ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7730 SENATE TRANSPORTATION

284

SJR

35

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 1/13/92 FURTHER: L&C

Date of 5-Day Notice: 3/18/92
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3-27-92

Transportation Committee considered SJR 35

Urging the United States Congress to eliminate a federal excise tax involving air travel to or from Alaska.

and recommends:

[ ] replace with _____ CS _____ (_____)

[ ] attaches amendment(s)

[ ] same title
[ ] **new** title
[ ] technical title change (HB only)

[ ] adopts _____ Letter of Intent

[ ] further referral to the _____

[X] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

NEW FISCAL NOTES: **Dept/Date**

[X] **zero** fiscal notes Sen. Trans. Comm 3/27/92

[ ] fiscal notes _____

[ ] **appropriation**--no fiscal note

PREVIOUS FISCAL NOTES: **Dept/Date**

[ ] **Governor's bill** with fiscal notes:
zero fiscal notes _____
fiscal notes _____

DO PASS: Shirley Kraft
Dick Stoltze

OTHER RECOMMENDATIONS:

DO PASS

Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SJR 5

Revision Date: March 27, 1992 **Department Affected:**
Title: Urging elimination of excise tax on air travel to/from Alaska **BRU:**
Component:
Sponsor: Sen. Pearce
Requestor: Sen. Transp. Comm. **COMPONENT SERIAL NO.**

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Johanna Munson, Sen. Transp. Comm **Phone:** 465-2679
Division: Sen. Curt Menard, Chairman **Date:** March 27, 1992
Approved by Commissioner: Chairman Senator Curt Menard
Agency: Senate Transportation Committee **Date:** March 27, 1992

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).
Rev 10/7/91

Statement of Senator Pearce to Senate Transportation Committee
March 25, 1992

Mr. Chairman, members of the committee, thank you for the opportunity to testify before you today on Senate Joint Resolution 35, urging the United Sates Congress to eliminate a federal excise tax involving air travel to or from Alaska.

There are two types of excise tax: the first applies to all air travel originating and ending in the United States and amourts to 10 percent of the fare. The second type of tax is the subject of this Resolution. It applies to all flights that originate in the United States and travel through international airspace is a flat rate of $6.00 per ticket and applies to travel in and out of Alaska and Hawaii only -- not to travel between any of the contiguous forty-eight states.

This Resolution asks Congress to address the problem of unequal treatment that Alaska and Hawaii receive as a result of this tax.

I appreciate your taking the time to consider this matter. Thank you.

Note 1

government to formulate billing policies that would minimize the customers' excise taxes. McDonnell Douglas Corp. v. General Tel. Co. of California, C.A.Cal. 1979, 594 F.2d 720, certiorari denied 100 S.Ct. 77, 444 U.S. 839, 62 L.Ed.2d 50.

2. Separation of charges

This section did not impose any duty on telephone company to prepare customers' bills in such a way as to separate charges for private branch exchange services from charges for normal telephone services; under the 1965 amendments of this subchapter, it was within the absolute discretion of the telephone company whether to separate or not to separate private branch exchange charges. McDonnell Douglas Corp. v. General Tel. Co. of California, C.A.Cal.1979, 594 F.2d 720, certiorari denied 100 S.Ct. 77, 444 U.S. 839, 62 L.Ed.2d 50.

Action would not lie against telephone company to recover communications excise taxes allegedly overcollected from users of "Centrex" systems, on theory that entries on telephone company books for Centrex service satisfied the "separate charge" requirement of Excise Tax Reduction Act, 79 Stat. 136; in effect, suit seeking return of the allegedly overcollected taxes, which had been remitted to the government, was a suit for "recovery of any internal revenue tax" and was required to be filed only against the government, notwithstanding claim of no probable cause to collect the tax. DuPont Glore Forgan Inc. v. American Tel. & Tel. Co., D.C.N.Y.1977, 428 F.Supp. 1297, affirmed 758 F.2d 1366, 1367, certiorari denied 99 S.Ct. 465, 439 U.S. 970, 58 L.Ed.2d 431.

3. Inclusion of state and local taxes

Even though additional charges imposed on telephone subscribers might be directly attributable to state and local occupational taxes paid by telephone company, those additional charges were nonetheless a part of price telephone company demanded for its services, and they were properly includable in base on which federal tax on amounts paid for communication services was computed. Agron v. Illinois Bell Tel. Co., C.A.Ill. 1971, 449 F.2d 906, certiorari denied 92 S.Ct. 1171, 405 U.S. 954, 31 L.Ed.2d 231.

SUBCHAPTER C—TRANSPORTATION BY AIR

Part
I. Persons.
II. Property.
III. Special provisions relating to taxes on transportation by air.[1]

[1] So in original. Does not conform to part heading.

PART I—PERSONS

Section
4261. Imposition of tax.
4262. Definition of taxable transportation.
4263. Special rules.

HISTORICAL AND STATUTORY NOTES

Amendments

1970 Amendment. Pub.L. 91-258, Title II, § 205(c)(4), May 21, 1970, 84 Stat. 242, substituted "Transportation by Air" for "Transportation of Persons by Air" in the subchapter heading, inserted Part I to III headings in the subchapter analysis, inserted "Part I—Persons" as analysis heading preceding § 4261, deleted item 4263, and redesignated item 4264 as 4263 in the analysis.

1962 Amendment. Pub.L. 87-508, § 5(b), June 28, 1962, 76 Stat. 115, substituted "Transportation of Persons by Air" for "Transportation of Persons" in heading of subchapter.

1958 Amendment. Pub.L. 85-475, § 4(b)(2), June 30, 1958, 72 Stat. 260, in the heading of subchapter substituted "Transportation of Persons" for "Transportation", and struck out Parts I-III, which were included in subchapter C.

1956 Amendment. Act July 25, 1956, c. 725, § 5, 70 Stat. 646, redesignated item 4262 as 4263, and added items 4262 and 4264.

CROSS REFERENCES

Collection of fees from detained aliens, see 8 USCA § 1356.
Fees for customs services, see 19 USCA § 58c.

WESTLAW ELECTRONIC RESEARCH

WESTLAW supplements United States Code Annotated and is useful for additional research. Enter a citation in Insta-Cite for display of any parallel citations and case history. Enter a constitution, statute or rule citation in a case law database for cases of interest.

Example query for Insta-Cite: IC 726 F.2d 1292

Example query for statute: "26 U.S." "26 U.S.C.***" "Title 26" Code /8 3304

Also, see the WESTLAW Electronic Research Guide following the Explanation.

§ 4261. Imposition of tax

(a) **In general.**—There is hereby imposed upon the amount paid for taxable transportation (as defined in section 4262) of any person a tax equal to 8 percent of the amount so paid. In the case of amounts paid outside of the United States for taxable transportation, the tax imposed by this subsection shall apply only if such transportation begins and ends in the United States.

(b) **Seats, berths, etc.**—There is hereby imposed upon the amount paid for seating or sleeping accommodations in connection with transportation and with respect to which a tax is imposed by subsection (a), a tax equal to 8 percent of the amount so paid.

(c) **Use of international travel facilities.**—There is hereby imposed a tax of $3 upon any amount paid (whether within or without the United States) for any transportation of any person by air, if such transportation begins in the United States. This subsection shall not apply to any transportation all of which is taxable under subsection (a) (determined without regard to sections 4281 and 4282).

(d) **By whom paid.**—Except as provided in section 4263(a), the taxes imposed by this section shall be paid by the person making the payment subject to the tax.

(e) **Exemption for certain helicopter uses.**—No tax shall be imposed under subsection (a) or (b) on air transportation by helicopter for the purpose of—

(1) transporting individuals, equipment, or supplies in the exploration for, or the development or removal of, hard minerals, oil, or gas, or

(2) the planting, cultivation, cutting, or transportation of, or caring for, trees (including logging operations),

but only if the helicopter does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970, or otherwise use services provided pursuant to the Airport and Airway Improvement Act of 1982 during such use.

(f) Exemption for certain emergency medical transportation.—No tax shall be imposed under this section or section 4271 on any air transportation by helicopter for the purpose of providing emergency medical services if such helicopter—

(1) does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970 during such transportation, and

(2) does not otherwise use services provided pursuant to the Airport and Airway Improvement Act of 1982 during such transportation.

(g) Termination.—The taxes imposed by this section shall apply with respect to transportation beginning after August 31, 1982, and before January 1, 1991.

(Aug. 16, 1954, c. 736, 68A Stat. 506; July 25, 1956, c. 725, §§ 1, 4(b), 70 Stat. 644, 646; June 30, 1959, Pub.L. 86–75, § 4, 73 Stat. 158; June 30, 1960, Pub.L. 86–564, Title II, § 202(a) (3), 74 Stat. 290; June 30, 1961, Pub.L. 87–72, § 3(a) (3), 75 Stat. 193; June 28, 1962, Pub.L. 87–508, § 5(b), 76 Stat. 115; June 29, 1963, Pub.L. 88–52, § 3(a) (3), 77 Stat. 72; June 30, 1964, Pub.L. 88–348, § 2(a) (3), 78 Stat. 237; June 21, 1965, Pub.L. 89–44, Title III, § 303(a), 79 Stat. 148; May 21, 1970, Pub.L. 91–258, Title II, § 203(a), 84 Stat. 238; Oct. 4, 1976, Pub.L. 94–455, Title XIX, § 1904(a) (7), 90 Stat. 1812; July 1, 1980, Pub.L. 96–298, § 1(b), 94 Stat. 829; Sept. 3, 1982, Pub.L. 97–248, Title II, § 280(a), 96 Stat. 564; July 18, 1984, Pub.L. 98–369, Div. A, Title X, § 1018(b), 98 Stat. 1021; Oct. 22, 1986, Pub.L. 99–514, Title XVIII, § 1878(c)(2), 100 Stat. 2903; Dec. 30, 1987, Pub.L. 100–223, Title IV, §§ 402(a)(1), 404(a), (c), 101 Stat. 1532, 1533.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1954 Act. House Report No. 1337, Senate Report No. 1622, and Conference Report No. 2543, see 1954 U.S.Code Cong. and Adm.News, pp. 4468, 5127, 5280, respectively.

1956 Act. Senate Report No. 1607 and Conference Report No. 2749, see 1956 U.S.Code Cong. and Adm.News, p. 3504.

1959 Act. Senate Report No. 427 and Conference Report No. 587, see 1959 U.S.Code Cong. and Adm.News, p. 1751.

1960 Act. Senate Report No. 1602 and Conference Report No. 2005, see 1960 U.S.Code Cong. and Adm.News, p. 2563.

1961 Act. Senate Report No. 371, see 1961 U.S.Code Cong. and Adm.News, p. 2038.

1962 Act. Senate Report No. 1616 and Conference Report No. 1935, see 1962 U.S.Code Cong. and Adm.News, p. 1771.

1963 Act. Senate Report No. 281, see 1963 U.S.Code Cong. and Adm.News, p. 718.

1964 Act. Senate Report No. 1107 and Conference Report No. 1523, see 1964 U.S.Code Cong. and Adm.News, p. 2329.

1965 Act. House Report No. 433, Senate Report No. 324, and Conference Report No. 525, see 1965 U.S.Code Cong. and Adm.News, p. 1645.

1970 Act. House Report No. 91–601 and Conference Report No. 91–1074, see 1970 U.S.Code Cong. and Adm.News, p. 3047.

1976 Act. House Report Nos. 94–658, 94–1380, Senate Report No. 94–938, and House Conference Report No. 94–1515, see 1976 U.S.Code Cong. and Adm.News, p. 2897.

1982 Act. Senate Report No. 97–494, House Conference Report No. 97–760, and Statements by Legislative Leaders, see 1982 U.S.Code Cong. and Adm.News, p. 781.

1984 Act. House Report No. 98–432, House Conference Report No. 98–861, Statements by Legislative Leaders, and Two Related Reports, see 1984 U.S.Code Cong. and Adm.News, p. 697.

1986 Act. House Conference Report No. 99–841 and Statement by President, see 1986 U.S.Code Cong. and Adm.News, p. 4075.

1987 Act. House Report No. 100–123(I, II) and House Conference Report No. 100–484, see 1987 U.S.Code Cong. and Adm.News, p. 2533.

References In Text

The Airport and Airway Development Act of 1970, referred to in subsecs. (e), (f)(1), is Title I of Pub.L. 91–258, May 21, 1970, 84 Stat. 219, which is classified principally to chapter 25 of the Appendix to Title 49, Transportation. For complete classification of Title I of Pub.L. 91-258 to the Code, see Tables volume.

The Airport and Airway Improvement Act of 1982, referred to in subsecs. (e), (f)(2), is Pub.L. 97–248, Title V, Sept. 3, 1982, 96 Stat. 671, which is classified principally to chapter 31 (section 2201 et seq.) of the Appendix to Title 49, Transportation. For complete classification of this Act to the Code, see Short Title note under section 2201 of the Appendix to Title 49 and Tables volume.

Codifications

Amendment by section 404(c) of Pub. L. 100–223, directing the substitution of "Improvement Act" for "System Improvement Act" in subsec. (e), could not be executed. Subsec. (e) of this section contains no reference to a "System Improvement Act".

Amendments

1987 Amendment. Subsec. (f). Pub. L. 100–223, § 404(a), added subsec. (f). Former subsec. (f) redesignated (g).

Subsec. (g). Pub.L. 100–223, §§ 402(a)(1), 404(a), substituted "January 1, 1991" for "January 1, 1988" in former subsec. (f), and redesignated former subsec. (f), as so amended, as (g).

1986 Amendment. Subsec. (e)(1). Pub.L. 99–514 substituted "in the exploration for, or the development or removal of, hard minerals, oil or gas, or" for "in—(A) the exploration for, or the development or removal of, hard minerals, or (B) the exploration for oil or gas, or".

1984 Amendment. Subsec. (e)(1). Pub.L. 98–369 designated existing provisions as subpar. (A) and added subpar. (B).

1982 Amendment. Subsecs. (e), (f). Pub.L. 97–248 in subsec. (e) substituted provisions relating to exemptions for certain helicopter uses for provisions that effective with respect to transportation beginning after Sept. 30, 1980 the rate of taxes imposed by subsecs. (a) and (b) would be 5 percent and taxes imposed by subsec. (c) would not apply, and added subsec. (f).

1980 Amendment. Subsec. (e). Pub.L. 96–298 substituted "September 30, 1980" for "June 30, 1980".

1976 Amendment. Subsec. (a). Pub.L. 94–455, § 1904(a)(7)(A), struck out "which begins after June 30, 1970" following "any person".

Subsec. (b). Pub.L. 94–455, § 1904(a)(7)(A), struck out "which begins after June 30, 1970" following "with transportation".

Subsec. (c). Pub.L. 94–455, § 1904(a)(7)(B), struck out "and begins after June 30, 1970" following "United States".

1970 Amendment. Subsec. (a). Pub.L. 91–258 consolidated former provisions of subsecs. (a) and (b) for imposition of tax on amounts paid within and outside the United States, substituted therein an 8 percent rate commencing after June 30, 1970, for prior 5 percent rate commencing after Nov. 15, 1962.

Subsec. (b). Pub.L. 91–258 redesignated former subsec. (c) as (b), substituting therein an 8 percent rate in connection with transportation which begins after

June 30, 1970, and with respect to which a tax is imposed by subsec. (a) for prior 5 percent rate in connection with transportation which began after Nov. 15, 1962, and with respect to which a tax had been imposed by former provisions of subsecs. (a) and (b). Former subsec. (b) provisions for imposition of tax on amounts paid outside the United States were incorporated in subsec. (a).

Subsec. (c). Pub.L. 91–258 added subsec. (c). Former subsec. (c) redesignated (b).

Subsec. (d). Pub.L. 91–258 substituted "section 4263(a)" for "section 4264".

Subsec. (e). Pub.L. 91–258 added subsec. (e).

1965 Amendment. Pub.L. 89–44 substituted "November 15, 1962" for "November 15, 1962, and before July 1, 1965" wherever appearing.

