

HB

244

MAR 5 10:30



Rep Vic Khoring
State Capitol
Juneau, Alaska 99801-1182

Ref: Denali Park Rail Access

March 2, 2001

Dear Rep. Khoring:

Because you are the House Transportation Chair with a vital role in developing new transportation infrastructure in Alaska, the attached materials are submitted to you in furtherance of the development of a new northern railroad access into Denali National Park and Preserve.


After seeing the recent University Lands Bill proposed by the Governor, crafted by acting DNR Commissioner Pourchot and Chip Dennerlein of the NPCA and, the wasteful and delaying tactics of the Rex / South Intertie process, I don't see Commissioner Pourchot granting the lands in the 1998 AIDEA bill - CSHB 386 - (attached) to AIDEA for KHI to develop as a railroad right-of-way under any circumstances.

To avoid further delays and not have to fight the Commissioner for the next two years, we are asking Rep. James and Sen. Therriault to introduce appropriate legislation to resolve the rail corridor issue. Both are familiar with the Denali Railway System Project and can fill you in on their positions. I am also asking for your support.

After you have a chance to review the attached, please call or email me if you have any comments or questions.

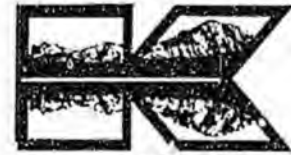
Thank you for your time and good efforts on behalf of Alaska and for your support.

Best regards



Joseph N. Fields III, President
Kantishna Holdings, Inc.

CONFIDENTIAL



KANTISHNA
HOLDINGS INC.

Senator John Cowdery
Chair, Senate Transportation Committee
State Capital, Juneau, Alaska 99801-1182

COPY

February 28, 2001

Dear Senator Cowdery:

We have not met so allow me to introduce myself, my name is Joseph N. Fields III and I'm a 40 year resident of Fairbanks and President of Kantishna Holdings, Inc. (KHI), an Alaskan corporation.

KHI has proposed The Denali Railway System: A privately funded, Design / Build / Operate and Maintain Project creating a new northern railway access for Denali National Park and Preserve.

I read with interest Liz Ruskin's February 24th Anchorage Daily News article entitled: "Cowdery collects engineers' ideas." and I applaud your leadership and that of others in the Legislature in seeking a resolve to Alaska's deficiency in transportation infrastructure.

While the article focused on engineering vision and ideas, there are elements of transportation infrastructure development that do not fall to engineers, such as project capitalization, right-of-way acquisition and governmental relations. Of course, I'm referring to privately funded transportation infrastructure development and not to the process most frequently undertaken in Alaska, where State and Federal monies are expended implementing construction of transportation infrastructure.

Denali Reality:

First, it's a novel concept, a "Denali Aerial Coach" seen as "...basically an elevated railway from Healy to Kantishna"¹, but as the person with perhaps the most experience with railroad development in Denali, this idea is a non-starter from both financial and practical standpoints. The proposal envisions the use of public funds. There has never been federal or state funding in the amount of \$450 million for transportation infrastructure in a single park. Further, passenger revenue dynamics for Denali Park simply will not amortize \$450 million. Conversely, the rail element KHI's proposal, is approximately \$135-150 million in private capital, less terminal facilities (which are revenue generators) and lease-purchase rolling stock. In total about \$235-240 million private capital investment.

Second, the visual impact of an elevated train will garner the strongest of opposition - not that the opposition will support any development - but unlike standard railroads with a low profile, elevated trains become the dominant feature of the landscape which detracts from the visitor experience without bringing any real benefit other than higher engineering fees. Further, Elevated trains, like monorails are typically urban transportation features providing a second level of transportation in crowded environs. Usually, Elevated trains and monorails require a surface support road and, because they most resemble bridges require extraordinary fire and rescue equipment and facilities.

Wants:

Basically there are two actions required for KHI to start actual development a new year-round northern access railroad into Denali from Healy to Wonder Lake:

1. Creation of a corridor from the Alaska Railroad near Healy to the edge of the Park in the Stampede Townships;
2. Creation of a corridor in the Park from the edge of the state land to a preferred terminus location in the vicinity of Wonder Lake.

Background Information and Solutions for 1 & 2 above:

- (1) This corridor should be complete now. The AIDEA re-authorization bill of two years ago (CSHB 386) reserved in law a corridor for KHI to select a railroad right-of-way from. However, the bill required the DNR Commissioner to implement the process for the granting of the corridor from DNR to AIDEA, Commissioner Shively said he could do it in a perfect world but this was not one. Later, sometime last summer, DNR Commissioner Pourchot, aided by Chip Dennerlein of the National Parks Conservation Association (NPCA), devised a plan to grant 90,000 acres in Stampede Townships west of Healy to the University of Alaska on the condition the UA sell the 90,000 acres to the National Park Service². Commissioner Pourchot is a long time opponent of northern access into Denali as is the NPCA, who's Board of Trustee's Secretary is the owner of Camp Denali and in effect Mr. Dennerlein's employer. Commissioner Pourchot is not going to grant land to AIDEA for a railroad corridor while he and his environmental industry constituency are orchestrating such a major deal.

- **Solution:** The way to resolve the corridor issue on State lands is a bill or amendment to a bill that the Governor can not veto easily. A bill that would transfer a similar corridor, as the one established in the AIDEA bill and under the same provisions, to the Denali Borough for economic development purposes. Ironically, the Denali Borough was denied by DNR the selection of Stampede Township lands in its original allotment selection and those lands are among the best and most suited to economic development in the Borough. The Denali Borough is agreeable in principal to such legislation and would endorse it by resolution if one was introduced. A bill could be moved in this Legislative Session and would advance the time schedule of Denali access considerably.

- (2) A State's legislature has only a limited influence on federal land issues, as we in Alaska know from experience. A "new northern railroad route to Wonder Lake" was the ultimate finding endorsed by National Park System Advisory Board (NPSAB) in the final version of 1994 Denali Task Force (DTF) Report as Amended. The Amendment was written by the NPSAB itself after the DTF failed to recommend improved access into Denali. (Note: Pat Pourchot and Chip Dennerlein were respectively, Vice-Chairman and Member of the DTF in 1994). Since 1994, the finding for a new north access has been ignored by the Park management. Sadly, the NPS planning process has been tragically subverted by the environmental industry under the last national administration and is likely unable to make a plan that creates new access. NPS planners routinely consider 8 to 20 years as a planning period for the Park. The South Side Denali Plan which has been opposed by the residents of the area, proposed to take 15 years to implement. There is no effort to meet the immediate growth in visitor volume. The Park management concept in play is to reduce park access. No privately funded project can survive a 20 year time line for development.

- **There is a logical and legal way for a Railroad / Utility Corridor to be created in Denali. The Secretary of the Interior can create rights-of-way in Conservation Units (Parks) under the Secretary's Management Authority. KHI petitioned Secretary Babbitt to create such a corridor based on the DTF Report finding in 1994. Secretary Babbitt supported rail access into Denali³, but ultimately he failed to act. KHI is now re-submitting it's petition to Interior Secretary Gale Norton in order to re-ignite the process. A Letter of Support from Senate and House Transportation Chairs calling for creation of a rail corridor in Denali, as recommended by the 1994 Denali Task Force Report to Secretary Norton would have a very strong impact on the process. A list of endorsements for the Denali Railway System Project is attached for your information and consideration.**

Needs:

At this writing, you are visiting with Alaska's Rep. Don Young, now Chair of the House Transportation Committee. Rep. Young is familiar with the DRS Project and as Chairman, has the opportunity to help turn a plan into a reality.

First, for any access project to be undertaken in Denali, the Secretary of the Interior needs to halt the planning processes now underway and take all the time necessary to get a full understanding of the needs of the Denali from a non-environmental industry standpoint. This is critical, the Denali "Backcountry Management Plan" now out for public review and comment sets forth further restrictive proposals to close down Denali to the visiting public. There is no element of the "Backcountry Management Plan" that deals with more access, only less access, in all transportation modes. The plan does not even account for the \$1.5 million in TEA-21 EIS funds and the \$330,000 in SB-3 available for the north access route.

Action:

As a starting point, I suggest the following: That you recommend to Rep. Young, that he, you and if at all possible, Secretary Norton and other as may be appropriate be the guests of KHI this coming summer on a fact finding tour of the Denali Park Road and north access route. As soon as the Park road is open and all schedules permit.

The idea would be to travel the Park road (one way to Kantishna with a helicopter flight out to Healy) accompanied by qualified transportation engineers to get a first hand knowledge of the road and its current state of deterioration and, the safety hazards (lack of compliance with federal and state regulations etc.) it presents to the visiting public. The flight out of Kantishna would be over the north access route and provide the knowledge base necessary to pursue appropriate action.

Background:

"The Denali Railway System" is not a new proposal. KHI first proposed the railroad nearly a decade ago and has been in development ever since. The route KHI proposes is on both state and federal land and was first seriously considered after the Parks Highway opened in 1972 and the volume of visitors to Denali mushroomed.

Today, between a half million and 600,000 visitors come into the area of the Park entrance area each year. Due to the restrictive nature of the single dirt road servicing the park and the multi-layered somewhat antiquated bus system and tours, only about half of those arriving at the entrance make their way anywhere into the park. Only about 6,000 or a little over 1% of visitors actually make the journey to Wonder Lake to see the view of Mt. McKinley so often used as an Icon for Alaska (see photo attached). Denali is a vast park of 10,000 sq. mi. or, 6.4 million acres of which only about 5,000 acres is readily available to the average visitor in the 100 day season. The Park is not at its carrying capacity the park road is!

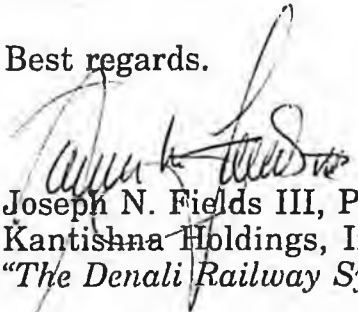
Early on, KHI's engineers determined the to be route technically feasible. Financial analysis concluded feasibility given the number of Denali visitors available in 1994. Since 1991, the Cruise Ship Industry has experienced a 180% increase in passenger volume. KHI envisions a rail-to-road and vice versa operation in the 100 day summer season and a rail operation only during the balance of the year. This creates both shoulder and winter season opportunities for the visitor industry operating in Alaska. The DRS Project will open a 265 day increase in the Alaska visitor season now producing \$1.4 billion. Adjusting for the lower visitor volume in the off seasons and on the current seasonal occupancy rates in Anchorage, The DRS could be carrying 525,000 passengers per year. The volume already exists. The rail will take 1300 administrative vehicles events off the Park Road, allowing 50,000 more visitors into the Park.

KHI has reviewed the passenger projections in the NPS 1996 North Access Study and suggests that others consider the sources and assumptions and the need for the NPS to down play the visitor volume to oppose new north access. Also, it's appropriate for one to review the personnel make-up of the study team. The "usual suspects" were and are active participants.

Regarding development capital, KHI has letters of capital availability from the largest infrastructure financing institution in the America's, indicating their ability to fund a project of the size KHI proposes. As with all development financing, one of the first questions asked is: Do you have a right-of-way? The NPS and the environmental industry, with the help of some state personnel have been very successful in blocking access to Denali. It's time for a change in the process and for the development of a new north access to Denali.

I thank you for taking the time to read this lengthy document and I stand ready to answer any questions you might have. Most importantly, please understand, remedies exist for the deficiencies in Alaska's surface transportation infrastructure. The Denali Railway System is just one of them. However, it will take decisive action on the part of the legislature and great strength of purpose to make it come to fruition. The new national administration in Washington, D.C. presents long awaited opportunities for success in many areas and I hope you will consider joining with KHI in making the needs of Denali Park and Alaska known to them.

Best regards.



Joseph N. Fields III, President
Kantishna Holdings, Inc.
"The Denali Railway System"

Hard Copy Cc:

Representatives: Jeanette James; Vic Khoring
Senators: Gene Therriault; Gary Wilken; Jerry Ward; Robin Taylor; Pete Kelly
and Senate President Rick Halford

This document contains information belonging to Kantishna Holdings, Inc. that is solely for the recipient named above and which may be confidential or privileged. KANTISHNA HOLDINGS, INC. EXPRESSLY PRESERVES AND ASSERTS ALL PRIVILEGES AND IMMUNITIES APPLICABLE TO THIS TRANSMISSION. If you are not the intended recipient, be aware that any transmission, disclosure, copying, distribution, or use of the contents of this document is STRICTLY PROHIBITED. If you have received this document in error, please notify us by telephone (907-456-7906) or by electronic mail to: joseph.fields@acsalaska.net, immediately. Thank you.

1. February 24th Anchorage Daily News
2. University of Alaska Land Bill Briefing Document - Dec. 14, 2000.
3. See Anchorage Daily News Banner Headline August 19, 1993

1 Nome, Alaska, to be owned by the authority, or may finance the project by other means
2 available to the authority. The principal amount of the bonds and other financing provided
3 by the authority may not exceed \$30,000,000.

4 (c) The Alaska Industrial Development and Export Authority may issue bonds to
5 finance the development of a railroad right-of-way within a railroad and utility corridor from
6 near the village of Healy along the general alignment of the Stampede Trail to the eastern
7 boundary of Denali National Park, or may finance this project by other means available to the
8 authority. The principal amount of the bonds and other financing provided by the authority
9 may not exceed \$28,000,000.

10 (d) The Alaska Industrial Development and Export Authority may issue bonds to
11 finance the construction and improvement of the Haicher Pass Ski Resort, phase 1, located in
12 the Matanuska-Susitna Borough, or may finance the project by other means available to the
13 authority. The principal amount of the bonds and other financing provided by the authority
14 may not exceed \$15,000,000.

15 (e) Subsections (a) - (d) of this section constitute the legislative approvals as or if
16 required by AS 44.88.095(g), as amended by sec. 3 of this Act.

17 * Sec. 25. RIGHT-OF-WAY FOR RAILROAD AND UTILITY CORRIDOR. (a) The
18 Department of Natural Resources shall grant to the Alaska Industrial Development and Export
19 Authority on the terms the department determines to be appropriate, and as may be more
20 particularly described by the authority, a right-of-way comprised of the land described under
21 (b) of this section for the purpose of financing a project under AS 44.88 to enable Kantishna
22 Holdings, Inc. and its successors and assigns in interest, or Kantishna Holdings, Inc. or its
23 successors and assigns in interest, to develop a railroad and utility corridor comprised of the
24 land described under (b) of this section. The right-of-way grant to the authority may not
25 impair current valid property rights within the land described under (b) of this section.

26 (b) The right-of-way grant to the authority under (a) of this section must run from
27 near the village of Healy along the general alignment of the Stampede Trail to the eastern
28 boundary of Denali National Park, and must proceed through the following cadastral units:

- 29 (1) Township 12 South, Range 7 West
- 30 Section 7;
- 31 (2) Township 12 South, Range 8 West

- 1 Sections 7, 11, 12, and 14 - 23;
- 2 (3) Township 12 South, Range 9 West
- 3 Sections 1 - 18, inclusive;
- 4 (4) Township 12 South, Range 10 West
- 5 Sections 1 - 18, inclusive;
- 6 (5) Township 12 South, Range 11 West
- 7 Sections 11, 15 - 22
- 8 Sections 27 - 30; N 1/2.

9 (c) The right-of-way developed for the project described under (a) of this
10 be 300 feet in width plus any ancillary land necessary for the development.

11 (d) If the right-of-way developed for the project described under (a)
12 uses less than all of the land contained in the right-of-way granted to the author
13 of this section, the authority's right-of-way shall be modified to exclude the land
14 for the project.

15 (e) In this section, "authority" means the Alaska Industrial Development
16 Authority.

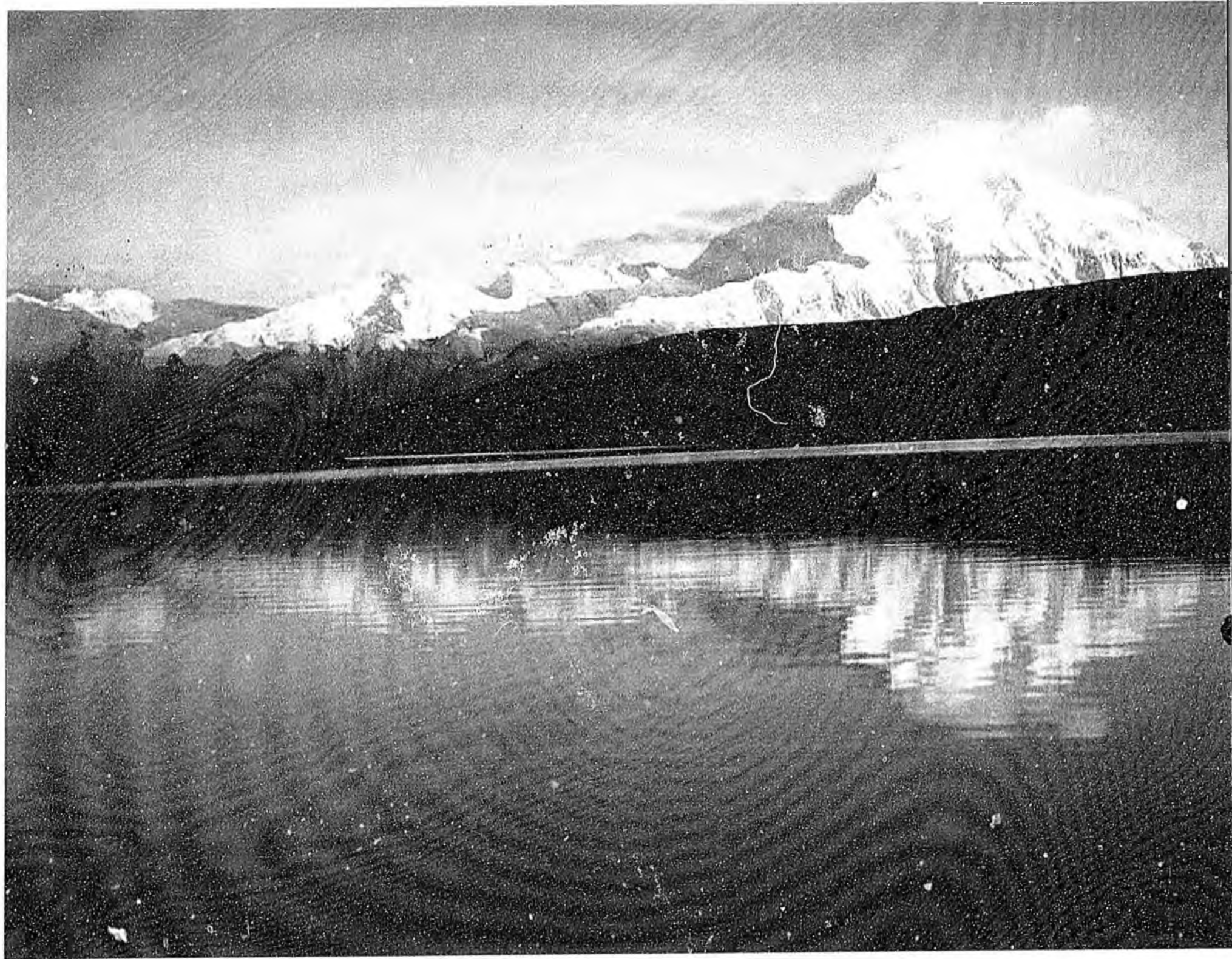
17 * Sec. 26. Section 22 of this Act takes effect June 30, 1998.

18 * Sec. 27. Except as provided in sec. 26 of this Act, this Act takes effect J

**ENDORSEMENTS FOR
THE DENALI RAILWAY SYSTEM^o
AND
NORTHERN RAILROAD ACCESS INTO
DENALI NATIONAL PARK AND PRESERVE**



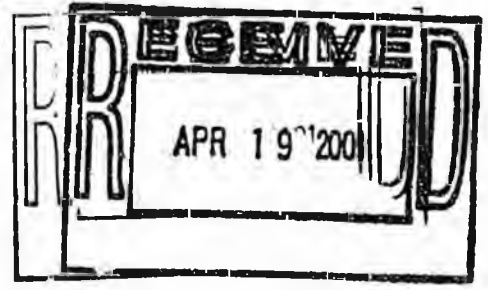
- The Denali Borough - Resolution of Endorsement 93-02 - 2/14/93
- National Park System Advisory Board - Resolution 12/14/94
- The Alaska State House - HJR 28 - Legislative Resolve No. 19 - 2/08/94
- The Alaska State Senate - Resolution of Endorsement SJR 25 - 5/97
- The Alaska Legislature - CSHB 386 -Authorizes KHI Rail/Utility Corridor Signed 6/18/98
- The Fairbanks North Star Borough - Resolution No. 96-035 - 4/11/96
- The Matanuska - Susitna Borough - Resolution No. 96-027 - 6/4/96
- The City of Fairbanks - Resolution of Endorsement No. 3652 - 4/22/96
- The City of Nenana - Resolution of Endorsement No. 96-08 -4/11/96
- The City of North Pole - Resolution of Endorsement, N^o 96-10, October 7th, 1996
- The City of Seward - Resolution No 96-053 - 4/22/96
- The Municipality of Anchorage, Resolution of Endorsement, N^o 96-274, 11/7/96
- The Greater Fairbanks Chamber of Commerce - Resolution No. 96-0325.3 - 4/16/96
- Anchorage *Star of the North* Chamber of Commerce Resolution #98-99-9 - February 19, 1999
- The Fairbanks Convention and Visitors Bureau - Resolution of Endorsement 7/96
- The Anchorage Convention and Visitors Bureau - Resolution of Endorsement, 11/5/96
- The Citizen's Advisory Commission on Federal Areas - Res. of Endorsement 11/15/95
- The Alaska Visitors Association - Letter - 5/11/94
- The Fairbanks Building & Construction Trades Council AFL - CIO - Letter - 4/24/96
- The Alaska Miners Association - Letter - 7/7/95
- Access Alaska Inc.- Non-Profit Disability Access Advocates - Letter - 5/11/94
- Alaska Democratic Party - Resolution of Endorsement # 97-012 - 10/1/97
- The Alaska Railroad Corporation - Letter - 11/3/93
- The Associated General Contractors of Alaska - Letter - 1/19/96
- Gil Carmichael: Fmr. U.S. Railroad Administrator in: Progressive Railroading -6/95
- Dr. Bradford Washburn, Renowned Mt. McKinley Surveyor/Photographer - Letter -1/30/96
- Bi-partisan State Interior Legislative Delegation- Letter to Gov. Knowles Dec. 16, 1997



Kantishna Holdings, Inc
P.O. Box 71047
Fairbanks, Alaska 99707-1047
"The Denali Railway System"

Note letter
circulated.

WOLVERINE SUPPLY, INC.
GENERAL CONTRACTORS
5099 East Parks Highway, Suite 201
Wasilla AK 99654
Phone (907) 373-6572
Fax (907) 357-2023



April 18, 2001

Dear Representatives and Senators:

I am writing to urge that you support passage of Senate Bill 152 and House Bill 235, "An Act relating to the handling of and interest on contract controversies involving the Department of Transportation and Public Facilities or state agencies to whom the Department of Transportation and Public Facilities delegates the responsibility for handling the controversies."

As a general contractor who has been involved in construction in the State of Alaska for 36 years, this bill is especially important to me and other members of the construction industry. I am aware that the State of Alaska Department of Transportation & Public Facilities always paid prejudgment interest on claims until just very recently. I disagree with the State's position because prejudgment interest is, has been, and will continue to be an appropriate component of a contractor's damages. Why the State has decided to discontinue paying prejudgment interest is apparent. Prejudgment interest served as a valuable incentive for the Department to expeditiously handle contractor claims and subcontractor pass-through claims. Since the Department recently made the decision it would no longer pay prejudgment interest, I have heard several accounts of the Department literally dragging out its claims handling process for as long as three to four years. In some cases State maladministration of these contracts has resulted in good, reputable firms suffering tremendous financial burdens and even going under.

As a small contractor, my company cannot afford to finance State projects for these periods of time. As a result of this, we have even considered avoiding submitting bids on DOTPF projects or we factor DOTPF's retributive project maladministration into our bid to cover for these eventualities. While this may be wasteful of public funds for construction projects, it is essential for our survival in the competitive construction industry. I believe that the threat of prejudgment interest will result in State agencies treating general contractors and subcontractors more favorably.

In addition to urging that you pass this legislation immediately, I urge you to make it apply to every claim that is pending as of the effective date of the legislation. This would provide relief for those contractors who successfully prosecuted claims through DOTPF's administrative process during the 3½ year period that DOTPF arbitrarily and wrongly declined to pay prejudgment interest.

Please give this matter your immediate attention.

Sincerely,
WOLVERINE SUPPLY, INC.

Marc Van Buskirk
Owner

April 18, 2001

Representative Jeannette James
State Capitol, Room 214
Juneau, AK 99801-1182

Dear Representative James:

I am writing you as a citizen of the Denali Borough and a resident along the route of the proposed railroad who has great concern over the recently introduced HB244, both generally and in specifics. Generally, I am opposed to development in the Wolf Townships and have deep concerns about the viability of the proposed railroad. Specifically, I am concerned about the following:

1) Five years is too generous a time period for completing the survey work described. Joe Fields of Kantishna Holdings has spent a considerable amount of time scouting the proposed railroad route and raising investment capital over the past decade. The AIDEA right-of-way mentioned in the bill was granted 4 years ago and was never acted upon. Why does Kantishna Holdings require 5 more years on top of the 4 years already granted? If the company or the Denali Borough is not able to accomplish the survey within two years, it should be viewed as a lack of interest on the part of investors and a clear indication that this project will never transpire.

The termination date for the Borough survey and return of unclaimed land to the State should be September 1, 2003.

2) Is there a reason the bill does not specifically require that the Borough return the land to the State if railroad construction does not occur? It seems that the State should protect its interest in the land by requiring the Borough to return the land to the state within a set period of time if it fails to achieve that purpose of the Act. I suggest two clauses to be added to the bill:

"If the Denali Borough fails to complete its survey and specify the 3,500 acres of land it will retain by September 1, 2003, the provisions of this Act are void."

"If construction of a railroad utilizing this corridor is not initiated by September 1, 2005 or completed by September 1, 2007, all land conveyed to the Denali Borough by this act shall be transferred back to the State. Until these targets are achieved, the Denali Borough shall not transfer ownership interest in this land to any other public or private entity."

Language such as that above is essential to achieving the purposes of the act, and will prevent the Kantishna Holdings from teasing the people of the Borough and the State along indefinitely. Either the project is viable or

it is not, the company should not be given free reign forever, and accountability should be enforced through strict deadlines. In the present language of the bill, it is unclear what happens to the land if the railroad is never constructed.

3) This bill avoids a public planning process that could address local, regional, and statewide concerns. Local residents and people from elsewhere in Alaska presently use the area encompassed by the Wolf Townships for a variety of purposes including hunting, fishing, wildlife watching, access to remote homesteads, etc. As written, there is no mandate for either the State or the Borough to conduct any participative planning for siting the corridor or the ancillary development nodes, so there is no way to account for these uses and plan accordingly.

