

**SJR**

**12**

HOUSE COMMITTEE REPORT

(7)  
Date Referred to Committee: February 27, 1997

FURTHER REFERRALS:

Date of Committee Action: 2/5/97

The TRANSPORTATION Committee considered:

SJR 12 am

SENATE JOINT RESOLUTION NO. 12 am

CONSTRUCTION OF ALASKA HIGHWAY

Relating to reconstruction and paving of the Alaska Highway.

recommends it be replaced with the following committee substitute \_\_\_\_\_  the same title  
 a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal note(s) \_\_\_\_\_  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) Senate Trans. Committee

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Bill Hudson</i>	Hudson	✓			
<i>K. S. Elton</i>	ELTON			✓	
<i>Allan Kookesh</i>	Kookesh	✓			
<i>Doug Sanders</i>	SANDERS	✓			
<i>John Cowdery</i>	Cowdery	✓			
<i>Beverly Masek</i>	Masek	✓			
<i>W.K. Williams</i>	Williams	✓			

CHAIR'S SIGNATURE *W.K. Williams*  
Williams



# ALASKA STATE LEGISLATURE

SENATOR RANDY PHILLIPS  
SENATE DISTRICT L

**SESSION**  
State Capitol  
Juneau, AK 99801  
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Eagle River AK 99577  
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## Memorandum

TO: All Senators

FROM: Senator Randy Phillips

DATE: February 17, 1997

RE: Senate Joint Resolution No. 12  
Relating to reconstruction and paving of the Alaska Highway

I support the passage of Senate Joint Resolution No. 12 which requests the United States Congress to appropriate \$94 million to complete the Shakwak project, the reconstruction of the primary surface link between Southeast Alaska and the rest of the state.

In 1977 the United States and Canada entered into an agreement to reconstruct the Haines Highway and that portion of the Alaska Highway between Haines Junction and the Alaska-Yukon border near Beaver Creek. The agreement calls for the United States to provide the funding and for Canada to provide the rights of way and administer the construction contracts. Canada has guaranteed access to U.S. citizens and guaranteed that the highway will remain toll free.

The Shakwak project includes 325 miles of highway, of which 221 miles have either been completed or funded. It is currently estimated that \$94 million additional will be needed to complete the remaining 104 miles of highway. Congress is currently considering reauthorization of highway funding and it is important that this project be brought to their attention.

## SHAKWAK HIGHWAY PROJECT

### Project History

The original construction of the Alaska Highway and Haines Road was undertaken by the U.S. Army and the U.S. Public Roads Administration during 1942 and 1943, as part of the supply line to the State of Alaska during World War II. At the end of the war, responsibility for maintenance and improvements to these highways (North West Highway System) was passed to Canada.

Canadian efforts, since takeover, have been directed at the more southerly, well travelled portions of the Alaska Highway.

In 1955, initial discussions were held regarding the possible upgrading of the Haines Road and Alaska Highway from Haines Junction, Yukon, to the Alaska/Yukon border near Beaver Creek, Yukon. In 1970, Congress requested that a feasibility study be made for paving the Haines Road and the portion of the Alaska Highway described, to provide an all-weather roadway between Southeast and Interior Alaska. These discussions culminated in an agreement, dated February 11, 1977, between the Canadian and United States Governments. The agreement, in general, provided that Canada would arrange for the reconstruction of the highway, to a jointly agreed asphalt concrete pavement standard, using funds appropriated for that purpose by the Congress of the United States. Canada, in part, would provide the highway right-of-way and maintain the highway.

The Shakwak Highway Reconstruction Project covers 325 miles (520 kilometres) of which 50 miles (80 kilometres) are located in northwestern British Columbia, the remainder being in the Yukon Territory. The Project derives its name from the Shakwak Trench through which a significant portion of the highway runs.

