

**ALASKA STATE LEGISLATURE
JOINT MEETING
HOUSE TRANSPORTATION STANDING COMMITTEE
SENATE TRANSPORTATION STANDING COMMITTEE**

March 6, 2014

1:02 p.m.

MEMBERS PRESENT

HOUSE TRANSPORTATION

Representative Peggy Wilson, Chair
Representative Craig Johnson
Representative Jonathan Kreiss-Tomkins
Representative Lynn Gattis

SENATE TRANSPORTATION

Senator Dennis Egan, Chair
Senator Hollis French

MEMBERS ABSENT

HOUSE TRANSPORTATION

Representative Doug Isaacson, Vice Chair
Representative Eric Feige
Representative Bob Lynn

SENATE TRANSPORTATION

Senator Fred Dyson, Vice Chair
Senator Anna Fairclough
Senator Click Bishop

OTHER LEGISLATORS PRESENT

Representative Andy Josephson
Representative Sam Kito III
Senator Donny Olson

COMMITTEE CALENDAR

MEGA PROJECTS OVERVIEW: "AMBLER ROAD & JUNEAU ACCESS"

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

MARK DAVIS, Deputy Director
Alaska Industrial Development and Export Authority (AIDEA)
Department of Commerce, Community & Economic Development (DCCED)
Anchorage, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion on the Ambler Mining district.

LOIS EPSTEIN, Professional Engineer (PE)
Arctic Program Director
Wilderness Society
Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion of the megaprojects, including the Ambler Mining Industrial Road.

GRETA SHIRK, Corporate and Policy Liaison
Government Relations
NANA Regional Corporation (NANA)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of the EIS process during the discussion of the megaprojects, including the Ambler Mining Industrial Road.

JEFF OTTESEN, Director
Division of Program Development
Department of Transportation & Public Facilities (DOT&PF)
Juneau, Alaska

POSITION STATEMENT: Presented an update on the Juneau Access Road Project.

MICHAEL VIGUE
Division Operations Manager
Division of Program Development
Department of Transportation & Public Facilities (DOT&PF)
Juneau, Alaska

POSITION STATEMENT: Presented a PowerPoint on the specifics of the Juneau Access Improvement Project.

CLAY GOOD
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of the Juneau Access Road Project.

SANDY WILLIAMS, Chair

Citizens Pro Road
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of the Juneau Access Road Project.

ACTION NARRATIVE

[1:02:20 PM](#)

CHAIR PEGGY WILSON called the joint meeting of the House and Senate Transportation Standing Committees to order at 1:02 p.m. Present at the call to order from the House Transportation Standing Committee were Representatives Kreiss Tomkins and P. Wilson; Representatives Gattis and Johnson arrived as the meeting was in progress. Present from the Senate Transportation Standing Committee were Senators French and Egan. Representatives Josephson, Chenault, and Kito III and Senator Olson were also in attendance.

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Mega Projects Overview: "Ambler Road & Juneau Access"

[1:04:55 PM](#)

CHAIR P. WILSON announced that the only order of business would be Mega Projects Overview: "Ambler Road & Juneau Access."

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MARK DAVIS, Deputy Director, Alaska Industrial Development and Export Authority (AIDEA), Department of Commerce, Community & Economic Development (DCCED), stated that AIDEA took over the Ambler Mining District Industrial Access Road in June 2014 from the Department of Transportation & Public Facilities (DOT&PF), primarily to change the character of the project and to change the funding source.

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MR. DAVIS highlighted that the purpose of the project is to provide access to the Ambler Mining District, which was

recognized by the passage of Alaska National Interest Lands Conservation Act in 1980 (ANILCA) as a potential mining district selected by the state. ANILCA provided access to the mining district in Title 11 [slide 1]. He said this project would support exploration and development of the mineral resources in the Ambler Mining District. In fact, economic studies have been done to indicate that without a road the potential mines cannot be developed.

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MR. DAVIS referred to the location, "Where is the Ambler Mining District" [slide 2]. The Ambler Mining District is located approximately 200 miles west of the Dalton Highway's Prospect Creek. The area is a resource rich region 75 miles long that contains copper, lead, zinc, and silver [slide 3]. There are four major deposits, noting the one farthest along is the Arctic region, being developed by a publically-traded company NovaCopper Incorporated (NovaCopper). NovaCopper has entered into a joint venture with NANA Corporation on the Bornite deposit developed earlier by Kennecott Mine. NovaCopper filed its original preliminary Environmental Impact Statement (EIS) in 2011 and the EIS was updated in 2013. Both studies found the project feasible, he said.

MR. DAVIS reported on the project development to date [slide 4]. The DOT&PF initiated transportation reconnaissance efforts in 2010, including conducting 20 community meetings, performing preliminary engineering, providing estimates, as well as conducting preliminary baseline environmental research data to file an EIS. Alaska Industrial Development & Export Authority (AIDEA) took over the existing contracts that DOT&PF had with DOWL Engineering. That work continued through the summer 2013 and pending this year's appropriation will continue its engineering work during the next fiscal year (FY).

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MR. DAVIS reviewed the Analysis of Preliminary Corridors [slide 5]. The DOT&PF provided a preliminary analysis of corridors, including evaluations based on the corridor length, the federal

conservation system units, Wild and Scenic Rivers' considerations, salmon and sheefish habitat, and caribou habitat. The DOT&PF developed routes that avoid endangered species and caribou migration routes. The DOT&PF considered material sites. He said that AIDEA has slightly adjusted those sites and instructed DOWL Engineering to only use material sites that contain asbestos-free gravel. He reported that naturally-occurring asbestos has been found in some gravel sites, but DOT&PF has reconfigured the design to eliminate using those sites.

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MR. DAVIS discussed DOT&PF's Brooks East Corridor, designed as a two-lane 32-foot wide gravel road 200 miles in length traversing federal, state, and Alaska Native Claims Settlement Act (ANCSA) corporate lands, including Doyon land [slide 6]. The corridor would touch a federal conservation area, called the Transportation Utility System (TUS), which triggers Title 11 under ANILCA. The TUS corridor requires a separate EIS process using standard form 299. The AIDEA concurs that the proposed road will trigger Title 11, along with the National Environmental Policy Act of 1969 (NEPA) process. Thus, the DOT&PF will conduct a dual process moving forward to seek the required permits. He said that AIDEA met with federal agencies who confirmed the state is proceeding appropriately.

