

SJR

12

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SJR 12

Revision Date _____ Dept. Affected _____
 Title Construction of Alaska Highway BRU _____
 Component _____
 Sponsor Senate Transportation Committee
 Requester Senate Transportation Committee Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES []						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

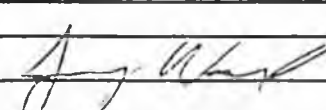
Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This resolution has no fiscal impact on state departments.

Prepared by Senate Transportation Committee
 Division _____
 Approved by Senator Jerry Ward, Chairman 
 Agency _____

Phone 465-4940
 Date _____
 Date 2-12-97

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ALASKA STATE LEGISLATURE

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Memorandum

TO: Senator Jerry Ward, Chair
Senate Transportation Committee

FROM: Senator Randy Phillips *RTP*

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.

MEMORANDUM

DATE: February 5, 1997
TO: Senator Jerry Ward
FROM: Lydia Jones *LJ*
RE: SJR 12 - CONSTRUCTION OF AK HIGHWAY
Senator Randy Phillips, Sponsor

I spoke with Randy Phillips today regarding SJR 12. He called to inquire when the resolution was scheduled for hearing in Senate Transportation. Randy needs to have the finalized resolution in hand by March 15 when a delegation will be meeting with Canadian officials; he would like to present the resolution to them at that meeting.

I told him that the resolution is scheduled for hearing on Tuesday, February 18. He voiced some concern that the resolution may be held up in Senate Transportation and he would not be able to present the resolution to the Canadian officials on March 15. I told him that I would convey his concerns to you and advise you of the time frame under which he is working.

laj

2/5 spoke w/ Jerry.

COPY

0-LS0290AE
Utermohle
1/30/97

SENATE JOINT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE BY REQUEST

Introduced:

Referred:

A RESOLUTION

1 Relating to reconstruction and paving of the Alaska Highway.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the United States and Canada entered into an agreement to reconstruct and
4 pave the Alaska Highway from the Alaska-Canada border to Haines Junction, Yukon
5 Territory, Canada, and the Haines Cutoff Highway from Haines Junction, Yukon Territory,
6 Canada, to the Alaska-Canada border near Haines, Alaska, known as the Shakwak project, as
7 authorized in the Federal-Aid Highway Act of 1973; and

8 WHEREAS the Congress authorized \$59,000,000 in 1973 for the project and has
9 appropriated \$47,000,000 to the Federal Highway Administration for actual construction by
10 Canada; and

11 WHEREAS the Congress further authorized \$20,000,000 a year for fiscal years 1993 -
12 1996 under the Intermodal Surface Transportation Efficiency Act of 1991, which has been
13 fully appropriated; and

14 WHEREAS, in the last 16 years, the state has provided \$37,000,000 of state federal-
15 aid highway apportionments to assist in meeting the obligations of the agreement; and

16 WHEREAS the estimated amount necessary to complete the entire project was in the
17 order of \$260,000,000 in United States dollars; and

1 WHEREAS the state prefers a system of federal administration with state concurrence,
2 rather than state administration, of this construction project;

3 BE IT RESOLVED that the Alaska State Legislature respectfully requests the United
4 States government and the Canadian government to honor their agreement and provide the
5 additional funds necessary through direct federal appropriations to complete the remaining
6 portions of the Shakwak project; and be it

7 FURTHER RESOLVED that the United States Congress is respectfully requested to
8 immediately appropriate an additional \$94,000,000 to allow work on additional project
9 segments to proceed to a bituminous surface treatment standard; and be it

10 FURTHER RESOLVED that the Alaska State Legislature endorses federal
11 administration, with state concurrence, for the Shakwak project.

12 COPIES of this resolution shall be sent to the Right Honourable Jean Chretien, Prime
13 Minister of Canada; the Honourable Diane Marleau, Minister of Public Works and
14 Government Services, Canada; the Honourable Audrey McLaughlin, Member of Parliament,
15 House of Commons, Canada; the Honourable Piers McDonald, Government Leader, Yukon
16 Territory, Canada; the Honourable Robert Bruce, Speaker, Legislative Assembly, Yukon
17 Territory, Canada; the Honourable Dave Keenan, Minister of Community and Transportation
18 Services, Yukon Territory, Canada; the Honorable Bill Clinton, President of the United States;
19 the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S.
20 Senate; the Honorable Newt Gingrich, Speaker of the U.S. House of Representatives; the
21 Honorable Rodney E. Slater, Secretary-designee of the U.S. Department of Transportation; and
22 to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the
23 Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

*1. Transport Service +
2. Hon. Rodney Slater, Secretary-designee of the U.S. Department of Transportation
3. Hon. Don Young*



ALASKA STATE LEGISLATURE

SENATOR RANDY PHILLIPS
SENATE DISTRICT L

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Memorandum

TO: Senator Jerry Ward, Chair
Senate Transportation Committee

FROM: Senator Randy Phillips *R.P.*

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.