1964 Amendment. Pub.L. 88–348 substituted "July 1, 1965" for "July 1, 1964" wherever appearing.

1963 Amendment. Pub.L. 88–52 substituted "July 1, 1964" for "July 1, 1963" wherever appearing.

1962 Amendment. Subsecs. (a), (b). Pub.L. 87–508, § 5(b), eliminated the imposition of tax on transportation of persons by rail, motor vehicle, or water and substituted "tax equal to 5 percent of the amount so paid in connection with transportation which begins after November 15, 1962, and before July 1, 1963" for "tax equal to 10 percent of the amount so paid for transportation which begins before November 16, 1962".

Pub.L. 87–508, § 5(a), substituted provisions imposing a tax equal to 10 percent of the amount paid in connection with transportation which begins before Nov. 16, 1962 for provisions imposing a tax equivalent to 10 percent of the amount paid before July 1, 1962 or 5 percent of the amount paid on or after July 1, 1962.

Subsec. (c). Pub.L. 87–508, § 5(b), substituted "tax equivalent to 5 percent of the amount so paid in connection with transportation which begins after November 15, 1962, and before July 1, 1963" for "tax equivalent to 10 percent of the amount so paid in connection with transportation which begins before November 16, 1962".

Pub.L. 87–508, § 5(a), substituted provision imposing a tax equivalent to 10 percent of the amount paid in connection with transportation which begins before Nov. 16, 1962 for provision imposing a tax equivalent to 10 percent of the amount paid before July 1, 1962 or 5 percent of the amount paid on or after July 1, 1962.

1961 Amendment. Pub.L. 87–72 substituted "July 1, 1962" for "July 1, 1961" wherever appearing.

1960 Amendment. Pub.L. 86–564 substituted "July 1, 1961" for "July 1, 1960" wherever appearing.

1959 Amendment. Pub.L. 86–75 reduced the tax on transportation of persons from ten to five percent effective July 1, 1960.

1956 Amendment. Subsec. (a). Act July 25, 1956, § 1, substituted "taxable transportation (as defined in section 4262) of any person by rail, motor vehicle, water, or air a tax" for "the transportation of persons by rail, motor vehicle, water, or air within or without the United States a tax".

Subsec. (b). Act July 25, 1956, § 1, substituted "taxable transportation (as defined in section 4262) of any person by rail, motor vehicle, water, or air, but only if such transportation begins and ends in the United States" for "transportation of persons by rail, motor vehicle, water, or air which begins and ends in the United States".

Subsec. (d). Act July 25, 1956, § 4(b), substituted "Except as provided in section 4264, the" for "The".

Effective Dates

1987 Act. Section 404(d)(1) of Pub.L. 100–223 provided that. "The amendment made by subsection (a) [amending this section] shall apply to transportation beginning after September 30, 1988, but shall not apply to amounts paid on or before such date."

1986 Act. Amendment by Pub.L. 99–514 effective as if included in the provisions of the Tax Reform Act of 1984, Pub.L. 98–369, Div.A, to which such amendment relates, except as otherwise provided, see section 1881 of Pub. L. 99–514, set out as a note under section 48 of this title.

1984 Act. Section 1018(c)(2) of Pub.L. 98–369 provided that: "The amendment made by subsection (b) [amending subsec. (e)(1) of this section] shall apply to transportation beginning after March 31, 1984, but shall not apply to any amount paid on or before such date."

1982 Act. Section 280(d) of Pub.L. 97–248 provided that: "The amendments made by this section [enacting subsec. (f) of this section, amending subsec. (e) of this section and sections 4271, 4281, and 6156 of this title, and repealing sections 4491 to 4494 and 6426 of this title] shall apply with respect to transportation beginning after August 31, 1982; except that such amendments shall not apply to any amount paid on or before such date."

1976 Act. Amendment by Pub.L. 94–455 effective on the first day of the first month which begins more than 90 days after Oct. 4, 1976, see section 1904(d) of Pub.L. 94–455, set out as a note under section 4041 of this title.

1970 Act. Amendment by Pub.L. 91–258 applicable to transportation beginning after June 30, 1970, see § 211(b) of Pub.L. 91–258, set out as a note under § 4041 of this title.

1965 Act. Section 701(b)(3) of Pub.L. 89–44 provided that: "The amendments made by section 303 [to this section] shall apply with respect to amounts paid for transportation, and amounts paid for accommodations in connection with transportation, beginning on or after July 1, 1965."

1962 Act. Section 5(b) of Pub.L. 87–508 provided in part that the amendment of this subchapter by § 5(b) shall be effective with respect to transportation beginning after Nov. 15, 1962.

1956 Act. Section 6 of Act July 25, 1956, provided that: "The amendments made by this Act [to sections 4261(a), (b), (d), 4262 to 4264, 4291, and 6421(d)(2) of this title] shall apply to amounts paid on or after the first day of the first month which begins more than sixty days after the date of the enactment of this Act [July 25, 1956] for transportation commencing on or after such first day."

CROSS REFERENCES

Air transportation by members of affiliated group, see 26 USCA § 4282.
Airport and Airway Trust Fund, see 26 USCA § 9502.
Credits or refunds to persons who collected certain taxes, see 26 USCA § 6415.
Noncommercial aviation defined for purposes of tax on special fuels, see 26 USCA § 4041.
Penalty for offenses relating to airline tickets and advertising, see 26 USCA § 7275.
Small aircraft on nonestablished lines, see 26 USCA § 4281.

LIBRARY REFERENCES

American Digest System
Air transportation tax, see Internal Revenue ⇐4347.
Encyclopedias
Air transportation tax, see C.J.S. Internal Revenue § 1011.

WESTLAW ELECTRONIC RESEARCH

See WESTLAW guide following the Explanation pages of this volume.

NOTES OF DECISIONS

Administrative Decisions: IRS decisions available on WESTLAW. See WESTLAW guide following Explanation pages ante.

1. Rules and regulations

Treasury regulations, which related to records to be kept for purposes of transportation of persons tax, were reasonable and in confirmity with § 3469 [I.R.C.1939 (now this section and § 4262 of this title)], Loew's Inc. v. U.S., D.C.Cal. 1951, 99 F.Supp. 100.

2. Persons or entities liable

Where federal excise tax on amounts paid for transportation of persons by air was nondiscriminatory in nature and did not unduly interfere with sovereign functions of government of city, which reimbursed employees who paid the tax, imposition of the tax on such city expenditures for employees traveling on official city business was not precluded by constitutional doctrine of intergovernmental tax immunity. City of New

under section 4251, except with
nt received from any person for
he press, or a news ticker service
at of the public press, or radio
ough the public press, or a news
ilar to that of the public press, or
uch service is billed in writing to

shall be imposed under section
hed to an international organiza-

he imposed under section 4251 on
which originates within a combat
the Armed Forces of the United
s determined under such section,
the Secretary may by regulations
h payment.

of tax under section 4251 shall be
withstanding the lines or stations
ch service.

panies.—No tax shall be imposed
all telephone service described in
so paid is for use by a common
broadcasting station or network in

ed under section 4251 on so much
strument, wire, pole, switchboard,
le to such installation.

posed under section 4251 on any
rnished to such organization. For
hospital" means a hospital referred
n income tax under section 501(a).

—Under regulations prescribed by
n 4251 upon any payment received
ment of any State, or any political

izations.—Under regulations pre-
under section 4251 on any amount
services or facilities furnished to
on, the term "nonprofit educational
described in section 170(b)(1)(A)(ii)
501(a). The term also includes a
described in section 501(c)(3) which
f such school normally maintains a
a regularly enrolled body of pupils
educational activities are regularly

option under subsection (c), (h), (i),
der of communications services a
Secretary may provide) certifying
on.

ment provided under paragraph (1)

services has actual knowledge that
ent is false, or

Secretary that the provider of the
emption described in paragraph (1).

If any information provided in such statement is no longer accurate, the person providing such statement shall inform the provider of communications services within 30 days of any change of information.

(Aug. 16, 1954, c. 736, 68A Stat. 504; Sept. 2, 1958, Pub.L. 85–869, Title I, § 133(a), 72 Stat. 1290; Sept. 21, 1959, Pub.L. 86–314, § 4(a), 73 Stat. 619; June 28, 1962, Pub.L. 87–508, § 4(b), 76 Stat. 115; June 21, 1965, Pub.L. 89–44, Title III, § 302, 79 Stat. 146; Mar. 16, 1966, Pub.L. 89–368, Title II, § 202(b), 80 Stat. 66; Dec. 30, 1969, Pub.L. 91–172, Title I, § 101(j)(27), 83 Stat. 529; Oct. 4, 1976, Pub.L. 94–455, Title XIX, §§ 1904(a)(6), 1906(b)(13)(A), 90 Stat. 1811, 1834; Nov. 5, 1990, Pub.L. 101–508, Title XI, § 11217(c)(1), 104 Stat. 1388–438.)

REPEAL

This subchapter, relating to the tax on communications, was repealed by Pub.L. 90–364, Title I, § 105(b)(3), June 28, 1968, 82 Stat. 266, as amended by Pub.L. 91–172, Title VII, § 702(b)(3), Dec. 30, 1969, 83 Stat. 660; Pub.L. 91–614, Title II, § 201(b)(3), Dec. 31, 1970, 84 Stat. 1843, effective with respect to amounts paid pursuant to bills first rendered on or after January 1, 1982. In the case of communications services rendered before November 1, 1981, for which a bill has not been rendered before January 1, 1982, a bill shall be treated as having been first rendered on December 31, 1981. Repeal of this subchapter was not executed in view of the amendment to section 4251 of this title by Pub.L. 96–499, Pub.L. 97–34, Pub.L. 97–248, Pub.L. 98–369, and 99–514, extending the tax imposed to amounts paid pursuant to bills first rendered before Jan. 1, 1988.

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1990 Act. House Report No. 101–881 and House Conference Report No. 101–964, see 1990 U.S. Code Cong. and Adm. News, p. 2017.

Effective Dates

1990 Act. Section 11217(c)(2) of Pub.L. 101–508 provided that:

"(A) In general.—The amendment made by paragraph (1) [enacting subsec. (k) of this section] shall apply to any claim for exemption made after the date of the enactment of this Act [Nov. 5, 1990].

"(B) Duration of existing certificates.—Any annual certificate of exemption effective on the date of the enactment of this Act [Nov. 5, 1990] shall remain effective until the end of the annual period."

NOTES OF DECISIONS

2. Common carriers and communications companies

Taxpayer that authorized money transfers between carriers and truck drivers was not a "common carrier" exempt from federal communications excise tax. Comdata Network, Inc. v. U.S., 1990, 21 Cl.Ct. 128.

AMENDMENTS

SUBCHAPTER C—TRANSPORTATION BY AIR

PART I—PERSONS

§ 4261. Imposition of tax

(a) In general.—There is hereby imposed upon the amount paid for taxable transportation (as defined in section 4262) of any person a tax equal to 10 percent of the amount so paid. In the case of amounts paid outside of the United States for taxable transportation, the tax imposed by this subsection shall apply only if such transportation begins and ends in the United States.

(b) Seats, berths, etc.—There is hereby imposed upon the amount paid for seating or sleeping accommodations in connection with transportation and with respect to which a tax is imposed by subsection (a), a tax equal to 10 percent of the amount so paid.

(c) Use of international travel facilities.—There is hereby imposed a tax of $6 upon any amount paid (whether within or without the United States) for any transportation of any person by air, if such transportation begins in the United States. This subsection shall not apply to any transportation all of which is taxable under subsection (a) (determined without regard to sections 4281 and 4282).

(d) By whom paid.—Except as provided in section 4263(a), the taxes imposed by this section shall be paid by the person making the payment subject to the tax.

(e) Exemption for certain helicopter uses.—No tax shall be imposed under subsection (a) or (b) on air transportation by helicopter for the purpose of—

(1) transporting individuals, equipment, or supplies in the exploration for, or the development or removal of, hard minerals, oil, or gas, or

(2) the planting, cultivation, cutting, or transportation of, or caring for, trees (including logging operations),

but only if the helicopter does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970, or otherwise use services provided pursuant to the Airport and Airway Improvement Act of 1982 during such use.

(f) Exemption for certain emergency medical transportation.—No tax shall be imposed under this section or section 4271 on any air transportation by helicopter for the purpose of providing emergency medical services if such helicopter—

(1) does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970 during such transportation, and

(2) does not otherwise use services provided pursuant to the Airport and Airway Improvement Act of 1982 during such transportation.

(g) Termination.—The taxes imposed by this section shall apply with respect to transportation beginning after August 31, 1982, and before January 1, 1996.

(Aug. 16, 1954, c. 736, 68A Stat. 506; July 25, 1956, c. 725, §§ 1, 4(b), 70 Stat. 644, 646; June 30, 1959, Pub.L. 86–75, § 4, 73 Stat. 158; June 30, 1960, Pub.L. 86–564, Title II, § 202(a)(3), 74 Stat. 290; June 30, 1961, Pub.L. 87–72, § 3(a)(3), 75 Stat. 193; June 28, 1962, Pub.L. 87–508, § 5(b), 76 Stat. 115; June 29, 1963, Pub.L. 88–52, § 3(a)(3), 77 Stat. 72; June 30, 1964, Pub.L. 88–348, § 2(a)(3), 78 Stat. 237; June 21, 1965, Pub.L. 89–44, Title III, § 303(a), 79 Stat. 148; May 21, 1970, Pub.L. 91–258, Title II, § 203(a), 84 Stat. 238; Oct. 4, 1976, Pub.L. 94–455, Title XIX, § 1904(a)(7), 90 Stat. 1812; July 1, 1980, Pub.L. 96–298, § 1(b), 94 Stat. 829; Sept. 3, 1982, Pub.L. 97–248, Title II, § 280(a), 96 Stat. 564; July 18, 1984, Pub.L. 98–369, Div. A, Title X, § 1018(b), 98 Stat. 1021; Oct. 22, 1986, Pub.L. 99–514, Title XVIII, § 1878(c)(2), 100 Stat. 2903; Dec. 30, 1987, Pub.L. 100–223, Title IV, §§ 402(a)(1), 404(a), (c), 101 Stat. 1532, 1533; Dec. 19, 1989, Pub.L. 101–239, Title VII, § 7503(a), 103 Stat. 2362; Nov. 5, 1990, Pub.L. 101–508, Title XI, § 11213(a)(1), (d)(1), 104 Stat. 1388–432, 1388–435.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1989 Act. House Report No. 101–247, House Conference Report No. 101–386, and Statement by President, see 1989 U.S. Code Cong. and Adm. News, p. 1906.

1990 Act. House Report No. 101–881 and House Conference Report No. 101–964, see 1990 U.S. Code Cong. and Adm. News, p. 2017.

Amendments

1989 Amendment. Subsec. (c). Pub.L. 101–239, § 7503(a), substituted "$6" for "$3".

Effective Dates

1990 Act. Section 11213(a)(3) of Pub.L. 101–508 provided that: "The amendments made by this subsection [amending subsecs. (a) and (b) of this section and section 4271(a) of this title] shall apply to transportation beginning after November 30, 1990, but shall not apply to amounts paid on or before such date."

1989 Act. Section 7503(b) of Pub.L. 101–239 provided that: "The amendment made by subsection (a) [amending subsec. (c) of this section] shall apply with respect to transportation beginning after December 31, 1989, which was not paid for before such date."

PART II—PROPERTY

§ 4271. Imposition of tax

(a) In general.—There is hereby imposed upon the amount paid within or without the United States for the taxable transportation (as defined in section 4272) of property a tax equal to 6.25 percent of the amount so paid for such transportation. The tax imposed by this subsection shall apply only to amounts paid to a person engaged in the business of transporting property by air for hire.

(b) By whom paid.—

(1) **In general.**—Except as provided by paragraph (2), the tax imposed by subsection (a) shall be paid by the person making the payment subject to tax.

(2) **Payments made outside the United States.**—If a payment subject to tax under subsection (a) is made outside the United States and the person making such payment does not pay such tax, such tax—

(A) shall be paid by t
United States by the p
transportation in respe

(B) shall be collected
taxable transportation.

