

HB

101

# HOUSE COMMITTEE REPORT

(11)

Date referred: 4/3/87

FURTHER REFERRALS:

DATE: 5-11-87

The Finance Committee has considered HB 101

"An Act relating to state toll facilities."

**RECOMMENDS:**

- replace with CS HB 101 (Fin.)  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

ADAMS [Signature]

POURCHOT [Signature]

LARSON [Signature]

GOLL [Signature]

SWACK-HAMMER [Signature]

BOYER [Signature]

RIEGER [Signature]

FRANK [Signature]

BROWN [Signature]

**SIGNING OTHER RECOMMENDATIONS:**

WALLS [Signature] NO REC

DAVIS [Signature] NO REC

[Signature]  
Chairman's signature

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

REQUEST: 3/27/87

Bill Version: SHB101(Fin.)  
Publish Date: \_\_\_\_\_

Revision Date: \_\_\_\_\_

Agency Affected: DOT&PF

Title: An Act Relating to State Toll  
Facilities

BRU: Design and Construction

Sponsor: Cato

Components: \_\_\_\_\_

Requestor: House Transportation

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

**FUNDING: (Thousands of Dollars)**

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

**POSITIONS:**

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

**ANALYSIS : (Attach a separate page if necessary)**

There is no fiscal impact in adding tunnels to existing toll authority. The specific fiscal impacts of a Whittier Toll Road would be subject to AS 37.15.730.

Prepared by: William R. Snell, Regional Director Phone: 266-1440  
Division: Central Region Date: \_\_\_\_\_

Approved by Commissioner: *W. K. S. [Signature]* Date: 3/31/87  
Agency: DOT&PF

**Distribution (by preparer):**

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

WHITTIER TRANSPORTATION ALTERNATIVES  
Economic Analysis and Financing Options

Executive Summary

Overland access to Whittier is currently limited to a rail shuttle service between Portage and Whittier provided by the Alaska Railroad. Concern has been expressed that the shuttle does not provide the level of convenience of a direct highway link, and that the cost and frequency of existing service may constrain potential economic development of the community.

Since development of Whittier during World War II there has been significant community and regional interest in improving access. A number of concepts have been evaluated, cost estimates have been prepared, and projects have been determined to be feasible from an engineering perspective.

One issue that has not been addressed in previous efforts is the potential use of access tolls or other local revenue sources to finance construction and operation of transportation improvements. To evaluate that potential, high, medium, and low traffic and revenue forecasts were prepared for a number of access options. Net revenues and financing capacity were determined using updated construction and operating cost estimates prepared in previous analyses.

Factors leading to significant increases over present traffic volumes include local and regional population growth, steadily increasing numbers of non-resident tourists and tour ship activity, and potential increases in recreational boating activity if the proposed Shotgun Cove harbor project is constructed. From a current level of approximately 147,000 passengers per year, annual transportation demand by the year 2007 is projected to grow to 310,000 passengers for the low forecast, and up to 942,000 passenger trips under the high forecast.

Transportation options selected for analysis were chosen from previously studied concepts, including improved rail service, joint use of the existing rail tunnel and alignment for one lane vehicular traffic, and construction of a new one lane tunnel. The study focused on five alternatives that would have the highest probability of minimizing or eliminating the necessity for construction and operating subsidies, while at the same time meeting the goal of increasing ease of access to the community.

In terms of initial outlays the least cost access improvement would be to supplement the existing train shuttle with Budd car service. Such service, similar to the new winter Anchorage-Fairbanks run, could be provided during peak periods and for those winter days when no shuttle service is scheduled. Projected operating costs for this alternative, however, are relatively high in comparison to the other scenarios considered.

The development of an electric train vehicle shuttle between Bear Valley and Whittier appears to have the best potential to fund a significant proportion of initial capital outlays through user tolls. Major cost components, totalling an estimated \$30.6 million, would include:

- the construction of a new road to Bear Valley (starting from the vicinity of the Begich-Boggs Visitor Center at Portage Lake);
- parking/staging areas at Bear Valley and Whittier;
- electrification and other improvements to the Passage rail tunnel through Maynard Mountain;
- and the purchase of electric locomotives and flatcars to operate the shuttle service.

Projected construction financing capacity for the electric train vehicle shuttle ranges from \$12.8 million for the low traffic and revenue forecasts up to \$37.8 million for the high growth scenario.

Among the alternatives which included direct vehicular access, joint use of the existing rail tunnel from Bear Valley to Whittier has the greatest potential for financing start-up costs through user tolls, with construction financing capacity estimated to range from \$8.2 million to \$35.8 million. A major concern, however, is the wide variation in previous estimates of the cost of improving the tunnel to accommodate vehicular traffic, ranging from \$35.6 million to \$133.5 million in current (1986) dollars.

For each of the above alternatives the feasibility of project development will depend on the accuracy of previously prepared estimates of construction and operating costs. As the estimates used in these analyses were based on preliminary design concepts, and in some cases were updated from studies dating back several years, it is strongly recommended that detailed construction and operating cost estimates should be prepared prior to selecting a transportation improvement plan.

Original sponsor: Cato

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 101 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state toll facilities."