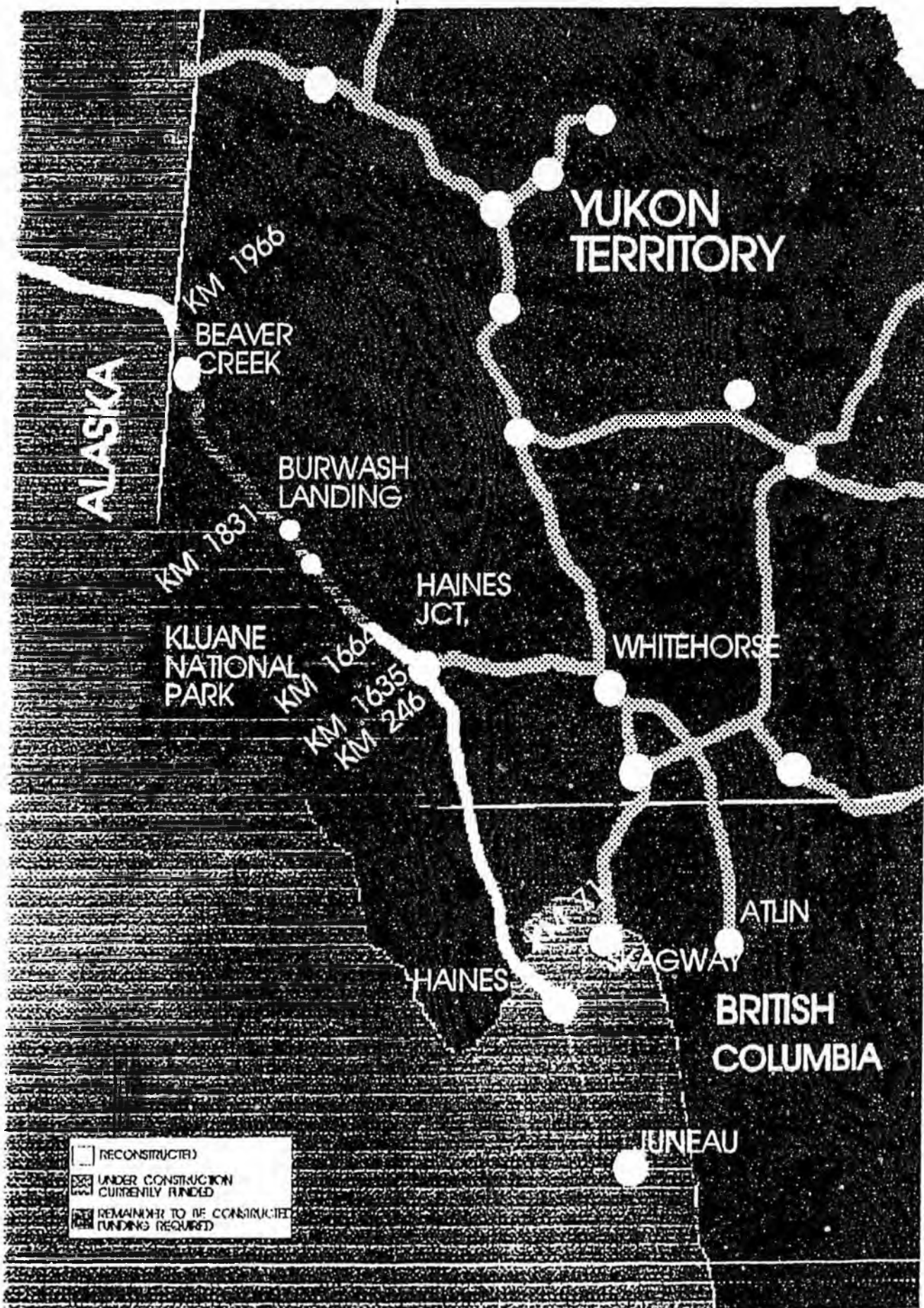
The Project was proposed by the United States Government, to provide for the predominately American users of the highway (80 to 85%), and has been funded by the United States Government through the Federal Highways Administration, and during the 1980's through the State of Alaska. The design and construction until 1992 was managed by Public Works Canada. Transfer of responsibilities for the Alaska Highway to the Government of the Yukon in 1992 also provided for the transfer of responsibility for management of site work on the project.

### Current Status

In the initial allotment the 115 miles (185 kilometres) of the Haines Road, as well as 18.5 miles (30 kilometres) of the Alaska Highway, immediately north of Haines Junction, have been reconstructed to a Bituminous Surface Treatment (BST) standard. The cost of the work was \$74.7 million (US \$). The current available funding of \$89.6 million (US\$) largely through ISTEA for 1992 to 1996 is anticipated to reconstruct 84 miles (135 kilometres) of the northern end of the project to a BST standard and construct a new bridge over the White River. So far 37 miles (59 kilometres) of this work has been completed and surfaced. A further 14 miles (23 kilometres) is ready for surfacing this summer and 21 miles (33 kilometres) is presently under construction. Contracts for reconstruction of another 12 miles (20 kilometres) and the new bridge over the White River will be let later this year.