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MR. DAVIS turned to a map that highlights the proposed corridor and alternatives [slide 7]. He pointed out the Ambler Mining District is on the far left in black, the yellow indicates what DOT&PF has been working on and the proposed road will pass near the Andover Venture Corporate's SUN deposit. He emphasized the map has two alternate routes drawn in green. The next step in the process will be to file the ANILCA Title 11 and NEPA process. Under the federal process, the agencies will consider the yellow route and the dotted green alternate routes. Therefore, AIDEA has been considering the alternate routes as part of the process. He offered his belief that the federal process will include continued refinement of the route, consider

impacts on the communities, and type of access to the road. He characterized this as typical. In fact, it was the process used in developing the road to the Pogo Mine. During the NEPA process for the Pogo Mine, an agreement was reached to keep the first 26 miles of the road open to the public and to remove the next 26 miles of roadway when the mine is reclaimed. The aforementioned outcome was a combined agreement by landowners, the public, and the local governments. He emphasized that during the NEPA process agreements can be reached in terms of how to configure a road, which is different than the DOT&PF's process since the department builds public roads for access. He characterized the NEPA process as a totally different process.

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MR. DAVIS highlighted the community input on proposed access [slide 8]. He reported that AIDEA has held numerous meetings in the villages and received input on subsistence impacts, economic issues and employment. The communities have primarily been focused on access control. He anticipated increased employment in the area noting that a majority of the workers doing exploration work for Nova Copper thus far have been local hire. Additionally, one of AIDEA's statutory requirements is local hire to alleviate unemployment so that goal is applied to every project. The public always asks how the Ambler Road Project differs from the Dalton Highway [slide 9]. He provided a brief history on the Dalton Highway that was originally limited to industry traffic and closed to the public. The Dalton Highway was opened to the public during the second Hickel administration but was litigated by the North Slope Borough. The Alaska Supreme Court essentially ruled that the road could be opened because the Dalton Highway was built on a Bureau of Land Management (BLM) right-of-way. Further, the state legislature subsequently passed a statute requesting that the DOT&PF keep the first part of the road open, which made it possible to keep the second part open, too. Finally, the Dalton Highway had also been placed on the federal aid highway system to allow federal funds to be used for road maintenance. The proposed Ambler Industrial Road would not use state or federal dollars beyond state monies for permitting. He suggested that if the road is

deemed feasible by the AIDEA board and the mine is opened, that AIDEA would look for private capital for the project.

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MR. DAVIS anticipated that the Ambler road would be similar to Red Dog mine road since the proposed road will provide controlled access for industrial use only [slide 10]. He related that caribou cross the Red Dog mine road so caribou watchers are paid. Although AIDEA financed the Red Dog mine road it did not build the road. He pointed out the Red Dog mine road's success with caribou crossings. In fact, the Alaska Department of Fish & Game's (ADF&G) studies show that the caribou has increased in numbers. Further, the state understands the public will want to cross the proposed Ambler Industrial Road so that need must be addressed as part of the design. Additionally, the proposed project will use covered containers to limit the potential for dust. The truck drivers will be required to stop for caribou so commercial driver training and enforcement will be provided.

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MR. DAVIS pointed out the Red Dog mine road showing a truck driving down the middle of the road [slide 11]. Often, industrial roads are one-way roads and follow the contour of the land since this process requires less fill and disturbance and reduces overall road construction costs.

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MR. DAVIS provided an overview of the proposed project schedule [slide 12]. He reported that AIDEA has been conducting community outreach and that effort will continue through 2018. The routing and reconnaissance studies are complete but the agency is still working on the route. As previously mentioned the federal NEPA process and the ANILCA Title 11 process will be used. The engineering process is ongoing. Originally the DOT&PF projected the road costs at approximately \$400 million for a two-lane road; however, AIDEA will engineer it to a single-lane road to substantially reduce the cost to well below \$391

million. Road maintenance has been a consideration since a single lane costs less to maintain. Thus the usage safety plan will be implemented to run a series of trucks one way. With a public-private-partnership (PPP) liability issues can arise and safety precautions must be taken to lessen insurance costs.

MR. DAVIS briefly discussed the proposed tasks for FY 2015 [slide 13]. He reported that AIDEA continues to work on the baseline studies using the NEPA process for the EIS. If the project is approved it will move forward as a PPP. The AIDEA and NovaCopper have entered into a memorandum of understanding (MOU) which requires NovaCopper to keep AIDEA informed on the mine and AIDEA to keep NovaCopper informed on the permitting status.

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MR. DAVIS highlighted the FY 15 funding at \$8.5 million [slide 14]. He stated a substantial amount of the funding will be used for DOT&PF's geotechnical studies, the University of Alaska hydrology studies, and for other contractors to assess the environmental impacts. He pointed out \$1 million for the third-party EIS contractor, noting AIDEA will consult with the U.S. Army Corps of Engineers (USACE). He clarified that the contractor works with the USACE to prepare the EIS but is paid by AIDEA.

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MR. DAVIS reviewed the timeline for the project cost to completion estimates [slide 16]. He anticipated an estimated \$8.5 million for FY 15 and FY 16 and an additional \$7 million for FY 17 and FY 18, although funds may not be needed in FY 18. He related the PPP will be a design build process to finance, operate, and maintain the road [slide 16]. He said that AIDEA will seek a private partner to perform those functions since AIDEA does not have a construction or design team. The aforementioned process would be similar to the Red Dog model. This process would also allocate some of the risk to the partner. Although the PPP process has frequently been used in

other countries, it is becoming more prevalent in the U.S. AIDEA' consultants have experience in this area, he said.

MR. DAVIS described the rationale for the PPP process is to place some of the design and construction under the private structure since the private sector tends to be more innovative, faster, and less expensive than government [slide 17].

MR. DAVIS highlighted the spectrum of PPP or P3 options [slide 18]. He reiterated that the project would be a design, build, operate, and maintain process, like the Red Dog mine road. He advised that Teck Resources [formerly Teck Cominco] built and maintained the road to the Red Dog mine but pays AIDEA a toll. Thus, AIDEA has one person part time working on the Red Dog Road; however, AIDEA is a finance development authority and AIDEA works to limit staff on projects.

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CHAIR EGAN asked what will happen when the ore arrives in Fairbanks.

