LEGISLATIVE FINANCE-HOUSE/SENATE FINANCE COMM. FILES 8879

HB 311 cont., HB 318 502 93

Potential Tolls

To identify a reasonable range of potential tolls for passenger/vehicle access to Whittier, comparable tolls at facilities in the state and elsewhere (both planned and currently operating) were reviewed.

Alaska Railroad Portage-Whittier Fares. The current toll structure for the Alaskan Railroad shuttle service between Portage and Whittier has eleven fare categories, as shown in Table 4-1. The railroad also offers commuter, multi-trip tickets for passengers and vehicles traveling between Portage and Whittier at a thirty percent discount.

TABLE 4-1

Current Alaska Railroad Fares: Portage - Whittier

User Class	Toll (One-way)
Adult vehicle occupants, other than driver.....	$ 6.00
Foot passengers.....	$ 6.00
Children, 5 - 11 years old (on foot or in vehicles).....	$ 3.00
Kayaks or canoes	$ 5.00
Motorcycles.....	$13.00
Motorcycles with one trailer, not > 5 feet in length ...	$18.00
Vehicles or vehicles with trailers, not > 24 feet	$29.00
Vehicles or vehicles with trailers, > 24 ft. and < 32 ft	$38.00
Vehicles or vehicles with trailers, > 32 ft. and < 40 ft	$48.00
Vehicles or vehicles with trailers, > 40 ft. (by special arrangement).....	$48.00
Tour buses (includes fare of driver only).....	$58.00

Source: Alaska Railroad, Anchorage-Portage-Whittier 1985-1986 Fall-Winter Schedule (Nov. 1 - April 1).

Proposed Knik Arm Crossing. The Knik Arm Crossing Economic Feasibility Report examined a potential range of tolls ranging from $1.00 to $3.00 per vehicle-trip in 1983, and assumed that tolls would increase at a rate of 5 percent annually up to $4.00 to $12.00 by the year 2010 (ref. 3).

The study indicated that a $2.00 per direction toll (1983 dollars) to cross the proposed bridge was the optimum toll that would maximize "revenue generation without sacrificing significant benefit".

Tongass Narrows Crossing Cost Benefit Study. Access to Gravina Island (where the Ketchikan airport is located, as well as a significant amount of the potentially developable land) is a major issue for Ketchikan residents. A recent study of access alternatives, including several bridge alignments and potential ferry service improvements, indicated that a reasonable upper limit for current fares would be approximately $1.75 per passenger, and $3.50 per automobile for a one-way crossing of Tongass Narrows (ref. 20).

Hood Canal Bridge. The Hood Canal Bridge in the Puget Sound region of Washington state serves as a direct link between the recreational opportunities of the Olympic Peninsula (including the Olympic National Park) and the Seattle metropolitan area. Although a recent court action has eliminated all tolls to cross the bridge, prior to that action typical tariffs were on the order of $2.50 per trip for a conventional passenger vehicle.

Suggested Tolls For Revenue Analysis. As can be seen from the above examples, the unique nature of the existing and potential demand for access to Whittier makes direct comparisons difficult. Most of the facilities cited serve (or are intended to serve) relatively large traffic volumes when compared to the projected Whittier access demand, and involve a significant proportion of daily commuter activity.

Most services must also be priced to be competitive with alternative access options. The proposed Knik Arm Crossing, and the Hood Canal Bridge, for example, compete with drive-around alternatives. There is no convenient or practical alternative for vehicle or passenger access to Whittier from the Anchorage area.

As described previously, the most significant components of existing and projected demand for access to Whittier are tourism and recreational boating opportunities in Prince William Sound. Development as a bedroom community, with the resulting daily Anchorage-Whittier traffic, is not in conformance with long range development plans by the city (ref. 11). For this analysis daily commuter traffic has been assumed to occur at a significant level only for the high range traffic forecast.

Users will typically have to pay the toll at a frequency ranging from one time only (for tourists) up to 2 - 3 round trips per week for local residents and boaters during the summer. Consequently user-acceptable toll levels will be somewhat higher than for the above examples.

The amount of traffic traveling to or from Whittier will, of course, be influenced by the level of fares adopted. Given the projected types of demand for access, current Alaska Railroad fares are assumed to be the upper limit of acceptable fares for the improved access alternatives. At the same time, it is a desirable goal in improving access to the community to reduce the cost to the user, as well as providing an improved level of service.

For the analysis of potential revenues an average realized vehicle fare (assuming a mix of trailered- and non-trailered vehicles, buses, commercial trucks, and frequent user discounts) is therefore set at $20.00 per one-way trip. Passenger car tolls would be somewhat lower than the average, while fares for buses and commercial trucks would be significantly higher. An average realized fare of $4.00 per one-way trip is assumed for passengers (both walk-ons and vehicle occupants).

under the high projections [illegible].

ALTERNATIVES 2 AND 5

Under these alternatives direct vehicle access would be provided by extending the road from Portage Outlook to Bear Valley and by providing a single lane tunnel through Maynard Mountain. For Alternative 2 the existing rail tunnel would be upgraded to accommodate joint rail and vehicle travel; under Alternative 5 a separate highway tunnel would be constructed.

Preliminary traffic data obtained from the Alaska Railroad indicates a peak to average daily traffic ratio of 5 to 1 for 1985 traffic. For this analysis it is assumed that future movements will have a similar ratio of peak to average daily traffic.

As illustrated in Table 3-10, projected vehicle traffic increases steadily to a projected range of 339 to 1,032 annual average daily trips by the year 2007. With a peak to average traffic ratio of 5:1, peak daily traffic is estimated at a range of 1,695 to 5,160 vehicles requiring access to or from Whittier.

Assuming one cycle per hour the practical daily capacity of a one-lane tunnel has been estimated at 4,800 vehicles per day, assuming the tunnel would be available 24 hours each day (ref. 14). For Alternative 2 the estimated capacity would be reduced to 4,400 vehicles per day, allowing two hours per day to clear the tunnel and to pass a daily freight train.

Both alternatives would therefore not be able to meet the peak day projected traffic under the high growth scenario. The practical result would be that demand would be deferred to non-peak days, and that congestion and delays would be common.

Operating and Maintenance Costs. Initial annual costs to operate and maintain a single lane tunnel have been estimated at $1,450,000 per year (ref 22). Costs for each year thereafter are assumed to increase at a 5 percent annual rate of inflation.

Alternative 2 Construction Financing. Gross revenues, annual O & M expenses, and revenue bonding capacity for Alternatives 2 and 5 are illustrated in Table 4-5. Internal construction financing capacity estimates include $8.2 million for the low forecast, $23.1 million for the medium forecast, and $35.8 million for the high traffic scenario.

Two estimates of initial construction cost have been included, which vary primarily in assumptions regarding the amount of tunnel widening needed for safe vehicular passage. Costs range from $35.6 million for the least expensive estimate, up to $133.5 million for an estimate which includes the provision of a full width shoulder the length of the Passage tunnel.

TABLE 4-5

ALTERNATIVES 2 AND 5

PROJECTED NET REVENUES AND BONDING CAPACITY

	ANNUAL O&M COSTS	NET REVENUES HIGH FORECAST	NET REVENUES MEDIUM FORECAST	NET REVENUES LOW FORECAST
1988	$1,598,625	$1,691,666	$887,446	$737,440
1989	$1,678,556	$1,895,051	$989,714	$812,835
1990	$1,762,484	$2,593,935	$1,302,007	$896,210
1991	$1,850,608	$5,203,396	$3,541,873	$990,699
1992	$1,943,139	$5,731,030	$3,876,952	$1,096,688
1993	$2,040,296	$6,316,374	$4,250,882	$1,381,061
1994	$2,142,310	$7,143,284	$4,666,509	$1,523,180
1995	$2,249,426	$7,881,245	$5,312,424	$1,682,579
1996	$2,361,897	$8,653,690	$5,780,856	$1,862,990
1997	$2,479,992	$9,650,093	$6,256,808	$2,065,954
1998	$2,603,992	$10,556,079	$6,784,799	$2,505,692
1999	$2,734,191	$11,573,139	$7,599,141	$2,774,419
2000	$2,870,901	$14,230,278	$9,433,648	$3,078,017
2001	$3,014,446	$15,272,651	$10,047,758	$3,295,240
2002	$3,165,168	$16,410,275	$10,710,565	$3,530,119
2003	$3,323,427	$17,912,476	$11,700,766	$4,053,366
2004	$3,489,598	$19,279,057	$12,477,981	$4,341,316
2005	$3,664,078	$20,773,418	$13,327,431	$4,652,119
2006	$3,847,282	$22,708,946	$14,246,039	$4,987,548
2007	$4,039,646	$24,519,632	$15,578,020	$5,349,510
NET PRESENT VALUE (1988-2005, 10%)		$56,801,591	$36,665,031	$13,108,230
BONDING CAPACITY (NPV/1.35, ROUNDED TO NEAREST 0.1 MILLION)		$42,100,000	$27,200,000	$9,700,000
AMOUNT AVAILABLE FOR CONSTRUCTION		$35,785,000	$23,120,000	$8,245,000

ASSUMPTIONS:

AVERAGE REALIZED REVENUES, INITIAL YEAR -
$20.00 PER VEHICLE
$4.00 PER PASSENGER

TARIFFS AND EXPENSES ESCALATED AT 5 PERCENT PER YEAR

CONSTPUCTION FUNDING CAPACITY EQUAL TO 85% OF BONDING CAPACITY

SOURCE: TAMS ENGINEERS

or 67 percent of the lowest ------.