(c) Determination of amou
section, in any case in which
property by air for hire and one
services which include taxable t
receives, for the furnishing of
from the joint providing of such
tion shall be treated as being t
and (2) any expenses incurred
properly attributable to such
account in determining the port

(d) Termination.—The tax i
transportation beginning after

(Added Pub.L. 91–258, Title II, § 2
Title XIX, § 1904(a)(8), Oct. 4, 1976
829; Pub.L. 97–248, Title II, § 28
§ 402(a)(2), Dec. 30, 1987, 101 Stat.
1990, 104 Stat. 1388–432, 1388–435.

HISTORICAL AND
STATUTORY NOTES

Revision Notes and Legislative Repor

1990 Act. House Report No. 1
House Conference Report No. 101–9
U.S. Code Cong. and Adm. News, p

PART III—SPECIAL PROVISI

Sec.
[4283. Repealed.]

[4283. Repealed. Pub.L. 101
1388–436]

HISTORICAL AND
STATUTORY NOTES

Section, added Pub.L. 100–223,
§ 405(a), Dec. 30, 1987, 101 Stat.

SUBCHAPTER E—SPECI
A

§ 4293. Exemption for Unite

The Secretary of the Treas
by subchapter A of chapter 31,
taxes imposed by sections 4064
particular article, or service or
exclusive use of the United Sta
with respect to such articles o
substantial burden or expense
that full benefit of such exem

(Aug. 16, 1954, c. 736, 68A Stat. 51
241; Oct. 4, 1976, Pub.L. 94–455, Ti
95–227, § 2(b)(3), 92 Stat. 12; Oct.
9, 1978, Pub.L. 95–618, Title II, §
VI, § 6103(a), 102 Stat. 3711; No
1388–444.)

SJR

40

S ATE COMMITTEE REPO(

FIRST COMMITTEE OF REFERRAL

DATE: 1/17/92

FURTHER: Resources

Date of 5-Day Notice: 3/5/92
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

Transportation Committee considered SJR 40

Relating to energy transmission and surface transportation requirements for Southeast Alaska.

and recommends:

[ ] replace with _____ CS _____(_____)

[ ] attaches amendment(s)

[ ] same title
[ ] **new** title
[ ] technical title change (HB only)

[ ] adopts _____ Letter of Intent

[ ] further referral to the _____

[X] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

NEW FISCAL NOTES: **Dept/Date**

[X] **zero** fiscal notes Sen. Trans. Comm/3/10/92

[ ] fiscal notes _____

[ ] **appropriation**--no fiscal note

PREVIOUS FISCAL NOTES: **Dept/Date**

[ ] **Governor's bill** with fiscal notes:
zero fiscal notes _____

fiscal notes _____

DO PASS:

OTHER RECOMMENDATIONS:

Chair: Signature and Recommendation

DO PASS

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SJR 40

Revision Date: March 10, 1992 **Department Affected:** Senate Transp. Comm
Title: Relating to Energy Transmission and Surface Transp. in Southeast AK **BRU:**
Component:
Sponsor: Sen. Lloyd Jones
Requestor: Sen. Curt Menard **COMPONENT SERIAL NO.**

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Johanna Munson, Sen. Transp. Comm **Phone:** 465-2679
Division: **Date:** 3/10/92
Approved by ~~Commissioner~~ Chairman:
Agency: **Date:** 3/10/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Rev 10/7/91 **Page ___ of ___**

SOUTHEAST ALASKA ENERGY

A Regional Solution

For years, only the larger urban communities enjoyed the benefits of low-cost, low-pollution hydroelectric power. Small communities which investigated the feasibility of hydroelectric or transmission intertie projects for their areas found that electric rates would rise dramatically if the project were built. The problem was simple: small numbers of people having to pay for large projects. For instance, a transmission line from Kake to Petersburg would increase the rates in Kake by 50¢ per kWh. If the line was downgraded to serve only Kake, rates would increase by 15¢.

Meanwhile, the urban communities which enjoy hydroelectric power are now reaching the capacity limits of their hydros. Ketchikan is using all of Swan Lake, Sitka is nearing the capacity limits of Green and Blue Lake hydros, Juneau will exceed capacity from Snettisham when the AJ mine is brought on line, and Skagway already supplements its hydro with diesel. Wrangell and Petersburg have excess hydro energy at Tyee Lake, but no one can use it. The irony is that these communities now face a larger version of the rural problem. That is, power project development exceeds their ability to pay or to finance the project.

The significant common factor is that each community is trying to find a solution only for itself. They are forced to look at projects which are inherently unfeasible because they are too small to benefit from economies of scale, or because they are too large for the community's size. None are looking at a project that could benefit the entire region. Such a solution is a regional transmission intertie. If all of the Southeast communities were connected, a number of positive benefits and opportunities result:

1. Individual communities would not have to pay the entire cost of any project by themselves. For instance, Kake would not have to pay for an expensive intertie to Petersburg. Rather, Kake would only pay for a fair portion of an intertie that serves Juneau, Sitka, Wrangell, Petersburg and Ketchikan, not to mention all of the smaller communities along the route of the intertie.

2. Communities would not be forced to look at projects in their area which may be too small or too large an increment of power than they need or can afford at that time. Rather, only the best project meeting the needs of the entire region would be considered. For instance, the Takatz Project, which is too large to meet Sitka's current need, may

be just the right size to meet the needs of the entire region. The project could then go forward--and it would enjoy the political and financial support of the entire region.

3. No longer would a parade of community leaders come to the Governor and the Legislature asking for funds to build projects in their communities. Rather, the community leaders in concert would lend their support to projects that would benefit the entire region. Because of economies of scale, the regional projects would have more long-term benefits than the sum of all of the individual projects.

4. I propose that the communities join with the Administration and the Legislature to promote this regional solution. It is a solution that can be applied across the State, providing benefits to all Alaskans.

A regional intertie system would start with a connection of Tyee Lake to Swan Lake. Excess power from Tyee would be immediately available to Ketchikan where it's needed. The next logical step would be an intertie from Petersburg to Snettisham, but from a regional solution perspective, the intertie would run through Kake to Sitka (at the Takatz site) then on to Green's Creek, finally joining the Juneau system at Douglas Island. The communities of Angoon Tenakee Springs and Hoonah could then easily be tied into the system. The line could then be extended to Haines, Skagway and finally to Yukon Energy at Carcross. In the south, Prince of Wales Island and Metlakatla would be connected.

The total load represented by the interconnected communities would be large enough to consider joining the continental grid, either at Prince Rupert or through the Misty Fjord Monument to Stewart, B.C., picking up the Quartz Hill mineral development Power could be provided to mineral developments in B.C. at Johnny Mountain east of Wrangell, and to proposed mineral developments at Kensington/Jualin mines at Berners Bay and the Windy Craggy mine northwest of Haines in Canada.

The attraction of this regional solution is that each community contributes its fair share to the project and no more. No one community will be forced to develop and pay for small, unfeasible power projects. Only the best, most efficient projects with lowest unit costs need be developed. Each community would pay only for the portion of the energy used by that community. Everyone benefits.

Lonnie Anderson, Mayor
Kake, Alaska

March 7, 1992

Senator Lloyd Jones
State Capitol
Juneau, Alaska 99811-1182

Dear Senator Jones:

I am writing in support of Senate Joint Resolution 40 asking the Congress and the Forest Service to refrain from placing further unnecessary land use designations/restrictions in Southeast Alaska. This statement is necessary given the Forest Service's current revision of the Tongass Land Management Plan. These land restrictions hamper transportation and utility corridor planning and construction. Both the state and federal governments through these designations have placed needless, yet costly, bureaucratic hurdles on reasonable economic development.

An example of the need for this resolution is my community of Kake located on Kupreanof Island, some 100 miles from Juneau. Kake has been anticipating for some time both an energy transmission line and road extending from near Petersburg to Kake. Kake lies some 60 air miles due west of Petersburg. The Forest Service has nearly completed a forest road between Kake and the east side of Kupreanof Island near Petersburg. Most the residents of Kake would like to have the opportunity to drive into Petersburg to use the medical and dental facilities both in emergency and non-emergency situations. Another benefit would be more commerce and less costly access for Kake's residents.

This past fall the Forest Service had made a preliminary decision to build the final link between the two road segments. The village of Kupreanof located on the east side of Kupreanof Island near Petersburg objected because they have chosen to be a roadless community. An outside group American Rivers also objected because they wanted the upper portion of the Duncan-Saltchuck River designated a Wild River under the Wild and Scenic River System. This river may be recommendation by the Forest Service for inclusion in the Wild and Scenic River System. The road was nearly built, except for these objections. Because of these small group's objections the Forest Service abandoned the project for now.

The people of my community want this road with a power line to help the local economy. The federal government is hampering our economic development efforts. This resolution is needed to tell the Congress and the Forest Service to let us get on with becoming economically self-sufficient.

I urge passage of this resolution. Thank you for your consideration of my testimony.

Sincerely,

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PARTICIPATING AGENCIES AND ORGANIZATIONS

The group was represented by the following state agencies:

Department of Commerce, Alaska Power Authority (AEA)
Department of Transportation, S.E. Region
Department of Commerce and Economic Development
Department of Natural Resources, SE Region
Department of Transportation, Marine Highway Division

The following federal agencies were represented:

Federal Highway Administration
United States Forest Service
Bureau of Indian Affaires
Bureau of Mines
Department of Energy, Alaska Power Administration
Army Corps of Engineers

These private interests were represented:

Sealaska Corporation
Tlingit and Haida Regional Electric Authority

ALASKA STATE LEGISLATURE

While in Ketchikan
352 Front Street
Ketchikan, AK 99901
907-225-9675

While in Juneau
P.O. Box V
Juneau, AK 99811
907-465-3743

Senator Lloyd Jones

Senate Joint Resolution 40
Relating to energy transmission and surface transportation requirements for Southeast Alaska

SPONSOR STATEMENT

The purpose of this resolution is to make a legislative statement emphasizing to the federal government that southeast Alaska has certain requirements for its economic future. And that transportation and utility corridors have a direct impact on economic development. Inexpensive power and efficient multi-modal transportation are vital for a promising economic future for Alaska's southeastern region. In order to accomplish this goal, an efficient and integrated system of distribution of energy and transportation is necessary.

Southeast Alaska now has many of the ingredients necessary for a positive economic future. The Alaska Marine Highway System and numerous hydroelectric facilities already serve to keep the region's economy moving. Yet, there are other opportunities to facilitate more economic prosperity. Among them would be an integration of the ferry system to the continental highway system. Highways linking Juneau, Wrangell and Ketchikan to the Canadian road system would provide additional access to Southeast Alaska via the marine highway. It would also promote more travel between the southern region of Yukon and northern British Columbia.

TOURISM OPPORTUNITY

Highway links on the islands of Southeast Alaska would free up the ferry system from less profitable routes to serve the higher revenue generating routes. For example, a road link, nearly completed on Annette Island near Ketchikan, could pave the way to allow the smaller M/V Aurora to make travel more frequent trips between Hollis and Ketchikan in the winter months and to Hyder in the summer months. The residents of Metlakatla could travel more frequently and easily via automobile across the island to a ferry terminal at the northern tip of Annette Island and travel via a shuttle ferry to southern Ketchikan.

Early summer travelers who want to drive to Southeast, but who are prevented from traveling via Prince Rupert due to full ferry bookings could travel north to Juneau or Wrangell via the new roads. They then could return south on the ferry system through Ketchikan and Prince Rupert, effectively doubling the revenue the ferry system accrues during the lucrative early summer months. The net effect would bring more opportunity for travel and income from increased tourism.

SHARED ENERGY POTENTIAL

Energy transmission would be facilitated through the interconnection of the southeast power grid. At the moment the state-owned hydroelectric generation facility at Tyee Lake which serves Wrangell and Petersburg is operating at excess capacity. The excess energy is literally water spilled over the dam. It is state money going down the drain, so to speak, because the excess power cannot be used by the two small communities. The revenue earned by consumption in the two towns is mainly deposited into the state's general fund. Yet, Ketchikan and Sitka are nearly reaching their peak energy generation capacity. If there was a power grid reaching these two communities, there would be an overall surplus of energy available connecting Wrangell, Petersburg, Sitka and Ketchikan. The state would be earning full income from this project.

The state's Tyee hydro generation facility can easily be connected to Ketchikan in the near future. The right-of-way has been laid out. Yet, the U.S. Forest Service, as a result of the Tongass Timber Reform Act and the Tongass Land Management Revision is considering designating one of the principle energy transmission routes, as Scenic River under the National Wild and Scenic River System. While this does not in itself preclude a transmission line through the area - it makes its implementation much more difficult and expensive. This is what Congress and its agent, the Forest Service, continue to lay in the way of economic development in our region of the state.

HISTORICAL PERSPECTIVE

In 1987 and 1988 I asked several government agencies and private organizations to meet on a regular basis to draw up a transportation and utility corridor plan for southeast Alaska. The purpose was to develop a plan which would serve the needs of southeast Alaska well into the next century.

It was originally intended this plan would not be an official endorsement of any group but rather a model to be used by the various agencies. It seemed appropriate at the time, but now the Tongass Timber Reform Act has passed and the Tongass Land Management Revision is being considered. There well may be additional Congressional oversight. It is time for the Alaska Legislature to take a unified and formal stand is support of Southeast Alaska's economic future by endorsing this plan for the region .

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Sincerely,

Lonnie

Lonnie Anderson, Mayor
Kake, Alaska

Alaska State Legislature

Chair, Resources Committee
Vice-chair, Transportation Committee
Member, Rules Committee
Member, Committee on Committees

District A
Ketchikan, Wrangell, Petersburg,
Hyder, Myers Chuck, Kupreanof

Senator Lloyd Jones

P.O. Box V
Juneau, AK 99811
907 465-3743
Fax: 907 465-3922

352 Front Street
Ketchikan, AK 99901
907 225-9082
Fax: 907 225-8546

MEMORANDUM

To: Senator Curt Menard, Chair
Senate Transportation Committee

From: Senator Lloyd Jones

Subject: SJR 40, Southeast Utility and Transportation Corridors

Date: March 4, 1992

I would appreciate a hearing on SJR 40 which requests the federal government to give consideration for transportation and electrical corridors for southeast Alaska. The concept enjoys wide support in southeast Alaska.

The resolution requests the Congress and the United States Forest Service to recognize southeast Alaska's future energy needs. It will, I think, demonstrate our recognition and commitment to the economy of this portion of Alaska.

I have included for the committee a matrix which identifies the corridor opportunities which were examined by the Southeast Alaska Transportation and Utility Corridor(SETUC) planning group. Additionally, I will be forwarding shortly a sponsor statement detailing a history of the work effort and the participants. I will have a map of the area sent to the committee when the resolution is scheduled.

Thank you for your consideration of my request. If you have any further questions regarding this resolution, please feel free to contact me or my staff person, Terry Otness at 4907.

4

Jan 24, 1992 KTN Daily News

Editorial

Future planning

We support Ketchikan Sen. Lloyd Jones' proposal to the Alaska Legislature to identify utility and transportation corridors on federal and state land.

While corridors won't be used immediately, it is clear that a route connecting Southeast Alaska to a possible power grid with British Columbia likely will be needed. Commissioner Glenn A. Olds, Department of Commerce and Economic Development, said late in 1991 that it might be possible in the future to beam power from point to point without using transmission lines. We hope that develops soon, but in the event it doesn't we should have a corridor designated for power lines.

Also, there is interest in building a road off Revillagigedo Island to the mainland. The road would link into British Colombia's extensive highway system. It would provide a land option for vacationers to leave Revilla and for goods to be transported.

The Tongass Land Management Plan has some of the area that could be used for either type of corridor placed in designations that limit or prevent development. Those designations should be changed to accommodate the corridors. A road can be built in the most environmentally sound manner possible. With time, technology will improve and we might have techniques that would have less impact. Possibly laser cutters?

If federal and state governments designate land use without considering those two needs, we could run into roadblocks on expanding our power and transportation systems.

Electrical and transportation options are good long-term planning, something we need more of in Southeast, to accommodate a likely future need.

It never hurts to plan.

From other editors

Need rational dialogue

It's a cloudy situation in Algeria. We hope this calm reaction would continue, but we fear the possible civil war.