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

8 \* Section 1. AS 19.05.040(11) is amended to read:

9 (11) establish, levy, and collect tolls, fees, charges, and  
10 rentals for the use of state roads, highways, bridges, tunnels, cross-  
11 ings, and causeways; and

12 \* Sec. 2. AS 37.15.720 is amended to read:

13 Sec. 37.15.720. STATE TOLL FACILITIES. The state is authorized  
14 to acquire, construct, equip, and maintain toll bridges, tunnels,  
15 highways, roads, crossings, and causeways found to be necessary by the  
16 commissioner of transportation and public facilities.

17 \* Sec. 3. AS 37.15.730 is amended to read:

18 Sec. 37.15.730. WHITTIER TOLL ROAD AND KNIK ARM CROSSING. Not-  
19 withstanding the provisions of AS 37.15.720, the first two state toll  
20 facilities [FACILITY] to be financed under AS 37.15.610 - 37.15.760  
21 are [IS] the Whittier Toll Road and the Knik Arm Crossing near  
22 Anchorage. A toll facility authorized under this section may be  
23 financed under AS 37.15.610 - 37.15.760 if the following conditions  
24 are met for that facility:

25 (1) the department submits to the governor and the legisla-  
26 ture a feasibility study that finds that the toll facility [CROSSING]  
27 is financially feasible and able to produce revenue adequate to repay  
28 the bonds with which it is financed;

29 (2) if financing in addition to revenue bonds is required

1 to finance the toll facility [ANTICIPATED], the department submits to  
2 the governor and legislature a finance plan that includes [TO INCLUDE]  
3 an estimate of the total cost of the toll facility [PROJECT] and a  
4 description of the sources of money that will be used to finance the  
5 total cost of the toll facility [PROJECT]; and

6 (3) the office of management and budget reviews the fea-  
7 sibility study and the finance plan, if required, and reports its  
8 findings and recommendations to the governor and legislature not later  
9 than 90 days after the study and plan are received by the office.

10 \* Sec. 4. AS 37.15.760(7) is amended to read:

11 (7) "toll facilities" means highways, roads, bridges,  
12 tunnels, crossings, and causeways upon which tolls, charges, rentals,  
13 or other user fees are placed by the commissioner of transportation  
14 and public facilities.

MAR 15 1987

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 87-4

A RESOLUTION CALLING FOR THE SUPPORT  
OF LEGISLATION WHICH PERTAINS TO THE FINANCING  
AND CONSTRUCTION OF TOLL ROAD FACILITIES.

WHEREAS, the current ferry, barge and rail lines through Whittier and terminating in Anchorage constitute an important established transportation and supply link for the State of Alaska and its citizens, and

WHEREAS, Whittier and other Alaskan communities have enjoyed a demonstrated increase in use over the past two years as both a debarkation point for tourists and as cargo handling ports for rail barge traffic, and

WHEREAS, the cost-effective and timely movement of goods and tourists to the major economic and population centers of the state would result in lower costs to consumers and improve distribution to remote communities as well as increase the beneficial impact of the tourism industry by increasing its capacity, and

WHEREAS, in times of contracting economic conditions, it has been shown that public works projects which will benefit the state as a whole, are a way to increase employment in the short run and in turn provide long term public benefits as a result;

NOW, THEREFORE, THE ALASKA MUNICIPAL LEAGUE RESOLVES, that we support legislation which pertains to the financing and construction of toll road facilities.

We also support the creation of new legislation which would allow for tunnels to be considered viable toll road activities.

Adopted this 14th day of November 1986.



*Lore*

April 9, 1987

The Honorable Albert P. Adams  
Alaska State Legislature  
P. O. Box V  
Juneau, Alaska 99811

Dear Sir:

This is to convey Chugach Alaska Corporation's support for the passage of House Bill 101 amending Alaska Statutes 19 and 37 to provide for the establishment of the Whittier Toll Road. The road will greatly enhance access not only to the existing community at Whittier but also to Passage Canal and Prince William Sound. The corporation owns approximately 450 acres west of town where it is planning to develop the recreation and tourism resources.

The State's long standing interest in the project is attested to by its formal reports and correspondence with the City of Whittier dating from the late sixties to the present. The latest study has identified several feasible options which can be financed either entirely through a toll-related revenue bond or through a combination of the toll bonding and outside capital. The passage of this bill into law this year will coincide well with the further analysis of the final options and other land use planning that is planned in the area.

The progress of this bill is critical for the well being of the south-central region's tourism and recreation economy. The Prince William Sound Tourism Coalition, of which CAC is a member, is beginning its second year of guiding the development of the area's recreational resources into a condition that will accommodate a world class visitor experience.

Thank you for your consideration of our views on this important bill. If we can assist you further on this matter, please do not hesitate to contact us.

Sincerely,

CHUGACH ALASKA CORPORATION

A handwritten signature in cursive script, appearing to read 'Keith Gordaoff'.

Keith Gordaoff  
Chief Executive Officer

KG: jc

Chugach Alaska Building, 3000 A Street, Suite 400, Anchorage, Alaska 99503  
(907) 563-8868, Telex: CHUGACHAK AHG 26497, Fax: (907) 563-8402



CC: The Honorable Georgia Buck, Mayor  
City of Whittier

The Honorable Jan Faiks, President  
Alaska State Senate

The Honorable Steve Cowper, Governor  
State of Alaska

CITY OF WHITTIER, ALASKA  
RESOLUTION NO. 11-20-86D

A RESOLUTION OF THE CITY OF WHITTIER, ALASKA, CALLING FOR THE SUPPORT OF LEGISLATION WHICH PERTAINS TO THE FINANCING AND CONSTRUCTION OF TOLL ROAD FACILITIES.