If the state considers the conveyance of municipal land entitlements to the Borough, and those conveyances would conflict with the Tanana Basin Area Plan (TBAP), the state must conduct a TBAP amendment before transferring the land. This conveyance should be treated at least as stringently since the Wolf Townships previously have been considered sensitive enough to be off-limits to Borough land selection altogether. How wrong it would be for lands not even considered selectable before this bill to be conveyed without any public planning process! I realize this discussion was begun because of a similar notion of conveying the Wolf Townships to the University of Alaska, but that proposal never became a formal proposal or bill, and the same stricture should have applied if it had. The State is clearly the best entity to conduct any planning process for the Wolf Townships because of the statewide importance of and interest in these lands and because the State has planning staff while the Borough does not.

The bill desperately needs a mandate for a public planning process before conveyance of land to the Borough, and that process should include an alternative for State retention of the land if the public is strongly opposed to changing the status of the Townships.

I sincerely hope that you and your fellow legislators can address these concerns.

Thank you.

Charlie Loeb
P.O. Box 84
Denali Park, AK 99755
(907) 683-6300

January 2002

Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Legislator,

This letter presents the concerns of three Alaskan environmental organizations, Denali Citizens Council, Northern Alaskan Environmental Center, and Alaska Center for the Environment. We oppose HB 244, the Denali railroad land transfer bill, and support the Governor's reasons for vetoing this bill. We urge the Alaska State Legislature to support the veto in the coming legislative session.

Our reasons for opposing HB 244 reflect the concerns of local Denali residents, who have taken the time over the past legislative session to write letters, give testimony and present their case in the newspaper. Our concerns follow.

1. Local citizens question the assumption that they need a large tourism project on state owned, sensitive lands in their area...They question a large rail project in the Wolf Townships because
 - It will disturb the rural quality of life, which was the reason for many folks' settling in lands adjacent to Denali National Park.
 - It will impact the health of wildlife that travel in and out of Denali onto these lands.
 - It will lead to competition for dwindling resources among area subsistence users and hunters.
 - It will ride roughshod over smaller scale, home grown tourism

2. Financial unknowns plague this project
 - The contractor, Kantishna Holdings Incorporated, has not proved, through a business plan, that it is capable of financing this very expensive railroad construction project.
 - NEPA compliance would be required and could draw down state revenues.
 - A partially completed rail project or one that failed to operate in the black could become a burden to the state. This is a real concern since due diligence on the part of the contractor has not been shown.

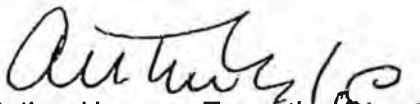
3. HB 244 ignores land use planning. While the State of Alaska needs new sources of revenue, no tourism project should be put into place without local and regional planning that includes all stakeholders. For example,
 - HB 244 bypasses the State's own Tarrana Basin Area Plan, which has favored leaving these townships in state ownership for wildlife management and recreation.
 - Along with granting a sole source contract to an unproved railroad builder, HB 244 transfers 3500 acres of state land in the Wolf Townships to the Denali Borough, a borough without a land use plan to steer development there.
 - The National Park Service, owner of adjacent lands and source of local jobs and economic stability, was not considered in this bill. Park planning guidelines, which do not favor new north access into Denali, were ignored. Supporters of the bill assume that rail will ultimately reach Kantishna not a realistic assumption.
 - Through SB 29, the capital appropriations bill, money is available for a more comprehensive study of north access options. It makes little sense to embark on HB 244, a questionable project, before completing this study.

4. The sponsor of HB 244 has said that she favors rail as an environmentally sensitive alternative to a road and that she opposes development in the 3500 acres transferred to the borough. However, HB 244, in its final form, contains no language to forestall these very likely occurrences.

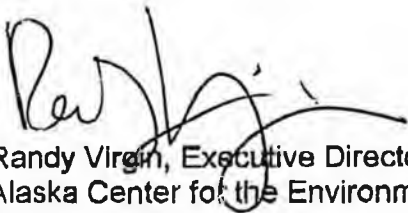
5. The Denali Borough does not need a new, large tourism project. To the contrary,
- Job growth in the Denali Borough over the last decade was 330%, the highest in the state.
 - Per capita income, at \$38,410 in 1999, was the highest in the state. (Source of economic data; Trends in Alaska's People and Economy, ISER, October, 2001)
 - Denali borough needs time for planning to catch up with growth.

We appreciate your consideration of the above points and urge you to support the veto of HB 244. If you have further questions, feel free to get in touch with us.

Sincerely,



Arthur Hussey, Executive Director
Northern Alaska Environmental Center
830 College Road
Fairbanks, Alaska 99701
(907) 452-3100



Randy Virgin, Executive Director
Alaska Center for the Environment
807 G Street
Anchorage, Alaska 99501
(907) 274-3621



Nancy Bale, President
Denali Citizens Council
PO Box 78
Denali Park, Alaska 99755
1-866-277-3834

**Audubon Alaska
National Parks Conservation Association
National Wildlife Federation
The Wilderness Society**

January 7, 2001

Alaska State Legislature
State Capitol
Juneau, AK 99801

SUBJECT: Sustain Veto of HB 244 - North Denali Rail Bill

Dear State Legislator,

The above organizations urge you to vote in support of the governor's veto of HB 244 - the Denali Rail Bill. We support improving opportunities for Alaskans and visitors to experience Denali. Unfortunately HB 244 is the wrong approach and may actually be counterproductive. By focusing opposition on a grandiose and impractical plan, HB 244 may impact the ability to achieve realistic projects and improvements.

Park road meets current visitor needs, better long-term options exist

1. There is no visitor demand for a *less scenic, more expensive* way to Wonder Lake

The railroad is an expensive project that begins just 17 miles north of the current park road and ends in the same place. Compared with the main park road, wildlife viewing is poor and the scenery is not as dramatic. The 1997 North Access Feasibility Study estimates in order to recover the initial investment over a 20-year period, the cost of a train ticket may be as high as \$235 (page vii, 1997 NPS Feasibility Study). In comparison, the cost of round-trip bus fare to Wonder Lake is \$33.00.

In the past 10 years many improvements (such as larger buses, a reservation system, and the creation of the 3-hour Natural History Tour) have increased both the capacity and the efficiency of the Denali bus system. In 2001 (as every year) no visitors were turned away, and the visitor transportation system ran at 78% capacity. A recent survey by the University of Idaho showed 88% of visitors rated the bus system as good or excellent and that wildlife observations are the greatest single factor contributing to visitor satisfaction.

2. Better options exist to accommodate future growth

Many visitor improvements to the Denali entrance area are currently underway including an interpretive visitor center, theatre, a science and learning center, picnic area, and expanded campground.

For the long-term, the South Denali plan includes new visitor facilities such as visitor centers, public use cabins, picnic areas, and trails at numerous locations. Two major companies (Access Tours and CIRI) have recently built tourist hotels in this region.

HB 244 contains serious flaws

1. HB 244 violates the State's competitive bid process

This bill violates the competitive bid process of the state by naming a single business, Kantishna Holdings Inc, as the project developer. This is clear favoritism, does not provide for proper public process, amounts to poor public policy, and could face court challenges.

2. The railroad will be an expensive liability for the State

Kantishna Holdings Inc. has not provided financial information, a business plan, an operating plan, or anything to demonstrate the railroad can be operated profitably. There is not a single passenger train in the U.S. built in modern times that operates exclusively by private funding.

3. HB 244 is contrary to current planning efforts

In 1998 the Federal TEA-21 bill provided \$1.5 million dollars for evaluating and planning a northern access route to Wonder Lake or Kantishna. In 2001, the State Legislature appropriated the necessary matching funds. This planning process will determine what kind of access to build, where, and involve the public and appropriate agencies. At this time, ADOT&PF is in the process of passing this planning money to the Denali Borough.

4. The Denali Borough is the wrong player

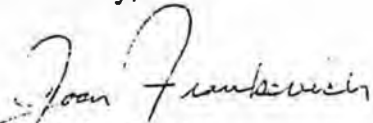
The Denali Borough is not well suited to take on a project of this magnitude. They have no road powers, and have demonstrated no initiative to address land use planning or zoning. Denali National Park is one of the centerpieces of Alaska tourism and is of statewide interest and importance. A realistic planning process must also include both the National Park Service and The Department of Natural Resources. HB 244 excludes both and could potentially create a "railroad to nowhere" that ends 50 miles short of its destination.

5. A Denali railroad project will receive national scrutiny

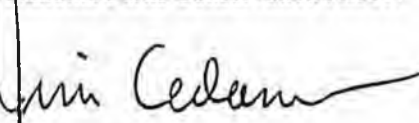
A 90-mile railroad over nearly virgin terrain into one of the world's most famous national parks will not go unnoticed. U.S. Taxpayers for Common Sense has already labeled North Denali Access as one of the "10 Worst Highway Projects in America".

HB 244 is a flawed bill that creates more problems than it solves. We urge you to sustain the veto of this bill.

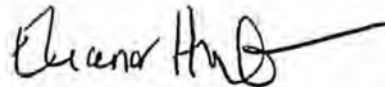
Sincerely,



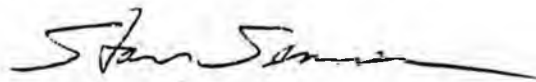
Joan Frankevich
Acting Regional Director
National Parks Conservation Assoc.



Jim Adams
Legal Counsel, Alaska Office
National Wildlife Federation



Eleanor Huffines
Alaska Regional Director
The Wilderness Society



Stanley E. Senner
Executive Director
Audubon Alaska

and assumes no zoning power -- deficiencies which are all too evident when touring Nenana Canyon.

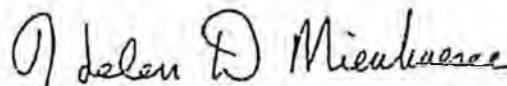
HB244 also appears to grant extraordinary advantage and potential economic benefit regarding selection, use and development of public lands and rights-of way to a single, private company. The sunset clause, alone, establishes a virtual "sole source" contract advantage for the company, since the Denali Borough must secure a contract for the railroad project on schedule or face reconveyance of the subject land to the state. The bill allows the company to pass this extraordinary leverage on to successors and assigns at will, while other entities that might logically be involved (i.e. the Alaska Railroad Corporation, in which the state has a direct interest) are not even mentioned.

Finally, HB244 does nothing to involve directly affected land managers like the National Park Service, DOT, or Alaskan user groups such as local hunters, recreationalists, and subsistence users.

Each of the problems above would be sufficient to justify rejection of this ill-conceived legislation, but we also ask that you consider them in light of one over-arching fact. The right-of-way corridor created by HB244 would directly link Alaska's main highway (and a segment of the interstate highway system) with state lands classified for wildlife habitat and public recreation and with the boundary of the most widely visited national park in Alaska. The expressed purpose of this corridor will be to promote recreation access and tourism. Decisions regarding future transportation and development in this corridor will directly affect the state's overall visitor economy and the interests of many citizens throughout our state. For these reasons, the TRAAK Board feels strongly that the State of Alaska has the responsibility to plan for and manage and public rights-of-way in this area on behalf of all Alaskans. We urge that you do not convey away this responsibility.

The TRAAK Board stands ready to help in any reasoned and accountable planning effort in this area of Denali. We believe there are positive actions that could be taken to improve recreation access and opportunities for visitors. HB244 is the wrong approach. We unanimously urge you to veto the bill. Thank you for this opportunity to comment.

Sincerely,



Helen Nienhueser
Chair

cc: John Gonzales, Mayor, and Denali Borough
Pat Pourchot, Commissioner, DNR
Joe Perkins, Commissioner, DOT&PF
Marty Rutherford, Deputy Commissioner, DNR

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
DIVISION OF STATEWIDE PLANNING

TONY KNOWLES, GOVERNOR

3132 CHANNEL DRIVE
JUNEAU, ALASKA 99801-7898
PHONE: (907) 465-4070
TEXT: (907) 465-3652
FAX: (907) 465-6984

May 15, 2001

Governor Tony Knowles
Office of the Governor
PO Box 110001, Juneau, AK 99811-0001

Subject: Request for Veto of HB 244

Dear Governor Knowles:

At our 5/11 meeting, the TRAAK Citizens Advisory Board reviewed the final version of HB 244, as passed by the Legislature on last day of the session. The legislation grants state land to the Denali Borough for a right-of-way and utility corridor, for a railroad project and associated development. We discussed the bill with representatives from DNR and DOT, and received comments from several area residents and business owners. The bill clearly addresses recreational access to an area important to Alaskans and visitors, and the Board has gained considerable knowledge about transportation and land use issues in this area as a result of six years of direct involvement in the Nenana Canyon project. Therefore, the Board felt it important to advise you of our concerns.

In short, the TRAAK Board recommends that you veto HB244 for a number of reasons.

The State of Alaska has previously cooperated with National Park Service in assessing the feasibility of developing additional access on the north side of Denali. Additional federal highway funds have been appropriated by Congress for further study and the Legislature took action this session to appropriate required state matching funds. HB244 short-circuits both the federal environmental study process as well as future State planning for appropriate recreational development in the area. Rather, the bill directs the conveyance of state lands to the borough for a specific, major development project without any public planning process. In so doing, HB244 reverses decisions in the Tanana Basin Area Plan, which classified the state lands proposed for conveyance to the Borough in HB244 as wildlife habitat and public recreation. These classifications are not available for selection by local governments. Discarding the existing state area plan without any meaningful opportunity for public input sets a dangerous precedent. It is even more inappropriate in this case, since the purpose of the land grant is to facilitate development of a complex transportation project and the Denali Borough lacks planning staff



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Gerald E. Grilly, Publisher, 1984-1993
Katherine Fanning, Editor and Publisher, 1971-1983
Lawrence Fanning, Editor and Publisher, 1967-1971

OUR VIEW

Good veto I

Denali railroad scheme looks like runaway train

Something about big construction projects makes the Alaska Legislature go gaga. This session lawmakers voted overwhelmingly to give away large tracts of valuable state-owned wildlife habitat near Denali National Park and Preserve. The reason was to help an entrepreneur pursue a fanciful dream of building a railroad deep into the park's north side.

Leave aside the question of how many hundreds of millions of dollars such a railroad would cost.

Leave aside the highly dubious claim that no government financing would be necessary to build it or run it.

Leave aside the question of whether the federal government would ever allow the railroad to extend into Alaska's premier national park, disrupting wildlife and shattering the area's solitude.

In its rush to jump-start the project, the Legislature acted with the dispassion and considered judgment of the

Katzenjammer Kids:

Before the Legislature convenes again in January, let's hope the governor can persuade at least 15 legislators to sustain his veto of what appears to be one of the most reckless speculative schemes to come down the track in years.

- It gave away land in the heart of a habitat area that the state Board of Game designated to help protect Denali's Toklat wolf pack.

- It ignored the state's long-term land plan for the region, created after a long public process, which calls for the state to keep the land.

- It entrusted this huge, controversial transportation corridor to a borough that doesn't even want to use road-building and maintenance powers

- It gave away the land without stopping to make the deal contingent on successful development of the railroad.

- It ignored competitive bidding offers that might have allowed the state to attract more realistic proposals for an access project or other potentially useful development.

- It allowed "ancillary development" throughout the area it gave away, even though the Denali Borough doesn't have zoning laws or land-use regulations. If you like the visual appeal of downtown Wasilla or the charm of "Glitter Gulch" just outside Denali park's entrance, you'll love the sights likely to spring up along this new route.

Gov. Knowles did his part to stop this runaway train. He vetoed the giveaway bill Thursday. Good for him.

Only six legislators voted against the measure when the Legislature passed it. It will take another 15 legislators to sustain the governor's veto and stop this giveaway in its tracks. Before the Legislature convenes again in January, let's hope the governor can persuade that many, and more, to return to their senses. This looks like one of the most reckless speculative schemes to come down the track in years.



LINKING
BUSINESS
COMMUNITY &
CONSERVATION

AWRTA

January 4, 2002

Alaska State Legislature
State Capitol
Juneau, AK 99801

RE: HB 244-Right of Way to Denali Borough for railroad and utility

Dear Alaska Legislators:

I am writing on behalf of the Alaska Wilderness Recreation & Tourism Association (AWRTA) in regard to House Bill (HB) 244. AWRTA respectfully recommends your vote to sustain the Governor's veto of HB 244. AWRTA is a membership-based trade association representing 300 nature-based tourism businesses, partnering organizations and individuals throughout Alaska.

A significant portion of Alaska visitors and traveling residents travel to Denali National Park, arguably one of Alaska's premier tourism destinations. AWRTA members have engaged in numerous public meetings and planning processes associated with Denali National Park and the surrounding communities because of its importance to wilderness-dependent tourism businesses, their clients, and many Alaska residents. Further, AWRTA supports balanced opportunities for tourism development and growth throughout our state, including responsible development and access for multiple users. However, AWRTA strongly opposes HB 44 for several reasons:

1. HB 244 adds a new road corridor without recognizing existing infrastructure needs. AWRTA supports investing in our existing transportation infrastructure and facilities and using our limited resources in order to gain the most beneficial return on investments. Providing safe, maintained and high quality roadways, rest-stops, and other visitor facilities will only continue to attract visitors, in turn, creating a repeat visitor and resident travel population. Both of these visitor populations help bring economic impact to Alaska businesses and communities through existing visitor facility fees, bed taxes, and day-trip excursion purchases as well as contribute indirectly through meals costs, souvenir buys, gas receipts and other travel costs associated with highway visitor and resident users. The return on investment to support existing infrastructure, for both the industry and the State of Alaska, is sustained economic benefits to Alaska communities along our highways as well as an increase in quality services for Alaska residents.

2. HB 244 is does not allow appropriate public participation. AWRTA strongly recommends that all planning for potential highway development, newly created public transportation corridors, routes or projects, include widely publicized public participation. Alaska's public resources are often resources sought by residents, businesses and visitors. The magnificent beauty of the Denali area is what attracts visitors from around the world to choose Alaska as a destination. The same characteristics inherent in the Denali area benefit Alaska's residents and business owners. In light of the critical importance of this area to many user groups, it is essential any planning processes involve appropriate public participation.

Alaska Wilderness Recreation & Tourism Association

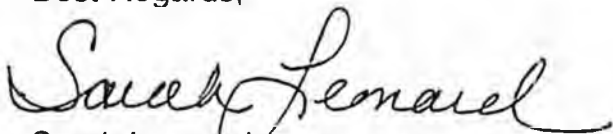
2207 SPENARD ROAD • SUITE 201 • ANCHORAGE, AK 99503
(907) 258-3171 TEL • (907) 258-3851 FAX • INFO@AWRTA.ORG • WWW.AWRTA.ORG

3. **HB 244 fails to incorporate borough, state and federal planning processes.** HB 244 does not provide for adequate coordination or cooperation with the National Park Service, the Denali Borough or the State Board of Game. All three agencies, including several industry and conservation groups, are obviously affected by new development or planning in the Denali National Park area. For example, the National Park and surrounding land attracts wildlife viewers from around the world. The Denali Toklat Wolf Pack has been highlighted on national and international media programs. This bill would give away land the State Board of Game has designated to help protect Denali's Toklat Wolf Pack.

AWRTA continually strives to provide incentives for responsible tourism development, balanced opportunities for multiple users and benefits from tourism directed to Alaska businesses, communities and residents. AWRTA also represents conservation interests; however, we link these interests with the values and support from over 200 tourism businesses in Alaska. AWRTA strongly urges you to vote for a sustained veto of HB 244.

Thank you for your time and consideration of our concerns. If you have any questions, please do not hesitate to contact me at 907-258-3171 or via e-mail at: sleonard@awrta.org.

Best Regards,



Sarah Leonard
Executive Director

cc: AWRTA Board of Directors



ALASKA WILDLAND

ADVENTURES

Printed On Recycled Paper: 

January 9, 2002

Alaska State Legislator,

I urge you to uphold Governor Knowles veto of HB 244 concerning the granting of state land to the Denali Borough for railroad development. For over 25 years, Alaska Wildland Adventures has provided high quality, ecologically sound tourism throughout the state, including Denali National Park. While I support improved access to the Park and Preserve, I believe HB 244 is significantly flawed in the following ways:

1. **It violates the public process** by disposing of protected state resources without adequate public process. Also, by explicitly naming a land lease recipient in the bill, it prevents a competitive bid process, essentially endorsing a monopolistic approach to development of public lands.
2. **It directly conflicts with the General Management Plan of Denali National Park.** The plan, developed over several years and involving significant public process, calls for improving access to Denali National Park in other, less invasive ways. The General Management Plan makes no provision for rail access via a northern route.
3. **It places lands of significant state and national value into the hands of an organization unable and unwilling to adequately administer them.** The Denali Borough has neither the resources nor experience to administer these lands, most of which are located in the "Wolf Townships", an ecologically sensitive area. The failure of the Borough to adequately manage the explosion of growth in the "Glitter Gulch" area directly north of the park entrance highlights the Borough's limitations.
4. **The named lessee, Kantishna Holdings Inc, has no proven ability to operate a railroad.** Kantishna Holdings Inc has no record or history of ever being involved in any railroad project (construction or operation) of any kind. It is reckless and irresponsible to grant permission to construct and operate a railroad through valuable state lands to a company with no demonstrated ability to do so.

Land belonging to the State of Alaska should be disposed of only after due public process and when developed, allowing for fair competition. HB 244 circumvents both of these processes. Please uphold the veto of HB 244

Respectfully,



Kirk Hoessle
President
Alaska Wildland Adventures

Denali Resource Subsistence Commission

Second North Denali Access

"There have been repeated efforts over the history of the park to establish an additional public access road along the Stampede Trail to the Kantishna area. In recent years, substantial pressure has been exerted by political and private interests for establishing a northern road or railroad access to Kantishna resulting in several feasibility studies and proposals."

Commission Recommendation

"In 1986, the Denali Subsistence Resource Commission submitted to the Secretary of the Interior a formal hunting program recommendation and subsequently reiterated their position with letters in 1993 and 1994 stating that the Commission strongly opposes any construction of new roads or railroads in Denali National Park and Preserve."

[The commission's position was reinforced in 1995 and 1996, as per J. Quinley, NPS.]

Concerns of the Commission

"The Commission is concerned that routes being considered will have adverse impacts on the livelihood and social lifestyles of subsistence users. Suggested routes through the park and preserve will traverse lands that have been proposed for wilderness designation and would open areas to increased accessibility which could have severe impacts on vegetation, wildlife and fish resources or their habitats. This in turn could significantly affect the livelihood of local subsistence users. Additionally, new roads or railroads would open areas presently used by subsistence users, exposing subsistence traplines, cabins, caches and structures to vandalism."

Response from the Secretary of the Interior

"The Secretary indicated that the recommendation would be implemented through the Park's General Management Plan."

Excerpt from:
Draft Subsistence Management Plan
Denali National Park & Preserve
September 10, 1999

December 31, 2001

Representative Jeannette James
P.O. Box 56622
North Pole, Alaska 99705

Dear Representative Jeannette James:

Re: House Bill 244

THE MIDDLE NENANA RIVER FISH AND GAME ADVISORY COMMITTEE, representing Clear, Anderson, Ferry, Healy, Kantishna, and McKinley Village voted unanimously at their December 4, 2001 meeting to oppose House Bill 244 and to assist in the campaign to prevent a veto override of the bill.

Committees concerns were:

Restricting hunting opportunities and access in the proposed corridor

Where hunting is allowed is already being chipped away in the Wolf Township and the wolf buffer zone was the first step

Tourists and tourism development would be intolerant of the consumptive use of wildlife as a resource

It would turn into a billion-dollar tourism enterprise with benefits reaped by big developers and no benefits for local residents

The corridor would keep expanding

The project is too expensive and money would be inevitably siphoned from the State

Sincerely

MIDDLE NENANA RIVER FISH AND GAME ADVISORY COMMITTEE

CHAIRMAN, MIKE PEARSON

VICE CHAIRMAN BRUCE CARTER

SECRETARY LOLITA VALCQ

Mike Pearson
Bruce A. Carter
Lolita Valcq

Cc: Senator Gene Therriault
Governor Tony Knowles
Denali Borough Mayor John Gonzalez

We, the undersigned Denali Borough residents and business owners, support full public participation in decisions affecting land use and economic development within the borough. HB 244, the Denali railroad land transfer bill, contradicts sound planning practices and the public process. We support the Governor's veto of HBB 244 and urge the Alaska State Legislature to support this veto.

NAME / BUSINESS NAME	ADDRESS	DATE
MIKE PEARSON / PEARSON Enterprises	P.O. Box 40005 Clear AK 99704 C Street Anderson	1-3-02
Lolita Valca / Rock Creek Contructn	HC1 Box 3450 HEALY 99743	1-3-02
Lynn Thompson	P.O. Box 458 Healy AK 99743	1-3-02
Jon Bessette	H.C. 1 Box 3103, Healy, Alaska / mile post 260 Parks Hwy	1/3/02
Bruce Carter	Box 48 Healy AK 99743 Quartz way	1/3/02
Nan Eagleson	Box 114 Denali Park, AK	1/3/02
Mike Giannechini	PO Box 202 Denali Park, AK 99755	1/3/02
MIKE BOYCE	P.O. Box 141 Healy, AK / Denicola Rd	12/20/01
NAOMI WITTY	P.O. Box 141 Healy AK / Denicola Rd	2/20/01
LINDA R. PAGANELI	P.O. Box 461 Healy AK / ANTARES Rd	1/04/02
DARLENE HUSS	P.O. Box 276 Healy, AK PANGUINGUECK LOT 3 BLK 5	1/05/02
JEFF FORSYTHE	P.O. Box 211 Healy, AK mi 0.6 Hilltop	1/05/02
NANCY RUSSELL	HC1 Box 2601 Healy AK mi. 1.5 LIGNITER Rd	1/07/02
PAULIA EARP	P.O. Box 124 DENALI PK. mi. 230 PARKS HWY	1/08/02
JAMES CRAIG	P.O. Box 178 Healy, AK PANGUINGUECK Block 1 Lot 21	1/08/02
STHELIA CRAIG	P.O. Box 178 Healy, AK PANGUINGUECK S.D. Block 1 Lot 21	1/08/02
Cynthia Lidgardo - BAIE	P.O. Box 206 Healy AK PANGUINGUECK S.D. mi. 1.3 ANTARES	1/06/02
CHARLES BAIE	P.O. Box 206 Healy, AK PANGUINGUECK S.D. mi. 1.3 ANTARES	1/06/02
CHARLES LOEB	P.O. Box 84 Denali PK, AK mi 22.9 PARKS HWY	1/08/02
MARGARET MENKE	PO Box 134 Healy, AK 1.6 mile ligniter	1/1/02
Stephanie Stickle	Box 137, Healy, AK 99743 248.5 Parks Hwy	1/9/02

Commitments obtained via e-mail, telephone and personal contacts.

We, the undersigned Denali Borough residents and business owners, support full public participation in decisions affecting land use and economic development within the borough. HB 244, the Denali railroad land transfer bill, contradicts sound planning practices and the public process. We support the Governor's veto of HBB 244 and urge the Alaska State Legislature to support this veto.

