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In addition, the United States District Court for Western Washington held in September, 1986 that the shipment of such fuels from a foreign country to the United States is covered by NEPA. In that case, the court directed the Department of Energy to prepare an EIS. Finally, regulations promulgated by the Council of Environmental Quality and by the Departments of State and Energy recognize that international agreements with significant domestic environmental consequences are "proposals for legislation" under NEPA.

Second, a systematic presentation of the alternatives to the President and Congress, as contemplated by NEPA, is especially important in this case, given the number of possible scenarios and the different risks involved in each. For example, the agreement does not specify what safety standards the casks which will be used for the shipments must meet. Both the International Atomic Energy Agency (IAEA) and the Nuclear Regulatory Commission have standards for testing the ability of the shipment casks to withstand a crash. However, the international standards are less stringent than those used by the NRC. An EIS is necessary to assess the environmental and health risks which would result from using either of these or some other set of standards.

Similarly, it is unclear whether it will be possible to build a cask which can survive an airplane crash and which is large enough to ship the quantities of fuel contemplated in the agreement. An EIS is needed to evaluate the alternatives which will be used in the event that a safe cask cannot be developed.

In 1980, the Department of Energy prepared an analysis of the storage and shipment of foreign power reactor fuel. With regard to shipment, the analysis listed the following factors which should be covered by an EIS: demography along the transportation routes, emergency response capabilities, weather patterns along the routes, and location of drinking water and food sources for the surrounding population. No information regarding these factors has been presented so far. Without this type of analysis, the President and Congress will be unable to make a reasoned decision regarding the agreement.

In my opinion, it is not sufficient to prepare an EIS at the time when a stopover site is actually designated. (From our discussions with Federal officials, it is by no means clear that an EIS is contemplated even at this point.) For one thing, relevant NEPA case law indicates that a statement should be prepared at the earliest reasonable junction in a Federal decision making process which involves several sequential but related steps. For another, once the President and the Congress have approved the thirty year blanket acceptance embodied in the cooperative agreement, it is difficult to perceive how a truly objective analysis of

possible airport sites, safety measures, and other relevant considerations could occur. In other words, execution of the agreement will generate a momentum that will make stringent protective measures or outright negative decision making far more difficult and less acceptable in the international relations context.

To conclude, I believe that this agreement represents a major Federal action which could significantly affect the human environment in Alaska. Final action by the President and the submission of the agreement to Congress prior to preparing an EIS could foreclose opportunities for decision makers, as well as the public, to consider the full range of alternatives for accommodating Japan's needs for recycled plutonium. For these reasons, I respectfully request that the Departments of State and Energy prepare an EIS prior to concluding their review of the Agreement and its submission to Congress.

Sincerely,

Steve Cowper
Governor

cc: Senator Ted Stevens
Senator Frank Murkowski
Senator John Glenn
Congressman Don Young

Nuclear Proliferation: Studies and Strategies for Stopping the Spread of the Bomb

NUCLEAR CONTROL INSTITUTE
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SPECIAL REPORT

AIR TRANSPORT OF PLUTONIUM OBTAINED BY THE JAPANESE FROM NUCLEAR FUEL SUPPLIED BY THE UNITED STATES

Paul Leventhal, Milton Hoenig and Alan Kuperman

March 3, 1987

Paul Leventhal is president of the Nuclear Control Institute. Milton Hoenig is the scientific director. Alan Kuperman is a research associate. The report was jointly researched, and was written by Mr. Kuperman. The Nuclear Control Institute is non-partisan and non-profit and conducts independent research on problems relevant to the spread of nuclear weapons.

Nuclear Proliferation: Studies and Strategies for Stopping the Spread of U.S. Bomb

NUCLEAR CONTROL INSTITUTE

1000 Connecticut Avenue, N.W., Suite 406, Washington, D.C. 20036 (202) 822-8444

FOR IMMEDIATE RELEASE
Tuesday, March 3, 1987

BIWEEKLY FLIGHTS OF HUNDREDS OF POUNDS OF PLUTONIUM
TO BE AUTHORIZED UNDER U.S.-JAPAN NUCLEAR ACCORD

President Reagan is preparing to submit to Congress a new 30-year nuclear-cooperation agreement with Japan that would require biweekly flights of cargo planes carrying about 500 pounds of plutonium from Europe to Japan. Because of the enormous weight of shipping casks to be used to transport the plutonium, the flights would cross Canada and land for refueling in Anchorage, Alaska, and then take off again for Japan.

A crash-proof cask being developed for these plutonium shipments failed to survive a high-velocity impact test at Sandia National Laboratories last summer. No new tests have been scheduled, and some experts close to the project believe that it will not be possible to build a large cask, for use in large-scale shipments of plutonium, that can survive a realistic crash test. The cask being developed weighs 5,000 pounds and holds about 15 pounds of plutonium. There would be as many as 40 of these casks on a single Boeing-747 cargo plane.

It is possible that the Reagan Administration will permit Japanese plutonium flights in and out of Anchorage utilizing casks that fail to meet strict safety criteria spelled out by the Nuclear Regulatory Commission after Congress mandated the development of crash-proof casks in a 1975 law.

Plutonium, a manmade element created as a waste byproduct of reactor operation, is highly toxic and can be used in nuclear weapons. The Japanese plan to use recovered plutonium as fuel in their power reactors---an approach that has been rejected by Congress as too hazardous and costly for the United States domestic nuclear power program.

Details of the planned air shipments of plutonium are disclosed in a Special Report, "Air Transport of Japanese Plutonium Obtained from U.S.-Controlled Nuclear Fuel," prepared by the Nuclear Control Institute and released today. The Institute is non-partisan and non-profit and conducts independent research on problems relevant to the spread of nuclear weapons.

The new nuclear agreement---negotiated by the Reagan Administration but still not submitted for Congressional approval---would give the Japanese a 30-year advance approval to recover and use plutonium produced in nuclear fuel originally supplied by the United States for Japanese power reactors. The new agreement would replace the present agreement, which does not expire until the year 2003. Under the existing agreement, the United States can withhold approval on a case-by-case basis of Japanese plutonium activities on safety or security grounds.

The U.S. government blocked for two years a large plutonium shipment by boat that originally was to proceed on its five-week journey from France to Japan without military escort or surveillance. The large risks and costs associated with this shipment, which finally involved the use of French and U.S. warships and satellites in 1984, led to plans to send future shipments by air. Under the new U.S.-Japan agreement, however, the United States would lose its veto power over safety and security arrangements for these shipments, as well as over use of the plutonium itself.

The United States presently exercises legal control over most of the 85 metric tons [187,000 pounds] of plutonium that the Japanese want to recover from their nuclear spent fuel by the year 2000. About half of the plutonium is contained in spent fuel that Japan has sent or has contracted to send, with U.S. consent, to France and the United Kingdom for reprocessing. U.S. controls now apply to at least 80 percent of the 45 metric tons [99,000 pounds] of Japanese plutonium to be separated in France and the U.K., according to an analysis by David Albright, a physicist with the Federation of American Scientists.

Under the new agreement, the United States would provide one approval, in advance, for Japanese shipment and use of plutonium derived from U.S.-supplied nuclear fuel or fuel used in U.S.-supplied reactors, for the 30-year life of the agreement.

The Nuclear Control Institute report was co-authored by Paul Leventhal, the Institute's president, Milton Hoenig, the scientific director, and Alan Kuperman, a research associate.

The report concludes: "There are many technical issues to be resolved before it can be determined whether commercial air transport of plutonium, as envisioned in the upcoming U.S.-Japan nuclear agreement, can be achieved safely and securely . . . . It is premature, therefore, for the Reagan Administration to negotiate away U.S. authority over how Japan makes use of plutonium contained in spent nuclear fuel originally supplied by the United States. The President should not submit the new U.S.-Japan agreement to Congress until all technical issues with regard to air transport of plutonium are resolved."

In addition, the report concluded: ". . . there are also questions concerning the vulnerability of commercial, weapon-usable plutonium to attacks or thefts by terrorists, as well as the eventual spread of this material to nations seeking the capability to build nuclear weapons. From both counter-terrorism and non-proliferation perspectives, the risks of commercial use of plutonium may far outweigh any energy benefits of using this fuel."

SPECIAL REPORT

AIR TRANSPORT OF PLUTONIUM OBTAINED BY THE JAPANESE FROM NUCLEAR FUEL SUPPLIED BY THE UNITED STATES

Paul Leventhal, Milton Hoenig and Alan Kuperman

I. Overview of the Problem

President Reagan may soon approve and submit to Congress a new nuclear cooperation agreement that his Administration has negotiated with Japan. The agreement would give Japan advance approval to reprocess, over the next 30 years, U.S.-supplied and -controlled nuclear fuel after it is removed from Japanese power reactors. The reprocessing of the spent fuel would result in chemical separation of plutonium for use as a fuel in Japan's nuclear power program.

If the new agreement is approved by the President and is not rejected by Congress, the Japanese will have a blanket authorization to separate all the U.S.-controlled plutonium produced in Japanese reactors. This plutonium will make up most of the 85 metric tons [187,000 pounds] of plutonium that will be produced in Japanese spent fuel by the year 2000.

Plutonium is a man-made element that is created as a waste byproduct of reactor operation. It is highly toxic, and it can be used in nuclear weapons. Laboratory experiments show that microgram quantities can cause cancer. Five to eight kilograms [11 to 18 pounds] is sufficient for use in a "primitive" fission bomb of the type that destroyed Nagasaki. (The United States now has about 100 metric tons [220,000 lbs.] of plutonium in its stockpile of nuclear weapons.)

More than half of the 85 metric tons would be separated by reprocessors in Europe, and then transported back to Japan. The first such shipment was made by ship from France to Japan in 1984. The five-week voyage involved such large risks and required such massive military escort and surveillance activities, that both the United States and Japan agreed that future shipments should be made by air.

Present plans call for air shipments of plutonium to cross over Canada, land for refueling in Alaska, and then proceed to Japan. There are a number of problems with the execution of these plans:

1. Commercial air shipment of multi-ton quantities of plutonium is unprecedented. A few flights of no more than 100 pounds each had come into the United States before enactment of the Scheuer Amendment (P.L. 94-79) in 1975. This law barred the Nuclear Regulatory Commission from licensing "any shipments by air transport of plutonium in any form, whether exports, imports or domestic shipments" until the NRC certified a cask capable of surviving "the crash and explosion of a high-flying aircraft."

2. A cask large enough for efficient, large-scale shipment of the Japanese plutonium has not been certified by the NRC. A prototype cask, weighing 5,000 pounds and designed to hold about 15 pounds of plutonium, failed a crash test last summer.

3. If the cask now being developed is eventually used, one Boeing-747 shipment of more than 500 pounds of plutonium would be required every two weeks---taking off from France or the United Kingdom, overflying Canada, landing for refueling in Alaska, and then taking off again and finally landing in Japan. These flights may prove to be of considerable local and national concern. Canada has had one experience with radioactive fuel falling from the sky, during the reentry of an orbiting Soviet satellite in January, 1978.

4. If the cask proves to be technically unfeasible---as some experts advise us will be the outcome---plutonium air transport (PAT) may have to be accomplished with existing, smaller PAT-1 casks, which were never intended for such large-scale transport.

5. The Japanese shipments may not be subject to licensing by the NRC because, although the Commission is responsible for licensing initial exports of uranium fuel, all subsequent arrangements involving spent fuel and the plutonium contained in it are approved by the Department of Energy. The safety of DOE-approved shipments of separated plutonium comes under the jurisdiction of the U.S. Department of Transportation when any such shipments are flown into U.S. airports and/or air space. According to a DoT official, the Transportation Department probably would consult with the NRC on approving a cask, but the DoT would make clear to the NRC that only the International Atomic Energy Agency (IAEA) standards for safe transport need be met.

The IAEA standards are far less demanding than those set by the NRC. For example, the IAEA impact test requires a velocity of only 44 ft./sec., while the NRC-mandated test requires a velocity of at least 422 ft./sec. Further, the IAEA crash standards are no more stringent for plutonium casks than they are for casks used for less hazardous nuclear materials.

The Scheuer Amendment prescribes extra precautions for NRC-licensed plutonium transportation, owing to plutonium's extreme toxicity. The Administration, however, appears to be interpreting the Atomic Energy Act in a way that could permit foreign plutonium to be flown into an Anchorage airport in casks that need not meet the NRC's strict crash standards.

The Atomic Energy Act requires NRC licensing of domestic, commercial plutonium shipments, as well as imports of plutonium for commercial use in the United States. (There are presently no such shipments because of Congressional actions resulting in the shutdown of all elements of the U.S. commercial plutonium program---spent-fuel reprocessing, fresh-fuel fabrication and breeder-reactor development.) However, plutonium-bearing cargo planes landing for refueling in the United States, on their way from Europe to Japan, apparently are viewed by the Administration as neither domestic nor import shipments. This interpretation could create a loophole not intended by Congress:

flights of foreign plutonium stopping in the United States may be approved by the DoE on the basis of cask-safety criteria substantially inferior to those set by the NRC.

In the face of known dangers and high clean-up costs associated with environmental releases of plutonium, the United States---under the agreement negotiated by the Reagan Administration with Japan---would acquiesce in the development of a Japanese plutonium fuel economy that could result in a planeload of plutonium landing in Anchorage as often as every two weeks.

Crashes of two U.S. military aircraft carrying nuclear warheads, which resulted in the release of substantial amounts of plutonium, serve to illustrate the problem. One crash occurred at Palomares, Spain, in January, 1966 after a bomber and a tanker collided in a routine mid-air refueling operation. Clean-up of 1,400 tons of contaminated soil and vegetation at Palomares cost $500-million. The crash of a bomber carrying four nuclear weapons at Thule, Greenland, in January, 1968, required the removal of one and a half million gallons of contaminated snow, ice and water at a cost of $300-million. Both of these sites were unpopulated. Plutonium contamination of a more densely populated crash site would involve a public health risk, and evacuation and decontamination costs would be many times higher.

Under the present U.S.-Japan nuclear agreement, which expires in 2003, the Japanese must obtain U.S. approval of each of their reprocessing, plutonium-transfer and plutonium-use requests. Thus, the existing agreement permits the United States to withhold approval of air shipments of U.S.-controlled plutonium in the absence of a crash-proof cask that meets NRC's specifications. The new agreement would replace the existing case-by-case review process with a blanket U.S. approval of Japanese plutonium activities for the 30-year life of the agreement.

By the late 1990s, Japan will have 5,250 kg. [11,550 lbs.] of plutonium separated each year from spent fuel by reprocessors in the UK and France---the equivalent of 5,950 kg. [13,090 lbs.] of plutonium oxide---according to David Albright in "Civilian Inventories of Plutonium and Highly Enriched Uranium."[1] Out of a total of 48 metric tons of plutonium to be separated in Europe for Japan by the year 2000, 45 metric tons are from fuel irradiated in light water reactors (LWRs). According to Albright, a physicist with the Federation of American Scientists, at least 80 percent, if not virtually all, of this LWR-produced plutonium was separated from fuel supplied by the U.S. or used in U.S.-supplied reactors and, therefore, comes under U.S. control.

Air shipments of commercial plutonium of the magnitude to be authorized by the Japanese agreement have never occurred. Indeed, these shipments may exceed the amounts of plutonium now shipped by air for the U.S. nuclear weapons-program.

1/ This paper appears in Preventing Nuclear Terrorism: The Report and Papers of the International Task Force on Prevention of Nuclear Terrorism, A Nuclear Control Institute Book, Lexington Books, 1987, pp. 265-291.

The significance of the plans to ship plutonium by air is underscored by the on-going development of a communications system for the International Atomic Energy Agency to continuously monitor the integrity of casks during flight. The system, called Artemis, is being designed and set up by the U.S. Arms Control and Disarmament Agency. It will use the private Inmorsat satellite to monitor tamper-indicating seals in "real-time" and the U.S. Navstar Global Positioning System to accurately track the position of the aircraft.

