customer, Turkington testified. "On some of the pages in the book, the word 'bootlegger' was written. I asked Richard Marietta what that meant, and he just said it was a person who sold booze out in the Bush.

"We shipped large liquor orders to persons who were marked as 'bootleggers' in the book. As far as I know, we treated bootleggers just the same as anyone else, although Mike Gallagher often would give discounts and free booze to persons ordering large amounts of liquor."

Attempts to locate Marietta were unsuccessful. An employee of Party Time said Marietta was in California, but didn't know where. Paula Gallagher said she couldn't provide his location or a way to reach him.

AIRLINES' ROLE

In Aniak one Friday afternoon in October, a Northern Air Cargo DC-8 touches down on the runway in the center of town, a few

See Page A-8, RIVER OF BOOZE

minutes behind a MarkAir jet. It taxis to the terminal area. A forklift goes to work on the freight pallets. Within an hour, both planes are back in the sky.

The Northern Air Freight plane leaves four shipments of booze, three of them — cases of whiskey and beer — for men suspected of bootlegging by the local police. Shipping records show that one of the men has received three cases of whiskey over the past six days.

Outside, two men, each with a case of beer tucked under an arm, tread from the MarkAir terminal toward a river slough. They are met by a woman, who helps them load the beer into a pair of boats. After pausing for a drink, they take off up the slough and disappear around the bend, a tiny current in the big river of booze.

Half an hour later, Tommy Toms of Aniak is perched on a bluff above the same slough. He and a friend are holding the cases of beer and whiskey that arrived under his name at Northern Air, and they have cracked the beer case and are drinking.

He's no bootlegger, Toms says, but he also doesn't believe it is wrong for anyone to buy or sell liquor. "It's their money, they could do what they want. There should be no law in spending money the way you want."

A third friend emerges from the thicket below. He ambles up the hill, chats for a few minutes, then hoists the two cases to his shoulders and turns back the way he came.

The next day, Aniak police report a complaint from Kalskag that Toms was bootlegging there.

FLIGHTS FOR BOOZE

Airlines large and small are huge channels for Alaska's river of booze. Their role was recognized last year by an elders council of the Seward Peninsula and the northern Bering Sea islands. In a formal resolution, they asked air carriers to refuse liquor shipments to the Bering Straits villages.

A more discreet role is played by private planes.

James Michelangelo, chief of the National Transportation Safety Board's office in Anchorage, said he believes that booze is the cargo aboard some of the hundreds of planes that take off each day from Merrill Field, one of the nation's busiest airports. The only time anyone knows for sure, though, is when something goes wrong.

That happened Jan. 24, 1987, when a single-engine plane crashed on takeoff at Merrill. The pilot survived, but was uncooperative with authorities, Michelangelo said. He gave his address as General Delivery, Bethel. When authorities went through the plane, they found

it loaded with liquor.

"They had booze up the kazoo," Michelangelo said.

Michelangelo said alcohol, in small amounts, is suspected as a hidden cargo on a Yute Air mail plane that crashed and exploded May 7, 1987, on a hillside near Chefornak, killing the pilot. The flight manifest listed no volatile liquids, yet the plane burned with a ferocity that could only have been fueled by an extremely flammable cargo, he said.

Most booze, at least to Bethel and the surrounding wet villages, moves on scheduled airlines and air taxis. For some, the business can be an important part of the profit picture.

Phil Hoversten, once an official for now-defunct Wien Air Alaska, said the expedited booze packages that arrived on Fridays brought in enough money to cover the entire weekly payroll of the Bethel staff. "We'd get 100 to 150 packages at 50 bucks a crack," he said.

Audi Air, a commuter airline based in Fairbanks that serves the Inupiat and Athabascan communities of the North Slope and Interior, has a pad of order forms from International Liquor of Fairbanks stuck on the wall of its Fort Yukon terminal.

MarkAir has had promotions with liquor stores. Brown Jug has distributed flyers saying it has teamed up with MarkAir to bring speedy and convenient service to Bethel. MarkAir will pick up checks and money orders at its counter in Bethel, whiz them to Anchorage for delivery to Brown Jug, and have the booze waiting for the customer by the next day — with no Alascom charges.

MarkAir's express package rates are the best to Bethel. Clerks at Party Time and O Liquor in Anchorage recommend the price and convenience of the daily 3:45 p.m. MarkAir flight to Bethel. The cost for up to 70 pounds is \$38.75 for a SpeedMark versus \$47 for an Alaska Airlines Goldstreak, they said.

MarkAir's former Bethel

station manager, Kent Harding, says the airlines should shoulder more responsibility for controlling booze.

"Anyone that lives in a community — management and employees — should like to see bootlegging controlled," said Harding, now a sergeant with the Bethel police department.

But that attitude got him in trouble when he worked for MarkAir, he said.

"When a box (not marked

See Page A-9, RIVER OF BOOZE

Continued from Page A-8

as liquor) came in that would go slosh, that had obvious signs of liquor, we would bring it to the attention of police. They would get a search warrant. And it would be safe to say that what was reported turned out 100 percent of the time to be alcohol."

Harding said the concealment of the liquor indicated that it was bound for the bootleg market and justified a search warrant.

But his attitude made his bosses unhappy, he said. "You can either be an employee of MarkAir and keep the revenue, or go back to being a cop," he quoted them as saying. So he quit. MarkAir President Ralph Brumbaugh declined to respond to Harding's comments.

Officials of airlines in Alaska say they refuse to ship liquor to dry villages. But most say they are duty-bound to carry all legal cargo — and booze to Bethel and most

western Alaska villages is legal.

MAKING A STAND

Bering Air decided to just say no.

The airline offers commuter service to 17 northwest villages out of Nome and serves as a contract carrier for continuing Alaska Airlines passengers and cargo.

Bering Air President Jim Rowe said the airline will carry no booze to any village, wet or dry.

"It was my choice," said Rowe, who has flown in the area for 14 years.

"I'm responsible for the impact of this company on the people it serves. The fact is that we do provide a lot of services for the troopers, and we're on medevac duty. When there's an emergency call to go out to a village, if you're the pilot and it's 2 o'clock in the morning, and you're looking at somebody about to go into a body bag, and the

troopers ask where they got the booze, I don't want them pointing their fingers at me.

"Anytime I get a call that someone's hurt in a village, it's somebody I know. There are villages where there are 13-, 14-year-old kids having alcohol problems, and I may have flown the mother to the hospital to have those kids. So it's personal."

Rowe said he has no delusion that his action is diminishing the flow of booze into the villages. With the exception of Little Diomed, at least one other carrier serves each of his destinations, and none flies by his rules.

Alaska Airlines was not happy with his decision because of concerns that it would run afoul of common carrier regulations. Rowe said he sympathizes with their concerns.

"Even though we're certified the same as Mark Air or Alaska, it's harder politically (for them) to make the stand we have. Alaska

he tells the ticket counter clerk, with a note of disgust in his voice. "I'm not doing any more."

Nome, he talks about the last straw: a flight chartered the previous day by two women to the nearest liquor store. It was in Galena, 130 miles away.

"People's permanent fund checks have just come in, and they're taking charters to get booze," he says. "They don't have food for their kids at home. Their kids don't have good shoes and jackets for the winter. I don't want to be a part of it anymore. It makes me feel guilty."

"You just got to draw the line," he says. "I'm just tired of seeing the kids of parents I've taken sitting outside crying because their parents are home drunk."

If recent history is any example, Twedo's action would only divert the business somewhere else, like a small weir in the river of booze.

Airlines doesn't support our stand. They're a publicly held company. If they make a stand such as we have, it goes all the way back to Washington, D.C. When Bering Air does it, there's only one person it comes back to, Jim Rowe.

"One hundred percent of all the mail we had was positive," he said, including letters from local councils and elders. "No one has even suggested we were out of line. Having alcohol in the villages is not a position that's easily defended. There are not many good points for alcohol abuse."

While other airline companies have not followed Rowe's example, some individual pilots have.

