

**SB**

**371**

**SFIN**

**FILE**

SENATE FINANCE COMMITTEE RE. ORT

DATE: 04/7/04

FURTHER:

REPORTED OUT  
APR 30 2004  
SENATE FINANCE  
COMMITTEE

DATE TURNED  
IN TO OFFICE: 30 April 2004

Finance Committee considered

SENATE BILL NO. 371

SB 371 POWERS/DUTIES DOTPF

"An Act relating to the powers and duties of the Department of Transportation and Public Facilities; relating to a long-range program for highway construction and maintenance; repealing a requirement that public facilities comply with energy standards adopted by the Department of Transportation and Public Facilities; and providing for an effective date."

and recommends:

be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

adopt previous \_\_\_\_\_ CS SB 371 (TRA)

attached amendment(s)

adopt Letter of Intent by \_\_\_\_\_ Committee

further referral to \_\_\_\_\_ Committee

Senate Bill:  
 Same Title  
 New Title  
  
House Bill:  
 Same Title  
 Technical Title  
Change  
 New Title w/  
SCR # \_\_\_\_\_

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero.	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DOTPF	3/30/04			<input checked="" type="checkbox"/>	#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Frank Ryan</i>	<input checked="" type="checkbox"/>			
<i>Thomas C. Olson</i>			<input checked="" type="checkbox"/>	
<i>Bob Lewis</i>	<input checked="" type="checkbox"/>			
<i>Ben Stearns</i>	<input checked="" type="checkbox"/>			
COCHAIR: <i>Lyle Green</i>	<input checked="" type="checkbox"/>			
COCHAIR: <i>Gary Hill</i>	<input checked="" type="checkbox"/>			

REPORTED OUT

APR 30 2004

SENATE FINANCE  
COMMITTEE

# FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSSB 371(TRA)  
(S) Publish Date: 4/7/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
Title Powers/Duties DOT&PF RDU Administration & Support  
Component Commissioner's Office  
Sponsor Senate State Affairs  
Requester Senate Transportation Component No. 530

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

FUND SOURCE	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2004) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by: Nona Wilson Phone 465-6973  
Division Legislative Liaison Date/Time 3/30/04 12:28 PM  
Approved by: John MacKinnon Date 3/30/2004  
Agency Deputy Commissioner

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# *Senator Gary Stevens*

## *Alaska State Legislature*

**INTERIM ADDRESS:**  
112 Mill Bay Road  
Kodiak, Alaska 99615  
(907) 486-4925  
Fax: (907) 486-5264

### **Sponsor Statement SB 371**

(Updated April 20, 2004)

SB 371: "An Act relating to the powers and duties of the Department of Transportation and Public Facilities; relating to a long-range program for highway construction and maintenance"

SB 371, companion legislation to HB 327, is being brought forward in cooperation with the DOTPF and the Attorney General's office to clean up an obsolete statute.

In the late 1970's the Governor wrote Executive Order No. 39 § 2 (1977) creating the "Alaska Transportation Council". The executive order directs the Department of Transportation and Public Facilities Commissioner to consult with this council on all annual transportation projects. Projects were not supposed to move forward without the recommendation of the council being considered. Regrettably, subsequent governors did not populate the council, and it has been vacant for many years. Because the State may have unwittingly overlooked the requirement to "consider the recommendation of the Council" and do a cost "benefit study" for each project in the state, it has found itself in litigation, delaying construction of bridges in rural Alaska and Soldotna.

The problem is straightforward. The state is not complying with this old statute, thereby setting a basis for litigation. To preserve our current and future projects, SB 371 will amend this statute and take the further step of making it retroactive.

The other changes to the statute the bill proposes amount to house cleaning. The changes reflect "Powers and Duties" that have been handed to other agencies along with practices that cost more than the resulting savings. And finally, the bill changes "annual" requirements to "periodic" which will allow the commissioner discretion in choosing times that are sensible. This will save the money spent on studies and let it be spent on road projects.

I urge your support of this important measure.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

April 8, 2004

**SUBJECT:** Sectional Summary of CSSB 371(TRA), An Act relating to the powers and duties of the Department of Transportation and Public Facilities; relating to a long-range program for highway construction and maintenance (Work Order No. 23-LS1861\D)

**TO:** Senator Gary Stevens  
^ ttn: Doug Letch

**FROM:** George Utermohle *GU*  
Legislative Counsel

You have requested a sectional summary of CSSB 371(TRA), An Act relating to the powers and duties of the Department of Transportation and Public Facilities; relating to a long-range program for highway construction and maintenance.

As a preliminary matter, note that a sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill sets out the purpose and intent of sec. 4 of the bill to validate and ratify state practices in regard to state planning for transportation projects and to overrule the decision of an Alaska Superior Court in Trout Unlimited v. State, 3AN-02-09363 Civil (2004).

Section 2 of the bill amends AS 19.10.140 to provide that the Department of Transportation and Public Facilities may establish a continuing, long-range program for highway construction and maintenance. The program is to periodically project proposed construction and maintenance of highways for the next two years. The program is to become part of the state transportation plan.

Section 3 of the bill amends AS 44.42.020(a) to provide that the Department of Transportation and Public Facilities shall periodically evaluate the cost, efficiency, and availability of alternative fuels, consider use of alternative fuel automotive vehicles, and to participate in joint ventures that would foster the availability of alternative fuels.

Section 4 of the bill amends AS 44.42.050(a) to provide that the commissioner of transportation and public facilities may develop the state transportation plan in separate documents and in logical components. In developing the plan, the commissioner may consider certain federal requirements. Upon approval of the plan, the commissioner may

Senator Gary Stevens  
April 8, 2004  
Page 2

transmit the plan to the governor and the legislature. The amendments to AS 44.42.050(a) also repeal the requirement that the commissioner must consider means and costs of improving existing modes of transportation, state and federal subsidies, costs and benefits of new transportation modes and facilities, and the recommendations of the Alaska Transportation Planning Council.

Section 5 of the bill amends AS 44.42.050(d) to provide that the commissioner of transportation and public facilities shall periodically develop a program of projects planned for design and construction for a period of at least two years to implement the state transportation plan. In developing the plans, the commissioner may consider certain federal requirements. The program must include an estimate of federal, state, and other funds to be received and a description, location, and itemization of estimated costs for each project and the total cost of all projects. The commissioner shall forward to the governor for review and approval a construction program that includes the projects to be undertaken in the following year. The amendment to AS 44.42.050(d) also repeals the requirement that funds for transportation construction projects be itemized as allocations in the bill for the general appropriations act.

Section 6 of the bill provides that sec. 4 of the bill is retrospective to July 1, 1977, when AS 44.42.050(a) was first enacted.

Section 7 of the bill provides that the bill takes effect immediately under AS 01.10.070(c).

GU:med  
04-385.med

Discussion on Why a Mandatory 'Costs and Benefits'  
Analysis is Not Appropriate  
Alaska Department of Transportation and Public Facilities  
February 18, 2004

AS 44.42.050 (a) requires the department to: "...consider means and costs of improving existing modes and facilities, state and federal subsidies, and the costs and benefits of new transportation modes and facilities."

On the surface, this requirement seems both reasonable and innocuous. However, there are many times the department does not spend the time or money to conduct such formal costs and benefits analyses. The most common examples are in rural areas where long distances and a small population base would make such efforts nonsensical—basic transportation elements are routinely needed regardless of their costs.

A recent court decision on a request for a preliminary injunction found the department at fault for not using a benefit-cost analysis on a project linking two rural villages. It is typical of many other rural projects we have undertaken, in that it provides a basic transportation system, but would not benefit from a detailed benefit-cost analysis.

Rural Alaska abounds in transportation needs that are provided as a basic public service. Virtually none of these would rise to a positive benefit-cost ratio because the small population base. Examples include:

- Ferries and ferry terminals
- Airports that meet minimum standards for length, width, adequate approaches, lighting and aprons/taxiways.
- Village roads to basic community services (e.g., sewage lagoons, water sources, airports, sanitary landfills, barge landing sites).

Even in the more populated regions of Alaska many categories of transportation projects would not be expected to present a positive benefit-cost ratio. Examples of such projects include:

- Rail-highway grade separation projects
- Paving of residential roads
- Landscaping and beautification
- Trails and amenities
- Pollution and environmental mitigation features needed to meet legal and permit requirements
- Transit investments (buses, bus stops)

Finally, the department often undertakes projects because a member of the Congressional delegation earmarked them. Such projects do not receive the normal prior planning or

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

detailed evaluation. The state has very little choice but to accept the project funds for the stated purpose, or to not use the funding.

Benefit and cost (B-C) analysis is a tool that is most often used to evaluate among and between different alternatives. In such cases, the tool helps to compare and contrast different choices in solving a transportation requirement. For example, in the development of the Southeast Alaska Transportation Plan, a number of different B-C analyses were prepared to better understand vastly different types of system options. Even in rural Alaska, the tool is used to help identify the most "cost-effective" solution, even if the costs still outweigh the benefits.

B-C analysis is a good technique and is routinely used in some circumstances. However, under the current construction of the statute, and the court's recent interpretation, every project undertaken must receive this type of analyses. For the reasons stated it is not appropriate nor a prudent use of project funds to routinely require these B-C analyses.