II. Brief Historical Background

In January 1978, the NRC, pursuant to the Scheuer Amendment, published NUREG-0360, "Qualification Criteria to Certify a Package for Air Transport of Plutonium," which detailed: (1) a rigorous set of crash, burn and submersion simulations, to which any potential cask would have to be subjected before its certification; and (2) operational conditions for air transport of plutonium, which would have to be followed to ensure the integrity of the cask and its contents.

By June 1978, the safety analysis report on the first prototype cask, the PAT-1, was published, and by August 1978, the NRC officially certified the cask for use. The PAT-1 weighed approximately 500 lbs. and was cylindrically shaped, with a length of 42.5 inches and a diameter of 24.5 inches. It was authorized to hold up to 2 kg. [4.4 pounds] of plutonium oxide, uranium oxide, their daughter products, or any mixture thereof.

The only real need for air transport of plutonium at the time, however, was for quick, international delivery of IAEA plutonium samples---for analysis as part of their international safeguards procedure. The amounts with which the IAEA was dealing were very small, but were still large enough to require a cask under the law's provisions. The size of the PAT-1 was overkill for these small samples, and as a result, its use would have strained the budget of the IAEA.

The IAEA thus asked the U.S. government to help develop a Light Weight Air Transportable Accident Resistant Container (LATARC), later known as the PAT-2. By September 1981, the PAT-2 had been developed, tested and licensed for use by the NRC, weighing only 73 pounds but holding only 40 grams of plutonium oxide, which was satisfactory for the IAEA's needs, but clearly inadequate for large scale transport. Because the operating procedures specified by NUREG-0360 still made the casks' use prohibitively expensive, the NRC reviewed these operational guidelines and eventually relaxed the restrictions on tying-down the casks and on what other types of hazardous cargo could be aboard flights containing the casks. The NRC concluded that the new, less stringent guidelines did not "significantly" affect the ability of the PAT-2 package to withstand the crash and explosion of a high flying aircraft.

Since then, the only major advance in the development of these casks was the development of a modified PAT-1, which could carry 3.15

kg. of plutonium metal, as opposed to the original 2 kg. of plutonium oxide. This modified PAT-1 was licensed for use by the Department of Energy, but was never submitted to the NRC, because there were no NRC-licensed transports of plutonium taking place at the time. There are no indications that the Japanese are considering shipping the plutonium in its highly flammable (pyrophoric) metallic form, which is also the preferred form for use in weapons.

III. The Present Situation

The PAT-1 and PAT-2 are thus the only two NRC-certified casks in existence for air transport of plutonium. A number of firms around the world, including PNC (Japan), COGEMA (France), and BNFL (UK), are working on developing a larger cask that would make commercial shipment of reprocessed plutonium economically viable.

The only acknowledged test of such a cask took place at Sandia National Laboratories in the summer of 1986. It was an impact test of a prototype PAT-3 cask developed jointly by PNC and Battelle-Columbus. The cask weighed about 5000 lbs. and was designed to hold 6-7 kg. [about 13-15 lbs.] of plutonium oxide. The cask was propelled into a hard target at more than 422 ft/sec. (250 knots---the maximum legal air speed below 10,000 ft. and the speed specified by NUREG-0360). The cask failed the test,and no new prototype has yet been tested or scheduled for testing at Sandia, according to knowledgable Sandia officials. One such official said Battelle has "gone back to the drawing board."

When we asked a leading expert on the engineering of casks to predict when a large, crash-proof cask with a capacity of 6-10 kg. of plutonium oxide would be developed, he replied: "Never." He explained that due to the rigor of the NUREG-required tests, there was a limit to the size of any cask, because past a certain size, the cask "committed suicide"---that is, it collapsed on itself. Thus, he felt that there was an absolute limit---barring an unforeseen developmental breakthrough---to the size of a crash-proof cask, and a corresponding limit to the amount of plutonium that it could hold.

The limitation on size results from a basic principle of engineering which states that as the size of a structure is increased, the weight of the structure grows much faster than the strength. Thus, as bigger casks are developed, the force of impact eventually overwhelms the strength of the package.

IV. Air Transportation Facts for Proposed New PAT-3

According to various informed sources, the PAT-3 cask, if successfully developed, would weigh 5,000 pounds, hold 6 to 7 kilograms of plutonium oxide, and be packed three casks at a time into shipping containers for transport in Boeing-747 cargo planes. The 747s have a maximum cargo load of 255,000 lbs. according to NUREG-0360.

Thus, we can calculate the maximum capacity of plutonium flights using the PAT-3 casks:

Each shipping container would hold 3 casks. A typical container would have a capacity of 12.5 short tons and itself weigh 2,600 lbs. The weight of a packed container would be at least 15.000 pounds for the casks [3 x 5,000 lbs.] plus 2,600 lbs. for the container, or a total of 17,600 pounds. With the addition of packing materials, the total weight of a filled container would likely be as large as 20,000 pounds, or 10 short tons.

Based on its total weight capacity, a 747 could carry some 12 or 13 containers, depending on the added packing materials. Given that each cask can hold 6-7 kg. of plutonium oxide, each container would hold 18-21 kg. [40-46 lbs.] of plutonium oxide, and there would be from 216 kg. to 273 kg. [475 to 600 lbs.] of plutonium oxide in a single 747. Thus, the likely load on each 747 shipment to Japan would be about 250 kg. [550 lbs.] of plutonium oxide. Because of the heavy load, a 747 would need to refuel in Alaska enroute from Europe to Japan.

Volume capacity would not be a problem. According to our calculations, a 747 cargo flight could hold 14 of the above-discussed containers plus additional containers of smaller size if weight were not a factor.

As discussed above, the Japanese will have 5,250 kg. of plutonium per year separated by reprocessors in Europe by the late 1990s, or the eqivalent of 5,950 kg. of plutonium oxide. At 250 kg. [550 lbs.] per 747 flight, that would mean at least 23 flights per year.

Thus, in order to move the estimated 45 metric tons of plutonium that European reprocessors will separate from LWR spent fuel for Japan by the year 2000, a 747 carrying over 500 pounds of plutonium would have to fly over Canada and land in Alaska every two weeks by the mid-to late 1990s.

It is by no means clear, however, that a PAT-3 crash-proof cask can be developed. Such flights may use a cask that does not meet the NRC's present strict requirements, if DoE and DoT choose not to require it. It also should be noted that the last time the NRC's operational requirements hindered use of a cask (the PAT-2), those safety restrictions were relaxed by the NRC itself.

V. Calculations for Air Transport Using PAT-1

If use of a PAT-3 cask eventually is barred because one cannot be developed to meet the NUREG 0360 crash standard, the only NRC-certified cask that exists for potential large-scale shipment of plutonium is the PAT-1.

We estimate that as many as 350 PAT-1 casks, each weighing 500 lbs., could be carried on one dedicated 747 flight. At 2 kg. of plutonium oxide per cask, this yields a capacity of 700 kg. [1540

lbs.] of plutonium oxide per flight. Thus, transporting 5,950 kg. [about 13,000 lbs.] of plutonium oxide per year could be done with as few as nine flights, each carrying about 1,500 pounds of plutonium oxide per 747.

There are serious obstacles, however, to the use of this cask for such commercial transport. According to an NRC official, substantial safety issues would have to be resolved in connection with shipments of such large quantities of plutonium. For example, a 747 fully loaded with PAT-1 casks would be more vulnerable to severe consequences from an engine-rotor accident or a mid-air collision (see next section).

An additional problem is that neither of the two versions of PAT-1 now in existence is capable of holding a COGEMA plutonium container, which is used to store Japanese plutonium in France. Nevertheless, according to an NRC official, there were indications in 1986 of possible Japanese interest in using the PAT-1 for large-scale plutonium transport. However, when COGEMA was asked to modify its plutonium container for use in the PAT-1, the French plutonium producer refused, according to a knowledgeable source. Further, this official said, the three firms actively working on casks---PNC (with Battelle-Columbus), BNFL, and COGEMA---all have resisted suggestions simply to modify the PAT-1 design in order to fit the COGEMA plutonium container, even though, according to him, that modification could be performed by the right engineer. The clear preference has been to develop a crash-proof PAT-3 cask.

VI. Other Cask Issues

1. If a PAT-3 cask is developed that survives the simulated crash test required by NUREG 0360, it would be desirable to further ascertain, and to demonstrate to the public, that a full complement of casks will survive an actual plane crash. This objective can be accomplished by crashing a 747 with a full load of casks containing non-radioactive material. As learned from a December 1984 FAA crash test of a Boeing-720, actual crashes can have very different consequences than simulated crashes in a laboratory. In a test that cost $11.8-million, flame-proof fuel that had been tested successfully in laboratory crash tests, burst into a fireball when the Boeing 720, using the fuel, was actually crashed.

According to knowledgeable officials, the NRC originally considered crashing the PAT-1 cask in a retired naval plane, which was set aside at Sandia specifically for such a test, but they decided not to because of the expense---less than $10-million---of monitoring equipment. An actual crash test of the PAT-3 casks and containers in a Boeing-747 may cost (including the price of an older 747) as much as $25-million---an expense that should be considered in relation to the enormous cost of cleaning up a plutonium spill, and in the context of increased assurance of the casks' integrity.

2. There is the possibility of a terrorist attack on a plane carrying these casks, especially during take-off and landing, during

refueling, and during loading and unloading of the cargo. When the cask specifications were developed, the terrorist contingency was not specifically considered, according to knowledgeable officials.

3. The NUREG-0360 cask specifications do not take into account the possible consequences of a mid-air collision in which a cask is directly hit. The regulation states (page 47) that "in the event of fuselage-to-fuselage collision,.. if the package is in a position to be struck directly, the severity of the resulting impact is difficult to predict." Such a collision could occur near a busy airport or during mid-air refueling, as occurred at Palomares, Spain. At present, Japanese plans are to land for refueling in Alaska, not to refuel in mid-air.

4. At the time NUREG-0360 was written, there was concern that an engine-rotor accident could damage a cask. Since the NRC was considering the transport of no more than a few casks at a time, it required that the casks be placed in the aft-most section of the main deck in order to preclude placement near the engine rotors. A plane that is fully loaded with casks would, however, have casks near the engine rotors. According to an NRC official, a complete reevaluation would be required before a cask for use in a plane fully loaded with casks would be licensed, and the issue of an engine-rotor accident would have to be reconsidered.

5. Three firms are known to be working on PAT-3 casks: PNC (through Battelle-Columbus), BNFL, and COGEMA. At the PATRAM-86 (Packaging and Transportation of Radioactive Materials) conference in Davos, Switzerland, each gave presentations on the progress of their work and predicted success by the end of 1986. To date, there have been no reports of any tests in the technical journals. The PATRAM-86 proceedings are being published, but are not yet available. Attempts to acquire the individual presentations through the firms and their embassies, as well as any test results, have not yet proved successful. It is understood within the technical community, however, that the French tested their prototype PAT-3 about one year ago and that the test was a complete failure, resulting in a shattered cask.

6. The Japanese are developing their own plutonium air transport regulations, which are likely to be very similar to the NUREG specifications. It is not clear, however, what the final Japanese specifications will be in the event a crash-proof PAT-3 cannot be developed. It is expected that the Japanese will require at least two more years to develop their regulations and that the first air shipments of plutonium will begin after 1990.

IX. Conclusion

There are many technical issues to be resolved before it can be determined whether commercial air transport of plutonium, as envisioned in the upcoming U.S.-Japan nuclear agreement, can be achieved safely and securely. Considerable uncertainty still surrounds the development of a crash-proof cask suitable for use in large shipments of plutonium. Further, there are environmental and

security implications important to the United States in the establishment of a plutonium fuel economy in Japan. It is premature, therefore, for the Reagan Administration to negotiate away U.S. authority over how Japan makes use of plutonium contained in spent nuclear fuel originally supplied by the United States. The President should not submit the new U.S.-Japan agreement to Congress until all technical issues with regard to air transport of plutonium are resolved.

In addition to air-transport safety questions, there are questions concerning the vulnerability of commercial, weapon-usable plutonium to attacks or thefts by terrorists, as well as the eventual spread of this material to nations seeking the capability to build nuclear weapons. From both counter-terrorism and non-proliferation perspectives, the risks of commercial use of plutonium may outweigh any energy benefits of using this fuel. Further, use of plutonium fuel is no longer regarded as economical because of abundant, low-cost supplies of uranium now available on the world market. The uranium used to fuel nuclear power plants, in contrast to plutonium, is not suitable for use in nuclear weapons.

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U.S. Negotiates a 30-Year Draft Accord Approving Japan's Plutonium Shipments

By Robert E. Taylor
Staff Reporter of The Wall Street Journal

WASHINGTON—With Japan planning to step up international shipments of bomb-grade plutonium, the Reagan administration is moving toward ending case-by-case approval of such shipments.

The administration has negotiated a draft 30-year agreement with Japan that would give blanket U.S. approval of all Japanese shipments of such plutonium, administration officials said.

The agreement also covers shipments of spent nuclear fuel from Japan's electricity generating plants to Europe for reprocessing into a form of plutonium that can be returned to Japan for use in a new type of nuclear reactor.

Currently, the U.S. must separately approve each Japanese shipment of plutonium made from U.S.-supplied fuel or fuel from U.S.-made plants.

Reagan Pledge

The draft agreement, circulating for comment within the Reagan administration and the Japanese government, would carry out a pledge by President Reagan to give Europe and Japan a more predictable supply of plutonium reprocessed from nuclear reactors' spent fuel, according to the officials, who declined to be identified.

The draft agreement stems from the administration's belief that it cannot stop the spread of civilian uses of plutonium, so it should focus on improving security arrangements.

But the Nuclear Control Institute, a Washington group dedicated to reducing nuclear weapons proliferation, argues that the agreement should be delayed because the U.S. and Japan haven't demonstrated that they have found a safe way to ship large amounts of plutonium. The agreement, which still must be submitted to Congress, can be blocked only if both houses reject it. The Institute concedes this is unlikely.

"There are many technical issues to be resolved," the Institute said in a report to be released today. The report calls it "premature" for the administration to "negotiate away U.S. authority over" the shipments.

Air Shipments

The report predicts air shipments of the material as often as twice a month from Europe to Japan, starting in the next few years. The group cites estimates that about 45 metric tons of plutonium will be produced for Japan in European reprocessing plants by the year 2000.

It says flights are expected to cross Canada and refuel in Alaska, which would require approval by the U.S. Transportation Department. Brian Smith, energy counselor in the Canadian Embassy in Washington, said Canada has discussed the prospect with Japan and the U.S., but won't assess the issue until a specific proposal is made.

Japan, France, West Germany and Britain have or are building plants to reprocess spent nuclear reactor fuel to produce plutonium, which then is used in specially designed reactors. Plutonium arouses far more concern than other radioactive materials because only 11 to 18 pounds of it are needed to make a bomb the size of the one dropped on Nagasaki, Japan, during World War II. It also is long-lived and is among the most toxic materials on Earth.

The U.S. forged agreements with European countries in the 1950s and with Japan in 1968 while it had a monopoly on nuclear fuel. The agreements give the U.S. extensive control of any reprocessing and shipment, but the pressure is rising to relax those controls.

Concern Voiced

In an interview, Nuclear Control Institute president Paul Leventhal expressed concern that no plutonium cask large enough for bulk air shipments has passed stringent crash tests mandated by the U.S. Nuclear Regulatory Commission.

The NRC has certified a cask capable of carrying about 4.5 pounds of plutonium, but only for single-cask flights. Several nations are working to develop clusters of crash-proof casks, each of which would carry about 15 pounds of plutonium. Joe Stiegler, manager of nuclear transportation system development at the Sandia National Laboratory, confirmed that one cask developed by Battelle Memorial Institute's Columbus, Ohio, lab had failed the tough NRC crash test.