WHEREAS, the current ferry, barge and rail lines through Whittier and terminating in Anchorage constitute an important established transportation and supply link for the State of Alaska and its citizens; and,

WHEREAS, Whittier has enjoyed a demonstrated increase in use over the past two years as both a debarkation point for tourists and as a cargo handling port for rail barge traffic; and,

WHEREAS, the cost-effective and timely movement of goods and tourists to the major economic and population centers of the state would result in lower costs to consumers and improved distribution to remote communities as well as increase the beneficial impact of the tourism industry by increasing its capacity; and,

WHEREAS, in times of contracting economic conditions, it has been shown that public works projects which will benefit the state as a whole, are a way to increase employment in the short run and in turn provide long term public benefits as a result; and,

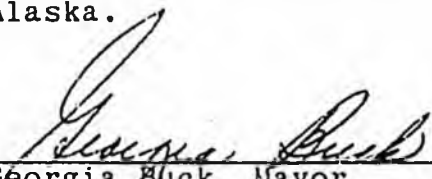
NOW, THEREFORE, THE WHITTIER CITY COUNCIL RESOLVES:


That we support legislation which pertains to the financing and construction of toll road facilities.

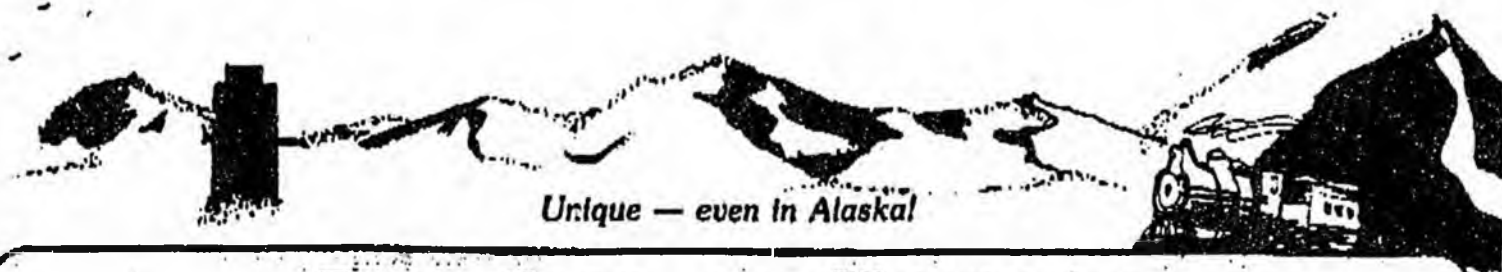
We also support the creation of new legislation which would allow for tunnels to be considered viable toll road activities.

Resolution No. 11-04-86 which also pertains to this issue is hereby repealed upon the passage of this measure.

PASSED AND APPROVED this 20th day of November, 1986 by a duly-constituted quorum of the city council of Whittier, Alaska.

  
\_\_\_\_\_  
Georgia Buck, Mayor  
City of Whittier, Alaska

ATTEST:   
\_\_\_\_\_  
Duane Dvorak, City Clerk  
City of Whittier, Alaska



*Unique — even in Alaska!*

**THE CITY OF WHITTIER**

March 31, 1987

The Honorable Representative Bette Cato  
 P.O. Box V  
 Juneau, AK 99811

Dear Representative Cato,

Please extend our warmest greetings to your staff and colleagues. We are submitting this letter for your perusal in lieu of in person testimony on HB 101 while it is in committee.

We perceive this measure to be a first step if you will, in the process of enabling a project of this nature to go forward. At this time, the measure costs us nothing but the energy spent on its consideration in the legislature. It is our strongly held belief that this measure is essential for us to even begin to consider any of the options that have been suggested for improved transportation access from Portage to Whittier. Through this legislation we envision a future project that will be self sufficient with regard to the retirement of initial financial obligations.