A logical dialogue must be initiated among both leaders as both

SOUTHEAST ALASKA CORRIDOR PLANNING

SCOPE

* Identify potential opportunities for coordinating planning efforts and sharing of resources to achieve actual improvements.

* Assign agency priorities in terms of general time frames in which significant activity is expected to occur.

MATRIX DEFINITIONS

Transportation - Extensions of Regional or Sub-regional surface transportation links.

Utility - Transmission of power and/or other utilities, including pipelines.

Timber - Development and harvest of timber resources.

Mining - Exploration, extraction, processing, and transportation of mineral resources.

Lands - Access to lands for community expansion, or for development of new recreational opportunities.

Time Codes -

O = Existing

A = less than 5 years

B = 5 to 20 years

C = more than 20 years

X = Unknown

CORRIDOR SEGMENT	MAP REF.	ACTIVITY				
		TRANSP.	UTILITY	TIMBER	MINING	LANDS
Metlakatla to Ketchikan	01	C	A			
Ketchikan to Kasaan	02	O	B			
Kasaan to Thorne Bay	03	B	B	B		B
Hollis to Thorne Bay via Karta Bay	04	C	C			B
P.O.W. Island - Control Lake to Pt. Baker	05	B	C	O		B
Craig to Klawock to Hydaburg to Hollis	06	O	O/B	O		O
Klawock to Thorne Bay	07	O	B	O		O
Revilla Island - Ketchikan to Carroll Inlet	08	B	O	B		B
Carroll Inlet to Portland Canal	09		C		C	
Carroll Inlet to Cow Creek	10	B	A	B		
Cow Creek to Tyee Lake	11	C	A			
Ketchikan to Cleveland Peninsula	12		C			
Cleveland Peninsula to Thorne Bay	13		C			
Cleveland Peninsula to Tyee Lake	14		C			
Bradfield River Route to Border	15	B	A		O	
Tyee Lake to Wrangell	16	C	O			C
Wrangell to Tolstoi Bay	16A	C				
Wrangell to Petersburg	17	C	O			B
Aaron Creek Route to Border	18	C	X			
Stikine River Route to Border	19	C	X			
Kake to Petersburg	20	B	B	B		
West Petersburg to Petersburg	20A	B				
Kake to Snettisham	21		B			
Kake to Baranof Warm Springs	22		C			B
Baranof Warm Springs to Sitka	23	C	C			
Sitka to Rodman Creek	24	C	B			C
Rodman Creek to Rodman Bay	25	C	B			
Rodman Creek to Sitkoh Bay	26		B			
Sitkoh Bay to Angoon	27		C			
Sitkoh Bay to Hoonah	28		B			
Hoonah to Young Bay	29		B			C
Juneau to North Douglas Middle Point	30	B	A			C
N. Douglas Middle Point to Greens Creek	31		A		O	
Juneau to Border via Taku River Route	32	C	X			C
Juneau to Snettisham	33		O		C	
Juneau to Echo Cove	34	O	C	B		B
Echo Cove to Berners Bay	35	B	C	B	B	

CORRIDOR SEGMENT	MAP REF.	ACTIVITY				
		TRANSP.	UTILITY	TIMBER	MINING	LANDS
Berners Bay to Skagway	36	C	C			
Skagway to Whitehorse	37	O	C			
Berners Bay to William Henry Bay	38	C	X			C
William Henry Bay to Haines	39	C	X			
Haines to Skagway	40	C	C			C
Haines to Border via Haines Highway	41	O	C			C
Yakutat to Border via Alsek River	42	C	X	C	C	

* MAP REFERENCE AND CORRIDOR SEGMENT

* ROUTE DESCRIPTION

* MAJOR ACTIVITIES

* INVOLVED AGENCIES

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01 METLAKATLA TO KETCHIKAN

From end of the existing road system at Metlakatla northwesterly to the north end of Annette Island, across Revilla Channel to the road system on Revilla Island.

Road and ferry transportation between communities.
Electric power transmission.
Community expansion.

DOT/PF, APA, BIA

02 KETCHIKAN TO KASAAN

From Ketchikan to Kasaan via Clarence Strait and Kasaan Bay.

Ferry service between communities.
Electric power transmission.

APA, DOT/PF

03 KASAAN TO THORNE BAY

From Kasaan northerly to Tolstoi Bay and Thorne Bay via upgraded logging roads.

Transportation between communities.
Electric power transmission.
Timber harvest.
State Lands.

BIA, SEALASKA, APA, DNR, USFS

04 HOLLIS TO THORNE BAY

From Hollis, along the east shore of Kasaan Bay via Karta Bay and Tolstoi Bay to Thorne Bay.

Transportation between communities.
Timber harvest.
Recreation opportunities.
State Lands

DOT/PF, DNR, USFS

05 CONTROL LAKE TO POINT BAKER

From existing State Highway at Control Lake to north end of Prince of Wales Island near Point Baker, via upgraded logging roads.

Transportation between communities.
Timber harvest.
Recreational opportunities.
State selected lands.

USFS, DOT/PF, DNR

06 CRAIG TO KLAWOCK TO HYDABURG TO HOLLIS

Existing State Highway system.

Transportation between communities.
Timber harvest.
Recreational opportunities.
State lands & State selected lands.

L SFS, DNR

07 KLAWOCK TO THORNE BAY

From the Hollis Highway near Klawock to Thorne Bay via the existing State Highway system.

Transportation between communities.
Timber harvest.
Recreational opportunities.
State Lands.

USFS, DOT/PF, DNR

08 KETCHIKAN TO CARROLL INLET

From Ketchikan, via Harriet Hunt Lake Road to head of Carroll Inlet.

Transportation between communities.
Electric power transmission.
Recreational opportunities.
Timber harvest.
Community expansion.
State lands & State selected lands.

USFS, APA, DOT/PF, DNR

09 CARROLL INLET TO PORTLAND CANAL

Fom head of Carroll Inlet (Corridor segment 08) to Quartz Hill mine site, then easterly to Canadian border at Portland Canal (with an extension to Kitsault, B. C.).

Electric power transmission.
Mining.

APA

10 CARROLL INLET TO COW CREEK

From head of Carroll Inlet (Corridor segment 08) to north end of Revilla Island at Cow Creek.

Transportation between communities.
Electric power transmission.
Timber harvest.
Recreational opportunities.

USFS, APA, DOT/PF

11 COW CREEK TO TYEE LAKE

From Cow Creek via Anchor Pass and Eagle River to Tyee Lake power plant.

Transportation between communities.
Electric power transmission.

DOT/PF, APA

12 KETCHIKAN TO CLEVELAND PENINSULA

From Ketchikan, northerly across Behm Canal to Cleveland Peninsula near Helm Bay.

Electric power transmission.

APA

13 CLEVELAND PENINSULA TO THORNE BAY

From Cleveland Peninsula (Corridor segment 12) westerly across Clarence Strait to Thorne Bay.

Electric power transmission.

APA

14 CLEVELAND PENINSULA TO TYEE LAKE

From Cleveland Peninsula (Corridor segment 12) easterly to Tyee Lake power plant.

Electric power transmission.

APA

15 BRADFIELD RIVER ROUTE TO BORDER

From head of Bradfield Canal (Tyee Lake) to Canadian Border via Bradfield River (with an extension to Cassiar Highway).

Transportation connection with continental road system.
Electric power transmission.
Mining.

APA, DOT/PF

16 TYEE LAKE TO WRANGELL

From Tyee Lake power plant via Blake Island and Thoms Lake to Wrangell.

Transportation between communities.
Electric power transmission.
State lands.

APA, DOT/PF, DNR, USFS

16A WRANGELL TO TOLSTOI BAY

From Wrangell to Tolstoi Bay via Alaska Marine Highway.

Transportation between communities.

DOT/PF

17 WRANGELL TO PETERSBURG

From Wrangell via Dry Strait and Wrangell Narrows to Petersburg.

Transportation between communities.
Electric power transmission.
Community expansion.
Recreational opportunities.
Timber harvest.
State lands.

DOT/PF, APA, DNR, USFS

18 AARON CREEK ROUTE TO BORDER

From the Wrangell/Petersburg route (Corridor segment 17) via Aaron Creek and West Fork Katete River to Canadian border (with an extension to Cassiar Highway).

Transportation connection with continental road system.
Recreational opportunities.

DOT/PF

19 STIKINE RIVER ROUTE TO BORDER

From Wrangell/Petersburg route (Corridor segment 17) via Stikine River to Canadian border (with an extension to Cassiar Highway).

Transportation connection with continental road system.
Recreational opportunities.

DOT/PF

20 KAKE TO PETERSBURG

From Kake to Petersburg.

Transportation between communities.
Electric power transmission.
Timber harvest.
Recreational opportunties.

APA, DOT/PF, USFS

20A WEST PETERSBURG TO PETERSBURG

From West Petersburg to Petersburg via ferry.

Transportation between communities.

DOT/PF

21 KAKE TO SNETTISHAM

From Kake via Stephens Passage to power plant at Snettisham.

Electric power transmission.

APA

22 KAKE TO BARANOF WARM SPRINGS

From Kake via Frederick Sound and Chatham Strait to Baranof Warm Springs.

Electric power transmission.
State selected lands.

APA, DNR

23 BARANOF WARM SPRINGS TO SITKA

From Baranof Warm Springs to Sitka via Blue Lake.

Electric power transmission.
Transportation between communities.
Recreational opportunities.
Timber harvest.

APA, DOT/PF, USFS

24 SITKA TO RODMAN CREEK

From Sitka to head of Rodman Creek.

Electric power transmission.
Transportation between communities.
Potential State land selection.

APA, DOT/PF, DNR, USFS

25 RODMAN CREEK TO RODMAN BAY

From head of Rodman Creek (Corridor segment 24) to Rodman Bay.

Transportation between communities.

DOT/PF, USFS

26 RODMAN CREEK TO SITKOH BAY

From head of Rodman Creek (Corridor segment 24) across Peril Strait to Sitkoh Bay.

Electric power transmission.

APA

27 SITKOH BAY TO ANGOON

From Sitkoh Bay (Corridor segment 26), across Chatham Strait to Angoon.

Electric power transmission.

APA

28 SITKOH BAY TO HOONAH

From Sitkoh Bay (Corridor segment 26) to Tenakee Springs and to Hoonah.

Electric power transmission.

APA

29 HOONAH TO YOUNG BAY

From Hoonah via Icy Strait, across Chatham Strait, to Young Bay.

Electric power transmission.
Potential State land selection.

APA, DNR

30 JUNEAU TO NORTH DOUGLAS MIDDLE POINT

From Juneau, via existing State highway to Outer Point, then along west shore of Douglas Island to Middle Point.

Community expansion.
Recreational opportunities.
State lands.

DOT/PF, SEALASKA, GOLDBELT, DNR

31 MIDDLE POINT TO GREENS CREEK

From Middle Point, across Stephens Passage, to Greens Creek.

Electric Power transmission.
Mining.

APA

32 JUNEAU TO BORDER VIA TAKU RIVER

From Juneau to Canadian Border via Taku River route (with an extension to Alaska Highway via Atlin).

Transportation connection with continental road system.
Recreational opportunities.
Timber harvest.
State lands.

DOT/PF, DNR, USFS

33 JUNEAU TO SNETTISHAM

From Juneau to Snettisham power plant.

Electric power transmission.

APA

34 JUNEAU TO ECHO COVE

From Juneau north to Echo Cove via existing State highway system.

Transportation between communities.
Electric power transmission.
Timber harvest.
Community expansion.
Recreational opportunities.
State lands.

DOT/PF, APA, USFS, GOLDBELT, DNR

35 ECHO COVE TO BERNERS BAY

From Echo Cove (Corridor segment 34) north to Berners Bay.

Transportation between communities.
Electric power transmission.
Timber harvest.
Community expansion.
Recreational opportunities.
Mining.

DOT/PF, APA, USFS,

36 BERNERS BAY TO SKAGWAY

From Berners Bay, along the east side of Lynn Canal, to Skagway.

Transportation between communities.
Electric power transmission.

DOT/PF, APA

37 SKAGWAY TO WHITEHORSE

From Skagway to Canadian border via existing State highway (with an extension to Whitehorse).

Transportation connection with continental road system.
Electric power transmission.

DOT/PF, APA

38 BERNERS BAY TO WILLIAM HENRY BAY

From Berners Bay (Corridor segment 35) across Lynn Canal.

Transportation between communities (ferry route).
State selected lands.

DOT/PF, DNR

39 WILLIAM HENRY BAY TO HAINES

From William Henry Bay, along west side of Lynn Canal, to Haines.

Transportation between communities.

DOT/PF, USFS

40 HAINES TO SKAGWAY

From Haines to Skagway via new highway system.

Transportation between communities.
Electric power transmission.

DOT/PF

41 HAINES TO BORDER

From Haines to Canadian border via existing State highway system (with an extension to Alaska Highway).

Transportation connection with continental road system.
Electric power transmission.
Petroleum pipeline.
State lands.

DOT/PF, DNR

42 YAKUTAT TO BORDER

From Yakutat to Canadian border via Alsek River route (with an extension to Alaska Highway via Tatshenshini River).

Transportation connection with continental road system.
Timber harvest.
Mining.

USFS, DOT/PF

CITY OF PETERSBURG

P.O. BOX 329 • PETERSBURG, ALASKA 99833
TELEPHONE (907) 772-4511
TELECOPIER (907) 772-3759

November 22, 1991

Senator Lloyd Jones
Alaska State Senate

352 Front St.
Ketchikan, Alaska 99901

Dear Senator Jones:

Enclosed please find a copy of Resolution No. 1270-R, passed and approved by the City Council of the City of Petersburg at their regular meeting of November 18, 1991.

The resolution resolves:

1. That the City of Petersburg supports the continued federal power site designations at Cascade Creek and Scenery Creek in Thomas Bay and urges the Forest Service to maintain these designations.

2. That the City of Petersburg supports the utility corridors which the State of Alaska and related federal agencies have identified for southeast Alaska.

3. That the City of Petersburg strongly recommend that the Forest Service should not designate the Eagle River on the Cleveland Peninsula as a Wild & Scenic River in the Tongass Land Management Plan revision.

Sincerely,

Patricia Curtiss
City Clerk

Resolution No. 1270-R

A RESOLUTION RELATING TO FEDERAL LANDS AND ENERGY REQUIREMENTS OF PETERSBURG AND SOUTHEAST ALASKA.

Whereas, the community of Petersburg will need long term and reliable sources of energy for the future; and

Whereas, the communities of Petersburg and Wrangell have a proven commitment to developing long term energy production by the formation of the Thomas Bay Power Authority, a jointly operated electric utility which operates the State of Alaska Tyee Lake Hydroelectric facility; and

Whereas, the communities of Petersburg and Wrangell had originally planned to build a power project at Thomas Bay but were advised by state and federal energy regulatory agencies that Tyee Lake would better suit the energy requirements for that time period; and

Whereas, the interconnection of Tyee and the Ketchikan power facilities seems likely to become a reality soon and with the connection to Juneau's Snettisham power facility appearing more plausible day by day, making the utilization of the Thomas Bay power sites more probable with the result being more reliable power for Petersburg and southeast Alaska; and

Whereas, contrary to the statements made in the Tongass Land Management Plan revision, the worth of the power site withdrawals at Thomas Bay is undiminished to Petersburg, Wrangell and now the balance of southeast Alaska; and

Whereas, an electrical intertie from the Swan Lake Hydroelectric facility near Ketchikan to the Tyee Hydroelectric facility is currently in the preliminary design process; and

Whereas, the Eagle River Valley on the Cleveland Peninsula has been identified as the most desired route; and

Whereas, the U.S. Forest Service may recommend to include the Eagle River in the National Wild and Scenic River System as a Scenic River; and

Whereas, historically there is a well founded concern that such a designation, if applied, would be too restrictive and would heighten the impression that the area is more valuable in its present state, adding mitigating factors which translate into increased costs for the overall transmission line between the

Tyee Hydroelectric Facility and Ketchikan by that potentially threatening the economic viability of the proposed electrical intertie.