Direct Access Options (Alternatives 2, 4, and 5)

Alternatives 2, 4 and 5 each provide for direct drive-through access to Whittier. As Alternative 5 includes the construction of a new tunnel through Maynard Mountain and consequently does not have to share time with freight trains, it provides slightly greater daily traffic capacity than Alternatives 2 and 4. Similarly, as the transit length is longest for Alternative 4, the dual-tunnel scheme provides the least daily capacity of the three direct-access options.

Total estimated construction costs, and projected bonding capacity, are summarized as follows for each of the three alternatives:

	Capital Cost ($ millions)	Bonding Capacity ($ millions)
Alternative 2	$35.6 - $133.5	$8.2 - $35.8
Alternative 4	$47.6 - $159.7	$7.1 - $34.6
Alternative 5	$121.0	$8.2 - $35.8

None of these direct access alternatives offer a strong potential for financing a large proportion of the estimated construction costs through revenue bonds. Only for Alternative 2 under the high traffic and revenue forecasts would internal financing be sufficient, and then only if construction costs can be held to the lower end of the projected range.

THE FOLLOWING DOCUMENT HAS
NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL
FILE

BRADFIELD INDUSTRIAL ROAD
FEASIBILITY STUDY

DRAFT REPORT

APRIL 1989

Submitted to:

Alaska Department of Transportation and Public Facilities
Southeast Region
P.O. Box 021467
Juneau, Alaska

Prepared by:
S.C. Jacoby and Associates
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Juneau, Alaska

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BRADFIELD INDUSTRIAL ROAD
FEASIBILITY STUDY

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BRADFIELD INDUSTRIAL ROAD
FEASIBILITY STUDY

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1.0 INTRODUCTION

During October 1988, the Alaska Department of Transportation and Public Facilities requested proposals for a study to determine the economic feasibility of building an industrial road from the head of the Bradfield Canal, via the Bradfield and Craig River drainages to the Canadian border -- a distance of 31 miles. The principal focus of the road, routing and destination would be to serve the transportational needs of Canadian mining interests in the lower Iskut River region by providing "straight-through" trucking to deep water at the Bradfield Canal.

In late October, a contract was awarded to Stephen C. Jacoby & Associates in conjunction with Baxandall Associates, P.E., and Mr. Phil R. Holdsworth, E.M., and a scope of work agreed on.

2.0 OBJECTIVES

The Bradfield Industrial Road feasibility study undertaken over the last several months has focused on a host of resource, economic, and policy issues relating to the feasibility of this project. The project objectives relate to three principal areas of input data;

1) Resource Assessment
Identification of the principal mining interests in the Iskut River area and surrounding mineral districts possibly affected by a port destination resource road. Assessment of present mine production and mine development forecasting for various mineral deposit classes. Similarly a timber resource analysis was performed assessing present inventory volume within the region and annual allowable cut estimates determined. The mineral and timber resource assessment would provide the basis for 1) prospective in-haul and out-haul relationships related to road access development and 2) unit haul cost analysis for route alternatives.

2) Bradfield Route - Engineering and Cost Analysis
An analysis of the Bradfield Route clearly defined two design alternatives, 1) continuous surface road, point to point and 2) road/tunnel point to point. Construction costs estimates were developed for both alterntatives and incorporated into comprehensive cost equations, for road development, and operation and maintenance along this route. It is understood all cost estimating will undergo final refinement following nominal route reconnaissance post scheduled for early summer, June-July 1989.

An on-going Iskut Valley Route alternative study, joint-funded by the British Columbia Ministry of Energy, Mines & Petroleum Resources and cooperators within the

B.C. mining industry, will provide construction cost estimates based on preferred alignments for Iskut River Road development from the Cassiar Hwy. (Highway 37) at Bob Quinn Lake to the Johnny Mountain mine area. Two tributary roads will additionally be evaluated, one up the Craig River to the international boundary, interfacing with the Bradfield Route at the common border, and another tributary link to the lower Unuk River. Review of this study will be incorporated in final report documentation, scheduled July 1989.

3) Economic Analysis of the Bradfield Route Alternatives

The analysis looked at the various alternatives and a comparative evaluation performed to determine the estimated expense in the development and operation of an access road to and through the Iskut Region. The construction, maintenance and operation and haul costs developed within the Engineering and Cost Analysis section were used in developing the route comparisons.

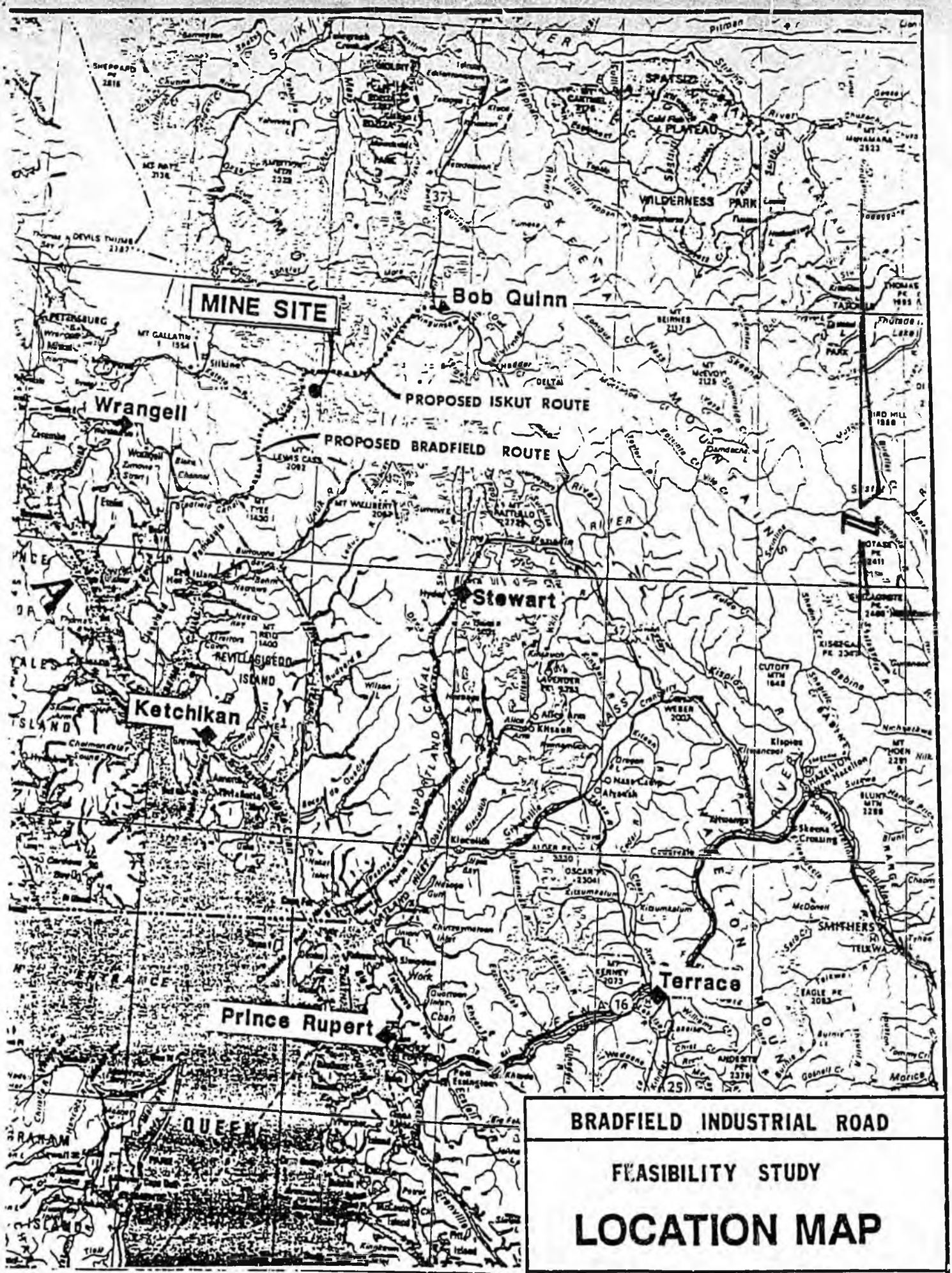
3.0 SUMMARY

The reported findings contained in this Bradfield Industrial Road analysis provide a certain measure of insight as to the economic feasibility of more direct and shorter road access for the mineral and timber resources within the Iskut Region of Northwestern British Columbia. The task of reliably assessing mineral resource potential is predicated on numerous assumptions relating to current exploration data, driven by strong base metal and precious metal pricing. A number of qualifications deserve recognition; for example, if the public sector were to absorb an increased percentage of infrastructure costs, the financial viability of the regional mineral properties would be vastly improved. Also, further exploration activities at major properties may define greater ore reserves or improved ore grades which could substantially change the viability of the prospects by increasing projected revenues, increasing the scale of operations while reducing unit costs of operation, or extending projected mine life. Similarly, through exploration, a number of apparently minor properties, based on present knowledge, could reach a higher potential. In short, there is considerable uncertainty regarding the timing and extent of development which cannot be avoided.