'NO MORE BOOZE FLIGHTS'

It is a cool, windy morning in October, 8 a.m., and there is no hint yet of dawn. Pilot Jim Twedo walks into the Ryan Air Service terminal at Unalakleet.

"No more booze flights,"

By [Name] Daily News reporter

NULATO — The trouble started simply, as a dispute over a liquor store. Most people here didn't want one in the village, and they let Elmer Manook know it.

Yet over the past 18 months, this small, local confrontation has tangled itself into an ever larger and more frustrating knot that now includes a state agency, federal law, Native corporation politics and a gaggle of lawyers. Meanwhile, people keep dying because of booze.

Over the protests of a majority of registered voters in Nulato, a village of 350 people on the middle Yukon River, the state Alcoholic Beverage Control Board gave Elmer Manook a license to open a liquor store a few miles outside the municipal boundaries of the village.

Nulato Mayor Victor Nicholas, a leader of the movement against Manook's store, was dumbfounded when the ABC board ignored a petition opposing the new license. The petition had been signed by nearly all the village's registered voters and hand-carried to Anchorage by Nicholas late in 1986.

"After the petition, the testimony we gave, I just figured they wouldn't give it to him. There was enough of a concern that we spent the city's money to send someone down to Anchorage to testify," he said.

Nicholas was outraged when he found that the Gana-a' Yoo village corporation, which represents Native shareholders in Galena, Kaltag, Koyukuk and Nulato, helped the liquor store along by leasing Manook the land he needed.

"To me, that was really underhanded," said Nicholas. "Geez, I was upset. That's kind of odd. It's our land, our corporation. They should have asked us for input."

So how did it happen? Why would a state board ignore such strong protests from a community? And by what logic do village corporation leaders support the sale and distribution of a substance that is killing their neighbors, families, friends and shareholders?

"To whom it may concern: My concern in Nulato is alcohol. One thing I hate about alcohol is that it killed my aunt. I don't really want to talk about it that much so I will tell you a little. See, she was drunk, she was coming in town and because she was drinking she got sleepy and fell asleep in the cold. She froze. . . . It was a very sad moment in my life. There was another, my uncle. He was walking down town, some people were drunk driving and they ran into him. Thanks for listening."

— Letter to the ABC board from a child in Nulato, Nov. 14, 1988

DEATH TOLL GROWS

In Nuiato, six deaths have been blamed on alcohol, directly or indirectly, in the past 18 months.

350 people, that's nearly 2 percent of the population. Anchorage, the equivalent would be about 3,700 people.

Three of the deaths were out most of a family — two brothers and a sister. One brother, while drunk, accidentally strangled him in September 1986. His sister, despondent, hanged herself within a month. The third sibling, an older brother, when a drunken driver on a snowmachine rammed into him.

Two more of the deaths came on successive nights in August. A man shot himself and his closest friend handed himself within hours.

No one blames the death on the opening of Manook's store. Booze is available at Last Chance, a store 13 miles above Nulato, and at Gale 40 miles away. Booze comes

by boat, snowmachine and airplane on a regular basis. Bootleggers sell it in town.

Nulato's people have been unable to stem the flow of booze from outside sources but they don't want it sold in town.

Manook grew up in Nuiato but has lived in Anchorage for 30 years. When he first proposed to open a liquor store in town, local pressure and an official citywide vote against a store forced him back down.

He then decided to open a store outside the municipal boundaries near Nine Mile Bluff, a well-known landmark below Nulato where many villagers own land and many others fish cut wood.

Manook went to Gana-a' Yoo, the village corporation, told them his plan and asked to lease about two acres of

land. Although members of the Gana-a' Yoo board knew about the opposition to a liquor store, and all of them knew that alcoholism and alcohol-related death is epidemic in the area, Manook got the lease for \$432 a year according to papers filed with the ABC board.

"Any and all of our land for lease to anyone," said Peter Klier, Gana-a' Yoo's chief executive. "If it is a remote area, such as where Elmer is, we're willing to lease it as long as it isn't in conflict with the subsistence activities of our shareholders. . . . We didn't get into the right or wrong of the alcohol issue. If it's right or wrong, our intent was to lease it, whatever he wanted."

Not all Native corporations read their corporate duties so narrowly. Years before

TANANA Regional Corp. closed the bar in its hotel in Kotzebue, a move that made the business instantly unprofitable. Other corporations have instituted no-alcohol policies for corporate functions in recognition of the problems among shareholders and their families.

Gana-a' Yoo's board did not consider the issue.

A BUSINESS MATTER

Frederic Stickman, a former mayor of Nulato, was a member of the board that approved the lease. This was a business matter, he said, and a profit-making corporation has to keep its mind on business if it is to succeed.

"This is my opinion on

See Page A-12, NULATO

Continued from Page A-11

Elmer," said Stickman, a firm, fit and imposing community leader and businessman. "It's free flight enterprise. He leased the land. He went through the procedures, and no one should have the right to object to any business, liquor store or whatever."

"To Whom May Concern: I feel un happy Because I hate to see my mom and dad Drink. When I come home from School I see them Drunk. Our house is missy when they Drink. My Baby Brother is one year old. I have to take care of him. I till my mom and dr to quit drinking and go to bed. But they do not listing to me so I clean up the house and dress up my house and go up to my grandad ———'s house. I tell them what them what they are doing to theirselves and to us.

"Sometimes I don't even have any food to eat."

— Letter to the ABC board from a child in Nulato Nov. 14, 1986

After acquiring the site, Manook went before the ABC board, a five-member panel of citizens appointed by the governor. The board has the power to grant and renew liquor licenses, and otherwise regulate the industry in Alaska. Two of the five seats are reserved for industry representatives.

Mike Gordon, the current chairman, owns Ch. "root Charlie's, a popular Anchorage bar. In his view, the board has a difficult, dual role. It should "rationally, intelligently assist the industry, nudging it in the right direction as far as meeting local concerns, and keeping the industry healthy, too."

Even non-industry board members feel they serve in a cooperative as well as a regulatory role. "You just weigh the pros and cons. You've got to protect the guy that has the substantial investment," says James McNamee, an insurance executive from Fairbanks.

In short, the board, over the years, has acted as more of a self-policing arm of the industry than as an activist watchdog. While board members and executive director Patrick Sharrock express familiarity with the problems caused by alcohol in the Bush, they do not feel the board should try to address the broad public policy issues raised by alcohol abuse in rural Alaska.

"We're not legislators," Gordon said.

ROUTINE APPROVAL

Alcoholism was not discussed when Elmer Manook came before the board. Manook's application was discussed. Manook's license was handled and approved routinely. No one testified at the hearing before the board granted Manook a license on Oct. 16, 1986.

Where were the opponents?

The people in Nulato knew that Manook planned to open a store somewhere, at some point, but they expected to be officially notified before it happened. They had, after all, voted in April 1986 against a liquor store.

But no official notice ever came. It wasn't required because Manook's site was outside Nulato's official municipal boundaries. Manook did, as required by law, advertise his intentions in two newspapers, but neither circulates frequently or is read regularly in Nulato.

Moreover, because of a technical reading of the state's liquor laws, the village's April vote did not apply to Manook's application, according to both Sharrock and the board's legal counsel.

The week after the application was approved

without debate, many of Nulato's residents were both shocked and angered.

Dear Mr. Sharrock: The approval of Elmer Manook's liquor application was received in Nulato as a complete surprise and indignation. . . .

His family does not live in the village. . . . His family will therefore not be subjected to the troubles that alcohol abuse causes among rural Natives. They will not have to personally experience the accidents and fatalities that frequently occur due to alcohol accessibility. They will be insulated and isolated from future effects. That Mr. Manook will assure his family's protection, but willingly subject the people here and their families to additional miseries is completely incomprehensible."

— Letter to the ABC board from a Nulato resident, Oct. 24, 1986.

OPPOSITION FORMS

Although it was a little late for protest, it wasn't too late. Local residents began eventually carried about 200 signatures, representing nearly all the adults in Nulato.

In the school, a teacher organized a letter-writing campaign by students, who sent a package of wrenching letters about alcohol and death in their families. The letters included crayon drawings of people flying off snowmachines into open water on the river and stick figures clutching beer cans while other, smaller figures peeked from behind curtains in the background.