Therefore, Be It Resolved by the City Council of the City of Petersburg, Alaska:

1. That the City of Petersburg supports the continued federal power site designations at Cascade Creek and Scenery Creek in Thomas Bay and urges the Forest Service to maintain these designations.

2. That the City of Petersburg supports the utility corridors which the State of Alaska and related federal agencies have identified for southeast Alaska.

3. That the City of Petersburg strongly recommend that the Forest Service should not designate the Eagle River on the Cleveland Peninsula as a Wild & Scenic River in the Tongass Land Management Plan revision.

4. That copies of this resolution be sent to the Honorable Dale Robertson, U.S. Dept. of Agriculture; Mike Barton, U.S. Forest Service, Tongass National Forest; Ted Stevens, U.S. Senate, Frank Murkowski, U.S. Senate; Don Young, U.S. Representative; Lloyd Jones, Alaska State Senate, Robin Taylor, Alaska House of Representatives; Cheri Davis, Alaska House of Representatives; and the communities of Wrangell, Ketchikan, Kake, Sitka and Juneau.

Passed and Approved by the City Council of the City of Petersburg, Alaska this 18 day of December, 1991.

Rhodes M Grant
Mayor

ATTEST:

Patricia Austin
City Clerk

SJR

54

...IATE COMMITTEE REPOI...
FIRST COMMITTEE OF REFERRAL

DATE: 4/21/92

FURTHER:

Date of 5-Day Notice: 4/15/92
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

Transportation Committee considered SJR 54

Supporting environmentally sound development of a northern sea route and related shipping technologies.

and recommends:

[ ] replace with _____ CS _____(_____)

[ ] attaches amendment(s)

[ ] same title
[ ] new title
[ ] technical title change
(HB only)

[ ] adopts _____Letter of Intent

[ ] further referral to the _____

[X] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

NEW FISCAL NOTES: **Dept/Date**

[X] **zero** fiscal notes Sen. Trans. Comm /4/23/92

[ ] fiscal notes _____

[ ] **appropriation**--no fiscal note

PREVIOUS FISCAL NOTES: **Dept/Date**

[ ] **Governor's bill** with fiscal notes:
zero fiscal notes _____

fiscal notes _____

DO PASS:
Lon Jones
Shirley Craft

OTHER RECOMMENDATIONS:

Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SJR 54

Revision Date: April 23, 1992 **Department Affected:**

Title: Supporting northern sea rout **BRU:**
and shipping technologies **Component:**

Sponsor: Senate Transportation Comm.

Requestor: Senator Curt Menard **COMPONENT SERIAL NO.**

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Johanna Munson, Sen. Trans. Comm. **Phone:** 465-2679

Division: **Date:** April 23, 1992

Approved by ~~Commissioner:~~ Chairman Senator Curt Menard

Agency: Senate Transportation Committee **Date:** April 23, 1992

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Rev 10/7/91

Senator Rick Uehling

Downtown, Elmendorf, Northeast Anchorage

Senate Finance Committee
International Trade & Tourism Committee
State Affairs Committee

MEMORANDUM

TO: Senator Curt Menard

Senate Committee on Transportation

FROM: Senator Rick Uehling

DATE: April 23, 1992

RE: Scheduling of SJR 54, "Supporting environmentally sound development of a northern sea route and related shipping technologies."

I respectfully request your consideration in scheduling Senate Joint Resolution 54 as soon as possible.

I feel the Alaska State Legislature should regard the Northern Sea Route Project as an important evolution in international commercial shipping for nations and states of the Arctic and North Pacific Rims. The importance of recent technological advancements in polar and subpolar class commercial shipping vessels and the applicability of this technology to communities in western and northern Alaska.

The state needs to encourage potential users of the Northern Sea Route, especially Japan (Hokkaido), Russia, Norway, Finland and Canada, to use every effort to make the Northern Sea Route a prosperous and ongoing concern of all parties involved. I believe we need to support the efforts of the administration and others to create a maritime route through the Arctic Ocean, the shortest sea route between Alaska and Europe, which is safe, has as long a sailing season as possible, and which is operated with proper concern for the environment.

Thank you for your consideration of my request. If you have any questions or if I can be of any assistance, please do not hesitate to call on me.

P.O. BOX V, JUNEAU, AK 99811 (907) 465-4821 • 3111 C St. #515, ANCHORAGE, AK 99503 (907) 561-7613

FRIDTJOF NANSENS INSTITUTT

THE FRIDTJOF NANSEN INSTITUTE

ARNFINN JØRGENSEN-DAHL, Ph.D.,
DIRECTOR, POLAR PROGRAMME

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Willy Østreng:

The Northern Sea Route: A New Era in Soviet Policy?

Economic, Legal and Security-Political Aspects

FRIDTJOF NANSENS INSTITUTT
THE FRIDTJOF NANSEN INSTITUTE

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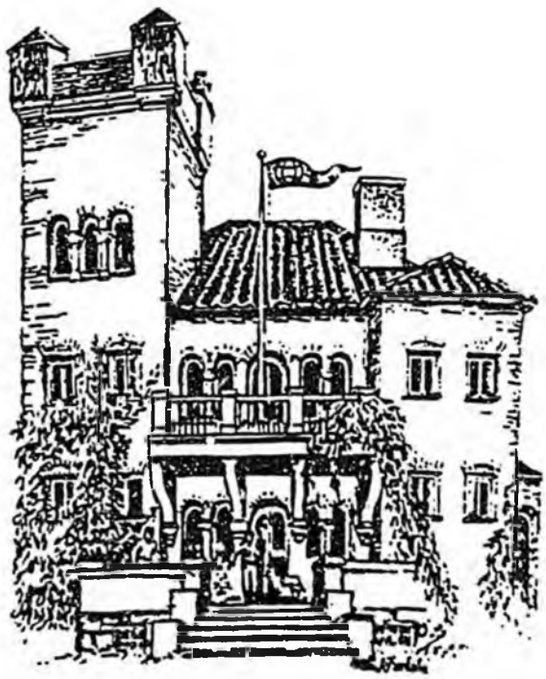
The Northern Sea Route: A New Era in Soviet Policy?

Economic, Legal and Security-Political Aspects



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THE NORTHERN SEA ROUTE: A NEW ERA IN SOVIET POLICY?

Economic, Legal and Security-Political Aspects

In a speech held on 1 October 1987 in Murmansk, Mikhail Gorbachev spoke in favour of '... a radical lowering of the confrontation level in the (Arctic).' The aim would be to let '... the northern part of the globe (...) become a zone of peace (and) the North Pole become a pole of peace.' Confrontation was to be replaced by cooperation. One of several measures to achieve this was the proposal to - on certain conditions - place the Northern Sea Route at the disposal of international shipping.

This was new, and quite surprising to many. Only 20 years previously - in 1967 - a request from a US Coast Guard Vessel for passage through portions of the route had been met by a swarm of reconnaissance planes and rejected with an 'icy nyet'. <1>. At that time, the Kremlin considered the presence of US Coast Guard vessels, even in international waters along the route, as an unfriendly gesture directed against the Soviet state <2>. The rhetoric and reactions involved were nourished by the security-political tensions between the blocs.

Nor has the Northern Sea Route ever been much used by non-Soviet ships. This in turn has helped to confirm the view that '...the Northeast Passage was purely of Russian concern and jurisdiction.'<3>. The USA has opposed such an interpretation, consistently maintaining that the Northern Sea Route has the status of an *international waterway* open to all. Gorbachev's Murmansk initiative has now made this dispute once again topical, paving the way for a new discussion of the legal, security-political and economic dimensions involved in using this route.

This article evaluates the relationship between these various interests, as expressed in Soviet policy during the period 1917-1991. The aim is to discuss to what degree, and how, security political and economic interests have influenced official Soviet evaluations of the right of other states to make use of the 'short cut' between the Atlantic and the Pacific. Our discussion here aims at shedding light on four questions: I. What are the geopolitical realities and visions connected with economic and military use of the route? II. How have these realities and visions been translated into practical policy? III. How did Cold War security-political tensions affect use of the route? IV. How will the new thaw in international politics influence the possibilities of multinational use of the Northern Sea Route in the future?

I The Northern Sea Route: Geopolitical Realities and Visions.

Extent, Natural Conditions, Navigational Limitations

The Northeast Passage - or the Northern Sea Route, in Soviet terminology - is 5,600 nautical miles long, stretching from Murmansk/Archangel in the west to Vladivostok in the east. It runs along the coast of northwestern Russia and Siberia, passing at its most easterly point through the Bering Strait. The portion of the route between Murmansk and the Bering Strait is 3,100 naut.mi. long and is covered by heavy ice

Convoys have also encountered other natural obstacles to their operations: north of the Soviet coastline of the Arctic Ocean, the continental shelf is very shallow indeed - in some places only a few metres down. This places absolute limits to the draught vessels may navigate without running aground. The shallowest waters are found in the East Siberian Sea, where the average depth is 58 metres, and in the Chukchi Sea, where it is 88 metres <4>.

Moreover, it seems to be a law of nature that in those places with the shallowest depths, the most difficult ice conditions will prevail. The hazards of ice navigation in shallow waters are obvious. It is said that being at sea is risky; being at sea in ice is twice as risky and being at sea in convoy with an icebreaker is three times the risk.

Geopolitical advantages

None of the major industrial areas of Europe, the Soviet Union, North America or Japan is located more than 3,860 nautical miles from the North Pole. Or, expressed in another way: some 80% of world industrial production takes place north of 30 degrees northern latitude, and some 70% of all metropolises (population over a million) lie north of the Tropic of Cancer. Alaska has taken advantage of this geographical fact: 'Nearly equidistant from Tokyo, London and New York, Anchorage International Airport is one of the nation's busiest, with 95% of all Asia to Europe air cargo and 70% of all Asia to lower 48 air cargo setting down there.' <5>. Thus there is an obvious, and at times considerable, distance advantage involved in using the Northern Sea Route between ports in the Pacific and the Atlantic, as compared to the Suez and Panama Canals. The distance between Yokohama and Hamburg, for example, is only 6,600 nautical miles by way of the Northern Sea Route, as against 11,400 nautical miles through the Suez Canal. This means a 42% reduction in freight distance. Another example: between the city of Tromsø in Northern Norway and Vancouver, 3,350 nautical miles can be saved by using the Northern Sea Route instead of the Panama canal - a distance reduction of 37%.

The distance from London to all ports north of Hong Kong is shorter via the Northern Sea Route than through Suez. Likewise, it is just as far from London to San Francisco through the Panama Canal as by the Northern Sea Route. This means that most of the North American West Coast, the Soviet East Coast, Japan, China, Korea and Taiwan are all closer to the EC/EFTA area in freight distance through the Arctic than by way of the Atlantic and the Mediterranean (see fig. 2). Thus viewed, the Arctic Ocean is indeed an industrial 'Mediterranean' in the true sense of the word.

Several examples of use of the Northeast Passage illustrate its potential as an alternative to existing sea routes. As recently as in September 1989 a Soviet vessel carried cargo from Hamburg to Osaka in 22 days by the Northern Sea Route. By the Suez Canal, this would normally have taken at least 30 days. Likewise, transit time between the US Northwest Coast and Europe (Hamburg) through the Panama Canal averages some 28 days. If one takes the Arctic Great Circle Route - passing north of the large island masses in the Arctic Ocean - calculations indicate an 18 day voyage <6>.

All the same, shipping companies the world over have shown scant interest in the distance savings offered by the Northeast Passage. More important to them is whether reduced distances can be translated into reduced carrying times, thereby lowering costs on a year-round basis. What the Soviet vessels have demonstrated to date is that reduced distances can be translated into reduced carrying time during certain periods of the year. What remains to be shown is whether it is possible to achieve reduced freight times all year round at costs lower than those involved in using the existing sea routes. Soviet authorities are of the opinion that this can be achieved in the course of the 1990s. Theoretically founded calculations seem to give credence to such a view, indicating that the Arctic Great Circle route can yield savings vis-a-vis the Panama alternative: '... estimated at $5,000 to $10,000 per day and to the shipper concerned with inventory carrying costs of about $360 per 40 containers of general cargo (say 11.2 MT per 40')' <7>. Or, to put it in less quantified and more poetic terms, we may quote Viljamur Stefansson: 'We have not come to the northward limit of communal progress. There is no northern boundary beyond which productive enterprise cannot go until North meets North on the opposite shores of the Arctic Ocean as East has met West on the Pacific' <8>.

Stefansson's vision from 1922 has attracted greater attention from the military-industrial complex than the shipowners of the world. As early as in 1935, General Billy Mitchell maintained, in a speech to the US Congress, 'Alaska is the most central place in the world for aircrafts. He who holds Alaska holds the world' <9>. A scant decade later, Air Force General Henry H. Arnold was to echo this, stating that the North Pole would become the strategic centrepoint if a third world war should break out <10>. Both these pronouncements - controversial as they were at the time - point to indisputable realities that since have been confirmed. Today the airspace over the Arctic Ocean, like the ocean masses under the polar ice cap, is put to use for strategic deterrence <11>. This shows the link between *geography and technology* on the one hand, and *military and political might* on the other. Russia was to realize this by means of a costly historical lesson.

During the 1904-1905 Russo-Japanese War, the Russian Admiralty considered sending a fleet squadron along the coast of Siberia, to enable a surprise attack on the Japanese. However, this idea was rejected, on the grounds of insufficient experience in navigating in ice-covered waters. Instead, the Admiralty decided to send the fleet around Africa's Cape of Good Hope. The result is common knowledge: the Russian fleet was defeated, totally and humiliatingly, by the Japanese in the Tsushima Strait, between Japan and Korea. This was a lesson that Russia never forgot, even after the Revolution of 1917. As recently as during the 18th Party Congress in 1939, the strategic potential of the route was underlined in a speech by Ivan Papanin - head of the first North Pole station: 'In an emergency, if the enemy dares to attack us from the west or from the east, we shall be able, undisturbed and in a short time, to transfer warships from one seaborder of our great Soviet Union to the other' <12>. In this connection, it is relevant to quote Terence Armstrong:

> "When the Soviet government decided, in the early 1930s, to put big efforts into making the route usable, there is no doubt that strategic considerations played a part in the decision. Japan was

there. As early as in 1921, there were 23 expeditions with a total of 4,000 men working to realize this goal. Geophysical observatories were constructed on Novaya Zemlya, Franz Josef Land, Severnaya Zemlya and the New Siberian Islands. In 1930, plans for developing navigation possibilities in the Kara Sea were expanded drastically and the entire Northeast Passage was accordingly to be opened to transport and transit passage <16>. To attain this, research was stepped up. By 1937, *Glavsevmorput* - the Directorate of the Northern Sea Route, formally established in 1932 - had spent the equivalent of one billion dollars on activities north of 62 degrees N latitude and had some 40,000 persons on the payroll <17>. From 1937 until 1956, the Soviet Union equipped scientific expeditions to a total of 524 different destinations in the Arctic, mainly in areas along the Northern Sea Route <18>. These research efforts did not pass unnoticed abroad. During the 1960s and 1970s it was conventional wisdom in Western research circles that Soviet 'knowledge of the region (was) much more extensive than that of the sum of the other nations bordering the basin' <19>.

Especially after World War II, Soviet research efforts were followed up by an ambitious programme for constructing a large fleet of powerful icebreakers. Today 38 icebreakers are operating along the route and southwards along the great rivers of Siberia; 21 of these icebreakers are equipped with forward thrust engines of 10,000 hp or more. Six are nuclear powered, with the largest ones - 'Arktika', 'Sibir' and 'Rossiya' - having 75,000 hp each at their disposal. Three nuclear-powered icebreakers are under construction - two in the 'Arktika' class and one new type, the 'Ural', equipped with 90,000 hp. According to US Coast Guard sources '.. these ships represent a remarkable diversity of icebraking capabilities; they provide the Soviet Union with an important ability to navigate in all of its surrounding arctic and subarctic seas' <20>.