It should also be noted that this study recognizes that as a result of resource depletion and changing economic conditions, potential mines, once in production, could inevitably close over the course of the study period(twenty year life). The implications of such closures would have to be dealt with on a case by case basis.

The cost benefit analysis of the Bradfield route, incorporating construction cost and comparative haul cost analysis indicate the Bradfield route is economically viable in light of assumptions regarding commodity movement and the potential for increased

mine development activity within the Iskut Region. Construction costs for the various alternate routes were closely related. The key factor identified is the savings that would be realized in the cost of out-haul transport of resource commodities to a marine terminal and in-haul volume for mine development and annual operation.



BRADFIELD INDUSTRIAL ROAD

FEASIBILITY STUDY

LOCATION MAP

Scale . 1:2 000 000	Date MARCH 1989
Ref.	FIGURE 1

4.0 REGIONAL RESOURCES

4.1 MINERAL POTENTIAL

It has long been recognized that mining development would be the key growth sector in northwest British Columbia (Economic Development in northwest British Columbia: Challenges and Opportunities, May 1982). The Iskut region of northwest British Columbia has been the focus of a vigorous exploration program by the Canadian mining industry resulting in an unprecedented number of submissions to the Canadian government mine development review process for stage 1 and stage 2 reviews. During 1988 more than 30 companies engaged in exploration and drilling programs, spending in excess of $15 million. The main focus continues to be on gold and silver.

The assessment of the mineral potential of the Iskut region, as in any area, requires the review of available best data and the use of certain assumptions as to the likelihood of advancement to mine development. For this study, the Iskut region was divided into 3 distinct districts for mineral potential review. These districts are;

- The Iskut River District
- Unuk/Sulphurets District
- Stikine District

Each of these districts are positioned as potential beneficiaries from road access in the Iskut Region and to date have suffered erratic development because of the lack of easy access, high costs, and difficult weather conditions. If the suggested Bradfield Road system were followed, all noted deposits from these districts will use that portion of the road system on the Alaskan side of the border. There would be common useage of many segments of the road system on the Canadian side.

Within each district, the mineral properties were reviewed and significant properties identified on the basis of the following mineral deposit classes:

Class: 1) Producing mine
2) Production facilities under way
3) Current exploration and development, including drilling
4) Recent exploration, including drilling

Those deposits identified as Class 3 and 4 are active prospects which have generally received advanced exploration in recent years with annual expenditures in the million dollar range. There is a possibility that they might develop into small scale producers. See Mineral Claim Map, Figure 2.

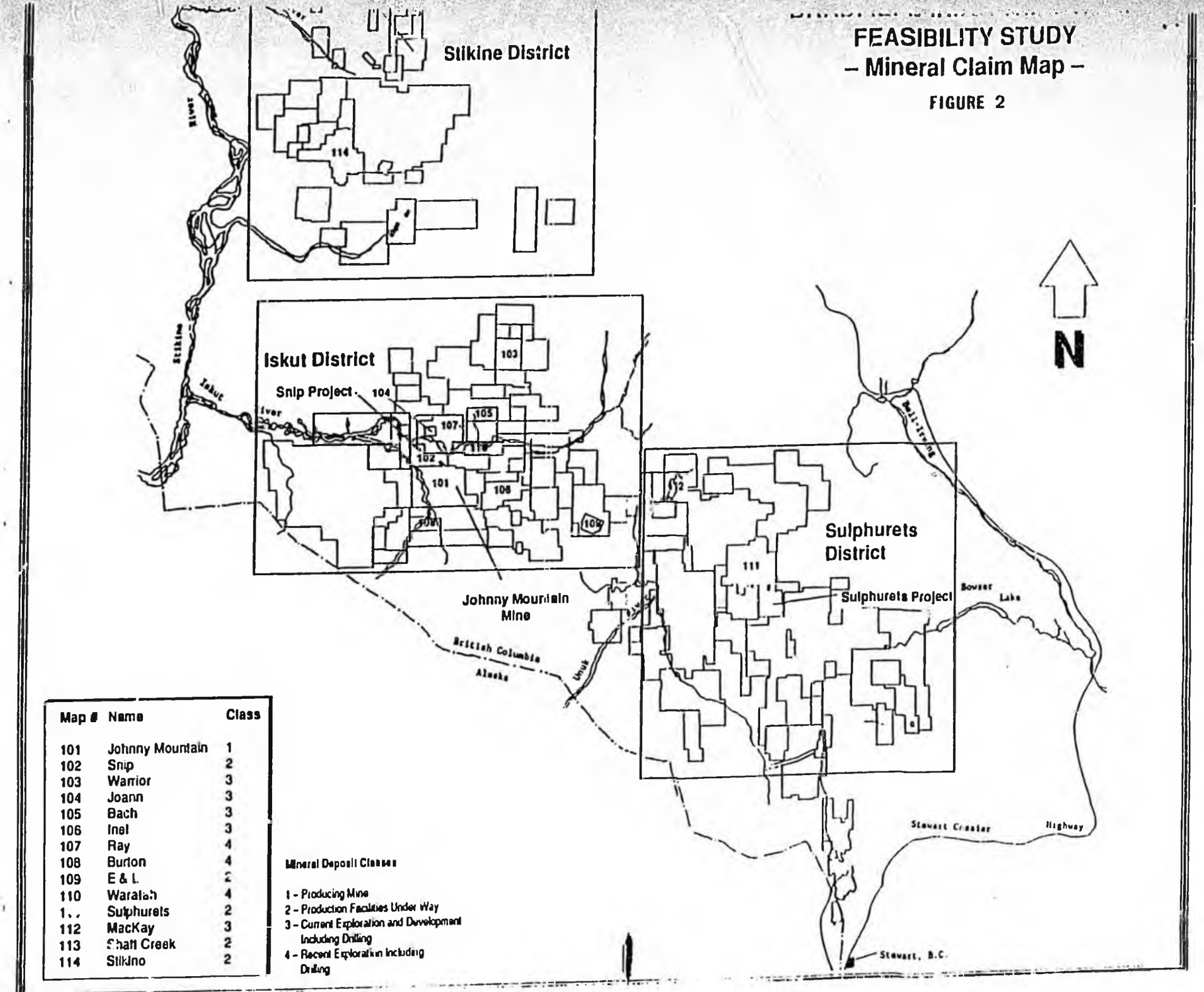
Fourteen mineral properties were carried forward to the mineral property listing to provide assumed production data. Forecasting of mineral production, both volume

and timing, is extremely difficult due to the range of unforeseen development parameters. However, best-estimate production volumes were developed from reserve data to support in-haul/out-haul tonnage estimates and applied unit haul cost analysis.

Significant data for projects identified from this review, for each of the three districts, are summarized in Table 1.

FEASIBILITY STUDY
– Mineral Claim Map –

FIGURE 2



Map #	Name	Class
101	Johnny Mountain	1
102	Snip	2
103	Warrior	3
104	Joann	3
105	Bach	3
106	Inel	3
107	Ray	4
108	Burton	4
109	E & L	2
110	Waratah	4
1..	Sulphurets	2
112	MacKay	3
113	Shaft Creek	2
114	Stikine	2

Mineral Deposit Classes

1 – Producing Mine
2 – Production Facilities Under Way
3 – Current Exploration and Development Including Drilling
4 – Recent Exploration Including Drilling

BRADFIELD INDUSTRIAL ROAD FEASIBILITY STUDY
Mineral Property Analysis

TABLE I

	Map #	Name	Operator	Class	Commodities	Potential Reserves	Tons/day Milled	Tons Concentrate per year	Mine Life	Probable on-line Production	Miles to Bradfield	Miles to Stewart	Ratio
ISKUT DISTRICT	101	Johnny Mountain	Skyline, Ltd	1	Au, Ag, Cu	1,000,000 Tons	400	14,000	8 yrs	Now producing	43	160	3.7:1
	102	Snip	Cominco	2	Au, Ag, Cu	1,570,000 Tons	500	Potential future Cu Concentrate	8 yrs	1990	43	160	3.7:1
	103	Warrior	Gulf International	3	Au, Ag	Unknown	–	None Dore bullion	–	1995?	69	174	2.5:1
	104	Joann	Merridor Res	3	Fe/Cu, Au, Ag	Unknown	Possible 200	Possible 8,000	–	1995?	47	179	3.8:1
	105	Bach	International Wildcat	3	Au, Ag	Unknown	Possible 200	Dore Bullion	–	1995?	53	179	3.4:1
	106	Inel	Inel Resources	3	Au, Ag, Cu, Zn	Unknown	Possible 200	Possible 8,000	–	1995?	62	178	2.9:1
	107	Ray	Delaware Resources	4	Ag, Au, Zn, Pb, Cu	Unknown	Possible 200	Possible 8,000	–	1995?	47	179	3.8:1
	108	Burton	NW/Iskut Gold Syndacite	4	Ag, Au, Cu, Pb, Zn	Unknown	Possible 200	Possible 8,000	–	1995?	40	184	4.1:1
	109	E & L	Consolidated Silver	2	Ni,Cu	3,200,000 Tons	Possible 1,000	Possible 3,200	9 yrs	2000?	53	165	3:1
	110	Waratah	Tungco Resources	4	Au	Unknown	–	Dore Bullion	–	1995?	46	174	3.8:1
JLPHERETS DISTRICT	111	Sulphurets	Newhawk Gold Mines	2	Au, Ag, Cu, Cu, Pb, Zn	Lode 1,500,000 Heap Leach 20,000,000	500	Possible 15,000 Dore bullion	8 yrs	1991	95	109	2:1
	112	MacKay	Consolidated Stikine Silver	3	Au, Ag, Pb, Zn	Unknown	–	Possible 8,000	–	1995?	73	167	2.3:1
STIKINE DISTRICT	113	Shaft Creek	Teck Corporation	2	Cu, Mo, Ag, Au	900,000,000 Tons	100,000 open pit	318,000	25 yrs	2000?	87	178	2:1
	114	Stikine	Stikine Silver, Ltd.	2	Cu, Ag, Au	151,000,000 Tons	30,000 open pit	303,000	14 yrs	2000?	98	216	2.2:1