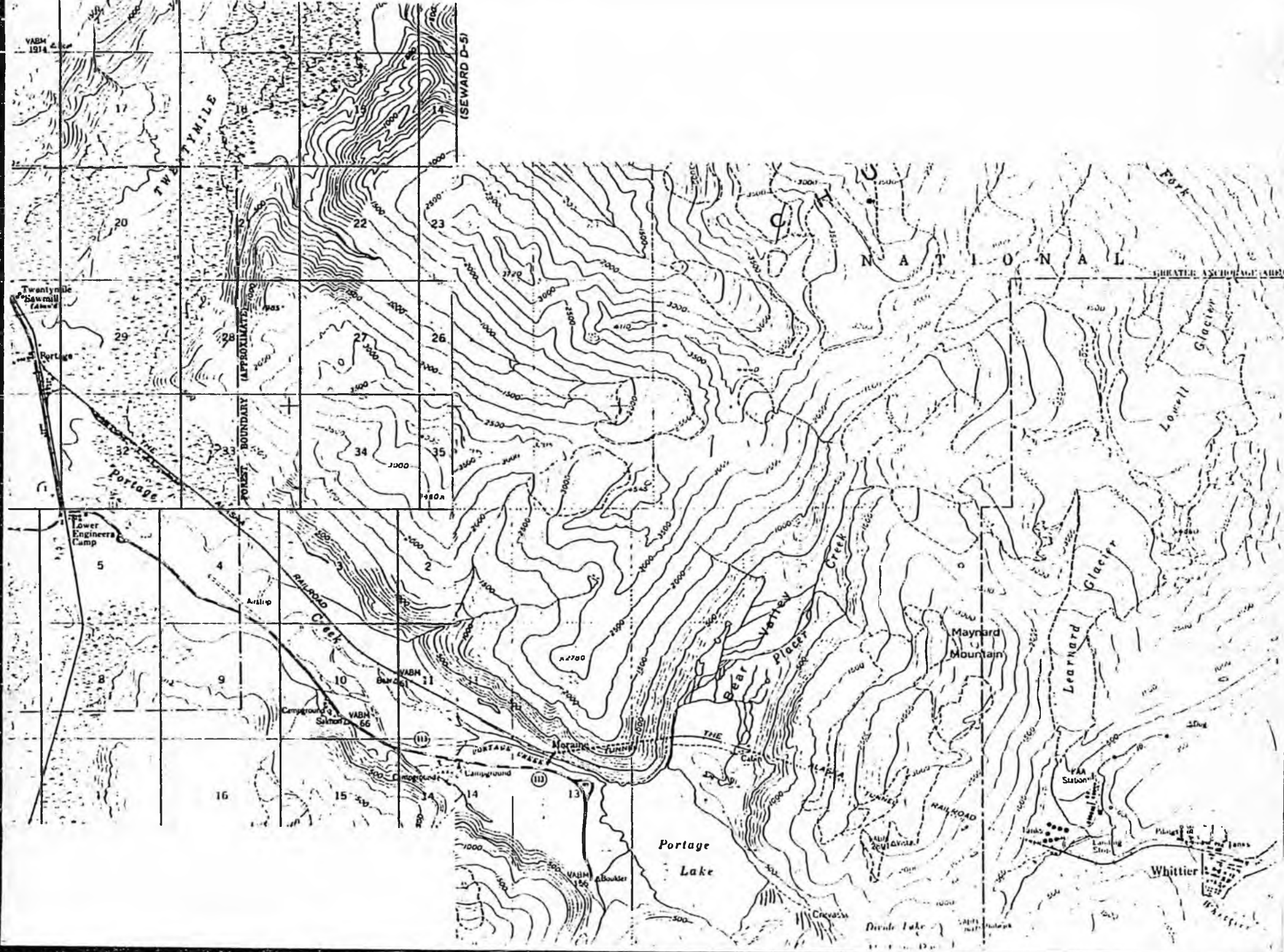
We believe that sometime in the future a road will be constructed which will serve to connect the last unpaved link between Whittier and Anchorage. This will thereby increase the utility of the Port of Whittier as a freight handling terminal for the entire state by enhancing current rail only operations. It would also add to the convenience of the many visitors from Anchorage who utilize Whittier as the closest access to the recreational opportunities on Prince William Sound. Other benefits would include the impacts that would be felt by the fishing industry in western Prince William Sound and the flexibility that could be enjoyed by the tourism industry in their scheduling through this Port.

Sincerely,

*Courtland H. Ofelt*  
 Courtland H. Ofelt, Ed.D.  
 City Manager

*Georgia L. Buck*  
 Georgia L. Buck,  
 Mayor





7.30.900

1 defined

# Alaska Statutes

## Title 19. Highways and Ferries.

### Chapter

- 05. Administration (§§ 19.05.020, 19.05.040, 19.05.046, 19.05.080)
- 10. State Highway System (§§ 19.10.060, 19.10.070, 19.10.072, 19.10.160 — 19.10.210)
- 20. Cooperation by and with the State (§ 19.20.015)
- 25. Protection and Use of State Highways and Roads (§§ 19.25.020, 19.25.040, 19.25.200)
- 30. Access Roads (§§ 19.30.070, 19.30.080, 19.30.127, 19.30.131, 19.30.141, 19.30.161, 19.30.241, 19.30.260 — 19.30.320)
- 40. James Dalton Highway (§§ 19.40.020, 19.40.100, 19.40.200, 19.40.210)
- 45. Miscellaneous Provisions (§ 19.45.001)
- 60. Ferry Terminal Facilities (§ 19.60.010, 19.60.070)
- 65. Alaska Marine Highway System (§ 19.65.010)

### Chapter 05. Administration.

#### Article

- 1. Department of Transportation and Public Facilities (§§ 19.05.020, 19.05.040, 19.05.046)
- 2. Acquisition of Property (§ 19.05.080)

#### Article 1. Department of Transportation and Public Facilities.

##### Section

- 20. Regulations
- 40. Powers of department

##### Section

- 46. Accounting and disposition of receipts from nonstate entities

**Sec. 19.05.020. Regulations [Effective July 1, 1987].** The department shall adopt regulations necessary to carry out the purpose of AS 19.05 — AS 19.25. The regulations may not conflict with AS 36.30 (State Procurement Code) or regulations adopted by the Department of Administration to implement that chapter. (§ 1 art III title I ch 152 SLA 1957; am § 10 ch 106 SLA 1986)

**Effect of amendments.** — The 1986 amendment, effective July 1, 1987, added the second sentence.

- Sec. 19.05.040. Powers of department.** The department may
- (1) acquire property;
  - (2) exercise the power of eminent domain;
  - (3) take immediate possession of real property, or any interest in it under a declaration of taking or by other lawful means;
  - (4) acquire rights-of-way for present or future use;
  - (5) control access to highways;
  - (6) regulate roadside development;
  - (7) preserve and maintain the scenic beauty along state highways;
  - (8) dispose of property acquired for highway purposes;
  - (9) accept and dispose of federal funds or property available for highway construction, maintenance, or equipment;
  - (10) enter into contracts or agreements relating to highways with the federal government, municipalities, a political subdivision, or with a foreign government, if the contract is approved by the federal government;
  - (11) establish, levy, and collect tolls, fees, charges, and rentals for the use of state roads, highways, bridges, crossings, and causeways; and
  - (12) exercise any other power necessary to carry out the purpose of AS 19.05 — 19.25. (§ 2 art III title I ch 152 SLA 1957; am § 3 ch 35 SLA 1971; am § 2 ch 162 SLA 1984)

**Effect of amendments.** — The 1984 amendment deleted "and" at the end of paragraph (10), inserted present paragraph (11), and redesignated former paragraph (11) as present paragraph (12).

