SCOMM
84:4

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 2/5/92 FURTHER:

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

DATE TURNED INTO OFFICE: 3-12-92

Senate Special Committee on Internat'l Trade and Tourism considered SJR 44

Supporting increased access near Mt. McKinley through establishment of a visitor activity area at Kantishna.

and recommends:

[X] replace with _____ CS SJR 44 (ITT)

[ ] attaches amendment(s)

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

[ ] adopts _____ Letter of Intent

[ ] further referral to the _____

[ ] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

NEW FISCAL NOTES: **Dept/Date**

[X] **zero** fiscal notes DNR / 3-9-92
Office of Governor / 2/28/92

[ ] fiscal notes _____

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

PREVIOUS FISCAL NOTES: **Dept/Date**

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

fiscal notes _____

DO PASS: Al Adams

OTHER RECOMMENDATIONS: Pete Kelly (No Rec)
Julian Rabinowitz (No Rec)

Dan Funk - Do Pass
Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SJR 44

Revision Date: _____

Title: "Supporting increased access...area at Kantishna"

Sponsor: Senators Craft, Shultz, Halford, etc.

Requestor: _____

Department Affected: Office of the Governor

BRU: Executive Operations

Component: Executive Office

COMPONENT SERIAL NO. 0 0 0 6

Expenditures/Revenues: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

Estimate of current year impact: none

ANALYSIS: (Attach a separate page if necessary.)
No fiscal impact

Prepared by: Michael A. Nizich, Director
Division: Division of Administrative Services
Phone: 465-3616
Date: 2/28/92

Approved by Commissioner: D. Max Hodel, Chief of Staff 2/28/92
Agency: Office of the Governor
Date: 2/28/92

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

FISCAL NOTE - GOVERNOR'S OFFICE

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SJR 44

Revision Date: 9-Mar-92
Department Affected: Natural Resources
Title: Support Kantishna Area Tourism Development
BRU: Land Management
Components: Land Management
Sponsor: Senator Craft
Requestor: Senate International Trade & Tourism
COMPONENT SERIAL NO. 431

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	**	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE Funding Source:	N/A					

FUNDING: (Thousands of Dollars)

GENERAL FUND	**					
FEDERAL FUNDS						
OTHER Funding Source:						
TOTAL	**	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0					
PART-TIME	0.0					
TEMPORARY	0.0					

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)

** The costs for DNR associated with developing new access to Kantishna depend on the methods used to obtain access routes. Possibilities include an RS 2477 assertion; a right-of-way under Title 11 of ANILCA; land trades or purchases; some combination of methods.

Prepared by: Ron Swanson
Phone: 762-2692
Division: Land Management
Date: 9-Mar-92

Approved by Commissioner: Harold C. Heinz
Date: 9-Mar-92
Agency: Department of Natural Resources

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

REV 10/91

Alaska State Legislature

Senator Paul Fischer, Chairman
Senator Al Adams, Vice-Chair
Senator Rick Uehling
Senator Arliss Sturgulewski
Senator Fred Zharoff

Post Office Box V
Juneau, Alaska 99811
(907) 465-3791
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Senate Special Committee on International Trade and Tourism

MEMORANDUM

TO: Senator Al Adams
Senator Fred Zharoff
Senator Arliss Sturgulewski
Senator Rick Uehling

FR: Senator Paul Fischer, Chairman PF
Senate Special Committee on International Trade & Tourism

DATE: March 5, 1992

RE: Committee Schedule for the Week of March 9, 1992

Wednesday, March 11, 1992 2:30 pm Fahrenkamp Room

SJR 44 - Supporting increased access near Mt. McKinley through establishment of a visitor activity area at Kantishna.

HJR 60 - Relating to the expansion of the National Air and Space Museum.

HJR 48 - Relating to a Pan-American energy alliance.