In addition to this fleet, the Soviet Union has close to 700 freighters built for use in ice-covered waters on a year-round basis <21>. From 1982 to 1987, the Soviet Union has purchased 19 SA-15 class ships from Finland. These vessels have greater cargo capacity than earlier generations of freighters, and are powered by 21,000 hp engines. In many ways they are quasi-icebreakers, in the sense that they can force their way through ice up to one metre thick, without stopping and without the assistance of icebreakers. More vessels of this type are on order and will be built at Finnish shipyards in the course of this decade <22>.

It is widely acknowledged that the Soviet ice fleet is second to none, and that the Soviet Union is clearly the top shipping nation in the Arctic. It may also be added that: '.. Soviet mariner's mastery of seamanship has made navigation through the ice - once the stuff of heroes and legend - an almost routine activity today" <23>.

How, then, has this Arctic 'superpower status' contributed to realization of the Soviet goals mentioned earlier?

future. Of course the route might become relevant in the long term perspective provided the navigation season could be extended to year-round passage for *war vessels* (in itself a highly unlikely development) and if the opponent should lack capabilities for Arctic submarine warfare. Today, as we enter the 1990s, this too would seem at best a highly theoretical possibility.

Goal 2: Developing Trade and Commerce as well as Settlement in the North

As already mentioned, this is a twofold goal: Firstly it is meant to support development of the northern regions; secondly such support in itself is intended as a step towards realization of goal No. 1 above.

To the extend permitted by limitations in the navigation season, the first part of this aim has been accomplished. During World War II, the importance of the Northern Sea Route to the Soviet war capacity was put to the test, at least to some extent. At that time the volume of cargo was so great (approx. 3-400,000 tons per season), especially in the Kara Sea, that the German naval forces found it necessary to carry out U-boat attacks on convoys. In 1942 the battleship *Admiral Scheer* was sent to the area on a partly successful mission <26>. The Germans felt that such local trade contributed to Soviet war capabilities and should therefore be brought to a halt. The reverse occurred and the volume of cargo increased throughout the war years.

Today, as many as 400 ships are engaged in cargo operations along the Northern Sea Route every year, sailing in convoys, which usually consist of 3 or 4 ships astern one or more icebreakers. For the period 1950-70, cargo volume averaged between one and two million tons; by the mid-1980s this figure had risen to somewhat more than six million tons. Since then, however, it has fallen, and there is much to indicate that this tendency will continue <27>. Although prognoses show that total Arctic freight will increase in volume in the years to come, the share represented by the Northern Sea Route is expected to be relatively lower. As an example, the freight demand for Yakutsk in 1995 is stipulated at a total of 16.5 million tons: of this, 2.5 million tons will be carried by the sea route, 5.7 on the River Lena and 8.3 tons by the new railway line under construction between the Trans-Siberian Railway and Yakutsk <28> (See Fig. 3).

Lower freight demand also means lower revenues for the sea route. This has created worries that it will not prove possible to maintain the present commercial and settlement structure in the region. Leading Soviet economists are saying, with more and more strength: 'Utilizing the riches of the Arctic depends on year-round navigation on the Northern Sea Route - the biggest economic problem of the future' <29>. Year-round traffic was also cited as an important measure by Mikhail Gorbachev in a speech held in Vladivostok on 28 July 1986: 'It is necessary to speed up measures to increase the economic benefit of through traffic on the Northern Sea Route' <30>.

That this will have beneficial effects on the economy was demonstrated back in 1980, when the all-year traffic to and from Dudinka proved to yield increased revenues. The nickel industry could note extra earnings of 71 million roubles, whereas the extra costs for the shipping interests amounted to 23 million

roubles <31>. Now the authorities in charge are under pressure to increase revenues. As of 1 January 1988 the Ministry for the Merchant Marine have been ordered to run the Northern Sea Route on a commercial basis - state subsidies are to cease and operations must be ensured through revenues earned. That these revenues will have to be increased is clear from the preliminary calculations made in the Soviet Union. These show that the profits to be made from other states' possible use of the route would amount to no more than some 37 million roubles, whereas the expense involved in running the nuclear-powered icebreaker fleet alone would come to 57 million roubles <32>. The difference will have to be covered through increased revenues from local commercial use as a result of all-year traffic on the route. In other words: there is a growing realization within the Soviet Union that there is a linkup between regional development and year-round through traffic. In many ways these are two sides of the same coin. Regional development can be ensured on a responsible economic basis only if the two goals are viewed together - seen in the light of each other, rather than as independent items.

The main relevance of the Northern Sea Route lies in the fact that it serves several large harbours, and many smaller ones, at the estuaries of the great rivers of Siberia. Raw materials are carried out and the necessities of life brought in. In addition, some hundred scientific, commercial and military outposts are also supplied in this way. The route is also of importance as a supply link to cities and towns situated along the main Siberian watercourses, which are navigable for most of their total length. Sea-going vessels can reach for example the harbour of Igarka, 670 km south of the Yenisei estuary, and proceed to Yakutsk, another 1,160 km south of Igarka. The Ob, the Yenisei and the Lena are all navigable all the way to the Trans-Siberian Railway, which runs 2,270 km south of the Arctic Ocean coastline - and has long been overburdened for transport purposes. The Lena also links in with the Baikal-Amur railway which together with the Trans-Siberian Railway, will have a direct rail connection with Yakutsk in a few years' time (See Fig. 3). In this way, the Northern Sea Route relieves and supplements transport by air and land in northwest Russia and Siberia. Some observers have also seen military-strategic importance in this fact <33>.

The argument runs as follows: one of the weakest points in the Soviet war machinery is connected with limitations in transport capacity. The railway network is already heavily overburdened even in peacetime. Or, to quote two leading experts thoroughly familiar with the Soviet transport system:'.. since the mid-70s congestion at key points on the railroad system has brought bottlenecks that have hampered operations in many sectors of the economy. Delays and shortages spread from sector to sector, eventually hurting transport itself. Such bottlenecks are chronic in the Soviet economy and as long as planning is excessively taut, they cannot be eliminated' <34>.

This applies not least to the Trans-Siberian Railway. And here the Northern Sea Route can provide a relief link between rivers, railways and canals such as the White Sea - Baltic Canal, which has been used for re-basing of fleet units in peacetime <35>. In time of war, pressure on the sparse railway network will increase even more. If the through traffic season in the north can be extended, the Northern Sea Route will be able to relieve the railways of some of this pressure. This it is claimed, is what gives the Northern

a main reason for the longstanding Soviet policy of keeping the researchers and scientists of other countries away from the Russian High North <42>. I shall return to this below.

Seen through Soviet eyes, the failure to achieve the goals set for the Northern Sea Route must appear as one gigantic disappointment. Enormous sums of money and great effort have been invested, yielding only modest results. Transit on a year-round basis remains a dream for the future, even for ice-reinforced freighters. As for warships, the route is unlikely to have any military-strategic importance whatsoever in the foreseeable future. All this means that the main goals set during the interwar years have by no means been realized. The geopolitical advantages of the route, which formed the basis for all these goals, remain a potential that it has not been possible to translate into military and economic advantages. Much of the blame for this has been laid on the Cold War.

III The Postwar Security-Political Atmosphere and Arctic Security Thinking

In the course of the 1950s the Arctic Ocean became a power-political tension field between the superpowers - a taboo area where the bordering states most of the time sought to avoid direct contact with the adversary. Any attempt to approach the interest areas of the other side was immediately interpreted as suspicious, an unfriendly gesture to be counteracted. In particular, research activity was seen as a potential threat to national security interests. So pervasive were such suspicions that, for instance, foreign scientists carrying out fieldwork in northern Canada were subject to security restrictions in their work. The same held true in Alaska and Greenland. The Soviet side took a more drastic line by totally excluding all foreign researchers, even from the East European countries <43>. This exclusion policy was also applied at sea. On 5 August 1960 the Soviet Union extended its territorial waters to 12 nautical miles offshore, and declared that foreign vessels were '... prohibited from carrying out hydrographic work and research in Soviet territorial and internal waters...' <44>. This led to reactions from Washington, which had long protested against the Soviet sector demand in the Arctic Ocean <45>.

Two years later, US authorities initiated a hydrographic research programme along the eastern portion of the Soviet Arctic coastline. The programme required assistance from the US Coast Guard, which in the period 1962-67 carried out missions to the Chukchi, East Siberian, Laptev, Kara and the Barents Seas. In addition to research, the purpose of these US expeditions was '... openly to assert the high seas status of these waters...' <46>. In a similar vein, the Soviet authorities made it plain that straits like the Laptev and Sannikov Straits, both of which are in fact close to 30 nautical miles wide and thus wider than the territorial waters - could not be transnavigated by the US vessels because these straits were historically part of Soviet *internal waters*, where Soviet sovereignty applied without any curtailment. The concept of *internal historic waters*, was a Soviet legal invention claimed to be applicable to the waters of Arctic bays, inlets, coves and estuaries, seas and straits historically belonging to the USSR. The very concept and its implications in the Arctic were hotly contested by the US side, which, after the completion of the expeditions, delivered a formal protest to Moscow against being deprived of the right to *innocent passage* through territorial waters <47>.

legal status attributed to sea ice, as well as to waters infested with it, which caused problems to foreign vessels in these waters' <55>. This point may be illustrated by referring to the course of the most recent Soviet/US test of strength concerning the legal status of the Northeast Passage: In 1967, the US Coast Guard had planned a circumnavigation of the Arctic Ocean with two of their icebreakers, 'Edisto' and 'Eastwind'. The vessels set their course for the northern tip of Severnaya Zemlya, where they were forced to turn because ice conditions north of the islands blocked any further progress. The captain of the 'Edisto' then asked the Soviet authorities for permission to pass through the 22 nautical mile broad Vilkitski Strait, phrasing his request in carefully chosen terms: 'this squadron will ... make a peaceful and innocent passage through the straits of Vil'kitskii, adhering to the centerline as closely as possible, and making no deviation or delay.' In line with earlier Soviet reactions, the request was refused on the grounds that the strait lay within Soviet territorial waters and that the vessels in question had not followed the usual procedure for obtaining permission for passage. The Soviet authorities maintained that military vessels, including the two Coast Guard vessels, must submit their request for passage through territorial waters 30 days in advance, and via diplomatic channels. This had not been done in the case at hand. Therefore the request could not be granted.

According to prominent Soviet experts on the law of the sea, the right to *innocent passage* does not apply unconditionally in the straits along the Northern Sea Route. Ice covered waters should have a special status within the law of the sea. In connection with the Northeast Passage, the Soviet Union cites two particular conditions:

Firstly, the route is considered as a *national transport route* under full Soviet control and jurisdiction, independent of whether it passes through territorial waters or not: 'The integral nature of the Northern Sea Route as a transport route is not affected by the fact that individual portions of it, at one time or another, may pass outside the aforesaid boundaries (i.e. boundaries of internal waters, territorial waters and economic zone), where the USSR exercises its sovereign rights or sovereignty in full (i.e. it may pass into the high seas)' <56>. Here the Soviets invoke the ruling of the International Court of Justice in the Anglo-Norwegian fisheries case of 18 December 1951. The judgement reached was that the entire sea route from Varangerfjord to the Porsangerfjord, irrespective of whether parts are within internal or territorial waters, was laid, exploited and equipped exclusively by Norway, and was therefore under its complete control and administration.

The second factor that entitles the Soviet Union to special rights is, according to these legal experts, that in accordance with the *Decree of the Council of Ministers of 15 January 1985*, straight baselines have been drawn from the coast of the mainland to the islands, in such a way that several straits - previously claimed to be *internal historic waters* - have now become *internal waters* in compliance with existing international law as expressed in state practice and the *1982 UN Convention on the Law of the Sea*. This in turn means that foreign ships cannot invoke the right to innocent passage in straits that pass through the Severnaya Zamlya group, or those straits between the mainland and Novaya Zemlya, or the mainland and the New Siberian Islands <57>. In such cases, they must request permission from the Soviet authorities in

Changes in security thinking

In his Murmansk speech, Gorbachev signalled a willingness to distinguish more sharply between military and non-military issue areas in the Arctic. This found clear expression when he, in contrast to former practice, identified six issue areas as being particularly well-suited for international cooperative efforts. He wished for cooperation on the use of natural resources, and spoke in favour of the establishment of a common energy programme for the North. Furthermore, he invited Norway and Canada to take part in joint ventures and projects for the extraction of petroleum from the Soviet continental shelf. He moreover underlined the desirability of cooperation within the field of the environment, and pointed out that an international plan for the protection of the environment, should be considered. He also wished to contribute to the establishment of an international forum to strengthen and develop scientific cooperation in the region. As a final point, he proposed - on certain conditions - placing the Northern Sea Route at the disposal of international shipping.

As regards all these points, Gorbachev has singled out non-military issue areas, and separated them from the integrated security concept of the period 1945-87. This may mean that Soviet policy is now entering a phase where the artificial linking of civilian and military issues is in process of disappearing. It would appear that the Kremlin is attempting to identify areas where cooperation can yield increased mutual gains, and that it is the particular nature of the issue in question which determines whether or not to seek cooperation with other states.

This is a functional approach quite in line with the new security political thinking within the Soviet Union. Only a few months after Gorbachev had become General Secretary of the Communist Party, he expressed deep concern for the security of the Soviet Union, but stressing the *economic* rather than the *military* threat. According to Gorbachev, security has increasingly become a question which can be solved only by diplomatic means. His criticism of the Brezhnev policy was that it 'had failed to gain the security benefit available through flexible diplomacy and compromise' <61>. The essence of his 'new political thinking' is now 'the priority of common human values over class values' <62>. By common human values are meant wishes, needs and interests that are common to all people, independent of political system or class - for example, the wish for peace. This new sense of priorities springs from two basic political perceptions: firstly, that *national security* can be achieved only through *mutual security* - i.e. that both sides feel secure they will not be attacked by the other. And secondly, that *mutual security* can be achieved only through confidence building *cooperation on solving mutual problems and challenges* <63>.

This change in thinking does not imply a rejection of security as a *comprehensive concept* embracing several issue areas. It is more a change of approach. By distinguishing more clearly between military and non-military issues in security thinking, one can gain non-military security through mobilizing that issue's own potential for attracting international cooperation. This in turn means that military tension no longer seems to be the predominant factor in defining the content and tempo in work towards non-military security. By means of this approach, the Soviet Union can achieve comprehensive security asymmetrically,

shorter than passage through the various straits <66>. On 25 May the following year, the icebreaker 'Sibir' and two freighters took the same route. They passed north of Severnaya Zemlya and the New Siberian Islands, and two weeks later the vessels reached Magadan on the mainland by the Sea of Okhotsk - having logged 1,820 nautical miles, of which 1,540 had been in, at times, thick ice <67>. The 'Sibir' returned along the same route, on the way paying a visit to one of the floating Soviet ice-stations at 76 degrees northerly latitude. One of the lessons learnt from this expedition was that more research was needed, both in hydrography and in shipbuilding <68>. Nine years were to pass before the next Soviet vessel voyaged to the North Pole: this time it was the 'Sibir' that reached the Pole on 27 May 1987, only a few months before Gorbachev held his famous speech in Murmansk. The conclusion drawn after the voyage was that it '..convincingly proved the possibility of carrying out research expeditions aboard nuclear icebreakers in high latitudes during any time of year' <69>. Less sensational, albeit perhaps equally important, are the many efforts that have been made to extend the navigation season to times of the year when ice conditions are particularly difficult - i.e. the period from early November to late March. Trial missions have been successfully conducted both in December and January, for instance in the Kara and Chukchi Seas. It was efforts like these that helped make possible year-round passage on the Murmansk-Dudinka section of the route in the 80s. According to Terence Armstrong, 'The stimulus towards year-round operation was the need to take nickel ore from the mining centre of Noril'sk to the refinery near Murmansk. There was almost no use of the through route, connecting Atlantic and Pacific, though the current level of skill and technology would permit this' <70>. This statement concurs with oral evaluations presented by Soviet experts who have maintained that it is both theoretically and technically possible to keep the route open for transit all year round. That this is not done today is because it is not economically feasible in view of today's cargo volume, costs and revenue possibilities.