Mayor Nicholas took the petition to Anchorage for the December meeting of the ABC board. Accompanying him was Mike Walleri, an attorney from the Tanana Chiefs Conference, a regional non-profit group that offers legal and social assistance to Interior villages.

Nicholas and Walleri asked the board to reconsider its earlier vote. The board's attorney said that was possible. Walleri encouraged the board to consider the

public safety issue. Nicholas asked the board to come to Nulato for a proper hearing. The board listened politely for about an hour, then held desultory discussion.

One board member endorsed the idea of a hearing in Nulato, but the idea was dropped because the board figured it would cost too much. The discussion ended abruptly and the board voted to deny the requests of Nicholas and Walleri. At the same meeting, the board gave Manook an extension on a requirement that his business open within 30 days after approval of the license.

Sharrock explained that Nulato can, under current local option law, vote to ban the sale or importation of alcohol in the village. If residents imposed a ban, it would extend five miles

beyond the official boundaries. That would put Manook out of business at his current site.

However, opponents say, this dodges a larger question: What if someone wanted to open a liquor store a mile or even one foot outside the buffer zone? Would that be another loophole in the law?

Walleri says there are too many loopholes. He has filed a lawsuit in federal District Court on behalf of the Nulato tribal council, a group organized under federal law and independent of the state-chartered village government.

The suit claims that the tribe has jurisdiction over liquor regulation on all the lands owned or selected by the village corporation, Gana-a' Yoo, and says federal law gives the tribal council the right to regulate liquor

outside traditional boundaries.

Naturally, Gana-a' Yoo sees the suit as a threat. Only Manook was named as a defendant, but the court has allowed Gana-a' Yoo to intervene as a second defendant.

Nulato has never been a hotbed of tribal rights activism, a fact that villagers and Walleri acknowledge. It is unfortunate, Walleri said, that he and the village council have had to resort to such a controversial alternative. Tribal rights, he said, are really "a secondary issue."

"Where the state system is responsive to the needs of the villages, I don't think we have any problem," he said. But, he added, when villages hit dead ends with the state and their own corporations, they have only federal law left to turn to.

CIRCULATING IN BELLFLOWER THAT...
EVENTUALLY CARRIED ABOUT...

S B

375

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/9/88
(Waived from Transportation)

FURTHER REFERRALS:

DATE: 3-16-88

The Health, Education and Social Services Committee has considered CSSB 375(RLs)

"An Act relating to licensing school bus drivers; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

J. Ellis

Mike Kopman

Bill (full)

Max Krumboltz

SIGNING OTHER RECOMMENDATIONS:

David Duley (NO REC)

Gene Henley - No Rec

J. Ellis

 Co Chairman's signature
Mike Kopman

FISCAL NOTE

REQUEST

Revision Date: 3/2/88 Agency Affected: Public Safety
 Title: "An Act relating to licensing school bus drivers." BRU: Motor Vehicles
 Sponsor: Senator Fahrenkamp Components: _____
 Requestor: Senate Rules _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact on this department.

Prepared by: Bill Brown Phone: 465-4335
 Division: Motor Vehicles Date: 3/2/88

Approved by Commissioner: A. Houtski, Dep. Comm. Date: 3-2-88
 Agency: Public Safety

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

Alaska State Legislature

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Senate

To: Members of the House Health, Education and
Social Services Committee

From: Senator Bettye Fahrenkamp

Date: March 15, 1988

SB 375 corrects a problem created in 1986 when the legislature imposed stricter requirements for school bus drivers and the ensuing regulations encompassed all van drivers regardless of the purpose of transportation of children. Many school districts are adversely affected, particularly in smaller communities as those schools frequently use "school activity vans" driven by a variety of staff, coaches or teachers. To comply, all would have to undergo the training and other requirements which can be costly to these districts.

"Bus" is defined in existing Department of Public Safety regulations 13 AAC 40.010 (6): "bus" means "every motor vehicle designed for carrying more than 10 passengers and used primarily for the transportation of passengers, and every motor vehicle designed and used for the transportation of persons for compensation, except a taxicab or school bus".

By that definition, current law requires that a driver of a van designed to carry more than ten passengers must possess a school bus drivers license. In order to comply, the driver must complete a state approved school bus driver training course; supply DPS with sufficient information to complete national criminal records check and background check; pass a written and road exam and undergo a physical examination.

SB 375 more clearly defines that school bus driver's licenses are required only when transporting children to and from school, or when a "school bus" is being used to transport children to and from school. All others would not be required to obtain a "school bus" driver's license.

The CS SB 375 (Rules) adds minor changes which further clarify which drivers are affected by replacing "school-age" with "school", and by providing a definition of "classroom studies".

FISCAL NOTE

REQUEST: _____

Revision Date: _____ Agency Affected: Education
 Title: .licensing school bus drivers . . BRU: K-12 Support
 Sponsor: Fanrenkamp Components: Pupil Transportation
 Requestor: Senate HESS

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Steve Hole Phone: 465-2800
 Division: Commissioner's Office Date: 2-25-88
 Approved by Commissioner: William G. Demmert Date: 2-25-88
 Agency: Department of Education

Distribution (by preparer):

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

ALASKA DEPARTMENT OF EDUCATION
Position Paper - SB 375
2/10/88

The Department of Education strongly supports training and licensing of drivers who transport large groups of students to or from school or school activities.

We agree with the requirements of this bill for training and special licensing of drivers who transport school children to or from school or school activities on school buses, or who transport school age children to or from school on buses.

While the department takes no position on the intent of the bill to delete training and special licensing of drivers of non-school buses transporting school age children on activity trips, we believe that school districts should provide these drivers with training in at least the following areas: pre-trip inspection, defensive driving, emergency situations, and passenger management.



William G. Demmert, Commissioner

STATE OF ALASKA
DEPARTMENT OF EDUCATION

Regulations on School Bus Driver Training
DRA.

The following regulations were adopted by the State Board of Education at its regular meeting held on August 17, 1987:

4 AAC 27 is amended by adding new sections to read:

4 AAC 27.200. APPROVED SCHOOL BUS DRIVER TRAINING COURSES. (a) Upon application by a district on forms prescribed by the department, the department may approve a school bus driver training course that is required by a pupil transportation contract which was awarded pursuant to 4 AAC 27.085. Courses approved under this subsection are approved until the expiration of the transportation contract under which the approval was made.

(b) Upon application on forms prescribed by the department and until June 30, 1988, the department may approve a school bus driver training course which includes at least 10 hours of training in the following subjects: pre-trip inspection; seat and mirror adjustment; defensive driving; driving skills; loading and unloading procedures; student management; and safety and emergency procedures. Courses approved under this subsection are approved until June 30, 1988 unless otherwise authorized in writing by the department.

(c) Upon application on forms prescribed by the department, the department may approve a school bus driver training course that:

(1) is conducted by a school bus driver training instructor certified under 4 AAC 27.210;

(2) meets the minimum standard training requirements of 4 AAC 27.220; and

(3) except as otherwise authorized in writing, by the department, follows the Minimum Course Content for Pre-Service Training of Alaska School Bus Drivers, 1987 Edition, issued by the department.

(d) Courses approved under subsection (c) are approved for a period of three years.

4 AAC 27.210. CERTIFICATION OF INSTRUCTORS. (a) The department will certify a person holding a school bus driver permit as a school bus driver training instructor if the person:

(1) has a minimum of two years' school bus driving experience; and

(2) satisfactorily completes a school bus driver training instructor certification program conducted by the department.

DoE Regulations

(b) A school bus driver training instructor certificate issued under (a) of this section expires three years from the date of issuance or whenever the holder fails to continue to hold a school bus driver permit, whichever comes first.

(c) A certificate issued under (a) of this section may be renewed any number of times if the holder submits an application on a form prescribed by the department and

(1) has conducted at least one state approved training course annually during the life of the certificate; or

(2) has prior approval of the department to enter and satisfactorily completes a school bus driver training instructor refresher program conducted by the department.