ALASKA STATE LEGISLATURE

119 North Cushman, #201
Fairbanks, Alaska 99701
(907) 452-4882
Fax: 452-3254

Room 125, State Capitol
Juneau, Alaska 99801-1182
(907) 465-3834
Fax: 586-6246

Shirley Craft
Alaska State Senator

To: Senator Paul Fischer, Chair
International Trade & Tourism Committee

From: Senator Shirley Craft

Date: February 10, 1992

Re: Senate Joint Resolution 44; Supporting increased access near Mt. McKinley through establishment of a visitor activity area at Kantishna.

I would appreciate your prompt scheduling of SJR 44 by the Senate Special Committee on International Trade and Tourism.

There has been continued debate in the legislature over access into the Kantishna area for years. These discussions have continuously revolved around the use of state funds to build a road into the area. Unfortunately, in these days of declining revenues, the state is caught in a "Catch 22" situation. On the one hand, the public sector can no longer afford the costs associated with the construction and maintenance of access into Kantishna. On the other hand, with the state's growing reliance on the tourism industry, I pose the question: can we afford not to provide access. The solution to these questions, as I see it, comes from the state. Not in the building of structures, but in facilitating efforts by the private sector in attaining the necessary right of way lands from the federal government. Inherent in this action is that the state, with its' own plans, do not preclude any transportation systems that might by preferable to the private sector.

The resolution, SJR 44, before the International Trade and Tourism Committee would ask that the Governor to use the resources he has at his disposal to address two questions:

1) That the administration aggressively pursue development of access into Kantishna and a Kantishna Historical Visitor Activity Area;

2) That the appropriate state agencies work with the private sector in investigating the construction and operation of a transportation system into Kantishna.

The resolution also asks the Governor, as well as members of the Congressional Delegation and the President, to take the necessary actions in resolving any questions regarding permits and land acquisition.

The prompt consideration by your committee on this bill would be greatly appreciated.

Department of Transportation and Public Facilities

POSITION PAPER

BILL NO: SJR 44 **APPROVED:** D Randy Summers for FT

TITLE: Visitor Area at Kantishna **DATE:** February 20, 1992

The department supports this resolution. System enhancement focused on economic development is one of three major initiatives in the department's new State Transportation Plan. The department has proposed seven projects for activity within the next six years of the federal highways act, and a surface transportation route from the Parks Highway to Kantishna is one of these projects. Accordingly, the proposed visitor activity activity area at Kantishna is consistent with the direction the department is taking in this area.

[redacted] *Katy McHugh at 465-3900.*

E. G. PLASCENCIA & J. N. FIELDS
ALASKA INTERNATIONAL DEVELOPMENT CORP.
P. O. BOX 2419 FAIRBANKS, ALASKA 99707 U.S.A.
TEL: 907-451-7906- FAX: 907-451-6494

February 24, 1992

Senator Paul Fisher, Chairman,
Senate Committee on
International Trade & Tourism
Capitol Building, Juneau, Alaska

Dear Senator Fisher:

I am writing to you and the other members of the Senate International Trade & Tourism Committee to urge your support for and to ask you to refer SJR No. 44 supporting increased Northern access to Mt. Mckinley through the establishment of a Visitor Activity Zone at Kantishna to the full Senate for passage.

As you are aware, Mt. Mckinley is the main tourist attraction in the State of Alaska. Likewise, the State Division of Tourism projects over 900,000 visitors to the state this year, the demand for access to the Denali National Park is greater than ever.

Our corporation is involved in the development of a private transportation concept across the Northern access to Kantishna. We support the development of a Tourism Activity Zone in the Kantishna area as a means to tie tourism activities within the state to the revenue of the state. The organization of the Tourism Activity Zone can be similar to a Port Authority or Airport Authority. The revenue tie between tourism in the "Zone" and the State can be by lease fees paid to the State for land use within the "Zone". Under this concept, the State would also design the circumstances under which "Zone" could be developed. The development would be undertaken by the private sector. This "Planned Unit Development" concept can serve State in-holdings elsewhere i.e., Wrangell/ St. Elias Park or in the Prince Williams Sound area.

The proposed "zone" will not detract from other proposals such as the State Park facilities under consideration South of the Park. While they are proposed to be built from public funds, the activities within the "zone" and the transportation corridor to it, will be built primarliy with private funds. Likewise, the traffic generated by the "Zone" will draw additional people from with in Alaska past the new park by both road and rail.