However, more and more have become sceptical to the 'brute force' principle in icebreaking for the future. Even a new generation of icebreakers of 150,000 hp will not be powerful enough to be able to move anywhere in the Arctic Ocean at any given time of the year. According to calculations, for that to happen, 210,000 hp capacity is needed. The expense of building such a vessel far exceeds what can reasonably be expected in return. For that reason, Soviet researchers today are looking into other, potentially less expensive strategies for icebreaking.

Considerable interest has been shown in new bow constructions, which, if applied to the already existing fleet, should be able to increase current icebreaking capacity by as much as 20%. To take one example: Thyssen Nordseewerke constructed a new bow for the Soviet icebreaker 'Mudyug' in 1986. It was tested in the waters around Svalbard, where it managed to move through ice of 1.2 m thickness at a speed of 8 knots without having to stop. Ice of just this thickness is found along sizeable portions of the Northeast Passage, which is mainly covered by annual ice - i.e. ice which has formed in the course of the year. The average thickness of annual ice along the route is 70 cm. By the month of May, there is generally a belt of icefree water between the fast ice, i.e. ice which is connected to land, and the annual ice. During the winter, ice thickness varies in the straits - from 1.2 m to 2 m on average and the difference in average ice thickness lies somewhere between 30 and 50 cm <71>.

gradual warming, which can reduce ice formation in the marginal seas. This natural climatic change may, moreover be reinforced by the manmade greenhouse effect, which is likely to be more pronounced in the polar areas than in more southerly latitudes. Scientists have indicated that with a doubling of CO2 emissions, autumn and winter temperatures in the Arctic may rise between 8 and 12 degrees C, whereas summer temperatures may rise by 1 or 2 degrees <79>. Ice melting would then increase. Therefore, it is possible that some time in the 21st century, there will be less Arctic ice, which in turn would reduce the problems for convoy traffic. All in all, then, the combination of improved icebreaking technology and warmer climate open up new perspectives for the use of the Northern Sea Route.

Improved ice warning and ice surveillance

Western experts have pointed out that several of the problems facing the Soviet Union in connection with the Northern Sea Route can be explained by limited ice warning and surveillance capacity <80>. For example, in the late 1980s ice warnings were still limited in time to the duration of the navigation season, i.e. a mere 3 - 4 months for certain portions of the route. This means that the Soviet Union - which certainly knows more about polar ice conditions than any other nation - still has some gaps in its knowledge of ice movements, and an imprecise picture of variations in the ice situation in different parts of the route. According to Soviet sources only 80 percent of the ice forecasts prove to be correct <81>. The Vice-chairman of the State Committee for Hydro-meteorology and Environmental Control, Y. Tolstikov, has confirmed that ice surveillance in the Soviet Union is imperfect, and that this will reduce the utility of nuclear powered icebreakers until the situation has improved. According to Tolstikov there is a need for intensified research, new equipment (not least aircraft), and improvements on the organizational side as well. If progress can be made in these areas, he feels it may be a realistic goal to establish year-round routes in the Bering, Chukchi and East Siberian Seas, where ice poses the greatest problems <82>. That would also mean a major step towards opening the Northeast Passage for all-year transit. But these are not the only improvements necessary. According to Alexander Arikainen at the Institute of System Studies in Moscow ".. a very significant role (also) belongs to improvements of the management organization and the economic mechanisms" <83>.

More Efficient Administration and Organization

Responsibility for running the Northeast Passage is vested in the Administration for the Northern Sea Route (ANSR), established in 1970. This administration has been set up under the auspices of the Ministry of the Merchant Marine, and thus replaced Glavsevmorput, which was disbanded in the 1960s. The Administration was intended to exercise relatively wide-ranging powers as "a special, national supradepartmental agency" <84>. The supradepartmental feature is manifested in the fact that the USSR Council of Ministers both approves of the ANSR procedures and appoints its top executive.

The Soviet press has in recent years questioned both the efficiency, weaknesses and even the ethical standards of the Administration. The recurrent theme when efficiency is criticized is that town and built-up

recollection of the Soviet Union having issued a similar offer back in 1967, which was later discreetly withdrawn. In other words:

Is the Soviet Union serious?

In 1967 the Soviet authorities offered the shipping companies of the world, the use of the Northern Sea Route in return for payment of a fee to cover icebreaking and pilot assistance. The offer concerned transit passage. However, it was never followed up by Western shippers, who were probably in doubt as to the profitability of such a venture. The offer was not repeated by the authorities, and some have indicated that in actual fact it was withdrawn quietly. The background to this was, most likely, the political circumstances surrounding the Six Days' War and the closure of the Suez Canal. If the Kremlin had decided to follow up its offer to the West by making available an alternative to the Suez Canal, the influence of the Soviet Union in the Arab world - especially its relationship to Egypt - could have suffered. This was too high a price to pay. Thus, it seems, the great-power situation elsewhere on the globe can explain much of the reason why the 1967 offer was withdrawn. If this situation had not arisen, there are grounds for assuming that the offer would have been maintained, not least because the Soviet Union - then as now - was in great need of Western hard currency. Moreover, acceptance of the offer could also serve as indirect acceptance of the Soviet view of the status of the route in international law. Prior to making the offer, the Soviet Union had been through five years of US challenges to this standpoint.

Today the great-power climate is different indeed. The Cold War has been dismantled, and during the Gulf War the Soviet Union voiced political support of the UN and the UN-allied forces. The Soviet Union has neither the financial strength nor the political energy for a global engagement in competition with the USA. The all-important problem is to straighten up the economy, by means of the new policy of perestroika. And here the Northern Sea Route enters the picture as one of several areas of emphasis. There is much to indicate that this time the Soviet Union *is* serious in its offer of transit use of the route by foreign shipping:

1. It is important to view the follow-up to the Murmansk programme as a totality. Several of Gorbachev's six points are now being implemented with active Soviet participation. For one thing, an *International Arctic Science Committee* has been established, to take care of coordination and cooperation on Arctic research. In the so-called Rovaniemi Process, the Arctic states are preparing to formalize a programme of environmental protection cooperation for the Arctic. Cooperation has also been established for extraction of energy resources. Development of the Shtokmanovskaya gas field on the Soviet shelf of the Barents Sea, for instance, is taking place in collaboration between Norwegian, Finnish and Soviet interests. Moreover, there has been a perceptible movement towards international cooperation also with respect to the Northern Sea Route.

In September 1990 the Governor of Alaska convened the Third Northern Regions Conference in Anchorage. Here 20 regional leaders from all the Arctic states met in order to 'share common concerns'

and Technology, and the KGB. Now the project has been submitted to the Admiralty for the Northern Fleet and the Soviet Navy, and it would appear that these have no objections to foreign merchant vessels using the route, although there is still some doubt as to whether to permit foreign research vessels. Opening up of this route to foreign research vessels also has legal implications since: '..research or survey activities by foreign vessels is prohibited in Soviet territorial or internal waters unless specifically authorized by competent Soviet agencies or by international treaties of the USSR' <97>. A decision by the Admiralty is expected in the near future.

CONCLUSION

Originally, the Soviet Union had two goals for the Northern Sea Route: all-year transit; and stimulating/expanding regional commerce and industry, as well as settlement patterns. Both goals still hold, but have taken on different aspects and perspectives.

In the period 1918-45, military-strategic concerns dictated the desire for year-round transit possibilities; today the main point is the realization that regional exploitation of Siberia's vast mineral deposits necessitate such transport.In other words: implementation of the regional goal is dependent on realization of the first goal. The two form an integrated whole.

The military-strategic aspect has been replaced by the economic one. To the degree to which these two integrated goals can be realized, two new sources of revenue will be created for the Soviet Union: *increased* revenues from regional resource exploitation, and *new* revenues from the pilot and icebreaker services necessary for foreign use of the route. In view of the major economic difficulties the Soviet Union has been experiencing, there is good reason to believe that the offer in Gorbachev's Murmansk speech was meant seriously. Not only that: the offer could also be explained in security-political terms as well.

In the new political thinking in the Soviet Union, emphasis is put on the economic rather than the military threats to the country. During the Cold War the reverse applied, which meant that in cases of conflict between the two interests, the economic aspect had to yield. Now both interests in Soviet security thinking are placed on an equal footing, at least to the extent that economic interests no longer must automatically yield to military-strategic ones. The fact is that there now exists a political foundation which can be used to explain why economic interests may in some cases have to be given priority at the expense of military ones. The stress is now on providing the Soviet Union with a comprehensive security that covers all areas important to the maintenance of the Soviet state. Each individual issue area has been delegated independent responsibility for ensuring optimal security within its particular sector. In this way, the 'veto power' of the military establishment vis-a-vis the civilian sector has been reduced. Moreover, as far as the Northern Sea Route is concerned, any direct military-strategic relevance for transfers between the Atlantic and Pacific is at best minuscule. In itself this means a de-emphasis of the importance of military-strategic importance and force in Soviet domestic policy and conflicts of interest. This in turn implies that both economic and security- political interests would seem to favour opening of the Northeast Passage to

with further improvements in relations between the superpowers, can serve to tone down the conflict. This in turn can prevent disagreement from rising to the surface, unfolding itself for all to see. If the parties succeed in this, then a first major step may have been taken towards solving the problem. Or as pointed out by William E. Butler: 'The willingness of the Soviet Union (as expressed in Gorbachev's Murmansk speech) to discuss 'any counter-suggestions and proposals' as well as their own, places arctic relationships, including legal relationships, on an entirely different footing. It now remains to be seen what the Arctic Powers can make of this' <98>.

In this respect, it is worth noting that Western governments may have a common incentive to play down the Arctic dispute to compensate for the political uncertainties connected to transport through the Suez and Panama canals. In the course of the post war period the turmoil of Middle East politics has resulted in the closure of the the Suez canal for lengthy periods, severely hurting western economies. The Northeast passage may offer an alternative: 'The prospects that ships with western cargo will one day be sailing through the Arctic, instead of the Suez Canal would seem to be one good reason for opening a dialogue with the Soviets on ice navigation technology. With instability in the Middle East, shipping companies may not be able to count on the Suez Canal in the future. Despite the ice, the Northern Sea Route may be safer as well as shorter" <99>.

22. Terence Armstrong: Op. cit., supranote 13, p: 42.

23. Gordan G. Watson: "Technical aspects of ice navigation and port construction in Aoviet Arctic", in Lawson W. Brigham (ed): Op. cit. p. 158. 24. Tønne Huitfeldt: "A Strategic Perspective on the Arctic", in *Cooperation and Conflict*, No. 2/3, 1974.

25. Ulrich Sweinfarth: "Alaska: The USA's Frontier State", in *Aussenpolitik*, vol. 29, no. 4, 1978, pp: 414-424.

26. Terence Armstrong, George Rogers and Graham Rowley: *The Circumpolar North*, Methuen & Co Ltd, London, 1978, p: 59.

27. *Extracts from the Soviet Press on the Soviet North and the Antarctic*, SNI/91, 29 January 1991, External Affairs and International Trade Canada, *Vodnyi transport*, 25 October 1990. p:26.

28. Terence Armstrong: 'The Northern Sea Route, 1988', in *Polar Record*, vol. 25, No. 154, July 1989, p: 299.

29. Sitert fra Terence Armstrong: 'The Northern Sea Route, 1988' in *Polar Record*, vol. 25, No. 154, July 1989, p: 249.

30. Terence Armstrong: 'The Northern Sea Route, 1986', in *Polar Record*, vol. 23 No. 146, May 1987, p: 589.

31. Terence Armstrong: 'The Northern Sea Route, 1980' in *Polar Record*, vol. 20, No. 128, May 1981, p: 452.

32. See supranote 16, p: 25.

33. T.J. Laforest: Op. cit. supranote 12.

34. Holland Hunter and Vladimir Kontorovich: "Transport Pressures and Potentials", in *Study Paper submitted to Joint Economic Committee, Congress of the United Sates: Gorbachev's Economic Plans*, November 23, 1987, p: 382

35. See *International Herald Tribune*, October 27, 1975: 'Baltic Canal is Enlarged by Russians'. See also Willy Østreng, supranote 12, pp: 242-243. 36. For a discussion of this aspect see Willy Østreng: supranote 11, pp: 70-117.

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40. J. Zander & R. Araskog: *Nuclear Explosions 1945 - 1972*, Basic Data, 1973, The Research Institute of National Defence, Sweden.

41. *Izvetsjia*, 9.24.90.

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65. Terence Armstrong: 'the Northern Sea Route, 1988', i *Polar Record*, vol. 25, no. 154, July 1989, p: 247.

66. *Polar Record*, Jan. 1978: 'Icebreaker Voyage to the North Pole, 1977', pp: 67-68

67. *Polar Record*, May 1978: 'The Northern Sea Route, 1977, p: 186.

68. Pier Horensma: Op. cit. pp: 144-146

69. Ivan Frolov: " The 1987 expedition of the icebreaker Sibir to the North Pole", in Lawson W. Brigham (ed): Op. cit., p. 44.

70. Terence Armstrong: 'Industrialization and its Consequences', unpublished paper in the archives of the Fridtjof Nansen Institute, p: 6. 71. Alexander Arikaynen: "Exchange of Experience in Arctic Studies, Moscow, 1988, pp: 5-6

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77. Information given to Arnfinn Jørgensen-Dahl og the author of this article during a visit to Japan's Ship Research Institute, 23. April 1991.

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86. Ibid.

87. Ibid.

88. Ibid., p. 148.

HB

85

ALASKA STATE LEGISLATURE
REPRESENTATIVE MIKE NAVARRE

Co-Chair
House Finance Committee
P.O. Box V
Juneau, Alaska 99811
(907) 465-3779

SPONSOR STATEMENT

April 23, 1991

TO: Senator Curt Menard, Chairman, Senate Transportation Committee

FROM: Representative Mike Navarre Mike

SUBJECT: **House Bill 85, "An Act relating to lighting equipment on a school bus; and providing for an effective date."**

House Bill 85 addresses a long overdue safety issue involving school buses. This legislation will mandate the installation of two flashing red lights on the stop arm and a white strobe at least six feet from the rear of the bus. The visibility afforded by these equipment additions will without question offer a greater measure of safety for the school children of Alaska.

HB 85 provides funding for the initial retrofitting of the required safety lights. The Department of Education will require proper documentation from the school districts for reimbursement. Minimum standards for safety lighting will be adopted by the Department of Education. Deadline for completion of the installation of the safety strobes/lights would be November 1, 1991. All school bus contracts after November 1, 1991 will require contractors to supply buses equipped with the proper safety lighting. In conversations with some of the larger districts this deadline appears to be workable.

The number of buses in Alaska is approximately 940. Some districts have part of the required equipment and some districts have none of the safety lights. The fiscal note is $ 173,700.00.

The House Finance Committee amended HB 85 to remove the word **strobes** on line 9 after the word flashing. This amendment would allow either lights or strobes on the stop arm. White strobes will be the standard on the roofs of school buses.

The House of Representatives passed HB 35 37-0, on April 19, 1991.

Letters of support are available upon request. There are no known opponents to providing school students with a safer means of travel to school.

Contact person: Tom Ackerly at 3779/Capitol 515

34824 K-Beach Road • Soldotna, Alaska 99669 • (907) 262-7842

Senate CS FOR HOUSE BILL NO. 85 (~~FINANCE~~) TRANS

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/8/91
Referred: Rules

Sponsor(s): REPRESENTATIVES NAVARRE, G.Phillips, B.Davis

A BILL

FOR AN ACT ENTITLED

"An Act relating to lighting equipment required on a school bus; and providing for an effective date."

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

* **Section 1.** AS 28.05.104(b) is amended to read:

(b) The Department of Education, in coordination with the Department of Public Safety, shall

(1) establish equipment requirements for each type of school bus that is used to transport school children to or from a public school; equipment requirements must include **two alternating red flashing strobe lights attached to the stop arm, a white strobe light attached to the roof of the school bus and not more than six feet from the rear of the school bus,** interior flammability standards, number and location of emergency exits, seat-back height and padding requirements, and seat belt standards;

(2) at least twice each calendar year, inspect each school bus for compliance with this subsection; and

(3) maintain a record of each accident involving a school bus or other vehicle transporting school children that is owned, leased, or provided under contract to a school district or regional educational attendance area; the record must include the date of the accident, a list of persons injured, whether the person's injury occurred within the school bus, and each type of injury.