NAME / BUSINESS NAME	ADDRESS	DATE
Jeffrey D. Yarnoch <i>Jeffrey D. Yarnoch</i>	Box 482 Healy AK 99743 phys. mile + 2.5 (1/4 mile) Denebola Rd Healy	1/2/02
Teri Yarnoch Teri Yarnoch / Stampede Hills B&B	Box 482 Healy (Stampede Road)	1/2/02
Kathleen S. Neumaier Kathleen S. Neumaier	PO Box 150 Coal St. Apt. #2 Healy AK 99743	05 Jan 02
DAVID BRANS	Box 150 Healy AK 99743	1/02/02
David Braun DAVID R. BRAUN	Box 222 Healy AK 99743 Arcturus Ave Last house	1/06/02
Susan S. Braun Susan S. Braun	Box 222 Healy AK 99743 2 Mile Arcturus Ave. Healy	1/6/02
Michael Owen Michael Owen	Box 93 Denali AK 99755 Mile 3. Stampede Rd.	1-6-02
Hinda Buswell Hinda Buswell	PO Box 9 Healy Alaska 99743 2.3 mile Stampede Rd.	1-6-02
Richard D Buswell Richard D Buswell	PO Box 9 Healy AK 99743 2.3 mile Stampede Rd.	1-6-02
ANDREA J. BLAKESLEY Andrea J. Blakesley	P.O. Box 22 NHN ARCTURUS AVE. DENALI PARK, AK 99755 PANGUINGUE CR.	1/6/02
William A. Forsberg William Forsberg	Box 378 Healy, AK 99743 102 Arcturus Ave Panguingue Subd, Healy	1/6/02
Linda Forsberg Linda Forsberg	" " " " " "	1/6/02
William A. Forsberg	Box 378 Healy AK 99743 (Stampede Rd)	1/6/02
Lyle Hudwig Lyle Hudwig	Box 228 HEALY AK 99743 STAMPED RD	1/6/02
Jeff Wytong Jeff Wytong	P.O. Box 132 DENALI PARK HEALY, AK 99755 DENEbola DR.	1/6/02
Mary Wytong Mary Wytong	P.O. Box 132 Denali Park, AK 99755 Denebola Dr.	1/6/02
Coke W. Wallace Coke W. Wallace	P.O. Box 435 Healy, AK 99743 3.9 mile Stampede Rd.	1/6/02
Jordan Wallace Jordan Wallace	PO Box 435 Healy, AK 99743 3.9 mi Stampede Rd.	1/6/02
Carol Mulligan CAROL MULLIGAN	PO Box 436 HEALY AK 99743 POLUX RD	1/6/02
Andrew S. Mulligan ANDREW S. MULLIGAN	PO BOX 436 Healy, AK 99743 Pollux Rd. (Stampede Subdivision)	1/6/02
Gloria Donald Gloria Donald	PO Box 165 Denali Park, AK 99755 Mile 230 Parkway	1/6/02
Katherine A. Hennigan Katherine A. Hennigan	PO Box 194 Healy, AK 99743 Denebola Drive	1/6/02
TERI LOFG FRING TERI LOFG FRING	P.O. BOX 525, Healy 99743 LOT 8, Block 3, Cuprite-Healy Subdivision	1/2/02
Nen Bickewey Nen Bickewey	HCL Box 3452 Mile 261 Park Highway Healy, AK 99743-9606	1-9-02

Commitments obtained via e-mail telephone and personal contacts

We the undersigned Denali Borough residents and business owners, support full public participation in decisions affecting land use and economic development within the Borough. HB 244, the Denali railroad land transfer bill, contradicts sound planning practices and the public process. We support the Governor's veto of HB 244 and urge the Alaska State legislature to support this veto.

NAME	ADDRESS	DATE
<i>Sharon A. Gerhard</i> SHARON A. GERHARD	P.O. Box 15 DENALI PARK, AK 99755 MP 227.2	1-2-02
<i>Ljals MARIANNE JAKOB</i> Ljals MARIANNE JAKOB	PO Box 4, Denali Park, AK 99755 MP 227.2	1-2-02
<i>Wittwer FRITZ WITTWER</i> Wittwer FRITZ WITTWER	PO Box 4, Denali Park, AK 99755 MP 227.2	1-2-02
<i>Jenna Hamm</i> Jenna Hamm	P.O. Box 67, Mile 229.5 Parks Hwy, Denali Park, AK 99755	1-2-02
<i>Wallace A. Cole</i> Wallace A. Cole	P.O. Box 67, Deneki Lakes, Denali N. Park, AK 99755 MP 227.2	1-2-02
<i>IMON P. HAMM</i> IMON P. HAMM	POB 67 / M. 229.5 PARKS HWY, DENALI PARK AK 99755 MP 227.2	2 JAN '02
<i>James Th. Cole</i> James Th. Cole	POB 67 Mi 227.5 Deneki Lakes Denali N. Park, AK 99755	1/3/02
<i>JAMES E. DECAR</i> JAMES E. DECAR	POB 128 Mi 228.9 Park Hwy Denali Park AK 99753	01/03/02
<i>ASTRID LREE NANCARROW</i> ASTRID LREE NANCARROW	P.O. Box 29 Denali Park, AK 99755 Mile 227.2	1-3-02
<i>VILLIAM J. NANCARROW</i> VILLIAM J. NANCARROW	P.O. Box 29 Denali Park AK 99755 Mile 227.2	1-3-02
<i>Robert M. Barn.</i> Robert M. Barn.	P.O. Box 67, Denali Park, AK 99755 mile 229.5	1-7-02

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NAME/BUSINESS NAME	ADDRESS	DATE
BILL WATKINS	PO Box 147, Denali, AK 99755	1-3-02
Dulce Havon	PO Box 167 Denali, AK 99755	1-3-02
Chuck Klemmer	Box 122 Denali Park, AK 99755	1/3/02
Alan Seegert	Box 203 Denali Park, AK 99755	1/3/02
Joe VanHorn	Box 111 Denali Park, AK 99755	1/3/02
Sarah Marshall	Box 111 Denali Park, AK 99755	1/3/02
Tom Walker	Box 146 " " " "	1/3/02
Beth Sturgeon	Box 225 Denali Park, AK 99755	1/3/02
Peter Berman	Box 225 " " " "	1/3/02
Diana Severson	Box 168 " " " "	1/3/02
Ken Wilbert	Box 128 " " " "	1/3/02
Todd Shenk	Box 123 Denali Park, AK 99755	1/4/02
Clayton Flagg	Box 142 " " " "	1/4/02
Todd Shorey	Box 173 " " " "	1/4/02
Joe Durrenberger	Box 125 " " " "	1/4/02
William F. Berry	Box 238 Denali Park, AK 99755	1/05/02
ois B. Berry	Box 238 " " " "	1/05/02
Brad Ebel	Box 44 " " " "	1/05/02
██████████	██████████	██████████
██████████	██████████	██████████
Alan Cornelison, Denali Backcountry Lodge	Box 43, Denali Park, AK 99755	1/06/02
Terry Grabow	Box 206 Denali Park, AK 99755	1/7/02
Leslie Adams	Box 131 Denali Park, AK 99755	1/8/02
Brenda Bussard	Box 217	1/8/02

Commitments obtained via e-mail, telephone, and/or personal contact.



P.O. Box 810, Girdwood, Alaska 99587
Direct: 907-783-1342 • Fax: 907-783-1308
800-841-0692

♻️ Printed on Recycled Paper

January 9, 2002

Alaska State Legislator,

I urge you to uphold Governor Knowles veto of HB 244 concerning the granting of state land to the Denali Borough for railroad development. Since 1993, Denali Backcountry Lodge has operated a wilderness lodge in the Kantishna region of Denali National Park. While I support improved access to the Park and Preserve, I believe HB 244 is significantly flawed in the following ways:

1. **It violates the public process** by disposing of protected state resources without adequate public process. Also, by explicitly naming a land lease recipient in the bill, it prevents a competitive bid process, essentially endorsing a monopolistic approach to development of public lands.
2. **It directly conflicts with the General Management Plan of Denali National Park.** The plan, developed over several years and involving significant public process, calls for improving access to Denali National Park in other, less invasive ways. The General Management Plan makes no provision for rail access via a northern route.
3. **It places lands of significant state and national value into the hands of an organization unable and unwilling to adequately administer them.** The Denali Borough has neither the resources nor experience to administer these lands, most of which are located in the "Wolf Townships", an ecologically sensitive area. The failure of the Borough to adequately manage the explosion of growth in the "Glitter Gulch" area directly north of the park entrance highlights the Borough's limitations.
4. **The named lessee, Kantishna Holdings Inc, has no proven ability to operate a railroad.** Kantishna Holdings Inc has no record or history of ever being involved in any railroad project (construction or operation) of any kind. It is reckless and irresponsible to grant permission to construct and operate a railroad through valuable state lands to a company with no demonstrated ability to do so.

Land belonging to the State of Alaska should be disposed of only after due public process and when developed, allowing for fair competition. HB 244 circumvents both of these processes. Please uphold the veto of HB 244

Respectfully,

Michael Lovejoy
Assistant Manager
Denali Backcountry Lodge

For Reservations: 800-841-0692

Email info@denallodge.com • www.denallodge.com



Anchorage Daily News

Michael J. Sexton
President and Publisher

Patrick Dougherty
Editor

Steve Lindbeck
Associate Editor

Founded in 1946 by Norman C. Brown
Fuller A. Cowell, Publisher, 1993-1999 Katherine Fanning, Editor and Publisher, 1971-1983
Gerald E. Grilly, Publisher, 1984-1993 Lawrence Fanning, Editor and Publisher, 1967-1971

COMPASS: *Points of view from the community*

Denali Park access mired in myth

By JON and KARIN NIERENBERG

The issue of north access into Denali National Park is in the news again, with legislation (Committee Substitute for House Bill 244) calling for a corridor of state land to be transferred to the Denali Borough for them to lease to a private company for a railroad from Healy to Kantishna. With all the letters and opinion pieces floating about, from Rep. Jeanette James to Joe Fields to Celia Hunter, it is time to look at the facts behind the fiction.

Premise: There is a need for additional access into Denali National Park. Fact: In the 2000 season, the shuttle buses ran empty, and no one was turned away from a bus seat. In anticipation of continued long-term growth, the park has addressed increased tourism with the South Side Development Plan, to spread out visitor concentration.

Premise: A railroad is the best choice for north access into Denali. Fact: Without an environmental impact statement and detailed studies, the best route and mode of transportation are unknown.

Premise: A railroad is an economically viable project. Fact: According to the 1997 North Access Feasibility Study mandated by Sen. Frank Murkowski, "initial review shows economic feasibility is unlikely." Cost estimates by BRW Inc. and the Alaska Railroad are \$238,061,760 to \$257,140,000. That is well above the cost estimate by Kantishna Holdings and Joe Fields at \$153,000,000. To break even, the train would need 90 percent occupancy for 20 years at \$200/person. A bus ticket at \$30 is more economical than a train ticket at \$200.

Premise: The railroad project would



Premise: There are a few malcontents unreasonably opposed to this railroad project. Fact: There are many people who feel the cart is before the horse, and want all necessary studies completed first.

be an economic boon to Healy. Fact: Without a cost/benefit analysis, no one knows the impact. Healy's school and infrastructure would not be able to absorb a large increase in population, and impact to small businesses is unknown.

Premise: There is overwhelming local support for a railroad from Healy. Fact: Support is unknown, as no poll or referendum has been done. Denali Borough Mayor Gonzalez's testimony to the Legislature of a 7-1 ratio for the project is bogus numbers, supplied to him at his admission later by Fields. No entity has any idea of the support for this project.

Premise: The National Park Service will allow a railroad through park to land on the northern boundary. Fact: Stated bluntly to the June Borough Assembly meeting, Superintendent Steve Martin said that the park was not in favor of north access, and this project would be contrary to why the park additions were made.

Premise: A railroad just to the park boundary at Sushana River is a stand-alone project. Fact: Without going all the way through the park to Wonder Lake, the project would not be of interest to tourism.

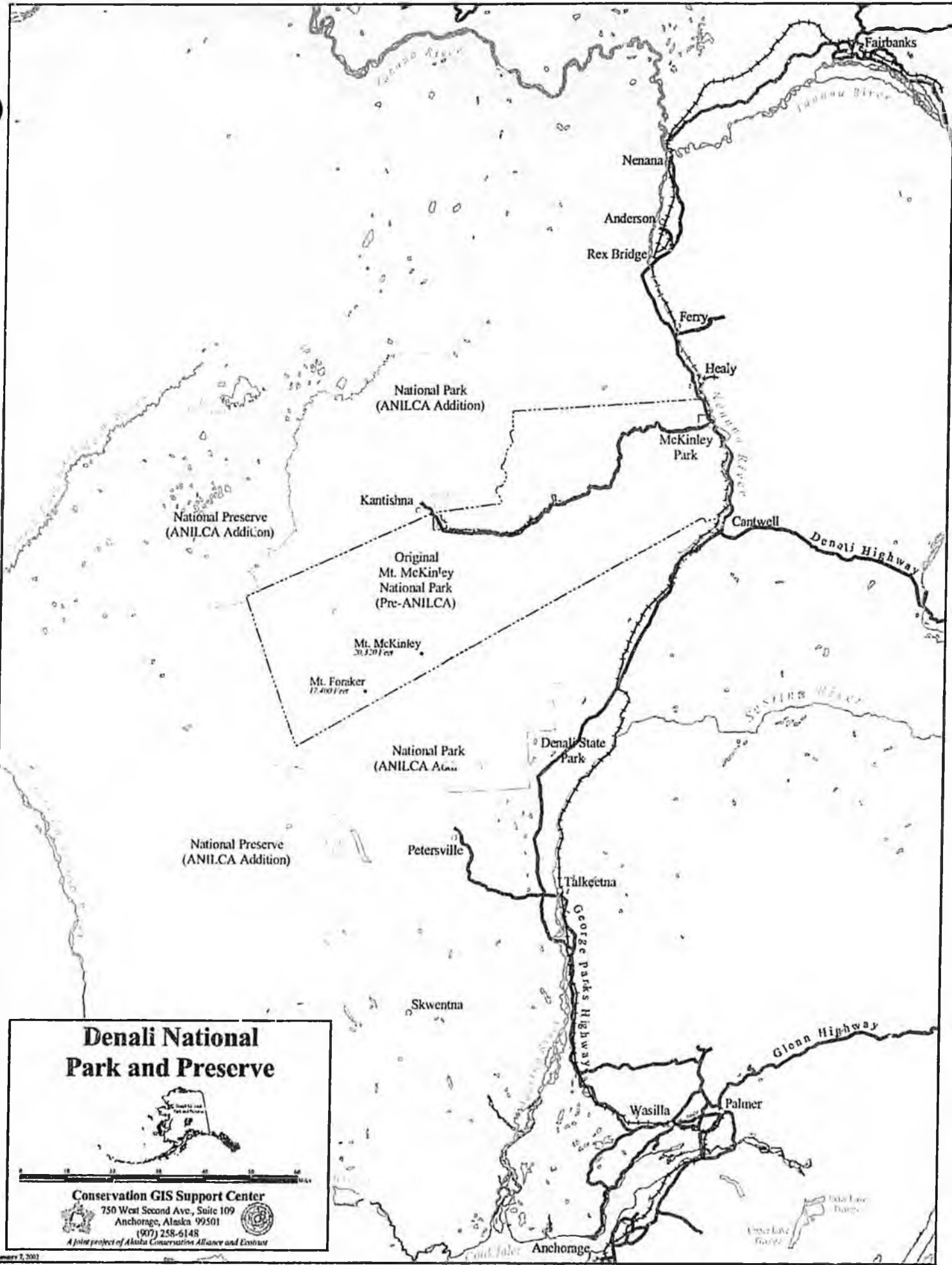
Premise: There has been plenty of public process for the railroad proposal. Fact: CSHB 244 was rushed through committee, without first seeking interest-

ed agencies and public comment. DNR and NPS should have been consulted first. The plan supersedes the Tanana Basin Area Plan, a management plan that was open to public process. The Denali Borough never attempted to seek public input on this project, and seems unwilling to deal with the input now.

Premise: There are a few malcontents unreasonably opposed to this railroad project. Fact: There are many people who feel the cart is before the horse, and want all necessary studies completed first. Many locals feel that Healy is more than just a gateway for Denali National Park, it is their neighborhood. Dramatic changes to a neighborhood need to be looked at with the greatest scrutiny.

Premise: CSHB 244 would provide a much-needed railroad into an overwhelmed park, where people are turned away because there are not enough bus seats. It would be an economic boon to the developers and local community, and serve the public in a positive manner. Fact: CSHB 244 is a bad bill, based upon a bad project, bolstered up with bad math and bad facts, and has been rammed down the people's throats in a very bad way.

Jon and Karin Nierenberg run EarthSong Lodge and Denali Dog Sled Expeditions in Healy.

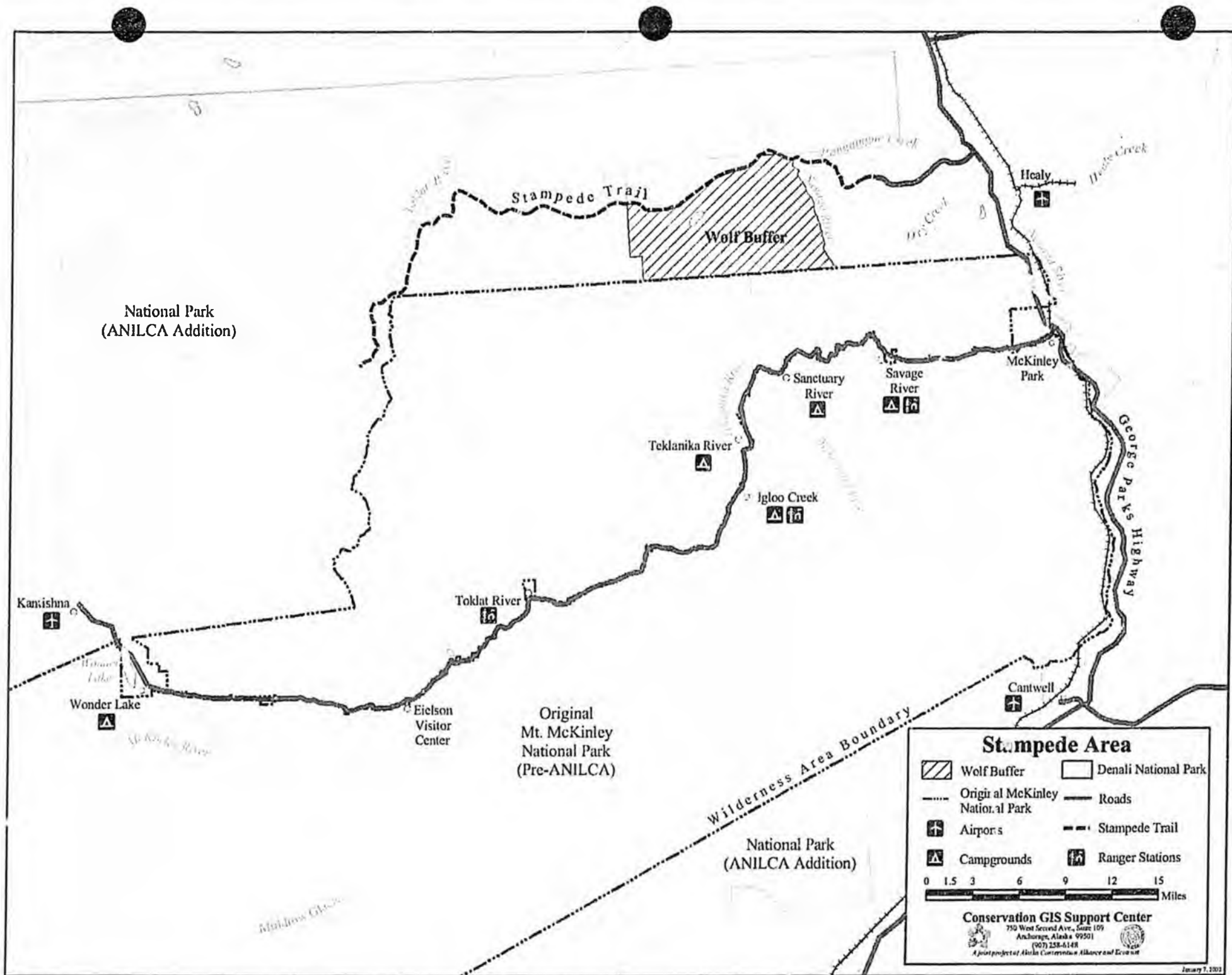


Denali National Park and Preserve



Conservation GIS Support Center
 750 West Second Ave., Suite 109
 Anchorage, Alaska 99501
 (907) 258-6148

A joint project of Alaska Conservation Alliance and Earthlink



National Park
(ANILCA Addition)

Stampede Trail

Wolf Buffer

Healy

McKinley Park

Savage River

Sanctuary River

Teklanika River

Igloo Creek

Toklat River

Eielson
Visitor
Center

Original
Mt. McKinley
National Park
(Pre-ANILCA)

National Park
(ANILCA Addition)

Kanishna

Wonder Lake

Cantwell

GEORGE PARKS
HIGHWAY

Melchior Glacier

Nashua River

Pangloss Creek

McCree

Healy Creek

Wilderness Area Boundary

HISTORY OF THE ISSUE: Second North Access into Denali National Park & Preserve

- 1980 **Northern additions** incorporated into Mt. McKinley National Park to preserve intact ecosystem for the protection of park resources.
- 1985 **Tanana Basin Area Plan for State Lands**, AK Department of Natural Resources, completed [updated 1991], selected Wolf Townships for public ownership for multiple use management with emphasis on recreation and fish and wildlife habitat.
- 1986 **NPS General Management Plan for Denali National Park & Preserve** concluded, "A northern access route through the park would have severe environmental impacts. The Stampede Trail crosses the denning areas of the Toklat and Savage wolf packs, the winter range of the Denali caribou herd, and the major movement corridor along the Toklat River for both wolves & caribou."
- 1993 **Federal Department of Transportation** appropriated \$1.5 million dollars to the State to study feasibility of developing access from the Parks Highway to McGrath with a spur to Kantishna. ADOT&PF requested a route through the park, which triggered a NEPA response to address a range of alternatives. The project was aborted and \$1.25 million of the appropriation was returned to the Feds.
- 1994 **Denali Task Force**, a diverse group of Alaskans operating through the National Parks System Advisory Board, held a majority view that a second access route to Kantishna was not advisable and that a cooperative South Side Regional Strategy should be developed.
- 1996 **Public Law 104-134**, Senator Murkowski, directed the NPS to conduct a feasibility study for a new northern access route into Denali National Park and Preserve.
- 1997 **North Access Feasibility Study**, NPS in cooperation with ADOT&PF projected construction costs for the route in 1997 dollars:
Road [80 miles] - \$87,400,000 to \$100,050,000 [\$1 to \$1.2 million per mile]
Railroad [86-95 miles] - \$136,125,000 to \$213,603,360 [\$1.5 to \$2.5 million per mile]
Estimated costs were not based on a thorough engineering analysis nor did they include costs for ancillary facilities. ADOT&PF estimated an additional 9% of the construction amount for planning and compliance expenditures. To recover initial investment over a 20-year period a cost recovery analysis done for the feasibility study projected price per train ticket may need to be \$235.
- 1997 **NPS South Side Development Plan**, a cooperative effort of national, state, borough, and native representatives, supported increased access and development on the South Side of Denali; implementation would require continued intergovernmental cooperation.
- 1998 **HB 386**, an act relating to the financing authority, programs, operations, and projects of the Alaska Industrial Development and Export Authority signed into law. Section 25 provided for DNR to grant a right-of-way to AIDEA for a railroad corridor from Healy to the eastern boundary of the National Park to enable Kantishna Holdings, Inc. to develop a railroad; KHI never justified economic feasibility or applied for the right-of-way
- 1998 **Federal appropriation of \$1.5 million**, secured by Sen. Murkowski, for construction of a second northern access into Denali National Park and Preserve; monies entrusted to ADOT&PF and required a state match of funds.
- 2001 **HB 244**, Denali Rail Bill, rescinded HB 386; granted 3500 acres of the Wolf Townships to the Denali Borough, enabled Kantishna Holdings, Inc. to develop a railroad project from Healy to the eastern boundary of Denali National Park, approximately 30 miles.
- 2001 **SB 29**, Capital Budget Bill, provided matching state funds, \$330,000, to federal appropriation monies for environmental analysis and other necessary studies for a second northern access into Denali National Park.
- 2001 **HB 244 Vetoed**

(LIMITED RUN SHOWING ALL ADDITIONAL SPONSORSHIPS)

SENATE CS FOR CS FOR HOUSE BILL NO. 244(RES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 5/4/01
Referred: Finance

Sponsor(s): REPRESENTATIVES JAMES, Dyson, Harris, Wilson, Scalzi, Hayes, Foster, Coghill, McGuire
SENATORS Wilken, Taylor, Ward

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a grant of state land to the Denali Borough for a railroad and utility
2 corridor and a railroad development project; repealing provisions relating to a grant of
3 a right-of-way of land for a railroad and utility corridor to the Alaska Industrial
4 Development and Export Authority; and providing for an effective date."

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

6 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 GRANT FOR RAILROAD AND UTILITY CORRIDOR. (a) The Department of
9 Natural Resources shall grant to the Denali Borough state land for the purpose of supporting
10 economic development in the borough by enabling Kantishna Holdings, Inc., and its
11 successors and assigns in interest, to provide for a utility corridor and for the design,
12 construction, development, operation, and maintenance of a railroad and facilities to support
13 that development project.

14 (b) The Denali Borough, in consultation with Kantishna Holdings, Inc., shall identify

1 and select a railroad and utility corridor that runs from near the community of Healy to the
2 eastern boundary of Denali National Park and Preserve. Except where needed for
3 construction, safety, or environmental considerations or for required ancillary facility
4 development, the corridor may not exceed 300 feet in width. The borough, in consultation
5 with Kantishna Holdings, Inc., shall also identify and select ancillary land necessary to
6 support the development and operation of a railroad and facilities to support economic
7 development in conjunction with the railroad development project. The department shall
8 review the selections within 90 days after the selections are made. Upon completion of the
9 review by the department of the land identified and selected under this subsection, the
10 borough shall survey the land, and, upon the submission of the survey to the department, the
11 department shall convey the land to the borough.

12 (c) The borough may receive not more than 3,500 acres of state land under this
13 section. The land shall be located in Township 12 South, Range 7 West, Range 8 West,
14 Range 9 West, Range 10 West, and Range 11 West, Fairbanks Meridian.

15 (d) The grant to the borough may not impair valid property rights in the land. To aid
16 in a timely land selection process, the Department of Natural Resources with the assistance of
17 the Denali Borough shall, by September 1, 2001, identify all valid property rights in the land
18 described under (c) of this section.

19 (e) By September 1, 2010, the Denali Borough shall lease the land received under this
20 section to a person for a railroad development project. Otherwise, on September 1, 2010, the
21 title to the land granted under this section reverts to the state.

22 (f) The amount of land transferred to the Denali Borough under this section shall be
23 applied toward fulfillment of the borough's general land grant entitlement determined under
24 AS 29.65.030. However, other provisions of AS 29.65 do not apply to the transfer.

25 (g) Within 30 days after the effective date of this section, the Department of Natural
26 Resources shall authorize a qualified employee to act as liaison with the Denali Borough and
27 its agents in matters relating to carrying out the provisions of this Act.

28 * Sec. 2. Sections 24(c) and 25, ch. 109, SLA 1998, are repealed.

29 * Sec. 3. This Act takes effect July 1, 2001.

BILL ID: SB 29
Passed House and Senate 05/08/2001

00 HOUSE CS FOR CS FOR SENATE BILL NO. 29(FIN) am H

01 "An Act making and amending appropriations and reappropriations; making
02 appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the
03 constitutional budget reserve fund; and providing for an effective date."