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES OFFICE OF THE COMMISSIONER

3132 CHANNEL DRIVE  
JUNEAU, ALASKA 99801-7898TEXT: (907) 465-3652  
FAX: (907) 586-8365  
PHONE: (907) 465-3900

February 13, 2004

The Honorable Jim Holm  
Co-Chair, House Transportation  
Alaska State Legislature  
State Capitol, Room 110  
Juneau AK 99801

Dear Representative Holm:

Through the cooperative efforts of our respective staffs, let me first thank you for taking lead on this important piece of legislation (HB 327). As you know, the department's transportation planning statutes are nearly three decades old, and have not been updated to reflect modern practice nor the influence of the federal-aid requirements that we must routinely adjust to. This legislation would bring these statutes into compliance with the external requirements, and simplify the planning process to ensure we deliver projects and not paper studies with our scarce funds.

The legislation also accomplishes some important housekeeping tasks, such as bringing our departmental powers and duties in line with changes that have occurred over time. To this end, I would offer these comments:

Section 1. Pertaining to AS 44.42.020 (a)

- Paragraph (11) is modified to minimize the frequency and hence the costs of alternative fuels evaluations for use in state vehicles. It also is modified to reflect the emergence of new alternative fuels in addition to natural gas. We support this modification.
- Paragraph (13) is deleted to reflect that our agency has not been funded to perform this duty for more than a decade. Whether the public facilities responsibility remains at DOT&PF is still an open question, but regardless of that outcome, we support this modification.
- Paragraph (14) is deleted to reflect that our agency has not been funded to perform this duty for more than a decade. We believe there are many other standard setting bodies for energy performance standards and do not think this a valid responsibility for a state agency regardless of whether the public facilities responsibility remains at DOT&PF. We support this modification.
- Paragraph (15) is deleted to reflect the transfer of school construction responsibility to local school districts several years ago. We support this modification.

Representative Holm

Page 2

February 13, 2004

## Section 2. Pertaining to AS 44.42.050 (a):

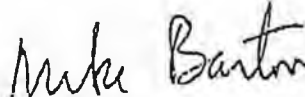
- This section would modify the transportation planning statute to better reflect modern practice and clarify the technical requirements and timing of updates to the state transportation plans. We support this section and have made some specific suggestions directly to your staff to further improve this section.

## Sections 3 and 4. Pertaining to AS 46.11.900(8) and AS 46.11.010:

- Our comments above on paragraph (14) of AS 44.42.020 (a) in Section 1 of bill apply here too. We support this modification.

We understand that this bill will need our support and background information to ensure it is supported by the Legislature. To this end we are committed to meeting in any venue so scheduled and offering testimony as requested. I thank you for your dedication to this effort and important contribution to the state's transportation future.

Sincerely,

  
Mike Barton  
Commissioner

cc: Rebecca L Hulberg, Special Staff Assistant, Office of the Governor  
John MacKinnon, Deputy Commissioner of Highways & Public Facilities, DOT&PF  
Jeff Ottosen, Director, Division of Program Development, DOT&PF  
Nona Wilson, Legislative Liaison, DOT&PF

# HICKEY & ASSOCIATES

Planning • Management • Lobbying

211 Fourth Street, Suite 108, Juneau, Alaska 99801  
Telephone 907-586-2263, Fax 907-586-1097

April 5, 2004

The Honorable John Cowdery  
The Honorable Thomas Wagoner  
Co-Chairs, Senate Transportation Committee  
Alaska State Legislature  
Juneau, Alaska 99801-1182

Re: Senate Bill No. 371/Iliamna-Nondalton Road Improvements

Dear Co-Chairs Cowdery and Wagoner:

Several questions were raised during last week's hearing on SB 371 related to the Iliamna-Nondalton Road Improvements Project. On behalf of my client, the Lake and Peninsula Borough, I would like to provide your committee with additional project information. Attachment A is a set of maps to provide a better sense of the project scope.

**Public Safety:** Attachment B contains some materials from the *DOT/PF Environmental Assessment* (dated January 2000) for the Iliamna-Nondalton Road Improvements Project. This information describes two fatalities each from 1988 and 1995 involving snowmachine riders drowning after going through the ice near Nondalton. I've also included additional material from this document describing several near drownings, including first-hand reports from individuals.

The need for transportation improvements to address a public safety problem should not depend on how many fatalities have occurred. Evidence from the public record demonstrates there is a real public safety concern with the current method of surface access, mostly related to winter crossings of the river or lake. DOT/PF's analysis also concludes that "the opportunities and likelihood of serious injuries and accidental deaths resulting from air travel between Nondalton and Iliamna/Newhalen will be lessened" by the project.

**DOT/PF Planning Requirements:** You heard discussion about the current statutory requirement for DOT/PF to consider the costs and benefits of a planned transportation improvement. In my opinion, the statute in question (AS 44.42.050(a)) does not require a strict economic evaluation, nor does it require a positive cost/benefit result to proceed with a particular project.

I worked for the department for nearly fourteen years between 1976 and 1991, including four years as commissioner during the Cowper administration. Starting at least in the 1980's and continuing to the present, the department has used a comprehensive project evaluation system to develop the Statewide Transportation Improvement Program (STIP). This process typically looks at a wide range of direct and indirect costs and benefits, including project costs, annual state maintenance costs, long-term economic benefits, environmental issues, public safety benefits, and health and quality of life impacts. Many of these considerations can be quantified, while other elements are less tangible but should be (and have been) part of the department's project evaluation process.

Attachment C is a copy of DOT/PF's 1995 "Remote Roads and Trails Evaluation Process Standards and Scoring Criteria." These criteria governed the evaluation process for the Iliamna-Nondalton Road Improvements Project at the time of its initial evaluation and inclusion in the federal STIP. A key fact to note is that most rural projects did not qualify for the federal-aid program prior to a change in law in the early 1990's. The project scored a total of 110 5 points, making it the seventh highest scored project in its category during that planning cycle.

Project Benefits: Attachment D is a letter I prepared in 1997 providing comments on the project during the environmental scoping process. It includes a detailed list of the following benefits:

- Local transportation will be safer and more reliable.
- Transportation costs will be reduced significantly.
- The communities in the region will experience reduced costs to provide essential services.
- Environmental benefits will be gained.
- Residents of all three communities will see an improved quality of life and more economic opportunity.

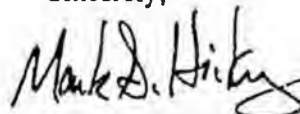
Litigation History: Attachment E is a 1996 letter to the Federal Highway Administration from the attorney representing the principal party pursuing the lawsuit on this project. Please note the statement in the first paragraph.

"My client has authorized me, and is in the course of seeking and authorizing other attorneys, to oppose the project by any and all means, including to litigate to block the project." (Emphasis added)

While I'll refrain from speculation about the real motivation behind these actions, I am not convinced that the litigation is based on a desire to ensure that proper public policy govern the expenditure of the State's federal transportation dollars.

Please let me know if you have questions or want additional information. I urge prompt action and your support for SB 371.

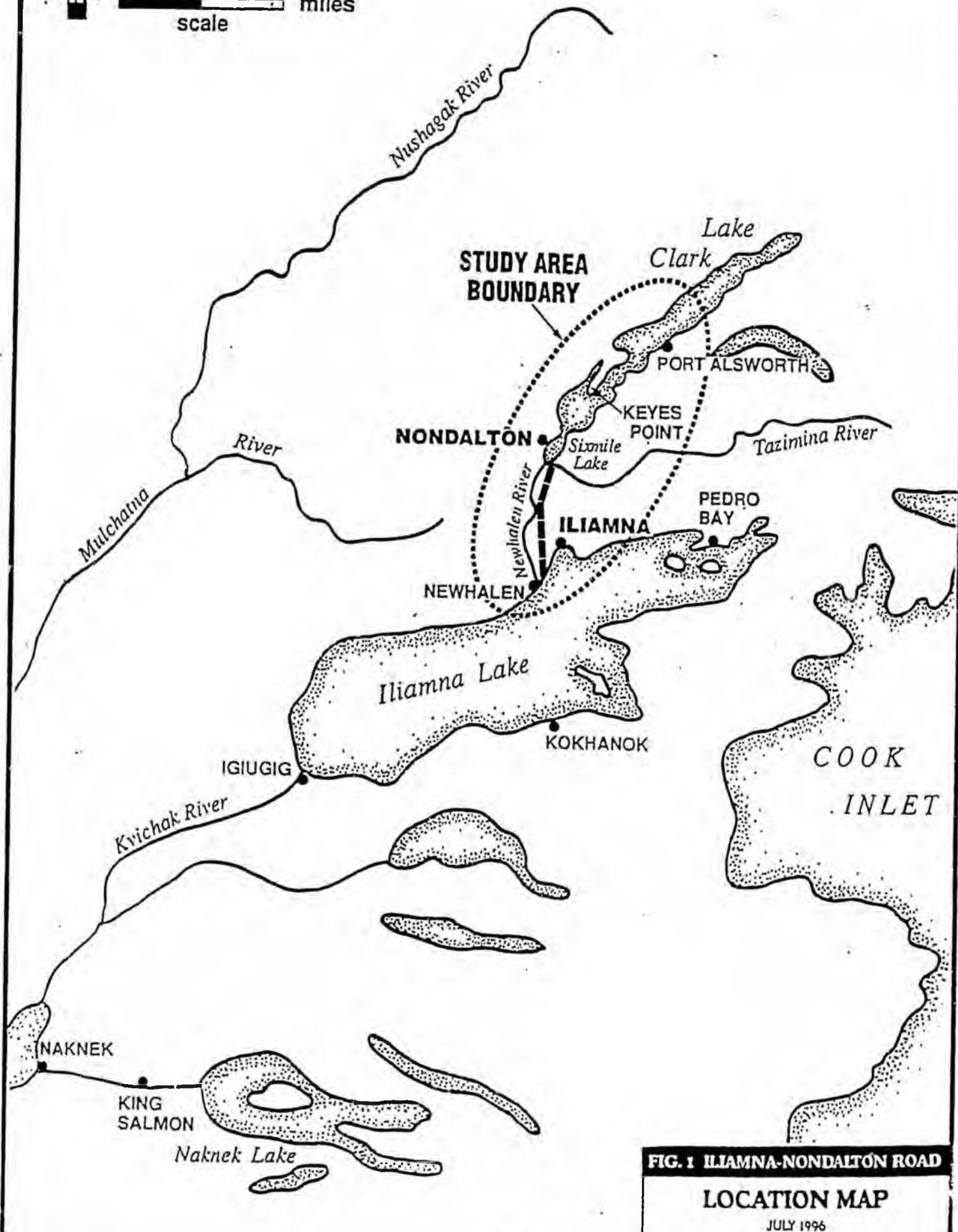
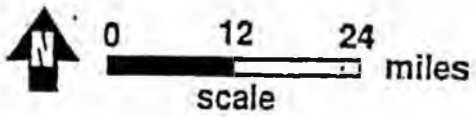
Sincerely,