Mr. Leventhal argued that it may be impossible to design a large cask capable of passing the NRC test. He also doubted that international safeguards can keep plutonium out of the hands of terrorists or prevent high levels of radioactivity at accident sites.

The only large plutonium shipment so far from Europe to Japan was by boat in 1984, escorted by French and U.S. war ships. The cumbersome effort forced Japan to look to the air for the future. In the meantime, reprocessed fuel from Japan has been stored in France.

Large-Scale Shipments

Mr. Leventhal's group hopes to prevent large-scale international shipments of plutonium. But the Reagan administration contends that Europe and Japan already are well on their way toward launching a plutonium reprocessing industry and developing sources of fuel independent of the U.S.

The U.S. "is simply not in a position to dictate or prescribe a policy on reprocessing or plutonium use" by advanced nuclear nations, Richard Kennedy, U.S. nonproliferation ambassador, told the Senate Governmental Affairs Committee recently. "Our only realistic course," he said, "is to work with these select countries to help improve safeguards and controls."

agreement on plutonium

Flights with nuclear cargo would refuel in Alaska

By DAVID WHITNEY
Daily News reporter

WASHINGTON — An agreement giving the Japanese a blanket waiver to fly plutonium from Europe — with a likely fueling stop in Alaska — could be ready for submission to Congress for approval within three months, Alaska Sen. Frank Murkowski said Thursday.

But Murkowski said the agreement would be in exchange for Japanese acceptance of tough standards for handling all nuclear materials under non-proliferation treaties. He said the United States has been trying to negotiate such agreements with other countries using nuclear power since 1978 to minimize the chance that terrorists might seize the materials.

The standards would deal with such issues as the number of people assigned to protect a nuclear shipment, a Murkowski aide said.

In addition, Murkowski said, no flights in which a lot of plutonium would pass over or land in Alaska are likely for many years because there is no safety-certified containers of the sort the Japanese want and because Japanese law prohibits an aircraft carrying plutonium from landing there.

"I am not underplaying the significance of this," Mur-

See Page B-3, PLUTONIUM

PLUTONIUM: Flights to Japan

Continued from Page B-1

kowski said in an interview. "But we need to find out what we are talking about before we get overly excited.

"I am not going to condone anything that's a threat to my state. But there's nothing going to happen in the near future. And to me, it's probably safer (flying the plutonium) than moving it by ship."

Concern about plutonium-carrying flights was raised in a report March 2 by the Nuclear Control Institute in Washington, D.C.

Murkowski's comments came after his chief counsel, Thomas C.L. Roberts, was briefed on the agreement and its implications by representatives from the State Department, Department of Transportation and the Nuclear Regulatory Commission this week.

According to Roberts, the NRC said that contamination from a ruptured cask in case of an aircraft crash most likely would be confined to a relatively small area.

"If there is a breach (of a cask), the area affected would probably be between five and 15 acres," Roberts said. "Plutonium oxide is very heavy. Even if there were a fire, it would fall quickly to the ground."

Anchorage Daily News — Friday, March 20, 1987

Nuclear cooperation agreement may bring plutonium through Anchorage

By DAVID HULEN
Daily News reporter

Jumbo jets carrying highly toxic, bomb-grade plutonium may regularly fly in and out of Anchorage within several years under a nuclear cooperation agreement being negotiated by the United States and Japan, according to a Washington, D.C., group following the talks.

If approved by both governments, the agreement would permit shipments of nuclear fuel between European reprocessing factories and Japanese nuclear plants. The possibility of refueling stops in Alaska is causing concern among members of Alaska's congressional delegation and officials in state government.

Officials in the U.S. State Department are reluctant to discuss what would happen under the agreement until it is approved by President Ronald Reagan. Once signed, the deal will be sent to Congress for consideration.

But a report last week by the Nuclear Control Institute, a group concerned with nuclear weapons proliferation, said the agreement, if ratified, would mean flights as often as twice a month from France and Great Britain to Japan, with refueling stops in An-

See Back Page, PLUTONIUM

PLUTONIUM: Anchorage me

Continued from Page A-1

chorage. The group predicts that as much as 40 metric tons of plutonium would be shipped from Europe to Japan over several years, starting in the early 1990s.

The Institute argues that the agreement is premature because neither the U.S. nor Japan has developed a safe way to transport large amounts of the material.

Plutonium is a by-product of uranium fuel used in nuclear power plants. It is considered one of the most long-lived and toxic materials on Earth, and is the primary ingredient in nuclear explosives. Microscopic amounts of plutonium have been found to cause cancer and other health problems when ingested, and a bomb can be made from as little as 33 pounds of it.

Japan now sends much of the spent fuel from its electric-generating nuclear plants to a reprocessing factory in France, where plutonium is extracted from other wastes. Japan would like to ship the plutonium — oxidized into a powder — from France back to Japan, where it would be combined with uranium oxide to produce fresh fuel, officials have said. Great Britain also is building a plant expected to reprocess spent Japanese reactor fuel into plutonium.

Currently, the U.S. must separately approve each Japanese shipment of plutonium made from U.S.-supplied fuel or fuel from U.S.-made plants. Because of security and safety concerns, there has only been one large-scale plutonium delivery from Europe to Japan, aboard a ship in 1984. The vessel, carrying 587 pounds of plutonium, had a crew of more than 40 armed guards and was accompanied by U.S. warships and tracked by spy satellites as it made its way across the Atlantic and Pacific oceans, according to news reports at the time.

The new agreement would give a 30-year, blanket U.S. approval of certain plutonium shipments, with stipulations over how the material can be moved, according to officials involved in the discussions. The idea is to give Japan a more predictable supply of plutonium. European countries already can ship U.S.-originated plutonium without U.S. approval.

John Moseman, legislative director for Sen. Frank Murkowski, R-Alaska, said officials from the State Department told him Thursday that specifics about how the material would be shipped will not be finalized until after the agreement is ratified. But they said the plutonium likely would be shipped "by the shortest route possible away from populated areas," which would apparently be over Canada and Alaska, he said.

Paul Leventhal, director of the nuclear institute, said his group understands that tentative plans call for the material to be shipped in Boeing 747 cargo jets, with refueling stops in Anchorage. It has not been decided whether Anchorage International Airport or Elmendorf Air Force Base would be used, he said. The institute learned of the plans from officials involved in the negotiations and others familiar with the proposal, Leventhal said.

Some flights travel nonstop between Europe and Japan using polar routes, but the weight of the heavy metal casks used to ship the material would make refueling necessary, Leventhal said. There are few, if any, other airports on the route capable of handling refueling of a jumbo jet aside from those in Alaska, he said.

: Anchorage may one day be on flight plan

its way across the Atlantic and Pacific oceans, according to news reports at the time.

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In its report, Leventhal's group raises questions about the safety of the casks now available, and it contends there is little evidence that safe containers can be developed that could survive a plane crash without releasing high levels of radioactivity into the environment. The group also says the shipments would boost the chance of terrorists getting control of materials to make nuclear weapons.

The U.S. Nuclear Regulatory Commission has certified a cask capable of carrying about five pounds of plutonium, but only on single-cask flights. The report says at least three countries are working to develop larger casks to make shipments of plutonium more economical. The only such cask tested under the NRC crash standards failed a test last summer, although it is unclear whether the shipments would have to meet U.S. standards or less-stringent international guidelines, the report says.

The new casks being developed would weigh about 3,000 pounds each and hold about 15 pounds of plutonium oxide. Citing NRC data, the report says a 747 cargo plane would be capable of holding about 40 casks, containing a total of between 500 and 600 pounds of plutonium — the same amount that was carried under such tight security on the ocean freighter three years ago.

The material would be shipped as a powder, which is far less flammable than when plutonium is in its metallic form, and also is more difficult to use in a nuclear explosive device, according to the report. But plutonium oxide also may present a greater health risk when being transported because it would be more easily dispersed into the air if it left its casks, the group contends.

Officials in the State Department, and an official in the Japanese embassy in Washington, all of whom declined to be identified, disputed that detailed plans for plutonium shipments have been developed, and stressed in telephone interviews that it would be years after the agreement is approved before the flights would occur.

Murkowski's aide, Moseman, said the State Department officials assured him that a series of safeguards would have to be met for the flights to ever occur.

Once submitted to Congress by the president, the agreement can be blocked only if rejected by Congress within 90 days, and Leventhal conceded that's not likely. He suggested that an environmental impact statement on the project be required before the agreement is sent to Congress.

Nadine Winters, an aide to Alaska Gov. Steve Cowper, said state officials were trying to learn more about the agreement and were scheduled to speak with State Department officials within the next several days. But she said it was unclear what jurisdiction, if any, state government would have over such shipments. U.S. Rep. Don Young and Sen. Ted Stevens also have asked for more information after learning of the agreement this week, aides said.

"This is nasty stuff," said Winters. "The state hasn't been consulted. It is a few years in the future, apparently, but we're definitely concerned." Young's spokesman, Chuck Davis, said the congressman "would certainly oppose" the flights landing in Alaska if casks fell short of NRC safety standards.

By Robert E. Taylor
Staff Reporter of The Wall Street Journal

WASHINGTON—With Japan planning to step up international shipments of bomb-grade plutonium, the Reagan administration is moving toward ending case-by-case approval of such shipments.

The administration has negotiated a draft 30-year agreement with Japan that would give blanket U.S. approval of all Japanese shipments of such plutonium, administration officials said.

Currently, the U.S. must separately approve each Japanese shipment of plutonium made from U.S.-supplied fuel or fuel from U.S.-made plants. Japan ships spent nuclear fuel from its electricity generating plants to Europe where it is reprocessed into a form of plutonium that can be returned to Japan for use in a new type of nuclear reactor.

The draft agreement, circulating for comment within the Reagan administration and the Japanese government, would carry out a pledge by President Reagan to give Europe and Japan a more predictable supply of plutonium reprocessed from nuclear reactors' spent fuel, according to the officials, who declined to be identified. The draft agreement stems from the administration's belief that it cannot stop the spread of civilian uses of plutonium, so it should focus on improving security arrangements.

But the Nuclear Control Institute, a Washington group dedicated to reducing nuclear weapon proliferation, argues that the agreement should be delayed because the U.S. and Japan haven't demonstrated that they have found a safe way to ship ment," which still must be submitted to Congress, can be blocked only if both houses reject it. The Institute concedes this is unlikely.

'Technical Issues'

"There are many technical issues to be resolved," the Institute said in a report to be released today. The report calls it "premature" for the administration to "negotiate away U.S. authority over" the shipments.

The report predicts air shipments of the material as often as twice a month from Europe to Japan, starting in the next few years. The group cites estimates that about 45 metric tons of plutonium will be produced for Japan in European reprocessing plants by the year 2000.

It says flights are expected to cross Canada and refuel in Alaska, which would require approval by the U.S. Transportation Department. Rian Smith, energy counselor in the Canadian Embassy in Washington, said Canada has discussed the prospect with Japan and the U.S., but won't assess the issue until a specific proposal is made.

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Previous Agreements

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Mr. Leventhal argued that it may be impossible to design a large cask capable of passing the NRC test. He also doubted that international safeguards can keep plutonium out of the hands of terrorists or prevent high levels of radioactivity at accident sites.

Shipping Methods

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Mr. Leventhal's group hopes to prevent large-scale international shipments of plutonium. But the Reagan administration contends that Europe and Japan already are well on their way toward launching a plutonium reprocessing industry and developing sources of fuel independent of the U.S.

The U.S. "is simply not in a position to dictate or prescribe a policy on reprocessing or plutonium use" by advanced nuclear nations, Richard Kennedy, U.S. nonproliferation ambassador, told the Senate Governmental Affairs Committee recently. "Our only realistic course," he said, "is to work with these select countries to help improve safeguards and controls."

Bally Buys Complex At Atlantic City, N.J., From Golden Nugget

By a Wall Street Journal Staff Reporter

CHICAGO—Bally Manufacturing Corp. said it completed its previously announced acquisition of the Golden Nugget casino and hotel complex in Atlantic City, N.J., from Golden Nugget Inc.

Bally, which said last week that it expected to close the transaction shortly, paid $140 million in cash and stock and assumed a $299 million mortgage on the

Nick Pano
Worldwide
A major ai
marketing
selling eno

Plutonium Warning

A few pounds of plutonium suffice to make an atom bomb. Ingested into a human body, even a minute amount of plutonium can be lethal for it is the most poisonous existing substance. These facts are well known.

Yet incredibly enough two shipments of plutonium, each weighing about 100 lbs., were recently flown into Kennedy Airport, with full official permission. The shipments were allowed even though the plutonium was packed in containers that would have broken into many pieces had the planes crashed.

Revelation of these dangerous flights has brought justified anger in many quarters, as well as badly needed action by the new Nuclear Regulatory Commission. The N.R.C. has now temporarily stopped issuing licenses for the import or export of nuclear reactors and related materials such as plutonium. A comprehensive review of regulations and procedures is under way.

Some needed additional safeguards—such as a ban on plutonium shipments by air—are almost self-evident. But the problems raised by the very existence of plutonium as well as by its increasing importance as a commercial material used by the nuclear power industry go far beyond anything one regulatory commission or even one nation alone can solve.

However plutonium is transported, it creates serious risks. If a ship carrying it should sink, unprecedented pollution problems would be created, while trucks loaded with plutonium can crash or suffer other disasters that might liberate the material into the atmosphere. Equally frightening is the prospect of the hijacking of plutonium for political or other purposes.

Tighter N.R.C. regulations could reduce the risks arising from plutonium in this country; but the United States has a monopoly now neither in nuclear weapons nor in nuclear power nor in the manufacture of nuclear reactors and their fuels, including plutonium. Canada, France, Britain, West Germany and the Soviet Union are all involved in international commerce flowing from nuclear power development. New and concerted international action is needed to minimize the dangers of a catastrophe from the accidental spread of poisonous plutonium material or from theft of plutonium by fanatics or criminals anxious to make amateur atomic bombs.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

MEMORANDUM May 5, 1987

SUBJECT: Use of AS 18.45.027 to prevent plutonium shipments

TO: Senator Rick Uehling

FROM: Theresa L. Bannister TB
Legislative Counsel

You have asked whether AS 18.45.027 forbids the shipment of plutonium between Europe and Japan with a stopover at an Anchorage airport. It is my opinion that the section does not prevent the federal government from allowing the shipments.

Although AS 18.45.027 generally prohibits the transportation of specified nuclear material in the state, the flight requiring the stopover is part of foreign commerce and is also the subject of a proposed foreign treaty. Therefore, the federal government has the exclusive authority under the U.S. Constitution to regulate the stopover. Although the state may on occasion use its police powers to regulate matters of local health and environment that affect foreign commerce, it is likely that the conflict between the state's local concerns and the federal government's foreign commerce goals would be resolved in favor of the federal government.

If I may be of further assistance, please advise.

TLB:mkr
m11/118

(b) The legislature shall designate by law the land in the state on which a nuclear fuel production, nuclear utilization, nuclear reprocessing, or nuclear waste disposal facility may be located. In designating the land in the state on which a nuclear fuel production, nuclear utilization, nuclear reprocessing, or nuclear waste disposal facility may be located, the legislature shall act to protect the public health and safety.

(c) The Department of Environmental Conservation shall adopt regulations governing the issuance of permits required by (a) of this section. However, a permit may not be issued until

(1) *[Repealed, § 1 ch 93 SLA 1981.]*

(2) the municipality with jurisdiction over the proposed facility site has approved the permit; and

(3) *[Repealed, § 1 ch 93 SLA 1981.]*

(4) the governor has approved the permit. (§ 8 ch 172 SLA 1978; am § 1 ch 93 SLA 1981)

Cross references. — For radiation protection, see AS 18.60.475.

Sec. 18.45.027. Transportation of nuclear waste material. (a) The transportation of high level nuclear waste material, except for purposes of disposal outside the state, is prohibited.