06 * Sec. 20. **STUDIES FOR NORTH DENALI ACCESS ROUTE.** (a) The sum of \$330,000
07 is appropriated from the general fund as state matching money for federal funds authorized in
08 P.L. 105 - 178, sec. 1602, item 1494, to the Department of Transportation and Public
09 Facilities for an environmental analysis and other necessary studies for the northern access
10 into Denali National Park and Preserve.

11 (b) The sum of \$1,320,000 is appropriated from federal receipts to the Department of
12 Transportation and Public Facilities for planning, reconnaissance, and environmental analysis
13 for a proposed northern access into Denali National Park and Preserve.



TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532
www.gov.state.ak.us

July 5, 2001

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

Under the authority of art. II, sec. 15, of the Alaska Constitution, I have vetoed the following bill:

SCS CSHB 244(RES)

“An Act relating to a grant of state land to the Denali Borough for a railroad and utility corridor and a railroad development project; repealing provisions relating to a grant of a right-of-way of land for a railroad and utility corridor to the Alaska Industrial Development and Export Authority; and providing for an effective date.”

The bill requires the transfer of 3,500 acres of state land to the Denali Borough for subsequent lease to Kantishna Holdings, Inc. to provide a railroad and utility corridor for the design, construction, operation, and maintenance of a railroad. The corridor would run from near Healy to the eastern boundary of Denali National Park and Preserve. The bill requires the borough to lease the land by September 1, 2010, or it will revert to the state.

Throughout my term as governor, I have supported the development of increased access to Denali National Park and Preserve. In 1998, I signed House Bill 386 authorizing the Department of Natural Resources to grant state land to the Alaska Industrial Development and Export Authority (AIDEA) for the purpose of financing a project enabling Kantishna Holdings, Inc. to develop a railroad corridor. The 1998 law allowed for public review, consideration of economic feasibility, and allowed the state to impose appropriate conditions. The law also authorized AIDEA to issue up to \$28,000,000 in bonds to finance the project. This bill would repeal the authority to analyze and implement a joint private and public project.

The Honorable Brian Porter
July 5, 2001
Page 2

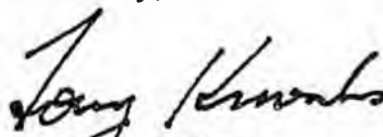
This year's capital budget includes a \$1.65 million appropriation to the Department of Transportation and Public Facilities for planning, reconnaissance, and environmental analysis for a proposed northern access into Denali National Park and Preserve. The planning process will also assure the public's ability to participate in the final decision of whether to construct a road or a railroad, and in the decision of where best to route the project so as to achieve its goals.

The goal of this bill -- enhanced access to Denali National Park and Preserve -- may be laudable, but the process presented here is seriously flawed in the following ways:

- **It violates the public process** by disposing of significant state resources without adequate safeguards of the public interest, including opportunity for thorough public hearings and comment.
- **It violates the competitive bid processes of the state** by designating a land lease recipient (Kantishna Holdings, Inc.) and bypassing the legal process for leasing state lands.
- **It violates and is inconsistent with the Department of Natural Resources land use planning process.**
- **It transfers lands of undeniable state-wide and national interest** to a borough which currently lacks adequate authority or capacity to administer transportation services or to conduct land planning and zoning.
- **It is premature and could be endorsing construction of a railroad to nowhere.** The National Park Service has not designated an additional access point into the park. This railroad, if built, could literally end at the park boundary with no real destination.

I continue to believe the basic premise of this bill, the development of alternative access to Denali Park, is in the best interests of the state. However, this goal will not be achieved without appropriate planning, public participation, participation by the federal landowner, appropriate financing, and fair competition. I veto this bill to allow that process to proceed, using the money appropriated this year for that purpose.

Sincerely,


Tony Knowles
Governor

January 14, 2002

Dear State Legislator,

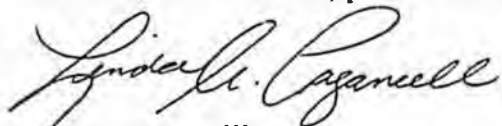
Welcome back to Juneau and the start of the Second Session of the 22nd Legislature! Within a few days, you will be voting whether or not to sustain a veto of HB 244, an act to grant state land to the Denali Borough for north Denali railroad development. The Alaskans whose viewpoints are represented in this packet are joined by many other citizens who urge you to vote to **sustain the veto of HB 244 – the Denali Rail Bill.**

Please join us in seeking an approach to Denali access that is widely supported, fiscally responsible and addresses the real needs of local residents and visitors alike. Sustaining the veto is not about locking up the park – it is about unlocking opportunities for Alaskan residents, Alaskan businesses and Alaskan visitors.

Inside, you will find the following letters and information showing why **HB 244 is not in the best interests of Alaskans:**

- Tab 1 Background Information:**
- Maps of region
 - History of Issue
 - HB 244 (Final version)
 - SB29 (Capital budget bill) - regarding North Access study money
 - Governor's veto letter
- Tab 2 Concerns of Local Businesses:**
- Earthsong Lodge – Anchorage Daily News "Compass" article
 - Denali Backcountry Lodge letter
 - Camp Denali/North Face Lodge letter
- Tab 3 Concerns of Local Residents:**
- Petition endorsed by local residents and business owners
- Tab 4 Concerns of Local Hunters:**
- Middle Nenana River Fish & Game Advisory Committee letter
 - Denali Subsistence Resource Commission
- Tab 5 Concerns of Statewide Tourism:**
- Alaska Wilderness Recreation & Tourism Association
 - Alaska Wildland Adventures
- Tab 6 Concerns by Statewide Press:**
- Anchorage Daily News editorial: "Good Veto 1"
- Tab 7 Concerns by State Trails and Recreation Access Board:**
- TRAAK letter
- Tab 8 Concerns of Conservation Organizations:**
- Letter from local organizations
 - Letter from national organizations

For more information, please feel free to contact us.



Linda Paganelli
Board Member, Denali Citizens Council
Healy, Alaska
1-907-683-2744
lindapag@mtaonline.net



Nancy Bale
President, Denali Citizens Council
1-907-277-3825
nancybale@gci.net

JAN 16 2009

Rep. Vic Khoring
Rm 24, Capitol Bldg.
Juneau, AK 99801-1182



January 10, 2002

Dear Rep Khoring:

Please find attached a copy of materials sent me by a friend of Alaska, Mr Gil Carmichael who now serves as Chair of the AMTRAK Reform Council and was previously the Federal Railway Administrator.

Obviously not all the recommendations apply to Alaska at this time, but one thing is sure - time marches on and circumstances change.

To the extent we can, Alaska should follow the recommendations set forth in this agenda and urge our national representatives to seek the implementation of them as well.

Very best regards.



Joseph N. Fields III, President
Kantishna Holdings, Inc

A New Transportation Agenda for America

in the Aftermath of 11 September 2001

Joe - Hope you get
with it - Pass it
on to others -
Happy new year
JL

NCIT—National Center for Intermodal Transportation
A Partnership between the University of Denver and Mississippi State University

November 2001

NCIT—National Center for Intermodal Transportation

A Partnership between the University of Denver and Mississippi State University

NCIT is a USDOT National University Center under the 1998 Transportation Equity Act for the 21st Century (TEA-21). NCIT is one of 33 University Transportation Centers administered by the USDOT Research and Special Programs Administration.

NCIT is a partnership of the University of Denver in Colorado and Mississippi State University and builds upon the activities of the Intermodal Transportation Institute at the University of Denver and the activities of the centers with transportation focuses at Mississippi State University.

NCIT promotes the assessment, planning, and design of the nation's intermodal transportation system and focuses on improving the efficiency and the safety of services for both passengers and freight by identifying ways to better utilize the strengths of the individual modes of transportation through education programs, research projects, and outreach programs and activities.

Director Paul Stephen Dempsey
University of Denver
2199 South University Boulevard, 3rd Floor
Denver CO 80208
Phone 303.871.6260
FAX 303.871.4585

Deputy Director Royce O. Bowden
Mississippi State University
133 Etheredge, Box 9542
Mississippi State MS 39762
Phone 662.325.7623
FAX 662.325.7618

I. PREAMBLE

On a typical day in the United States, tens of millions of people are on the move—by automobile, airplane, intercity bus, passenger train, a variety of commuter and transit services, and even ferry boats and cruise liners. On that typical day, the scale of their travel amounts to ten billion passenger-miles. Meanwhile, for every passenger moving on this vast and complex system, a ton of freight is also moving—by truck, train, airplane, barge, cargo ship, and pipeline. Daily ton-miles of freight transport equal roughly the extent of passenger trips and mileage—another ten billion.

On a typical day in the United States, the users of these transportation services take them for granted. They are not inclined to consider the colossal level of public and private investment in infrastructure, equipment, improvements, and upkeep that make these networks function. Nor are they likely to understand that transportation accounts for about 20 percent of the US economy, or that this 20 percent of economic activity makes nearly all of the remainder possible, for without transportation, neither industry nor agriculture could function, tourism would not exist, and retailing could not offer products or attract customers. Transportation is the circulatory system of the nation, bringing people, goods, and services to all its citizens.

On a typical day in the United States, the users of these transportation services do not pay much attention to the fact that, despite its remarkable contributions to American life, transportation systems routinely operate in the face of rather significant and long-standing defects. And these defects have important consequences for all Americans—even on a typical day.

It is only when we Americans, the users of these transportation services, awoken to a day that is atypical do these matters pierce our consciousness. With stunning suddenness, the terrorist attacks of 11 September 2001 brought home to Americans the vulnerabilities of the transport system. When one component of that system shut down, the pre-existing defects afflicting all modes only served to magnify the chaos that ensued.

II. THE LESSONS OF 11 SEPTEMBER 2001

- The US transportation system security "umbrella" is more porous than we Americans realized. Unlike people in a number of other nations who have adapted to more stringent security practices in recent years, Americans have been complacent with regard to the threat potential and what is necessary to minimize it—not only in commercial aviation but also in the surface modes as well as in other sectors of the economy and society.
- The US is excessively reliant upon a single mode of commercial passenger transportation for intercity travel. When the airline system ceased operations on 11 September, many stranded passengers had no choice but to await the reopening of air service. This level of dependence upon aviation is undesirable in terms of national security and in terms of the ability of the economy to function.
- Intercity commercial passenger transportation alternatives are poor or nonexistent outside of a very small number of city pairs (the Northeast Corridor between Boston, New York, and Washington DC, for example).
- Intermodal connectivity is poor or nonexistent in many parts of the country. Even if they could secure a seat on a train or a bus, the stranded airline travelers of 11 September often found that they were ten to thirty miles away from the nearest intercity rail or bus terminal and that a taxicab was the only practical way to get to the terminal.
- As the nation adjusted to the reality that it was at war, the nature of the potential conflict suggested the possible disruption of the petroleum supplies on which all of the transportation modes are so dependent. Memories of the OPEC and the Iranian embargoes of the

Joseph S. Szyliowicz, PhD

Szyliowicz is Founder of the Intermodal Transportation Institute and Professor in the Graduate School of International Studies at the University of Denver. An international expert, he researches and publishes on transportation policy, technology, security issues, and development.

William J. Watt

Watt is a transportation consultant, the former Chairman of the Indiana Transportation Coordinating Board and Indiana Transportation Finance Authority, and the Associate Administrator for Policy at the USDOT Federal Railroad Administration, 1989-1993.

Yunlong Zhang, PhD

Zhang is Assistant Professor of Civil Engineering at Mississippi State University and Education Coordinator for NCIT. He has over fifteen years of teaching and research experience in transportation engineering, including transportation modeling and simulation.

CONTRIBUTORS

Royce O. Bowden, Jr., PhD

Bowden is Deputy Director of NCIT and Associate Professor of Industrial Engineering at Mississippi State University. He researches and publishes on combining simulation and optimization technologies to maximize the performance of complex systems, which resulted in the SimRunner.

Gilbert E. Carmichael

Carmichael is Chairman of the Amtrak Reform Council and Senior Chairman of the Board of Directors of the Intermodal Transportation Institute at the University of Denver. He was the USDOT Federal Railroad Administrator in the previous Bush Administration.

Nancy Rutledge Connery

Connery is an independent Maine-based researcher, lecturer, and policy advisor on infrastructure, transportation, and community development. She currently serves on the Executive Board of the Institute for Civil Infrastructure Systems and on the Amtrak Reform Council.

Paul Stephen Dempsey, DCL

Dempsey is Director of NCIT and Professor of Law and Director of the Transportation Law Program at the University of Denver. He is also Vice Chairman and of Frontier Airlines, Inc. He researches and publishes on transportation law, policy, economics, infrastructure, and business.

1970s have resurfaced. In spite of assurances from several oil-producing nations and the recent declines in crude prices, Americans once again are reminded of the uncertainty of the oil supply and the risks of dependency upon oil imports from a politically volatile part of the world.

It is important to remember that all of these defects and risks existed prior to 11 September and were well recognized by many experts and professionals.

III. GUIDING PRINCIPLES FOR A NEW TRANSPORTATION AGENDA

The goal of the US should be to overcome these defects and to create a transportation system that promotes efficiency, safety, mobility, economic growth and trade, national security, protection of the natural environment, and enhancement of human welfare. In order to achieve this "sustainable" result, Americans must better utilize the strengths of the individual modes and integrate them into a seamless transportation system. Specifically, four factors must be considered:

CONNECTIONS. All modes must be connected with one another to accomplish the convenient, expeditious, and efficient movement of commodities and people. Connecting points should be proximate to each other and timed to facilitate movements from one mode to another.

CHOICES. The intermodal network should offer choices, allowing its users to select the mode that can most efficiently satisfy their transportation needs.

COORDINATION. The transportation infrastructure must be planned, designed, and built in a way that brings the modal networks sufficiently close together so that connections can be made relatively effortlessly. In addition, transportation providers must coordinate their schedules to reduce dwell time between intermodal movements.

COOPERATION. There must be cooperation and collaboration among transportation providers and governmental agencies at the federal, state, and local levels to ensure that the needs of the users for seamless service are realized.

These four principles serve as an overall framework for thinking about a new transportation agenda. In light of the post-11 September situation, several additional principles deserve attention.

1. Recognize that transportation priorities have changed.

Clearly, significant investments are essential to improve transportation security. But this is only part of the challenge. Until the long-standing defects of the nation's overall transportation system are cured, Americans will be vulnerable to economic damage and mobility disruption if terrorists mount future attacks against any transportation mode or against the nation's energy supply or delivery systems. Future curtailments of the petroleum supply are an ever-present threat. Additionally, several regions of the country are vulnerable to serious and prolonged disruptions of transportation services due to natural disasters, such as earthquakes and hurricanes.

The new transportation priorities will provide a hedge against disruption and, at the same time, serve as an ongoing source of immense value to the economy and to the American quality of life. The new priorities place a premium on national and economic security and will enhance the efficiency, mobility, and economic productivity benefits that the US transportation system provides.

2. Understand that implementing the new transportation agenda will require governmental agencies to reform their structures and operating practices. Under today's arrangements, many projects that would make a meaningful contribution to the new transportation agenda must overcome bewildering turf battles in the US Congress, the US Department of Transportation (USDOT), and state and local governmental agencies before they can be considered on their merits.

bus in a small town, and later travels by rail and air, should not handle his or her checked baggage until arrival at the final destination. Local transit vehicles will need to be equipped with larger baggage racks, like those found on airport parking lot shuttles.

12. CONTINUE THE EMPHASIS ON RESEARCH, EDUCATION, AND TECHNOLOGY. Technology holds the key to the solution of many of the problems that confront the present transportation system—congestion, pollution, lack of modal choice, and inadequate safety and security. Accordingly, careful attention must be paid to the development and implementation of relevant technologies. The successful deployment of technologies as well as the development of a “sustainable” transportation system also requires professionals with the requisite education and skills.

Is this transportation agenda for America feasible? The contributors to this report are unanimous in believing that it is. The proposed financial outlays are modest within the overall federal budget—especially considering transportation's vital role in America's economy. The major challenge is to recognize that the nation's priorities have changed and that policies, operating practices, and investment patterns also must change to reflect these new realities. NCIT stands ready to be of service.

roadways each day as the trucks interchange containers among the rail carriers. Trucks access many urban ports on traffic-clogged streets. Railroads serving the ports are hampered by a proliferation of grade crossings. Rail yards, where containers or trailers are transferred to and from trucks, are plagued by similar problems. Many airport air-cargo facilities are accessible only by truck. Undue reliance is placed upon truck drayage for port-to-rail transfers.

Efficient port and rail yard operations require high-quality access by both rail and truck, and consideration should be given to truck-only, limited access, roadways from dockside and air-cargo centers to the nearest interstate highway. A major effort is required to eliminate the number of at-grade highway-rail crossings—through closure, separation, or more advanced crossing protection technology. A number of freight transfer facilities require more efficient container-handling equipment.

Improving freight intermodal seamlessness will increase the efficiency of the railroads and will help to alleviate highway congestion, which will reduce the pressure to build more highways. The coastal ports and waterways must also be upgraded—with ample capacity and redundancy—to facilitate trade in the 21st century global economy.

11. PROMOTE A NEW PARADIGM FOR CUSTOMER SUPPORT SERVICES. Success of the new intermodal passenger system will depend upon the quality of customer support services. Today's travel agent shops for fares among airlines and for prices among car rental companies. The travel agent of the future will need to offer a broader menu of choices involving, perhaps, three modes per trip, information on dwell times, details on the walking distances from the bus or rail connection to the airport gate, and the like. The Internet will serve as a valuable tool, providing maps portraying the interface between modes at terminals. Airline computer reservations systems should be opened to connecting and alternative modes. Corporate travel departments, in particular, will require information that will assist in scheduling the most efficient trip at the lowest cost. Some private-sector information sources already are in place. Ideally, the passenger who boards a

During the past forty years, an intermodal revolution has swept the global freight transportation industry, but its impressive achievements are the result of private-sector initiatives. The efforts of the USDOT to improve intermodal policy and decision making have mainly produced new layers of bureaucracy, yet none of these new bureaucracies have any real authority.

Rail matters are low-priority concerns of the USDOT and in most state transportation agencies. Intercity bus is ignored entirely at all levels of government. Local governments are organized to maintain roads and transit systems. Airport authorities exist as independent fiefdoms. Today's arrangements are inadequate for the tasks and require reform.

3. Create a level of redundancy in the transportation system that will cushion the nation against economic shocks and that will enable essential passenger and freight movements to occur at all times. The US transportation policy has consisted of building the modes in isolation, of believing that highways and airways represent a universal solution, and of emphasizing ever more expensive highway projects, which offer only temporary relief in a losing battle against traffic congestion. It is unreasonable to think that a wholesale substitution of surface modes for either air travel or the private auto is practical for the foreseeable future.

The goal of the new transportation agenda is to supplement the commercial market with efficiently performing alternatives—conventional and high-speed rail for travel markets with high densities of air and auto travel, and bus and conventional rail for travel markets in selected city pairs. The commercial surface modes, rather than aircraft and automobiles, can offer superior performance in terms of overall travel time and consumer cost in short-haul travel markets.

How important is redundancy? The Internet exists because the US military decided that national security concerns required a completely new communications network, one that would interconnect all telecommunications networks and route information around any disabled junction.

4. Recognize that redundancy works only if the modes are integrated. The ability of a passenger mode to function as a practical option for travelers is degraded severely wherever common terminals do not exist. Amtrak serves no US airport directly. The relatively few urban transit systems that connect airports to city centers often do not provide direct service to downtown bus or rail stations. These conditions hurt the current economic performance of all modes, create an oppressive level of inconvenience for the traveler, and add to the cost of a trip.

5. Change the focus from supply to demand. Currently, the passenger traveler takes what the transportation modes have to offer and suffers from an absence of choice in modes, routings, and fares. Freight transportation services, however, provide greater efficiencies and choices because they are largely customer-driven. What works in freight transportation must be duplicated in passenger transportation services.

6. Acknowledge that freight transportation is equally as vital as passenger transportation. Although recent events have highlighted problems in moving people, remember that for every person moving on the nation's transportation system, a ton of freight is also moving. Freight and passenger modes utilize common infrastructure: highways, railroads, airports, and airways. Despite recent improvements in freight operations, costly bottlenecks remain. Many of the proposed transportation improvements will benefit both freight and passenger operations. In the case of rail transportation, nearly all of the routes are owned by the freight carriers, whose cooperation and investment partnerships are essential to a successful upgrading for higher volumes of passenger use.

7. Build for the long term. Although work can begin quickly on transportation security measures and on projects for which plans already exist, many infrastructure and service reconfigurations will take a number of years to put in place. This fact does not, however, diminish their desirability, because an integrated intermodal network is essential to the nation's mobility

8. SUPPORT A MORE IMPORTANT ROLE FOR INTERCITY BUS. The intercity bus offers several advantages. It is flexible; buses can go wherever highways exist. If airlines retreat from the smaller feeder markets, the bus is the most practical alternative to provide substitute service because the traffic volumes generally do not justify the development of either high-speed or conventional rail. The bus fleet can be expanded at a lower cost than the airline or rail fleets. Fewer operating personnel are required, and they can be trained more quickly. If the nation was to conclude that contingency planning for emergency situations warranted a "passenger transportation reserve" component, the intercity bus offers the low-cost option, and the reserve fleet would be exceptionally mobile in terms of repositioning to serve regional markets.

9. DESIGN NEW AND RECONFIGURE EXISTING INTERMODAL PASSENGER TERMINALS. Major changes are required in both the design and the operation of intermodal passenger terminals. In some urban areas the airport is the logical hub for intermodal operations. In others, it is a downtown facility centered on a rail or transit station. In all cases, a high-performance connection is required between the city center and the airport. Wherever it is located, the intermodal terminal must deliver the connecting passenger to the "front door," whether that passenger arrives by airplane, train, transit, or intercity bus. Coordinated schedules are necessary to reduce dwell time. Arrangements for baggage transfer are essential. People-mover walkways should be installed between airport entrances and surface-mode connections. Where possible, high speed ferries should augment the passenger transportation system. Intermodal terminals are key to this entire process, and their development probably represents the most expensive component of this new transportation agenda.

10. IMPROVE FREIGHT TERMINALS AND INTERMODAL CONNECTIONS. Despite the advances in the intermodal freight transportation industry in recent years, inadequate access and traffic bottlenecks persist at freight transfer points. Drayage trucks choke Chicago's

limousine, and taxi. Transit service to downtown usually requires either a lengthy walk or a shuttle to the nearest direct transit connection. Airport managers have rebuffed most attempts by intercity bus companies to load and unload passengers at the terminal "front door." No direct intercity rail connections exist at any US airport. Airport authorities must embrace the principle of seamless access by public transit and commercial surface transportation. The USDOT should insist that seamless access be a condition of federal funding.

6. DEVELOP A ROLE FOR HIGH-SPEED RAIL. High-speed rail offers the most promising opportunity to create redundancy and to supplement or replace air travel in a number of short-haul markets, such as between urban centers of high population and in areas where highway congestion is serious. Electrified high-speed rail lines also would reduce the reliance upon petroleum fuels. Eleven corridors in thirty-three states—to be developed by states or partnerships among states—have been designated but as yet are unfunded. The USDOT should be given the authority to evaluate high-speed rail projects and set developmental priorities, focusing on the projects that can deliver high ridership.²

7. EXPAND CONVENTIONAL RAIL PASSENGER SERVICE. The primary obstacle to the ability of Amtrak to gain market share in short- and medium-haul markets is the low frequency of its service. In the majority of these city pairs, service is limited to one daily train in each direction. This restricts customer choice to an unacceptable level. The priority for future Amtrak development should be that of increasing train frequency and service quality in its most promising markets. In some short-distance operations, high-performance conventional rail could provide most of the service benefits of high-speed rail but at a much lower developmental cost.

² Some have suggested that Amtrak be given this role, but the scale of these projects is beyond its capabilities and Amtrak's status as a potential bidder for operating contracts creates an inherent conflict of interest.

needs and economic productivity. The new transportation agenda should be viewed both as a short-term economic stimulus but also, and more importantly, as a necessary investment in the nation's future. This agenda is valid even if the economy recovers and the terrorism threat is extinguished.

Just as the construction of the Interstate Highway System, which began a half a century ago, served as a catalyst for a period of economic growth unrivaled in world history, the development of an integrated, efficient, and seamless intermodal transportation system will enable other economic sectors to enjoy enhanced productivity as well, thereby enhancing overall economic growth and securing a competitive position for the US in the global economy. The new transportation agenda will also promote fuel conservation, combat congestion, and reduce air pollution. The 21st century American economy needs a 21st century transportation system if America is to continue to be among the world's most prosperous nations with the highest quality of life for its citizens.

IV. SPECIFIC RECOMMENDATIONS

1. FINANCE THE NEW TRANSPORTATION AGENDA. An annual \$15 billion commitment from the US Government for a period of fifteen-to-twenty years will suffice to finance the new transportation agenda. This sum should be viewed as an investment in the nation's future prosperity and well-being.

- About one-half of the dollar amount (\$7.5 billion) can be provided from existing modal trust funds, without the need for additional appropriations, by selecting projects that reflect the new national transportation priorities. (The authority to use Highway Trust Fund monies for intermodal projects—including commuter services, intercity rail passenger and freight improvements, truck-rail terminals, and similar initiatives—has existed for a decade in those

urban areas designated as Congestion Mitigation/Air Quality Regions. Most of the nation's passenger and freight hubs fall within these regions. Consideration should be given to broadening that definition.)

- The remaining annual federal government commitment can be paid from general revenues. Direct outlays from this source can be reduced somewhat by the prudent use of bonding and bond guarantees. Increased federal user taxes are not recommended, because they are counterproductive during economic downturns. Some state governments may need to consider modest fuel tax increases to fund their matching shares.
- The federal government commitment will generate additional matching dollars from state and local governments, whose transportation spending patterns largely derive from the standards set by Congress for trust fund spending. If Congress places a priority on intermodal improvements, state and local governments necessarily will follow suit.
- Some intermodal projects will attract additional private investment from a variety of sources. An investment tax credit for private investment will provide a further stimulus.

2. REFORM THE FEDERAL ROLE. The existing process used by Congress to supervise transportation is cumbersome and not suited to the new national priorities for transportation. The process must be streamlined. The USDOT structure is anachronistic, stratified along the perspectives of disconnected modes.

The USDOT should be reorganized into two basic operating divisions—passenger and freight. This reorganization will inspire the USDOT to view the transportation system from the perspective of the

transportation user—and his need for seamless connectivity from origin to destination—rather than from the perspective of the transportation provider.¹

3. RESTRUCTURE THE ROLES OF THE STATES AND MUNICIPALITIES. The majority of state transportation agencies place 90 percent of their emphasis on highways, with transit, aviation, and railroad functions closeted off in minor sub-departments, which are several management layers removed from the real decision makers. Intercity bus transport is largely ignored. Freight issues receive little attention at the state level. City governments focus on street maintenance and local transit services to the exclusion of nearly everything else. State and city agencies require restructuring to reflect an intermodal focus that includes both passenger and freight transportation as does the pattern of relationships between state DOTs and MPOs.