4.1.1 ISKUT RIVER DISTRICT

Most recent exploration and development expenditures in NW British Columbia were for precious metals and most were located in the rugged northwestern part of the province where the Iskut Gold Camp, site of the Reg (Johnny Mtn. - Class 1) and Snip (Class 2) deposits are found. This district has attained a very significant status with greater than 1.75 million ounces of gold identified between these two deposits alone. Over 75 mineral properties are located north and south along the lower to mid Iskut River axis.

The Johnny Mountain Mine, B.C.'s newest gold mine, shows reserves of 1.08 million tons grading 0.70 oz./T AU, 0.73 oz./T AG, and 0.75% CU. This is presently regarded a 250 ton per day operation, supplied entirely by air and employing 115 people. Official opening of the mine was August 17, 1988. Capital expenditures on this project are reported at $41 million.

Present in-haul transport requirements for the Johnny Mountain mine are estimated at 5,000 tons per year. Fuel for on-site power supply generation is the leading in-haul cargo volume component, representing over sixty percent of annual shipping volume. Concentrate out-haul is estimated at 14,000 tons per year.

The adjacent Snip deposit has reserves of 1.57 million tons grading 0.64 oz./T AU, and is on a fast track to production at a planned 300 tons per day in 1990. Anticipated capital costs are in excess of $30 million with a projected employment of 115.

Seven other properties in the Iskut River District were identified as having significant current or recent exploration programs, including drilling. These properties and related production data are listed in Table 1.

4.1.2. UNUK/SULPHURETS DISTRICT

The Unuk/Sulphurets District is formed around the axis of the Unuk River drainage, approximately 24 miles southeast of the Iskut - Johnny Mtn. area, and one of two districts (Unuk/Sulphurets and Stikine) periphery to the core Iskut River District. A total of over 40 properties are found in this district.

The Sulphurets property (Property #111 - Class 2) is a significant property within this district with reserves of 1.5 million tons grading 0.50 oz./T AU and 20.18 oz./T AG. The property has seen continued exploration with an extensive drilling and underground drifting program, scheduled for stage 1 review approval in mid 1989.

4.1.3. STIKINE DISTRICT

Peripheral to the deposits in the Sulphurets - Iskut mineral belt are two large copper deposits in the Stikine River area, both of which could benefit from the development of the Bradfield Road.

The Schaft Creek deposit (property #113 - Class 2) is basically a copper/molybdenum orebody with minor amounts of silver and gold. Access would require construction of 44 miles of road from the deposit to Bob Quinn Lake; and then the choice of one of the two alternate routes to tidewater, 134 miles via Highway 37 to Stewart or 87 miles to the Bradfield Terminal. Much of this latter route would service the majority of listed deposits in both the Iskut and Unuk districts.

The Stikine Deposit(property # 114- Class 2) is a relatively highgrade copper ore body with minor amounts of silver and gold. Final development is expected to be delayed because of difficult access involving a 3.3 mile tunnel, and the difficulty of permitting a 25-mile road down the Stikine River corridor to the Iskut River and then 28 miles up the Iskut to Bronson Creek, junction point for Stewart or the Bradfield Canal destination.

4.1.4. OTHER PROPERTIES

In 1983, a Canadian inter-ministry task force, directed by the Cabinet Committee on Economic Development, completed a series of studies on the scale and timing of potential mineral developments in northwest British Columbia (Northwest Economic Development Studies - Mineral Resources, 1983). This study identified nine "cornerstone" properties over a list of 23 known significant, but undeveloped mineral properties in the region. The Schaft Creek and Stikine copper deposits (as listed in 4.1.3.) were 2 of these 9 properties.

The Mt. Klappan deposit was also among the 9 properties listed which has, perhaps, regional proximity to the Bradfield Project. Mt. Klappan is a deposit of anthracite coal having undergone extensive exploration, determining that the deposit could be mined by low cost, open pit methods. A major constraint to this large project is the limited size of the world market for anthracite coal. Logistically, this deposit lies 62 air miles to the east of Cassiar Highway and it is unlikely that the Bradfield Route would be of any value for coal export to foreign markets. The report concludes a road route to Stewart would be most cost effective, aligned south from the mine site down the Skeena and Nass Rivers to Meziadin Junction and then 39 miles west to Stewart on the existing highway.

Another significant mineral deposit which might utilize the Bradfield Route is the

Cassiar Asbestos (McDame Extension) property located 70 miles north of Dease Lake on the existing road system. This former open-pit operation is now being converted to an underground operation, and has developed reserves of 178 million tons containing 5.57% fibre (equivalent to 10 million tons of marketable product). This indicates a mine life of over 100 years. Over 50 million dollars have been spent so far on mine development, and with the existing mill would treat 1.6 million tons per year -- equivalent to 90,000 tons per year of marketable fibre. Estimated employment is 150 people, and production is scheduled for 1990.

If the movement of this tonnage per year was planned to be trucked to Stewart via the Cassiar Hwy., and the Iskut River/Bradfield River Road from Bob Quinn Lake Junction to the Bradfield Terminal was available, the mileage would be 65 miles shorter by use of the latter.

4.2 TIMBER RESOURCES

4.2.1 ISKUT SUPPLY BLOCK

An analysis of the timber supply in the region of Norhtwestern British Columbia was undertaken to provide reliable estimates as to the acreage, type, volume, and accessibility of timber resources as a contributor to commodity movement in this region. Forest inventory data from the Ministry of Forests, Smithers office provided the base inventory data from which to describe the timber resource and develop estimates of a long-term annual allowable cut (AAC) - an indicator of potential timber supply and annual transport volume component.

The results of the first timber supply analysis performed by the British Columbia Ministry of Forests (April, 1984) describes the region of Norhtwestern B.C. as the Cassiar Timber Supply Area (TSA). Past harvesting patterns and proposed development plans show that in the Cassiar TSA only a very limited area of the forest is economically accessible, and in this area, only the best stands are merchantable.

The Iskut Supply Block, located in the southern region of the Cassiar TSA is the principle focus of the timber supply analysis. Forest inventory area and volume summaries, based on mature forest stands within the gross productive crown forest land base of the Iskut Supply Block, are estimated at 435,357 acres and a total inventory volume of 69,928,020 cubic meters(m^3). The majority of the Iskut Supply Block is mountainous, innaccessible and non-productive (with respect to timber) but there is a corridor of forest land along Highway 37 and the Lower Iskut Rivers axis which support sufficient, good quality stands to be considered economically accessible. Additional timber volume is conceptually described in the Craig River and the Unuk River drainages. Several small Timber Sale Licences have been

awarded in the Iskut Supply Block over recent times, however there are currently no active forest tenure licences in this area. The Iskut Supply Block has been a source of logs for export via the port of Stewart.

4.2.2 TIMBER TYPE AND VOLUME

The forest cover of the Lower Iskut River area comprises mainly mature and overmature hemlock, spruce, balsam, cottonwood, and pine (Forest Cover Map-Inventory Branch, Cassiar Timber Supply Area Report, September, 1988). The predominant species is hemlock, making up 85 percent of the total volume. Spruce occupies 10 percent of the total volume strata, balsam, cottonwood, and pine making up the remaining five percent.

Fifteen operable engineering units, totaling 107,484 acres, have been conceptually laid out in the Lower Iskut-Craig River area . Table 2 shows the acreage, volume, and species composition for each individual unit. As reported, a total volume of approximatley 14,876,000 cubic meters (m^3) is found on these units. The Unuk River drainage, south of the Iskut River axis to the U.S. border, has reported timber inventory acreage within six engineering units of 21,638 acres and volume estimated at 4,229,000m^3. Together, total estimated operable timber volumes in the lower Iskut-Craig River and Unuk River system is 19,107,000m^3. An annual allowable cut (AAC) estimated at 300,000m^3 per year is suggested by the Ministry of Forests for the Iskut-Craig area if the entire operable area, once accessed, proceeded under a forest license development plan providing a maximum and intense harvest level. The Unuk River system, currently with no allowable cut estimates, could presumably yield an additional 84,500m^3 per year. A total annual allowable cut of 384,500m^3 for the Isukut-Craig River and Unuk River systems equates to approximatley 365,000 tons of annual log volume as a potential contributor to transport volume from this region. The AAC figure was arrived at using the following productivity factors, based on the preliminary operability mapping of the area:

Daily Output:	250m^3/shift/crew
Number of crews	6
Annual Working Period	200 days
Harvesting Cycle:	50 years
Operable acres:	129,172
Reported Net Volume:	19,107,000m^3
Estimated Annual Allowable Cut:	384,500m3 per year or 365,000T/yr

The Long/short term needs for these drainage systems involve other resource users, hence some level of operational constraint is anticipated from an otherwise maximum harvest level.