4 AAC 27.220. MINIMUM STANDARDS FOR SCHOOL BUS DRIVER TRAINING COURSES. (a) In order for a person to be certified by a department approved instructor as having met the requirements of a school bus driver training course approved under 4 AAC 27.200(c), the person must successfully:

- (1) identify the major mechanical component parts of a school bus;
- (2) complete a pre-trip inspection of a school bus;
- (3) adjust the driver's seat of a school bus so that all controls can be reached easily;
- (4) adjust the mirrors of a school bus for optimum visibility;
- (5) demonstrate starting and stopping the bus smoothly using proper coordination of accelerator, clutch where applicable, and brakes;
- (6) stop a school bus a specified distance from another object or point using over the hood, rear and curb reference points;
- (7) where applicable, shift gears on a moving school bus in a manner which provides a safe ride to passengers and avoids damage and unnecessary wear to the bus components;
- (8) where applicable, demonstrate the use of shifting in slowing and stopping the bus;
- (9) turn a corner in a school bus while keeping the bus in the correct lane of traffic;
- (10) back up a school bus in a straight line, and turn the bus around by backing into a side street under conditions of both ample and limited space;
- (11) explain and demonstrate defensive driving skills which may help prevent accidents in school buses in spite of incorrect actions of others;
- (12) demonstrate procedures for properly loading and unloading students;
- (13) explain techniques for managing the behavior of pupils on a school bus in a positive way;

- (14) explain proper actions to take during driving emergencies;
- (15) locate and explain how to use emergency equipment found on school buses;
- (16) explain and demonstrate procedures for safely positioning a school bus on a road after a mechanical breakdown or emergency situation;
- (17) demonstrate procedures for safely evacuating passengers of a school bus; and
- (18) demonstrate procedures for properly crossing railroad tracks in a school bus.

4 AAC 27.230. ISSUANCE OF SCHOOL BUS DRIVER CERTIFICATES; RECORDKEEPING REQUIREMENTS. (a) An instructor certified under 4 AAC 27.210 may issue a certificate certifying that a person has completed a state approved school bus training course under AS 14.07.020(a)(14) only if the person has completed a course approved under ~~4 AAC 27.200~~ using the Minimum Course Content for Pre-Service Training of Alaska School Bus Drivers, 1987 Edition, issued by the department, and has demonstrated to the instructor's satisfaction that the driver has met each of the minimum standards set forth in 4 AAC 27.220.,

(b) An instructor must keep records available for inspection by the department for a period of three years for each person to whom he or she has given instruction in school bus driving indicating:

(1) the objectives on which training was given, including when the training was given, and the amount of training given on each objective; and

(2) evaluation sheets, dated and signed by the instructor and driver, documenting that the driver has met each of the minimum standards set forth in 4 AAC 27.220.

(c) The instructor must furnish a duplicate of each certificate issued under (a) of this section to the department within 5 days of its issuance.

4 AAC 27.240. REVOCATION OF INSTRUCTOR CERTIFICATE. A certificate issued under 4 AAC 27.210 may be revoked for the following reasons:

(a) fraudulent certification of training;

(b) failure to follow department regulations and instructions concerning school bus driver training;

(c) negligence in driving or instructional techniques;

(d) revocation of school bus driver permit;

(e) failure to properly document training as required by 4 AAC 27.230; or

(f) willful failure to submit duplicate certificate to the department as required by 4 AAC 27.230.

(907) 269-5551

March 2, 1988

The Honorable Bettye Fahrenkamp
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Subject: SB-375 Licensing of School Bus Drivers

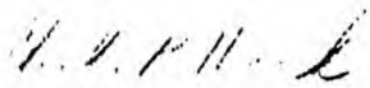
Dear Senator Fahrenkamp:

A question was raised concerning whether parents who drive their own children or others to school in a privately-owned van would be required to obtain a school bus driver's license.

Our position is that this type of operation would be exempted by regulation from the licensing requirement. This could be by exempting privately-owned vehicles or by setting a higher passenger limit such as 15.

Our main concern is to provide competent, adequately trained drivers for regular transportation to and from school. I believe the current wording takes care of this and at the same time allows us the flexibility to make reasonable exemptions.

Sincerely,


Charles R. Hosack
Deputy Director

FISCAL NOTE

REQUEST

Revision Date: 3/2/88 Agency Affected: Public Safety
 Title: "An Act relating to licensing school bus drivers." BRU: Motor Vehicles
 Sponsor: Senator Fahrenkamp Components: _____
 Requestor: Senate Rules _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact on this department.

Prepared by: Bill Brown Phone: 465-4335
 Division: Motor Vehicles Date: 3/2/88

Approved by Commissioner: [Signature] Date: 3-2-88
 Agency: Public Safety

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

Fairbanks North Star Borough
School District

&

Interior Delegation Meeting

December 14, 1987

Interior Delegation

Sen. Jack Coghill
Sen. Bettye Fahrenkamp
Sen. Ken Fanning

Rep. Mark Boyer
Rep. Mike Davis
Rep. Steve Frank
Rep. Niilo Koponen
Rep. Mike Miller

Fairbanks School Board

Bonnie Brody, President

Mike Kramer
Jerry McBeath
Gene Redden
Tony Barnhill, Post Rep.

Walt Schlotfeldt
Karl Schroeder
Andy Warwick
Mike Griffin, Base Rep.

Linda Lowery, Student Rep.

Rick Cross, Superintendent

SCHOOL BUS DRIVERS' LICENSES

POSITION PAPER
IS 28.15.046(A)

I. Statutory requirement

Effective Sept 1, 1987 a person may not drive a school bus, or a bus transporting school age children, until that person has been issued a school bus driver's license.

II. Impact on District

Since the new licensing requirements apply to persons driving any bus transporting school age children, many more people are required to possess school bus driver's licenses than in the past. Anyone who drives school age children in a vehicle capable of transporting 11 or more students must now obtain a school bus driver's license.

This change impacts primarily the extra curricular programs of the District. It also effects the use of the District van by FAJHS staff to transport students. District activities will be impacted as follows:

1. Schools may not rent vans to transport teams to and from events unless the sponsor/driver possesses a valid school bus driver's license. This applies to renting vans in Fairbanks to drive to another town. It also applies to renting vans in Anchorage (or any other town) to travel around town after flying from Fairbanks.

This restriction on the use of vans will increase the cost of transporting teams. Teams will have to either rent smaller capacity vans, rent school buses, or arrange for sponsors to obtain bus driver's licenses. Each of those alternatives increases activity costs, possibly to the point of making it too expensive to travel out of district for certain groups.

2. Schools may no longer charter buses from common carriers (e.g. Westours, Sturgeon, etc.) unless the drivers of those motor coaches possess school bus driver's licenses. These drivers do not generally possess school bus driver licenses, so the district cannot presently use common carriers on long haul charters.

3. The FAJHS must either lower the capacity of its van (presently a 15 passenger van) to less than 10 passenger capacity, or the staff at FAJHS must obtain school bus driver's permits.

III. Potential Solutions

The District has several options available to address the problems created by these new licensing requirements. They are as follows:

1. Hire all transportation of students to school bus contractors.
2. Arrange for all coaches/sponsors travelling with students to obtain school bus driver's permits.
3. Only rent/lease vehicles of 10 passenger or less.
4. Pursue amendment to AS 28.15.046(a) that will change the persons required to possess a school bus driver's license.

The district is presently using a combination of alternatives 1-3 in an effort to comply with the new law. This changes the way students transportation has occurred in the past, making it both more expensive and more difficult to arrange.

IV. Recommended Solution

The alternative of amending the law should be considered. The new law, designed to standardize school bus driver training requirements, has created a new class of persons required to obtain this license. These people will probably never drive a yellow school bus, but are still required to possess a school bus driver's permit.

To suggest that only drivers of school buses should need school bus driver's licenses is not unreasonable. The District supports a change in the law that will limit the application of the statute to those drivers who actually transport students on school buses.