*** Sec. 2.** SCHOOL BUS RENOVATION. (a) The Department of Education shall reimburse each school district for the initial cost incurred by each school district between January 1, 1991, and November 1, 1991, of obtaining and installing stop arm lights and roof strobe lights required by AS 28.05.104(b), as amended in sec. 1 of this Act. Reimbursement may not exceed $150 for each stop arm renovation, $175 for each roof renovation, and shall be subject to approval by the Department of Education.

(b) The requirement contained in AS 28.05.104(b), as amended in sec. 1 of this Act, that a white strobe light attached to the roof of the school bus must be not more than six feet from the rear of the school bus, does not apply to a school bus that has a white strobe light already attached to the roof of the school bus on November 1, 1991.

*** Sec. 3.** This Act takes effect November 1, 1991.

ALASKA STATE LEGISLATURE
REPRESENTATIVE MIKE NAVARRE

Co-Chair
House Finance Committee
P.O. Box V
Juneau, Alaska 99811
(907) 465-3779

MEMORANDUM

April 23, 1991

TO: Senator Curt Menard, Chairman, Senate Transportation Committee

FROM: Representative Mike Navarre Mike

Subject: **House Bill 85, "An Act relating to lighting equipment on a school bus; and providing for an effective date."**

****

I am requesting the Senate Transportation Committee schedule a hearing on HB 85 at their earliest convenience. The House of Representatives passed HB 85, 37-0 on April 19, 1991.

Thank you for your consideration of this matter.

DISTRICT 5
34824 K-Beach Road • Soldotna, Alaska 99669 • (907) 262-7842

ALASKA STATE LEGISLATURE
REPRESENTATIVE MIKE NAVARRE

Co-Chair
House Finance Committee
P.O. Box V
Juneau, Alaska 99811
(907) 465-3779

SPONSOR STATEMENT

April 23, 1991

TO: Senator Curt Menard, Chairman, Senate Transportation Committee

FROM: Representative Mike Navarre

SUBJECT: **House Bill 85, "An Act relating to lighting equipment on a school bus; and providing for an effective date."**

House Bill 85 addresses a long overdue safety issue involving school buses. This legislation will mandate the installation of two flashing red lights on the stop arm and a white strobe at least six feet from the rear of the bus. The visibility afforded by these equipment additions will without question offer a greater measure of safety for the school children of Alaska.

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The number of buses in Alaska is approximately 940. Some districts have part of the required equipment and some districts have none of the safety lights. The fiscal note is $ 173,700.00.

The House Finance Committee amended HB 85 to remove the word **strobes** on line 9 after the word flashing. This amendment would allow either lights or strobes on the stop arm. White strobes will be the standard on the roofs of school buses.

The House of Representatives passed HB 85 37-0, on April 19, 1991.

Letters of support are available upon request. There are no known opponents to providing school students with a safer means of travel to school.

Contact person: Tom Ackerly at 3779/Capitol 515

34824 K-Beach Road • Soldotna, Alaska 99669 • (907) 262-7842

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER

GOLDBELT PLACE
801 WEST 10TH STREET
P.O. BOX F
JUNEAU, ALASKA 99811-0500

February 27, 1991

The Honorable Mike Navarre
Alaska State Representative
P.O. Box V
Juneau, Alaska 99811

Dear Representative Navarre:

Re: CSHB 85 (Transportation) "An Act relating to strobe light equipment required on a school bus; and providing for an effective date."

Pursuant to conversations yesterday between Tom Ackerly of your staff and Romayne Kareen of mine, the Department of Education offers the following comments regarding CSHB 85 (Transportation):

1. The intent of this legislation is to require that existing public school buses be retrofitted with stop arm and roof mounted strobe lights by November 1, 1991. Funds would be appropriated to cover the cost of installation of strobes on school buses that are not already required by contract to be so equipped. We agree with the intent of the bill and support accompanying funding (the fiscal note).

2. An alternative to the fiscal note would be for the department to reimburse districts at the rates specified in the bill using the current appropriation level. If this is the alternative chosen by the Legislature, the fiscal note should be zeroed out and the legislation passed.

3. We have no objection to the Legislature specifying that strobe lights be included in equipment requirements established by the department. Current equipment requirements, known as Minimum Standards for Alaska School Buses, are contained in publications referenced in 4 AAC 27.110.

   The department will be revising the standards to incorporate requirements of AS 28.05.104(b)(1) and recommendations of the 11th National Conference on School Transportation. The revised standards will apply to school buses manufactured after March 1, 1992. A committee comprised of school bus contractors, school district administrators and department staff will meet during September, 1991 to recommend specific revisions to standards. Strobe lights in stop arms and on rooftops of school buses may or may not be recommended

CSHB 85 (Transportation)

Estimated Number of School Buses
Required by Contract to have Strobe Lights
2/27/91

SCHOOL DISTRICTS (more than 15 buses)	ESTIMATED # BUSES REQUIRED BY CONTRACT TO BE EQUIPPED
Roof-Mounted Strobe Lights	
Anchorage	170
Fairbanks	135
Estimated Total	305 Buses
Stop Arm Strobe Lights	
Anchorage	286
Mat-Su	129
Kenai	97
Estimated Total	512 Buses

FY-92 FISCAL NOTE: $173,700

Roof-Mounted Strobe Lights

Approximate # Buses in State:	935 Buses
Less Estimated # Required by Contract to be Equipped	305
Potential # to be Retrofitted	630 Buses @ $175 = $110,250

Stop Arm Strobe Lights

Approximate # Buses in State:	935 Buses
Less Estimated # Required by Contract to be Equipped	512
Potential # to be Retrofitted	423 Buses @ $150 = $ 63,450
Potential Cost to State	$173,700

by the committee. Passage of CSHB 85 (Transportation) would require inclusion of strobe lights in the standards.

4. The department will notify school districts and bus contractors in March, 1991 that:

   (1) legislation is in process that would require all public school buses to be retrofitted with stop arm and roof mounted strobe lights by November 1, 1991;

   (2) the legislation includes funding to reimburse districts for contractor and district costs to install required strobe lights on buses that are not already required by contract to be so equipped; and

   (3) if the bill is signed into law, installation of strobe lights will be included as mandatory equipment effective November 1, 1991 on all school buses used to transport school children to or from a public school. Installation of strobe lights after November 1, 1991 will not be eligible for state reimbursement.

5. Attached is a listing of school districts with more than 15 buses that have strobe lights required by either the contract between the district and bus contractor, or the reimbursement agreement between the department and the district.

If you have questions, feel free to contact Romayne Kareen at 465-2890.

Sincerely,

Steve Hole
Acting Commissioner

Attachment

cc: Jim Tozer
Romayne Kareen

Tom

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

148 North Binkley Street • Soldotna, AK 99669 • Phone 907/262-5846 • Fax 907/262-1892

FEBRUARY 1, 1991

Representative Mike Navarre
Box V
Juneau, AK 99811

Dear Representative Navarre:

The Kenai Peninsula Borough School District supports the introduction of HB 85, making stop arm strobes and white strobes on the roof of the bus part of the standard bus equipment in our state. We feel both lights enhance the safety of student riders.

Our district has used the stop arm strobe for the past three years and because it has proven effective, it was specified as an equipment requirement in our current bus contracts. Other districts in the state are using the white roof strobe and it has proven effective.

We would request that the bill provide districts and contractors with reimbursement for the initial equipment expenses. It appears that DOE will be lacking in funds to reimburse school districts for school bus transportation next year and we would not want to see an additional expense to that fund that would reduce transportation reimbursement even further.

If I can be of further assistance, please let me know.

Sincerely,

Penny Little

Penny Little
Transportation Coordinator

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

P.O. Box 71250 Fairbanks, Alaska 99707-1250 (907) 452-2000

February 1, 1991

Representative Navarre
PO Box V
Juneau, Alaska 99811

Dear Representative Navarre:

I would like to take this opportunity to offer my support for your efforts, through House Bill 85, to require strobe lights on school buses.

I am currently the transportation coordinator for the FNSB School District, a position I have held for the past 10 years. I have also been a member of the Alaska delegation to the 1985 and 1990 Conferences on National Minimum Standards for school buses. In addition, I participated in the development of the Alaska School Bus Driver Training Program and the Alaska Enhanced School Bus Inspection Program.

One of the major ways to protect the school bus and its passengers is to ensure that other motorists are aware of its presence. A "safety cushion" around a school bus is created by the unique color and lighting equipment that are part of existing school bus standards. This allows the motorists on the road the opportunity to take extra precautions, knowing that school children are nearby. Strobe lights, in the stop arm and on the roof, increase the effectiveness of this "safety cushion".

We have used white strobe lights on the tops of our school buses in Fairbanks for at least 15 years. (They have been on so long that no one remembers when they were first required.) They are particularly effective in the difficult conditions of darkness, snow, and ice fog in which we operate in Fairbanks. Under adverse conditions drivers are aware of the strobe long before seeing the actual bus itself. This can be a critical safety feature when visibility is reduced to less than 50 feet.

The best measure of the usefulness of strobes that I can offer is the public awareness their presence. The strobes are so much a part of school busing in Fairbanks that monitoring for compliance is not necessary. The public is so accustomed to seeing strobes on our buses that my office receives complaints when a bus

ANCHORAGE
SCHOOL DISTRICT
Pupil Transportation
3580 East Tudor Road
Anchorage, Alaska 99507
Area Code 907 — 563-3022
FAX 907-562-3957

February 4, 1991

Representative Mike Navarre
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811
FAX 465-2278

Dear Representative Navarre,

The Anchorage School District believes that the addition of red strobe lights to the stop arm and white strobe lights to the roof of school buses will enhance school bus safety. All buses in our District, as well as Contracted bus fleets, have been equipped with red strobe lights on the stop arm since September 1989. The addition of these strobe lights has significantly reduced the number of motorists who pass stopped school buses. We also feel that the addition of roof mounted white strobe lights will further increase the visibility of school buses and increase the awareness of the presence of school buses with the general motoring public. Approximately 60% of the fleet have already been equipped with roof mounted strobe lights. The District made roof mounted strobe lights mandatory in our current transportation contracts. After the buses were delivered and began operating the Anchorage Police Department notified me that these lights were illegal and school bus drivers using the lights would be issued citations (see attached letter).

The Anchorage School District would support passage of House Bill 85 if the bill not only mandates installation of white roof mounted strobe lights, but also addresses use of the lights. I would also like to see an exception made on the location of the lights that are already installed. The Anchorage School District has almost fifty buses that have strobe lights mounted in the center of the roof.

Thank you for the interest that you have shown in school bus safety issues. If you need any additional information feel free to contact me at 563-3022.

Sincerely,

Steven Kalmes
Director of Transportation Services

is running around without a strobe.

We have no direct experience with strobe in the stop paddles in Fairbanks. However, they were tested as part of a pilot project of the Alaska School Bus Safety Committee, and proved effective there as well. I have observed them on buses in the Kenai Peninsula area and found the strobes to be a great improvement over standard paddle lights.

Your efforts to increase the "safety cushion" around our school buses through the mandatory use of strobes is supported throughout the pupil transportation industry. The significant increase in safety certainly warrants the small additional cost to the price of an entire school bus. Your efforts to retrofit the existing buses in the state will create an immediate impact for a relatively low cost. Such an approach is far superior to a slow phase-in on new buses. In addition to the several year delay in equipping all buses in the state, the effort to raise public awareness would be diminished by the lack of standardized equipment between buses.

Thank you for your support of safe, effective pupil transportation. Do not hesitate to contact me if I can be of any assistance to your efforts.

Sincerely,

Bob Shefchik
Transportation Coordinator

NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

ANCHORAGE REGIONAL OFFICE
1411 W. 33RD AVENUE
ANCHORAGE, ALASKA 99503
(907) 274-0536

JUNEAU OFFICE
105 MUNICIPAL WAY, SUITE 302
JUNEAU, ALASKA 99801
907) 586-3090

FAIRBANKS REGIONAL OFFICE
2118 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456-4435

February 1, 1991

Rep. Mike Navarre
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Rep. Navarre:

NEA-Alaska appreciates and supports your desire to improve school bus safety. It is very important that the safety of our children remain paramount and your legislation appears to meet those needs. If we can be of any assistance please let us know.

Sincerely,

Don Oberg
President

ALASKA SCHOOL BUS SAFETY COMMITTEE

February 5, 1991

Representative Mike Navarre
P.O. Box V, Room 515
Juneau, AK 99811

Dear Sir:

The Alaska School Bus Safety Committee strongly supports House Bill 85, an act requiring school bus stop arms with alternating red strobe lights and a roof mounted white strobe light. The Safety Committee has researched and evaluated aspects of both strobe light systems and found them very effective in the visibility enhancement of school buses during Alaska's inclement weather. Alaska's unique and varied weather conditions severely limit visibility of school buses during their most vulnerable period, the loading and unloading of students.

It is also imperative that the Legislature supply the funding for these projects. Currently, school districts throughout the State are having their pupil transportation reimbursement funds prorated by the Department of Education due to funding short falls. The proposed budget by the Governor suggests further reductions in pupil transportation reimbursement funds. Additionally, school bus operators throughout the State are suffering the effects of extraordinary high fuel costs with no relief from these expenses. It would be unfair to ask either the Districts or Bus Operators to shoulder the expense for these items.

Cordially yours,

Thomas F. Hyatt
Chairperson

TFH/ec

ASTA Alaska School Transportation Association

Box 952 Delta Junction Alaska

February 7, 1991

Representative Mike Navarre
Pouch V (MS 3100)
Juneau, Alaska 99811

RE: HB 85

Dear Representative Navarre:

I regret that I was unable to participate in this morning's scheduled teleconference regarding House Bill 85: "An Act relating to equipment required on a school bus...".

The matter of a statewide requirement for red strobe lights on stop arms and white strobe lights on the roof of buses has not been brought before the membership of this organization. While most would agree that these items provide increased visibility in some areas (such as Fairbanks), one wonders if the requirement is necessary in all areas? Not all areas of the state experience ice fog conditions.

Other vehicles (such as DOT road maintenance equipment and fuel tankers) use the white stobe lights, so their use will not automatically tell motorists there's a school bus in the vicinity.

Retrofitting all buses will certainly be a challenge -- school buses are already electrical and wiring "nightmares". This is not to say it would be impossible.

At any rate, if the requirements added to AS 28.05.104(b) (1) are to become law, then most definitely the fiscal appropriation in Sec. 2 is imperative!

If the Legislature adds these requirements, the state must be prepared to pay for same. School districts and school transportation contractors are already working with severe budget constraints due to reductions in funding and fuel costs which have sky-rocketed since the onset of the Persian Gulf crisis last fall.

It would be unreasonable to expect districts and contractors to bear the costs of retrofitting without reimbursement by the state. And I doubt that even the amounts noted in Sec. 2 will be adequate to cover all the costs of parts and installation labor. (There will also be additional maintenance expenses for these items.)

We will appreciate you keeping our association informed of developments as HB 85 proceeds through committees. If we can provide further suggestions or input, please let us know.

Cordially,

Loretta Nistler

Loretta Nistler
Vice-president

cc: House Committees on Transportation; Health, Education and Social Services; Finance
Sen. Dick Shultz; Rep. Johnny Gonzales
Romayne Kareen, Pupil Trans., DOE

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB85

Revision Date: 2/21/91
Department Affected: Education
Title: Equipment required on a school bus
BRU: K-12 Support
Component: Pupil Transportation
Sponsor: Navarre
Requestor: House Transportation
COMPONENT SERIAL NO. 1 4 1

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	173.7	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	173.7	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared By: Romayne Kareen
Phone: 465-2865
Division: Education Finance & Support
Date: 2/21/91

Approved by Commissioner: Steve Hoffa, Acting Commissioner
Agency: Education
Date: 2/21/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Rev 10/90

This fiscal note is updated to reflect revised estimates provided to the department by school districts for the number of Stop Arm Strobes needed under HB85.

Roof Mount Strobes:
630 buses X $175 = $110,250

Stop Arm Strobes:
423 buses X $150 = $63,450

Total estimated FY92 cost: $173,700