TIMBER RESOURCE ANALYSIS
Lower Iskut River Area, Cassiar T.S.A.

TABLE 2

Lower Iskut River Engineering Units–Volume Summary

Unit #	Acres	Total Volume (1000 Cu.Meters)	Total Volume (1000 Tons)	Volume by Species (1000 cubic meters and %) Hemlock	Balsam	Spruce	Pine	Cot
1	8,580	951	934	858 (91)	51(5)	–	42(4)	–
2	3,900	426	421	426 (100)	–	–	–	–
3	7,332	1,063	1,024	899 (84)	–	164 (15)	–	1
4	9,048	1,080	1,059	1,023 (95)	–	48(4)		9
5	10,140	1,006	996	1,006 (100)	–	–	–	
6	15,288	1,822	1,794	1,767 (97)	–	47(2)	–	8
7	4,368	631	616	584 (94)	–	47(7)	–	
8	2,340	56	45	–	–	–	–	56 (100)
9	3,588	513	508	513 (100)	–	–	–	–
10	6,552	1,310	1,204	1,147 (88)	–	163 (12)	–	–
11	9,828	1,369	1,171	326 (24)	691 (50)	352 (26)	–	–
12	2,964	638	619	563 (88)	–	75 (12)	–	–
13	7,644	1,485	1,456	1,412 (95)	–	67(4)	–	5
14	6,240	750	708	557 (74)	–	177 (24)	–	16
15	9,672	1,778	1,700	1,442 (81)	–	311 (18)	–	25
Sub–Total	107,484	14,878	14,255	12,523 (84)	742 (5)	1,451 (10)	42	120

Unuk River Engineering Units–Volume Summary

1	642	151	148	37(24)	114(76)	–	–	–
2	1,537	269	265	172(64)	67(25)	30(1)	–	–
3	2,108	363	357	363(100)	–	–	–	–
4	6,704	1,208	1,189	1,153(95)	1	51(4)	–	3
5	5,520	1,212	1,194	1,171(97)	–	38(3)	–	3
6	5,177	1,026	1,010	1,016(99)	–	10(1)	–	–
Sub-Total	21,688	4,229	4,165	3,913(92)	182(4)	130(3)	–	7(1)

Grand Total	129,172	19,107	18,420	16,436(86)	924(4)	1,581(8)	42	1,27(1)

CUBIC CONVERSIONS

Hemlock: 1.01 cubic meters/ton
36 cu. ft/ton
180 board feet (Scribner)/ton

Spruce/Balsam/Pine: 1.23 cubic meter/ton
43 cubic ft/ton
210 board feet/ton

5.0 BRADFIELD ROUTE ANALYSIS

5.1 GENERAL

The objective of the study is the evaluation of both the feasibility and the cost of constructing a ground transportation facility to provide additional access from Southeast Alaska to the adjoining transportation facilities within Canada. The facility in turn would provide a more direct and shorter access route to salt water for the mineral and timber resources within the Iskut River region of British Columbia.

Recognizing the initial facility need and transport volumes as well as the availability of construction funding, the utilization of phase construction was chosen as the most viable approach. Initial construction would be a minimal facility with a basic alignment and gradient that could be upgraded to at least a Federal secondary standard as increased traffic volumes and types demanded.

Source data for review and analysis of the routes and standards included the Department of Transportation and Public Facilities, Southeast Region's Route Feasibility Study, Wrangell to Canada Border, November 1974, Supplemental Reconnaissance Study, Bradfield Canal Route, January, 1986, and the video tapes of their aerial reconnaissance of the Bradfield Canal Route initially flown September 26, 1985 with a follow-up flight on February 2, 1988. Additionally, Skyline Exploration LTD's Stage 1 Report for a Proposed Mineral Access Road, Iskut River Area, B.C., April 1982.

5.1.1. LAND STATUS

At the present time, the entire route corridor is Tongass National Forest land, and there are no active mining claims, withdrawls or easements within the corridor. Mining claims that were staked in the past and had land common to the corridor have expired. Two special use permits are issued by the U.S. Forest Service in the project area; 1) to the Alaska Power Authority for the Tyee Hydroelectric Project, and 2) to Bradfield Electric for the planned construction, operation and maintenance of a 69 KV power transmission line, extending from the Tyee Powerhouse to the Canadian border.

The State of Alaska has filed a National Forest Community Grant(NFCG) Nomination for a tentative land selection of 5,020 acres at the east end of Bradfield Canal. The application covers the area of deep water staging uplands, and approximately the lower 3 miles of the proposed road route.

5.2 ENGINEERING AND COSTS

5.2.1. ROAD STANDARDS

Initial construction would be a 16' wide, single lane roadway with intervisible turnouts. Vertical alignment would be limited to 8 percent maximum with maximum horizontal curvature of 15 degrees. This standard of road has been used extensively throughout Southeast Alaska and within most National Forests and has shown that it can readily handle an ADT of 100 vehicles. With reasonable traffic control measures, this number could be increased.

The road subgrade should be constructed of shot rock or other materials which would be capable of supporting "off highway" vehicle loadings. Roadway surfaces would be a crushed gravel surfacing material.

The majority of the road traverses moderate to flat terrain. The DOT/PF studies considered keeping the entire road on the west side of the Bradfield river. This study suggests moving the route to the east side to take advantage of the existing roadbed where possible. The first few miles of terrain along the west side of the river is fairly steep and provides minimal opportunity to place the roadway up, off the river flats. It is likely that the route would encounter extensive side hill cuts in locating the roadway in this area.

Major drainage structures would be initially constructed as a double lane facility. The structure would be capable of supporting a single off highway vehicle or normal two way traffic with standard highway loadings. This approach has been used within the Tongass National Forest on routes where future upgrading is anticipated and has shown to be a cost effective alternative.

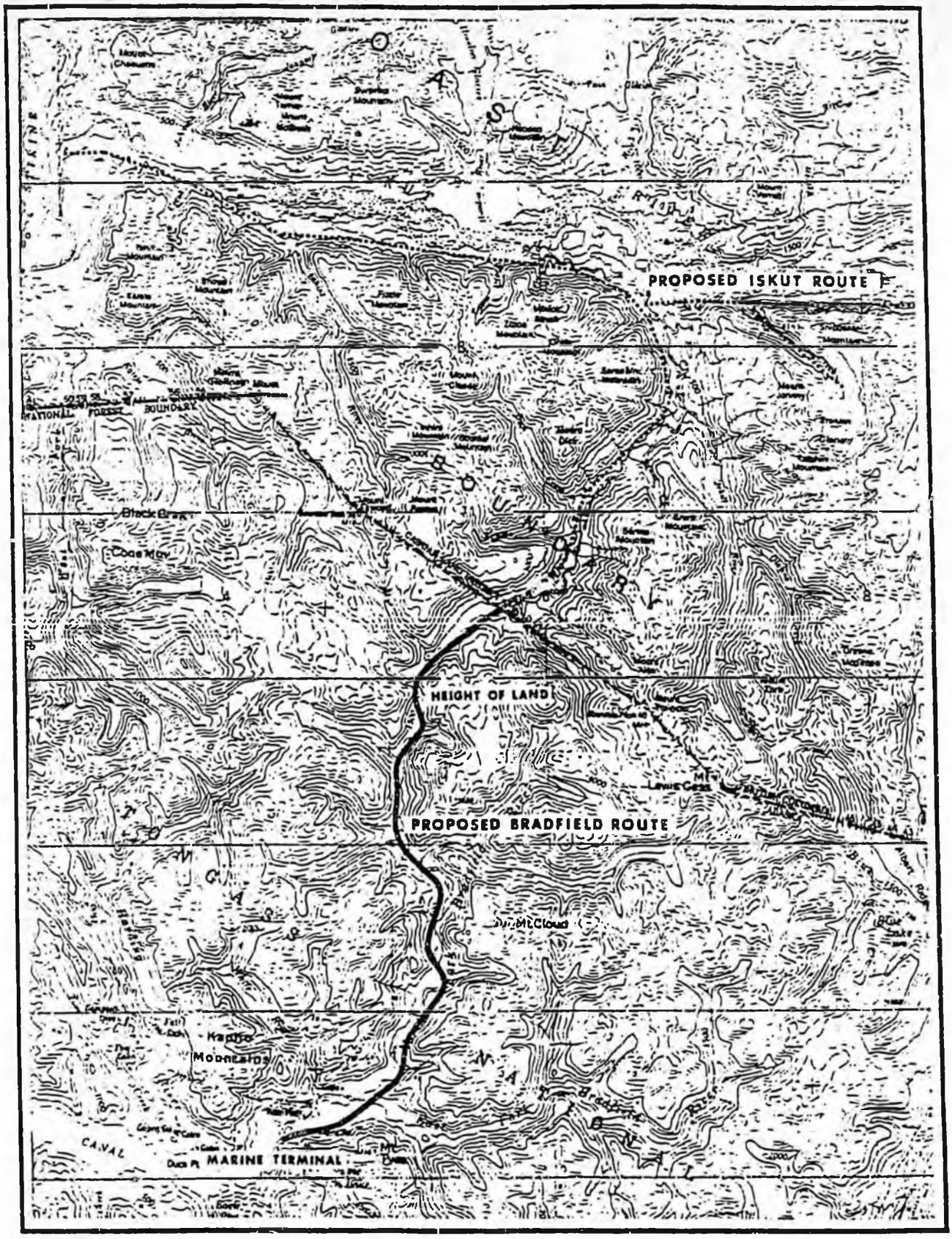
The initial tunnel construction standards are based on a 20 feet wide by 15 feet high bore. The tunnel would be self ventilating with lighting throughout. Based on our discussions with DOT/PF personnel, a 30 feet wide by 20 feet high bore was also evaluated for a measure to Federal Highway standards.