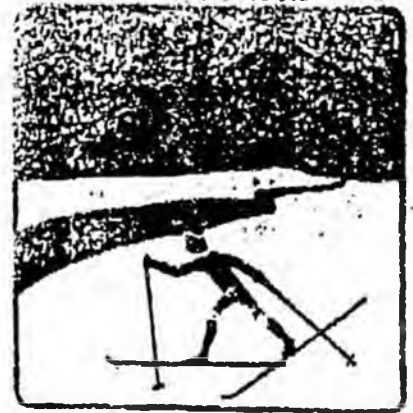
LE 10 '88 15154 L10 - 00724-3

SALCHA SKI CLUB

P.O. Box 140055

Salcha, Alaska 99714

(907) 488-3987 or 488-3012



February 10, 1988

Senator Bettye Fahrenkamp
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

I am writing to express the complete support of our organization (all 114 members) for your Senate Bill 375. This bill will remedy the transportation problems caused by current regulations which have forced us to leave behind team members who would ordinarily have travelled with us to ski races in Anchorage.

As an organization on a limited budget, run completely by volunteer help, we do not have the time or financial resources to obtain school bus driver's licenses for our drivers. Nor do we think that such licensing would improve the quality or safety-consciousness of our drivers.

Would you please pass along this letter to other members of the senate and also the Department of Transportation so that they will know of our problems with current regulations and our support for your Senate Bill 375. Thank you.

Sincerely,

James F. Ostlind

James F. Ostlind, Executive Director
Salcha Ski Club

①



Monroe Catholic High School, 615 Monroe St., Fairbanks, Ak. 99701

(907) 452-2044

February 9, 1988

Senator Lloyd Jones, Chairman
Senate Transportation Committee
Juneau, Alaska

Dear Senator Jones:

I would like to express my concerns regarding the Department of Public Safety Statute AS 28.15.046(a), and in particular that part of the statute which addresses vans of eleven or more passenger capacity.

This statute has greatly impacted the budget of Monroe Catholic High School. In the past, our athletic teams, our debate team and small groups going on field trips have traveled by van. Our coaches and teachers have driven these groups in 15 passenger vans. Last year we were able to take our boys and girls varsity basketball teams to Anchorage in two-fifteen passenger vans at a total cost of \$500. This year, we had to take a school bus and the cost was \$1,900 and we had to have one of the coaches drive a van with the luggage. (The cost of the van is not included in the \$1,900.)

It is not an easy process to have our coaches licensed to drive vans. They must take a nine hour training class, and then make arrangements to take the written and driving tests. They must be fingerprinted and they must have a complete physical. The training course costs \$100 per person, the finger-printing \$12.50, and then there is still the cost of the physical and the license. Monroe would have to spend approximately \$175/driver to acquire bus-driver's licenses. If the school were to pay for substitute teachers for our teachers while they attended the nine hour session, the cost would go up another \$60.

Since we were notified of this statute in October of 1988, we had not budgeted for the use of buses. We also did not have monies set aside for the training sessions. Considering our budget constraints we have had to resort to some unusual tactics for the travel of our volleyball team. We will abide by the law by having a seat removed from a 15 passenger van to make it a 10 passenger van. In order to send 12 volleyball players to Anchorage, we are now taking two vans, but

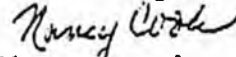
this is considerably less expensive, warmer and more comfortable than taking a school bus.

I am in total support of school bus safety. I am concerned about the overall impact of the current statute. It has not only impacted our athletic budget, but it has limited our ability to transport students on field trips to the public library, to the University of Alaska, and we have had to rely on parents to provide transportation for our student retreats.

I have been in contact with Representative Steve Frank since November regarding this issue. At this time I would like to urge the passage of Senator Fahrenkamp's Senate Bill 375 which I believe addresses the concerns that Monroe has.

Thank you for your time.

Sincerely,



Nancy Cook
Principal

cc: Representative Steve Frank
Senator Betty Fahrenkamp

A M E N D M E N T

Offered in the SENATE

TO: SB 375

Page 1, line 13, after "transporting":

Delete "school-age"

Insert "school [SCHOOL-AGE]"

Page 1, line 17, after "commissioner.":

Insert "In this subsection, "classroom studies" means curriculum studies that take place in a school building."

S B

379

A NEW BRIDGE FOR HEALTH

In recent times, especially since World War II, diplomatic differences have largely left the Alaska-Siberia passage impassable. The University of Alaska-Siberia Medical Research Program has broken the ice and laid the foundation for a new bridge of health between Alaska and Siberia.

In the name of circumpolar health, research and training, the Soviet Union and the United States have submerged political differences to work together on scientific exchange. The University of Alaska-Siberian Medical Research Program is an unprecedented agreement between "private sector" organizations (i.e., nonfederal institutions) of the two nations.

This cooperative agreement is a legacy of the November, 1985 Geneva Summit at which President Ronald Reagan and Mikhail Gorbachev signed the "General Exchanges Agreement." The University of Alaska-Siberian Medical Research Program was coordinated under the President's Office on U.S.-Soviet Initiatives.

A NEW BRIDGE FOR HISTORY

Alaska has shared a history with Russia from its very beginnings. Scientists believe that approximately 13,000 years ago, man moved freely between the continents of Asia and North America via a land bridge across the Bering Straits.

The migration from Asia, through North America and South America, took an estimated 3,000 years. During this time the climate warmed, glaciers slowly melted and the bridge once again submerged beneath the waters.

Eight thousand years ago, the Eskimos and the Aleuts arrived by boat as they followed sea mammal migrations.

In the late 17th century, the Czar Peter the Great organized the first Kamchatka Expedition under the leadership of Vitus Bering to find North America via a Pacific Route. The Second Expedition brought back word of rich furs from the sea otter, and Siberian trappers began travelling to Alaska in 1743.

Russia established ports in Kodiak and Sitka, and Russia dominated the region for more than 100 years until 1867. At that time U.S. Secretary of State William Henry Seward negotiated the purchase of Russian America for \$7.2 million, and it officially became "Alaska" and a territory of the United States.

A NEW BRIDGE FOR HUMANITY

Alaska and Siberia are linked to one another by culture, history, common indigenous origins, common problems and a shared environment.

Alaska's Native population has relatives in Siberia that they have not been able to contact for decades.

People to People efforts in Alaska have recently signaled a thawing trend in the Cold War between the two superpowers. The Soviet government permitted swimmer Lynn Cox to swim across the icy Bering Straits for the benefit of medical research. A research ship was recently permitted a friendship call to the port of Provideniya in Siberia, and Alaska Governor Steve Cowper is negotiating a sister-state relationship with the Territory of Khabarovsk.

UNION OF SOVIET SOCIALIST REPUBLICS

DR. LYDIA NOVAK

Dr. Lydia Novak is a physician and president of the 7 1/2 million member Soviet Medical Workers Union. She is presently a member of Mikhail Gorbachev's reorganization team for health in the U.S.S.R., and, along with Dr. Yuri Nikitin, is a member from the U.S.S.R. of the International Union for Circumpolar Health. Dr. Novak has been instrumental in supporting the Alaskan-Siberian Medical Research Program since its inception.

DR. VLADIMIR I. DAVIDENKO

Dr. Davidenko is a cardiologist and physiologist representing the Siberian Branch of the Academy of Medical Sciences of the U.S.S.R. He has worked for years at the Soviet Research Station in the Antarctic and was part of the Siberian medical delegation that toured Alaska this past November. He is presently Scientific Secretary for the Institute for Clinical and Experimental Medicine in Novosibirsk.

MS. NATALIA N. VOROBIEVA

Ms. Vorobieva is an assistant to Dr. Novak as well as a translator during this visit. She is the International Secretary to the Central Committee of the Soviet Medical Workers Union. This is her first visit to Alaska.

CANADA

MR. J. DAVID NICHOLSON

Mr. Nicholson is the director of Canadian Medical Services and the assistant deputy minister of health for the Canadian government.

DR. BRIAN WHEATLEY

Dr. Wheatley is director of research and development for the medical services branch of the Canadian Department of National Health and Welfare.

