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186

SENATE COMMITTEE REPORT

FURTHER

FIN

3/20/89

DATE TURNED INTO OFFICE _____

Mr. President:

Transportation

Committee considered

SB 186

special appropriation to the Department of Transportation and Public Facilities for design and construction of a Kantishna Highway; efd

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

Fabrizio
John
Paul

OTHER RECOMMENDATIONS

Est. funds do not pass until on 6-yr. plan

[Signature]

 Chairman signature and recommendation

Committee Backup attached

REQUEST: FISCAL NOTE

Revision Date: 2/05/90
Title: Design and Construction of
a Kantishna Highway.
Sponsor: Coghill
Requestor: Coghill

Agency Affected: DOT&PF
BRU:
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	432.0	432.0
TRAVEL	0	0	0	0	6.7	6.7
CONTRACTURAL	0	0	0	0	207.7	207.0
SUPPLIES	0	0	0	0	90.0	90.0
EQUIPMENT	0	0	0	0	1,174.4	0
LAND & STRUCTURES	0	0	0	0	3,110.0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPEKATING	0	0	0	0	(3) 5,020.8	(4) 736.4
CAPITAL	(1) 5,450.0	0	0	(2) 67,960.0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	617.0	0	0	7,693.0	5,020.8	736.4
FEDERAL FUNDS	4,833.0	0	0	60,267.0	0	0
OTHER	0	0	0	0	0	0
TOTAL	5,450.0	0	0	67,960.0	5,020.8	736.4

POSITIONS:

FULL-TIME	0	0	0	0	6	6
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

- (1) preconstruction
- (2) construction
- (3) maintenance set-up plus first year of annual maintenance
- (4) annual maintenance

Prepared by: W. Keith Gerken
Division: Deputy Commissioner, Operations

Phone: 465-3900
Date: Feb. 5, 1990

Approved by Commissioner: Mark S. Hickey
Agency: Department of Transportation and Public Facilities

Date: 2/5/90

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

Department of Transportation and Public Facilities
Fiscal Note Backup
SB 185 02/05/90

Because this project could not be developed to the point of annual maintenance within a six year period, the fiscal note does not reflect realistic fiscal years. Instead, it is arranged to show preconstruction, construction, maintenance startup and annual maintenance costs. Even assuming that the project was given highest priority in terms of staff and funding, and that we would have the full cooperation of the National Park Service, it would take at least four years to locate and design the project, and to acquire right-of-way and material sources. Capital funding which is depicted for FY91 would actually be expended over several years of preconstruction effort. The capital (construction) funding depicted for FY94 would not be budgeted until a realistic construction schedule could be determined. Even then, construction would probably be divided into several projects spread over a period of years. The operating costs depicted for FY95 and FY96 are only intended to give an indication of what initial and continuing maintenance of the route would cost after construction is complete.

This fiscal note is based on the construction and maintenance of a year-round, two-lane, gravel surfaced facility. Initial traffic volumes may warrant paving (largely due to dust) which would add \$13 million to the estimated cost.

The capital costs in this fiscal note are based on a DOT&PF estimate for the cost of development of an 82.8 mile route between Lignite, on the Parks Highway, and Kantishna. The breakdown between general funds and federal funds is based on the current federal participation rate for primary high-ways of 88.68%.

Since the State's current annual Federal-Aid allocation is not adequate to satisfy the capital improvement needs of the existing highway system, it is not realistic to assume that this project could be prioritized into the Federal-Aid program in the foreseeable future or that it could be funded in a single fiscal year (as depicted on the fiscal note). To the extent that this project would be funded from our Federal-Aid allocation, it would detract from other priority Federal-Aid projects. To put this into perspective, the cost of this project would exceed the entire Northern Region Federal-Aid Capital Improvement Program for a single year. Unless this project was funded from a source other than the State's annual allocation (i.e., some form of special project or demonstration project under the Federal-Aid program) it would substantially disrupt the scheduling of capital improvements to the existing highway system.

Though we would not expect the National Park Service to concur, the State has a claim to an RS2477 right-of-way between Lignite and the Stampede Mine. A similar right-of-way claim may exist between the Stampede Mine and Kantishna. While such right-of-way may be partially useful it would not be totally adequate in terms of width, alignment or the availability of material for the proposed highway. We assume that additional right-of-way would have to be obtained from Denali National Park in order to construct a Federal-Aid facility.