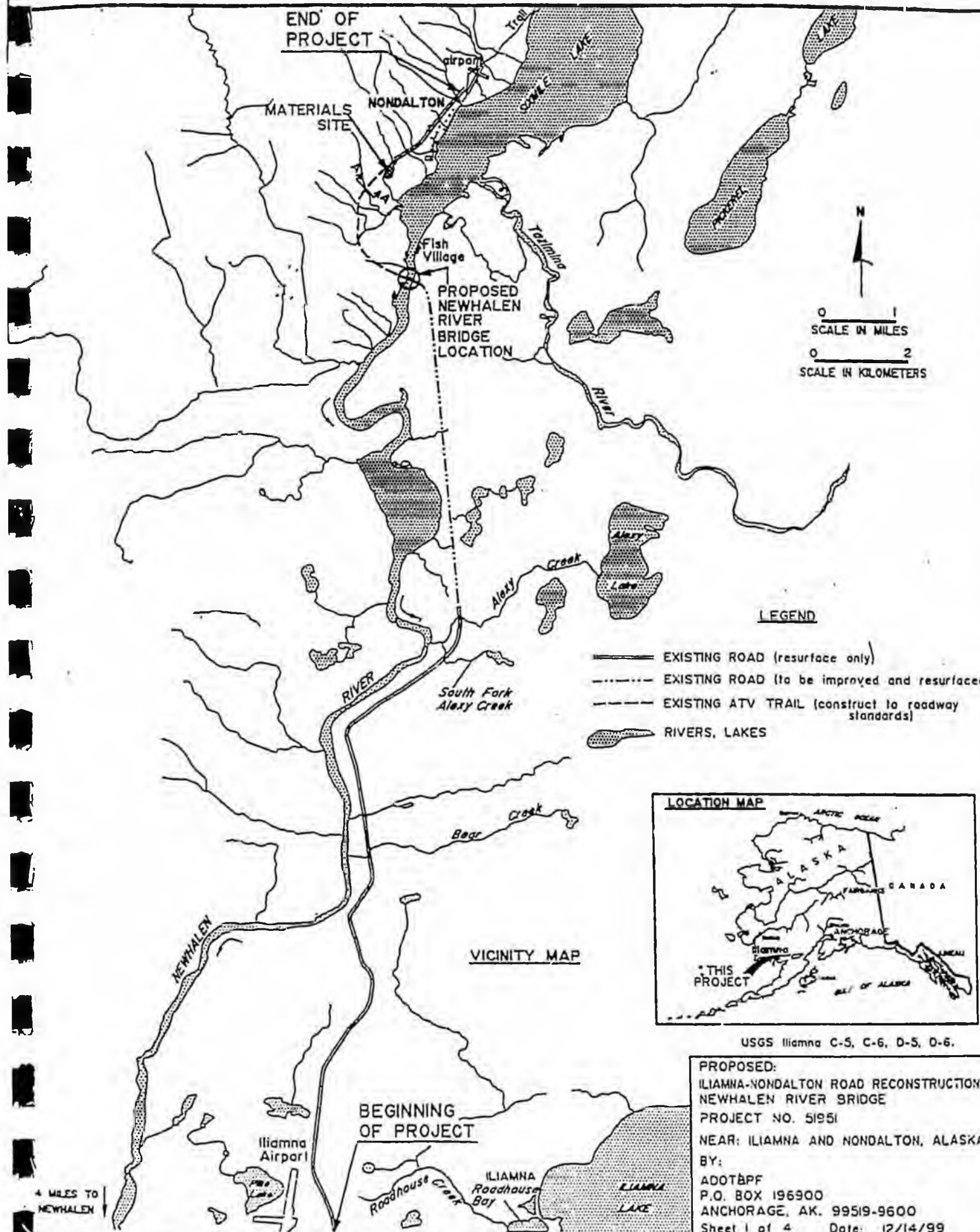
Mark S. Hickey  
President

Attachments

- cc. The Honorable Gary Stevens, Alaska State Senate  
The Honorable Dan Ogg, Alaska State House of Representatives  
Jeff Currier, Borough Manager, Lake & Peninsula Borough



**FIG. 1 ILIAMNA-NONDALTON ROAD**  
**LOCATION MAP**  
JULY 1996



**LEGEND**

- EXISTING ROAD (resurface only)
- ..... EXISTING ROAD (to be improved and resurfaced)
- - - - EXISTING ATV TRAIL (construct to roadway standards)
- ▨ RIVERS, LAKES



**VICINITY MAP**

**BEGINNING OF PROJECT**



USGS Iliamna C-5, C-6, D-5, D-6.

PROPOSED:  
 ILIAMNA-NONDALTON ROAD RECONSTRUCTION/  
 NEWHALEN RIVER BRIDGE  
 PROJECT NO. 51951  
 NEAR: ILIAMNA AND NONDALTON, ALASKA  
 BY:  
 ADOT&P  
 P.O. BOX 196900  
 ANCHORAGE, AK. 99519-9600  
 Sheet 1 of 4 Date: 12/14/99

# ILIAMNA-NONDALTON ROAD IMPROVEMENTS

Project No. STP-0214(3)/51951

## ENVIRONMENTAL ASSESSMENT

January 2000



*Prepared by:*

*State of Alaska  
Department of Transportation  
and Public Facilities*

*For:*

*Federal Highway Administration*

## I. PURPOSE AND NEED STATEMENT

---

The State of Alaska, the communities of Iliamna, Newhalen and Nondalton, and the Lake and Peninsula Borough have identified a strong need for improving year-round overland access between Iliamna/Newhalen and Nondalton. Concurrent with this general need are specific needs to improve public safety, improve health care/services, expand and diversify community economies, improve the supply of government services, enhance the delivery of educational services, and correct or alleviate some existing environmental drainage and erosion problems.

Improving overland access between Iliamna/Newhalen and Nondalton is the highest priority transportation improvement project of the Lake and Peninsula Borough, as well as the communities of Iliamna/Newhalen and Nondalton. A well traveled, unfinished gravel road suitable for cars, trucks, and heavy equipment exists from Iliamna/Newhalen to the proposed bridge-crossing site at the Newhalen River. A less traveled road/trail exists from the crossing site to Nondalton. Some portions of that road/trail cross Alaskan Native Corporation property because the road right-of-way clearing has overgrown and users utilize the areas where the vegetation is shortest.

There is a need to improve local public safety. A transportation system is needed that will provide less reliance on air transportation between Iliamna and Nondalton. Alaska occupational fatality rate for commercial pilots (271 per 100,000) is approximately twice as high as for professional motorized drivers (130 per 1000,000) with plane crashes being the leading cause of occupational fatalities in Alaska, according to the National Safety Council and the National Transportation Safety Board. Therefore, the likelihood of potentially serious injuries and accidental deaths resulting from air travel between Iliamna and Nondalton needs to be reduced. Currently, overland winter travel between Iliamna and Nondalton is possible, but travelers have to cross the frozen Newhalen River and Sixmile Lake by snowmachine, vehicle or on foot. During the winter of 1988 two snowmachine riders drowned after falling through the ice near Nondalton. With reliable access across the Newhalen River, safer overland transportation, especially during periods of inclement weather, reduced visibility, and unstable river ice conditions, would become the preferred method of travel.

Improvements in health care/services are needed. The difficulty and expense of getting critically ill or injured people out of Nondalton in an emergency needs to be lessened. This need is most urgent in the event of a major disaster such as a fire. A transportation system is needed that would enable the sharing of facilities, expertise, and equipment. As an example, there is a need for a small hospital in Iliamna and an elders home in Nondalton. Improved overland access would permit such facilities to provide services to all the residents of Iliamna/Newhalen and Nondalton.