**Sec. 19.05.046. Accounting and disposition of receipts from nonstate entities.** The commissioner of administration shall separately account for money that is derived from maintenance services provided to nonstate entities and that the department deposits in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations to the department to carry out the purposes of this chapter. (§ 39 ch 138 SLA 1986)

**Effective dates.** — Section 104, ch. 138, SLA 1986, makes this section effective July 1, 1986.

## Article 2. Acquisition of Property.

Section 30. Acquisition of land, rights-of-way,	and materials by purchase or eminent domain
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# Alaska Statutes

## Title 37. Public Finance.

### Chapter

- 05. Fiscal Procedures Act (§§ 37.05.151 — 37.05.153, 37.05.156, 37.05.159, 37.05.165, 37.05.220, 37.05.225, 37.05.230, 37.05.231 — 37.05.280, 37.05.285, 37.05.290, 37.05.315, 37.05.316, 37.05.317, 37.05.321, 37.05.400)
- 07. Executive Budget Act (§§ 37.07.020, 37.07.060)
- 10. Public Funds (§§ 37.10.030, 37.10.050)
- 11. Renewable Resources Funds (Repealed)
- 12. Alaska Resources Corporation (§§ 37.12.010 — 37.12.023, 37.12.030, 37.12.035, 37.12.045, 37.12.050, 37.12.055, 37.12.060, 37.12.070, 37.12.071, 37.12.075, 37.12.080, 37.12.085, 37.12.125)
- 13. Alaska Permanent Fund (§§ 37.13.120, 37.13.140, 37.13.145)
- 15. Bonding (§§ 37.15.012, 37.15.410 — 37.15.430, 37.15.610 — 37.15.760)
- 25. Miscellaneous Provisions (§§ 37.25.010, 37.25.040)

### Chapter 05. Fiscal Procedures Act.

#### Article

- 2. Uniform Accounting (§§ 37.05.151 — 37.05.153, 37.05.156, 37.05.159, 37.05.165)
- 3. Uniform Purchasing (§§ 37.05.220, 37.05.225, 37.05.230, 37.05.231 — 37.05.280)
- 3A. Payment for Purchases (§ 37.05.285)
- 4. General Provisions (§§ 37.05.290, 37.05.315, 37.05.316, 37.05.317, 37.05.321, 37.05.400)

Opinions of attorney general. — contracts can and should be declared void  
Where there is an impermissible taint of even absent actual proof that favoritism  
favoritism suggested by facts or invited by in fact occurred. 1985. Att'y Gen. Op. No.  
improper procurement practices, public 3.

#### Article 1. Administration.

##### Sec. 37.05.050. Federal funds.

Cross references. — For treatment of Reserve, see ch. 94, SLA 1984 in the Temporary and Special Acts.  
the state share of federal receipts from oil  
and gas leasing in the National Petroleum

**Sec. 37.15.710. Bonds as legal investments.** Toll facilities bonds are legal investments for all banks, trust companies, savings banks, savings and loan associations, and other persons carrying on a banking business, all insurance companies and other persons carrying on an insurance business, and all executors, administrators, trustees, and other fiduciaries. The bonds may be accepted as security for deposits of all money of the state and its political subdivisions. (§ 1 ch 162 SLA 1984)

**Sec. 37.15.720. State toll facilities.** The state is authorized to acquire, construct, equip, and maintain toll bridges, highways, roads, crossings, and causeways found to be necessary by the commissioner of transportation and public facilities. (§ 1 ch 162 SLA 1984)

**Sec. 37.15.730. Knik Arm Crossing.** Notwithstanding the provisions of AS 37.15.720 the first state toll facility to be financed under AS 37.15.610 — 37.15.760 is the Knik Arm Crossing near Anchorage if the following conditions are met:

(1) the department submits to the governor and the legislature a feasibility study that finds that the crossing is financially feasible and able to produce revenue adequate to repay the bonds with which it is financed;

(2) if financing in addition to revenue bonds is anticipated, the department submits to the governor and legislature a finance plan to include an estimate of the total cost of the project and a description of the sources of money that will be used to finance the total cost of the project; and

(3) the office of management and budget reviews the feasibility study and the finance plan, if required, and reports its findings and recommendations to the governor and legislature not later than 90 days after the study and plan are received by the office. (§ 1 ch 162 SLA 1984)

**Sec. 37.15.740. Toll facility charges.** The commissioner of transportation and public facilities shall fix and collect the fees, charges, tolls, and rentals derived by the state from the ownership, lease, use, and operation of the facilities authorized by AS 37.15.720 and 37.15.730 and improvements of the facilities as will provide revenues sufficient to comply with all of the covenants of the bond resolution. (§ 1 ch 162 SLA 1984)