DR. JOHN O'NEILL

Dr. O'Neill is a professor of medical anthropology and a National Health Research Scholar of the University of Manitoba.

DR. GILLIAN LYNCH

Dr. Lynch is Director General for the Indian and Northern Health Services Program in Canada. She has worked in the field of Indian and Inuit Health for 12 of the last 15 years.

UNITED STATES OF AMERICA

DR. TED MALA

Dr. Mala is the Secretary General of the International Union for Circumpolar Health and an associate professor of Health Sciences at the University of Alaska-Anchorage. Dr. Mala initiated the Alaska-Siberian Medical Research Program.

COMMISSIONER MYRA MUNSON

Commissioner Munson is the head of the State of Alaska's Department of Health and Social Services.

Senator Johne Binkley

Senate Finance Committee
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985



Finance Committee
Co-Chairman

MEMORANDUM

February 15, 1988

TO: Senate Finance Committee

FROM: Senator Johne Binkley *Johne*

RE: SB 379 and 380: Establishment of the Institute for Circumpolar Health Studies

Alcoholism, suicide and mental depression are not new issues. Certainly we have already spent millions of dollars and countless hours attempting to solve or at least adequately address them. One thing we do know is that Alaska is not alone in suffering from these problems. Other circumpolar areas and nations, including Canada, Siberia, Greenland and Scandinavia also suffer from them.

SB 379 calls for the establishment of an Institute for Circumpolar Health Studies within the University of Alaska as a major new step toward finding solutions to the health problems of Alaskans and inhabitants of other circumpolar regions. A companion bill, SB 380, requests a \$250 thousand special appropriation to be used as seed money in establishing the institute and seeking federal and private monies.

The foundation for this proposed institute has already been created in the University of Alaska's Alaska-Siberia Medical Research Program, opening the door to a new era of scientific exchange with the Soviet Union. The Alaska Legislature last year adopted a Joint Resolution of support (SJR 26) for this program.

The newly-created institute would be established as a world headquarters for circumpolar health studies, providing information, coordination, research and training for the international medical and health sciences community.

Because of that program, the World Health Organization has expressed interest in designation such an institute as a collaborating center for WHO. A linkage with the WHO would bring rapid prominence to the new institutue.

Working with the Alaska Department of Health and Social Services, the institute would set up a medical data base on research done in Alaska as well as in other countries,

and would begin the task of bringing other circumpolar scholars to Alaska to jointly explore common solutions.

Certainly creation of this institute will not cure all alcoholism, suicide and depression. By working together however, we can hopefully come up with solutions to the common problems we share with other circumpolar nations.

I hope you join me in supporting this proposal. I have included a more detailed description of the institute, and also copies of letters of support that either I or Dr. Ted Mala have received.

12901 Kuparuk Rd.
Anchorage, AK 99516
February 7, 1988

Senator John Binkley
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, AK 99811

Dear Senator Binkley,

I wish to express my support for Senate Bills 379 and 380, establishing an Institute for Circumpolar Health Studies and providing a special appropriation to fund it.

The potential long range benefit to all Alaskans from these bills is of such vital importance that I urge speedy passage of both.

In addition, I strongly support Governor Cooper's proposal for the establishment of a Science and Technology Endowment to provide ongoing funding for these types of endeavors in the future.

Sincerely,
Robert Alameda

12901 Lupine Rd
Anchorage, Alaska 99516

Feb. 6, 1988

Senator John Bickley
Alaska State Legislature
P.O. Box 1 (MS-3100)
Juneau, Alaska 99801

RECEIVED FEB 10 1988

Dear Senator Bickley:

I strongly support and urge passage of Senate Bills No. 379 and 380, which provide for the establishment of an Institute in Circumpolar Health Studies at the University of Alaska and funding for this Institute.

I trust that these bills will be passed at the earliest possible date, as they will benefit all Alaskans.

I also support Gov. Cooper's proposal for the establishment of a Science and Technology Endowment.

Sincerely,

Carl Helmerich

American Psychiatric Association

1400 K Street, N.W.
Washington, D.C. 20005
Telephone: (202) 682-6000

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Deputy Medical Director

Jack W. White, D.B.A.
Deputy Director,
Business Administration



February 10, 1988

Senator John Binkley
Senate Finance Committee
P.O. Box V
Juneau, Alaska 99811

Dear Senator Binkley:

I have just finished a meeting with Dr. Theodore A. Mala and have learned of your very exciting bill which you are introducing in the Senate which would establish an Institute for Circumpolar Health Studies within the University of Alaska. I would like to personally congratulate you on your support of this very innovative idea and to say that I wish you every success. Even though this proposal has not yet been shared with the American Psychiatric Association's Council on International Affairs, I'm sure that this component as well as our Office of International Affairs would be very pleased with this possibility. I know that Dr. Mala's work is outstanding and that he has accomplished a great deal in bringing our country together with others in the circumpolar region and I am particularly excited about his work in Siberia.

If this new Institute is, in fact, approved, I am sure that the American Psychiatric Association would be eager to cooperate in any way that it can to facilitate communication and collaboration.

Thank you for your excellent proposal and my best wishes for every success.

Sincerely,

Melvin Sabshin, M.D.
Medical Director

cc: Deobrah B. Geeseman, M.D.
Governor Steve Cowper
Dr. Theodore Mala



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Office of the Assistant Secretary
for Health
Washington DC 20201

DEC 16 1987

Theodore A. Mala, M.D., M.P.H.
Program Director
Siberian Medical Research Program
University of Alaska
3211 Providence Drive
Anchorage, Alaska 99508

Dear Dr. Mala: *Tea*

Thank you for sending me the material on the visit to Alaska by the Soviet medical delegation. You and the University of Alaska deserve a great deal of credit for your efforts in developing this interesting and potentially very productive initiative.

As you know, the development of this type of State government/private sector program with the Soviets is something we strongly encourage. Programs such as these are particularly timely in view of the recent Summit Meeting and the desire being shown by both countries to increase peaceful collaboration.

Again my congratulations and my best wishes for the successful development of activities under this initiative.

Sincerely yours,

RE
Robert E. Windom, M.D.
Assistant Secretary for Health

THE SALK INSTITUTE

3 December 1987

Dr. Theodore A. Mala
Program Director
University of Alaska
Siberian Medical Research Program
3211 Providence Drive
Anchorage, Alaska 99508

Dear Doctor Mala:

It is only now that I have seen your letter of 26 October. The delay is a reflection of more to do than time in which to do it. All my efforts for this past year have been devoted to attempts at control of AIDS via immunization of seropositive individuals and this leaves time for little else.

Your project is surely most worthy and I would like to be helpful. I will have to be away for virtually all of this month. I know that I cannot become involved in still another activity and although I don't know how much help I can be in a few hours of conversation, we can see. Let me hear from you as to when you might be able to visit here.

Sincerely,


Jonas Salk

Mr. Walter J. Hickel,
Box 101700,
Anchorage,
Alaska 99510-1700,
USA

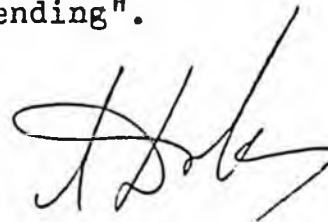
December 4, 1987

Dear Mr. Hickel,

I was glad to receive your letter and thank you sincerely for your invitation to visit Alaska.

Together with you I hope that ties between Alaska and Siberia will gradually develop to the benefit of both nations and those coldest places of our two countries could become the partners in the warmest relationships. Anyway, the start has been made and, as we say in Russia, "a good beginning makes a good ending".

With warm regards.



Sincerely,

Anatoly Dobrynin

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/19/88

FURTHER REFERRALS: Finance

DATE: 2-29-88

The Health, Education and Social Services Committee has considered SB 379(efd-add)

"An Act providing for the establishment of the Institute for Circumpolar Health Studies within the University of Alaska; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Ph Ellis

[Signature]

[Signature]

KELL E. [Signature]

[Signature] - No Lee

Ph Ellis
Co-Chairman's signature

[Signature]

SENATE AMENDMENT

By The Finance Committee

To: _____ SENATE BILL No. 379

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 8

Between "Alaska" and "." INSERT:

;and providing for an effective date

PAGE: 2 LINE: 28

ADD New Section:

* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

REQUEST:

Revision Date: 1/28/88
Title: An Act providing for...
Inst/Circumpolar Health Studies
Sponsor: Binkley et al.
Requestor: _____

Agency Affected: Health & Social Services
BRU: State Health Services
Components: Epidemiology

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The enactment of SB 379 would have no direct fiscal impact on the Department of Health and Social Services.