The economies of Iliamna/Newhalen and Nondalton need to be expanded and diversified. The cost of goods in these communities needs to be lowered. Currently, Nondalton is the largest community in the Lake and Peninsula Borough, but it is relatively isolated and offers very few job opportunities. This economic problem has been exacerbated in recent years due to the commercial fishing crisis in the Bristol Bay area. Currently, approximately 50 percent of the Nondalton potential workforce are unemployed. With an overland transportation link between Iliamna/Newhalen and Nondalton, the customer base for local businesses would effectively be doubled. This would give Nondalton residents the ability to take advantage of a greatly expanded range of employment opportunities. Improved overland access would also permit reduction in costs to passengers and freight carriers between Iliamna/Newhalen and Nondalton. Currently, 25-33 percent of material costs in Nondalton is estimated to be directly attributable to flight costs.

Providing government services to the residents of these communities needs to become more efficient and convenient. Government facilities at all levels could be consolidated in one place on the transportation system, rather than being spread out among several communities. At present, the Tazimina Hydroelectric Project provides power for the villages of Iliamna, Newhalen, and Nondalton. From the power plant to Nondalton, a transmission line parallels a portion of the existing road to the Newhalen River, where it then crosses under the river, and continues on to Nondalton. There is a need for reduced transportation costs in order to maintain this portion of line. Further, the underwater portion of this utility connection is plagued by many power outages. A bridge across the river could benefit the power company by allowing the

## Iliamna Nondalton Road Improvements Statement of Purpose and Need

The State of Alaska, the communities of Iliamna, Newhalen and Nondalton, and the Lake and Peninsula Borough have identified the need for improving overland access between Iliamna/Newhalen and Nondalton. It is the highest priority transportation improvement project of the Lake and Peninsula Borough, as well as the communities of Iliamna/Newhalen and Nondalton. A well-traveled, but substandard gravel road suitable for cars, trucks, and heavy equipment exists from Iliamna/Newhalen to the bridge crossing site at the Newhalen River. A lesser pioneer road/ATV trail exists from the crossing site to Nondalton. Some portions of the road/trail cross Native corporation property because the road clearing has overgrown. The improvement and completion of this road offers many important economic and social benefits for the reasons outlined below:

Public safety will be improved. There will be less reliance on air transportation between Iliamna/Newhalen and Nondalton. Small aircraft transportation has a much higher death and injury rate per passenger than surface transportation. Therefore, the opportunities and likelihood of serious injuries and accidental deaths resulting from air travel between Iliamna/Newhalen and Nondalton will be lessened. Currently, overland winter travel between Iliamna and Nondalton is possible, but hazardous, across the frozen Newhalen River and Sixmile Lake. During the winter of 1995, two snowmachine riders drowned after falling through the ice near Nondalton. With a bridge, safer overland transportation, especially during periods of inclement weather, reduced visibility, and unstable river ice conditions, will become the preferred method of travel.

Health care/services will be improved. It will be easier to share facilities, expertise, equipment and evacuate the critically ill or injured. The difficulty and expense of getting very ill or injured people out of Nondalton in an emergency will be lessened. This benefit will be especially valuable in the event of a major disaster such as a fire.

The economies of Iliamna/Newhalen and Nondalton will expand and diversify as a result of this project, largely due to the resulting lower costs of goods in these communities. Currently, Nondalton is the largest community in the Lake and Peninsula Borough, but it is relatively isolated and offers very few job opportunities. If Nondalton is connected to Iliamna/Newhalen by road, the customer base for local businesses will effectively be doubled. This will give Nondalton residents the ability to take advantage of a greatly expanded range of employment opportunities. A further important benefit of this project will be the reduction in costs to passengers and carriers of freight between Iliamna/Newhalen and Nondalton. These cumulative economic factors are likely to increase trade and commerce between Iliamna/Newhalen and Nondalton.

Supply of government services to the residents of these communities should become more efficient and convenient as a result of increased and less expensive access. Government facilities at all levels could be consolidated at one place on the road system rather than being spread out among several communities.

There will result a long-term enhancement on the delivery of educational services, with benefits increasing over time. Completion of the Iliamna-Nondalton Road will benefit the school district through an improved ability to transport supplies, materials, students and personnel between Iliamna/Newhalen and Nondalton. The improvements will not only reduce costs but will also increase the safety of students and staff who travel regularly between these communities. The road reconstruction will also provide the school district options in providing enhanced secondary programs to students in Newhalen and Nondalton where student populations are not large enough to warrant the diversity of curriculum that could be made available if certain classes were consolidated. Improved transportation services will also provide students from both schools enhanced competition opportunities in sports activities.

The project will have a positive effect on the growth of "middle of the market" tourism in Iliamna/Newhalen and Nondalton. Alaska Department of Fish and Game reports the current growth in angler days at between seven and 11 percent per year in this general area. Air taxi operators report similar growth rates for their operations during the summer and fall. Many other signs and statistics point to an increase in the utilization of the area. The project will provide some of the infrastructure necessary to accommodate growth of the mid-market tourism. Iliamna is a favorite destination for recreational fishing on the Newhalen River and Nondalton is the largest community adjacent to Lake Clark National Park.

The project will have positive environmental effects by correcting, or alleviating, some serious environmental problems which presently exist:

First, because no bridge exists, it is now necessary to drive vehicles and heavy equipment across the Newhalen River (a world class salmon and rainbow trout resource) to access the other side. As an example, the Alaska Department of Fish and Game (ADF&G) has issued the City of Nondalton permits to drive its heavy equipment across the river so it can maintain the remainder of the road to Iliamna. With a bridge, it would not be necessary to disturb fish habitat by driving vehicles across the river bed.

Second, the existing road has some engineering and design problems and is not as well maintained as it would be if the link between Nondalton and Iliamna were complete. This situation results in unnecessary environmental damage along the road corridor. For example, there is serious erosion taking place at bridge sites and elsewhere along the road. The road also has drainage problems in certain areas. This frequently results in large sections of the road becoming impassable due to mud. During these periods, vehicles attempt to drive around the poorly drained areas which causes the "footprint" of the road to become wider and wider and results in unnecessary damage to the adjacent tundra. The proposed road improvements will alleviate these problems.

Third, the current method of getting fuel to the community of Nondalton, in addition to being a hardship for its residents, represents a serious threat to the environment. The Nondalton airstrip is too short for cargo planes to legally land. Further, fuel cannot be transported overland to the Iliamna airport or dock because there is no bridge across the Newhalen River. As a result, Nondalton residents must get their fuel in Iliamna, transport it by road to a place along the river several miles below the proposed bridge site known as the "landing," and then transport the fuel by skiff in 55 gallon drums up the river and across Six Mile Lake to Nondalton. The environmental risks associated with this complex mode of transporting fuel are significant. The proposed road improvements will alleviate these problems.

In conclusion, the long history of study and number of endorsements for improving the overland access between Iliamna/Newhalen and Nondalton demonstrates the need for this project. The purpose of this project is to meet those needs to the greatest extent that is practical.

Revised 10-6-97

This project is compatible with area joint land development projects. The road to the Tazimina River Hydroelectric facility begins at approximately Mile 9.3 of the Iliamna-Nondalton Road. During INNEC hydroelectric facility construction, the Iliamna-Nondalton Road was upgraded in some places to accommodate construction trucks and equipment bound for the power plant.

The No-Build Alternative would result in no change to land use or development patterns.

**B. Farmland**

There are no prime or unique agricultural lands, as defined in the Farmlands Protection Policy Act of 1981: 7 U.S.C. 4201-4209 (P.L. 97-98), currently designated in the State of Alaska. The Farmland Protection Act is not applicable to this project and no formal consultation with the Natural Resource Conservation Service is required.

**C. Social**



Executive Order 12898 dated 2/11/94, the Department of Transportation Order on Environmental Justice (DOT Order 5610.2) dated 4/15/97, and FHWA Order 6640.23 dated 12/2/98 require Federal actions avoid causing disproportionately high and adverse impacts on minority and low income populations with respect to human health and the environment. This project would in fact benefit the neighboring communities by providing better access to friends and family, reduced shipping costs, provide more employment opportunities, and reduce commuting time for those residents that live in one village but work on the other side of the river. Numerous Iliamna and Nondalton residents have stated that they would visit their friends and family more frequently if a more economic means were available to get across the Newhalen River.

Property values in Nondalton may increase slightly due to better accessibility. Community cohesion would be enhanced, since the improved road would allow greater social interaction between the three communities. There would be increased recreational opportunities as residents of all three communities would be better able to participate in events and activities in communities other than their own. The school district would benefit from decreased costs of transporting students between schools for activities. Students would be able to participate with

other area schools and share various teaching and extra curricular resources. Currently some activities can not be offered in Iliamna or Nondalton due to the low numbers, but the school district has indicated that if the two communities were connected by a bridge they would try and share resources and offer more classes and events. The linking of the communities would enhance opportunities for joint regional development measures such as a regional hospital, a home for elders, and a regional landfill. Public safety would be greatly improved, allowing safer and expedited emergency response times, improved safety officer response times, better traffic safety, and a fire escape route in the event of a fire in Nondalton.



The majority of local residents use ATVs for motorized transportation, with a few residents using cars and trucks. This trend of using ATV's would be expected to continue, as the cost of transporting, maintaining, and operating full size vehicles in this area is costly.