**Sec. 37.15.750. Statutory construction.** AS 37.15.610 — 37.15.760 shall be liberally construed in order to carry out the purposes for which the provisions were enacted, and all existing laws in conflict with AS 37.15.610 — 37.15.760 are superseded as necessary to accomplish the purposes of AS 37.15.610 — 37.15.760. (§ 1 ch 162 SLA 1984)

**Sec. 37.15.760. Definitions.** In AS 37.15.610 — 37.15.760, unless the context requires otherwise

(1) "bond redemption fund" means the toll facilities revenue bond redemption fund created by AS 37.15.640, including any accounts that are created in that fund after October 4, 1984;

(2) "bond resolution" means the resolution authorizing the issuance of bonds, adopted by the committee under AS 37.15.660;

(3) "bonds" means the toll facilities revenue bonds authorized by AS 37.15.610 — 37.15.760;

(4) "committee" means the state bond committee created by AS 37.15.110, or any other committee, body, department, or officer of the state that or who succeeds to the rights, powers, duties, and obligations of the state bond committee by act of the legislature;

(5) "construction fund" means the toll facilities construction fund created by AS 37.15.620;

(6) "revenue fund" means the toll facilities revenue fund created by AS 37.15.630;

(7) "toll facilities" means highways, roads, bridges, crossings, and causeways upon which tolls, charges, rentals, or other user fees are placed by the commissioner of transportation and public facilities. (§ 1 ch 162 SLA 1984)

### Chapter 25. Miscellaneous Provisions.

Section	Section
10. Unexpended balances of one-year appropriations	40. National Petroleum Reserve-Alaska Special Revenue Fund

**Sec. 37.25.010. Unexpended balances of one-year appropriations.** (a) The unexpended balance of a one-year appropriation authorized in an appropriation bill lapses on June 30 of the fiscal year for which appropriated. However, a valid obligation (encumbrance) existing on June 30 is automatically reappropriated for the fiscal year beginning on the succeeding July 1 if it is recorded with the Department of Administration by August 31 of the succeeding fiscal year.

(b) An indebtedness arising from a prior year for which the appropriation has lapsed shall be paid from the current year's appropriations, if (1) this expenditure does not exceed the balance lapsed; and

HOUSE TRANSPORTATION COMMITTEE

April 1, 1987

1:30 p.m.

MEMBERS PRESENT

Rep. Bette Cato, Chairman  
Rep. Henry Springer, Vice Chair  
Rep. H. A. "Red" Boucher  
Rep. Bill Hudson  
Rep. Drue Pearce

MEMBERS ABSENT

Rep. Ben Grussendorf  
Rep. Mike Miller

COMMITTEE CALENDAR

HB 196: "An Act relating to enplanements, enforcement of compliance with financial responsibility and certificate of compliance requirements for air carriers, penalties, issuance and display of certificates of compliance, and the definition of aircraft."

HB 101: "An Act relating to state toll facilities."

WITNESS REGISTER

Ms. Becky Bear, Legislative Liaison  
Dept. of Commerce & Economic Development  
P. O. Box D  
Juneau, Alaska 99811  
Phone: 465-2504  
Position on HB 196: Supportive

Mr. Reed Stoops, Lobbyist  
Alaska Air Carriers Association  
P. O. Box 1211  
Juneau, Alaska 99802  
Phone: 586-3340  
Position on HB 196: Supportive

Rep. Bette Cato  
The Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811  
Phone: 465-4858  
Position on HB 101: Supportive

PREVIOUS ACTION

HB 196	DATE	PAGE	ACTION
	03/20/87 (H)	580	Read the first time - referrals Transportation, Judiciary

Committee Action: HB 196 first heard before Transportation Committee, 3/30/87; held over by committee for receipt of fiscal note from DCED.

HB 101	DATE	PAGE	ACTION
	02/02/87 (H)	134	Read the first time - referrals Transportation and Finance

Committee Action: HB 101 first heard before Transportation Committee on 4/1/87.

ACTION NARRATIVE

TAPE TWENTY-NINE SIDE ONE  
Number 000

The House Transportation Committee meeting was called to order by Chairman Cato at 2:10 p.m. Members present were Representatives Cato, Springer, Boucher, Hudson and Pearce.

#HB 196  
HTRA, 4/1/87  
Chairman Cato introduced HB 196 for discussion. She said that the bill had been held over from the Monday meeting of the House Transportation Committee because a fiscal note was not available at that time. She said that a fiscal note had since been submitted by the Department of Commerce and Economic Development (DCED). She then turned the gavel over to Vice Chair Springer.

Number 034

Vice Chair Springer recognized Rep. Cato who introduced an amendment to HB 196 which changed the fee structure for the certificate of compliance from one that would be set by statute, to one that would be set by statute for the first twelve months of enactment and then would be set by regulation.

Vice Chair Springer said he would entertain a motion to accept the amendment and Rep. Cato said she so moved. Vice Chair Springer asked if there was objection. He said there was no objection and the motion passed.

Vice Chair Springer returned the gavel to Chairman Cato.

Number 069

Chairman Cato introduced Ms. Becky Bear, legislative liaison for the Department of Commerce and Economic Development (DCED), and invited her to testify before the committee.

Ms. Bear said that DCED supported HB 196 as amended. She said that DCED had been trying to bring fees into line with the cost of services, and she pointed out that Governor Cowper had encouraged a move away from locking fees into statutes. She added that although DCED was in favor of setting the fees by regulation, it would not be able to have those regulation in place by July 1st and, therefore, supported having the first year's fees set by statute.