(b) For purposes of this section, "high level nuclear waste material"

(1) means

(A) used nuclear reactor fuel;

(B) waste produced during the reprocessing of used nuclear reactor fuel; and

(C) elements having an atomic number greater than 92 and containing 10 or more nanocuries per gram;

(2) does not include radioactive materials used in medicine, education, or scientific research that are stored or disposed of in conformity with procedures established by the Department of Environmental Conservation by regulation adopted under AS 46.03.250(3). (§ 2 ch 93 SLA 1981)

Sec. 18.45.030. Conduct of studies concerning changes in laws and regulations with a view to atomic industrial development. The following departments and agencies of the state are directed to initiate and to pursue continuing studies as to the need for changes in the laws and regulations administered by it that would arise from the presence within the state of special nuclear, by-product, and radioactive materials, from the operation of production or utilization facilities, and from the generation of radiation, and, on the basis of these studies, to make the recommendations for the enactment of

SJR

47

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version : SJR 47
Publish Date : 1-11-88

Revision Date: _____
Title : Expressing support for the Alaska Airlines "Happy Face" logo.
Sponsor : Kelly et al.
Requestor : _____

Agency Affected : _____
BRU : _____
Components : _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
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)

Prepared by : Senate State Affairs Committee
Phone : 465-4522
Division : _____
Date : 1-18-88

Approved by Commissioner: Senator Mitch Abood
Date : _____
Agency : Senate State Affairs Committee

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

SJR

48

Alaska State Senate

P.O. Box V
Juneau, AK 99811
Phone: (907) 465-2444
465-3862/465-4923

Senate Finance Committee
State Affairs Committee
Vice-Chair, Rule. Committee
Chair, Administrative Regulation Review

William L. Hensley

M E M O R A N D U M

TO: Senator Mitch Abood, Chairman
Senate State Affairs Committee

FROM: Senator Willie Hensley

SUBJ: Amendment to Senate Joint Resolution 48

DATE: January 18, 1988

Proposed amendments to Senate Joint Resolution 48

Amendment No. 1

Page 1, line 14: insert "WHEREAS Alaska and the Soviet Union share common interests in sound management of the fisheries resources of the Bering sea; and"

Amendment No. 2

Page 1, line 14: after "cultural" insert "fisheries,"

Amendment No. 3

Page 1, line 22: after "cultural" insert "fisheries,"

Renumber accordingly.

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SJR 48
PUBLISH DATE: 1/12/88

FISCAL NOTE

REQUEST:

Revision Date:
Title: Relating to the promotion of Alaskan and Soviet exchanges
Sponsor: Hensley, Josephson, Sturgulewski
Requestor: Governor

Agency Affected: Office of the Governor
BRU: Executive Operations
Components: Executive Office

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-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This resolution requests the President to give continued support to an opening of the border between Alaska and Siberia to air travel, trade, cultural, and scientific exchanges, and that these subjects be a part of the agenda for the 1988 meeting with Mr. Gorbachev, and specifies that copies of this resolution (Over)

Prepared by: Michael A. Nizich
Phone: 465-3616
Division: Administrative Services
Date: 1/14/88

Approved by Commissioner:
Date: 1/15/88
Agency: Office of the Governor

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

SJR

49

DRAFT

SENATE JOINT RESOLUTION NO 49

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - SECOND SESSION

Relating to the development of visitors' facilities on the north and south sides of the Alaska Range.

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

WHEREAS the commercial tourist industry is seeking new destinations and experiences to satisfy a growing demand for visitors; and

WHEREAS tourists have rated viewing Mt. McKinley as a major reason for visiting Alaska; and

WHEREAS, in order to protect wildlife viewing opportunities, road traffic in Denali National Park and Preserve has been restricted and new ways of satisfying the demand for visitor destinations oriented towards Mt. McKinley must be developed; and

WHEREAS the State of Alaska and the National Park Service have recognized the exceptional opportunities for viewing Mt. McKinley from the south side of the Alaska Range, as well as from the north side; and

WHEREAS Denali State Park on the south side of Mt. McKinley encompasses accessible locations with excellent opportunities for viewing Mt. McKinley and for related outdoor recreation activities; and

WHEREAS the Stampede Trail and Kantishna area encompass accessible locations with excellent opportunities for viewing Mt. McKinley, for outdoor recreational activities, and for enabling development; and

WHEREAS one of the purposes of the Alaska Legislature in establishing Denali State Park was to encompass prime Mt. McKinley viewing locations and to enable development of a major visitors' complex oriented toward Mt. McKinley; and

WHEREAS the National Park Service is interested in investing in a visitors' center on the south side, and is

currently working with the Alaska Division of Parks and Outdoor Recreation and the Denali State Parks Citizens Advisory Board to accomplish the necessary planning; and

WHEREAS various organizations are supportive of and working with the Department of Natural Resources to locate and verify access into existing private land on the northwest portion of Denali National Park that could be used for visitors' facilities; and

WHEREAS the development of visitors' facilities on either side of the Alaska Range are being planned as private-public partnerships involving private development of commercial facilities; and

WHEREAS the development of a new visitors' center and related facilities would generate employment and support small businesses operating recreational services in the vicinity;

BE IT RESOLVED that the Alaska State Legislature supports joint state, federal, and private participation in the cooperative planning and development of a South Denali visitors' complex; and

BE IT FURTHER RESOLVED that the Alaska State Legislature supports the efforts of those involved in identifying access to and development of visitors facilities on private lands on the north side of Mt. McKinley.

COPIES of this resolution shall be sent to the Honorable Donald P. Hodel, Secretary of the Interior; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Complementary amendments to SJR 49 -
Intended to enhance satisfaction of the demand for visitor destinations oriented to Mt. McKinley.

Amendment No. 1

On Page 1, line 5:
Delete title, and insert new title to read:

"Relating to the development of visitors' facilities on the north and south side of the Alaska Range."

Amendment No. 2

On Page 1, line 19:
Following the word "Range", insert "as well as from the north side"

Amendment No. 3

On Page 1, line 20:
Following the word "Park", insert "on the south side of Mt. McKinley"

Amendment No. 4

On Page 1, line 23:
Insert a new whereas to read:

"WHEREAS the Stampede Trail and Kantishna area encompass accessible locations with excellent opportunities for viewing Mt. McKinley, for outdoor recreational activities, and for enabling development; and"

Amendment No. 5

On Page 2, lines 2 - 4

Delete all material and insert 2 new whereases to read:

"WHEREAS various organizations are supportive of and working with the Department of Natural Resources to locate and verify access into existing private land on the Northwest portion of Denali National Park that could be used for visitor's facilities; and"

"WHEREAS the development of visitors' facilities on either side of the Alaska Range are being planned as private-public partnerships involving private development of commercial facilities; and"

Amendment No. 6

On Page 2, line 11

Add a second resolved clause to read:

"BE IT FURTHER RESOLVED that the Alaska State Legislature supports the efforts of those involved in identifying access to and development of visitor facilities on private lands on the north side of Mt. McKinley."

Frank C

United States Department of the Interior

NATIONAL PARK SERVICE

ALASKA REGIONAL OFFICE
2525 Gambell Street, Room 107
Anchorage, Alaska 99503 - 2892

IN REPLY REFER TO:

K18(ARO-SA)

January 14, 1988

Honorable Arliss Sturgulewski
Alaska State Senate
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Dear ~~Senator Sturgulewski~~ Arliss:

Enclosed is the summary statement you requested on the South Denali project. Jack Wiles of the Division of Parks and Outdoor Recreation and I consulted about this, and it expresses our agreement.

My very best wishes to you for this and your other plans for this session.

Sincerely,

Janet

Janet McCabe
Special Assistant

cc:
Jack Wiles
Mike Abbott

SUMMARY

SOUTH DENALI PROJECT

Background - The South Denali project is intended to accomplish the planning and public proceedings necessary to provide a sound basis for initiating the development of a visitor center and related visitor facilities on the south side of the Alaska Range. The location of the complex would be selected to provide an excellent view of Mt. McKinley and opportunity for enjoying the recreation activities in the surrounding state and national parklands. Total project cost is estimated at $400,000 - $200,000 from the State and $200,000 from the National Park Service.

Accomplishments

Step 1 Update the Denali State Park Master Plan, determine criteria for the location of the visitor complex, identify and prioritize alternative sites, consult with the Denali State Park Citizens' Advisory Board, and hold public meetings on this process. (Step 1 is currently underway using $100,000 advanced by the National Park Service to contract with a private planning consultant.)

Step 2 Study priority sites more thoroughly: conduct subsurface tests, analyze environmental and socioeconomic impacts of the development, conduct public hearings.

Step 3 Prepare an overall site plan for the visitor complex. (If private property is involved, coordinate with private owners.)

Step 4 Prepare sample documents for state concessions contracts for the development.

At the conclusion of this project, the Denali State Park will have an updated master plan, and the State and the National Park Service should have sufficient information and public input so they can agree on a site and an overall site plan for the proposed visitor complex. At that point the National Park Service would be able to proceed to request federal development funds for the visitor center, and the State could engage private parties to provide commercial facilities and services for the complex.

Potential Benefits - The project will accelerate a growing sector of the economy. Viewing Mount McKinley has been rated as Alaska's top tourist attraction. With year-round road access, the complex will contribute to the development of winter and shoulder season tourism. Jobs will be generated by the planning, engineering and construction as well as the ongoing operation of the complex. Federal financial investment in Alaska will be extended through the operation of the visitor center. In addition, the project will have spill-over benefits for numerous businesses oriented towards recreation and tourist traffic in the region.

Denali State Park Citizens' Advisory Board
SR Box 6706
Wasilla, Alaska 99687
January 14, 1988

The Honorable Steve Cowper
Governor, State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Cowper:

We, the Denali State Park Citizens' Advisory Board, would like to bring a matter of great concern to your immediate attention - proposed funding ($200,000) for completing the planning phase for Denali State Park. This funding has somehow been deleted from the Administration's proposed budget for the upcoming session.

Initially, it was our understanding that the Administration was supportive of these efforts because it would lead to an updated comprehensive master plan for the park which would enable Division of Parks and Outdoor Recreation(DPOR) to establish solid management decisions for Denali State Park - for resource management and protection as well as recreation and economic development (outdoor enthusiasts and tourists alike).

Since the establishment of the Board, three years ago, we have dealt with the issue of potential major commercial development in the Park. From our inception, we have stated that we feel it is imperative to have an updated solid comprehensive management plan for the park before anything - either of conservation or commerical orientation happens in the Park. The Director has supported our efforts to update the comprehensive plan.

We have requested and supported a complete updating of the plan for Denali State Park for three years. This planning effort would enable the state to plan and develop the park in an orderly manner taking into consideration all factors and facets - environmental concerns, recreation and economic development, and resource management and protection.

National Park Service has had an interest in development of a visitor center for Denali State Park for sometime, hoping it would alleviate some of their overcrowding on the North Side and allow more people to enjoy the Mountain. This past summer, they came forth with $100,000 to begin the effort to update Denali State Park's comprehensive master plan with the

understanding that the State would support a $200,000 appropriation this next session to continue the effort next summer.

At our meeting on January 12, we were informed as a Board that the $200,000 request was no longer in the Administration's budget. We also received a copy of the January 4 letter from National Park Service to you stating that they could not continue their effort in Denali State Park if the state would not make a financial committment. Further, it is the understanding of the Board that several legislators have come forth and stated that they would support the effort, if the Administration would take the lead.

Everyone seems to feel that Denali State Park has great potential - environmentalists, recreational enthusiasts, tourists, hunters, park managers, and commercial interests. The Board's concern is that whatever happens to the Park is well balanced and well planned. Without state support for the planning effort, this can not happen. We will lose what federal funds have been made available and continue to have no state funds. We can not afford to allow such a magnificent park to be developed without adequate planning and foresight. If tourism is the state's new economic hope, then surely Denali State Park needs to be considered. We would appreciate your attention to this matter and your consideration of reinstating the $200,000 request for Denali State Park.

We look forward to your thoughts on this matter. We would appreciate hearing why it was deleted and if there is anything that we can help to provide information that would cause you to reconsider the budget request. Thank you for your consideration and attention.

Sincerely,

Judith Anderegg, Chair

cc: Judy Brady, Commissioner, DNR
Neil Johannsen, Director, DPOR
Mat-Su Delegation: Senators Jay Kerttula and Mike Szymanski
Representatives Ron Larson and Curt Menard
Ric Davidge, Development Services Director, Mat-Su Borough
Senator Arliss Sturgulewski

United States Department of the Interior
NATIONAL PARK SERVICE
ALASKA REGIONAL OFFICE
2525 Gambell Street, Room 107
Anchorage, Alaska 99503 - 2892

IN REPLY REFER TO:

A22(ARO-SA)

4 - JAN 1988

Honorable S[illegible]e Cowper
Governor of Alaska
Box A
Juneau, Alaska 99811

Dear Governor Cowper:

We were disappointed to learn that the Department of Natural Resource's budget request for $200,000 for the South Denali Project was deleted from the budget that you transmitted to the Legislature.

For several years we have been working with the Alaska Division of Parks and Outdoor Recreation on this project. We are currently in the midst of a cooperative planning process, using a private contractor, that will update the Denali State Park Plan and determine components and alternative sites for the visitor comples. NPS has committed $100,000 to this planning and is seeking an additional $100,000 in federal funding. This funding was to be matched by $200,000 from the state. The total expenditure of $400,000, half state and half federal, was to have taken us to the point where the state could contract with a private sector developer to build a resort/lodge and the National Park Service could request funding for the development of a visitor center focusing on Mt. McKinley and the Alaska Range.

In addition to the money already expended, both the state and federal governments have already invested substantial amounts of staff time in preparing this project. It would be extremely difficult to get the project back on track if it were derailed by lack of state funds at this time.

We have committed planning funds, have worked long and patiently with state personnel, and we hope to invest in the development of a Mt. McKinley visitor center that will be a major attraction for people coming to Alaska, as well as residents. However, we cannot continue this program without a state financial commitment. Unless there are state funds, we will be forced to cancel our financial investments in the project.

We hope state funds can be made available, to permit continuation of the project. For a relatively small investment, the state can expect very substantial returns, from a perpetual resource. For lack of such investment, a great deal would be lost.

Sincerely,

Regional Director

cc:
Commissioner Brady
Mike Abbott, Resource Development Council

SCOPE OF SERVICES

UPDATE OF MASTER PLAN FOR DENALI STATE PARK

INCLUDING AN

ANALYSIS OF AND ALTERNATIVES FOR A VISITORS DESTINATION COMPLEX

I. Background

The concept of developing a major visitors' destination on the south side of the Alaska Range has been discussed and studied for many years. The South Denali Concept Proposal, 1986, (attachment 1) summarizes a series of state and federal studies conducted during the past 20 years. Public interest in a hotel and visitors' center oriented toward the region's dramatic views of Mount McKinley strongly influenced the creation of the Denali State Park by the 1970 Alaska state legislature. Subsequently the Tokositna site was studied, but these plans were dropped, largely because of widespread public outrage at the "domed city" concept.

In 1984, the National Park Service, Alaska Department of Natural Resources, and Alaska Department of Transporation and Public Facilities entered a memorandum of agreement (attachment 2) to further study the proposal and to arrive at a joint decision regarding a site for the destination complex. During the summers of 1985 and 1986, state and federal staff compiled existing research and conducted field studies focussing on sites along Curry Ridge near the Parks Highway. The resulting concept proposal was reviewed by the public at a series of hearings in April 1986.

The proposal met with mixed reaction. There was considerable sentiment that the state and NPS should receive more public input on alternate sites, that private lands in the area should be considered as development sites and that the scale of the proposal was excessive. The Denali State Park Citizens Advisory Commitee, a state appointed oversight group, supported the South Denali concept but recommended that the state park plan be updated and that alternatives be analyzed before further action was taken on the proposal.

II. Overall Project Program

State and federal governments have agreed on the following basic goals for the South Denali Project:

III. Purposes of this Phase

The basic purposes of the scope of services for the current project are as follows:

A. To prepare a regional overview of public recreational opportunities and activity in the planning region. (Defined as shown on the attached map.)