MR. DAVIS answered that AIDEA will work with the Alaska Railroad Corporation (ARRC) to build a small ore terminal, similar to AIDEA's participation in the Skagway Ore Terminal. Additionally, AIDEA has been working to identify the port, which will be a separate part of the PPP process. This new terminal could be beneficial since Alaska does not have export ports in Southcentral Alaska, only import ports. He concluded that this tends to dovetail with AIDEA's plans.

CHAIR EGAN hopes the Skagway Ore Terminal will be expanded.

MR. DAVIS responded that AIDEA has secured the bonding authority for the facility, subject to legislative approval. He reported that AIDEA signed the contract on January 14, 2014.

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SENATOR FRENCH asked for further clarification that the proposed Ambler Mining Industrial road would be a one-lane road that will not be open to the public.

MR. DAVIS responded that access will be decided by the consortium that owns it. He acknowledged that differing views exist. Assuming fuel could be transported to the community by a connecting ice road - if the drivers had commercial driver's licenses (CDL) - could result in fuel at Fairbanks prices for the community. AIDEA continues to be interested in the Interior Energy project and one comment often heard throughout the northern tier has been the price of fuel.

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SENATOR FRENCH asked how many state dollars will be committed to the project under the PPP process to make this work.

MR. DAVIS answered at the present time he can't provide a definitive answer. Currently, the Interior Energy Project is still under discussion. AIDEA has been working on a project development agreement with the parties; however, the legislature appropriated \$125 million for the SETS loan and also appropriated an additional \$57 million. He anticipated that AIDEA would provide about \$80 million per the term sheet. He emphasized that AIDEA could also bond up to \$90 million; however, although AIDEA has internally been running models it has not yet determined the model. He said that AIDEA's preference will be to use the least amount of state funding as possible. If AIDEA were to use bonds it is possible the amount would be zero, he said.

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SENATOR FRENCH asked when the financial plan will be issued. He wondered at what point in time the costs and obligations for the state and private sector will be identified.

MR. DAVIS answered that the record of decision on the EIS is the first step since the project can't go forward without it. Additionally, AIDEA seeks to obtain an EIS with long shelf life.

Previously, AIDEA has experienced EIS timeframes that lapse, especially on large projects and additional funds are necessary to redo them. He indicated AIDEA will project the anticipated opening date for the mine and will work on the model. He offered his belief that the financial timeframe will probably depend on commodities market.

CHAIR P. WILSON agreed that sometimes the EIS must be redone and she is happy to hear that AIDEA is coordinating this project with the anticipated mine opening date.

MR. DAVIS remarked that AIDEA is working to "model" this out.

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LOIS EPSTEIN, Professional Engineer (PE), Arctic Program Director, Wilderness Society, thanked members for the opportunity to testify on the two proposed megaprojects. The projects have ongoing questions related to whether the projects should move forward, especially in the context of other transportation needs, including a significant maintenance backlog. She hoped to see additional oversight hearings on the transportation megaprojects not being covered today. She said she is testifying today on the proposed Ambler Road project, one of several Roads-to-Resources (R2R) projects. Within the governor's FY 15 budget proposal, the legislature will have appropriated \$77.5 million for R2R's projects. This amount includes \$32 million for the proposed Umiat road, which is not being discussed today; however, she noted the lack of need for the project as any oil produced can move through the Trans-Alaska Pipeline System without an adjacent road.

MS. EPSTEIN stated that as the former director, of the nonprofit, Alaska Transportation Priorities Project, who issued two editions of a report entitled Easy to Start, Impossible to Finish in 2010 and 2011, respectively, that documents the tens of millions of dollars spent on planning road and bridge projects that likely will not materialize because they do not have realistic financial and business plans for funding the projects and will not provide meaningful state benefits, particularly to local residents impacted by the projects.

MS. EPSTEIN said her goal is to convince the committee, as decision makers, that the administration has gotten ahead of itself on the proposed Ambler Road Project by appropriating nearly \$18 million to date with another \$24 million proposed over the next three years to refine road details before a well-developed business case has been made for the mine and without ensuring local government support which AIDEA must have according to its statute.

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MS. EPSTEIN suggested the project will provide state revenue and if NovaCopper decides that the mine is not viable, for example, if the price of copper goes down, the state will have lost \$42 million. The proposed road to Ambler project would consist of a 211 to 370 mile road to the mining district. In April 2013, NovaCopper and AIDEA signed an MOU essentially giving AIDEA the lead rather than Alaska DOT&PF. AIDEA issues revenue bonds that are paid back by industrial entities; however, it is unlikely that NovaCopper and other companies will pay for the entire cost of the road including its planning, construction, and maintenance.

MS. EPSTEIN said, according to a 2013 NovaCopper press release, the company expects to pay the state \$9.7 million per year for the 12-year mine life, for a total of \$116.4 million for the estimated \$430 to \$990 million road construction, with additional costs for maintenance and operation.

MS. EPSTEIN said that in terms of the business case, NovaCopper has not yet reached the "prefeasibility" stage. Before reaching that point, NovaCopper's consultant recommended including additional technical studies and other steps estimated to cost over \$6 million. In terms of local support, four communities in the region: Bettles, Alatna, Allakaket, and Evansville have passed resolutions against this project and more may pass as other communities learn more about it. The Brooks Range Council was established by Interior Alaskans in the region in 2012 to oppose the regional land uses. The proposed routes raise concerns about degradation of subsistence resources, including

moose and caribou, whose migration might be altered with a long east to west road. She noted that the road to the Red Dog mine is a north to south road. The proposed Ambler Mining project road would also increase non-local hunting with adverse impacts to fish including tributaries supporting Yukon River salmon. The proposed project would increase traffic to this remote region with a strong wild lands tourism-based economy, cause potential significant asbestos exposure, and a decreased quality of life. The mining industry provided \$60.8 million in state revenue in 2013, representing less than one percent of the unrestricted tax revenue received by the Department of Revenue. She concluded her testimony by stating concerns about AIDEA's lead on this project. She highlighted that AIDEA does not participate in state transportation planning, which means that this funding will not go to other state transportation projects and residents from other parts of the state will not have any input in the decisions. She related her understanding that AIDEA is meeting with communities in the region; however, AIDEA will not be hearing from residents in other parts of the state who would like to see this funding spent on other projects. Additionally, AIDEA does not need to meet federal transportation law requirements for transparency, including notification of community meetings for its road project. As of last week, no Ambler road information was available to the public on the agency's website. Additionally, the PPP's plans need extensive scrutiny by experts and the legislature. She pointed out the dramatic change from a PPP for the proposed Knik Arm Bridge project. Finally, since DOT&PF has spent substantial funds on this project to date, she raised the question about how this road could be a private road given the public funds expended. She offered to provide legislators with contacts in the region and statewide, both Native and non-Native, who could highlight their concerns.