4. IMPLEMENT A NEW VISION FOR COMMERCIAL AVIATION. One goal of the proposed new transportation agenda is that of supplementing the air travel system with the surface modes. Today, the airline industry is beset by ongoing economic problems, which result, in part, from the practice of transporting connecting passengers from nearby feeder cities to hubs at fares that do not cover costs. Smaller, "regional" aircraft are less economical, less efficient, and contribute to airport and airway congestion. Airline managers will derive meaningful economic and service benefits if the surface modes can replace flights from nearby cities. The new intermodal approach will allow the managers to focus on the inherent advantages of aviation in serving long-distance trips.

5. DEVELOP NEW PRIORITIES FOR AIRPORT MANAGERS. Conventional terminal planning is based upon the assumption that all originating and terminating passengers will arrive or depart by auto,

¹ Some might argue for a third division to manage safety regulation. That concept could merit discussion, but only on the basis that safety regulation for all modes would be placed within that division.

April 15, 2001

Dear Transportation Committee member,

I am opposed to House Bill 244. In particular I object to the inclusion of a provision granting up to 3500 acres of state land to the Denali Borough in the "Wolf Townships." The ultimate use of any land conveyed to the Borough is completely unpredictable. The Denali Borough Assembly is unwilling to institute land use regulation as charged by the legislature. Virtually all land in the Borough has been zoned unrestricted. There are no prohibitions on land zoned unrestricted.

I believe that allowing the Denali Borough to develop the Wolf Townships is irresponsible. There are tens of thousands of acres east of Panguingue Subdivision near the Parks Highway that could be developed. The Wolf Townships are an attraction in themselves. They are surrounded on three sides by Denali National Park and Preserve and offer much that the park has and more. Bird migrations along the north side of the Alaska Range are a world class spectacle; on a clear fall day with Denali visible from Eight Mile Lake thousands of cranes can be seen and heard from horizon to horizon. Bear, wolves, moose and caribou roam all summer. My family and I have had at least five close bear encounters there. Residents and tourists have enjoyed free access to this land for hunting, trapping, berry picking, hiking, snow machining, dog sledding, etc without dealing with any bureaucracy. Hunting is especially threatened by uncontrolled development. Hunting pressure is already intense, and is only sustained because animals that enter from Denali Park and Preserve are fair game.

The Tanana Basin Plan designates this area as wildlife habitat, and I agree. It is shortsighted to view this land as just a corridor to Wonder Lake. My family and many others in Denali Borough want this area to remain as it is. It is valuable because it has no connection to the national park. Developing it simply because it adjoins a national park will severely limit the options available to both residents and tourists. We can learn from the mistakes made outside national parks in the lower 48.

Surveying a railroad corridor to the eastern edge of the Denali Park and Preserve seems premature at this point. I am not necessarily opposed to the project, but there has been no decision to build a railroad through to meet the park road.

This bill apparently grants state land to the Denali Borough whether the railroad project succeeds or fails. According to Rep. James this grant would be over and above the borough's land allotment. It seems to me that if the railroad is not built, land grants to Denali Borough should be decided on their own merits and not as part of a transportation bill.

I ask that you oppose this bill. I also ask that the State of Alaska end the constant fighting over these townships by writing it's present status into law. Alaskans definitely do not want this land deeded to the National Park Service; I believe they will also be poorly served if it is developed by our local government or private enterprise.

Sincerely



David Braun Box 222 Healy Ak. 99743 Ph. 683-2654
www.sueb@usibelli.com

Richard:

This Draft \F does not work the way it is. It puts the borough into the role of developer delete words in [] and substitute the words immediately following in "bold"

Page 1
Section 1
Line 10,

after - "enabling"

Should read:

[The] **"Kantishna Holdings, Inc. and its successors and assigns in interest, or Kantishna Holdings, Inc. or its successors and assigns in interest, to select a railroad and utility..."** And

Page 2
Section 1 (c)
line 20

after " (c) "

Should read:

[The Borough] **"Kantishna Holdings, Inc., shall identify..."** And

Page 2
Section 1 (c)
line 23

Should read:

[The Borough] **"Kantishna Holdings, Inc., shall also select..."**

- I've already called Mayor Gonzales. And I can take the text of the the amended draft as an unofficial document.

APR-07-01 SAT 08:46 PM UUUUUUUU

FAX NO. UUUUUUUUUU

P. 01

APR-07-2001 SAT 01:45 PM LEGAL SERVICES

FAX NO. 907 465 6231

P. 02

WORK DRAFT

WORK DRAFT

WORK DRAFT

22-LS0850V
Cook
4/7/01

HOUSE BILL NO. 244

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE JAMES

Introduced;
Referred;

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a grant of state land to the Denali Borough for a railroad and utility
2 corridor and a railroad development project; repealing provisions relating to a grant of
3 a right-of-way of land for a railroad and utility corridor to the Alaska Industrial
4 Development and Export Authority; and providing for an effective date."

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

6 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 GRANT FOR RAILROAD AND UTILITY CORRIDOR. (a) The Department of
9 Natural Resources shall grant to the Denali Borough the land described under (b) of this
10 section for the purpose of supporting economic development in the borough by enabling
11 Kantishna Holdings, Inc., and its successors and assigns in interest, to provide for a utility
12 corridor and for the design, construction, development, operation, and maintenance of a
13 railroad and facilities to support that development project. The grant to the borough may not
14 impair current valid property rights in the land granted under this section.

APR-07-01 SAT 08:47 PM UUUUUUUU

FAX NO. UUUUUUUUUU

P. 02

APR-07-2001 SAT 01:45 PM LEGAL SERVICES

FAX NO. 807 465 3231

P. 03

WORK DRAFT

WORK DRAFT

22-LS0850J

1 (b) By September 1, 2001, the Department of Natural Resources shall transfer to the
2 Denali Borough the following state land:

3 (1) Township 12 South, Range 7 West, Fairbanks Meridian

4 Section 6: S1/2

5 Section 7;

6 (2) Township 12 South, Range 8 West, Fairbanks Meridian

7 Section 1: S1/2

8 Section 2: E1/2 of S1/2

9 Section 7: S1/2

10 Section 13: W1/2

11 Sections 11, 12, and 14 - 23, inclusive;

12 (3) Township 12 South, Range 9 West, Fairbanks Meridian

13 Sections 7 - 24, inclusive;

14 (4) Township 12 South, Range 10 West, Fairbanks Meridian

15 Sections 9 - 24 and 28 - 30, inclusive;

16 (5) Township 12 South, Range 11 West, Fairbanks Meridian

17 Sections 13 - 14, inclusive;

18 Section 15: S1/2

19 ^{WCT} Sections 19 - 35, inclusive.

20 (c) ^{WCT} The Denali Borough shall identify and survey a railroad and utility corridor not
21 more than 300 feet in width that runs from near the community of Healy to the eastern
22 boundary of Denali National Park and Preserve through the land granted under this section.
23 ^{WCT} The borough shall also select and survey ancillary land necessary to support the development
24 and operation of a railroad and facilities to support economic development in conjunction
25 with the railroad development project. By September 1, 2006, the borough shall transfer land
26 granted under this section that is not needed for the corridor or the railroad development
27 project back to the state. The borough may retain not more than 3,500 acres of the land
28 granted to the borough under this section.

29 * Sec. 2. Sections 24(c) and 25, ch. 109, SLA 1998, are repealed.

30 * Sec. 3. This Act takes effect July 1, 2001.

DENALI BOROUGH, ALASKA
ORDINANCE NO. 96-04

INTRODUCED BY: Jim Caswell

AN ORDINANCE PROVIDING FOR LAND USE REGULATION THE INITIAL ZONING OF
THE BOROUGH.

BE IT ENACTED by the Assembly of the Denali Borough, Alaska that:

Section 1. Classification.

This ordinance is of a general and permanent nature.

Section 2. Borough Assembly Finding. The Assembly of the Denali Borough being charged by the Legislature for the provision of planning, platting and land use regulation; AND WHEREAS; the maintenance of a rural lifestyle is of utmost importance to Borough resident; AND WHEREAS; the Borough consist of distinct communities with differing interests;

NOW THEREFORE, the Borough Assembly finds that it is in the best interests of the resident of the Denali Borough to make land use decision as much as possible on a local or community basis.

Section 1. All land in the Borough is zoned unrestricted unless otherwise provide by ordinance. There are no prohibitions on land zoned unrestricted.

Section 2. Should any of the residents of an area desire further zoning or land use regulation, they shall initiate it by petition of 25% or more of the registered voters of the area in question. Voters from within that area may petition the Borough Assembly to make such additional restrictions as seem necessary. The Borough Assembly shall consider such changes by ordinances.

Alternatively, upon request of 25% of real property owners within an area the Assembly shall propose and consider any changes requested by ordinance.

A. The Borough Administration will make available the resources of the Borough and such other specialists as needed to any petitioners designated representative to enable petitioners to comply with law.

B. The Borough Assembly shall attempt as far as practical to maintain the intent of the petitioners in drafting and passing such ordinances.

Upon receipt of such a petition the Borough Assembly shall:

1. Review to make certain that the proposed area is geographically contiguous and that the people affected have like interests.
2. Instruct the Borough Administration to prepare an ordinance providing for such changes. The ordinance will then be introduced and voted upon by the Borough Assembly.

3. The question of a zoning change initiated by petition shall be submitted to the voters within the area affected at a special meeting called for that purpose, unless a regular election is scheduled within seventy five (75) days, but not sooner than forty five (45) days after enactment of an ordinance submitting the question to the voters.

Section 3. Ballot Proposition. Ballot propositions submitted to the voters shall contain the following:

- 1.) The question of whether the zoning of the proposed area shall be changed;
- 2.) A clear description of the geographic area shall be included on the ballot or made available to voters at the precinct polling place;
- 3.) A map depicting the location and boundaries of the proposed zoning change area shall appear on the ballot or be made available to voters at the polling place;
- 4.) A statement of the type of zoning change including all restrictions proposed; and
- 5.) Such other information as the Assembly may by ordinance deem appropriate.

Section 4. Election.

- 1.) Ballot propositions proposing zoning changes shall be submitted to the qualified voters residing within the area of the proposed change;
- 2.) The election shall be held at a location within or as near the proposed zoning change area as practicable in accordance borough election codes;
- 3.) The Borough Clerk shall supervise the election in accordance with Chapter 66, Section 1, of the Denali Borough Code of Ordinances, furnish all materials necessary, and employ sufficient judges;
- 4.) The election may be by "mail in" ballot if this election procedure is appropriate.

Section 5. Commencement of Zoning Change.

Unless otherwise provided by ordinance and ballot proposition, the zoning change will take effect following certification of the election at which the zoning change was approved by sixty (60) percent of the votes cast in that election. The requirement does not apply if the area is uninhabited.

Section 3. Effective Date. This ordinance becomes effective upon adoption by Denali Borough Assembly and signature of the Mayor.

DATE INTRODUCED: January 21, 1996

FIRST READING: January 21, 1996

PUBLIC HEARING: June 9, 1996

PASSED and APPROVED by the DENALI BOROUGH ASSEMBLY this 9th day of June 1996.

ATTEST:



John C. Longabe

Mayor

Julia Mueller

Borough Clerk



**HUGHES THORSNESS POWELL
HUDDLESTON & BAUMAN LLC**
ATTORNEYS AT LAW

February 15, 2001

Direct Dial:
(907) 263-8255
E-mail: JMG@htlaw.com

Mayor John Gonzales
Denali Borough
P.O. Box 480
Healy, AK 99743

VIA TELECOPY

Re: Potential Disposition of State Lands Within the Denali Borough
Our File No. 5791-1

Dear Mayor Gonzales:

You have asked for a short opinion from us having to do with what rights the Borough may have, if any, in affecting real property within the Borough boundaries which is presently held by the State of Alaska and which might be disposed of either to another state agency or entity or private individuals.

Of course, until such time as the state actually undertakes the action, and accompanies the action with whatever terms and conditions it deems appropriate, suggesting a course, before the transaction occurs, is a bit like staring into a murky crystal ball. In other words, it is hard to know what you are trying to legislate against when you don't know what the end result is actually going to be. As we all know, rumor, innuendo and other forms of hearsay make for great "news," but often times, they are sorely lacking in factual substantiation.

With that disclaimer out of the way, four different items come to mind which may be worthy of consideration by the Assembly.

1. Updated and Revised Comprehensive Plan. The Denali Borough has adopted a comprehensive plan which covers a variety of different developmental issues for the Borough. That comprehensive plan is also to be reevaluated every two years by the Assembly. Although the plan has tried to maximize personal selection of individuals residing within the Borough, it does nevertheless represent a document which has some enforcement teeth insofar as it reflects the will of the Borough. As such, it seems that the comprehensive plan could identify the areas in question as designated for a specific purpose, such as residential, etc. Amending

Mayor John Gonzales
February 15, 2001
Page 2

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ATTORNEYS AT LAW

the plan to cover a specific area is a little bit out of the ordinary from what has happened in the past, but it nevertheless does represent an existing vehicle or document which is a reflection of the policy of the Borough with respect to land use and development.

2. Resolution. The Assembly could always pass a resolution having to do with disposition or intended disposition of lands within its boundaries. Of course, there is already a comprehensive land use plan in existence, but to the extent that a non-binding resolution evidences a specific position statement, it would serve as an indication of opinion, but not be very enforceable in any kind of a realistic fashion.

3. Attempt to Cloud the Title. As part of the formation of the Borough, the Borough was given a variety of different land selection opportunities. It is our understanding that the Borough has fully selected all of the lands that it was authorized, but, at this point in time, the actual conveyance of all of the selected land has yet to occur. It is conceivable that the Borough could submit a supplemental selection for lands in which it has an interest in exercising some control with the understanding and the express caveat that the Borough is not relinquishing any of its prior selections. In other words, make a cautionary fall back selection that would be relevant if, and only if, for circumstances not yet foreseen, the Borough is not granted its selected lands. While making this fall back selection may not necessarily accomplish anything, it does represent an identification of a "cloud" over lands that are currently owned by the state. We are not suggesting that this supplemental selection could support a recorded document such as a lis pendens, wherein the Borough would indicate that it has a contingent interest in the land; a supplemental selection with conditions would fall short of any realistic support for such a legal right. Nevertheless, if this type of selection document was put into the state records, it should exist as a public record which would at least put any prospective recipient of the land on notice of the Borough's supplemental interest.

4. Zone the Land. As we all know, under Borough Ordinance ~~96~~ ⁹⁷ all land in the Borough is zoned unrestricted unless otherwise provided by ordinance. There are no prohibitions on land owned unrestricted.

The Borough could adopt a zoning ordinance to restrict usages of certain identified land which may, at some point in the future, come out of the state ownership and into other private or public hands. This zoning ordinance would need to be consistent with the Borough's comprehensive plan. While, based upon the past attitudes of the residents of the Borough and the Assembly, a zoning ordinance is probably the least desirable of alternatives, it also coincidentally would likely be

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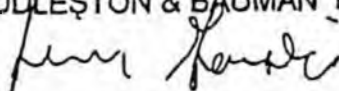
Mayor John Gonzales
February 15, 2001
Page 3

the one thing that the Borough could do, at this juncture, in advance of other actions, which would carry the most enforcement weight.

We trust that the foregoing is somewhat responsive to the rather loose inquiry that was made of us. Consequently, we are more than happy to provide follow up comments, discussion or research as requested.

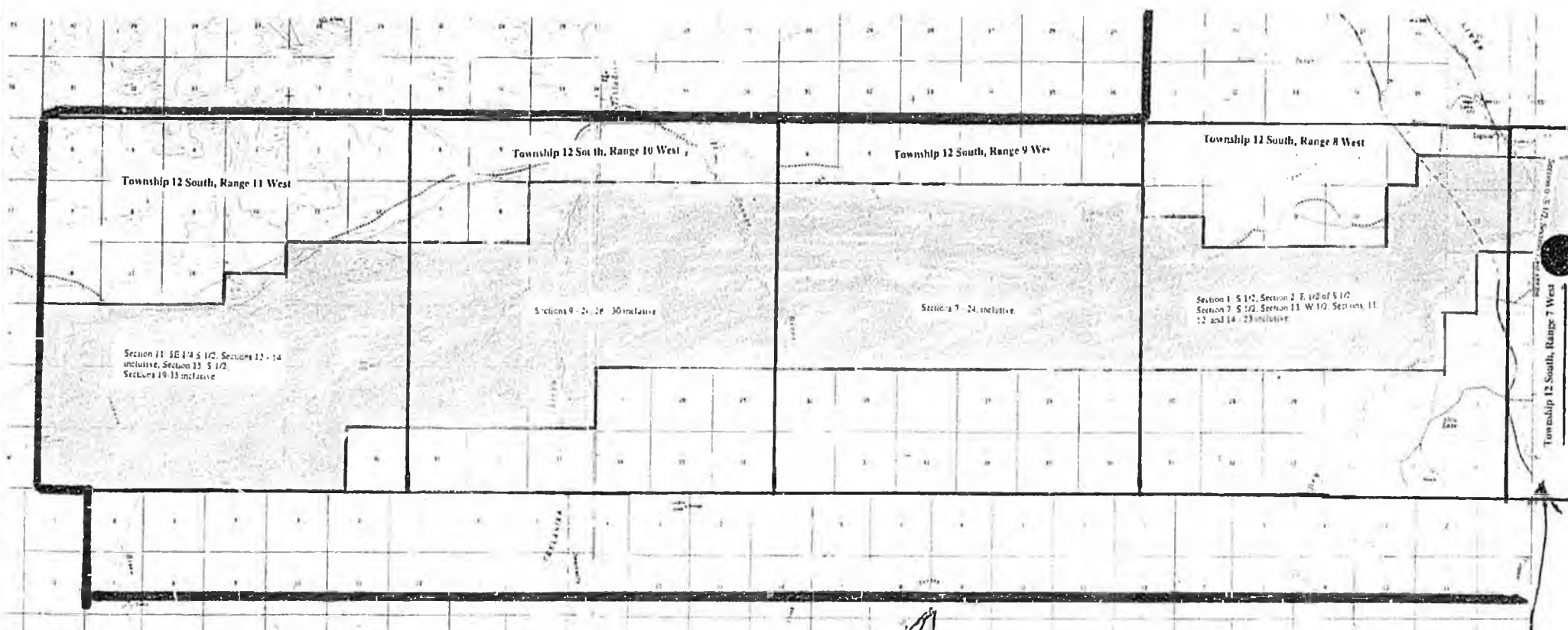
Very truly yours,


HUGHES THORSNESS POWELL
HUDDLESTON & BAUMAN LLC



James M. Gorski

JMG:pab:141027



PARK Boundary 

Reference map of proposed land corridor to be transferred to the Denali Borough from which a railroad right-of-way is to be selected by Kantishna Holdings, Inc.

Note:
 Only the portion of T 12 S, R 7 W containing the proposed corridor is shown on this map - KHI

House Bill 244

Supplemental Information

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
PO Box 56622
North Pole, Alaska 99705
(907) 456-1546
FAX (907) 488-4271



House of Representatives
House District 34

While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381

Q&A on HB244

April 17, 2001

ISN'T A 40,000 ACRE SELECTION EXCESSIVE. CONSIDERING ONLY 3,500 ACRES WILL BE RETAINED FOR A RAIL/UTILITY CORRIDOR?

It is necessary to select a larger area in order to insure the best possible right of way is surveyed. There needs to be a wide swath to select from so all the varied interests and concerns -- from being a good neighbor to avoiding wildlife habitat or wetlands -- can be addressed. In addition, it's ideal to have a larger parcel to select a smaller one from so it can meet specific needs for rail, such as curve and grade.

DO WE NEED A "DROP-DEAD" DATE?

The practical difficulty with writing an end-date into HB244 is that it would raise a tempting target to those who would oppose the project through use of stall and delay tactics.

IF HB244 PASSES. WON'T KANTISHNA HOLDINGS' PROJECT BE A 'SOLE SOURCE' CONTRACT?

No. Kantisha Holdings' effort to obtain a right-of-way is no different than a river rafting operator who seeks a lease of public land for a base of operations. There is no RFP -- and neither the state, borough or federal government is asking that anything be done. This is a private proposal to build on public lands for public convenience. The state government, Denali Borough and Alaska Railroad retain ownership of all land involved.

SHOULDN'T THIS R.O.W. BE PART OF THE BOROUGH'S LAND SELECTION?

This grant of land is for economic development and is restricted to the uses described. While there might be ancillary uses of the land that benefit the borough, but the prime goal is rail and related facilities.

prospect of Federal funding? lead on this
command you for following
use same conditions as w/Novel.
Opposite has joined.
Economic development
Environmentally sound

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
PO Box 56622
North Pole, Alaska 99705
(907) 456-1546
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381

House of Representatives
House District 34

WOULDN'T THE STAMPEDE TRAIL BE THE BEST R.O.W FOR A RAIL LINE?

The Stampede Trail (Stampede Road) is not a railroad route. It was built by Yutan Construction with old D-3 Caterpillar Tractors and would not even be considered a road if it was built today. It should be noted that no part of the proposed route crosses designated wilderness areas.

WHY CONSTRUCT A SECOND ACCESS JUST A FEW MILES NORTH OF THE EXISTING PARK ROAD?

It's true that this proposed R.O.W. is just 17 miles north of the park entrance. But the two access routes are separated by a massive mountain range. Eventually, park visitors could complete a loop using the existing road for the inbound or outbound portion, while enjoying a unique viewing experience throughout the entire route.

COULD HB244 THREATEN THE \$1.5 MILLION SET ASIDE FOR NORTH DENALI ACCESS CONSTRUCTION IN FEDERAL TEA-21 FUNDING?

No. Federal TEA-21 funds can be used for a survey or EIS as well as for actual construction under legislative intent language.

April 17, 2001

TO: Alaska State Legislature
House Transportation Committee

RE: HB 244

Honorable Committee Members;

My name is Nancy Bale. I lived and worked in what became the Denali Borough from 1971 to 1996. I own property in the Borough and spend time in the area whenever I can. I am President of Denali Citizens Council, a locally based citizen oversight organization. I urge the committee not to pass this bill.

My reasons are as follows:

1. State land conveyances to the Denali Borough have been mandated under the Tanana Basin Area Plan, and should occur according to guidelines set down in the plan. These guidelines were developed through a long process of study and public input, and any departure from this process would require an amendment to the plan. The Stampede Lands were not identified as lands from which the Denali Borough could select municipal entitlements.
2. The Tanana Basin Area Plan states that the Stampede area lands are "...to be retained in public ownership for multiple use management. The emphasis is on managing recreation and maintaining fish and wildlife habitat." It is questionable whether a large capital project with extensive tourism development along its length would maintain the character of the Stampede Lands as the Basin Plan intended.
3. The Denali Subsistence Commission, a broad-based area wide panel, has opposed the construction of North Access at Denali as detrimental to subsistence users. Potential impacts on wildlife, including caribou and wolves, must be addressed.
4. Denali Borough has no road building or maintenance powers. The Borough currently administers the collection of hotel bed taxes for the primary purpose of funding education. The Borough has planning powers but little money or inclination at this time to exercise them. The activities that this bill would require of the Borough could not be performed by it as currently constituted.
5. The role of Kantishna Holdings in this operation is unclear. Has Kantishna Holdings submitted a business plan, a feasibility study and a prediction of revenues? Has Kantishna Holdings shown that their project will benefit the citizens of Denali Borough? Has this organization addressed the potential negative impacts of their project on citizens of the Denali Borough? Has there been a competitive bidding process?

6. Feasibility studies to date predict a very high cost per mile for railroad construction in this area. The North Access Feasibility Study of 1997 stated, "Cost projections for constructing a railroad...range from \$1,512,500 per mile to \$2,483,760 per mile...route planning, survey and design costs would be an additional 15% of the construction." Compliance with NEPA is another source of cost. At this time there is no proof that revenue from this operation will actually cover costs or that this project benefits Alaskans more than alternative tourism schemes.
7. Local residents have not been asked if they want a railroad project. The route begins in the middle of a residential area outside Healy. The local citizens may well prefer that the Stampede area be retained for subsistence and personal, lower impact recreation.

Thank you for the opportunity to speak. My long familiarity with Denali has drawn me to the above conclusions. Please contact me if I may be of further assistance to you.

Sincerely,



Nancy Bale
PO Box 240054
Anchorage, AK 99524
(907) 277-3825
nancybale@hotmail.com

April 18, 2001

Representative Jeannette James
State Capitol, Room 214
Juneau, AK 99801-1182

Dear Representative James:

I am writing you as a citizen of the Denali Borough and a resident along the route of the proposed railroad who has great concern over the recently introduced HB244, both generally and in specifics. Generally, I am opposed to development in the Wolf Townships and have deep concerns about the viability of the proposed railroad. Specifically, I am concerned about the following:

1) Five years is too generous a time period for completing the survey work described. Joe Fields of Kantishna Holdings has spent a considerable amount of time scouting the proposed railroad route and raising investment capital over the past decade. The AIDEA right-of-way mentioned in the bill was granted 4 years ago and was never acted upon. Why does Kantishna Holdings require 5 more years on top of the 4 years already granted? If the company or the Denali Borough is not able to accomplish the survey within two years, it should be viewed as a lack of interest on the part of investors and a clear indication that this project will never transpire.

The termination date for the Borough survey and return of unclaimed land to the State should be September 1, 2003.

2) Is there a reason the bill does not specifically require that the Borough return the land to the State if railroad construction does not occur? It seems that the State should protect its interest in the land by requiring the Borough to return the land to the state within a set period of time if it fails to achieve that purpose of the Act. I suggest two clauses to be added to the bill:

"If the Denali Borough fails to complete its survey and specify the 3,500 acres of land it will retain by September 1, 2003, the provisions of this Act are void."

"If construction of a railroad utilizing this corridor is not initiated by September 1, 2005 or completed by September 1, 2007, all land conveyed to the Denali Borough by this act shall be transferred back to the State. Until these targets are achieved, the Denali Borough shall not transfer ownership interest in this land to any other public or private entity."

Language such as that above is essential to achieving the purposes of the act, and will prevent the Kantishna Holdings from teasing the people of the Borough and the State along indefinitely. Either the project is viable or

it is not, the company should not be given free reign forever, and accountability should be enforced through strict deadlines. In the present language of the bill, it is unclear what happens to the land if the railroad is never constructed.

3) This bill avoids a public planning process that could address local, regional, and statewide concerns. Local residents and people from elsewhere in Alaska presently use the area encompassed by the Wolf Townships for a variety of purposes including hunting, fishing, wildlife watching, access to remote homesteads, etc. As written, there is no mandate for either the State or the Borough to conduct any participative planning for siting the corridor or the ancillary development nodes, so there is no way to account for these uses and plan accordingly.

If the state considers the conveyance of municipal land entitlements to the Borough, and those conveyances would conflict with the Tanana Basin Area Plan (TBAP), the state must conduct a TBAP amendment before transferring the land. This conveyance should be treated at least as stringently since the Wolf Townships previously have been considered sensitive enough to be off-limits to Borough land selection altogether. How wrong it would be for lands not even considered selectable before this bill to be conveyed without any public planning process! I realize this discussion was begun because of a similar notion of conveying the Wolf Townships to the University of Alaska, but that proposal never became a formal proposal or bill, and the same stricture should have applied if it had. The State is clearly the best entity to conduct any planning process for the Wolf Townships because of the statewide importance of and interest in these lands and because the State has planning staff while the Borough does not.