It is anticipated that an additional \$94 million (US\$) will be required to reconstruct the remaining 104 miles (167 kilometres) of the project to BST standard, including four major bridge replacements across the Slims, Duke, Donjek, and Beaver Rivers. An additional stage to provide asphalt concrete in order to complete the agreement could be undertaken at some future date.

# SHAKWAK PROJECT LOCATION





Community and Transportation Services

# FAX COVER SHEET

Box 2703, Whitehorse, Yukon Y1A 2C6

TO: Jerry Burnett  
from Senator Randy Phillips office

FAX# (907) 465-4979  
Total # of PGS 8

**CONFIDENTIALITY CAUTION**  
This communication is intended for the use of the addressee ONLY and may contain information that is privileged and confidential. Further disclosure, dissemination, distribution, copying or use of this communication in whole or in part by any other person in any manner is strictly prohibited. If you have received this communication in error, please notify us by telephone immediately and return the original message to us at the above address, at our expense.

FROM: John Cormie

LOCATION: Whitehorse

FAX: (403) 393-6266

DATE: 97.2.14

REMARKS: 1977 Shokwak Agreement  
Further to discussions on Feb 13, I have attached a copy of the 1977  
Shokwak Agreement for use with respect to the resolution on Shokwak  
funding.

YG(4300)PD

Please phone (403) 667-5155 immediately if all pages are not received.



OTTAWA, February 11, 1977.

Note No. GMU-156

PA  
2142-1-2  
vsh

Excellency,

I have the honour to refer to your Note No. 11 of January 11, 1977, concerning bilateral cooperation in the reconstruction of Canadian portions of the Alaska Highway.

I am pleased to inform you that the Government of Canada accepts the proposals set out in your Note and agrees that your Note, together with its Annex, and this reply, which is authentic in English and French, shall constitute an agreement between our two Governments which shall enter into force on today's date. ✓

Accept, Excellency, the renewed assurances of my highest consideration.

Secretary of State  
for External Affairs

His Excellency Thomas O. Enders,  
Ambassador of the United States of America,  
Ottawa.

replies  
2/10

EMBASSY OF THE  
UNITED STATES OF AMERICA

No. 11

Ottawa, January 11, 1977.

Sir:

I have the honor to refer to the discussions between representatives of our two governments regarding bilateral cooperation in the reconstruction of Canadian portions of the Alaska Highway.

As a result of these discussions, I now have the honor to propose that the conditions set forth in the attached annex, which accord with the understandings reached between the representatives of our two governments, should govern such reconstruction. These conditions shall not affect continuing obligations of the two governments regarding the status and use of the Alaska Highway, including the agreements effected by exchanges of notes dated March 17 and 18, 1942; November 28 and December 7, 1942; and April 10, 1943.

If these conditions are acceptable to your government, I propose that this note, together with its annex, and your reply indicating such concurrence, shall constitute an agreement between our two governments, which shall enter into force on the date of your reply. Accept, Sir, the renewed assurances of my highest consideration.

The Honorable

Donald Jamieson,

Secretary of State

for External Affairs,

Ottawa.

*Richard O. Evans*  
6/12

ANNEX

Agreed conditions regarding a program of cooperation between the Government of the United States represented by the Federal Highway Administrator, Department of Transportation, and the Government of Canada, represented by the Minister of Public Works, to improve certain highways in Canada to facilitate transportation between and within their respective countries, and to implement the purposes of section 218 of Title 23, United States Code. These shall apply only to the program authorized by that section.

The Government of the United States and the Government of Canada agree as follows:

Article I

For purposes of this Agreement:

1. "Highways" means that portion of the Alaska Highway from the Yukon-Alaska border to Haines Junction in Canada and the Haines Cutoff Highway from Haines Junction in Canada to the British Columbia-Alaska border.
2. "Reconstruction" means the supervising, inspecting, actual rebuilding, paving, and all other work incidental to the reconstruction of the highways (except for providing right-of-way), including but not limited to planning studies, environmental studies, locating, surveying, plan and specification preparation, contracting, financial control, traffic control devices, and those utility relocations which are the responsibility of the Canadian Government.
3. "Maintain such highways" means to perform such work on a year-round basis as shall be necessary to keep the completed highway and related facilities in a state of repair and use equivalent to the standards to which they are reconstructed under this Agreement.