The utilization of the Newhalen River fisheries and recreation use of the river exhibits a pattern of increasing use and ADF&G personnel have noted increased usage of the more remote areas by those desiring a true wilderness experience. This project should not change this pattern.

The No-Build Alternative would result in little or no changes in current social conditions or trends.

#### **D. Relocation**

Construction of Build Alternative No. 1 would not require the relocation of any residential or commercial properties. The ADOT&PF has the right-of-way necessary for this alternative.

The No-Build Alternative would not involve any changes to the existing roadway right-of-way corridor.

#### **E. Economic**

The project would provide improved economic development and opportunity for area residents. Retail sales would benefit from ease of access and create more local demand for goods and services. The transport and exchange of goods and services would be enhanced with a reliable,

enlarged in 1982. Teacher's living quarters (a duplex, small house, and trailer) are adjacent to the school. The school offers various athletic programs, including Native Olympics, gymnastics, and classes for gifted children. All the shared circuit riding staff also serve the Newhalen/Iliamna school.

#### L. Transportation Facilities

The existing transportation systems are multi-modal. Some freight coming into Nondalton is flown to Iliamna, trucked to the landing site on the Newhalen River and barged to Nondalton. Material that cannot be shipped by plane is usually barged to the area by one of two routes. The first route is through the Aleutians to Bristol Bay and up the Kvichak River to Iliamna Lake. Another route in Cook Inlet uses a primitive road from Williams Port at the head of Iliamna Bay in Cook Inlet to Pile Bay on the southeast shore of Iliamna Lake. Freight is then barged to Iliamna. The switching from one mode to another and back again contributes to the cost of goods and construction in the region.

Travel to or from the study area is by plane or boat. Overland travel between Iliamna and Nondalton is not possible because of the lack of a bridge over the Newhalen River. Overland winter travel between these two communities is possible on the frozen Newhalen River and across Sixmile Lake. Hard to detect thin spots in the ice on the Newhalen River vary from day to day during the winter making ice travel very hazardous. Two snowmachine riders drowned during the winter of 1995 after going through the ice near the mouth of the river near Nondalton. Travel across frozen Lake Clark or Iliamna Lake is also possible but not very common due to the high risk involved. Snowmachine and four-wheeler travel is common year-round, especially in Nondalton where larger vehicles are few. The existing winter roadway to the proposed bridge site is used by residents traveling between the two communities. The steep hill on the east side of the river at the road end prevents the hauling of heavy freight or supplies. Most heavy or bulky items are transported by car or truck to the landing site on the old road, transferred to a boat or small barge, taken upstream to Nondalton and off-loaded to another vehicle and driven to the final destination.



#### Iliamna

Iliamna has regularly scheduled air service provided by ERA Aviation (Anchorage International) and Birchwood Air (Merrill Field). The locally based air taxi is Iliamna Air. The airport at Iliamna is quite large and a relic of federal emergency development during World War II. The main runway is 4,000 feet long and 150 feet wide. The crosswind runway is 3,000 feet long and 100 feet wide. Both runways are gravel. Pike Lake within the airport boundary, serves as a float or skiplane base. The airport is the only one in the region with an instrument approach system. Iliamna airport is a certificated airport and the major hub for the region. The airport receives mail, freight and regularly scheduled passenger flights. Iliamna airport is a commercial aviation service level airport (between 2,500 and 10,000 enplanements). For calendar year 1993 through the end of fiscal year 1995 the Iliamna airport is listed as having 6,230 enplanements.

**ILLIAMNA/NONDALTON ROAD IMPROVEMENTS  
PROJECT NO. 51951  
PUBLIC SCOPING MEETING/OPEN HOUSE FORMAT  
NONDALTON MEETING  
LOCATION: NONDALTON COMMUNITY BUILDING  
10/28/97 - 2-5 PM  
MEETING NOTES**

**NOTE:** This meeting was originally scheduled for and advertised to be held from 2 PM - 6 PM. However, in Iliamna, it was learned that because the Nondalton Airport lights were inoperable (and had been for some time), the return flight would have to be completed prior to nightfall. Thus, DOT had to close the meeting at 5 PM.

Mike Boleski lives at fish camp. He talked about "suicide hill", the Iliamna bank at the bridge site, and how slippery and dangerous it is.

Residents recounted several accidents and near drownings and a few drownings on the lake ice, while people were trying to cross the Newhalen River near Nondalton. Mental Health Aide was also rescued from cold river.

Tom Green says they apply to maintain x miles of roads, including the local Nondalton roads; there is no restriction on which miles they maintain. So they choose to use most of the money to maintain the Iliamna-Nondalton Road. There is not enough money from that one funding source to maintain the roads just within the City of Nondalton anyway.

Nondalton landfill project: Tom Green described "thermal oxidizer" (not exactly an incinerator) and how 5 cells are proposed; one to be used at a time to thermally process garbage, etc. Also plan to dispose of haz mat and haz waste at this site. Bob Blundell (DEC) has been working with them on this.

Susan reminded Tom that PHS and FHWA funds can be used to build access roads to disposal sites. Many projects are already in progress for PHS landfills and FHWA roads. Nondalton has chosen 3 sites for the Thermal Oxidizer; one near the river, one by the gravel pit and one further away. They prefer the one nearest the river. Current landfill is close to the Nondalton runway.

Gladys expressed concern that the road/bridge would increase the problems with alcohol/drugs getting into Nondalton. The problems are bad already; she sees them only getting worse. The VPSO does not control the situation and the Village Council doesn't do much either. Tom Green says that the road would help the two VPSOs (one from Iliamna, one from Nondalton) to work together to solve crimes. Often the criminals get away because the VPSO has to stop at the river; he can't follow criminals all the way home. Also, if legal, Tom would like to start up a 4-wheeler registration system to track all licenses/owners so VPSOs know who is driving away from the scene of the crime. The Nondalton VPSO is a full-time employee. He performs alcohol responses nearly every night. He mainly works a night shift because of the predominance of alcohol problems. He occasionally does loose dog reports.

Many residents told of near misses with drownings in river; usually alcohol related, but not always. Health Aid (male) nearly drowned recently.

The cost of transportation related to school activities is very high. It cost \$2,000 for a plane charter recently, to transport a volleyball team from Nondalton to Iliamna. Residents can think of much better ways to spend their school dollars than charters between the villages.

# WRITTEN PUBLIC COMMENTS

Your input is an important element in the continued design of this project. To ensure that your views are considered, we have provided this sheet for your convenience. Comments should be returned to ADOT&PF by November 7, 1997.

## ILIAMNA - NONDALTON ROAD IMPROVEMENTS

Project No. 51951

### PUBLIC SCOPING MEETINGS:

- Monday, October 27, 1997 in Iliamna
- Tuesday, October 28, 1997 in Nondalton
- Tuesday, November 4, 1997 in Anchorage

(Please Print)

NAME: Melvin LeVeque

MAILING ADDRESS: PO BOX 100

CITY, STATE, ZIP: Nondalton, Alaska 99640

### COMMENTS

\* I have lived in Nondalton since 1986. My first winter there I broke through the ice on two occasions while traveling to Iliamna. On both occasions I was traveling with local residents and we were on the marked trail across the lake, so it was not attributable solely to my relative inexperience. The first time through the ice, if I had been by myself, I would never have been able to pull myself out of the water before freezing.

I am currently the manager for the Alaska Commercial Company, and speaking from an economic standpoint for the area, completion of a road connection between Nondalton, and the airport hub in Iliamna would greatly benefit the residents of both communities through lower cost of living; an important factor in these days of welfare reform. The prices charged in our locality are much higher than they would be if there was not the added transportation cost of re-shipping goods once they have been landed in Iliamna. Cost for items in any business reflect transportation costs, and we are currently subjected to double paying transportation. With the needed completion of a road connection between our villages, the price of merchandise would go down, because it would cost us less to drive them to Nondalton ourselves than it costs to have them flown from Iliamna.

In summary, I have experienced both physical danger, and economic penalty attributable to no road connection, as has most of our residents, and I strongly support the Road And Bridge project between Iliamna & Nondalton.

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# WRITTEN PUBLIC COMMENTS

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## ILIAMNA - NONDALTON ROAD IMPROVEMENTS

Project No. 51951

### PUBLIC SCOPING MEETINGS:

- Monday, October 27, 1997 in Iliamna
- Tuesday, October 28, 1997 in Nondalton
- Tuesday, November 4, 1997 in Anchorage

(Please Print)

NAME: Eva LeVeque

MAILING ADDRESS: P.O. Box 062

CITY, STATE, ZIP: Nondalton, Alaska 99640

### COMMENTS

Some of the reasons I have for wanting the road and bridge to go through between Nondalton and Iliamna are very good and a necessity for this community. Along the same lines it would be a detriment and very dangerous, as have been proven in the past, to allow the cancellation of this project.

On a personal level, I have gone through the ice while crossing the lake in 1995. My husband went through while crossing in 1986. My son went through the ice in 1996 while crossing. Those kinds of statistics alone should be enough to warrant a bridge in my opinion.