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SENATOR FRENCH asked whether anyone has independently verified the cost estimates for engineering.

MS. EPSTEIN said she has not verified the engineering costs, noting the limited material on project costs. She acknowledged

other states have found it useful to have independent verification since the tendency is to low ball the figures. She stated that this has occurs worldwide, not just in Alaska. Thus, it is important to have a disinterested party review costs.

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REPRESENTATIVE JOHNSON recalled that the return of investment would be limited. He asked whether she considered factors such as job or social impact and benefits. He suggested that the return to the state is secondary considering what a community gains by having people gainfully employed.

MS. EPSTEIN answered that she cannot speak for rural communities since she lives in Anchorage. She stated that she has been to Bettles, and the community has expressed strong sentiment about preserving the current local lifestyle, which would change with the road. She suggested that professionals who analyze jobs could better answer the question.

REPRESENTATIVE JOHNSON hoped to see the benefits testified about since it is important to also look the positive aspects and not just the negative aspects.

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GRETA SHIRK, Corporate and Policy Liaison, Government Relations, NANA Regional Corporation (NANA), asked to testify in support of the EIS process regarding the Ambler Road Project. She said that NANA is very interested in seeing more information before taking a final position on the project. In addition to being a NANA employee, she is a shareholder. She grew up on the Kobuk River in Kiana, spending days fishing, hunting, and harvesting berries and greens from the tundra. At NANA, the mission is to improve the quality of life for the more than 13,500 Inupiat shareholders by maximizing the economic growth, protecting and enhancing NANA's land and promoting healthy communities with decisions and behaviors inspired by the Inupiat traditional values. The Inupiat people have been Arctic developers, using what they had to survive in the harsh and unforgiving land. The

Inupiat people live innovatively, creating tools and mechanisms for survival. After the Alaska Native Claims Settlement Act (ANCSA), NANA applied the same principles of innovation in the business world. This can best be seen in the creation and continued operational success of the Red Dog mine. She related that for 25 years Red Dog, one of the largest zinc mines, has stood as a model of responsible resource development founded on the principles of consensus, cooperation, and mutual respect between a mining company and the Inupiat people of Northwest Alaska. In fact, 2014 marks the 25th year of operation at the Red Dog Mine.

MS. SHIRK said that to date, NANA has received more than \$1 billion in revenue from the mine, \$608 million of which has been shared with other Alaska Native Corporations through the Section (7) (i) provisions of Alaska Native Claims Settlement Act. The Red Dog Mine has been an economic engine for the NANA region and the rest of Alaska. Residents in Northwest Alaska, the Matanuska-Susitna Valley, Anchorage, Fairbanks, Juneau, and other areas of Alaska benefit from high paying mining jobs, corporate dividends, social and cultural programs, and local charitable contributions. Additionally, the Northwest Arctic Borough has received nearly \$120 million as payment in lieu of taxes since Red Dog production began. As many of you know, the state receives approximately \$20 million annually from Teck Alaska for the use of the haul road between the mine and port sites. Due to the success of the Red Dog Mine, NANA looks to other areas of the region for responsible resource development. Today, NANA is engaged in an advanced stage exploration project with NovaCopper. The upper Kobuk mineral project agreement consolidates the landholdings of NovaCopper and NANA and provides a framework for the exploration and potential development of the belt for base and precious metals.

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MS. SHIRK related that NANA's Board of Directors has based its decision on 15 years of local discussions, supported by shareholder opinions as outlined in NANA's 2011 shareholder survey showing that 93 percent of shareholders feel that mining at Red Dog has positively impacted their communities through

jobs, training, village economic development, and other programs. Approximately 86 percent of NANA's shareholders support further responsible resource development on NANA lands. She emphasized the importance of consultation and collaboration to the Inupiat people's success. The Inupiat want and seek out more information to make the most informed decisions. When it comes to the potential Ambler Mining District road project, NANA wants and needs more information. Thus, NANA is interested in and supportive of the EIS. She offered her belief that it is nonsensical to halt any options that could potentially improve the economy of the NANA region and the quality of life for its shareholders. She related that several avenues of input are available through the EIS process. NANA has held independent listening sessions with each of the 11 communities and NANA is committed to continuing the process of consultation with our shareholders. The DOT&PF and AIDEA have also been thoroughly engaged in the region for the past several years. Through this process, our shareholders have effectively influenced a potential Ambler road project by diverting the proposed route to avoid the Paw River to protect important sheefish habitat and a traditional sacred area of the Kobuk River Inupiat. Additionally, the state has heard concerns by residents regarding limited access. Many non-government organizations (NGOs), corporations, and other citizen's groups have advocated and asked for a structured public process when it comes to development propositions in Alaska and that is exactly what is happening through the EIS process and consultation by state agencies.

MS. SHIRK said that NANA is mystified by the efforts of other groups that seek to prematurely draw conclusions about the road proposition. She stated that NANA believes the Alaska Natives who actually live in the area affected areas, and not special interest groups, need to be at the forefront of the decisions that impact the respective regions. While the development of Red Dog mine has resulted in positive economic impact in the region, the communities, families, and elders still struggle to make ends meet due to the skyrocketing cost of living and high energy costs in the region. In our modern world to simply be pro-conservation or pro-development is not enough. The challenges rural Alaska faces are complex, and need multi-

faceted and well-reasoned solutions. Special interest groups have suggested in proposals that bicyclists in Wasilla have a greater transportation need than the underdeveloped regions in rural Alaska. She emphasized that NANA could not disagree more. Well-reasoned and well researched options need to be provided to Alaskans. She reiterated that NANA supports moving forward with the EIS process and commits to the region's residents that NANA will remain engaged every step of the way, ensuring that their concerns, needs, and desires are at the forefront of these discussions. During the discussions of the aforementioned project, it is important that the public and private partners and outside environmental groups understand that the foremost priority is to protect the land and the subsistence way of life. She said:

The Kobuk River is our home and because who we are as Inupiat people is tied directly to the land, subsistence is the highest and best use of NANA lands. Every land use decision and how we engage in business opportunities in our region is made with this directive at its core. Now is not the time to allow outside special interest groups to cut off the consideration of options that could contribute to the sustainability of our communities and the survival of our region. Those decisions will be made by the Inupiat people of Northwest Alaska and by our Athabascan neighbors in the Interior. Thank you again for the opportunity to testify.