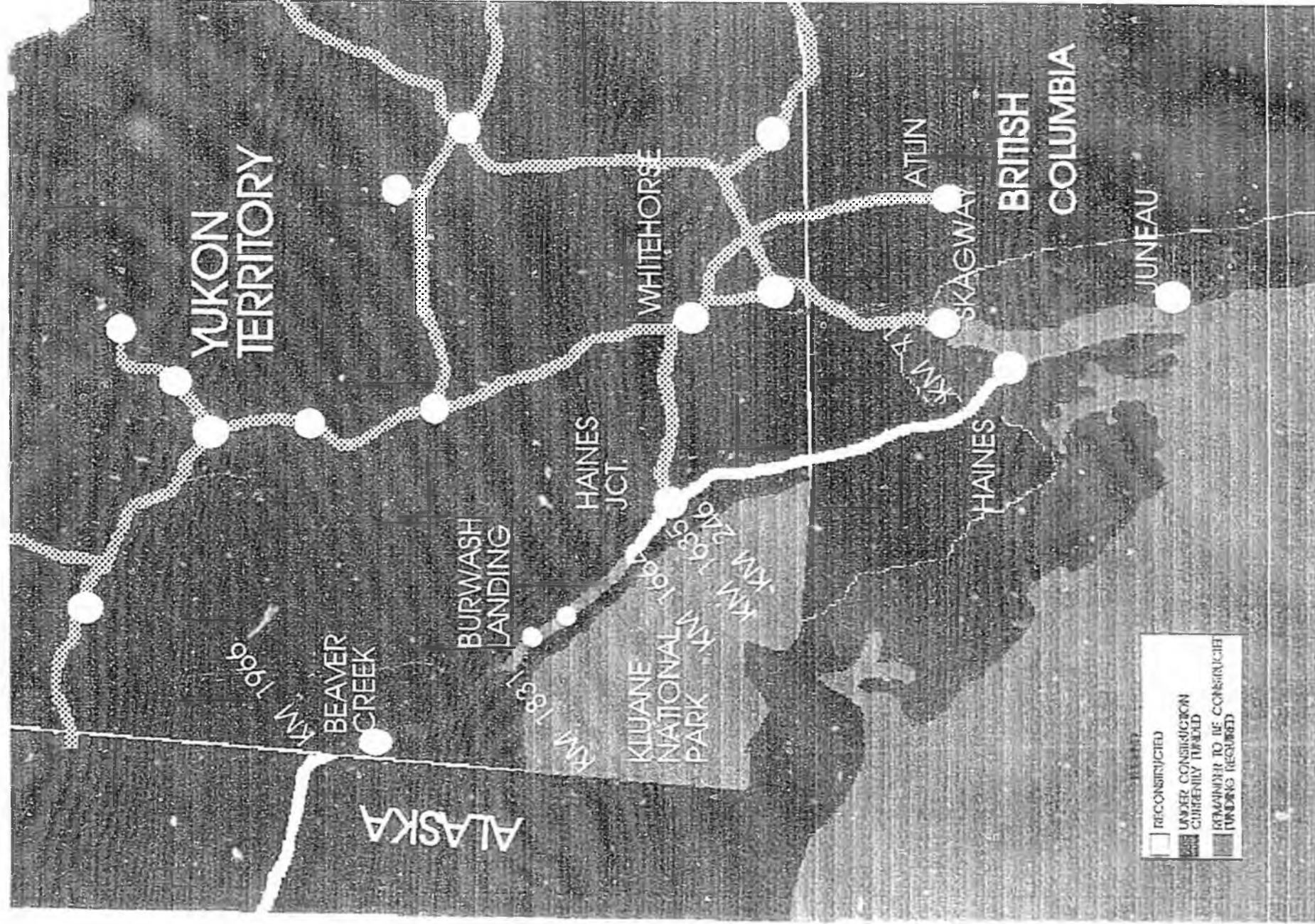
The Project was proposed by the United States Government, to provide for the predominately American users of the highway (80 to 85%), and has been funded by the United States Government through the Federal Highways Administration, and during the 1980's through the State of Alaska. The design and construction 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





Office of the Minister
Box 2703, Whitehorse, Yukon Y1A 2C6

Our File:
Your File:

December 6, 1996

Senator Randy Phillips
Senate District L
State Capitol
Juneau, Alaska 99801

Dear Senator Phillips:

Re: Shakwak Project

No doubt you will recall the resolution on continued funding for the Shakwak Project which was passed by the Senate Transportation Committee in early May. Your support in preparing this resolution is very much appreciated.