I've known everyone in Iliamna and Newhalen all my life and am not able to visit them unless the weather permitted depending on the time of the year. During freeze-up there isn't access to those villages except by air, the same happens during break-up. If I don't have the money to take an airplane which is usually the case, I am not able to see my relatives and friends. If the road and bridge went through, I would be able to go and visit at a whim which would make for a healthier social life. There are stores, restaurants and social activities that would be accessible to me provided the road and bridge went through. Right now, if our students wanted to go to Iliamna for a game they would have to fly because the lake is in the middle of freezing. To charter an airplane is costly therefore the children are not able to go as often as they would if the road and bridge were in place. Not to mention they would be able to attend social events between the two communities as scheduled without having to wait on the weather, or just not attend because of the season.

*Cost of freight school programs for students between 7 schools hinders us tremendously*

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I work as a substance abuse counselor and  
service Alhanna, Pedro Bay and Hondalton.  
I am able to service Alhanna one time a  
month because of costs, I have to fly  
back & forth. If the road and bridge  
goes through I would be able to service  
Alhanna twice a week which would  
make a tremendous difference to the  
people. After all our people are  
~~our~~ our most important asset.  
To stop the road and bridge project  
would hinder our services available.  
I am employed with Bristol Bay Area  
Health Corporation. Last and very important  
if there were an emergency in Alhanna  
I would be able to respond night or  
day no matter what the weather conditions.

# WRITTEN PUBLIC COMMENTS

Your input is an important element in the continued design of this project. To ensure that your views are considered, we have provided this sheet for your convenience. Comments should be returned to ADOT&PF by November 7, 1997.

## ILIAMNA - NONDALTON ROAD IMPROVEMENTS

Project No. 51951

### PUBLIC SCOPING MEETINGS:

- Monday, October 27, 1997 in Iliamna
- Tuesday, October 28, 1997 in Nondalton
- Tuesday, November 4, 1997 in Anchorage

(Please Print)

NAME: George Alexie  
MAILING ADDRESS: Box 108  
CITY, STATE, ZIP: Nondalton, A.K. 99640

### COMMENTS

I have lived in Nondalton all my life and public safety is my concern. The river at the mouth never freezes and going across the lake to the other side is dangerous. Several drownings have occurred and several near drownings have also occurred. Getting freight from northern air cargo in Iliamna could be easier to get if the road and bridge were in. In Nondalton the wind comes from the East and West. The airport is north/south. Air travel to

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Iliamna is risky <sup>[esc]</sup> A-122 Especially for school related events if the road was in the students can go down by bus.

**Remote Roads and Trails  
Evaluation Process Standards and Scoring Criteria**

Standards	Scoring Criteria				
	(5)	(3)	(0)	(-3)	(-5)
1. Economic benefits following construction.  Weighting: 3	Supports economic benefits; endorsed as an economic development project by governmental agency or representative group.	Supports capacity or new access specifically built to support regional or local industrial; commercial or resource development	Supports minimal, speculative or temporary economic opportunities or benefits or provides non-crucial benefit to existing economic activity.		
2. Health and Quality of Life (Air and water quality, neighborhood continuity, access to basic necessities) Weighting: 4	This project provides a significant contribution to improved health or quality of life through reduction or removal of existing negative factor.	This project provides a moderate contribution to improved health or quality of life through reduction or removal of existing negative factor.	Project will have no affect either positive or negative on quality of life issues.	This project provides a moderate degradation to health or quality of life.	This project provides a significant degradation to health or quality of life.
Examples: Access to basic sanitation = 5; dust control =4; access to medical facility=3.					
3. Safety.  Weighting: 5	Addresses demonstrated safety problem of significance.	Addresses demonstrated safety problem of moderate nature or there is a record of public concern.	Project's primary objective is not safety.		
4. Improves intermodal transportation or lessens redundant facilities.  Weighting: 2	Greatly improves the connectivity between modes and coordination and integration of passenger and freight systems and services and/or would clearly reduce the need for significant capital investment in another mode.	Moderately improves the connectivity between modes and enhances coordination and integration of passenger and freight systems and/or would clearly reduce the need for moderate capital investment in another mode.	Minimal or no affect on transportation system connectivity, or coordination and integration of passenger and freight systems and services and does not change the requirement for investment in other modes.	Moderately decreases the connectivity between modes or decreases coordination and integration of passenger and freight systems and/or would clearly require the need for moderate capital investment in another mode.	Greatly decreases the connectivity between modes or decreases coordination and integration of passenger and freight systems and/or would clearly require the need for significant capital investment in another mode.
5. Local, other agency or user contribution to fund project development Weighting: 4	Contribution provides state match, design, right-of-way, and materials.	Contribution provides any two: state match, design, right-of-way, or materials.	Contribution covers no capital costs; contributes nothing.		

**ATTACHMENT C**

**Remote Roads and Trails  
Evaluation Process Standards and Scoring Criteria**

Standards	Scoring Criteria				
	(5)	(3)	(0)	(-3)	(-5)
6. (Use for non-DOT&PF facilities or facilities DOT&PF is unsuited to long-term ownership). Local, other agency or user contribution to fund operations and maintenance (O&M) costs. Weighting: 5	Contributions = 100% and assumption of ownership. (Assumption of like facility OK.)	Contributions cover ___% of O&M costs. One point for each 25%.	Contributions cover < 25% to >10% of O&M costs.	Contributions cover <10% to > 1% of O&M cost.	Contributions cover <1% of O&M cost.
or 6 A. (Use for facilities which only DOT&PF is logical owner). Departmental M&O priority Weighting: 5	Very high M&O priority.	Moderate M&O priority.	Not an M&O priority.	Not an M&O priority; would increase M&O costs moderately.	Not and M&O priority; would increase M&O costs significantly.
7. Public Support for the Project? Weighting: 3	Preponderance of public record including a resolution from the local elected body shows support for project and fully supported in official state/local plans.	Majority of public record shows support for project; and nominally supported in official state/local plans.	Public record is divided or undocumented toward project	Majority of public record shows opposition to project; and not supported in official state/local plans.	Preponderance of public record shows opposition to project including a resolution from the local elected body and contravenes official state/local plans.
8. Environmental Considerations Weighting: 1	Environmental approval likely with Categorical Exclusion or already complete.	Environmental approval likely with Environmental Assessment or draft document circulated.	Environmental approval likely with Environmental Impact Statement.	Environmental approval extremely difficult 50/50 chance.	Environmental approval unlikely.

**Remote Roads and Trails  
Evaluation Process Standards and Scoring Criteria**

Standards	Scoring Criteria				
	(5)	(3)	(0)	(-3)	(-5)
<p>9. Will project provide new access to the noted uses: water sources, landfills, sewage lagoons/honey bucket sites, health care, airports, or subsistence sites? Weighting: 5</p>	Three or more uses = 5.	Two uses = 3. One use = 1.	None of uses listed.		
<p>10. System Preservation. Weighting: 3</p>	Major purpose of project is to extend the life of existing facility by 10 or more years.	Secondary purpose of project is to extend life of existing facility by 10 or more years.	Preservation is not significant purpose of the project.		
<p>11. Is this a joint project with ADEC, BIA or PHS? Weighting: 4</p>		Yes.	No.		
<p>12. Other factors not specified. Weighting: 2</p>	Project exhibits significant innovation, creativity or unique benefits not otherwise rated.	Project exhibits moderate innovation, creativity or unique benefits not otherwise rated.	Project exhibits no innovation, creativity or unique benefits not otherwise rated.		

COMMUNITY TRANSPORTATION PROGRAM NEEDS AND PRIORITIES

Score	Priority	Highway	Borough	Location	Name	Description	Cost Estimate
123.7	1		City & Borough of Juneau	Juneau	Capital Transit Buses	Replace four 35-foot transit coaches.	1,040,000
119.0	1		City & Borough of Juneau	Juneau	Thane Road	Reconstruction from ferry terminal to Rock Dump (Mount Roberts Road).	3,900,000
117.2	1		City & Borough of Juneau	Juneau	Glacier Highway	Reconstruct or relocate roadway from Indian Point to Point Louisa.	5,000,000
115.3	1	Denali Highway	Matanuska - Susitna		MP 80-104 Resurfacing	Rehabilitation including grading, drainage and surfacing improvements from the Susitna River (MP 80) to Brushkana Creek (MP104). After addition of new surface aggregate the surface will either be paved or calcium chloride will be applied to bind the surface.	4,000,000
111.5	1		Unorganized	Prince of Wales	Big Salt Lake Road	Realignment and reconstruction of 14.5 miles of road, with base and pavement. Replace bridges on three streams.	3,000,000
110.7	1		Kenai Peninsula	Homer	East End Road: MP 0.0-3.6	Provide for rehabilitation and safety improvements on Homer East End Road from the Pioneer Street/Lake Street Intersection (MP 0.0) to the Intersection with Kachemak Drive (MP 3.6). The project will widen the paved surface and may include realignments, slope flattening and other safety improvements as required. The project also includes drainage improvements and a sidewalk/path.	9,400,000
110.5	1		Lake & Peninsula	Iliamna	Iliamna to Nondalton Road	Complete a new road 22.3 miles in length from Iliamna to Nondalton including a bridge across the Newhalen River. The project was initiated in the early 1980's. The roadbed has already been partially completed.	9,750,000
109.5	1		City & Borough of Juneau	Juneau	Juneau Access Improvements EIS	Evaluation of improvements to access Juneau.	500,000
109.5	1		Unorganized	Whittier	Access Improvements	Construct improved access from Portage Valley to Whittier. The scope of the project will be determined during preparation of the project's environmental impact statement.	49,800,000

## HICKEY & ASSOCIATES

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E-Mail "mhickey@eagle.ptialaska.net"

(SENT VIA FAX)

November 6, 1997

Ms. Susan N. Wick  
Environmental Team Leader  
Central Region, Division of Design & Construction  
Department of Transportation & Public Facilities  
P.O. Box 196900  
Anchorage, Alaska 99519-6900

Re: Iliamna Road Improvements Project No. STP-0214(3)/51951

Dear <sup>SUSAN</sup> Ms. Wick:

It was nice seeing you again at the scoping meeting on November 4. I wanted to provide some written comments to supplement that discussion.