Lacking special federal legislation, this project would have to be developed pursuant to Title XI of ANILCA. That process has not yet been successfully executed for new highway construction. It's successful execution would be dependent on National Park Service cooperation. The Title XI process and Federal-Aid project development guidelines require extensive assessment, including the evaluation of practical alignment alternatives.



Department of Transportation and Public Facilities

POSITION PAPER

Bill No: SB 185

Approved: Mark S. Hickey *MSH*
Commissioner

Title: An act providing for the design and construction
of a Kantishna Highway.

Date: 02/05/90

DOT&PF RECOGNIZES THE NEED FOR, AND THE BENEFITS THAT WOULD BE PROVIDED BY, A HIGHWAY TO KANTISHNA. IN THAT SENSE DOT&PF SUPPORTS SUCH A PROJECT just as its predecessors, the Department of Highways and the Alaska Road Commission, have supported (advocated) it for decades. On the other hand, DOT&PF DOES NOT SUPPORT THE CONCEPT OF DEVELOPING A PROJECT OF THIS MAGITUDE SOLELY WITH THE STATE'S ANNUAL FEDERAL-AID CAPITAL ALLOCATION at the expense of needed improvements to the existing highway system. We need to arrive at a consensus on what are the best uses of our limited resources. In this regard, it must be clearly understood that use of Federal-Aid money for expansion purposes will take money away from the existing system. The department believes that prior to diverting money from that needed on the existing system, we should identify additional funding sources for any system expansion.

DOT&PF's support for a new route to Kantishna is based on the long standing need for reliable, non-restrictive, year-round access to the private property, the mineral potential, and the recreational potential in the Kantishna area. Over the same period of time during which the demand for access to Kantishna has increased dramatically, the National Park Service has progressively restricted travel on the existing sub-standard Park Road. A new route would allow the Park Service to restrict traffic on the existing route so it could be used for its acclaimed purpose of wildlife viewing. At the same time it would allow access to the Mount McKinley viewing for which so many people visit the park but, because of the lack of access and facilities, are not able to do. The current inability to reliably view Mount McKinley results in a lot of tourists and residents, who have invested a lot of resources into travel, leaving disappointed that they were administratively restricted from viewing the mountain. The disappointment is logically directed at Alaska rather than at the National Park Service.

The National Park Service is not acting to remedy the situation. By not allowing for significant growth in park visitation or in visitor opportunity, the Park Service, in their planning, is actually perpetuating the situation.

February 5, 1990

The State's annual Federal-Aid highway allocation is currently inadequate to satisfy the capital improvement needs of our existing road system. Indications are that in the future that allocation could decrease, making it even more difficult to satisfy needs on the existing system. Other funding sources that could be pursued include Federal-Aid highway funding through the National Park Service, Federal-Aid highway funding as a special project or demonstration project (as part of new federal highway legislation due by October 1, 1991), private funding in conjunction with development of tourist facilities at Kantishna, and/or the general fund.

While SB 185 authorizes a specific route which may ultimately prove to be the preferred one, it would be more appropriate at this point to authorize development of an unspecified route between established termini (i.e., the Parks Highway and Kantishna). We suspect that a specific route is indicated in the bill to take advantage of potential existing RS2477 rights-of-way. While that is a logical approach and, while such rights-of-way may be helpful, they would not be adequate in width or alignment for construction of a Federal-Aid highway.

Additional right-of-way and material sources for the project would have to be acquired pursuant to Title XI of ANILCA and/or through related federal lands legislation. It should be noted that, while Title XI establishes a process for the designation of such rights-of-way in a National Conservation System Unit (i.e., National Park), that process has not yet been successfully executed for a highway corridor. If a right-of-way is to be designated under Title XI it will require an extensive and involved paper process, which will require the cooperation of the National Park Service. Since future access through Conservation System Units will likely have to go through the Title XI process, it is important that the State exercise and test that process. Because of the documented need for this project, it would provide an excellent opportunity to exercise Title XI. Conclusion of such a Title XI process, whether it be successful or not, would be valuable in terms of gauging the ability to provide future expansion of the State's surface transportation system.