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REPRESENTATIVE KREISS-TOMKINS asked if Bettles, Evansville, Alatna, and Allakaket are in the NANA region.

MS. SHIRK answered no.

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SENATOR FRENCH said he thought everyone would love to see another Red Dog Mine, which is an economic engine everyone could get behind; however, he hasn't heard of anyone stopping the

project before it is started. He wasn't sure it was accurate to say that people want to derail the project. He thinks it's fair to ask questions. He asked whether NANA has considered if the road should be combined with the [proposed Ambler] mine EIS since the road without the mine is "obviously a non-starter."

MS. SHIRK answered yes; however, she didn't know whether that can be approached through a two-prong process. She suggested that the NANA leadership and BOD could consider it.

CHAIR EGAN, in response to a question, answered that DOT&PF elected to have AIDEA present.

CHAIR P. WILSON stated the next portion of the presentation would be on the Juneau Access Road.

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The committee took an at-ease from 1:52 p.m. to 1:54 p.m.

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JEFF OTTESEN, Director, Division of Program Development, Department of Transportation & Public Facilities (DOT&PF), began by outlining the policy question and reasons the state should consider extending the road to take over the functions being served by ferries [slide 2]. He said the simple answer is that the proposed Juneau Access Road will reduce the long-term cost for the state and users while greatly expanding traveler capacity and travel flexibility. He offered to expand reasons this project is important not only for this region but to the entire state.

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MR. OTTESEN outlined the advantages of day boats [slide 3]. First, he defined a day boat as a ferry intended to operate 12 hours or less from a home port, typically making one or more round trips per day noting the U.S. Coast Guard limits day boats to a 12-hour operational day. Consequently, the turnaround time and how quickly loading and unloading happens is critical to

making day boats effective. Thus, it becomes important to not have long "dwell times" at port so the day boat design, like the Alaska Class ferry design, features a "roll on roll off" design. Another advantage of day boats is that day boat operations don't require crew hotel or restaurant accommodations since the crew returns home each night. Finally, compared to a mainline ferry, the day boats will accrue capital and operating savings.

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MR. OTTESEN turned to the reasons the state should consider a road [slide 4]. Fundamentally, roads are less expensive over time in capital and operating costs, although roads have a big initial cost the cost ultimately results in cost savings over time. Second, roads will greatly increase capacity by almost a factor of ten. He offered his belief that the demand will be high and traveler demand has been "choked" by a lack of flexibility and the high cost of travel by ferry in Alaska. Third, he emphasized that ferries restrict demand, reduce flexibility, and increase travel costs, which can be prohibitive. At the same time ferry subsidies in Alaska are very high and continue in perpetuity.

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MR. OTTESEN showed a map that designates the state's preferred plan [slide 5]. He pointed out the map shows Alternative 2B, which would extend the road at the northern end of the Glacier Highway, around Berners Bay, up the east side of Lynn Canal to a point approximately due east of Haines in a river valley known as Katzehin. The proposed Katzehin Ferry terminal would operate ferries would run from Katzehin to Haines, from Katzehin to Skagway, and run a small ferry between Haines and Skagway. He estimated the ferries would serve Haines 10 times per day and a separate ferry would run north to Skagway 6 times per day. The mainline ferries that currently transits Lynn Canal would turn around at Juneau and would not operate the current northern run to Haines or Skagway.

[1:58:27 PM](#)

MR. OTTESEN outlined the advantages of preferred plan [slide 6]. First, the mainline ferry operating distance can be reduced by 186 miles per round trip voyage by eliminating the Auke Bay to Skagway route. Second, as previously mentioned, the corridor capacity would increase by a factor of ten. The capital cost would drop over time since most of the initial investment is retained over many decades. Although the pavement must be re-surfaced periodically, bridges can be designed to last 75 years and longer. Thus, the road bed, embankment, and other aspects are long-term assets. He contrasted this with ferries, which are replaced "piece-by-piece" over their 50-year life. He detailed that steel is replaced, engines are replaced, and many other components of the ship are also replaced. In fact, the capital cost of a ferry isn't the initial building cost, but the building cost is the cost of repeatedly replacing components until eventually the state build the ferry again with little residual value remaining. He predicted that one to two mainline ferries could be eliminated from the fleet once the proposed Alaska Class Ferries and the proposed road extension is in service.

MR. OTTESEN reviewed the 50-year mainline ferry costs totaling \$1.72 billion [slide 7]. The cost to replace the Columbia and Matanuska is estimated at \$320 million. Further, maintenance and operations for the ferries are calculated at \$1 billion over a ferry's 50-year life. Meanwhile, the annual operating deficit per year is \$20 million which totals \$1 billion over a 50 year period. One mainline ferry's cost over a fifty year period is projected to total \$1.72 billion, of which, an average of 30 percent will be recovered by fares and \$700 million will not be recovered.

[2:01:34 PM](#)

MR. OTTESEN reviewed the modal net per capita costs per population served [slide 8]. The DOT&PF considered the population of each census district and compared all the modes, including the AMHS, rural aviation, and highway network for this analysis. The net revenue, divided by the population served, arrives at a \$1,000 per capita cost. At the same time, the highway cost was calculated at approximately \$40 per capita or

roughly 25 times less. Consequently, these cost savings drive the decisions and debate toward roads. He said, "It's not a trivial difference. It's a very large difference, roughly 40 times per capita."

[2:02:46 PM](#)

MR. OTTESEN reviewed the DOT&PF's current capital budget request for FY 15 broken down by rural aviation, highways, and the Alaska Marine Highway System (AMHS) [slide 9]. He pointed out \$174.6 million is the operating budget for the AMHS and is shown in the large green portion on the slide. Although these figures represent more than half of the department's budget, ferries serve less than one percent of travel in the state. The remaining 99 percent of travel is accomplished by the highway system and the rural aviation system. He contrasted the stark difference in costs, noting that in times like these when the state's budget is restrained the department must provide better service at lower cost.

[2:03:34 PM](#)

MR. OTTESEN highlighted that ferry systems in other parts of the world are faced with the same issues [slide 10]. He pointed out that Canada's Prince Edward Island ferry ran an eight-mile run between Prince Edward Island and the mainland. This ferry was an obligation of the federal government to provide the ferry service despite the cost with service begun in 1910. However, the federal government created and funded a proposal to build a bridge with a guaranteed 33-year subsidy and the builder charging a toll. Those two revenue streams built the bridge, he said. Ultimately, the Canadian government benefited by having a fixed subsidy that would not rise with inflation. At the end of the time period the government no longer had to pay the subsidy.