I have been working in support of completing this project for the last three years as a transportation consultant and lobbyist on behalf of the Lake and Peninsula Borough. I also have a history with the project dating back to my tenure as commissioner between 1987 and 1991. Finally, I bring over twenty years of experience working as a transportation professional in Alaska, with an extensive history of looking at similar projects in rural areas throughout the state.

I fail to understand how anyone can propose a logical argument that this project is something other than the completion of transportation improvement project started twenty years ago. I think the record is quite clear that the intent from the beginning has been to develop a road link between the communities of Nondalton, Iliamna and Newhalen.

It was suggested during the meeting that the Alaska Department of Transportation and Public Facilities (DOT/PF) has previously made decisions to not support the project, including around the 1986 time frame. While I cannot speak to the specific record during 1986, I can tell you with complete certainty that the department strongly supported completion of this project during my tenure as commissioner, which started in March 1987 and ended in January 1991. There is a record that can clearly support this statement, including several attempts to gain a general fund appropriation to construct the bridge and finish the road into Nondalton. The department also transferred a surplus bridge out to the area for use on the project, an action which was taken I believe during the mid 1980's.

You heard some excellent testimony from local residents during our meeting describing the numerous benefits that would result if the bridge and hard link is built. I'm quite comfortable that any objective, independent analysis will find significant justification to proceed. At a minimum, this project will provide the following benefits:

1. Local transportation will be safer and more reliable. Residents will no longer have to risk their lives trying to cross the ice during the winter, or risk a flight during marginal conditions in an emergency. The ability to gain access to the Iliamna Airport will be greatly improved, which is important for medivac use and general travel.
2. Transportation costs will be reduced significantly. Current estimates show that an average of 25% or more of the cost to transport goods and people in and out of Nondalton is related to the leg between Iliamna and Nondalton.
3. The communities in the region will experience reduced costs to provide essential services. For example, infrastructure development and related operating costs can be reduced for basic services such as medical, education, and fire/police by sharing facilities, equipment and human resources. Another example is the opportunity to develop a regional landfill if this project is completed.
4. Environmental benefits will be gained. A considerable amount of the fuel used by Nondalton currently moves on or across the river, often in small, unstable skiffs. Switching these movements to truck deliveries will greatly reduce the potential for fuel spills into the river. Fuel storage for the area can also be consolidated, which will bring attendant environmental and cost savings.
5. Residents of all three communities will see an improved quality of life and more economic opportunity. In addition to the value of the previous benefits, there will be an increased ability to enjoy more social interaction and to pursue economic opportunities in the general area because of more safe, affordable and reliable transportation.

By all accounts, this project enjoys tremendous support from all parts of the immediate region. I recall hearing extensive and universal support two years ago during an informal meeting in Nondalton which Commissioner Perkins attended, which included numerous individuals from Iliamna and Newhalen who made the extra effort to make it into Nondalton to participate in the hour and a half session. In my experience, it is certainly rare to see this level of almost universal support.

November 6, 1997

It is clear that the principal objection to this project comes from a single Anchorage resident who owns property nearby, and who enjoys considerable financial wherewithal to, in the written words of his attorney, "oppose this project by any and all means, including to litigate to block the project." The basis for this objection apparently is a concern about the aesthetic or visual impact from the bridge, and a concern that the project will result in increased demand on the sport fish resource.

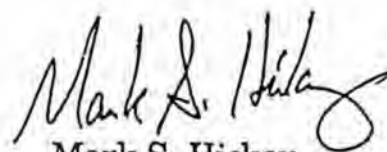
As far as the aesthetic issue, I fail to understand how the safety and basic quality of life of so many Alaskans can be sacrificed for that reason. However, I need to disclose that I happen to be someone who finds bridges aesthetically pleasing, at least more pleasing than grotesquely large, ostentatious vacation homes in the middle of a National Park and Preserve, such as the one being built by the party objecting to the project.

On the issue of resource impact, I believe all concerned agree the full range of benefits and impacts should be analyzed. However, it needs to be pointed out that the existing road stretches the length of the Newhalen River today, with numerous landings available to gain access to the river and connected water bodies. Given these facts (which has been the case for nearly twenty years), I fail to see why completing the bridge and road into Nondalton alone will bring numerous, additional sport fish users into the area. I would suggest continued improvements of the Iliamna Airport such as the new crosswind runway, will likely create more pressure on the resource than this project ever could.

This project is one of the of strongest rural, surface transportation projects I've seen during my entire career as transportation professional. As a former commissioner, I must observe that it would be a public policy tragedy of the worst kind for the department to deny the 300 to 500 long time residents of this area this valuable transportation improvement on the basis of the objections raised to date.

Thank you for the opportunity to submit these comments.

Sincerely,

  
Mark S. Hickey  
Principal

cc. The Honorable Joe Perkins, DOT/PF Commissioner  
Walt Wrede, Manager, Lake and Peninsula Borough



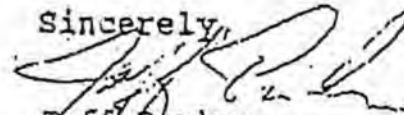
decline as crowding increases;

- (5) increased access to lands west of the river, with possible negative affects on subsistence users, and an increase in tensions between subsistence and sport users, of moose and caribou west of the river;
- (6) affects on brown bear and bear-human interactions along the Newhalen River, arising from increased access, particularly now in light of last year's killing of five brown bear on Newhalen and in light of recent Anchorage Daily News headline articles that attribute closing of brown bear hunting seasons on the Kenai Peninsula to increases in road access,
- (7) effects on users of Lake Clark National Park or users of areas west of the Park, where those effects may result from increased access west of the river,
- (8) effects that increased access may have on world class rainbow trout management in the area, including affects on the ability of the State to maintain age cohort distribution, populations, and fishery quality under the present regulatory regime, which allows a very limited harvest, and
- (9) visual concerns.

As you know, such cumulative effects fall well within the scope and purposes of the NEPA process. Addressing such effects is at the heart of the NEPA. As I recall, agencies have an obligation to raise and review such potential effects, even if the public does not raise them, for that is why resource agencies have the missions they do.

Here, I suspect that some of the agencies may have focused predominately on narrow effects resulting from the bridge itself. I hope that those agencies, too, may want to reconsider.

Sincerely,



Jeff Parker

cc: Susan Wick, ADOT

# HB 327/SB 371

## Powers and Duties of the Department of Transportation and Public Facilities

"An Act relating to the powers and duties of the Department of Transportation and Public Facilities; relating to a long-range program for highway construction and maintenance; repealing a requirement that public facilities comply with energy standards adopted by the Department of Transportation and Public Facilities; and providing for an effective date."

- Primary purpose of the bill is to revise DOT&PF's powers and duties to address recent litigation, which may ensnarl many other projects with a similar legal argument.
- Critical language is the requirement now in law requiring a cost & benefit study before a project is placed in the capital budget.
- Without this bill much of the state's transportation program is at risk of a situation similar to the crisis at Pogo mine.
- Unlike the crisis at Pogo, the issue with cost-benefit on transportation projects can be corrected with a change to state law. **This legislation can prevent the delay of one, two perhaps dozens of projects this year!**
- The consideration of costs and benefits is routinely done during the engineering design of projects to help refine the best solution. This bill has no effect on such practice.
- An important consideration is that the current law requires DOT&PF to do cost-benefit before the project is approved by the legislature in the capital budget, on every potential project nominated.
- This legislation is vital to the state's interest. A simple legal challenge would cause many projects now underway (engineering or construction stage) to be shut down while a formal cost-benefit study is completed.
- Cost-benefits studies are expensive and time consuming. Two recent examples: Nanknek to South Naknek - 7 months and \$215,000; two bridges at Nondalton and Alegnagik Alaska - 4 months and \$64,000.
- Not fixing the existing statute will be costly to local governments. They will have to prepare extensive cost-benefit studies prior to requesting federal funds from the STIP process. No reimbursement for these costs is eligible under federal rules.

*please contact*  
*Todd Larkin @ 4967*  
*Rep. Holm*

**SB 371**  
**Prepared by:**  
**Alaska Department of Transportation and Public Facilities**  
**April 30, 2004**

Thank you Mr. Chairman:

I believe the legislation before you is some of the most important you will consider this year. While the bill is long and tedious, it addresses something we can all agree with. Transportation is vital to the state, and many important projects must continue to be built to serve the state. As my testimony will show, without this legislation, many such projects may be in jeopardy.

SB 371 contains both housekeeping and substantive measures.

**Housekeeping:**

To preserve time I will not address the house keeping measures other than to say they clean up sections of the powers and duties for DOT&PF to reflect the world we now operate within. Changes in other laws, technology, budgetary changes and governmental reorganization have intervened in such a way to make a part of our powers and duties language obsolete.