The bill desperately needs a mandate for a public planning process before conveyance of land to the Borough, and that process should include an alternative for State retention of the land if the public is strongly opposed to changing the status of the Townships.

I sincerely hope that you and your fellow legislators can address these concerns.

Thank you.

Charlie Loeb
P.O. Box 84
Denali Park, AK 99755
(907) 683-6300

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 244
 () Publish Date: _____

Revision Date/Time (Note if correction): _____
 Title: ROW to DENALI BOROUGH for RR/Utility

Dept. Affected: Natural Resources
 BRU: Minerals, Land & Water Dev
 Component: Land Sale/Muni Entitle

Sponsor: Rep. James
 Requester: (H) TRA

Component Number: 2456

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	16.0				28.2	
Travel	0.5				3.0	
Contractual	5.0				1.0	
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	21.5	0.0	0.0	0.0	32.2	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	21.5				32.2	
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	21.5	0.0	0.0	0.0	32.2	0.0

Estimate of any current year (FY2001) cost: None

Check this box if funding for this bill is included in the Governor's FY2002 budget proposal: []

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

DNR assumes that, because the bill mandates conveyance of the 46,000 acres within 60 days, HB 244 intends and will be amended to specifically state that the conveyance is exempt from AS 38.05.035 (preparation of a Best Interest Finding). Similarly, DNR assumes the bill intends the conveyance to be exempt from AS 38.04.045, surveys. The FY 2002 costs are to identify and reserve valid existing rights, including the RS 2477 right-of-way along the Stampede Trail (RST 340). They also include public notice, title checks, and drafting and issuance of deeds. Public notice is constitutionally required for state land disposals and will be done under AS 38.05.945, unless the bill is amended to exempt the conveyance.
(Continued)

Prepared by: Bob Loeffler
 Division: Mining, Land and Water
 Approved by: Pat Pourchot
 Agency: Natural Resources

Phone: 269-8600
 Date/Time: 13-Apr-01
 Date: 16-Apr-01

For distribution information, call the Governor's Legislative Office

Alaska State Legislature

House of Representatives



Transportation Committee

Rep. Kohring, Chair
Rep. Masek, Vice-Chair
Rep. Kapsner
Rep. Kookesh
Rep. Ogan
Rep. Scalzi
Rep. Wilson

AGENDA

Tuesday April 17, 2001

1:00 – 3:00 p.m.

House Transportation Committee Room #17

- House Bill 12:** "An Act relating to the offense of operating a motor vehicle, aircraft, or watercraft while intoxicated; relating to presumptions arising from the amount of alcohol in a person's breath or blood; and providing for an effective date."
- House Bill 244:** "An Act relating to a grant of state land to the Denali Borough for a railroad and utility corridor and a railroad development project; repealing provisions relating to a grant of a right-of-way of land for a railroad and utility corridor to the Alaska Industrial Development and Export Authority; and providing for an effective date."
- Senate Bill 88:** "An act relating to metropolitan planning organizations and to establishment of a metropolitan planning organization for the Anchorage metropolitan area; and providing for an effective date."
- House Bill 235:** "An act relating to the handling of and interest on contract controversies involving the Department of Transportation and Public Facilities or state agencies to whom the Department of Transportation and Public Facilities delegates the responsibility for handling the controversy."

HOUSE BILL 244

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
PO Box 56622
North Pole, Alaska 99705
(907) 456-1546
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381

House of Representatives
House District 34

Sponsor Statement, HB 244

4/12/01

In order to help bring about economic development in the Denali Borough, and to relieve a bottleneck at the single entrance to Denali National Park, many Alaskans have strongly supported a new route into the park -- for tourists and for Alaskans alike.

In 1998 HB 386 was signed into law, which authorized the Alaska Industrial Development and Export Authority to engage in a number of economic development activities. Section 25 of the bill provided for a right of way for a railroad and utility corridor to connect Healy with the eastern boundary of Denali Park, generally paralleling the Stampede Trail.

Kantishna Holdings, Inc. was authorized to finance and complete the project. HB 386, however, did not require AIDEA to act on the provisions of Section 25, and it did not.

The **technical purpose** of HB 244 is twofold. First, it substitutes the Denali Borough for AIDEA as drafted in HB 386. Second, it cancels the AIDEA authorization in Section 25 of that bill.

The **overall purpose** of HB 244 is to create real economic development opportunity in the Denali Borough by facilitating development of a visitor-oriented railroad and other facilities by Kantisha Holdings, Inc. HB 244 is strongly supported by the Denali Borough Mayor and Assembly. HB 244 is also consistent with findings of the National Park System Advisory Board -- Denali Park Task Force for improving park access through a new Northern entry route.

HOUSE BILL NO. 244

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES JAMES, Dyson

Introduced: 4/11/01

Referred: Transportation, Resources

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a grant of state land to the Denali Borough for a railroad and utility
2 corridor and a railroad development project; repealing provisions relating to a grant of
3 a right-of-way of land for a railroad and utility corridor to the Alaska Industrial
4 Development and Export Authority; and providing for an effective date."

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

6 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 GRANT FOR RAILROAD AND UTILITY CORRIDOR. (a) The Department of
9 Natural Resources shall grant to the Denali Borough the land described under (b) of this
10 section for the purpose of supporting economic development in the borough by enabling
11 Kantishna Holdings, Inc., and its successors and assigns in interest, to provide for a utility
12 corridor and for the design, construction, development, operation, and maintenance of a
13 railroad and facilities to support that development project. The grant to the borough may not
14 impair current valid property rights in the land granted under this section.

1 (b) By September 1, 2001, the Department of Natural Resources shall transfer to the
2 Denali Borough the following state land:

3 (1) Township 12 South, Range 7 West, Fairbanks Meridian

4 Section 6: S1/2

5 Section 7;

6 (2) Township 12 South, Range 8 West, Fairbanks Meridian

7 Section 1: S1/2

8 Section 2: E1/2 of S1/2

9 Section 7: S1/2

10 Section 13: W1/2

11 Sections 11, 12, and 14 - 23, inclusive;

12 (3) Township 12 South, Range 9 West, Fairbanks Meridian

13 Sections 7 - 24, inclusive;

14 (4) Township 12 South, Range 10 West, Fairbanks Meridian

15 Sections 9 - 24 and 28 - 30, inclusive;

16 (5) Township 12 South, Range 11 West, Fairbanks Meridian

17 Sections 13 - 14, inclusive;

18 Section 15: S1/2

19 Sections 19 - 35, inclusive.

20 (c) The Denali Borough, in consultation with Kantishna Holdings, Inc., shall identify
21 and survey a railroad and utility corridor not more than 300 feet in width that runs from near
22 the community of Healy to the eastern boundary of Denali National Park and Preserve
23 through the land granted under this section. The borough, in consultation with Kantishna
24 Holdings, Inc., shall also select and survey ancillary land necessary to support the
25 development and operation of a railroad and facilities to support economic development in
26 conjunction with the railroad development project. By September 1, 2006, the borough shall
27 transfer land granted under this section that is not needed for the corridor or the railroad
28 development project back to the state. The borough may retain not more than 3,500 acres of
29 the land granted to the borough under this section.

30 * Sec. 2. Sections 24(c) and 25, ch. 109, SLA 1998, are repealed.

31 * Sec. 3. This Act takes effect July 1, 2001.

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: HB 244
 () Publish Date: _____
 Dept. Affected: Natural Resources
 BRU: Minerals, Land & Water Dev
 Component: Land Sale/Muni Entitle
 Component Number: 2456

Revision Date/Time (Note if correction): _____
 Title: ROW to DENALI BOROUGH for RR/Utility
 Sponsor: Rep. James
 Requester: (H) TRA

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	16.0				28.2	
Travel	0.5				3.0	
Contractual	5.0				1.0	
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	21.5	0.0	0.0	0.0	32.2	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	21.5				32.2	
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	21.5	0.0	0.0	0.0	32.2	0.0

Estimate of any current year (FY2001) cost: None
 Check this box if funding for this bill is included in the Governor's FY2002 budget proposal: []

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

DNR assumes that, because the bill mandates conveyance of the 46,000 acres within 60 days, HB 244 intends and will be amended to specifically state that the conveyance is exempt from AS 38.05.035 (preparation of a Best Interest Finding). Similarly, DNR assumes the bill intends the conveyance to be exempt from AS 38.04.045, surveys. The FY 2002 costs are to identify and reserve valid existing rights, including the RS 2477 right-of-way along the Stampede Trail (RST 340). They also include public notice, title checks, and drafting and issuance of deeds. Public notice is constitutionally required for state land disposals and will be done under AS 38.05.945, unless the bill is amended to exempt the conveyance.

(Continued)

Prepared by: Bob Loeffler Phone 269-8600
 Division: Mining, Land and Water Date/Time 13-Apr-01
 Approved by: Pat Pourchot Date 16-Apr-01
 Agency: Natural Resources

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

The FY 2006 costs are to research incoming land title and surveys when the unused land is returned to the state, as well as to conduct an environmental audit on the land to be returned ("Due Diligence") to ensure the state is not assuming any liabilities along with the land.

Tasks FY 02:

- mapping to identify project area
- title research – determine state ownership
- identify third-party interests – current valid property rights
- public notice
- prepare title conveyance documents

Personal Services (existing positions) – \$16.0

- NRO I – 1 month @ \$4.0/month = \$4.0
- NRO II – 2 months @ \$4.7/month = \$9.4
- NRM I – 2 weeks @ \$5.1/month = \$2.6

Tasks FY 06 or 07

- Survey determinations and review of final surveys
- Assist Borough to identify land and describe land for corridor and land retained by the borough
- Mapping of land back to the state
- Title research – determine condition of the lands being returned to the state
- Environmental audit (inspection) of lands being returned to state
- Review of reconveyance documents

Personal Services (existing positions) – \$28.2

- Land Survey Assistant II – 2 months @ \$4.5/month = \$9.0
- NRO II – 3 months @ \$4.7/month = \$14.1
- NRM I – 1 month @ \$5.1/month = \$5.1

DENALI BOROUGH

P. O. Box 480 • Healy, Alaska 99743
Phone (907) 683-1330 • Fax (907) 683-1340
dbgovt@mtaonline.net
www.homestead.com\akdenali\borough.html



April 12, 2001

Representative Jeannette James
State Capitol Building
Juneau, AK 99801

John C. Gonzales, Mayor
(907) 582-2346

Re: HB-244

Dear Representative James:

Thank you for the introduction of House Bill 244. I feel this bill has been a long time coming.

As you know, the Denali Borough Assembly adopted a resolution in 1993 endorsing a railroad/utility corridor for a northern Denali National Park access. Approximately one half million visitors come to the Park, and of this number only about 2% are able to go all the way to Wonder Lake. It's a shame that only this small number of visitors are permitted entrance to Wonder Lake.

We Alaskans should be proud to be able to share the wonders of not only the Mountain itself, but also the wildlife and beautiful scenery with those who wish to participate. This bill allows more visitors to share in the "Denali experience". I wish to remind you that Denali National Park is a critical element in the Alaska visitor industry throughout the State.

Kantishna Holdings has proposed an environmentally sound, sensible, innovative, and unique tourism railroad between Healy and Wonder Lake to provide access to the growing number of Alaskan visitors.

On April 8, 2001 the Denali Borough Assembly voted unanimously in support of your bill and stated they urge you to make this bill a reality.

Representative James, let me assure you that I have complete confidence that the Denali Borough government is more than capable of administering the intent of this bill. We are not only capable, but we welcome the challenge.

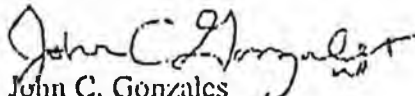
The Legislature by law has required local government to share in supporting its citizens.

Through this law the Borough must find ways to create revenue. In order to create revenue, we must have economic development and employment.

With your bill, the Denali Borough government and its citizens can continue to work toward self-sufficiency.

Please feel free to contact me if you have any questions. The Denali Borough Assembly, Staff and myself are at your service.

Sincerely,


John C. Gonzales
Mayor

Rep. Jeanette James
State Capitol
Rm 214
Juneau, Alaska 99801-1182



Re: HB-244
April 12, 2001

Dear Rep. James:

When the George Parks Highway opened in 1972, there was already a recognition among transportation planners, far sighted legislators and visitor industry leaders of the need for better access into Denali National Park and Preserve. Prior to the Parks Highway opening, an overland trip to Denali meant driving to Paxon Lodge via Glenallen from Anchorage or through Delta Junction from Fairbanks, then venturing across the Denali Highway, little more than a seasonal trail in those days, a beautiful, but long trip. It's important to note that the Parks Highway is the most recent major transportation infrastructure Project to be built in Alaska, now approaching 30 years of age. Today, Delta and Glenallen are the gateways to Prince William Sound and Wrangell Saint Elias NP.

The other way to get to Denali before the Parks Hwy opened was via the Alaska Railroad from Fairbanks or Anchorage. Rail was a less arduous, more reliable and far more comfortable way to travel. However today, even with all the changes in how to get there, Denali Park is still served by the same single internal road (a road that fails even to comply with national or state highway safety standards) and the visitor volume has grown from between 40,000 to 60,000 in 1970's to over 500,000 per annum in 2000. Unfortunately, only about 2% of the visitors who come to see Mt. McKinley across Wonder or Reflection Lakes ever do.

Kantishna Holdings, Inc. (KHI) first proposed building a railroad to the vicinity of Kantishna in 1991. Upon exploration, KHI determined that a rail system operation transferring bus and rail passengers at a terminal location near Wonder Lake would allow the Park visitor volume to double without any additional vehicles being placed on the road system. Not only that, but the actual number of vehicles events on the road each year could be reduced when NPS administrative vehicles were eliminated in favor of Park personnel using the railroad. Likewise, passenger, freight and equipment delivery to the Kantishna would made simple, fast and cost efficient for the NPS, the railroad and other Park Inholders.

This Project is an environmentally sound and sensible proposal to provide for long term resource protection in Denali while allowing visitors, especially children, to see the park without having to endure an 8 hr bus ride - out and back. There are over 70,000 school age children in the Alaska's railbelt, not to mention the balance of the state, of whom perhaps less than 3% have ever been to Wonder Lake. And, the entire route is outside the Wilderness Areas of the Park. We firmly believe that those allowed to view the Park will help to preserve it for future generations.

Perhaps the most significant statewide impact of this bill is the advancement of the Denali Railway System Project and its effect on the expanding visitor industry which has been growing at about 7% p.a. for the past 10 years. At this writing, there is no proposal by the State of Alaska or the Federal Government for new access into Denali Park. The NPS and a group state employees did conjure up a publicly funded plan for the South Side of Denali but it had no real access into the park and has all but failed at this point. Prior to that plan being hatched, the National Park System Advisory Board had made a finding in the Denali Task Force process endorsing the creating of a new northern railroad route to Wonder Lake.

The main impact of northern rail access development at Denali Park will be new year-round jobs for Alaskans and a new economic base for the Denali Borough. Keep in mind, the Denali Borough is not likely to directly benefit much from the proposed Alaska Natural Gasline Project, the proposed National Missile Defense System and no new major mining project is planned in the area. In fact, gas development and transport may have an adverse effect on the Usibelli Mine operations, the premiere coal operation in Alaska, and that could adversely impact the residents and future of the Denali Borough. In other words, between the Talkeetna Cutoff and Fairbanks there is virtually no proposed major economic development project outside of this Project.

As for cost-benefit analysis, it's fairly simple: Minimal public cost, great community benefit. The Denali Borough has an active role in the management of the lands already under their control and they have the experience and competent personnel needed to manage the activities outlined in HB-244. Clearly, there will be ample oversight on this project, not only the portion covered in HB-244, which is all state land, but also on the portion extending into the Park. HB-244 also shows the new Secretary of the Interior that the State of Alaska has the willingness to pursue other types of economic development beyond oil and gas.

Simply put, this is a Public/Private undertaking, the kind so often promoted by economic development organizations in Alaska and nationally, that will provide for long term economic provision in the Denali Borough. It is year-round infrastructure developed through private capital for the long term.

HB-244 works, for Denali National Park and its neighbors. I wish to compliment you and the rest of the Legislature for your farsightedness in this matter and, I look forward to any questions you may have regarding the Project.

With thanks and very best regards I am.

Sincerely yours,
Joseph N. Fields III, President
Kantishna Holdings Inc.

FRANK H. MURKOWSKI
ALASKA

COMMITTEES:
SELECT COMMITTEE ON INTELLIGENCE (VICE CHAIRMAN)
ENERGY AND NATURAL RESOURCES
FOREIGN RELATIONS
VETERANS' AFFAIRS
SELECT COMMITTEE ON INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-0202
(202) 224-6665

April 2, 1993

222 WEST 7TH AVENUE, BOX 1
ANCHORAGE, AK 99513-7570
(907) 271-3735

101 12TH AVENUE, BOX 7
FAIRBANKS, AK 99701-8278
(907) 456-0233

P.O. Box 21647
JUNEAU, AK 99802-1647
(907) 586-7400

130 TRADING BAY ROAD, SUITE 350
KENAI, AK 99811-7716
(907) 233-5808

109 MAIN STREET
KETCHIKAN, AK 99901-6489
(907) 225-8880

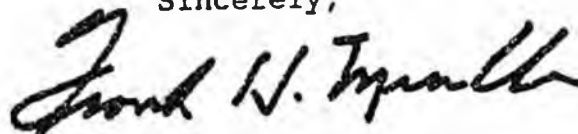
Mr. Joseph N. Fields, III
Director
Kantishna Group Incorporated
P. O. Box 71047
Fairbanks, Alaska 99707

Dear Joseph:

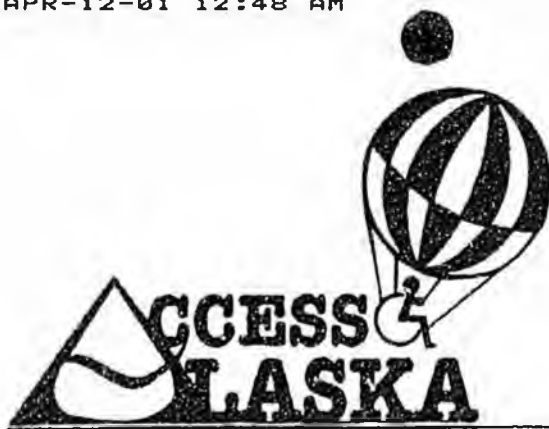
Thank you for your update on the railroad into Denali National Park. As you know, I support increased access to the Park and appreciate your proposal.

It sounds like you are on the right track, and I appreciate your efforts to keep me informed.

Sincerely,



Frank H. Murkowski
United States Senator



3710 Woodland Drive, Suite 900
Anchorage, AK 99517-2564
Toll Free: (800) 478-4488
(907) 248-4777
Fax: (907) 248-0639

3550 Airport Way, Suite 3
Fairbanks, AK 99709-4772
(907) 479-7940
Fax: (907) 474-4052

May 11, 1994

Joseph Fields III, director
Kantishna Group Inc.
P.O. Box 71047
Fairbanks, Ak 99707

Dear Mr. Fields:

As you know from our previous conversation, Access Alaska Fairbanks uses its resources to promote a society where persons with disabilities can live independently in the community of their choice. Consistent with that mission, Access provides a range of services, including the encouragement of consumer participation in the planning and evaluation of laws, regulations, and services, be they local, state, or national. We are excited by your invitation to Access Alaska that our organization, including consumers, assist in the development of an advisory council for Kantishna Group's tourism railway development project.

As we both know, early involvement by the community in the design and implementation of local services increases the likelihood that products or services meet the expectations of all parties concerned. I look forward to hearing from you.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Jacobson".

David Jacobson
Operations Supervisor
ACCESS ALASKA - Fairbanks



ASSOCIATED GENERAL CONTRACTORS of ALASKA

4041 B STREET • ANCHORAGE, ALASKA 99503
P.O. BOX 240609 • ANCHORAGE, ALASKA 99524-0609
TELEPHONE (907) 561-5354 • FAX (907) 562-6118

19. January 1996

To whom it may concern

Subject: "DENALI RAILWAY SYSTEM PROJECT"

A.G.C. of Alaska fully supports added access to the Denali National Park. This area is truly a National treasure, however, the present transportation system is completely inadequate to provide sufficient access for the number of visitors.

A rail system is technically and economically feasible and avoids most of the objections from an environmental standpoint. Such a project is fully supported by our members.

As contractors we are concerned how such large projects will be administered and managed. Open, competitive bidding provides the basis for the best cost/benefit ratio on any project and we hope that any construction contract would be handled in such a manner.

We are willing to participate in any pre-construction and construction activities and hope that this project will go forward.

Sincerely,

Greg Romack
President

DENALI BOROUGH, ALASKA

RESOLUTION NO. 93-02A RESOLUTION ENDORSING THE CREATION OF A RAILROAD/UTILITY
CORRIDOR FOR DENALI NATIONAL PARK ACCESS.

WHEREAS, Denali National Park is the top visitor destination in Alaska, and

WHEREAS, Denali National Park is a critical element in the Alaska Visitor Industry throughout the State, and

WHEREAS, the current limits on access into Denali National Park restrict many visitors and residents from entering the Park that would like to, and

WHEREAS, lack of access to Denali creates a bottleneck in the visitor/tourism delivery system of Alaska, and

WHEREAS, no additional access to the interior of the Park is included in the South Denali Concept Plan now under consideration, and

WHEREAS, the National Park Service "Denali Task Force Report" released in 1992 did not provide for any immediate increase in the capacity on the current north entrance road, and

WHEREAS, the National Park Service "Denali Task Force Report" described the rail access concept as captivating, and

WHEREAS, Kantishna Group Inc. has proposed an environmentally sound, sensible, innovative, and unique tourism railroad between Healy and Kantishna to provide access to the growing numbers of Alaskan visitors, and

AND WHEREAS, the Denali Borough and the communities within it, will benefit from permanent jobs and other economic activity created by the building and operation of the Kantishna Group Inc.'s railroad;


NOW THEREFORE BE IT RESOLVED: that the Denali Borough Assembly and Mayor strongly supports the Kantishna Group Inc.'s plans to construct and operate a general purpose tourism railroad into Denali National Park.

FURTHER BE IT RESOLVED: that the Denali Borough Assembly and Mayor encourages the National Park Service at Denali National Park, the Regional and National levels, the State of Alaska, its Governor, Legislature and National Delegation, to give full support to the creation of a Railroad Utility Corridor as proposed by the Kantishna Group Inc. as an appropriate, environmentally sound and sensible means of access to the Park to better serve the people of the United States and the World.

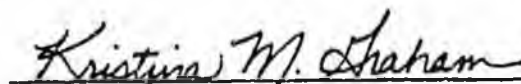
PASSED and APPROVED by the DENALI BOROUGH ASSEMBLY this 14th day of February, 1993.

ATTEST:





Mayor



Borough Clerk

By: S. Sterling
Amended: 6/4/96
Adopted: 6/4/96

MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 96-027(AM)

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY IN SUPPORT OF THE CREATION OF A NORTHERN RAILROAD RIGHT-OF-WAY TO WONDER LAKE AND FOR THE BUILDING OF THE DENALI RAILWAY SYSTEM TO SERVICE DENALI NATIONAL PARK.

WHEREAS, Denali National Park (Denali) is the top visitor destination in Alaska and a critical element in the Alaska visitor/tourism industry and access into Denali is extremely restricted due to the limited existing transportation infrastructure; and,

WHEREAS, the existing park road is at its carrying capacity and is creating adverse impacts on the wildlife and the environment, management problems for the National Park Service, a bottleneck in the visitor/tourism delivery system of Alaska, and access problems for park inholders; and,

WHEREAS, no new road access into the interior of Denali is being proposed by the state or federal government; and,

WHEREAS, the National Park System Advisory Board's December 14, 1995, resolution accepting the "Denali Task Force

Report" specifically endorsed the creation of a new northern railroad route to Wonder Lake; and,

WHEREAS, Kantishna Holdings, Inc., has petitioned the Secretary of the Interior to create a new northern railroad right-of-way to the area of Wonder Lake and proposed to build the Denali Railway System to ensure long-term resource protection at Denali, as well as, to provide efficient year-round access to the interior of the park for inholders and the NPS; and,

WHEREAS, the visitor/tourism industry of the entire state of Alaska will be enhanced by the year-round operation of the Denali Railway System and all of Alaska's "Railbelt," including the community served by the Matanuska-Susitna Borough will benefit from the permanent jobs and other economic activities created by the construction and operation of the Denali Railway System; and,

WHEREAS, the proposed Denali Railway System is an environmentally sound and sensible undertaking that will commit substantial private capital investment in permanent infrastructure in Alaska's railbelt region and the creation of over 500 new jobs in Alaska's economy; and,

WHEREAS, the Denali Railway System will not compete with the proposed Denali southside development plan; and,

WHEREAS, the Denali Railway System will not compete with the proposed Denali southside development plan; and,

Page 2 of 4
calk/pjt/codedocs/96-0.res

MSB Resolution Serial No. 96-027 (AM)
AM No. 96-118

WHEREAS, the Alaska Legislature, the Denali Borough, the Fairbanks North Star Borough, the City of Nenana, the City of Seward, the Alaska State Commission on Federal Areas, the Alaska Visitors Association, the Fairbanks Building & Construction Trades Council AFL-CIO, the Associated General Contractors of Alaska, and many other organizations and individuals have endorsed a new northern railroad right-of-way or the Denali Railway system.

NOW, THEREFORE, BE IT RESOLVED, the Matanuska-Susitna Borough strongly endorses the creation of a new northern railroad right-of-way to Wonder Lake and Kantishna Holdings, Inc's. proposal to construct and operate the Denali Railway System within Denali National Park and Preserve, with appropriate development of rail-based visitor facilities within the Matanuska-Susitna Borough.

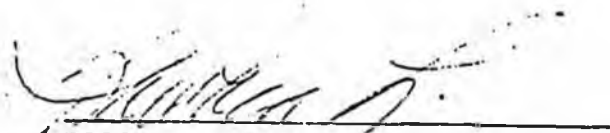
BE IT FURTHER RESOLVED, the Matanuska-Susitna Borough encourages the Secretary of the Interior to direct the National Park Service to create a railroad right-of-way to Wonder Lake immediately for the development of the Denali Railway System. The Matanuska-Susitna Borough strongly encourages the Governor of the State of Alaska, his commissioners, and the Alaska Legislature to

State of Alaska, its commissioners, and the Alaska Legislature to give their fullest support to the creation of the Denali Railway System.


Page 3 of 4
calk/pjt/codedocs/96-0.res

MSB Resolution Serial No. 96-027(AM)
AM No. 96-118

ADOPTED by the Matanuska-Susitna Borough Assembly this 4th,
day of June, 1996.


BARBARA LACHER, Borough Mayor

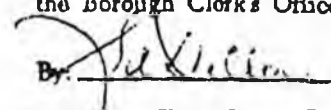
ATTEST:


SANDRA A. DILLON, Borough Clerk

(SEAL)

MATANUSKA-SUSITNA BOROUGH

THIS IS TO CERTIFY that this is an
exact duplicate of the record on file in
the Borough Clerk's Office.