MR. OTTESEN turned to the E-39 Norway Highway [slide 10]. The highway runs 800 miles and travels along a coast of fiords, big mountains, and islands, very similar to Southeast Alaska's geography. However, Norway has been systematically building bridges and underwater tunnels to replace the ferry links. Currently, Norway is down from 20 to 8 ferry links and plans to

continue over the next few years to reduce ferries until they are all gone. He reported that all of the ferry runs are between 10 and 40 minutes. Norway has been adding road legs, building new terminals, and shortening the number of ferry links. He reported that their longest tunnel is ten miles long and is nearly 1,000 feet under water. The roads serve communities smaller than Juneau. He highlighted Norway's policy, which is to avoid the perpetuity costs. About 20 years ago, the DOT&PF brought Norwegian engineers to Juneau and canvased Lynn Canal. Their engineers did not see the proposed Juneau Access Road as insurmountable or too challenging. In fact, the proposed project mirrors what Norway has been doing. He emphasized that similar projects have Federal Motor Carrier Association have been built elsewhere and has been done well. He pointed out Norway's coastline that shows the fiords and terrain. In Alaska, the department has been working to shorten water links, such as in Metlakatla. A day boat operates from Prince of Wales Island and makes one or two round trips per day. This ferry operation results in much more convenient service than a mainline ferry service could offer.

[2:07:28 PM](#)

MR. OTTESEN discussed the "take away" [slide 112]. He related that replacing or shortening ferry routes with roads and using day boats is a rational public policy response. It would lower public and private costs, offer superior service to travelers, and is attainable as other countries have demonstrated by eliminating perpetual ferry subsidies.

[2:08:02 PM](#)

MICHAEL VIGUE, Division Operations Manager, Division of Program Development, Department of Transportation & Public Facilities (DOT&PF), provided a status on the project. First, he reviewed the purpose and need [slide 2]. The DOT&PF has been working on a draft supplemental EIS. He said, "Our purpose and need statement is to provide improved surface transportation to and from Juneau within the Lynn Canal corridor." The department would like to provide the capacity to meet transportation demand in the corridor, provide flexibility, improve the opportunity

for travel, reduce travel times between communities, and reduce state and user costs for transportation in the corridor.

MR. VIGUE said the draft EIS is built around those statements. The draft EIS is an important element of the National Environmental Policy Act of 1969 (NEPA) [slide 3]. The DOT&PF must prepare a NEPA document for every federal-aid project that the department builds and the process provides an opportunity for the general public, local, state, and federal agencies to have input into the process. The final EIS will include all comments and responses which allows the public to see how the issues were addressed. The EIS is a joint document between the Federal Highway Administration (FHWA) and the DOT&PF. Although it ultimately becomes an FHWA document, the DOT&PF assists in the preparation. In fact, the DOT&PF has analyzed a number of alternatives, which also must be consistent with the state's 2004 Southeast Alaska Transportation Plan. The aforementioned 2004 plan is currently in the process of being updated and represents the most current plan. Through this process, the department will take into account travel demand and capacity in the corridor, flexibility and opportunity to travel, travel times, total project life costs, maintenance costs, user costs, state costs, and the environmental impacts the project will create.

[2:10:58 PM](#)

MR. VIGUE discussed the travel capacity and demand for Alternative 2B (2020), comparing the current Lynn Canal service with the service for the preferred Alternative 2B upon completion in 2020 [slide 4]. Based on the 2012 AMHS schedule Lynn Canal's capacity is 154 vehicles per day. In 2002, Alternative 2B would provide a capacity of 1,484 vehicles per day. However, the current summer traffic for 2012 in Lynn Canal based on actuals totaled 71 vehicles per day. Based on traffic forecasts, approximately 1,345 vehicles are predicted to travel the corridor if Alternative 2B is completed in 2020.

MR. VIGUE discussed the current situation for Juneau to Haines compared to Alternative 2B [slide 5]. He stated that the current capacity from Juneau to Haines is 93 vehicles per day,

and if alternative 2B was built, the system could handle 848 vehicles per day between Juneau and Haines, which is nearly a ten-fold improvement. The one-way travel time is 7.2 hours, which includes wait times whereas under Alternative 2B the time would be reduced to 3 hours. The current costs for a family of four traveling from Juneau to Haines with a typical 19 foot vehicle would be \$215.00 which would be reduced to \$31.20 for a significant savings in money and time.

[2:13:54 PM](#)

MR. VIGUE pointed out that currently the AMHS provides one trip per day for the Lynn Canal system, but under Alternative B would increase and serve Katzehin to Haines with eight round trip ferries per day.

MR. VIGUE turned to a similar slide for Skagway with similar results [slide 6]. There would be a significant increase in the capacity and a significant decrease in the time traveled and for user costs.

[2:14:37 PM](#)

MR. VIGUE discussed the project history [slide 7]. First, Juneau is the largest community on the North American continent not connected to the continental highway system. Second, Juneau is the only state capital not connected to the road system. This project began in 1997 and in 2000 Governor Knowles declared Alternative 2, an East Lynn Canal Highway route as the state's preferred alternative. However work was suspended and two fast ferries were ordered - the fast ferry (F/F) Fairweather and the F/F Chenega. In 2006, a record of decision was issued by the Federal Highway Administration (FHWA) and in August 2006, a lawsuit was filed in federal district court and the court ruled that the state failed to consider an alternative that would improve ferry service without any requiring additional vessels or terminals [slide 8]. In May 2011, the state appealed to the U.S. 9th Circuit Court of Appeals. A three judge panel ruled [2 to 1] to uphold the federal district court's decision. In January 2012 the DOT&PF initiated preparation of a supplemental EIS, which is the current process. The supplemental EIS

includes Alternative 1B, which is enhanced service with existing AMHS assets. He offered to review the alternatives in more detail.

[2:16:45 PM](#)

MR. VIGUE reviewed Alternative 1 - No Action [slide 9]. He referred to six maps in members' packets. Alternative 1 would mean a continuation of mainline service and would incorporate the two-day boat Alaska Class ferries. The mainline service would consist of two round trips per week in summer and one round trip per week in the winter. During the summer, one of the Alaska Class ferries would travel from Juneau-Auke Bay-Haines and the other would travel from Haines to Skagway.