B. To prepare an update of the 1975 master plan for Denali State Park.

C. Within the context of the regional overview and the State Park plan to evaluate alternatives for a visitors' destination complex.

D. To involve the Denali State Park Citizens Advisory Board and the public in this planning process.

IV. SCOPE OF SERVICES

The contractor shall provide all manpower, transportation, equipment, and supplies necessary to perform the following services complete and in conformity with all requirements contained in this work directive. All of the work shall be conducted or supervised by planners, landscape architects, engineers or biologists licensed (where applicable) in the state of Alaska. A project planner, architect, landscape architect, or project engineer shall be assigned by the contractor to manage and coordinate the work. Any land disturbing field work will have prior approval by the Area Superintendent, Division of Parks and Outdoor Recreation, if it involves state park lands, and by the superintendent of Denali National Park and Preserve, if it involves national park lands.

A. Regional Overview

1. Outdoor Recreational Opportunities - Assess and describe public recreational values and opportunities in the planning region. Consider the role of the Denali State Park and potential vistors' center in relation to the railbelt region.

2. Public use - Assess and describe current patterns of public recreational land use in the planning region. Identify recent trends and changes in use and estimate probable trends. Note recreational locations and opportunities that are over crowded, under used and unused.

patterns of tourism and recreational traffic using the Parks Highway and the Alaska railroad. Evaluate the complex as an attraction for additional tourism outside Alaska.

5. Recommendations - Prepare recommendations to park managers on the following subjects. Where possible utilize schematic diagrams to help illustrate recommendations.

   a. Park management policies to protect park resources and to respond to current and projected recreational use and demand.

   b. Changes, closures, or new development of trails, campgrounds, public use cabins, informational and interpretive facilities, and/or other public recreational facilities that are needed and appropriate in the planning region. Prepare schematic bubble diagrams to represent changes or new development within the park.

   c. The components of a visitors destination complex, including desirable level of development and recommended criteria for site selection for the complex. A matrix with weighted values may be developed to help clarify site selection criteria and their relative priority.

   d. The nature and type of additional private recreational services and facilities that would enhance and complement the existing range of public and private recreational opportunities and be appropriate for a concession or permit from state and federal land managers.

   e. Measures which would encourage extension of greater public recreational use into the spring, fall, and winter months.

C. Evaluation of Alternatives for visitors' Destination Complex.

1. In accordance with site selection criteria, identify and evaluate three alternative sites and probable development of foot prints of the complex. Use the largest scale maps available (where applicable the 20' contour maps from DOTPF). At least one of these sites shall

F. Field Inspections and Reviews

At the initiation of the project there shall be one fixed wing overflight of the planning area. The overflight shall include state and federal personnel who will share their knowledge of the area with the contractor. During the summer of 1988 the National Park Service will provide a helicopter trip to assist the consultant in field inspection of sites. The evaluation of alternative sites in relation to the adopted criteria shall be based on this inspection, existing aerial photography, topographic maps and other considerations.

G. Schedule/Public Meetings

It is intended that the fall and winter of 1987 and 1988 be used to complete research and data collection for the study, together with preparation of preliminary drafts and maps of this material. The spring and summer of 1988 shall be used to apply site selection criteria and complete planning recommendations. During the fall and early winter, at the initiation of the contract work, there will be a series of meetings with the State park and NPS personnel to obtain information about Denali State Park and State park planning and management practices and to obtain information about previous work on South Denali Planning. Frequent (at least monthly) contact with state and federal personnel is expected to review progress, obtain data and discuss policy choices.

The consultant shall attend meetings with the public and the Denali State Park Advisory Board as follows:

November, 1987 - Meeting at Susitna Valley School with Advisory Board and public to review the regional overview, describe the project and ask for advice about issues, resources and other considerations.

February, 1988 - Meeting at Susitna Valley School with Advisory Board and public to present the assessment of resources, needs, impacts, opportunities, etc. (B. 1. - 4.) and to ask for advice about site selection criteria and components of development.

June, 1988 - Meeting at Susitna Valley School with Advisory Board and public to present master plan update recommendations (B. 5. a. - c.) and to review and revise site selection criteria. (Draft criteria to be distributed to Board prior to meeting.)

STEVE COWPER
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 20, 1988

Mr. Boyd Evison
Regional Director
U.S Department of the Interior
National Park Service
2525 Gambell Street, Room 107
Anchorage, AK 99503-2892

Dear Mr. Evison:

Governor Cowper asked me to respond to your January 4 letter regarding the South Denali Project.

Since we first began discussing this project with you and your staff, we consistently stated that we would not be able to make any financial commitments given our current revenue situation. We have been supportive of the project and have done what we could with your staff given our limited staff and resources.

During preparation of our budget, which we just submitted to the Legislature, we received in excess of $800 million in requests to fund various projects and programs throughout the state. The majority of these requests were for essential services such as improvements to health facilities, ports, road maintenance, sewer and water construction and maintenance programs, and education facilities, just to name a few.

Based on current revenue projections, we believe that we will only be able to fund one-tenth of these projects. Many essential programs cannot be funded and projects that are partially completed will not be finished.

The South Denali Project is a good project which deserves support. We appreciate your commitment and efforts on

this project. Unfortunately, the reality for the state is that we simply do not have the funds to commit to this project at this time.

Sincerely,

Rod Swope
Special Staff Assistant
to the Governor

cc: Commissioner Judith Brady
Mike Abbott, Resource Development Council

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SJR 49
PUBLISH DATE: 1/13/88

FISCAL NOTE

REQUEST:

Revision Date: 1/13/88
Title: Development of Visitors Center at South Denali
Sponsor: Sturgulewski
Requestor Senate State Affairs

Agency Affected: Department of Natural Resources
BRU: Parks Management
Components:

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)

This legislation involves no expenditure by the Department of Natural Resources

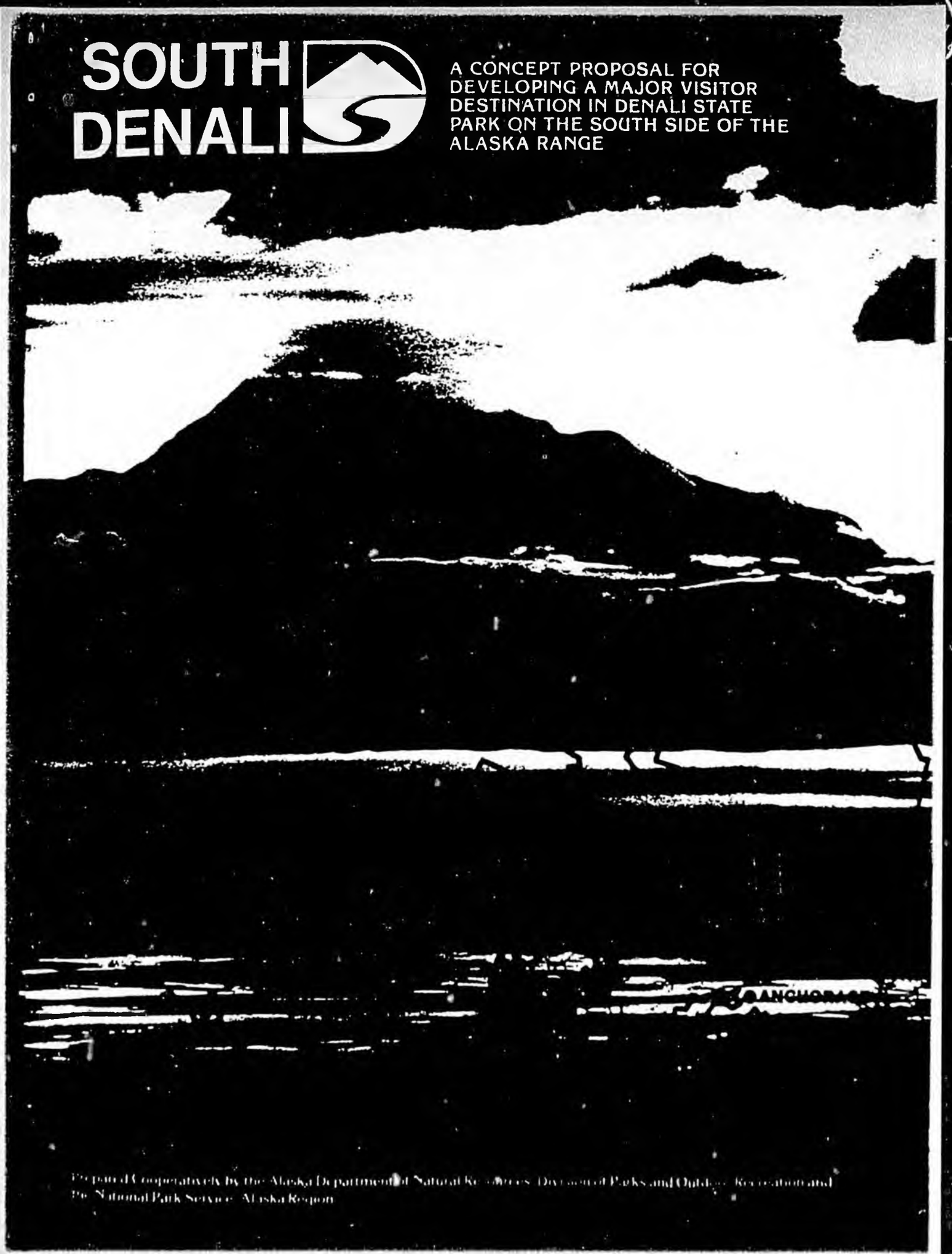
Prepared by: Lawrence Ostrovsky
Phone: 465-2400
Division: Commissioner's Office
Date: 1-27-88

Approved by Commissioner: L. Gruenberg
Date: 1-27-88
Agency: Department of Natural Resources

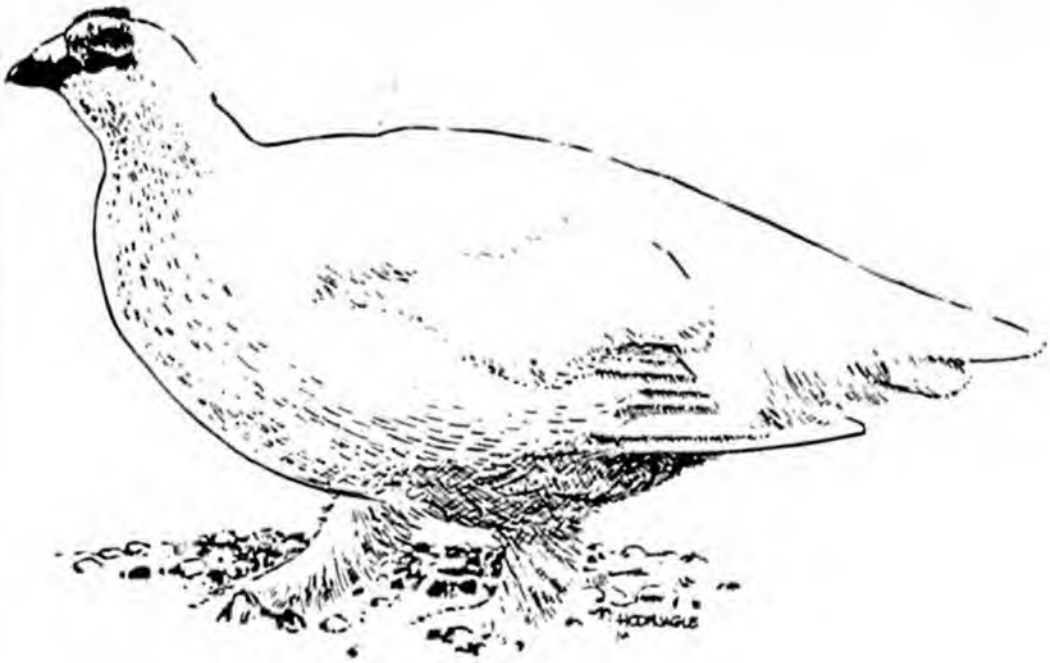
Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

SOUTH DENALI

A CONCEPT PROPOSAL FOR DEVELOPING A MAJOR VISITOR DESTINATION IN DENALI STATE PARK ON THE SOUTH SIDE OF THE ALASKA RANGE



Prepared Cooperatively by the Alaska Department of Natural Resources Division of Parks and Outdoor Recreation and the National Park Service - Alaska Region



CONCEPT SUMMARY

The concept of developing a major visitor destination on the south side of the Alaska Range has been discussed and studied for many years. Views of Mt. McKinley and its companion peaks are spectacular in this area and are highlighted by the great glaciers which flow down the south side of the range. The dramatic sculptured landscape offers scenery and recreational opportunities that could attract worldwide tourism visitation and expand outdoor recreation opportunities for Alaskans as well.

Alaskan artist Sydney Laurence painted his most famous scenes of Mt. McKinley from the south side. In the 1920s, the Alaska Railroad built a hotel and scheduled an overnight stop at Curry Station. A bridge and trail led to a lookout on top of Curry Ridge. Over the past 20 years, potential South Denali development sites have been studied by state and federal agencies and have been the subject of environmental and economic investigations and public meetings. The resulting public interest influenced creation of the 282,000-acre Denali State Park (expanded to 324,240 acres in 1976) by the 1970 Alaska Legislature.

After reviewing these studies, the participants focused their analyses on alternatives within the most promising zone for site selection. The Curry Ridge area offers an excellent combination of public benefits, at a comparatively low cost, with minimal environmental impact. Within this focus area, an array of alternatives for both location and type of development exist.

The outstanding features offered by the Curry Ridge area are:

View — Curry Ridge is the first place where a traveler heading north along the Parks Highway enters the environment of the Alaska Range. Hillside benches have spectacular views of Mt. McKinley and the Alaska Range. The ridge top offers the sense of space and isolation of a remote Alaska location. Some points afford a 360 degree panorama of the mountains of southcentral Alaska.

Access — Potential sites would be within a short distance of the year-round Parks Highway. A hiking trail from the Alaska Railroad can be developed by recreating the historic footbridge and trail to Curry Lookout. Located approximately 140 miles from Anchorage and 220 miles from Fairbanks, Curry Ridge is a convenient, desirably spaced stopover along an established tour route.

Outdoor Recreation — The varied ecosystems in the Curry Ridge vicinity (riverine, forest, sub-alpine and alpine) offer a wide range of outdoor recreation possibilities. Fishing, boating and camping would be possible on nearby rivers and lakes. The wooded hillsides and ridge top provide a variety of opportunities including: hiking, cross-country skiing, wildlife and wildflower viewing.

Unique Destination Point — As a development within a park, South Denali must have distinctive qualities which protect and enhance the visitor experience of natural Alaska. It should be a place where people feel close to nature and enjoy the natural world. With appropriate design and operational controls, the development can provide a unique and memorable experience leaving the visitor with a sense of having experienced the spacious vistas and remoteness of Alaska.

BACKGROUND: LOCATIONS CONSIDERED IN PREVIOUS STUDIES

Indian Ridge Site (Chulitna Pass)

Cresap, McCormick, and Paget. *A Program for Increasing the Contribution of Tourism to the Alaskan Economy.* prepared for State of Alaska, Department of Economic Development, Travel Division and U.S. Department of Commerce, Economic Development Administration, December, 1968.

This study discussed the need and defined the planning considerations for a hotel complex on the south side of the Alaska Range. The site selected was in the vicinity of Chulitna Pass looking across the Chulitna River up the Eldridge Glacier to Mt. McKinley, 42 miles away. A 300-room lodge/hotel was to be located at the 1,700-foot level one mile east of the Parks Highway (approximately Mile Post 164-165) and 5½ miles from the railroad. Although other sites also met location criteria, the team selected Chulitna Pass area. They recommended control of the land by a government agency and development of a variety of facilities catering to various types of visitors, saying, "If visitor travel is to continue to increase in proportion to Alaska's potential, a major hotel must be built in the vicinity of Mt. McKinley."