By:  6/17/96

By: Mayor Jim Sampson
Paul Chizmar
Hank Hove
Bob Logan
Layne St. John
Cheryl Kilgore
Hank Bartos
Ladd McBride
Larry Hackenmiller
Dan LaSota
Introduced: 04/11/96
Adopted: 04/11/96

RESOLUTION NO. 96-035

A RESOLUTION SUPPORTING KANTISHNA HOLDINGS INC.'S
PROPOSAL FOR THE CREATION OF A NORTHERN RAILROAD RIGHT-OF-WAY
TO WONDER LAKE AND FOR THE BUILDING OF THE DENALI RAILWAY
SYSTEM TO SERVICE DENALI NATIONAL PARK

WHEREAS, Denali National Park (Denali) is the top visitor destination in Alaska and a critical element in the Alaska visitor/tourism industry and access into Denali is extremely restricted due to the limited existing transportation infrastructure; and

WHEREAS, the existing park road in Denali is at its carrying capacity and is creating adverse impacts on the environment, management problems for the National Park Service, a bottleneck in the visitor/tourism delivery system of Alaska, and access problems for park inholders; and

WHEREAS, no new road access to the interior of Denali is being proposed by the state or federal governments; and

WHEREAS, the National Park System Advisory Board's December 14, 1994, resolution accepting the "Denali Task Force Report" specifically endorsed the creation of a new northern railroad route to Wonder Lake; and

WHEREAS, Kantishna Holdings Inc. has proposed the Denali Railway System to ensure long term resource protection at Denali and to provide year-round access to the interior of Denali; and

WHEREAS, Kantishna Holdings Inc. has petitioned the Secretary of the Interior to create a new northern railroad right-of-way to the area of Wonder Lake on which to build the Denali Railway System; and

WHEREAS, the proposed Denali Railway System is an environmentally sound and sensible undertaking which will commit substantial private financial investment in permanent infrastructure in Alaska and the creation of hundreds of new jobs in Alaska's economy; and

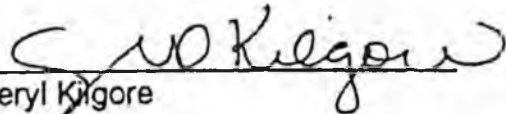
WHEREAS, the visitor/tourism industry of the entire state of Alaska will be enhanced by the year-round operation of new infrastructure created by the Denali Railway System; and

WHEREAS, all of Alaska's "Railbelt," including the community served by the Fairbanks North Star Borough, will benefit from the permanent jobs and other economic activity created by the construction and operation of the Denali Railway System; and

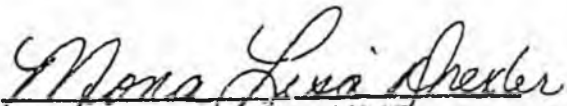
NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Assembly and the Borough Mayor endorse the creation of a new northern railroad right-of-way to Wonder Lake and to construct and operate the Denali Railway System within Denali National Park and Preserve.

BE IT FURTHER RESOLVED that the Fairbanks North Star Borough encourages the Secretary of the Interior to request the National Park Service to act upon the proposal of Kantishna Holding Inc. and create the railroad right-of-way; and that the Fairbanks North Star Borough also encourages the Governor of the State of Alaska and the Alaska Legislature to give their fullest support to the creation of the Denali Railway System.

PASSED AND APPROVED THIS 11TH DAY OF APRIL, 1996.


Cheryl Kilgore
Presiding Officer

AT TEST:


Mona Lisa Drexler, CMC/AAE
Municipal Borough Clerk

Ayes: Bartos, Logan, LaSota, St. John, Hove, McBride, Hackenmiller, Chizmar
and Kilgore
Noes: None

Introduced by: John Immel

Date: April 22nd, 1996

RESOLUTION NO. 3652

A RESOLUTION SUPPORTING KANTISHNA HOLDINGS INC.'S PROPOSAL FOR THE CREATION OF A NORTHERN RAILROAD RIGHT-OF-WAY TO WONDER LAKE AND FOR THE BUILDING OF THE DENALI RAILWAY SYSTEM TO SERVICE DENALI NATIONAL PARK.

WHEREAS, Denali National Park (Denali) is the top visitor destination in Alaska and critical element in the Alaska visitor/tourism industry and access into Denali is extremely restricted due to the limited existing transportation infrastructure; and

WHEREAS, the existing park road in Denali is at it carrying capacity and is creating adverse impacts on the environment, management problems for the National Park Service, a bottleneck in the visitor/tourism delivery system of Alaska, and access problems for park inholders; and

WHEREAS, no new road access to the interior of Denali is being proposed by the State or Federal governments; and

WHEREAS, the National Park System Advisory Board's December 4th, 1994 resolution accepting the "Denali Task Force Report" specifically endorsed the creation of a new northern railroad route to Wonder Lake; and

NOW, THEREFORE, BE IT RESOLVED BY THE FAIRBANKS CITY COUNCIL encourages the Secretary of the Interior to request the National Park Service to act upon the proposal of Kantishna Holding Inc. and create the railroad right-

of-way; and that the Fairbanks City Council also encourages the Governor of the State of Alaska and the Alaska Legislature to give their fullest support to the creation of the Denali Railway System.

PASSED and APPROVED THIS 22ND DAY OF APRIL, 1996.

James C. Hayes
JAMES C. HAYES, Mayor

AYES:
NAYES:
ABSTAIN:
ABSENT:
ADOPTED:

APPROVED AS TO FORM:

Herb Kuss
HERBERT P. KUSS, City Attorney

ATTEST:

Nancy L. DeLeon
NANCY L. DeLEON, CITY CLERK



Sponsored by: Bencardino

**CITY OF SEWARD, ALASKA
RESOLUTION NO. 96-053**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SEWARD, ALASKA, IN SUPPORT OF KANTISHNA HOLDINGS,
INC.'S PROPOSAL FOR THE CREATION OF A NORTHERN
RAILROAD RIGHT-OF-WAY TO WONDER LAKE AND FOR THE
BUILDING OF THE DENALI RAILWAY SYSTEM TO SERVICE
DENALI NATIONAL PARK**

WHEREAS, Denali National Park (Denali) is one of Alaska's most important visitor destinations and is a critical element in the Alaska Visitor/Tourism Industry, and access to Denali is extremely restricted due to the limited existing transportation infrastructure; and

WHEREAS, the existing park road servicing Denali is near its carrying capacity and is creating adverse impacts on the environment, management problems for the National Park Service, a bottleneck in the visitor/tourism delivery system of Alaska and access problems for park holders; and

WHEREAS, neither the state nor federal government has proposed a new road access to the interior of Denali; and

WHEREAS, on December 14, 1994, the National Park System Advisory Board approved a resolution accepting the Denali Task Force Report and specifically endorsed the creation of a new northern railroad route to Wonder Lake; and

WHEREAS, Kantishna Holdings, Inc., has proposed the Denali Railway System to insure long term resource protection at Denali and to provide year-round access to the interior of Denali; and

WHEREAS, the proposed new railway system is an environmentally sound and sensible undertaking which will commit substantial private financial investment in permanent infrastructure in Alaska, creating hundreds of new jobs in Alaska's economy; and

WHEREAS, new infrastructures created by the Denali Railway System will enhance the City of Seward's visitor/tourism industry, and the creation of permanent jobs and other activity associated with the construction and operation of the Denali Railway System will benefit all of Alaska's railbelt communities;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, that:

CITY OF SEWARD, ALASKA
RESOLUTION NO. 96-053

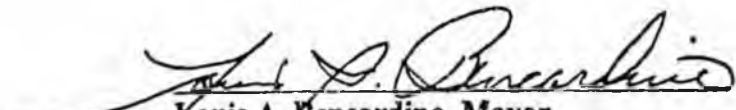
Section 1. The City of Seward endorses the creation of a new northern railroad right-of-way to Wonder Lake and the Denali Railway System as proposed by Kantishna Holdings, Inc.

Section 2. The City of Seward encourages the Secretary of the Interior to direct the National Park Service to act upon the proposal made by Kantishna Holdings, Inc., immediately and requests that Governor Knowles and the Alaska State Legislature give their full support to the creation of the Denali Railway System.

Section 3. This resolution shall take effect immediately upon its adoption.

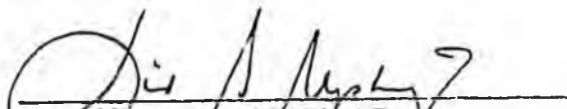
PASSED AND APPROVED by the City Council of the city of Seward, Alaska, this 22nd day of April, 1996.

THE CITY OF SEWARD, ALASKA


Louis A. Bencardino, Mayor

AYES: Anderson, Bencardino, Crane, Deeter, Keil, King, Sieminski
NOES: None
ABSENT: None
ABSTAIN: None

ATTEST:


Linda S. Murphy, CMC/AAE
City Clerk
(City Seal)
JUNE 1, 1916
CITY OF SEWARD, ALASKA

CLERK'S OFFICE

APPROVED

Date:.....10-08-96

Submitted by: Assemblymembers WUERCH, BELL,
Carlson, Kendall, Meyer, Von Gemmingen
Prepared by: Assembly Policy and Budget
For reading: October 8, 1996

ANCHORAGE, ALASKA
AR NO. 96-274

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY ENDORSING THE
CREATION OF A NORTHERN RAILROAD RIGHT-OF-WAY TO WONDER LAKE
AND THE BUILDING OF THE DENALI RAILWAY SYSTEM

WHEREAS, Denali National Park is the premier visitor destination in Alaska and access into Denali is extremely restricted due to the limited existing transportation infrastructure of the Park; and

WHEREAS, the Denali Railway System will create new year-round access from the North side of the Park to the Kantishna/Wonder Lake area; and

WHEREAS, no new road access into the interior of Denali is now being proposed by the State or Federal governments; and

WHEREAS, the Denali Railway System will be privately funded and will not compete with the publicly funded Denali Southside Development Plan; and

WHEREAS, all of Alaska will be enhanced by the year-round operation of the Denali Railway System, especially Alaska's "Railbelt" including the Municipality of Anchorage - The Gateway to Alaska; and

WHEREAS, the National Park System Advisory Board's December 14, 1994 Resolution accepting the "Denali Task Force Report" specifically endorsed the creation of a new modern railroad route to Wonder Lake.

NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

Section 1: The Assembly endorses the development of the Denali Railway System and requests the Secretary of the Interior to create a railroad right-of-way suitable for such development within the Denali National Park and Preserve.

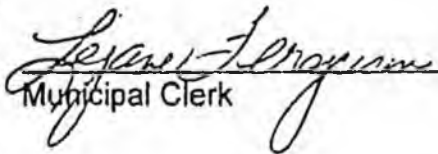
Section 2: That the Assembly encourages the Governor of Alaska, his Commissioners and staff, and the Alaska Legislature to give their fullest support to the creation of the Denali Railway System.

1 PASSED AND APPROVED by the Anchorage Municipal Assembly this
2 8th day of October, 1996

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Chair

ATTEST:


Municipal Clerk

STATE OF ALASKA
THE LEGISLATURE

1994

Source
HJR 28

Legislative
Resolve No.
19



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

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

WHEREAS the Alaska tourism industry recognizes Denali National Park as Alaska's premier visitor attraction because of the majestic view of Mt. McKinley, the opportunity to enjoy a wilderness experience, the chance to encounter wildlife in its natural habitat, and the relative solitude of the area; and

WHEREAS enhancing the Mt. McKinley experience for visitors would enhance the tourist industry statewide through tourist satisfaction and expanded seasons; and

WHEREAS insufficient access to premier viewing areas and lack of facilities at these areas are major obstacles to enhancing the wilderness experience; and

WHEREAS the state is uniquely able to gain rights-of-way into Kantishna through leases, land exchanges, assertion of rights under RS 2477, application for transportation utility corridors under Title XI of the Alaska National Interest Lands Conservation Act (ANILCA), and other legal claims to rights-of-way, and can monitor negotiations that would allow private sector development to occur; and

WHEREAS the Kantishna area, with its dry interior climate and long daylight hours, offers splendid viewing opportunities and a high potential to promote both summer and winter activities; and

WHEREAS access to Kantishna would provide the Alaska private sector with the opportunity to meet the increased demand for tourism facilities while taking advantage of a historical transportation route and restricting potentially deleterious environmental effects to areas historically used by the mining industry; and

WHEREAS it is necessary to design and construct these facilities and transportation systems so that they have the least possible negative effect on the environment, the area's wildlife, and the state's fiscal resources;

BE IT RESOLVED that the Alaska State Legislature respectfully urges the Governor and the executive branch to be aggressive in their resolve to enhance the Mt. McKinley experience for our visitors by developing new environmentally sound access routes into Kantishna and a Kantishna visitor activity area; and be it

FURTHER RESOLVED that appropriate state agencies should work with the National Park Service and interested members of the public and private sectors to thoroughly investigate the potential of establishing a rail utility corridor into Kantishna in which the private sector could construct and operate a transportation system and other facilities that would serve the public needs; and be it

FURTHER RESOLVED that the Alaska State Legislature strongly supports the efforts of the Governor of Alaska, the Alaska delegation to the U.S. Congress, and the President of the United States in pursuit of the necessary studies, land acquisition processes, and other necessary permits that would allow new environmentally sound routes into Kantishna and a Kantishna visitor activity area.


COPIES of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Robert C. Byrd, president Pro Tempore of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House of Representatives; Roger Kennedy, Director of the National Park Service; Jack Morhead, Regional Director for Alaska, National Park Service; and to the Honorable Ted Stevens and the Honorable Frank

Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

AUTHENTICATION

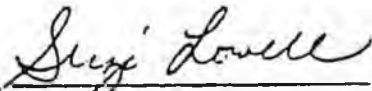
The following officers of the Legislature certify that the attached enrolled resolution, HJR 28, consisting of 3 pages, was passed in conformity with the requirements of the constitution and laws of the State of Alaska and the Uniform Rules of the Legislature.

Passed by the House March 12, 1993



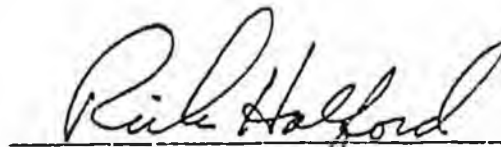
Ramona L. Barnes, Speaker of the House

ATTEST:



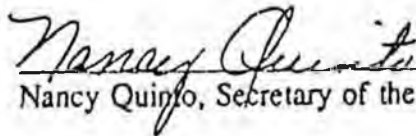
Suzi Lowell, Chief Clerk of the House

Passed by the Senate January 20, 1994



Rick Halford, President of the Senate

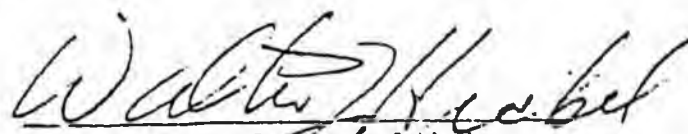
ATTEST:



Nancy Quinfa, Secretary of the Senate

ACTION BY GOVERNOR

Approved by the Governor 2-8 1994



Walter J. Hickel, Governor of Alaska

ACVB RESOLUTION

A Resolution of the Anchorage Convention & Visitors Bureau
in Endorsement of the Concept for
Creation of a Northern Railroad Right-of-Way
to Wonder Lake and the
Building of the Denali Railway System



ANCHORAGE
Convention &
Visitors Bureau

WHEREAS, Denali National Park is the premier visitor destination in Alaska and access into Denali is extremely restricted due to the limited existing transportation infrastructure of the Park; and

WHEREAS, the Denali Railway System will create new year-round access from the north side of the Park to the Kantishna/Wonder Lake area; and

WHEREAS, no new road access into the interior of Denali is now being proposed by the State or Federal governments; and

WHEREAS, the Denali Railway System will be privately funded and will not compete with the publicly-funded Denali Southside Development Plan; and

WHEREAS, all of Alaska will be enhanced by the year-round operation of the Denali Railway System, especially Alaska's "Railbelt," including the Municipality of Anchorage - The Gateway to Alaska; and

WHEREAS, the National Park System Advisory Board's December 14, 1994 Resolution accepting the "Denali Task Force Report" specifically endorsed the creation of a new modern railroad route to Wonder Lake.

NOW, THEREFORE, the Anchorage Convention & Visitors Bureau Board of Directors on this 5th day of October, 1996, resolves:

1. ACVB endorses the concept of the development of the Denali Railway System, and requests the Secretary of the Interior to create a railroad right-of-way suitable for such development within the Denali National Park and Preserve.
2. ACVB encourages the Governor of Alaska, his Commissioners and staff, and the Alaska Legislature to give their fullest support to the creation of the Denali Railway System.
3. ACVB will continue to endorse this project based upon the current proposal, presented as the "Denali Railway System."

Max Lowe
Chairman

Bill Elander
President & CEO

624 W. Fourth Avenue
Anchorage, Alaska
99501-2212

907-276-1118
Fax 907-278-5559
email:acvb@alaska.net

RESOLUTION

A RESOLUTION BY THE FAIRBANKS CONVENTION AND VISITORS BUREAU IN SUPPORT OF THE CREATION OF A NORTHERN ACCESS ROUTE TO DENALI NATIONAL PARK AND RESERVE.

WHEREAS, Denali National Park is one of the top visitor destinations in Alaska; and

WHEREAS, Denali National Park is a critical element in the Alaska Visitor Industry throughout the State and Fairbanks; and

WHEREAS, the current limits on access into Denali National Park restrict many visitors and residents from entering the Park; and

WHEREAS, the existing park road in Denali National Park is at capacity and has become a bottleneck in the visitor/tourism delivery system for park in-holders; and

WHEREAS, no new road access to the interior of Denali National Park is being proposed by the state or federal government; and

WHEREAS, a northern access will provide feasible access for park visitors; and

WHEREAS, a northern access route will create new wildlife viewing and recreational opportunities for visitors to Denali National Park; and

WHEREAS, a northern access route within the Denali National Park will be on National Park Service managed lands, not private lands; and

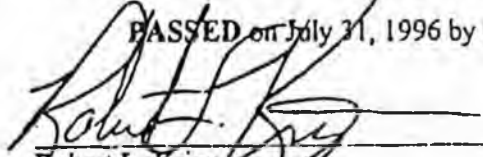
WHEREAS, a northern access route to the interior of Denali National Park will allow for more visitors into the park with little impact on the natural surroundings of the park's interior; and

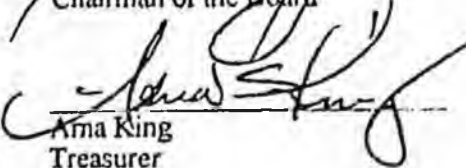
WHEREAS, a northern access route will provide for the long term needs of the visitor/tourism industry for increased access to the interior of Denali National Park and provide for the needs of the handicapped and elderly.

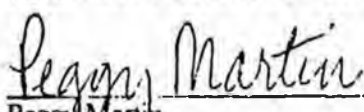
NOW THEREFORE BE IT RESOLVED: that the Fairbanks Convention and Visitors Bureau supports the creation of a northern access route into the interior of Denali National Park.

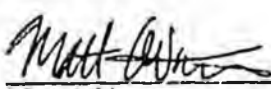
BE IT FURTHER RESOLVED: that the Fairbanks Convention and Visitors Bureau encourages the National Park Service at Denali National Park and all its levels, the State of Alaska, its Governor, Legislature, and National Delegation to give full support to the creation of a northern access route as an appropriate and sensible means of access to the Park to better serve the visitor/tourism industry and residents of the State.

PASSED on July 31, 1996 by the Fairbanks Convention and Visitors Bureau Board of Directors.


Robert L. Krize
Chairman of the Board


Arma King
Treasurer


Peggy Martin
Chair Elect


Matt Atkinson
Secretary

Greater Fairbanks **Chamber** of Commerce246 North Apple Street, Suite 200
Fairbanks, Alaska 99701

(907) 452-1105

FAX: (907) 456-6908

Introduced by: Transportation Committee
Date introduced: March 25, 1996
Date passed: April 15, 1996
Date transmitted: April 16, 1996

RESOLUTION 96-0325.3**A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF COMMERCE
IN SUPPORT OF THE CREATION OF A NORTHERN RAILROAD RIGHT-OF-
WAY TO WONDER LAKE AND THE BUILDING OF THE DENALI RAILWAY
SYSTEM TO SERVICE DENALI NATIONAL PARK AND RESERVE.**

WHEREAS, Denali National Park is the top visitor destination in Alaska and a critical element in the Alaska visitor/tourism industry and access into Denali National Park is extremely restricted due to the limited existing transportation infrastructure; and

WHEREAS, the existing park road in Denali National Park is at capacity, is creating environment management problems for the National Park Service, and has become a bottleneck in the visitor/tourism delivery system for park inholders; and

WHEREAS, no new road access to the interior of Denali National Park is being proposed by the state or federal government; and

WHEREAS, the National Park System Advisory Board's December 14, 1994 Resolution accepting the "Denali Task Force Report" specifically endorsed the creation of a new northern railroad route to Wonder Lake; and

WHEREAS, Kantishna Holdings Inc. has proposed the Denali Railway System to ensure long term resource protection at Denali National Park and to provide year-round access to the interior of Denali National Park; and

WHEREAS, the proposed Denali Railway System is an environmentally sound and sensible undertaking which will commit substantial private financial investment in permanent infrastructure within Alaska and result in the creation of hundreds of new jobs for Alaska's economy; and

WHEREAS, the visitor/tourism industry of the entire state of Alaska will be enhanced by the year-round operation of new infrastructure created by the Denali Railway System; and

WHEREAS, all of Alaska's "Railbelt," including the citizens served by the Greater Fairbanks Chamber of Commerce, will benefit from the permanent jobs and other economic activity created by the construction and operation of the Denali Railway System; and

WHEREAS, the Alaska Legislature, the Denali Borough, the Alaska State Commission on Federal Arcas, the Alaska Visitor's Association, the Fairbanks Building & Construction Trades Council AFL-CIO, the Associated General Contractors of Alaska and many other organizations and individuals have endorsed a new northern railroad right-of-way or Kantishna Holdings Inc.'s proposal,

NOW THEREFORE BE IT RESOLVED that the Greater Fairbanks Chamber of Commerce strongly endorses the creation of a new northern railroad right-of-way to Wonder Lake and Kantishna Holdings Inc.'s proposal to construct and operate the Denali Railway System within Denali National Park and Reserve.

BE IT FURTHER RESOLVED that the Greater Fairbanks Chamber of Commerce encourages the Secretary of the Interior to direct the National Park Service to act upon the proposal of Kantishna Holdings Inc. and authorize said railroad right-of-way immediately. The chamber strongly encourages the Governor of the State of Alaska, his commissioners, and the Alaska Legislature to give their fullest support to the creation of the Denali Railway System as proposed by Kantishna Holdings Inc.

AND BE IT FURTHER RESOLVED that this resolution be distributed to the following:

Bruce Babbitt, Secretary of the Interior
The Honorable Tony Knowles, Governor of the State of Alaska
The Alaska State Legislature
The Fairbanks Convention & Visitor's Bureau
City of Fairbanks
City of North Pole
Fairbanks North Star Borough
Alaska State Chamber of Commerce

PASSED on April 15, 1996 by the Greater Fairbanks Chamber of Commerce Board of Directors.



Barton S. LeBon
Chairman of the Board



William J. Robertson
President/CEO



*Citizens' Advisory Commission
on Federal Areas*

December 7, 1995

3700 Airport Way
Fairbanks, Alaska 99709-4699
(907) 451-2775
Fax: 451-2761

Mr. Joseph N. Fields III
Chairman & President
Kantishna Holdings Inc.
P.O. Box 71047
Fairbanks, AK 99707

Dear Mr. Fields:

This letter serves as formal notification of the Citizens' Advisory Commission on Federal Areas endorsement of the Kantishna Holdings, Inc. proposed Denali Railway System Project. At its November 15, 1995 meeting in Anchorage, the Commission voted unanimously to endorse the proposed railway project. In addition to specifically supporting the proposed Denali Railway System, the motion adopted by the Commission also expressed support for the general concept of a northern access route into Denali National Park & Preserve.

In recent years it has become clear that the growing visitor demand for access to Denali National Park & Preserve cannot be met by the existing park road and associated facilities. The latest effort to meet this increasing demand by providing visitor facilities and interpretive sites outside park boundaries as proposed in the Denali Southside Development Concept Plan will no doubt relieve some of the pressure. However, the Commission believes that demand for visitor access to the park itself will continue to exceed the capacity of the road by an ever increasing margin. The Denali Railway System proposal, by providing an alternative means to travel into Wonder Lake, as well as a range of visitor facilities, would serve to meet much of the increasing visitor demand.

It is our understanding that the proposed railway system also would provide year round access for private property owners within the park. The Commission is familiar with numerous past problems experienced by park inholders in attempting to secure access to their properties by way of the existing park road. We have always fully supported the rights of private property owners to adequate and feasible access to their property "for economic and other purposes," as guaranteed by the Alaska National Interest Lands Conservation Act (ANILCA).

The Commission is also aware of the opposition to development of tourism facilities on private properties within the Kantishna area of the park. Much of this opposition is based upon concerns about the ability of the existing park road to meet the increased traffic levels which

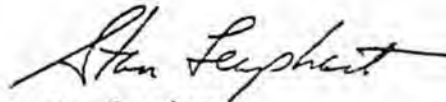
Mr. Joseph N. Fields III
December 7, 1995

2

would occur as a result of private property development and still provide the same wildlife viewing opportunities that currently exist. With proper design and management, an alternative transportation method such as the proposed Denali Railway System would provide increased opportunities for park visitors and inholders, with minimal threats to the outstanding wildlife resources within Denali National Park & Preserve.

For your information, I will be making a brief presentation at the Denali Stakeholders meeting on December 12 to advise that group of the Commission's endorsement of this proposal. On behalf of the Citizens' Advisory Commission on Federal Areas, I want to wish you luck in pursuing this project. Please keep us of advised of its progress.

Sincerely,



Stan Leaphart
Executive Director

cc: Gov. Tony Knowles
Sen. Ted Stevens
Sen. Frank Murkowski
Cong. Don Young
Sec. Bruce Babbitt- DOI
Supt. Steve Martin- Denali NP&P



Alaska Democratic Party

P.O. BOX 104199 • ANCHORAGE, AK 99510 • 907-258-3050 • FAX 907-258-1626
adp@alaska.net

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Valerie Therrien
(Fairbanks)

Cal Williams
(Anchorage)

10/1/97

Joe Fields
KHI
PO Box 71047
Fairbanks, AK 99707

Dear Mr. Fields:

Here is a copy of the recently passed resolution of the Alaska Democratic Party State Central Committee. Please contact us if you need any further assistance.