MR. VIGUE explained Alternative 2B - the East Lynn Canal Highway would consist of constructing a highway from the Echo Cove to Katzehin River [slide 11]. A shuttle ferry would transport passengers/vehicles from Katzehin to Haines and another ferry would provide transportation from Katzehin to Skagway. Frequently, the department has been questioned for the reason the road doesn't continue on to Skagway [slide 12]. In 1997, the draft EIS analyzed the road continuing to Skagway and the National Park Service (NPS) indicated that there were not any (4) (f) impacts. He clarified that the FHWA cannot approve the use of land from publicly owned historical sites unless there are no feasible and prudent alternatives and harm to the property from use is minimized. In 2004 the DOT&PF consulted with the NPS and their updated plan indicated the Skagway and White Pass District and historic landmarks are listed as a (4)(f) resources. Thus, the FHWA advised the DOT&PF it cannot impact the (4) (f) resources and Alternative 2B was developed to terminate in Katzehin.

[2:19:54 PM](#)

CLAY GOOD, representing himself, stated that he does not have any technical knowledge on the proposed access road, but he is a community member. He owns property in Haines and travels there once a month. He arrived in Juneau in 1967 traveling on the ferry system. His family intentionally moved to Juneau,

recognizing its unique opportunities and attributes, including community safety, clean air, water, nature, wildlife, hunting, and fishing. He appreciated the community comprised of indigenous and immigrant Alaskans who share resilience borne of ingenuity, hard work, and patience. He has reasonable doubts about the quality and integrity of DOT&PF's plan for the proposed Juneau Access Road. He characterized the proposed road as an expensive and dangerous road to a remote ferry terminal far from the population center it is meant to serve. He expressed concern in three areas, utility, safety, and economic responsibility. He suggested that the inefficiency of driving 80 miles to the new ferry terminal, especially since it would eliminate travel options for foot passengers. He asked how foot travel would be accommodated, as well as the inconvenience of traveling so far as compared to the current ferry travel. In terms of travel, he found ferry travel to be the safest form of travel in Southeast Alaska.

MR. GOOD described Lynn Canal as a steep, unstable mountainous region much like Norway. He reported that the proposed road would cross as many as 36 avalanche areas with 112 hazards and rock slides. In fact, the DOT&PF proposed the road would be closed 34 days a year. The Alaska Department of Fish & Game (ADF&G) expects numerous animal collisions with vehicles and the bear and goat migratory data is sobering. He asked what DOT&PF's plans are for emergency search and rescues that would be necessary and if the department would provide an avalanche response team each winter. He asked whether the state will provide public safety officers or if enforcement will fall to the community. Further, driving a narrow road is far more perilous than traveling in the comfort and safety of the AMHS vessels. He has often traveled as a student and a teacher on field trips throughout Southeast Alaska and the ferries are the safest, most affordable transportation available. He related a scenario in which he coached the National Ocean Sciences team, traveling to Seward in February. He related he narrowly avoided avalanches several times, which blocked other teams. He contrasted this travel to taking 40 students on a winter ferry to Haines with a bus driving to a remote ferry terminal. He wondered which choice parents would make. He remarked that

accidents with animals will occur and he felt it was irresponsible not to account for these enormous risks.

[2:27:06 PM](#)

MR. GOOD related his understanding in terms of economic responsibility that many roads are justifiable since they support multiple purposes and generate wealth than expenditures. He asked for further clarification what part of the proposed Juneau Access Road meets anything remotely resembling cost effectiveness. The DOT&PF estimates the upfront cost of the road and ferry terminal at \$524 million although he anticipated cost overruns and additional safety features. He wondered about the cost of duplication of services since this option doesn't eliminate ferries, but expands them. He expressed concern about the cost of road maintenance in a zone prone to slides, settling, freezing and thawing. Although he enjoys driving, he has had experience driving on roads in Montana and has found these roads under constant repair since it is bombarded by rock slides.

MR. GOOD expressed further concern about the cost of snow removal, avalanche control and abatement, emergency rescue, and enforcement. He asked how the rest of Alaska will view the cost of this road given the needs in other communities. He further asked how this mega project would compete with other needs such as safe water, affordable energy, waste treatment facilities, disposal facilities, education, and public safety. He wondered if the DOT&PF has considered the rest of the statewide needs just so Juneau drivers can shave a couple hours off their occasional ferry trip to Skagway. He suggested that his priorities may differ, but fiscal responsibility is a priority that most Alaskans share. He understood that the legislature is working to cut budgets, set better priorities, but he did not think Alaskans would believe the Juneau Access Road will help the legislature achieve this goal. When Juneau voters were asked, they rejected the road in favor of ferries. He concluded that the proposed Juneau Access Road project is flawed, specious, and disingenuous in his view. He wondered if the DOT&PF could sell the idea of a proposed Juneau Access Road to anyone if they can't sell it to Juneau. He looked forward to

hearing more about plans for the road and less about what is bad about ferries. He thanked members for the opportunity to testify.

[2:30:35 PM](#)

SENATOR FRENCH said he would like to be respectful to our guest who spoke very passionately and in a grounded manner. He said he is an Anchorage legislator and the closest comparison he can make is the road from Anchorage to Girdwood. He recalled that every year the communities suffer one to three horrific head-on collisions on the road. He suggested the traffic on the Anchorage to Girdwood road is twice the traffic planned for the proposed Juneau Access Road. A few years back, the Anchorage community considered doubling the width of the road to a four-lane road to make it truly safe. He recalled the estimated cost was \$600 million for 30 miles. He wondered if he thought the \$500 million projected cost was accurate.

MR. GOOD answered that he doesn't have any expertise, but he has never seen a "mega" project in Alaska that came in on budget. He recalled earlier testimony that evidence exists to low ball projects since they want the projects to go through and it serves no purpose to overestimate costs. He offered his belief that voters appreciate a more conservative estimate so the project will not be partially completed.

CHAIR P. WILSON agreed. She commented that she loves ferries but the costs are so high that many legislators have been complaining about costs in Southeast. She pointed out that the costs are rising and the legislature must address the fiscal issues.

CHAIR EGAN commented that he wished that the road would have been built in 1972 up the west side of Lynn Canal. He said it was favored heavily by the community, but was vetoed by the next administration.