The assumptions used for marine terminal analysis provide for a 300 foot long steel sheetpile cell bulkhead with mooring dolphins at either end to allow tying up large draft open going vessels. There would be a 200' by 500' gravel surface staging area adjacent to the bulkhead. A wooden float with gangway would be provided to allow landing of small vessels and float planes. The terminal was placed on the east side of the canal as it appears that this location provides more protection from prevailing southeast winds.

5.2.2. ROUTE DESCRIPTION

The planned route would commence at a marine terminal located on the east side of the head of Bradfield Canal, approximately two miles west of the Tyee Lake Powerhouse(See figure 3). The route would then proceed along the south side of the Bradfield River, passing the powerhouse and continuing along the old timber access road. This would allow utilization of the existing roadbed. The route would cross the East Fork of the Bradfield at approximately M.P. 4.1 and continue up the east side of the North Fork crossing to the west side at approximately M.P. 11.3. The crossing would require fairly major drainage structures at M.P. 11.4 and 12.2. The route would then proceed up the west side of the drainage to approximately M.P. 21.2. At this point the route would either continue up the west side or cross to the east side of the drainage depending on the route alternative selected. The route would cross the height of land between the Bradfield River Drainage and the Craig River Drainage at approximately M.P. 25. The route would then proceed down the Craig River along its southeast side to approximately M.P. 29.5 where it would continue down the drainage to the Canadian Border. From there is would continue on down the Craig River drainage to the Iskut River and along the Iskut, intersecting the Cassiar Highway at Bob Quinn Lake. The route would also access the planned Canadian roads that extend on down the Iskut drainage to the Stikine River and those extending up the Snippaker and Coulter drainages, providing access to the lower Unuk River and Sulphurets Camp.

See Map Pocket inside back cover for a 1"=1mile route alignment map.



Bradfield Industrial Road Feasibility Study

ROUTE LOCATION MAP

FIGURE 3

0 5 10 15 Miles

5.2.3. ROUTE ALTERNATIVES

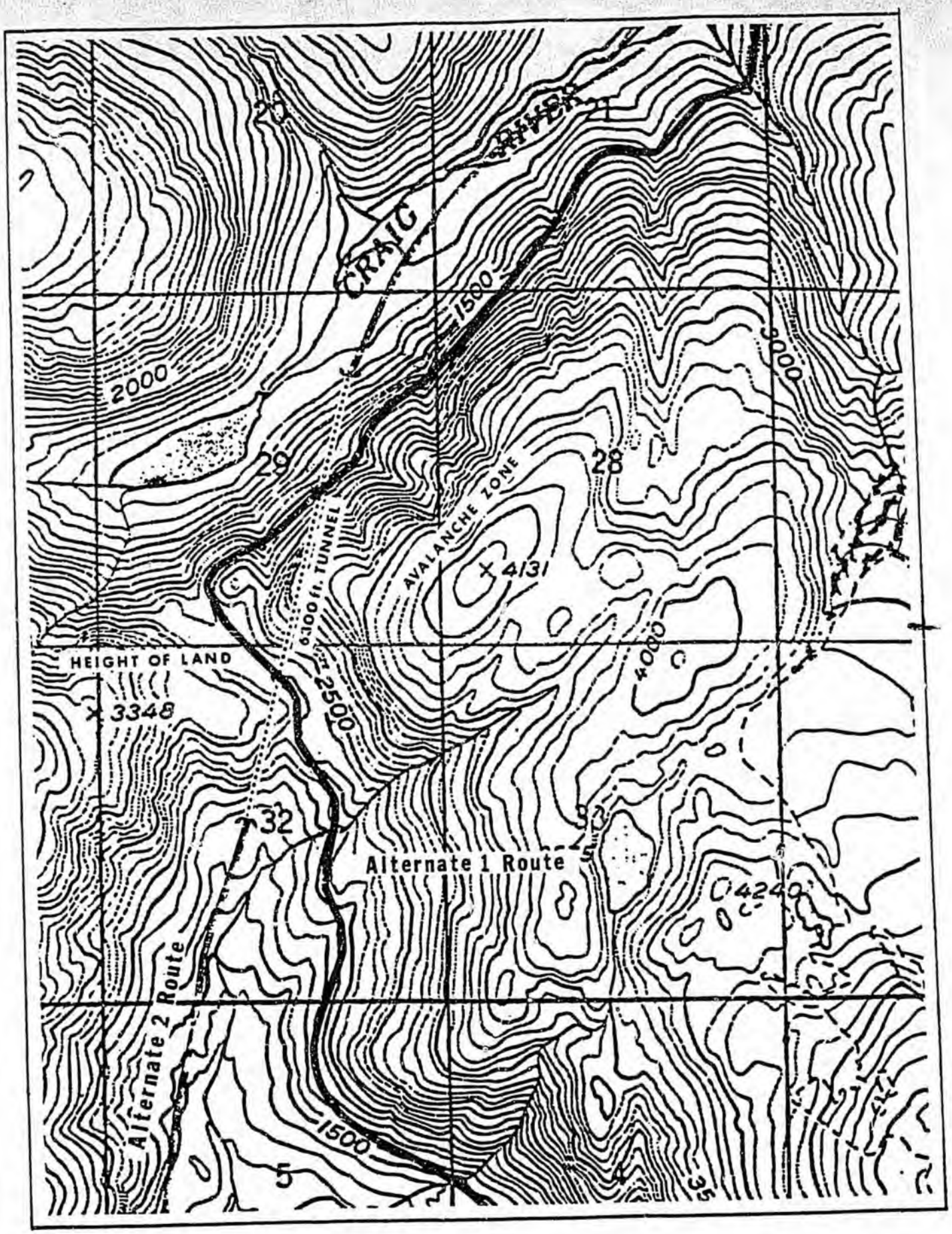
5.2.3.1. *Alternative 1.- Continuous Surface Road*

This alternative would involve construction of a continuous surface road from the marine terminal site to the Canadian border. The routing would require construction of 31.0 miles of road which will have basically a sustained gradient of 8% from M.P. 21 to M.P. 25.0 at the height of land, then a continued sustained 8% down to the Craig River at M.P. 29.4. The route also traverses excessively steep side slopes between M.P. 25 and M.P. 27 where a full bench roadway section as well as numerous avalanche sheds to protect the road users during winter travel will be required.

5.2.3.2. *Alternative 2.- Road/Tunnel*

This alternative uses a surface road with a 6300 foot long tunnel that allows the route to pass through the most adverse terrain area at the height of land between the two river drainages. It reduces the extended adverse road gradients as well as allowing the route to avoid the high avalanche zones. This routing would result in an overall route length of 30.2 miles between the marine terminal and the border. See figure 4, Height of Land Crossing.

An alternative that utilized an aerial tramway for crossing the adverse terrain at the height of land between the two river drainages was considered, but dropped. Though initial construction costs for this alternative were the least expensive of the three considered, the requirement for transfer of goods and materials between the tramway and ground transport vehicles and the expense of operation and upkeep, resulted in the alternative appearing to be uneconomical.



Bradfield Industrial Road Feasibility Study

HEIGHT OF LAND CROSSING

SCALE 1" = 2000 FEET

FIGURE 4

5.2.4. CONSTRUCTION COST ESTIMATES

Based on location of the planned road and its construction standards, the U.S. Forest Service Cost Estimating Guide for the Tongass National Forest was used as the base for estimating the road and drainage structure construction costs. The estimated costs were also evaluated against State of Alaska construction costs as well as other cost estimate data to help assure reasonableness.

Costs for the tunneling are based primarily on data from the contractor who constructed the tunnels for the Snettisham Powerhouse tap of Crater Lake and those of a recent access tunnel at the Kensington Mine just north of Juneau. The Crater Lake bore was a 11' high, horseshoe bore while the Kensington access was a 15' high by 20' wide bore. Tunneling cost figures from past DOT/PF cost estimates and from Canadian construction projects were also analyzed. The tunneling costs reported below are estimated for a 30 feet wide by 20 feet high bore, design standards meeting Federal Highway standards. Costs for reducing to a 20 feet by 15 feet bore are estimated to be 40 percent lower than that reported for the larger bore. Based on information gathered, it appears that if the larger tunnel is needed at some future date, it would be most cost effective to do the larger bore initially.