Prepared by: Elizabeth Ward, Director *Elizabeth Ward* Phone: 465-3090
Division: Public Health Date: 2-2-88

Approved by Commissioner: Maria Ne Minson *Maria Ne Minson* Date: 2-9-88
Agency: Department of Health & Social Services

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

BY BINKLEY, KERTTULA, ZHAROFF,
JOSEPHSON, STURGULEWSKI,
HENSLEY, RODEY, FAIKS, JONES,
KELLY AND DUNCAN

1 IN THE SENATE

2

SENATE BILL NO. 379

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act providing for the establishment of the Insti-
7 tute for Circumpolar Health Studies within the Uni-
8 versity of Alaska."

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

10 * Section 1. FINDINGS. The legislature finds that

11 (1) the severe health problems of depression, alcoholism, and
12 suicide are endemic to Alaska;

13 (2) millions of dollars and countless expenditures of energy and
14 time have been spent attempting to solve or at least adequately address
15 these problems in the state, but that major successes have not been
16 achieved and that a new approach to these problems is needed;

17 (3) other circumpolar areas and nations, including Canada,
18 Siberia, Greenland, and Scandinavia, also suffer from these problems, but
19 that Alaska has failed to exchange research and information with these
20 countries;

21 (4) the establishment of an Institute for Circumpolar Health
22 Studies within the University of Alaska would be a major new step toward
23 addressing and finding solutions to the health problems of Alaskans and
24 inhabitants of other circumpolar regions;

25 (5) establishment of the institute is a concept strongly sup-
26 ported by the International Union for Circumpolar Health and the American
27 Public Health Association's national Arctic health science policy;

28 (6) Alaska is an especially appropriate location for such an
29 institute because the state represents the only presence of the United

SENATE AMENDMENT

By The Finance Committee

To: _____ SENATE BILL No. 379

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 8

Between "Alaska" and "." INSERT:

;and providing for an effective date

PAGE: 2 LINE: 28

ADD New Section:

* Sec. 3. This Act takes effect immediately
under AS 01.10.070(c).

Q

Position Paper

SB 379

For an Act entitled: "An Act providing for the establishment of the Institute for Circumpolar Health Studies within the University of Alaska."

This Act provides for the establishment of the Institute for Circumpolar Studies at the University of Alaska-Anchorage to encourage international cooperation on circumpolar health issues; serve as a center for the collection and exchange of medical and health information and data; provide for communication and cooperation between the university and the commissioner of the Department of Health and Social Services on health-related issues; and conduct research and provide instruction and other services.

Position

The Department of Health and Social Services supports passage of this bill. Several staff members of the department are actively involved in the International Union for Circumpolar Health and the American Public Health Association's national arctic science policy. Having an Institute for Circumpolar Health Studies at the University of Alaska will provide a needed center for exchange of research, data, and information related to health issues in circumpolar regions.

Recommended by:

Elizabeth Ward
Elizabeth Ward, M.N.
Director
Division of Public Health

Date:

February 2, 1988

Approved by:

Myra M. Munson
Myra M. Munson
Commissioner
Department of Health and
Social Services

Date:

Feb 9, 1988

FISCAL NOTE

REQUEST:

Revision Date: 1/28/88
Title: An Act providing for...
Inst/Circumpolar Health Studies
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GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The enactment of SB 379 would have no direct fiscal impact on the Department of Health and Social Services.

Prepared by: Elizabeth Ward, Director Phone: 465-3090
Division: Public Health Date: 2-2-88

Approved by Commissioner: Mary M. Munson Date: 2-9-88
Agency: Department of Health & Social Services

Distribution (by preparer):

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

ATTENTION: SENATOR JOHNE BINKLEY
FOR MS. MOLLY MCCAMMON

A PROPOSAL FOR THE
Institute for CIRCUMPOLAR HEALTH Studies

A RESEARCH INSTITUTE OF THE UNIVERSITY OF ALASKA

BY THE UNIVERSITY OF ALASKA-SIBERIA MEDICAL RESEARCH PROGRAM

(907) 786-4746

ANCHORAGE
JANUARY 1988

Introduction

The foundation for an Institute for Circumpolar Health Studies (ICHS) is now being created in the University's Alaska-Siberia Medical Research Program. The Alaska-Siberia Medical Research Program is generating rapidly growing excitement within Alaska, nationally and internationally. The Program provides a unique opportunity for the University and for Alaska to pioneer in northern health studies and education in an unprecedented linkage with the Siberian Branch of the Soviet Academy of Medical Sciences. The establishment of the U.S.-U.S.S.R Joint Committee on Health has provided impetus for the University of Alaska's historic Alaska-Siberia Medical Research Program. This represents the first agreement ever of its kind between the United States and Siberia.

Scientific exchange with the Soviet Union opens exciting new doors. It also overcomes the largest political obstacle in establishing comprehensive circumpolar coordination on important northern health research. Thus, the Alaska-Siberia Medical Research Program should be viewed, in part, as a first step in launching an Institute for Circumpolar Health Studies under the auspices of the University of Alaska. A discussion of the current status of the Alaska-Siberia program is provided at the conclusion of this proposal.

Need

The Institute will be a cornerstone of new economic development for Alaska and a linkage point for circumpolar relations. It will provide impetus for establishing the research-center-as-basic-industry in Alaska, a component of our state's new infrastructure for economic development.

Alaska, as the only U.S. presence in the North, is the logical location for a national circumpolar health institute. Alaska stands to gain much from an increased emphasis, locally, nationally and internationally, on circumpolar health research and education. And we stand to gain much from becoming the home base for such activity.

- o First and foremost, a better understanding of health issues specific to circumpolar environments will create direct health benefits for every Alaskan.
- o Secondly, the establishment of a center of excellence in research and teaching, opening previously unopened doors of mutually beneficial international communication and exchange, will bring economic advantages and prestige to the state as a whole and to the University.
- o Thirdly, opportunities for training and academic study will become available to Alaskans who currently must leave the state for such education or find it beyond their reach.

Background

Economic growth in Alaska and elsewhere in the circumpolar region over the past several decades and an interest in making the best possible use of circumpolar resources have focused the attention of the United States and other circumpolar countries on developing the necessary knowledge and skills to operate effectively in circum-polar areas. As economic growth continues in the North, our understanding of related health issues must continue to expand.

The Secretariat for the Union for Circumpolar Health (Sweden, Finland, Norway, Denmark, Iceland, Canada, Soviet Union and the United States) is currently lodged in Anchorage under the leadership of the director of the Alaska-Siberia Medical Research Program. In conjunction with that assignment, the World Health Organization has expressed interest in designating a Circumpolar Health Institute within the University as a collaborating center for WHO. Such already established linkages with international interests should bring rapid prominence to the ICHS.

The Alaska Legislature adopted a Joint Resolution of support (SJR 26) for the Alaska-Siberia program during the 1987 session.

Mission Statement

The Institute for Circumpolar Health Studies is to be established as a world headquarters of circumpolar health studies, a center of excellence based at the University of Alaska, serving information, coordination, research and training needs of the international medical and health sciences community.

It will be the Institute's mission to achieve the policy goals in circumpolar health as established by the World Health Organization and those of the U.S. National Arctic Health Science Policy (see attachment), and address the recommendations of the Polar Research Board, Committee on Polar Biomedical Research outlined in a report titled "Data Coordination and Career Stimulation in Polar Biomedical Research" (see attachment), within the framework of the University of Alaska's 1986 long range plan.