[2:34:11 PM](#)

SANDY WILLIAMS, Chair, Citizens Pro Road, stated he is a retired DOT&PF employee. He provided a brief history. When Governor Egan initiated a ferry system in 1962 it was never meant to provide a permanent transportation solution in Southeast Alaska. In fact, the AMHS was anticipated as an interim solution to coastal communities as the young state developed its infrastructure and planned for future growth. Currently, the AMHS experiences a 200 percent subsidy. For every \$3 in ferry costs, the rider pays \$1 and the state pays \$2. In 1996, the operating costs for the AMHS were \$69.5 million and revenues were \$39.7 million and in 2013, the operating costs run \$172 million and revenues were \$53.2 million. Thus in 17 years the state's subsidy has increased from \$28.8 million to \$119.7 million per year totaling a 69 percent subsidy.

MR. WILLIAM suggested that to responsibly serve the public the state must lower the operating costs, provide greater capacity and travel frequency, as well as significantly reduce user costs. He surmised that continuing with the status quo will increase the subsidy to in excess of \$1 billion. The other approach is to implement Southeast Transportation Plan to create efficiencies by restructuring the existing ferry routes, replace the mainline ferries with shuttle ferries, and construct new roads to shorten ferry routes. In doing so, the Lynn Canal highway would meet travel demand, reduce traveler costs by 90 percent, and would reduce annual operating costs resulting in AMHS budget reductions. Unlike ferries, roads are long-term investments that require occasional improvements to sustain them. The initial costs are permanent or long-term in nature. Portions of the Richardson Highway have gone without any necessary major repairs in 50 years. He offered his belief that when Alaskan builds the proposed Juneau Access Road it will face some challenges, but nothing that can't be solved. The proposed road will provide savings to the state, improve the economies in Haines, Skagway, and Juneau, and lower transportation costs for users.

[2:38:01 PM](#)

MR. WILLIAMS related that he was the original engineer for the DOT&PF when the road was built from Skagway to Carcross. No one

argued against that road so he finds our community to be selfish and short-sighted to argue against the proposed road now. The aforementioned road was built the early 80s and there hasn't been a major road extension built in Alaska in 34 years. He said those living in Southcentral and Interior Alaska can understand how critical the Alaska railroad, the Seward, and Parks highways are to the state. He lamented that it is much easier to be against a project than for it. The progressive vision that guided those projects needs to be used today in the Lynn Canal Highway. The federal dollars that will be spent on the road can't be used for operational costs, funding schools, or for social services, schools. He emphasized that the legislature is key to effecting a meaningful change required to address transportation in Southeast Alaska. He regretted that some people have made this decision making uncomfortable and he commended members' commitment to improve transportation in Alaska and by moving forward aggressively to build this road.

[2:39:35 PM](#)

REPRESENTATIVE KITO III asked about alternative 2B. He asked for clarification on the operations of the Katzehin ferry terminal.

MR. OTTESEN deferred to Mr. Vigue.

[2:40:58 PM](#)

REPRESENTATIVE KITO asked whether he could outline how the terminal would be staffed and whether any amenities would be available for passengers awaiting ferries.

MR. VIGUE answered that the ferries would operate during the summer months for 16 hours per day. He envisioned that the ferry terminal would be a regular ferry terminal with a waiting area and a parking area. He was unsure on staffing levels at this time but offered to research and provides information to the committee.

[2:42:11 PM](#)

REPRESENTATIVE KITO III asked whether the terminals would be maintained 24 hours per day or if staff would commute from Juneau.

MR. VIGUE answered that staff must be on the day boat 24 hours per day. He was unsure about the number of staff.

[2:42:41 PM](#)

CHAIR P. WILSON suggested that perhaps someone from Skagway or Haines could staff the ferry terminal.

MR. VIGUE answered he was unsure on staff levels at this point. He suggested that some of the details would be determined by the AMHS, but he offered to find out and report back to the committee.

[2:43:21 PM](#)

REPRESENTATIVE KREISS-TOMKINS was pleased to hear the DOT&PF was emulating Norway's ferry and road solutions. He'd like to emulate their oil taxation policies, as well. He asked whether the road to Katzehin would be open in the winter.

MR. VIGUE answered yes.

[2:43:49 PM](#)

SENATOR FRENCH revisited the figures to Girdwood and noted the summer traffic to Girdwood is 13,000 to 15,000 vehicles per day.

MR. OTTESEN answered yes.

SENATOR FRENCH pointed out that there would be about one-tenth of the traffic on the proposed road. He asked for an update on the cost estimate.

MR. OTTESEN answered that the project was just updated to \$500 million. In further response to a question, he related the update was done in November 2013.

SENATOR FRENCH asked for further clarification on the quotes for on head on collisions. He reiterated the costs to widen the road to Girdwood at \$600 million. He asked for further clarification on the costs for the proposed Juneau Access Road.

MR. OTTESEN answered that several issues make it different. He suggested that the new road to Girdwood would require traffic to be maintained. Additionally, high tension power lines and the rail line would need to be relocated. He explained that the project contains a park and Turnagain Arm has Beluga whales. He suggested that widening the road from Anchorage to Girdwood has every type of complexity imaginable.

[2:46:16 PM](#)

CHAIR EGAN asked for further clarification on the current number of dollars available for the road.

MR. OTTESEN offered to obtain those figures. He suggested that a combination of earmarked federal funds, some prior state appropriations and prior federal appropriations, or permission to use federal funds.

CHAIR EGAN noted additional money is in the proposed Governor's budget. He asked for the totals.

MR. OTTESEN answered yes.

CHAIR EGAN related the state has \$125 million plus to build two day boat ferries. He wondered what would happen to the day boats in Lynn Canal if the road is built.

CHAIR EGAN answered that the boats can meet other purposes and are not fixed to Lynn Canal so he anticipated that the state would proceed with the ferries.

CHAIR EGAN did not think the ferries could cross Dixon Entrance.

MR. VIGUE answered that the two Alaska Class ferries are intended to part of the Juneau Access project and would run from Katzehin to Haines and from Katzehin to Skagway.

2:48:18 PM

REPRESENTATIVE KREISS-TOMKINS envisioned the winter scenario with avalanche shoots down and people off the Katzehin ferry cannot get to Juneau due to the avalanche. He asked what would happen to the stranded people.

MR. VIGUE answered that if people weren't able to get to Juneau, the ferry would return them to Haines or Skagway.

2:50:06 PM

ADJOURNMENT

There being no further business before the committee, the joint meeting of the House and Senate Transportation Standing Committees was adjourned at 2:50 p.m.