Sincerely,

Joelle Hall
Executive Director,
Alaska Democratic Party

ALASKA DEMOCRATIC PARTY

RESOLUTION 97-012

SUPPORT FOR KANTISHNA HOLDINGS INC.'S PROPOSED NORTHERN RAILROAD RIGHT-OF-WAY TO WONDER LAKE

Whereas, Denali National Park (Denali) is the top visitor destination in Alaska and a critical element in the Alaska Visitor/Tourism industry and access into Denali is extremely restricted due to the limited existing transportation infrastructure; and

Whereas, the existing park road in Denali is at its carrying capacity and is creating adverse impacts on the environment; management problems for the National Park Service; a bottleneck in the visitor/tourism delivery system of Alaska; access problems for park inn holders; and

Whereas, no new road access into the interior of Denali is being proposed by the local, state, or federal government; and

Whereas, the National Park System Advisory Board's December 14, 1994, Resolution accepting the "Denali Task Force Report" specifically endorsed the creation of a new northern railroad route to Wonder Lake; and

Whereas, Kantishna Holdings Inc. has proposed the Denali Railway System to ensure long-term resource protection at Denali and to provide year-round access to the interior of Denali; and

Whereas, Kantishna Holdings Inc. has petitioned the Secretary of the Interior to create a new northern railroad right-of-way to the area of Wonder Lake on which to build the Denali Railway System; and

Whereas, the proposed Denali Railway System is an environmentally sound and sensible undertaking which will commit substantial private financial investment in permanent infrastructure in Alaska and the creation of hundreds of new jobs in Alaska's economy; and

Whereas, the visitor/tourism industry of the entire State of Alaska will be enhanced by the year-round operation of new infrastructure created by the Denali Railway System; and

Whereas, all of Alaska's "Railbelt," including the community served by the Interior Democrats will benefit from the 500 permanent jobs and other economic development activities created by the construction and operation of the Denali Railway System; and

Whereas, the Interior District Democrats in convention, the National Park System Advisory Board, the Alaska Legislature (HJR 28 [1994]) and (SJR 25 [1997]), the Denali Borough, the Fairbanks North Star Borough, the City of Nenana, the City of Fairbanks, the City of Seward, the Matanuska-Susitna Borough, the Alaska State Commission on Federal Areas, the Alaska Visitors Association, the Fairbanks Building and Construction Trades Council (AFL-CIO), and the

Page 2 **Resolution 97-012, Kantishna Holdings Inc.'s Proposed Railroad Right-of-Way to Wonder Lake**

Associated General Contractors of Alaska have all endorsed creating a new northern railroad right-of-way in Denali National Park and Kantishna Holdings Inc.'s proposal; and

Whereas, the Interior Democratic Committee recognizes that the above elements of petition with additional post-date endorsements shown in bold print, did comprise a Resolution of Endorsement previously passed by the Interior Democrats in convention;

Now therefore be it resolved that the State Central Committee of the Alaska Democratic Party supports Interior Democrats and the proposal as indicated above; and

Let it be further resolved that the State Central Committee of the Alaska Democratic Party encourages the Secretary of the Interior to direct the National Park Service to act upon the proposal by Kantishna Holdings Inc. to create said railroad right-of-way immediately; and

Let it be finally resolved that the State Central Committee of the Alaska Democratic Party strongly encourages the Governor of Alaska, his commissioners and staff, and the Alaska Legislature to give their fullest support to the creation of the Denali Railway System as proposed by Kantishna Holdings Inc

*Done in
Open Meeting
of the
State Central Committee
ALASKA DEMOCRATIC PARTY
September 13, 1997
Fairbanks, Alaska*

s/Carolyn Covington

Carolyn Covington, Secretary



ALASKA VISITORS ASSOCIATION

3201 C Street, Suite 403 • Anchorage, Alaska 99503

Tel: (907) 561-5733 • Fax: (907) 561-5727

1993-94

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Justin Ripley

Denali Park Resorts

Tom Tougas

Kenai Fjords Tours

Brad Walker

Alaska Airlines

Karen Cowart

Executive Director

May 11, 1994

Joe Fields

Kantishna Group, Inc.

P.O. Box 71047

Fairbanks, AK 99707

Dear Mr. Fields:

The Alaska Visitors Association (AVA) Board of Directors supports the Kantishna Group's pursuit of a right-of-way to construct a railroad into Kantishna. We believe this venture would not only provide a quality visitor experience, but also help accommodate the need for increased access into Denali National Park. In light of projected visitor growth, it is becoming more and more important to find environmentally acceptable and economically feasible ways to allow greater visitation into Denali.

In recent years, the AVA board has adopted a resolution encouraging the State of Alaska to acquire a right-of-way into Kantishna. A transportation corridor of this type would be ideal for either rail or road development. A rail, however, would most likely represent the most environmentally sensible alternative to transporting large numbers of visitors into Denali and Kantishna.

We wish you good luck with your endeavors. If you need further clarification, please don't hesitate to call myself at 279-0001, or the AVA office at 561-5733.

Sincerely,

Tim Worthen

Tim Worthen

AVA Park Access Committee Chair



ALASKA VISITORS ASSOCIATION

501 West Northern Lights, Suite 201 • Anchorage, Alaska 99503

Tel: (907) 276-6663 • Fax: (907) 250-4016

1991-92

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Ralph Newby
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 Management, UAF

David Palmer
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 Princess Tours

Brod Phillips
 Phillips Cruise & Tours

Terry Underwood
 PAL-Wireless Inc.

Richard West
 Alaska Lightening/
 Construction

Tim Worthen
 Regency Cruises

Karen Cowart
 Executive Director

1992-04

A RESOLUTION IN SUPPORT OF DENALI NATIONAL PARK ACCESS

WHEREAS, Denali National Park is one of the top two visitor destinations in Alaska, and

WHEREAS, the current limits on access into Denali National Park restrict many visitors from entering the park that would like to, and

WHEREAS, these restrictions on park access limit the ability of the visitor industry to grow in an environmentally sound manner and decrease the State's dependence on the oil industry, and

WHEREAS, the National Park Service is not planning any road or right-of-way development with the South Denali Concept Plan now under development, and

WHEREAS, the National Park Service Denali Task Force report recently released did not provide for any immediate increase in capacity on the current north entrance road, and

WHEREAS, Denali National Park is a critical element to the Alaska Visitor Industry throughout the State, and

WHEREAS, the State of Alaska has the ability to acquire right-of-ways through Denali National Park, and

WHEREAS, the Senate Joint Resolution No. 44 (SJR44) instructs the Alaska Governor and the Alaska U.S. Legislators to proceed with the State land right-of-way access through Denali National Park;

NOW THEREFORE BE IT RESOLVED that the Alaska Visitors Association (AVA) Board of Directors strongly supports the State of Alaska's pursuit to acquire right-of-way lands through Denali National Park. The AVA Board also supports SJR44.

NOW THEREFORE ALSO BE IT RESOLVED that AVA supports the State of Alaska study of various ground transportation methods through this new right-of-way, be it a road, a concession railroad, or a concession road.

FURTHER BE IT RESOLVED that AVA supports the new National Park Service Alternative Transportation Mode Study that includes analysis of increasing the capacity of the current Denali National Park Road through alternative modes of transportation.

Adopted by the Alaska Visitors Association
 Board of Directors
 April 30, 1992
 Kodiak, Alaska

SENTECRIMMOTO PAYMENT Ter 7017 CC-10-92 : 3:58P CH. U.S. C. C. JUNEAU

OTHER

217 Second Street, Suite 201
 Juneau, Alaska 99801
 (907) 586-2323
 FAX (907) 463-5515



RESOLUTION

WHEREAS the Alaskan tourism industry recognizes Mt. McKinley as Alaska's premiere visitor attraction; and

WHEREAS enhancing the Mt. McKinley experience for our visitors enhances our tourism industry statewide through tourist satisfaction and expanded seasons; and

WHEREAS access to premier viewing areas and lack of facilities at these areas are major obstacles to enhancing the Mt. McKinley experience; and

WHEREAS the State is unique in that it is the only entity with the capacity to obtain rights-of-way and development areas through land trades, trade-offs, and negotiations that can allow private sector development to occur; and

WHEREAS the Kantishna area with its dry Interior climate, and long daylight hours combine to offer splendid viewing opportunities, together with opportunities to showcase our proud mining heritage, and promote both winter and summer activities; and

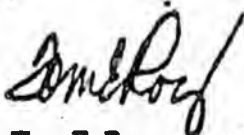
WHEREAS access to Kantishna would provide the Alaskan private sector with the opportunity to meet the industry's demand for facilities while taking advantage of a historical transportation route and restricting environmental impacts to areas historically utilized by the mining industry.

NOW THEREFORE BE IT RESOLVED that the State of Alaska be aggressive in its resolve to enhance the Mt. McKinley experience for our visitors by developing new access to Kantishna and a Kantishna Historical Visitor Activity Area; and

BE IT FURTHER RESOLVED that the State of Alaska thoroughly investigate the potential for the private sector to construct and operate a transportation system, such as an electric railroad, and other facilities that would serve the public needs; and

BE IT FURTHER RESOLVED that the Alaska Legislature unanimously support the Governor of Alaska, the Alaskan Delegation to the U.S. Congress, and the President of the United States in pursuit of the necessary studies, land acquisition processes and permits in making access to Kantishna and a Kantishna Historical Visitors Activity Area a reality.

Passed unanimously by the Board of Directors Feb. 26, 1992.


 Tom E. Roy
 President

April 15, 2001

Dear Transportation Committee member,

I am opposed to House Bill 244. In particular I object to the inclusion of a provision granting up to 3500 acres of state land to the Denali Borough in the "Wolf Townships." The ultimate use of any land conveyed to the Borough is completely unpredictable. The Denali Borough Assembly is unwilling to institute land use regulation as charged by the legislature. Virtually all land in the Borough has been zoned unrestricted. There are no prohibitions on land zoned unrestricted.

I believe that allowing the Denali Borough to develop the Wolf Townships is irresponsible. There are tens of thousands of acres east of Panguingue Subdivision near the Parks Highway that could be developed. The Wolf Townships are an attraction in themselves. They are surrounded on three sides by Denali National Park and Preserve and offer much that the park has and more. Bird migrations along the north side of the Alaska Range are a world class spectacle; on a clear fall day with Denali visible from Eight Mile Lake thousands of cranes can be seen and heard from horizon to horizon. Bear, wolves, moose and caribou roam all summer. My family and I have had at least five close bear encounters there. Residents and tourists have enjoyed free access to this land for hunting, trapping, berry picking, hiking, snow machining, dog sledding, etc without dealing with any bureaucracy. Hunting is especially threatened by uncontrolled development. Hunting pressure is already intense, and is only sustained because animals that enter from Denali Park and Preserve are fair game.

The Tanana Basin Plan designates this area as wildlife habitat, and I agree. It is shortsighted to view this land as just a corridor to Wonder Lake. My family and many others in Denali Borough want this area to remain as it is. It is valuable because it has no connection to the national park. Developing it simply because it adjoins a national park will severely limit the options available to both residents and tourists. We can learn from the mistakes made outside national parks in the lower 48.

Surveying a railroad corridor to the eastern edge of the Denali Park and Preserve seems premature at this point. I am not necessarily opposed to the project, but there has been no decision to build a railroad through to meet the park road.

This bill apparently grants state land to the Denali Borough whether the railroad project succeeds or fails. According to Rep. James this grant would be over and above the borough's land allotment. It seems to me that if the railroad is not built, land grants to Denali Borough should be decided on their own merits and not as part of a transportation bill.

I ask that you oppose this bill. I also ask that the State of Alaska end the constant fighting over these townships by writing it's present status into law. Alaskans definitely do not want this land deeded to the National Park Service; I believe they will also be poorly served if it is developed by our local government or private enterprise.

Sincerely,



David Braun Box 222 Healy Ak. 99743 Ph. 683-2654
www.sueb@usibelli.com



HUGHES THORSNESS POWELL
HUDDLESTON & BAUMAN LLC
ATTORNEYS AT LAW

February 15, 2001

Direct Dial:
(907) 263-8255
E-mail: JMG@htlaw.com

Mayor John Gonzales
Denali Borough
P.O. Box 480
Healy, AK 99743

VIA TELECOPY

Re: Potential Disposition of State Lands Within the Denali Borough
Our File No. 5791-1

Dear Mayor Gonzales:

You have asked for a short opinion from us having to do with what rights the Borough may have, if any, in affecting real property within the Borough boundaries which is presently held by the State of Alaska and which might be disposed of either to another state agency or entity or private individuals.

Of course, until such time as the state actually undertakes the action, and accompanies the action with whatever terms and conditions it deems appropriate, suggesting a course, before the transaction occurs, is a bit like staring into a murky crystal ball. In other words, it is hard to know what you are trying to legislate against when you don't know what the end result is actually going to be. As we all know, rumor, innuendo and other forms of hearsay make for great "news," but often times, they are sorely lacking in factual substantiation.

With that disclaimer out of the way, four different items come to mind which may be worthy of consideration by the Assembly.

1. Updated and Revised Comprehensive Plan. The Denali Borough has adopted a comprehensive plan which covers a variety of different developmental issues for the Borough. That comprehensive plan is also to be reevaluated every two years by the Assembly. Although the plan has tried to maximize personal selection of individuals residing within the Borough, it does nevertheless represent a document which has some enforcement teeth insofar as it reflects the will of the Borough. As such, it seems that the comprehensive plan could identify the areas in question as designated for a specific purpose, such as residential, etc. Amending

Mayor John Gonzales
February 15, 2001
Page 2

HUGHES THORSNESS POWELL
HUDDLESTON & BAUMAN LLC
ATTORNEYS AT LAW

the plan to cover a specific area is a little bit out of the ordinary from what has happened in the past, but it nevertheless does represent an existing vehicle or document which is a reflection of the policy of the Borough with respect to land use and development.

2. Resolution. The Assembly could always pass a resolution having to do with disposition or intended disposition of lands within its boundaries. Of course, there is already a comprehensive land use plan in existence, but to the extent that a non-binding resolution evidences a specific position statement, it would serve as an indication of opinion, but not be very enforceable in any kind of a realistic fashion.

3. Attempt to Cloud the Title. As part of the formation of the Borough, the Borough was given a variety of different land selection opportunities. It is our understanding that the Borough has fully selected all of the lands that it was authorized, but, at this point in time, the actual conveyance of all of the selected land has yet to occur. It is conceivable that the Borough could submit a supplemental selection for lands in which it has an interest in exercising some control with the understanding and the express caveat that the Borough is not relinquishing any of its prior selections. In other words, make a cautionary fall back selection that would be relevant if, and only if, for circumstances not yet foreseen, the Borough is not granted its selected lands. While making this fall back selection may not necessarily accomplish anything, it does represent an identification of a "cloud" over lands that are currently owned by the state. We are not suggesting that this supplemental selection could support a recorded document such as a lis pendens, wherein the Borough would indicate that it has a contingent interest in the land; a supplemental selection with conditions would fall short of any realistic support for such a legal right. Nevertheless, if this type of selection document was put into the state records, it should exist as a public record which would at least put any prospective recipient of the land on notice of the Borough's supplemental interest.

4. Zone the Land. As we all know, under Borough Ordinance 96 1 all land in the Borough is zoned unrestricted unless otherwise provided by ordinance. There are no prohibitions on land owned unrestricted.

The Borough could adopt a zoning ordinance to restrict usages of certain identified land which may, at some point in the future, come out of the state ownership and into other private or public hands. This zoning ordinance would need to be consistent with the Borough's comprehensive plan. While, based upon the past attitudes of the residents of the Borough and the Assembly, a zoning ordinance is probably the least desirable of alternatives, it also coincidentally would likely be

Mayor John Gonzales
February 15, 2001
Page 3

HUGHES THORSNESS POWELL
HUDDLESTON & BAUMAN LLC
ATTORNEYS AT LAW

the one thing that the Borough could do, at this juncture, in advance of other actions, which would carry the most enforcement weight.

We trust that the foregoing is somewhat responsive to the rather loose inquiry that was made of us. Consequently, we are more than happy to provide follow up comments, discussion or research as requested.

Very truly yours,

HUGHES THORSNESS POWELL
HUDDLESTON & BAUMAN LLC


James M. Gorski

JMG:pab:141027

Richard:

This Draft \F does not work the way it is. It puts the borough into the role of developer delete words in [] and substitute the words immediately following in "bold"

Page 1
Section 1
Line 10,

after - "enabling"

Should read:

[The] "Kantishna Holdings, Inc. and its successors and assigns in interest, or Kantishna Holdings, Inc. or its successors and assigns in interest, to select a railroad and utility..." And

Page 2
Section 1 (c)
line 20

after " (c) "

Should read:

[The Borough] "Kantishna Holdings, Inc., shall identify..." And

Page 2
Section 1 (c)
line 23

Should read:

[The Borough] "Kantishna Holdings, Inc., shall also select..."

-- I've already called Mayor Gonzales. And I can take the text of the the amended draft as an unofficial document.

APR-07-01 SAT 08:46 PM 00000000

FAX NO. 0000000000

P. 01

APR-07-2001 SAT 01:45 PM LEGAL SERVICES

FAX NO. 907 465 6231

P. 02

WORK DRAFT

WORK DRAFT

WORK DRAFT

22-LS0850V
Cook
4/7/01

HOUSE BILL NO. 244

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE JAMES

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a grant of state land to the Denali Borough for a railroad and utility
2 corridor and a railroad development project; repealing provisions relating to a grant of
3 a right-of-way of land for a railroad and utility corridor to the Alaska Industrial
4 Development and Export Authority; and providing for an effective date."

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

6 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 GRANT FOR RAILROAD AND UTILITY CORRIDOR. (a) The Department of
9 Natural Resources shall grant to the Denali Borough the land described under (b) of this
10 section for the purpose of supporting economic development in the borough by enabling
11 Kantishna Holdings, Inc., and its successors and assigns in interest, to provide for a utility
12 corridor and for the design, construction, development, operation, and maintenance of a
13 railroad and facilities to support that development project. The grant to the borough may not
14 impair current valid property rights in the land granted under this section.

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APR-07-2001 SAT 01:45 PM LEGAL SERVICES

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1 (b) By September 1, 2001, the Department of Natural Resources shall transfer to the
2 Denali Borough the following state land:

3 (1) Township 12 South, Range 7 West, Fairbanks Meridian

4 Section 6: S1/2

5 Section 7;

6 (2) Township 12 South, Range 8 West, Fairbanks Meridian

7 Section 1: S1/2

8 Section 2: E1/2 of S1/2

9 Section 7: S1/2

10 Section 13: W1/2

11 Sections 11, 12, and 14 - 23, inclusive;

12 (3) Township 12 South, Range 9 West, Fairbanks Meridian

13 Sections 7 - 24, inclusive;

14 (4) Township 12 South, Range 10 West, Fairbanks Meridian

15 Sections 9 - 24 and 28 - 30, inclusive;

16 (5) Township 12 South, Range 11 West, Fairbanks Meridian

17 Sections 13 - 14, inclusive;

18 Section 15: S1/2

19 ~~Section~~ Sections 19 - 35, inclusive.

20 (c) ~~The Denali Borough~~ shall identify and survey a railroad and utility corridor not
21 more than 300 feet in width that runs from near the community of Healy to the eastern
22 boundary of Denali National Park and Preserve through the land granted under this section.

23 ~~The borough~~ shall also select and survey ancillary land necessary to support the development
24 and operation of a railroad and facilities to support economic development in conjunction
25 with the railroad development project. By September 1, 2006, the borough shall transfer land
26 granted under this section that is not needed for the corridor or the railroad development
27 project back to the state. The borough may retain not more than 3,500 acres of the land
28 granted to the borough under this section.

29 * Sec. 2. Sections 24(c) and 25, ch. 109, SLA 1998, are repealed.

30 * Sec. 3. This Act takes effect July 1, 2001.

DENALI BOROUGH, ALASKA
ORDINANCE NO. 96-04

INTRODUCED BY: Jim Caswell

AN ORDINANCE PROVIDING FOR LAND USE REGULATION THE INITIAL ZONING OF THE BOROUGH.

BE IT ENACTED by the Assembly of the Denali Borough, Alaska that:

Section 1. Classification.

This ordinance is of a general and permanent nature.

Section 2. Borough Assembly Finding. The Assembly of the Denali Borough being charged by the Legislature for the provision of planning, platting and land use regulation; AND WHEREAS; the maintenance of a rural lifestyle is of utmost importance to Borough resident; AND WHEREAS; the Borough consist of distinct communities with differing interests;

NOW THEREFORE, the Borough Assembly finds that it is in the best interests of the resident of the Denali Borough to make land use decision as much as possible on a local or community basis.

Section 1. All land in the Borough is zoned unrestricted unless otherwise provide by ordinance. There are no prohibitions on land zoned unrestricted.

Section 2. Should any of the residents of an area desire further zoning or land use regulation, they shall initiate it by petition of 25% or more of the registered voters of the area in question. Voters from within that area may petition the Borough Assembly to make such additional restrictions as seem necessary. The Borough Assembly shall consider such changes by ordinances.

Alternatively, upon request of 25% of real property owners within an area the Assembly shall propose and consider any changes requested by ordinance.

A. The Borough Administration will make available the resources of the Borough and such other specialists as needed to any petitioners designated representative to enable petitioners to comply with law.

B. The Borough Assembly shall attempt as far as practical to maintain the intent of the petitioners in drafting and passing such ordinances.

Upon receipt of such a petition the Borough Assembly shall:

1. Review to make certain that the proposed area is geographically contiguous and that the people affected have like interests.

2. Instruct the Borough Administration to prepare an ordinance providing for such changes. The ordinance will then be introduced and voted upon by the Borough Assembly.

3. The question of a zoning change initiated by petition shall be submitted to the voters within the area affected at a special meeting called for that purpose, unless a regular election is scheduled within seventy five (75) days, but not sooner than forty five (45) days after enactment of an ordinance submitting the question to the voters.

Section 3. Ballot Proposition. Ballot propositions submitted to the voters shall contain the following:

- 1.) The question of whether the zoning of the proposed area shall be changed;
- 2.) A clear description of the geographic area shall be included on the ballot or made available to voters at the precinct polling place;
- 3.) A map depicting the location and boundaries of the proposed zoning change area shall appear on the ballot or be made available to voters at the polling place;
- 4.) A statement of the type of zoning change including all restrictions proposed; and
- 5.) Such other information as the Assembly may by ordinance deem appropriate.

Section 4. Election.

- 1.) Ballot propositions proposing zoning changes shall be submitted to the qualified voters residing within the area of the proposed change;
- 2.) The election shall be held at a location within or as near the proposed zoning change area as practicable in accordance borough election codes;
- 3.) The Borough Clerk shall supervise the election in accordance with Chapter 66, Section 1, of the Denali Borough Code of Ordinances, furnish all materials necessary, and employ sufficient judges;
- 4.) The election may be by "mail in" ballot if this election procedure is appropriate.

Section 5. Commencement of Zoning Change.

Unless otherwise provided by ordinance and ballot proposition, the zoning change will take effect following certification of the election at which the zoning change was approved by sixty (60) percent of the votes cast in that election. The requirement does not apply if the area is uninhabited.

Section 3. Effective Date. This ordinance becomes effective upon adoption by Denali Borough Assembly and signature of the Mayor.

DATE INTRODUCED: January 21, 1996

FIRST READING: January 21, 1996

PUBLIC HEARING: June 9, 1996

PASSED and APPROVED by the DENALI BOROUGH ASSEMBLY this 9th day of June, 1996.

ATTEST:



John C. Longabe
Mayor

Julia L. Miller
Borough Clerk

Representative Jeannette James
House Transportation Committee
Juneau, AK

April 16, 2001

Dear Representative James,

As I stressed to you in our recent meeting in Juneau, many Stampede and Denali Borough residents, including myself, are opposed to development of a North Access Route into Denali. The proposal as put forth in HB 244 is viewed as an incremental approach to that end. I have a number of questions and concerns regarding this bill. Please consider the following:

First, the Denali Borough Government has not demonstrated competence to oversee a project of this magnitude. Neither a land use nor a transportation plan has been created for the Borough. Their premeditated "do nothing policy" has resulted in uncontrolled and unplanned growth on the Park's eastern boundary, which is infamously and embarrassingly referred to statewide as "Glitter Gulch". I question your willingness to entrust a "transfer of lands" to a municipal government that we both agree refuses to broach the subjects of imminent growth and responsible development? While I do support a land planning process involving public input to address prosperous growth in our region, I do not support your bill.

Second, this access, located a mere 17 miles north of the existing Park Road is ludicrous. Proposed development, of this nature, located further north into Alaska's Interior fundamentally fails to address the needs of the state's larger population centers, the Matanuska-Susitna Valley and Anchorage. Your proposal sets us up for yet another Borough boondoggle, a railroad to nowhere. As stated in the NPS 1997 Feasibility Study for North Access, "A road or railroad that stops short of Wonder Lake/Kantishna was also considered during the study. Any new access would have to go at least to Myrtle Pass, about 65 miles or three-fourths of the distance to Wonder Lake, to provide the opportunity for outstanding views of Mt. McKinley."

Third, no party has demonstrated a clear need for this project.

Fourth, both the State Department of Natural Resources and the National Park Service have identified the Wolf/Stampede Townships as an important wildlife corridor. In the Tanana Basin Area Plan, DNR designated the townships to be retained in the public domain with management emphasis on wildlife and recreation. The transfer of the Wolf Townships to the Denali Borough by the Alaska State Legislature for the purpose of promoting private enterprise would be unconscionable. The suggestion to introduce a large influx of people into the heart of this remote region would alter the natural values for which these parcels were deemed valuable, for the wildlife therein, the wilderness experience, and the opportunity for sport and subsistence hunting. The very foundation for which the Denali Borough benefits from the tourist industry is placed in jeopardy by this intrusive development proposal.

Fifth, before amending TBAP, by transferring land held in the public domain to the Borough and Kantishna Holdings, Inc., it would be wise to solicit input from the DNR, the NPS, and the

general public. Promote the public process and involve the people whose lives will be dramatically altered by decisions being made in far off Juneau. "Transfer to a municipality will not be approved until the recommended changes have been publicly reviewed through amendment and reclassification processes," TBAP [1991].

Sixth, I must question Representative James your proposal to direct the Borough government to enable a private company, Kantishna Holdings, Inc., to provide for the design, construction, development, operation and maintenance of a railroad and facilities. Since when has it been legal for state legislators to bypass the competitive spirit of an open bid and designate a particular company as beneficiary? Where are the safeguards to protect the public from legislators that may be serving their own self-interests by providing a legislative guarantee to a contractor?

Seventh, who is going to pay for all this? What financial obligation is the Denali Borough setting itself up for? What about the state? Where is the guarantee that if these properties are transferred to the Borough that "unused" land will actually revert back to the state?

Eighth, what do the legislators actually know about this company i.e., their level of competence to achieve such an ambitious project, their financial security, etc.? What happens if this company folds or files bankruptcy in the meantime, and subsequently leaves behind a mess?

Ninth, does the public process come into play at any stage in this procedure: from whether or not the land should be transferred, to where the right-of-way should be located, to what facilities should be developed, to who the best qualified contractor might be? ANYWHERE? There are no stipulations in the bill to define what the term "facilities" denotes? Are we looking at hotel, gift shop, bar, etc.? The bill's language certainly leaves a lot open to interpretation by the contractor.

Lastly, the 2001 summer season will mark my twentieth year driving the Denali Park road as a concessionaire employee. Over the course of this tenure, I have witnessed an explosive increase in the number of visitors and busses on the park road and unbridled development near the park entrance. There can be no argument that the Park Road is nearing the capacity number of vehicles as defined by regulation. The State of Alaska has the opportunity to contribute to the fulfillment of a vision of creating enhanced park experiences for the people of Alaska, the nation, and the world by supporting in partnership with the NPS the implementation of plans already identified and studied to address these concerns. It is time to stop trying to fulfill the personal dreams of a select few and heed the broad political spectrum of people who are opposed to north side development.

I would like to thank you for the opportunity to provide input on this much-debated and highly contentious issue. Please let me know if I can be of further assistance to you in this matter.

Linda A. Paganelli
Denali Watch Coordinator, Northern Center
Healy, Alaska 99743

cc: House Transportation Committee; Governor Knowles; DNR Commissioner Pourchot