I understand that there was insufficient time to put the resolution before the Legislature prior to adjournment last spring. As Alaska's support for completion of the project is very important, I would appreciate anything further that you can do to advance this resolution when the Legislature reconvenes in 1997.

I would very much like the opportunity to discuss this matter with you and your colleagues in the next few months. I expect to be in Juneau in this period and will make arrangements to meet with you at that time.

Yours truly,

Dave Keenan
Minister
Community and Transportation Services

- c: Mr. Joe Perkins, Commissioner, DOTPF
Mr. Tony Knowles, Governor, State of Alaska
Ms. Drue Pearce, President, Alaska State Senate
Ms. Gail Phillips, Speaker, Alaska House of Representatives



Office of the Minister
Box 2703, Whitehorse, Yukon Y1A 2C6
20 March 1996

Mr. Joe Perkins
Commissioner
State of Alaska
Department of Transportation
and Public Utilities
3132 Channel Drive
Juneau, Alaska 99801-7898

Dear Mr. Perkins:

RE: Funding for Completion of Shakwak Project

As you know, 1996 will be the final year of major reconstruction under the current Shakwak funding appropriation of \$89.6 million (US). The bulk of this funding (\$80 million) was approved under the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). As ISTEA will expire in 1997, the planning and deliberation for the next surface transportation authorization bill will be active in 1996.

Excellent progress has been made on reconstruction of the northern section of the Alaska Highway in the Yukon over the past 4 years with a corresponding increase in the level of service and safety for travellers between Alaska and the lower Forty-Eight. Completion of the remaining 100 miles and replacement of four major bridges will require an additional appropriation of \$94 million (US).

Alaska support in 1990 gave new life to the Shakwak Project. In April of that year the Alaska State Legislature passed a resolution supporting completion of the project. A reiteration of this support and a resolution requesting the Alaska congressional delegation to seek the necessary funding to finally complete the Shakwak Project would be very helpful at this time.

The Yukon Government is committed to continued maintenance of the Haines Road and North Alaska Highway. Our average maintenance costs are about \$5.3 million (Cdn)/year. In addition, we are continuing with a major reconstruction program on the southern portions of the Alaska Highway. In British Columbia and the Yukon the Canadian and Yukon Governments have spent \$95 million (Cdn) on reconstruction over the past four years. This reconstruction, like Shakwak, provides a substantial benefit to tourism and commercial traffic bound for Alaska.

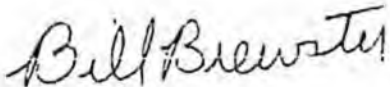


KLONDIKE
GOLD RUSH
CENTENNIAL

In closing, I acknowledge the Alaskan support for the Shakwak Project over the years and I appreciate any further help you can give towards getting the project completed.

I have enclosed an updated briefing note indicating the current status of the project.

Yours truly,



Bill Brewster
Minister
Community and Transportation Services

/ps

Enclosures

- c: Mr. Tony Knowles, Governor, State of Alaska
- Ms. Drue Pearce, President, Alaska State Senate
- Ms. Gail Phillips, Speaker, Alaska House of Representatives



Alaska Campground Owners' Association

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 Haines

Kenai Peninsula Region
Paul Yozar
 Beluga Lookout RV Park
 Kenai

Executive Administrator
Ron Merrill, CMAA
 Horta Management Group

April 30, 1996

Dear Legislator:

By way of this letter, the Alaska Campground Owners' Association (ACOA) extends its thanks and most sincere support of Senate Joint Resolution No. 42 as regards the reconstruction and paving of the Alaska Highway, particularly the area known as the Shakwak project, as authorized in the Federal-Aid Highway Act of 1973.

ACOA is a non-profit organization of independent and mostly family-owned and operated businesses along Alaska's highways who work hard to make a living serving our many highway travelers, and we continue to hear of the deteriorating conditions on the Alaska Highway and the effects these conditions have on both man and machine.

Year after year, we are seeing drastic decreases in tourism funding which will in itself have long-term negative effects on the number of visitors to Alaska, not the least of which is decreased tourism-related tax revenues to our state government. Now, we have allowed highway access to our great state to deteriorate to a point where word of mouth will further reduce highway traffic into Alaska.

Please continue to take the U.S. and Canadian governments to task on their responsibility to honor their agreement and provide the funds necessary to complete the remaining portions of the Shakwak project. We fully support Senate Joint Resolution No. 42. Our livelihoods depend on it!

Sincerely,

Rick Barrier
Rick Barrier, President
 Alaska Campground Owners' Association



OTTAWA, February 11, 1977.

Note No. GMU-156


PA
2142-1-2
Wdh

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.

My name
690

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.

Thomas O. Ende
6/12

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 highway (except for providing right-of-way), including but not limited to: engineering 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,

*Common
Highway*

(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 of 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.