After construction of a road, this site would have convenient access to the railroad and the highway. The location is a north-facing slope which could be cold. Winds through the pass and severe weather could limit the season. Some think this viewshed is not as dramatic as other locations.

South Curry Ridge Site

U.S. Department of the Interior, National Park Service. *Lodging for Mount McKinley National Park-Present and Projected Requirements and its Relationship to Park Visitation, Possible Park Enlargement, and Alaska Tourism.* April 4, 1969.

This study selected south Curry Ridge because it "provides a superlative platform for viewing and interpreting the climactic section of the Alaska Range". It outlined a major park-oriented tourism complex with a hotel/lodge of 125 rooms in the first phase. This site is within the zone proposed for site selection in this brochure.

U.S. Department of the Interior, National Park Service. *Draft General Management Plan, Denali National Park and Preserve,* March 1985.

This study recommends a south Curry Ridge site and a location to be decided by a joint state and federal group.

Byers Lake Site

State of Alaska, Department of Highways, *Environmental Impact/Section 4f Statement,* September 1973.
State of Alaska, Division of Parks, *Development Prospectus, Denali State Park,* May 1974.
State of Alaska, Division of Parks, *Denali State Park, a Master Plan,* 1975.

The Environmental Impact Statement and Development Prospectus were prepared to solicit proposals for development of a service complex by a concessionaire in the Byers Lake area (Parks Highway, approximately Mile Post 147). This complex was to include a lodge, ski area, park headquarters and visitor center.

The Denali State Park Master Plan further discussed this site. The site has easy access, a nice view of Mt. McKinley, and topography conducive to a recreational development. The area can support a variety of activities including camping, hiking, boating, fish and skiing. Currently, this area includes a 66-unit campground, 15 picnic sites, boat launch and a small boat-in campground. Potential negative aspects of developing this site include the anticipated change in future use patterns, proximity to the lake and associated utilities, and location of a sewage treatment plant. As a recreation area for boating and camping, Byers Lake provides a valuable component in the overall recreational opportunities of the Curry Ridge area.

Tokositna Site

State of Alaska, Division of Parks and U.S. Department of the Interior, National Park Service, *Environmental Investigation and Site Analysis - Tokositna, Denali State Park,* July 1980, and 14 other study reports.

The Tokositna area has a long history of interest. The concept of a facility in the area was proposed in 1951 by Dr. Bradford Washburn, the scientist who first mapped Mt. McKinley. This concept was supported in 1969 in the Mount McKinley National Park Master Plan and in 1975 in the Denali State Park Master Plan. In 1976 Denali State Park was expanded to include the Tokositna area. In 1978, money was appropriated by the State Legislature to evaluate the feasibility of developing a visitor facility.

The Tokositna study site is approximately 15 miles west of the Parks Highway near Long Point. This site has superlative views up the Tokositna Glacier of Mt. McKinley, 35 miles away. It lends itself to numerous other recreational opportunities including float trips, hiking, fishing, skiing, wildlife viewing and glacier exploration.

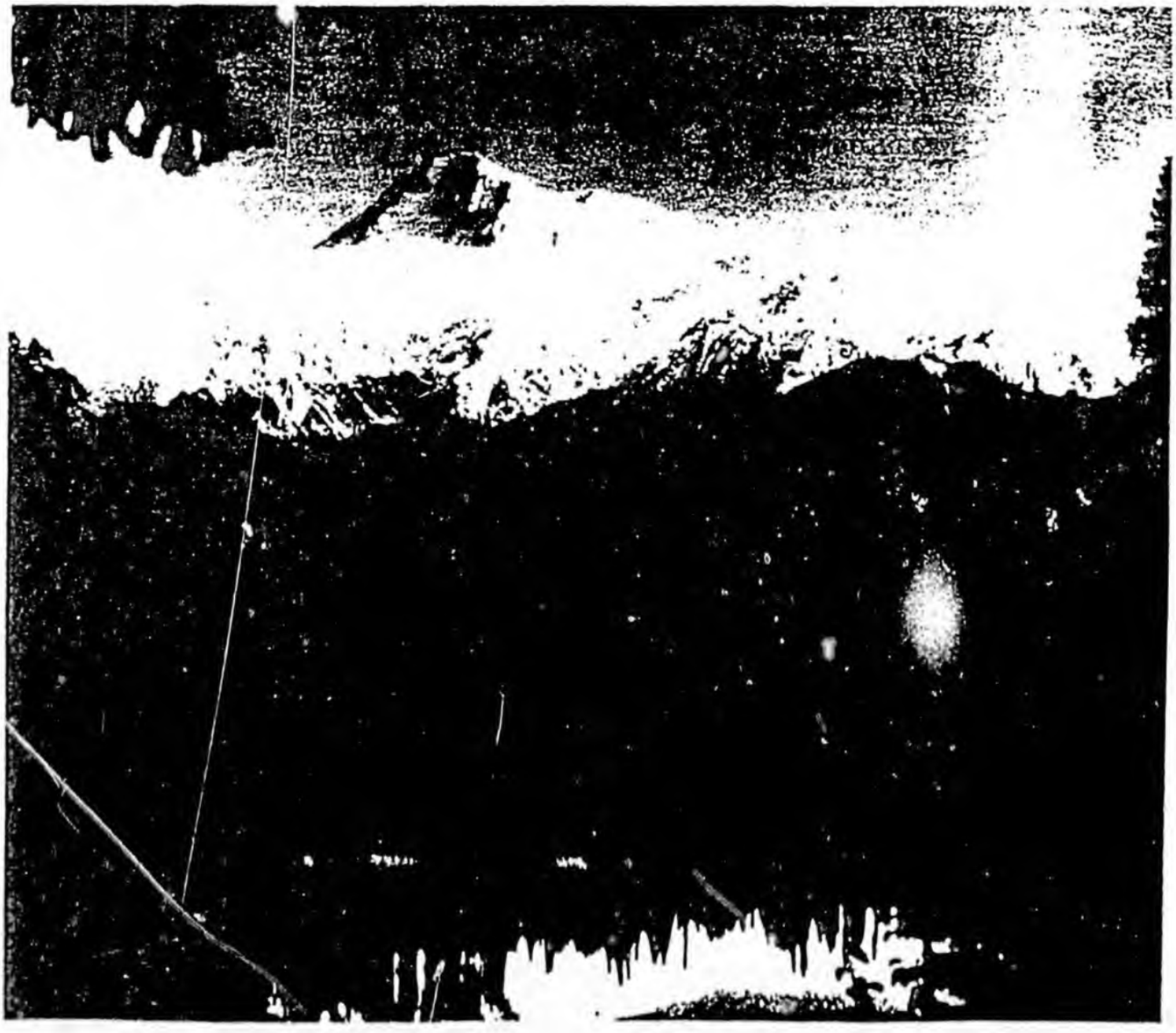
Problems with the site include its remote location, cost of access, land use conflicts and weather. Studies recommend two possible routes of access. One would require building an entirely new 14-mile road, the other upgrading 22 miles of the existing Petersville Road (Mile Post 114.8 Parks Highway) and constructing 12 additional miles to the site. Currently, the road construction costs would be prohibitive.

Three public meetings were held in January 1979. Miners expressed concern that upgrading the Petersville Road would have adverse effects on their mining operations in Cache Creek. Other local residents felt a new road would impact their rural lifestyles. The variety of mixed land uses in the Peters Hills and Dutch Hills, particularly mining activity, might conflict with a large increase in visitor use. The Tokositna site is on a north-facing slope and would be cold, windy and sunless during parts of the year.

Alder Point Area

National Park Service Rangers, Denali State Park Rangers, and local residents, *Memorandum, Development Alternatives, South Denali,* April 17, 1985.

This site was never seriously considered as a major development site but was discussed as a main vantage point. It is located in the mountains and has superlative views of Mt. McKinley. Though the costs of road or tram access would be prohibitive, Alder Point may be a feasible destination for hiking.



GOALS

1. **To provide for public use and enjoyment of state and federal park lands in the South Denali region**

   To establish a visitor destination in a location with a prime view of Mt. McKinley

   To enhance outdoor recreation opportunities in the surrounding region

   To provide the public with information about the geology and natural and cultural history of the Alaska Range, Mt. McKinley and the Denali region

   To integrate planning of the South Denali destination with updating of plans for Denali State Park, Denali National Park and Preserve, and the surrounding area

   To develop facilities which are compatible in architecture, design and use with the natural beauty of the setting; to create a unique visitor's attraction

2. **To manage and protect area resources**

   To develop in a manner which complements and protects the site's natural character

   To minimize impacts to wildlife populations

   To provide additional outdoor recreation opportunities and management facilities in Denali State Park

   To complement and guide development within and adjacent to Denali State Park

   To offer an alternative to visiting the park facilities on the north side of the Alaska Range

3. **To develop and diversify the state's economy**

   To encourage the expansion of the Anchorage-Fairbanks tour business

   To extend the length of the tourism season

   To provide additional sources of state revenues and private sector jobs

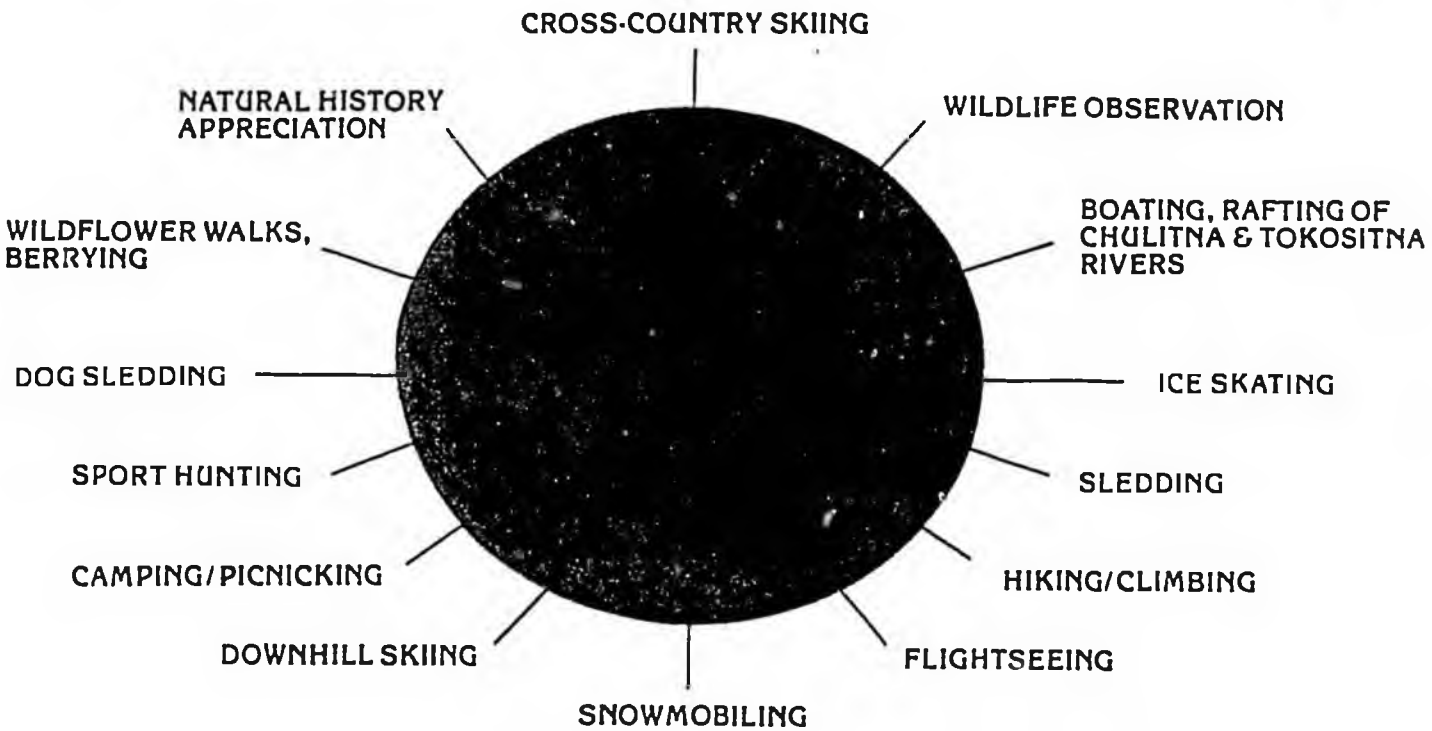
   To encourage government/private partnership in tourism development

   To benefit the local economy and minimize impacts on local lifestyles

ALTERNATIVES TO BE ANALYZED

During this initial planning stage, public comment on the following topics will be gathered to determine the scope and direction of future studies:

Outdoor recreation opportunities — Development in the Curry Ridge area should serve as a center for a wide range of outdoor recreational activities radiating throughout the area. Alaskan tourists and recreationists are increasingly looking for a diversity of outdoor activities. Shuttle bus service could connect the visitor with opportunities for river trips, flightseeing, hiking, fishing, wildlife and bird viewing. Cross-country skiing, dog sledding and other snow-related activities will also be analyzed.

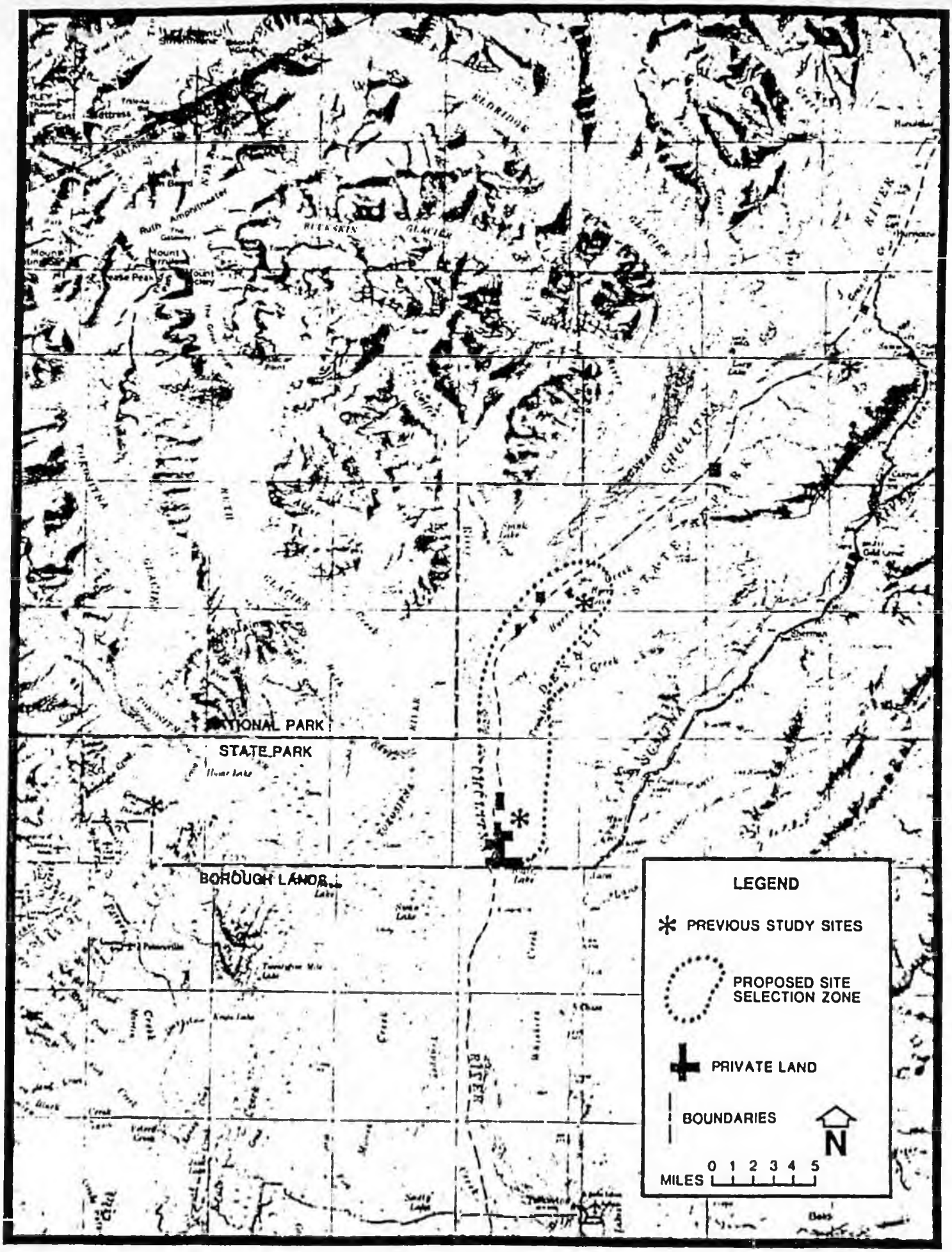


Facilities included — The types of services to be provided by the development include lodging, visitor information and interpretation, access and maintenance. These services indicate that the following developments should be included:

- Visitor center
- Lodge(s) and restaurant(s) (at one or more sites)
- Campgrounds
- Maintenance compound
- Parking lot(s)
- Tramway
- Youth hostel
- Trails
- Utilities

Site selection criteria:

- soils
- drainage
- view of Alaska Range
- wildlife habitat
- impacts to wildlife, plants, view
- weather conditions
- vegetation
- cost
- access
- diversity of recreation


NATIONAL PARK
STATE PARK
BOROUGH LAND
LEGEND
PREVIOUS STUDY SITES
PROPOSED SITE SELECTION ZONE
PRIVATE LAND
BOUNDARIES
N
0 1 2 3 4 5
MILES

PROCESS: PURPOSE OF THIS BROCHURE

The project will be planned and developed cooperatively, with roles and responsibilities as follows:

The State — Because the main development will be located within Denali State Park, the State Division of Parks and Outdoor Recreation will serve as project lead and make final decisions regarding use of state lands.