Article II

1. The United States and Canada agree to the reconstruction of such highways in accordance with standards agreed to by them jointly in writing prior to commencement of reconstruction. ✓

2. The United States will pay to Canada the cost of reconstruction out of funds appropriated for that purpose by the Congress of the United States and will

(a) Inform Canada of the amount of funds appropriated from time to time therefor in order that Canada may schedule and perform the reconstruction or such part thereof as may from time to time be paid for out of such appropriated funds,

(b) Provide liaison with Canadian officials responsible for the program to meet and discuss planning, programming and scheduling of reconstruction, and

(c) Process an Environmental Impact Statement in accordance with the laws of the United States and of Canada.

3. Canada will

(a) Provide, without participation of the United States funds appropriated for the reconstruction, all necessary right-of-way for the reconstruction of such highways for a period of 25 years from the date of entry into force of this agreement and thereafter until five years (or such shorter period as the parties may agree upon) after either party shall have notified the other that the right-of-way is no longer required for its purposes for the said highways, whereupon this Agreement shall cease to have force or effect,

(b) Not impose any highway toll, or permit any such toll to be charged for the use of such highways by vehicles or persons,

*Original  
Agreement*

(c) Not levy or assess, directly or indirectly, any fee, tax, or other charge for the use of such highways by vehicles or persons from the United States that does not apply equally to vehicles or persons of Canada,

(d) Continue to grant reciprocal recognition of vehicle registrations and drivers' licenses in accordance with agreements between responsible authorities in each country,

(e) Maintain such highways after reconstruction while this Agreement remains in force and effect,

(f) Permit those performing the reconstruction to obtain natural construction materials, such as gravel, rock and earth fill, without cost to be used in the reconstruction, provided that the materials required shall be obtained in accordance with the directions and regulations of the appropriate Department of the Government of Canada,

(g) Perform all reconstruction engineering, including preparation of Environmental Assessments and Statements, all necessary surveys, and preparation of reconstruction plans, specifications and estimates,

(h) Commence the reconstruction only after receiving advice from the United States that the Environmental Impact Statement has been satisfactorily processed in accordance with the laws of the United States,

(i) Arrange for the reconstruction to be performed under contracts awarded by competitive bidding insofar as possible and without regard as to whether the contractors are American or Canadian,

(j) Supervise the reconstruction,

(k) Obtain interim and final concurrence of the United States in the following:

- (1) Programming and scheduling of work.
- (2) Scope, terms of reference and provisions of the Environmental Assessment and Statement.
- (3) Alignment of the highways.
- (4) Contract plans, specifications and estimates.
- (5) Award of contracts.
- (6) Acceptance of projects for final payment.

(1) Permit the reasonable access of authorized representatives of the United States to the site of reconstruction and will make available the accounts and records relating to the reconstruction contracts, at all reasonable times, for purposes of inspection, verification and general monitoring of the reconstruction.

4. (1) The United States and Canada will jointly consider the settlement of claims by contractors or other persons arising out of reconstruction contracts and the reconstruction or either of them, and if any such claim cannot be resolved by agreement, the same shall be determined by the Federal Court of Canada in an action by or against Her Majesty the Queen in right of Canada,

(2) All legal costs, and other monies, paid out by Canada to settle any such claim whether pursuant to a final judgment of the Federal Court of Canada, or otherwise, shall be one of the costs of reconstruction for the purposes of this Agreement.

~~(3) The United States shall not be liable for the~~ payment of such claims or judgments to the extent that they are held by the Federal Court of Canada to be the result of negligence on the part of Canada or its employees during the administration of the reconstruction.

5. The United States and Canada jointly will develop operating procedures consistent with this Agreement, including procedures for resolving disputes between the parties.

Article III

This Agreement shall not be construed so as to vest in the United States any proprietary interest in the highways, and upon completion of the project, or any part thereof, the highways shall remain, in all respects, an integral part of the Canadian Highway System.