Institute Objectives

1. To establish an institute in Alaska which provides for the exchange of medical and health sciences data and which serves as a depository of information from and accessible to all participating nations.
2. To orchestrate research on health needs specific to Northern residents throughout the circumpolar region, including Alaska. Climate, environment, the economic implications for industry, and other Northern-related factors which are common to all circumpolar nations, and the concerns of the target populations, will provide a basis for determining study needs. Setting ethical standards for the impacts of research on subject populations will be a priority.

3. To develop the medical scientific research capabilities of the University, providing a mechanism to attract noted scientists and scholars to Alaska and broadening interaction for both our faculty and our students with other centers of health science research throughout the United States and circumpolar nations.
4. To meet the University's objectives in design of a distinctive academic program in the health sciences. Both by attracting the involvement of international experts on Northern health and by developing information resources, the Institute will contribute to academic instruction and research capabilities for faculty and students.
5. To provide instruction and training for the key research target groups: Alaska Natives, long-term settlers, short-term settlers, and transient workers. Thus those populations whose health needs are being studied will be able to contribute as researchers and trained specialists themselves, particularly important in remote areas.
6. To create an ongoing exchange process that initiates and implements meetings between U.S experts in the health sciences and their counterparts in other circumpolar countries.
7. To create a new component of Alaska's economic development infrastructure, adding new research activities to the array of successful basic industries in the state.

Structure

The ICHS is proposed as an institute originating under the Vice Chancellor of Academic Affairs. The Institute will be a component of the University's statewide system and will be located in Anchorage, reflecting the University mission to make medical and health sciences a priority of the Anchorage campus.

The Institute will be made up of a Research and Instruction branch and an Administration and Information branch. Research and Instruction will house the closely linked tasks of teaching and research. Administration and Information will house the complementary tasks of both public and scientific information and services. Once appropriately endowed, it will also handle the important development tasks that will go with making the Institute largely self-sufficient in funding.

It is critical that each of these program components be incorporated into the Institute's structure from the beginning. There is an overlapping linkage among them, and in concert they carry out the mission which is a response to needs laid out by the University, and to national and international policy goals.

Strategies

In keeping with the challenges which the University System has set for itself, the Institute is designed with three substantive program components: instruction, research and service.

Development will also be a significant function for the Institute, not only in the areas of grant and contract management but in other fundraising activities which will heighten awareness of the Institute and its objectives. It will be an integral part of the Institute's strategies for success.

The following strategies will be implemented to carry out each of the program components.

I. Instruction

1. **Curricula.** The Institute will serve to expand and specialize the University curricula in medical and health sciences. Development of curricula components which focus on health studies in the North will be integrated into programs including the empirical and applied sciences, international business, and public policy and will enhance the University mission in circumpolar understanding. Expanded curricula should be incorporated in the general education programs and particularly in professional schools and graduate programs.

2. **Faculty.** Both permanent and visiting faculty, drawn to the Institute's unique resources, will be affiliated with the ICHS. They will provide an instructional resource with specialized expertise for the University programs with which the Institute is associated.

3. **Professional Training.** A primary function of the ICHS will be the training of professional health specialists, providing skills and knowledge necessary to work successfully in remote Northern areas. Training of Northern rural residents will be a significant component.

4. **Non-Degree Instruction.** Development and presentation of conferences, seminars, workshops, and short courses will serve a broad constituency, both professionals in medical and health sciences and the general public. Initial topics, reflecting research focus, will include: nutritional guidelines for Northern regions; understanding of and innovation in alcoholism problem solving; processes of disease and human adaptation in the North; and physiological effects of chronic stress among Natives and industrial seasonal workforces.

II. Research

1. **Research Management.** The Institute will serve the research coordination needs of the international medical and health sciences community for circumpolar studies. An important aspect of international cooperation in research is the development of methodology and technique consistent from one locale to another. Locally-based scientific advisory boards in each participating circumpolar country will work together to establish method-ological guidelines. As a computerized repository for research data for Northern areas, the Institute will provide, for the first time, centralized data management for research results and worldwide access via the university BITNET computer system.

2. **Self-Generated Funding.** Circumpolar nations involved with the ICHS will, of course, pursue independent research. It is anticipated that largely external funding can be obtained for Alaskan research projects initiated by the Institute.

3. **Scope of Research.** As the University has noted in its long range plan, northern medicine and health sciences are of increasing importance to Alaska. Because of the extensive history of research in Siberia, bringing Soviet and Western research together will be extremely beneficial for Alaska and Western nations. Both basic and applied research will be conducted through the Institute. Initially, based on the existing Alaska-Siberia research agreement, areas of research will include: physiology, immunology, nutrition, stress studies, and alcohol abuse problems. Also, Baseline information will be compiled from existing research data. Research responding to the objectives of the National Arctic Health Science Policy and the priorities identified by the U.S. Arctic Research Commission will include areas of environmental health, biomedical engineering and socio/cultural studies such as ethnomedicine.

In accordance with current federal standards, protection of individual and community privacy and integrity and development of opportunities for community involvement will be cornerstones of the Institute's field research program.

III. Service

1. **Information Services.** The Institute will develop and maintain a data management system for circumpolar research data. Storage and retrieval capabilities will be developed to serve the needs of the research community. Data will also be available for academic instruction and professional training as well as for applied research needs. An Institute newsletter will be published.

2. **Clearinghouse and Reference Services.** The Institute will provide clearinghouse services for research proposals and ongoing projects within Alaska and throughout circumpolar countries. This will facilitate the coordination of research.

A reference library will be established for University and public use.

3. **Translation Services.** Translation services for circumpolar languages will be provided for published studies and for new research results as they come in.

4. **Academic Services.** In keeping with the goal of providing a broad spectrum of student programs and services, the Institute will offer an opportunity for the development of affiliated student organizations and activities, i.e., travel, study and information exchange opportunities for health professionals and students in other circumpolar regions.

5. **Public Services.** By making the results of study and data collection available to government and to the public, the Institute will provide information useful to public policy making on Northern health issues. The Institute will solicit individual volunteer and community participation in public events and activities intended to foster interest in inter-national and cross-cultural exchanges on health issues.

IV. Development

1. **Grant Coordination.** The Institute will aggressively pursue private and federal support. The Institute's appeal to funding sources includes not only its health sciences orientation, but also its circumpolar focus and the fact that it will be at the forefront of peaceful East-West exchange of scientific information and resources. Thus there is an opportunity to work with a broad range of national funding sources.

2. **Contract Management.** The Institute will seek contracts to carry out research being initiated by government and private institutions in the field of circumpolar health.

3. **Special Fundraising.** The Institute will undertake projects and events which will generate fundraising opportunities. Developing Alaskan public interest in the Institute's work will foster public support for the University.

V. Regional Programs and Advisory Boards

1. **Regional Programs.** Programs will be brought on line sequentially over a period of several years. The Siberian Program, currently established, will be the flagship program for the Institute. The Canadian Program will be initiated in FY 1990. The Scandinavian and Greenlandic Program is scheduled for FY 1991; the Antarctic Program, for FY 1993. This sequential approach is intended to allow for coordinated program development and for development of funding sources.

2. Advisory Boards. Boards will be established to provide peer review, to guide the development of research projects for Alaska, and to guide the overall international activities of the Institute. Advisory boards for each field of research will include both Alaskan and national representation.

Implementation

Seed money from the State of Alaska is critical for the establishment of the Institute for Circumpolar Health Studies. A \$250,000 start up budget would provide the critical operating money for Institute staff and services not generally funded through grants. With seed money, it will be possible for the Institute to demonstrate the serious commitment of the State of Alaska, as it seeks additional funding from private and federal sources.

From the private sector, the Institute will focus initially on endowment of chairs to meet the faculty instruction and research needs of the Institute.

Initial staffing will include a full time director for the Institute and program coordination and support staff. Faculty affiliations will be established in coordination with the Office of the Chancellor of Academic Affairs, University of Alaska, Anchorage.

Development of the initial implementation plan for the Institute will be accomplished by the University of Alaska-Siberia Medical Research Program in conjunction with its advisory boards. Activities within Program Components will be identified. The critical success factors by which to measure those activities and target dates for completion will be established.