There is a great need for industrial diversification in our state. While tourism is not a traditional "industry", it represents a large portion of service sector jobs in Alaska. With a decline in government sponsored capital works projects due to a lack of capital funds, your support for this private sector initiative which will utilize private sector funds is important.

In effect the state retains the controls necessary to the proper development of its tourism resources, while the private sector utilizes the existing and future tourist market to amortize its investments. The private sector will also realize a benefit from the stability of long term leases and a reasonably steady market. International Tourism Conventions held recently suggest strong, steady growth in tourism over the next twenty years. The Electric Railroad we propose to build will service the "Zone" and is a permanent development with a minimum life of fifty years or more.

This development brings additional, not conflicting, attractions to the market. All of the existing tourism infrastructure of the state will benefit from the expansion of facilities in this area. Getting the Tourist to the State and providing good service while delivering the product advertised to the Tourist is essential. The existing facilities servicing the Park will have additional bookings for the shoulder season, Cruise Ship, Coach and Airline Operators have an additional attraction to sell.

Access to Mt. Mckinley has been a major concern of the State of Alaska, The National Park Service , Tour Packagers and Service Elements. As stated we are involved in a proposal to build an Electric Railroad from Healy to Kantishna. Senate Joint Resolution if passed will give the State Administration and the National Delegation the clear support they need for this concept to make an effective proposal to Federal Agencies which now control access to and development of Alaska's tourism economy. A Right of Way across the Park must be acquired by the state for the project to go forward. Recently, even the Alaska Regional Director of the National Park Service said (in published comments), referring to alternative transportation modes over the construction of new roads, "I think the alternative transportation systems would be very effective" ., "It would protect wildlife viewing and still allow people to visit the Park".

Senator Fisher, I urge your strong and immediate support of this very important resolution. An undertaking such as ours needs the full support of the State and so do the people of Alaska who will find work in tourism and related activities that derive from this kind of project. If I can be of any assistance or provide you with any additional information, please contact me immediately. I thank you for your consideration of this Resolution and,

I am with kind regards.

Joseph N. Fields III, Chmn.

USIBELLI COAL MINE, INC.

MARKETING
122 First Avenue
Suite 302
Fairbanks, Alaska 99701
(907) 452-2625
FAX 451-6543

March 6, 1992

Senator Shirley Craft
Senate
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Craft:

Usibelli Coal Mine, Inc. urges the Senate to adopt Senate Joint Resolution No. 44 which supports increased access near Mt. McKinley through establishment of a visitor activity area at Kantishna.

Improved and alternate access into Kantishna is greatly needed and especially to provide for high quality experiences on the part of tourists who flock to Alaska's prime visitor attraction.

Sincerely,

John Sims
Vice President Marketing

JS/me

B METRO
The Anchorage Times
THURSDAY
February 20, 1992

Panel recommends improving Denali road

By DANIEL R. SADDLER
TIMES WRITER

The 90-mile gravel highway through Denali National Park and Preserve should be improved to handle more visitors and protect wildlife at Alaska's biggest tourist destination, a high-level task force reported Wednesday.

The six National Park Service officials also considered, but rejected, a proposal to build a second road along a historic mining trail. The second road was one of the main options considered by the panel, organized a year ago to consider ways to balance visitor pressure with park protection.

While the report to Park Service Director James Ridenour recommends modifying the park's transportation system to allow a few thousand more visitors, a task force member said the best way to relieve overcrowding on the road could be a railroad or monorail system.

"I think the alternative transportation systems would be very effective," said Jack M. Morehead, Alaska regional director for the Park Service and a task force member. "It would protect wildlife viewing and still allow people to visit the park."

Congress already has appropriated $300,000 to study the possible use of such systems at Denali, Yellowstone, and Yosemite national parks, said Park Service spokesman John Quinley. Results from the study are not expected for a year.

The task force also recommended the National Park Service consider:

• Widening and improving sections of the road to improve safety. Quinley said the service will this summer estimate the cost of widening the road, which at some high mountain passes is cut into sheer rock.