The Federal Government — The visitor center would be a point of orientation for public use and enjoyment of the nearby national park lands as well as state park lands. The National Park Service will work with the state in the joint development and operation of South Denali.

Private Developers — Private sector participation is essential for the development of commercial components of the South Denali destination, primarily the lodge and related facilities and utilities.

The Public — South Denali represents a major use of public resources. The public will be asked to provide input and guidance by reviewing and commenting on the proposal. This brochure is the first step in public review. A second public review will occur next year when the draft environmental impact statement is complete and the proposed alternatives are defined.

In summary, purposes of this brochure are:

To inform — To introduce the concept of developing a major visitor destination in Denali State Park

To generate interest — To generate discussion and stimulate thinking and ideas from both governmental participants, private corporations and the public; to facilitate this process public workshops will be scheduled

To generate comment — To ask public assistance in identifying significant issues which should be analyzed and noting alternatives which should be considered or eliminated

To help define the scope of future studies — Public comment generated by this brochure will assist in defining the scope of forth-coming studies, including an environmental impact statement which will be prepared subject to federal appropriations

PROPOSED TIMETABLE

February to April 4, 1986
- Public workshops and comment on concept brochure

April 4 to June, 1986
- Consideration of public comments
- Consideration of scope of future slides
- Decision by Legislature to include study funds in FY'87 budget

July, 1986 to January, 1987
- Site analysis
- Analysis of economic feasibility and operations
- Preparation of concession contract guidelines
- Preparation of environmental studies

February to April, 1987
- Public review of draft report on alternative proposals and draft environmental impacts

May to June, 1987
- Analysis of public review on alternatives
- Revision and printing of report
- Preparation of draft concession contract terms

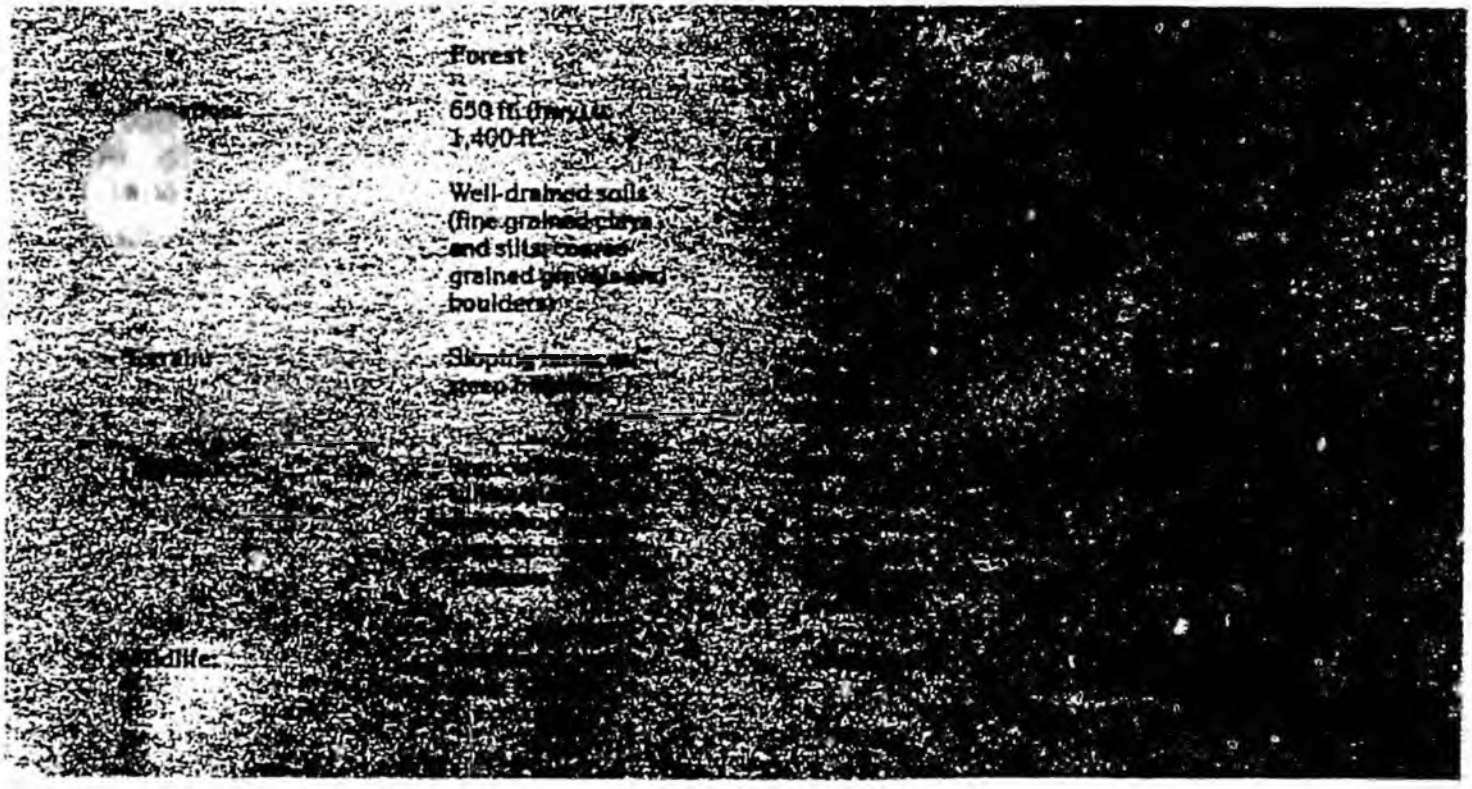
July, 1987
- State/federal decision on preferred alternative
- Competitive contracting process for concessions

April, 1988
- Target date for start of development phase

ENVIRONMENT

The area proposed for further study includes several different ecosystems within the 1,000-foot rise covered in the distance of two or three miles between the highway and the ridge top. The terrain ranges from relatively level ground along the river and highway, to gradual slopes with occasional bench lands, to the steep hillside leading to the alpine ridge top. Treeline occurs at about 1,650 feet of elevation where the ridge levels to become an undulating hilltop plateau. Summit points in the central area of the ridge are between 2,500 and 2,900 feet of elevation.

Ecosystems roughly align with elevation:



Weather is moderated by the relatively warm coastal waters 100 miles to the south, and protected by the Alaska Range against the extreme cold of the interior to the north. Snow accumulations, beginning in October, build to five or six feet by March. Snow usually melts during April and May, although snow patches above 2,500 feet often persist into July. Summer temperatures average from 44 to 68 degrees with occasional highs above 80, and more than 20 hours of mid-summer daylight. In winter, average temperatures range from zero to 40 above, though extremely cold days can reach minus 40 and lower.

Through this brochure and the public workshops, agencies are seeking public comment on the issues to be considered in the preparation of an environmental impact statement. Initially, the following categories of consideration have been identified:

Wildlife protection, prevention of bear/human conflict
Water quality
Viewshed
Automobile and aircraft noise
Climate, including cloud cover, wind, temperature, precipitation, avalanche potential, whiteout conditions
Soils, particularly problems associated with glacial till
Vegetation, particularly fragility of alpine vegetation
Development of roadside inholdings
Local economy and lifestyles

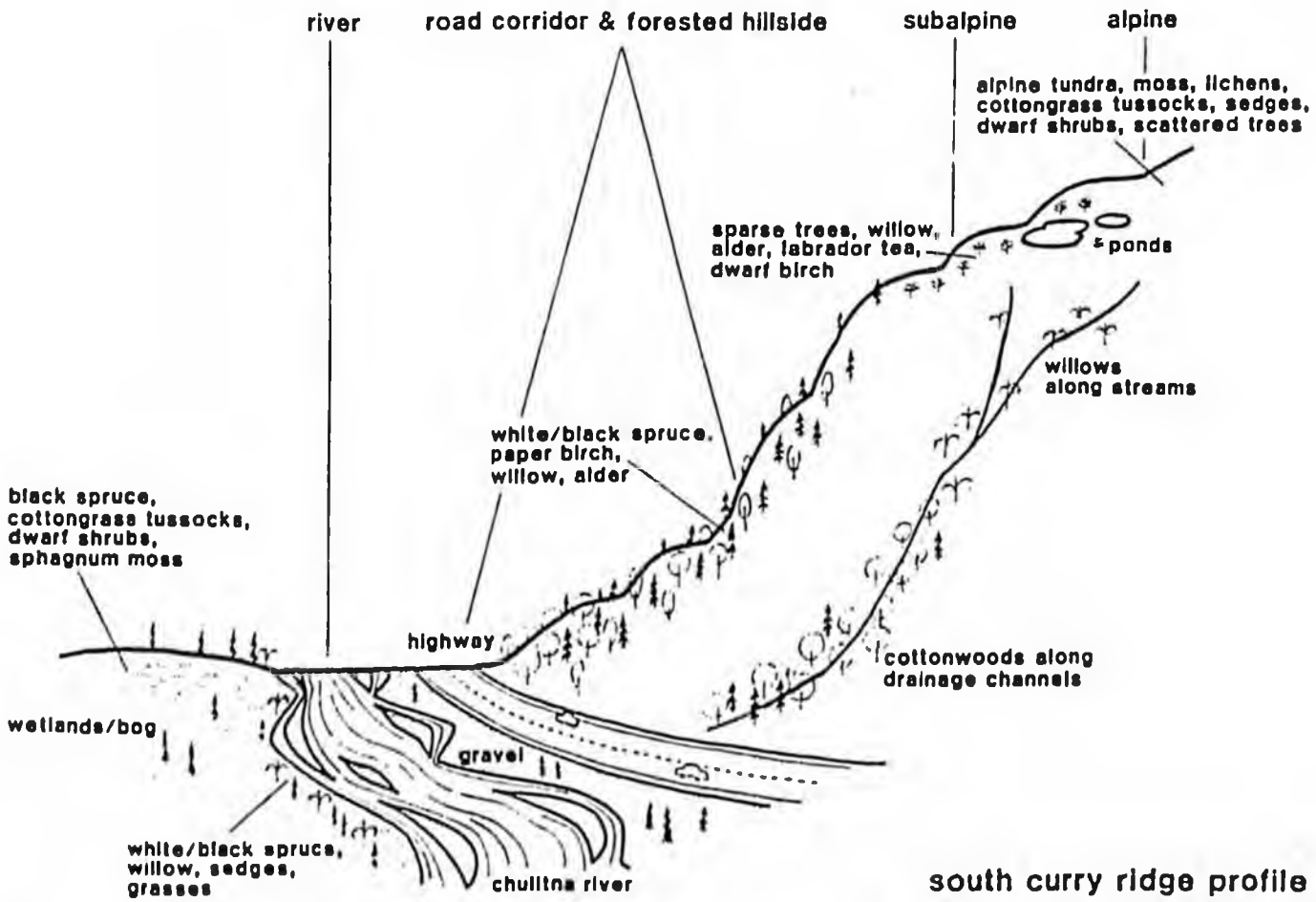
Site selection — The site selection zone extends from the Chulitna River to the ridge top near the southern end of Curry Ridge. Here there is a magnificent view of the Alaska Range across the Chulitna and Tokositna River valleys and the Ruth Glacier. In addition, the hillside and ridge are comparatively near to the Parks Highway, thus minimizing the distance and cost of access.

Terrain within this zone offers a choice of sites near the highway, on forested bench lands partially up the hillside, in sub-alpine zone and on the ridge top. The above listed facilities each have different locational requirements and could be arranged in several different configurations between the highway and the ridge top. Clearly, the maintenance compound should be in a convenient but hidden location near the highway, and the lodge and visitor center require sites with good views; but the combination or separation of various facilities, the choice of a hillside, sub-alpine or alpine location and the accommodation of parking require careful analysis. Public comment on the following and other considerations would be helpful:

1. The visitor center would probably be the major traffic generator in the development and should be readily accessible to all visitors at minimal cost. A prime view of the Alaska Range is essential, but should the center be located in the alpine zone in a sub-alpine zone or on a bench in the forested hillside? Should it stand alone within an easy hike of the lodge or be incorporated with the lodge in a single structure?

2. The lodge also will require a premiere view of the range. There will be two general types of clientele: tour travelers (mainly overnight visitors) and vacationers staying several days. Should the lodge be designed to cater to both types of visitors or planned as two separate facilities, one with a leisurely atmosphere for long-term visitors and the other with the familiar conveniences desired by overnighters? Should these facilities be located in the alpine, sub-alpine or forested zones? To what extent should the lodge include related amenities such as shops, athletic facilities, convention facilities, etc.? Should the lodge be designed for expansion or should a fixed capacity be set?

3. Mode of access to various facilities will influence the visitors' convenience and enjoyment. If people drive private vehicles to the visitor center and the lodge, large parking areas must be provided, with consequent noise and activity incompatible with the goal of preserving the peace and natural quality of the environment. Alternatively, public parking could be provided near the base of the ridge and access to facilities above achieved either by a tram or a shuttle bus system. A tram offers the possibility of being a unique and attractive recreation opportunity in itself, with minimal environmental damage. However, prices must be affordable by the general public. If a tram is used, it would still be necessary to connect facilities with a low speed road limited to service and emergency vehicles.



south curry ridge profile

ECONOMIC CONSIDERATIONS

Mt. McKinley, North America's tallest mountain, consistently ranks at the top of Alaska's attractions for visitors. Several recent factors contribute to the economic viability of the South Denali project:

1. Alaskan tourism has increased more than 25% in the past four years, with estimates of a 7% to 10% annual growth.

2. Cruise ships are now calling on southcentral ports of Anchorage, Whittier and Seward. This not only brings more visitors directly into the Anchorage-Fairbanks tour route, but also reduces by at lease one day the time necessary to get into that route. Formerly, passengers disembarked at Haines or Skagway and traveled by bus to Anchorage.

3. The road into Denali National Park, a hundred miles north of the south Denali site, has reached its visitation capacity; additional traffic would diminish wildlife viewing opportunities. Necessary limitations will inhibit further hotel development in that region and encourage development elsewhere in locations with a good view of the mountain and access to park lands.