Number 084

Chairman Cato introduced Mr. Reed Stoops, lobbyist for the Alaska Air Carriers Association, and invited him to testify before the committee.

Mr. Stoops testified in support of HB 196 as amended by the committee. He said that the amendment was an equitable way of handling the fee structure. He said that the purpose of the amendment was to establish an interim fee for the certificate of compliance, and that after one year it would be replaced by allowing DCED to set the fee by regulation.

Number 107

Chairman Cato asked if there was any further discussion or questions regarding HB 196 as amended. There was none and she then said she would entertain a motion to pass the bill out of committee.

Rep. Boucher made a motion to move HB 196 as amended out of committee with individual recommendations. Chairman Cato asked if there was objection. She said she heard none and the motion was so ordered.

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#HB 101  
HTRA, 4/1/87  
Number 123

Chairman Cato turned the gavel over to Vice Chair Springer. Vice Chair Springer then introduced HB 101 for discussion.

Rep. Cato, sponsor of HB 101, testified in support of HB 101. She stressed that a toll road to Whittier would bring economic benefits to the state. She said that the Whittier toll road would be the first state toll facility to be financed, but only if certain conditions were met. She

said that the Department of Transportation and Public Facilities (DOT/PF) would have to submit to the Governor and legislature a feasibility study that found the project to be financially feasible and able to produce revenue adequate to repay the bonds with which it was financed. She said that if financing in addition to revenue bonds was anticipated, DOT/PF must submit to the Governor and legislature a finance plan that included an estimate of the total cost of the project and the sources of monies that would be used to finance the total cost of the project. She said that the Office of Management and Budget must review and recommend to the Governor the feasibility of the project.

She emphasized that HB 101 would greatly benefit both the city of Whittier and the state of Alaska by improving access to the city of Whittier. She said that HB 101 was compatible with the effort to pursue economic growth and development in the state, including increased tourism. She said that HB 101 might diminish the traffic load on the Kenai Peninsula.

Number 145

Rep. Pearce left.

Number 194

Rep. Pearce returned.

Vice Chair Springer asked if there were any questions.

Number 202

Rep. Hudson said he was very supportive of HB 101. He said that by providing an alternative destination for traffic, a Whittier toll road may alleviate pressure on certain areas of the Kenai Peninsula. He said it may result in more use of the ferry system, especially in Prince William Sound.

Vice Chair Springer asked if a technical analysis had been done such as if any technical difficulties, such as the tunnel not being wide enough, had arisen.

Rep. Cato said that studies had been done, but that a feasibility study needed to be done.

Vice Chair Springer asked if there were any further questions. Hearing none, he returned the gavel to Chairman Cato.

Number 243

Chairman Cato said she would entertain a motion to move the bill out of committee.

Rep. Hudson made a motion to move HB 101 out of committee. Chairman Cato asked if there was objection to the motion. She said she heard none and the motion was so ordered.

#

Since there was no further business to come before the House Transportation Committee, Chairman Cato adjourned the meeting at 2:22 p.m.



Dept. of Transportation & Public Facilities

**POSITION PAPER**

**BILL NO:** HB 101

**TITLE:** An Act Relating to State  
Toll Facilities

**APPROVED:** Mark S. Hickey *MSH*  
Commissioner

**DATE:**

3/31/87

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The Department of Transportation and Public Facilities supports expanding the current toll facility authority to include tunnels. In addition, while we see no problem with the addition of the Whittier Toll Road facility to AS 37.15.730, we question why the references to the Knik Arm Crossing are being deleted. This legislation reinforces the desire to ensure that projects such as this are financially feasible and able to produce revenues to cover their costs whenever possible.

In March, 1986, an economic analysis and financial plan for transportation access to Whittier was completed. A copy of the Executive Summary of the Whittier Transportation Alternatives is attached.

Attachment

# Rep. Cato proposes toll road along train route to Whittier

3/11/87  
Anch  
Times

By John Quinley  
Times Writer

Adapting the train-only route from Portage to Whittier to accommodate automobiles sounds visionary.

But Rep. Bette Cato says she's "very serious" about the idea, and has introduced a bill to allow for a toll road to Whittier.

The cost is uncertain and the timing undetermined. But the need, the Valdez Democrat said Tuesday, is undeniable. "Just to give you a hint of the need, the existing small boat harbor has 400-plus people on the waiting list. There's no space to drydock a boat," she said.

Cato said the plan would reduce the crunch of summer recreational traffic off the Kenai Peninsula and add to Whittier's economy.

While the tunnel project seems ambitious enough, Cato hopes eventually to get a road from Whittier to nearby Shotgun Cove where considerable city-owned acreage is available for development of homes and a boat harbor. The cost for the road to Shotgun Cove is estimated at \$20 million.

Sen. Mike Szymanski, D-Anchorage, supports the House bill and said it would have a good chance of passage in the Senate.

"The only way to tap some 300,000 people is to open access to Whittier," he said. "People now commute from Fairbanks to Seward or Homer to enjoy boating; people find the present access to Whittier difficult."

"The toll authority would put a viable option on the table, and let us look at something that realistically could be achieved," he said.

The only access other than by ship or

plane is by the Alaska Railroad shuttle. The train runs three to five times daily in the summer and less frequently in the winter. Vehicles and boats are transported on flatcars.