Specifically, I am referring to Section 3 as a house keeping measures.

**Substantive:**

The remaining sections of the bill are more substantive. They are directed at two specific goals:

- Ensuring that a specific project in the Lake Iliamna region (the Iliamna to Nondalton road and bridge) is not subject to endless planning and litigation; this a project that has been stopped and started since the mid-1970's.
- Ensuring that the state's transportation planning process is efficient, in line with current practice and federal influence, and most importantly not subject to additional litigation using the same arguments used on the Iliamna to Nondalton project.

**Section 1:**

This section was recommended to us by the Department of Law. This section, coupled with the other sections, notably Section 8, ensures the law will directly apply to the subject project currently before the Superior Court.

**Section 2:**

This section applies to a statutory requirement that existed when we were the Department of Highways prior to the merger with the Department of Public Works and the creation of DOT&PF. It clarifies that the requirement for a program of projects is a piece of the overall program of projects now required at AS 44.42.050 (see Section 4 of this bill). It also changes the timing from annual to periodic. We fulfill this requirement when we prepare the STIP (Statewide Transportation Improvement Program).

**Section 4:**

This section applies to the state's requirement for a multi-modal transportation plan. It clarifies that said transportation plan is in reality comprised of many different planning documents, organized by geography, modes, corridors and other distinctions. It further clarifies that the federal requirements are the primary standard of such planning efforts, which is practical, as nearly all of our funding must meet this standard.

Importantly, this section eliminates the requirement for consideration of costs and benefits (see separate discussion paper) of new transportation modes; this is the key element in the lawsuit against the state. It also eliminates the reference to the Alaska Transportation Planning Council, a body that has not been seated for nearly 20 years.

**Section 5:**

This section applies to the listing of projects slated for design and construction, typically known as the STIP (Statewide Transportation Improvement Program), TIP (Transportation Improvement Program for urban areas), and the AIP (Aviation Improvement Program). It aligns this section of state law to match up to various federal requirements DOT&PF must also follow.

**Section 6:**

This section provides that this law is retrospective or retroactive to the time that AS 44.42 was adopted as a matter of law, and not as a matter of legislative act. The entirety of the AS 44.42 was codified from an Administrative Order, in 1977.

**Section 7:**

Makes the effective date immediate.

**Consequences of not passing this legislation:**

- The Iliamna to Nondalton project may be delayed.
- The state's transportation planning processes will remain in conflict with various federal requirements. Process, not projects, will be the beneficiary leading to more paper and less pavement.
- Many, if not most other important projects, in all corners of the state, rural and urban, would be at risk for similar litigation. Evidence of such delay tactics have already been seen.

**Pogo Permit Problem**

The recent Pogo mine permit problem illustrates how development opponents are seeking new legal strategies to delay or halt projects. SB 371 addresses a similar delay tactic that can be used on many transportation projects.

Unlike the Pogo problem, which is based on federal law, the state has the ability to avoid the problems SB 371 is designed to address.

Thank you for your time. I would be happy to answer any questions you may have.

**Issues of Concerns with Mandatory Consideration of Costs and Benefits**  
**Statement by Alaska DOT&PF**  
**April 30, 2004**

**Statute is not clear as to what constitutes “*consideration of costs and benefits*”**

- CBR (cost-benefit ratio) is but one method of engineering economics
- Other legitimate methods include NPW (net present worth), CEM (cost effectiveness measures) and EUAC (equivalent uniform annual cost)<sup>1</sup>.
- Other societal mandates often left out of strict economic considerations including LEC (least environmental cost), (EJ) environmental justice and SCP (safety conscious planning).

**Statute has little if no flexibility regarding consideration of costs and benefits**

- Requires such consideration on every new project regardless of usefulness
- Puts at risk all projects currently in progress (even under construction) that were selected for capital budget without consideration the Superior Court believes is necessary.

**Statute would divert public money to cost-benefit consideration even when not meaningful**

- Many project categories are not well suited to C-B consideration:
  - Rural Alaska projects provided as a basic public service but serve a small population base such as airports or sanitation roads
  - Urban Alaska projects that serve non-traditional transportation needs such as buses, trails or beautification
  - “Projects” required to fulfill one or more federal or state mandates such as traffic data collection, or environmental mitigation

**Statute applies to statewide transportation plan, prior to project selection for capital budget**

- Strict interpretation may prevent the following methods of project selection unless added to the statewide transportation plan:
  - Projects nominated by local governments
  - Projects selected by members of Legislature or Congress (earmarks)
  - Projects that arise unexpectedly due to natural disasters or other external causes (example: new retail store needing access).

**Statute does not apply to alternative selection during project development**

- C-B (or other engineering economic methods) are often used during project design to evaluate alternatives

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<sup>1</sup> Fricker and Whitford, Fundamentals of Transportation Engineering, Pearson Prentice Hall, 2004

- Such tools are often used to select among competing choices, even on projects with low overall economic benefits (example: airport layout for small village)
- Proposed change in statute does not affect this use of C-B consideration

**Statute is being used to argue against projects with C-B ratio less than 1.0**

- In Trout Unlimited lawsuit, the plaintiff's attorney argues state should not build projects with ratio less than 1.0
- Many rural and urban projects would be at risk of this interpretation
  - Ferry projects
  - Transit and bus
  - Trails and beautification
  - Environmental remediation
  - Low volume roads and bridges
  - Airport improvements and relocations
- While current statute does not mandate only projects with positive C-B ratio be selected, this appears part of the motive behind the lawsuit in question

**Statute is not in touch with the reality of transportation needs in Alaska**

- Alaska is inherently a place where low population and vast land area make transportation critical, but often requiring a subsidy.
- Title VI of Civil Rights Act is interpreted by our federal partners to mean minority populations deserve access to federal funds even if not cost effective
- Ironically, the recent Congressional justification for Denali Commission funding for transportation argued that transportation in rural areas is vital to our future:

*"... The majority of Alaskan communities remain unconnected. Alaska has been left far behind the rest of the Nation, with a road system that is no system at all. If the highway system is the Nation's skeleton, Alaska is still missing its arms and legs.*

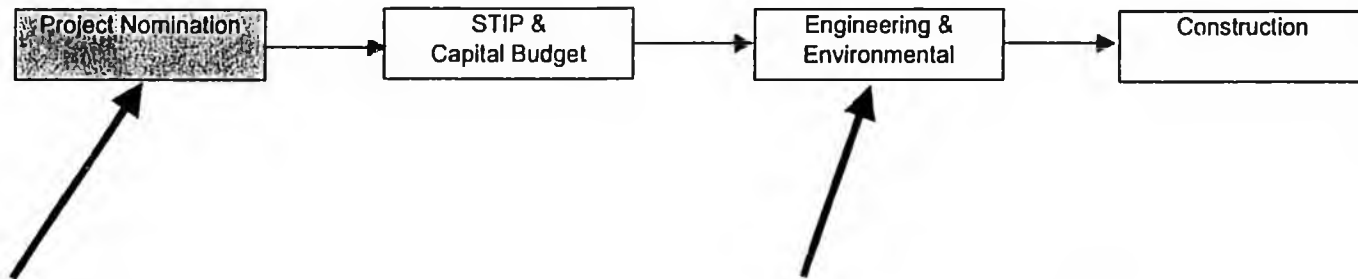
*As a result, many Alaskan communities are punished with third-world conditions and an extraordinarily high cost of living, and the Nation as a whole is that much poorer because Alaska's tremendous natural wealth cannot be shared.*

...<sup>2</sup>

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<sup>2</sup> Senator Lisa Murkowski, US Senate Floor speech on amendment to S1072, February 12, 2004

## Understanding the Different Applications of Cost and Benefit Consideration



Mandatory Cost and Benefit by current law.  
Limited data and cost information.  
Many competing projects to be funded.

Project level alternative Cost and Benefit  
No law requires; routinely done to help select  
Much higher level of data and cost information.

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 3/19/04

FURTHER: Finance

Date of 5-Day Notice: 3/25/04  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 4/6/04

Transportation Committee considered SENATE BILL NO. 371

**SB 371 POWERS/DUTIES DOTPF**

"An Act relating to the powers and duties of the Department of Transportation and Public Facilities; relating to a long-range program for highway construction and maintenance; repealing a requirement that public facilities comply with energy standards adopted by the Department of Transportation and Public Facilities; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS SB371 (TRA)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

<b>Senate Bill:</b>	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
<b>House Bill:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
<del>_____</del>	<del>_____</del>	<del>_____</del>	<del>_____</del>	<del>_____</del>	<del>_____</del>
DOT	4/7			✓	1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
Lincoln	<i>[Signature]</i>			✓	
Carter	<i>[Signature]</i>	✓			
Tremault	<i>[Signature]</i>			✓	
Olson	<i>[Signature]</i>			✓	
Wagner	CO-CHAIR: <i>[Signature]</i>	✓			
	CO-CHAIR: _____				

SENATE FINANCE COMMITTEE

SIGN-IN

SB 371-POWERS/DUTIES DOTPF

NAME: Jeff Ottesen Subject/Bill No: 371  
 Co./Dept./Title: Transportation Phone: 465-6971  
 Address: 3132 Channel Drive Juneau Zip: 99801

Do you wish to testify?  Yes  No  Respond To Questions  
*or*

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
 Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
 Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
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Do you wish to testify?  Yes  No  Respond To Questions