• Enacting federal regulations to establish a clear legal basis for the permit system now used to allow entrance to visitors and those owning land inside the

See Road, back page

Road

Continued from page B1

park.

• Buying or leasing a fleet of bigger, plusher buses than the school buses the Park Service now uses to offer free wildlife tours to about 100,000 visitors a year. A private concessionaire, ARA Outdoor World Ltd., charges about $50 for a tour on more comfortable buses.

• Linking the park with a nationwide reservation system so that out-of-state visitors could be assured of a camping space. Some spaces would also be set aside for Alaskans, Quinley said.

"These were recommendations of the task force to the director," Morehead said. "What he decides or the secretary of the interior decides is completely out of our control."

Morehead said the task force gave equal consideration to those who supported a second road, such as the Hickel administration and the Fairbanks Chamber of Commerce, and to the environmentalists who opposed it, such as the Sierra Club.

The recommendations do not mean the end of the idea for a second road to Kantishna, Morehead said. The state is still pursuing plans to employ a 126-year old federal law that could win it a right-of-way to other trails into Kantishna.

"They still have that avenue to pursue, but I'd say as far as seeking federal funding for a second road, this is certainly a deterrent," Morehead said.

The park receives nearly 600,000 visitors a year, many of whom take the bus tours along the road. But the increase in visitors has raised concerns the visitors may harass or drive away the wildlife the visitors pay to see and that increased vehicle traffic could pose a safety hazard to humans.

Morehead said the task force recommendations could provide some improvement, but he said they would not solve all problems.

"There'll be a lot more visitors that want to visit, but can't," Morehead said. "The real hope is to look forward to the future for alternative transportation technologies."

ANCHORAGE TIMES 2-20-92

BILL ROTH / Daily News file photo

One road is enough, says a panel of state and national officials who spent two years studying ways to alleviate the visitor crunch at Denali National Park and Preserve. In the fall, permits allow private vehicles into the park. These people are watching a grizzly.

Denali drive

Park Service planners advise against another road in park

By DAVID HULEN
Daily News reporter

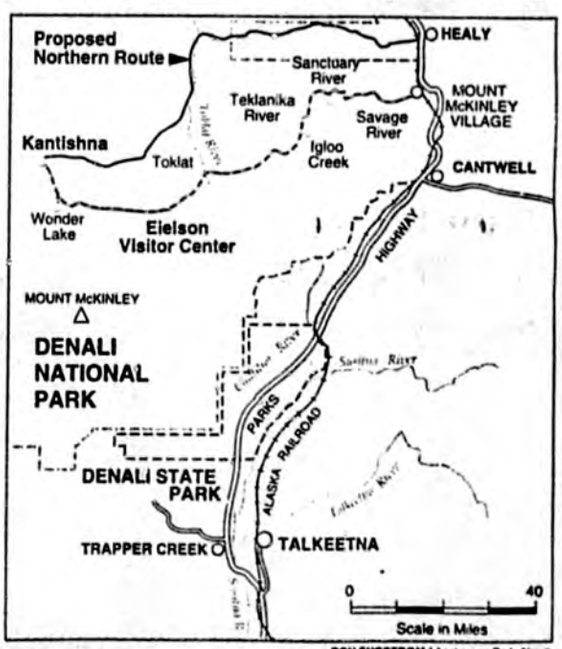
Planners studying the future of Denali National Park and Preserve have concluded that building a second road to the Wonder Lake-Kantishna area in the heart of the park makes no sense. They are suggesting instead that the existing 90-mile road be upgraded.

The report, by a team from the National Park Service, also suggests further study of a passenger railroad or even a monorail system to ease congestion inside the 6 million-acre park, which has long been Alaska's most visited. And it suggests other ways to ease congestion and make it easier, and more comfortable, for tourists to enter the park.

The Denali access study was launched two years ago to help the Park Service come to grips with perhaps its most pressing dilemma in Alaska — how to handle an increasing number of Denali visitors, and growing pressure to develop new facilities to serve them, without threatening the wildlife and wilderness that attract people in the first place.