Cato's idea of modifying the railroad track to allow passenger cars to be driven to Whittier is not new. Similar legislation has been considered before, and in 1986 an engineering firm studied five options for improving access to Whittier for the state Department of Transportation.

The alternatives ranged from adding rail shuttle service and passenger facilities at \$11.3 million to adding a short road off of the Portage Visitors Center road and fully improving one rail tunnel for passenger and rail traffic at \$150 million.

The study also looked at funding the project through revenue bonds and paying the bonds off through tolls averaging \$4 per passenger and \$20 per vehicle. The vehicle price is the average between higher-toll trucks and lower-toll automobiles.

The only project which came close to having tolls pay the cost of construction was the version which included a new road from the Portage Visitor Center to nearby Bear Valley, skirting the first of two tunnels encountered on the rail line to Whittier. The second, longer tunnel would then be paved, lighted and ventilated, but not widened to allow for an emergency shoulder. The cost: \$35 million.

If high traffic volume projections were reached and costs did not go beyond expectations, tolls could pay back all the construction cost, the study found.

Cato predicted reaction to the proposal will be good in the House because construction could be paid for by tolls.

REPRESENTATIVE  
C.E. "SWACK" SWACKHAMMER

<sup>aOR</sup>  
Alaska State Legislature



House of Representatives

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May 6, 1987

TO: Rep. Al Adams, Chair  
House Finance Committee

FROM: C.E. Swackhammer, *Swack*  
Representative

TOPIC: Finance Subcommittee, HB 101

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The aforementioned subcommittee met, May 5, 1987. In attendance were Rep.(s) Swackhammer, Boyer and Frank, committee members and Rep. Cato, original author of HB 101.

The Finance CSHB 101 was introduced and Rep. Frank introduced an amended version. After discussion, Rep. Frank withdrew his amendment.

Further discussion brought about the adoption of the Finance CSHB 101. This amends HB 101 by adding the following language.

\* Sec. 4. AS 37.15.730, (b) Authorizes the Knik Arm Crossing as the second state toll facility, as long as it meets the same criteria as prescribed for the Whittier Toll Road proposal in the first part of Finance CSHB 101. (this is a literal translation and not verbatim)

Input was also received from a staff person for Rep. Barnes.

It was passed without opposition.

CES/cn

# Alaska State Legislature

## House of Representatives

### Committee on Transportation



Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4858

Rep. Bette Cato, Chairman  
Representative Bette Cato

Section Analysis House Bill 101 - An act relating to toll facilities.

#### Section 1.

Title 19 pertains to the duties and powers vested in the Department of Transportation. Sec. 19.05.040 specifically outlines the powers of the department. HB 101 Section 1 adds new language that would provide the department with the power to establish, levy, and collect tolls, fees, charges and rentals for the use of state roads, highways, bridges, tunnels crossings and causeways.

#### Section 2.

Amends AS.37.15.720 to add the word tunnels to those state toll facilities the state is authorized to acquire, construct, equip and maintain.

#### Section 3.

AS.37.15.730 is amended to say the first state toll facility to be financed is the Whittier Toll Road. This changes the current language from the Knik Arm Crossing to the Whittier Toll Road.

Several other slight language changes have been made to this section.

- a. Line 24 Page 1 changes the word "crossing" to "project".
- b. Line 29 Page 1 changes to words "to include" to "that includes".
- c. Line 9 Page 2 adds the word "tunnels" to the definitions for toll facilities.

Introduced: 2/2/87  
Referred: Transportation and  
Finance

1 IN THE HOUSE

BY CATO

2

HOUSE BILL NO. 101

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to state toll facilities."

7

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

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\* Section 1. AS 19.05.040(11) is amended to read:

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(11) establish, levy, and collect tolls, fees, charges, and

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rentals for the use of state roads, highways, bridges, tunnels, cross-

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ings, and causeways; and

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\* Sec. 2. AS 37.15.720 is amended to read:

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Sec. 37.15.720. STATE TOLL FACILITIES. The state is authorized

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to acquire, construct, equip, and maintain toll bridges, tunnels,

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highways, roads, crossings, and causeways found to be necessary by the

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commissioner of transportation and public facilities.

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\* Sec. 3. AS 37.15.730 is amended to read:

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Sec. 37.15.730. WHITTIER TOLL ROAD [KNIK ARM CROSSING]. Not-

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withstanding the provisions of AS 37.15.720 the first state toll

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facility to be financed under AS 37.15.610 - 37.15.760 is the Whittier

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Toll Road [KNIK ARM CROSSING] near Anchorage if the following con-

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ditions are met:

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(1) the department submits to the governor and the legisla-

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ture a feasibility study that finds that the project [CROSSING] is

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financially feasible and able to produce revenue adequate to repay the

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bonds with which it is financed;

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(2) if financing in addition to revenue bonds is antici-

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ipated, the department submits to the governor and legislature a fi-

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nance plan that includes [TO INCLUDE] an estimate of the total cost of

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the project and a description of the sources of money that will be used to finance the total cost of the project; and

(3) the office of management and budget reviews the feasibility study and the finance plan, if required, and reports its findings and recommendations to the governor and legislature not later than 90 days after the study and plan are received by the office.

\* Sec. 4. AS 37.15.760(7) is amended to read:

(7) "toll facilities" means highways, roads, bridges, tunnels, crossings, and causeways upon which tolls, charges, rentals, or other user fees are placed by the commissioner of transportation and public facilities.