	CONTINUOUS SURFACE ROAD	ROAD/TUNNEL
Road Mileage	31.0 mi.	29.0 mi.
Tunnel		6300 ft.
Road Construction	$6,168,000	$4,807,000
Bridges	2,850,000	2,715,000
Snow Sheds	4,840,000	
Tunnel		9,261,000
Subtotal	13,858,000	16,783,000
Mobilization	416,000	424,000
Construction Camp Costs	439,000	488,000
Construction Staking	191,000	229,000
Contingency (20%)	2,772,000	3,357,000
Preliminary Engineering	768,000	722,000
TOTAL	$18,444,000	$ 22,003,000

*Construction of a Bradfield Canal marine terminal is estimated at $3,000,000.00

5.2.5. MAINTENANCE AND OPERATION COSTS

Costs for both summer and winter maintenance of road are based on Department of Transportation and Public Facilities estimates. Data collected form the British Columbia Ministry of Transportation personnel indicate lower costs might likely be experienced, but based on discussions with those involved with this project and the costs being experienced on the road between Skagway and Carcross, it was felt that the best approach would be to use the higher cost figures.

	CONTINUOUS SURFACE ROAD	ROAD/TUNNEL
Summer Mtc.	$404,000	$348,000
Winter Mtc.	402,000	335,000
Avalanche Control	80,000	20,000
TUNNEL Mtc. & Operation	-	120,000
TOTAL M&O	$886,400	$823,000

* Mtc. & Operation of Marine Terminal - $30,000

5.2.6. HAUL COST ESTIMATES

Two sets of haul cost data were generated to allow doing two separate cost benefit analysis. The first is to look at the differences in cost between the two Bradfield road alternatives. This was done to allow expanding the overall cost benefit analysis to recognize the haul costs savings in that the road/tunnel route does help minimize adverse haul gradients. The second set of data was generated to do a cost benefit analysis of the Bradfield Route versus hauling of the resource material to the marine terminal at Stewart, British Columbia.

The haul cost estimates for the Canadian resources are estimated from that point on the transportation route where the alternative between using the Bradfield Route or going to the Cassiar Highway and down to Stewart could be made. There was no attempt made to try to estimate costs for the other portions of the Canadian routes. The costs used for these routes are general in nature as data for the actual road

gradients is not readily available. This data would certainly need further expansion before one could make any actual haul direction determinations.

HAUL COSTS BY ROUTE

Bradfield River Alternative 1. (Continuous Surface Road)

Terminal to Border

Highway Vehicles	$24.69/ton
Off-Highway Vehicles	$21.85/ton

Border to Terminal

Highway Vehicles	$24.55/ton
Off-Highway Vehicles	$21.97/ton

Bradfield River Alternative 2. (Road/Tunnel)

Terminal to Border

Highway Vehicles	$22.47/ton
Off-Highway Vehicles	$19.65/ton

Border to Terminal

Highway Vehicles	$22.31/ton
Off-Highway Vehicles	$19.46/ton

6.0 ECONOMIC ANALYSIS OF ALTERNATIVES

The evaluation of alternatives was initiated with a comparison between the two route alternatives(road vs. road/tunnel) for the Bradfield Road. It is concluded the primary difference between the two Bradfield alternatives is the additional costs in construction of the tunnel. In the initial analysis, a smaller tunnel bore(20' x 15') was considered and indicated the road/tunnel alternative to be the preferred alternative. When the larger bore(30' x 20') was incorporated in the analysis, for reasons of addressing Federal Highway standards, the road became the better alternative, but with less than 2% rate of return over the road/tunnel alternative. Considering the haul cost savings and the likelihood of being better able to maintain a transportation corridor year around through use of the tunnel, the remainder of the economic analysis was run using the road/tunnel alternative for the Bradfield route.

Three comparisons were then evaluated between the Bradfield Route, using the road/tunnel alternative, and the Iskut/Stewart Route. For these comparisons, the construction and haul costs analysis used the mineral and timber properties as point of origin with contrasting destination of Bradfield terminal site vs. Stewart port.

The first of the three Bradfield-Iskut route comparisons looked at the relationship between the two routes considering just construction and maintenance and operation costs. The second comparison included the haul cost expense, but did not include the marine terminal at Bradfield Canal. This was done to provide a comparison of costs recognizing that if Stewart is to be used as the shipping point, there would most likely be similar costs in improving the terminal facilities there. In light of the rate of return found in the second comparative analysis, a third analysis was done to compare the alternatives with inclusion of the marine terminal costs at Bradfield Canal alone. The haul cost relationship proves to be the significant cost parameter throughout this evaluation. The haul cost saving associated with the shorter Bradfield route identifies this route as the preferred alternative.

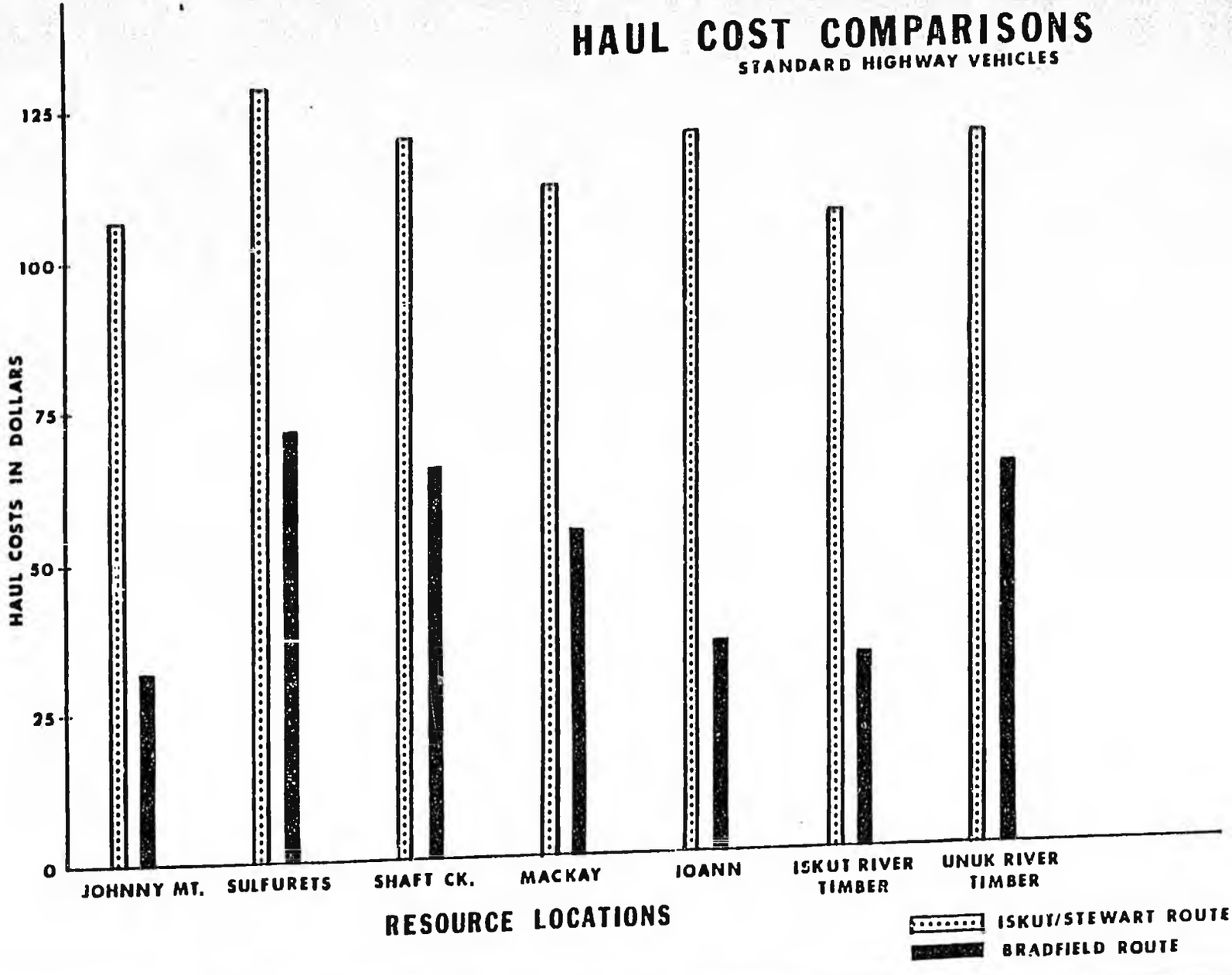
The analysis of the alternatives used a 20 year life, a minimum rate of return of 10% and a 5% per year increase in annual expense costs. The evaluation of the two Bradfield routes and the Bradfield - Iskut/Stewart alternatives assumed an initial haul volume of 30,000 tons with an annual increase of 5%. As the reduction in haul costs by use of the Bradfield is significant, any increase in annual haul volume results in an increase in the rate of return for the Bradfield Route. The construction, M&O and haul costs for the three evaluations was based on an average of mileage and costs associated with seven of the properties accessed. (See Figure 5)

The costs associated with use of both off highway and on highway vehicles were analyzed. As it is unlikely that off highway vehicles would be allowed on the Cassiar Highway, the cost benefit analysis were done using on highway vehicle costs only.