As many as 185,000 people are shuttled in buses along the dusty, lane-and-a-half road each summer. Hotels and other tourist facilities outside the park's entrance continue to expand. To keep the park and its wildlife from being overrun, the Park Service has limited the number of visitors, sometimes creating long waits for bus seats

Please see Page B-2, DENALI



RON ENGSTROM / Anchorage Daily News

DENALI: Panel advises against second road

Continued from Page B-1

and camping permits. And to ease the pressure, the agency also is pressing ahead with dev lopment of new tourist facilities on the south side of the Alaska Range.

But others, including private developers, Gov. Wally Hickel and U.S. Sen. Frank Murkowski, have long advocated building a second highway into the park from the north, starting around Healy and ending in the Kantishna Hills northwest of Mount McKinley, where some 6,000 acres are in private hands. They envision one or more large-scale hotels in the area, which they argue could remain open year-round given proper access.

State studies have estimated the new road would cost between $85 million and $125 million.

The new 37-page study, however, is skeptical of the idea. It says a new road would slice across wilderness set aside for wildlife, including bears, moose, caribou, sheep, wolves and swans. It questions whether business prospects in the Kantishna area justify a highway's expense or would add much to visitors' Denali experience.

"A second road would dramatically change the character of the park," the report says. A north road "puts at risk the up-close viewing of animals that draw people to Denali. It adds nothing to a visitor's ability to see the mountain. And it changes the visitor's perception that he is riding to a special place, a place set apart from the urban world of pavement and high-speed transportation."

The study was prepared by a team that included Park Service Alaska Regional Director John Morehead, Denali Superintendent Russ Berry, the superintendent of Yellowstone National Park and other Park Service officials from Alaska and Outside.

The report was forwarded to Park Service Director James Ridenour, and hasn't been endorsed by him or Interior Secretary Manuel Lujan Jr., who oversees the Park Service.

While downplaying the notion of a second road, the report plays up the notion of a rail or even monorail system. While more expensive to build than a road — possibly too expensive to even seriously consider — they could help deliver more visitors with less impact, the report says.

"They produce little or no dust, may be quieter and might carry more passengers in greater comfort." A monorail, moving above the ground, would allow wildlife to roam beneath without the danger of collisions with rail cars.

A $300,000 federal study, to begin later this year, will study monorail systems in Denali, Yellowstone and Yosemite national parks, the report notes. The measure was placed in the federal budget by U.S. Sen. Malcolm Wallop, R-Wyoming.

The cost of urban monorail systems has ranged from $10 million to $40 million a mile, the report says. A Fairbanks engineering firm has estimated that a 90-mile light-rail line from near Healy to Kantishna would cost $189 million, not including rail cars. In general, the state Department of Transportation estimates that it costs about $2 million a mile to lay new track in Alaska.

Among the new report's other suggestions:

- Upgrading the existing road to improve safety and wildlife viewing, including adding guard rails, widening the road and improving the roadbed. Ways need to be found to make the road less dusty, the report says.
- The Park Service should consider dropping the fleet of privately operated school buses that now shuttle most visitors for free through the park. Instead, the service should consider buying or leasing a fleet of larger, nicer buses, possibly similar to those run by the private tour company for deluxe Denali tours. The buses would remain free, but would allow more people to ride through the park.
- Consider setting up a national reservation system, so visitors from Outside could reserve campground and shuttle-bus seats before coming to Alaska.

Lt. Gov. Jack Coghill, a longtime proponent of a second road to Kantishna, said Monday he really likes the idea of a railroad or monorail. But he still thinks a new road makes sense, too, and noted that the secretary of interior could overrule the Park Service planners.

On the other hand, Jack Hession, Anchorage-based representative of the Sierra Club, which has been leery of additional development inside the park, was generally happy with the report.

"You reach a point, the more vehicles you let in, you're not going to see much wildlife. At some point, the Park Service is going to have to say: You can build all the hotels you want, but we can only accommodate so many visitors."

The Park Service, meanwhile, has launched a separate biological review of the effect of vehicle traffic on Denali wildlife.