However, the main economic strength of the South Denali development stems from its attractiveness on its own merits. It will be:

- A unique "in park" facility, especially designed and developed to harmonize with its natural setting
- A central point in a range of surrounding outdoor recreational opportunities
- A site which can be accessible during the early spring and late fall seasons as well as the summer
- A center of information and interpretation of Mt. McKinley and the Alaska Range
- A destination with a magnificent view of Mt. McKinley

SOCIO/CULTURAL CONSIDERATIONS

Socio/economic impacts of the development will also be studied. This assessment will include impacts on local and regional economy, population, lifestyles and cultural resources.

SJR

50

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FEB 3 1988

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SJR 50
PUBLISH DATE: 1/15/88

FISCAL NOTE

REQUEST:

Revision Date: 1/25/88
Title: Constitutional amendment relating to open meetings.
Sponsor: STURGULEWSKI
Requestor: Senate State Affairs

Agency Affected: Office of the Governor
BRU: Division of Elections
Components: II - Primary & General Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0	2.2*	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	2.2*	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	2.2*	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

* Costs included cover 2 to 3 additional pages in each Official Election Pamphlet, for printing and typesetting, and costs estimated to cover computer programming requirements for vote

(cont.)

Prepared by: Linda Edgeworth
Division: Elections
Phone: 465-4611
Date: 1/22/88

Approved by Commissioner:
Agency: Office of the Governor, Division of Elections
Date: 2/1/88

Distribution (by preparer): 2/1/88
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

counting purposes. However, these costs are based on the assumption that all candidates and issues will fit on three ballot cards, which is the norm. It should be noted, however that should the inclusion of this issue require a 4th ballot to be printed, the cost increase would have to be calculated at 16 cents per ballot x approximately 320,000 voters. The total cost of printing the additional ballot card would be $51.2.

Under these circumstances the fiscal note would be:

53.4

SJR

54

STATE OF ALASKA 1988 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST

Bill Version: SJR54
Publish Date:

Revision Date:
Title: Alaska Airlines Fly to Siberia
Sponsor: Sturgulewski
Requestor: Abood

Agency Affected: DOT&PF
BRU:
Components:

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	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS:

There is no fiscal impact to the Department of Transportation and Public Facilities.

Prepared by: Robert G. Poe
Division: Deputy Commissioner Budget & Finance
Phone: 465-3900
Date: 1-26-88

Approved by Commissioner: Mark S. Hickey
Agency: DOT&PF
Date: 1-26-88

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

Corporate Communications, SEAZP, P.O. Box 68900, Seattle, WA 98168

Alaska Airlines News

Contact:
Lou Cancelmi
206/433-3170

FOR IMMEDIATE RELEASE

January 12, 1988

ALASKA AIRLINES ANNOUNCES FILING TO SERVE SIBERIAN CITY

SEATTLE -- Alaska Airlines announced today that it has filed an application with the U.S. Department of Transportation to provide scheduled air service between Nome, Alaska, and Provideniya, Siberia, U.S.S.R.

Provideniya, a Soviet Far Eastern city of approximately 4,500 persons, is located on the southeastern tip of the Chukchi Peninsula. The city is about 230 nautical miles across the Bering Sea from Nome.

According to Bruce R. Kennedy, chairman and chief executive officer of the airline, the proposed service would establish a new transportation link between the U.S. and the U.S.S.R.

Kennedy said the new service, if approved by the appropriate U.S. and Soviet authorities, would reunite the indigenous Native people of Alaska and Siberia and provide a unique tourist opportunity for travelers interested in the Arctic and the Soviet Far East.

- more -

While acknowledging that diplomatic and technical questions need to be answered before service can begin, Kennedy said, "Alaska Airlines is no stranger in the arena of Soviet/U.S. aviation." During the summers of 1970, 1971 and 1972 Kennedy noted Alaska Airlines operated some thirty round trip charters between Anchorage and the Siberian city of Khabarovsk, as well as to Leningrad.

Alaska Airlines, a wholly-owned subsidiary of Alaska Air Group, Inc., serves 30 cities in six Western states.

# # #

BEFORE THE

DEPARTMENT OF TRANSPORTATION

WASHINGTON, D.C.

In the Matter of The Application of ALASKA AIRLINES, INC. For A Certificate of Public Convenience and Necessity To Serve Provideniya, Siberia, USSR	)	Docket

APPLICATION OF ALASKA AIRLINES, INC.

FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Communications with respect to this document should be sent to:

Jan D. Blais, Esq.
Staff Vice President -
Legal & General Counsel
Alaska Airlines, Inc.
19300 Pacific Highway South
Seattle, Washington 98188

Marshall S. Sinick
Squire Sanders & Dempsey
1201 Pennsylvania Avenue, N.W.
Suite 500
Washington, D.C. 20044
(202) 626-6651

Alaska Airlines, Inc.
Washington Counsel

January 12, 1987

BEFORE THE

DEPARTMENT OF TRANSPORTATION

WASHINGTON, D.C.

In The Matter Of The Application Of ALASKA AIRLINES, INC. For A Certificate of Public Convenience and Necessity To Serve Provideniya, Siberia, U.S.S.R.	Docket

APPLICATION OF ALASKA AIRLINES INC.

FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Alaska Airlines, Inc. requests a certificate of public convenience and necessity, pursuant to Section 401 of the Federal Aviation Act of 1958, as amended, to operate scheduled service between Nome, Alaska and Provideniya, Siberia, U.S.S.R. Alaska's proposal is designed to forge a new transportation link to the U.S.S.R. in the aftermath of the summit between President Reagan and General Secretary Gorbachev. Among the many outgrowths of the summit are strong indications of warming relationships between the United States and the U.S.S.R. particularly with respect to enhanced trade and cultural exchanges. Alaska's

application would provide a further opportunity for both the United States and the U.S.S.R. to solidify these relationships.

The Nome Gateway has long been a major Alaskan tourist destination during the winter as well as summer months and the addition of a stopover at Provideniya would likely prove extremely attractive to a number of U.S. tourists. The fact that Provideniya is only approximately 230 nautical miles distant from Nome, Alaska would also mean that the new transportation link would assist in re-establishing the longstanding cultural relationships that exist between many native Alaskans and Siberians.

Alaska Airlines was the last U.S. carrier to have operated regular service to Siberia and is therefore particularly well-suited to provide the proposed service. During the 1970-72 period, Alaska pioneered and operated a weekly B-707 charter program to Khabarovsk in Siberia as well as to Leningrad. In conducting that unique program, Alaska Airlines was required to cooperate extensively with the U.S.S.R. and Aeroflot and it is expected that their familiarity with Alaska would allow for a relatively easy implementation of a tourist and exchange program to Provideniya once the Department issues the requested certificate of public convenience and necessity.

In further support of this application, Alaska states as follows:

1. Alaska Airlines, Inc. has it principal headquarters located at 19300 Pacific Highway South, Seattle, Washington 98188. Alaska Airlines is incorporated under the laws of the State of Alaska and is a wholly owned subsidiary of Alaska Air Group Inc., a corporation organized under the laws of the State of Delaware.

2. Alaska Airlines, Inc. is a citizen of the United States within the meaning of Section 101(13) of the Federal Aviation Act of 1958, as amended. Each of Alaska's officers and directors is a U.S. citizen and the owners of record of at least 75% of Alaska's outstanding voting securities are U.S. citizens.

3. Alaska Airlines has repeatedly been found fit, willing and able to provide interstate and foreign air transportation and the the Department is requested to take official notice of Alaska's continuing fitness. See e.g. Orders 82-6-80, 82-8-69, 81-12-131 and 81-1-30.

4. Alaska Airlines will engage in the carriage of persons, property and mail between Nome, Alaska and Provideniya, Siberia, U.S.S.R. and this service would be operated with either B-727-200 or B-737-200 aircraft. Alaska currently owns and operates a number of such aircraft.

5. Alaska will also shortly provide a map depicting the route beetween Nome, Alaska and Provideniya, Siberia and an illustrative service proposal setting forth the aircraft type, capacity, elapsed trip time and an estimate of the fuel to be consumed during the first year of proposed operations.

CONCLUSION

WHEREFORE, Alaska Airlines, Inc. respectfully requests that the Department issue Alaska Airlines, Inc. a certificate of public convenience and necessity authorizing Alaska to engage in scheduled foreign air transportation between Nome, Alaska and Provideniya, Siberia U.S.S.R. or grant such other relief as the Department may deem appropriate.

ALASKA AIRLINES, INC.

Marshall S. Sinick
Squire Sanders & Dempsey
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20044

Washington Counsel

January 12, 1988

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing application was served by mail, postage prepaid, upon the persons named below.

Nancy L. Hassan

Honorable Steven Cowper
Governor State of Alaska
P.O. Box A
Juneau, Alaska 99811-0101

Honorable Ted Stevens
United States Senator
522 Hart Senate Office Bldg.
Washington, D.C. 20510

Honorable Frank H. Murkowski
United States Senator
709 Hart Senate Office Bldg.
Washington, D.C. 20510

Honorable Don Young
United States Congressman
2331 Rayburn House Office Bldg.
Washington, D.C. 20575

Honorable George Schultz
Secretary of State
State Department
2201 C Street, N.W.
Washington, D.C. 20520

Honorable Jeffrey N. Shane
Deputy Assistant Secretary
for Transportation Affairs
State Department
2201 C Street, N.W.
Washington, D.C. 20520

Honorable James H. Burnley IV
Secretary of Transportation
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Honorable Matthew V. Scocozza
Assistant Secretary for
Policy and International
Affairs
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Honorable Philip W. Haseltine
Deputy Assistant Secretary
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Honorable John K. Handeland
Mayor, Nome, Alaska
P.O. Box 281
Nome, Alaska 99762

Mr. A. Bufsas, Jr.
Manager
Nome Airport
Nome, Alaska 99762

Mr. Ralph Brumbaugh
President
Markair, Inc.
4100 International Airport
Road
P.O. Box 19769
Anchorage, Alaska 99519

Mrs. Rita Sholton
President
Northern Air Cargo, Inc.
3900 West International
Airport Road
Anchorage, Alaska 99502

Honorable Rozanne L. Ridgeway
Assistant Secretary for
European Affairs
Department of State
Room 6226
2201 C Street, N.W.
Washington, D.C. 20520

His Excellency Yuriy V. Dubinin
Ambassador to the United States
Embassy of the Union of Soviet
Socialist Republic
1125 16th Street, N.W.
Washington, D.C. 20036

Mr. Robert Clarke
Office of Soviet Affairs
Bureau of European &
Canadian Affairs
Room 4223
2201 C Street, N.W.
Washington, D.C. 20520

Attachment

SCHEDULE
(Saturday and Sunday)

	ANC		OME		PROVIDENIYA	
	Arr.	Dep.	Arr.	Dep.	Arr.	Dep.
Flight 001		0700	0830	0910	0955	
Flight 002	1315		1115	1155		1030
Flight 003		1245	1415	1455	1540	
Flight 004	1855		1700	1735		1615

1. The above schedule is illustrative of the B-727/B737 summer season service pattern that Alaska Airlines would operate and all times set forth are expressed in Alaska Daylight Time without modification for crossing the international dateline.

2. Alaska Airlines initially contemplates operating a twice weekly service pattern (two round trip flights on each day) during the ten week summer season and further flights would be added when justified by traffic levels.

PUBLIC OPINION MESSAGE

DEAR: SENATOR STURGULEWSKI

NAME: JIM STIMPFLE
TITLE: CHAMBER OF COMMERCE, CCCP
ADDRESS: BOX 729
CITY: NOME ZIP: 99762
PHONE: 443-2002
BILL NO: SJR 54
SUBJECT: SUPPORT AK AIRLINES FLIGHTS TO SIBERIA
MESSAGE: THANK YOU FOR YOUR SUPPORT FROM THE SENATE ENCOURAGING THE DEVELOPMENT OF DIRECT CULTURAL AND COMMERCIAL ACTIVITIES BETWEEN NOME AND PROVIDENIYA BY ALASKA AIRLINES. WE BELIEVE THAT THESE FLIGHTS WILL GREATLY AFFECT ALL ALASKANS, FOCUSING WORLD ATTENTION OF ALASKA'S POSITION TO INFLUENCE FRIENDSHIP, GOODWILL AND TRADE BETWEEN THE UNITED STATES AND U.S.S.R.

POMID: 11112031
DATE: 01/21/88
TIME: 11:20:31
LIONAME: NOME INFORMATION OFFICE

COPIES: REPRESENTATIVES

SPRINGER
KOPONEN

Presented By:
City Manager
Action Taken:
Yes 4 No 0

CITY OF NOME, ALASKA

RESOLUTION NO. R-88-1-3

A RESOLUTION EXPRESSING SUPPORT FOR SENATE JOINT RESOLUTION NO. 54 AND URGING ITS ADOPTION.

WHEREAS, Senator Arliss Sturgulewski has introduced Senate Joint Resolution No. 54 expressing support for the Alaska Airlines application for approval to fly to Siberia; and,

WHEREAS, scheduled air service between Nome and Provideniya will encourage renewal of cultural ties between the native peoples of western Alaska and eastern Siberia and the opportunity for economic development in Nome,

NOW, THEREFORE, BE IT RESOLVED that the Nome Common Council greatly appreciates Senator Sturgulewski's introduction of Senate Joint Resolution No. 54 and strongly urges the adoption of the Resolution by the Alaska State Senate.

APPROVED and SIGNED this 25th day of January, 1988.

John K. Handeland, Mayor

ATTEST:

Linda E. Conley, City Clerk

(1)

ASCC

ALASKA STATE CHAMBER OF COMMERCE
310 Second Street
Juneau, Alaska 99801
(907) 586-2323

RESOLUTION

A RESOLUTION TO ENCOURAGE THE DEVELOPMENT OF COMMERCE, TOURISM, CULTURAL, EDUCATIONAL, MEDICAL, SCIENTIFIC EXCHANGES BETWEEN ALASKA AND SIBERIA.

WHEREAS, the Summit meeting in Washington, D.C. has discussed a direct route of friendship and commerce between Alaska and Siberia, and

WHEREAS, Alaska will benefit and lead the United States in developing direct flights from Nome to Provideniya for commercial and cultural activities, and

WHEREAS, Alaska's tourism industry will increase substantially with direct access to Siberia from Alaska, especially helping Anchorage's bid for the 1994 Olympics, and

WHEREAS, Alaska's agricultural products can be exported to Siberian cities, such as milk products, potatoes, barley, and

WHEREAS, Alaska's technological advances in the area of gas and oil, environmental protection telecommunications could be the basis for business-related development, and

WHEREAS, various megaprojects including electrical grid systems and transportation tunnels to connect the North American and Asian continents for trade, and for transport of minerals and power to world users have been proposed, and

WHEREAS, the University of Alaska Siberian Medical Program will be addressing the health and educational needs of Alaskan people living in the Arctic, to understand nutrition, physiology, alcohol abuse, mental health, and stress, and

WHEREAS, Alaska's schools, colleges, and university will benefit by student, teacher exchanges, conferences, with Siberian schools, colleges, and universities, leading to greater understanding, and

WHEREAS, Alaska's cultural heritage, its people, children, students, teachers, performing artists, elders, are Alaska's gift of peace and represent the spirit of Alaska to Siberia,

NOW, THEREFORE, BE IT RESOLVED by the Alaska State Chamber of Commerce that these unique opportunities for Alaska with Siberia be developed by the State of Alaska, by our Congressional delegation, and by each and every local Chamber of Commerce wishing to participate,

AND BE IT FURTHER RESOLVED that the Alaska State Chamber of Commerce endorses and supports on a national level efforts to develop cooperation, commerce, and peace by the U.S. Chamber of Commerce and the United States of America with the Soviet Union.

Passed and approved by the Alaska State Chamber of Commerce, Board of Directors' meeting this eleventh day of December 1987.

George Krusz, President

Harold Moles, Chairman