FIGURE 5

HAUL COST COMPARISONS

STANDARD HIGHWAY VEHICLES



6.1 BRADFIELD ROUTE ALTERNATIVES EVALUATION

Alternative 1- Continuous Surface Road
Alternative 2- Road/Tunnel
*includes Construction, Operation and Maintenance, and Haul cost

MRRR (%): 10
Study period (years): 20
Tax status: Before-tax analysis

	ROAD	ROAD/TUNNEL
Investment value ($):	1.8444E+07	2.2003E+07
Salvage value ($):	0	0
Economic life (years):	20	20
Present worth ($):	-3.711962E+07	-3.904228E+07
Annual worth ($):	-4360056	-4585891
Rate of return (%):	1.944441	

The better alternative is: ROAD

	ROAD			ROAD/TUNNEL		
Year	Annual Income	Annual Expense	Annual Tax	Annual Income	Annual Expense	Annual Tax
1	$0.	$1,541,900.	$0.	$0.	$1,406,800.	$0.
2	$0.	$1,618,995.	$0.	$0.	$1,477,140.	$0.
3	$0.	$1,699,945.	$0.	$0.	$1,550,997.	$0.
4	$0.	$1,784,942.	$0.	$0.	$1,628,547.	$0.
5	$0.	$1,874,189.	$0.	$0.	$1,709,974.	$0.
6	$0.	$1,967,898.	$0.	$0.	$1,795,472.	$0.
7	$0.	$2,066,293.	$0.	$0.	$1,885,246.	$0.
8	$0.	$2,169,607.	$0.	$0.	$1,979,508.	$0.
9	$0.	$2,278,088.	$0.	$0.	$2,078,483.	$0.
10	$0.	$2,391,992.	$0.	$0.	$2,182,408.	$0.
11	$0.	$2,511,591.	$0.	$0.	$2,291,528.	$0.
12	$0.	$2,637,171.	$0.	$0.	$2,406,104.	$0.
13	$0.	$2,769,029.	$0.	$0.	$2,526,409.	$0.
14	$0.	$2,907,481.	$0.	$0.	$2,652,729.	$0.
15	$0.	$3,052,855.	$0.	$0.	$2,785,366.	$0.
16	$0.	$3,205,497.	$0.	$0.	$2,924,634.	$0.
17	$0.	$3,365,772.	$0.	$0.	$3,070,865.	$0.
18	$0.	$3,534,060.	$0.	$0.	$3,224,408.	$0.
19	$0.	$3,710,763.	$0.	$0.	$3,385,629.	$0.
20	$0.	$3,896,301.	$0.	$0.	$3,554,910.	$0.

6.2 BRADFIELD ROUTE vs ISKUT-STEWART ROUTE EVALUATION 1

*includes Construction , Maintenace and Operation Cost

MRRR (%): 10
Study period (years): 20
Tax status: Before-tax analysis

	BRADFIELD ROUTE	ISKUT\STEWART ROUTE
Investment value ($):	2.88516E+07	1.66268E+07
Salvage value ($):	0	0
Economic life (years):	20	20
Present worth ($):	-4.589087E+07	-4.267262E+07
Annual worth ($):	-5390325	-5012309
Rate of return (%):	6.508346	

The better alternative is: ISKUT\STEWART ROUTE

	BRADFIELD ROUTE			ISKUT\STEWART ROUTE		
Year	Annual Income	Annual Expense	Annual Tax	Annual Income	Annual Expense	Annual Tax
1	$0.	$1,406,800.	$0.	$0.	$2,150,400.	$0.
2	$0.	$1,477,140.	$0.	$0.	$2,257,920.	$0.
3	$0.	$1,550,997.	$0.	$0.	$2,370,816.	$0.
4	$0.	$1,628,547.	$0.	$0.	$2,489,357.	$0.
5	$0.	$1,709,974.	$0.	$0.	$2,613,825.	$0.
6	$0.	$1,795,472.	$0.	$0.	$2,744,516.	$0.
7	$0.	$1,885,246.	$0.	$0.	$2,881,741.	$0.
8	$0.	$1,979,508.	$0.	$0.	$3,025,828.	$0.
9	$0.	$2,078,483.	$0.	$0.	$3,177,120.	$0.
10	$0.	$2,182,408.	$0.	$0.	$3,335,975.	$0.
11	$0.	$2,291,528.	$0.	$0.	$3,502,774.	$0.
12	$0.	$2,406,104.	$0.	$0.	$3,677,912.	$0.
13	$0.	$2,526,409.	$0.	$0.	$3,861,808.	$0.
14	$0.	$2,652,729.	$0.	$0.	$4,054,898.	$0.
15	$0.	$2,785,366.	$0.	$0.	$4,257,643.	$0.
16	$0.	$2,924,634.	$0.	$0.	$4,470,525.	$0.
17	$0.	$3,070,865.	$0.	$0.	$4,694,051.	$0.
18	$0.	$3,224,408.	$0.	$0.	$4,928,753.	$0.
19	$0.	$3,385,629.	$0.	$0.	$5,175,191.	$0.
20	$0.	$3,554,910.	$0.	$0.	$5,433,950.	$0.

6.3 BRADFIELD ROUTE vs ISKUT-STEWART ROUTE EVALUATION 2

*includes Construction , Maintenace and Operation Cost, and Haul Cost

MRRR (%): 10
Study period (years): 20
Tax status: Before-tax analysis

	BRADFIELD ROUTE	ISKUT/STEWART ROUTE
Investment value ($):	2.88516E+07	1.66268E+07
Salvage value ($):	0	0
Economic life (years):	20	20
Present worth ($):	-5.58034E+07	-8.48299E+07
Annual worth ($):	-6554647	-9964087
Rate of return (%):	32.60027	

The better alternative is: BRADFIELD ROUTE

	BRADFIELD ROUTE			ISKUT/STEWART ROUTE		
Year	Annual Income	Annual Expense	Annual Tax	Annual Income	Annual Expense	Annual Tax
1	$0.	$2,225,200.	$0.	$0.	$5,631,000.	$0.
2	$0.	$2,336,460.	$0.	$0.	$5,912,550.	$0.
3	$0.	$2,453,283.	$0.	$0.	$6,208,177.	$0.
4	$0.	$2,575,947.	$0.	$0.	$6,518,585.	$0.
5	$0.	$2,704,744.	$0.	$0.	$6,844,514.	$0.
6	$0.	$2,839,981.	$0.	$0.	$7,186,740.	$0.
7	$0.	$2,981,980.	$0.	$0.	$7,546,076.	$0.
8	$0.	$3,131,079.	$0.	$0.	$7,923,380.	$0.
9	$0.	$3,287,633.	$0.	$0.	$8,319,548.	$0.
10	$0.	$3,452,014.	$0.	$0.	$8,735,525.	$0.
11	$0.	$3,624,615.	$0.	$0.	$9,172,301.	$0.
12	$0.	$3,805,845.	$0.	$0.	$9,630,916.	$0.
13	$0.	$3,996,137.	$0.	$0.	%$10,112,461.	
14	$0.	$4,195,944.	$0.	$0.	%$10,618,084.	
15	$0.	$4,405,741.	$0.	$0.	%$11,148,988.	
16	$0.	$4,626,028.	$0.	$0.	%$11,706,437.	
17	$0.	$4,857,329.	$0.	$0.	%$12,291,758.	
18	$0.	$5,100,195.	$0.	$0.	%$12,906,345.	
19	$0.	$5,355,205.	$0.	$0.	%$13,551,662.	
20	$0.	$5,622,965.	$0.	$0.	%$14,229,244.	

6.4 BRADFIELD ROUTE vs ISKUT-STEWART ROUTE EVALUATION 3

*Includes Construction, Operation and Maintenance, Haul Cost, and Marine Terminal Cost

MRRR (%): 10
Study period (years): 20
Tax status: Before-tax analysis

	BRADFIELD ROUTE	ISKUT/STEWART ROUTE
Investment value ($):	3.18516E+07	1.66268E+07
Salvage value ($):	0	0
Economic life (years):	20	20
Present worth ($):	-5.916676E+07	-8.48299E+07
Annual worth ($):	-6949705	-9964087
Rate of return (%):	26.65364	

The better alternative is: BRADFIELD ROUTE

	BRADFIELD ROUTE			ISKUT/STEWART ROUTE		
Year	Annual Income	Annual Expense	Annual Tax	Annual Income	Annual Expense	Annual Tax
1	$0.	$2,255,200.	$0.	$0.	$5,631,000.	$0.
2	$0.	$2,367,960.	$0.	$0.	$5,912,550.	$0.
3	$0.	$2,486,358.	$0.	$0.	$6,208,177.	$0.
4	$0.	$2,610,676.	$0.	$0.	$6,518,585.	$0.
5	$0.	$2,741,210.	$0.	$0.	$6,844,514.	$0.
6	$0.	$2,878,270.	$0.	$0.	$7,186,740.	$0.
7	$0.	$3,022,183.	$0.	$0.	$7,546,076.	$0.
8	$0.	$3,173,292.	$0.	$0.	$7,923,380.	$0.
9	$0.	$3,331,957.	$0.	$0.	$8,319,548.	$0.
10	$0.	$3,498,554.	$0.	$0.	$8,735,525.	$0.
11	$0.	$3,673,482.	$0.	$0.	$9,172,301.	$0.
12	$0.	$3,857,156.	$0.	$0.	$9,630,916.	$0.
13	$0.	$4,050,013.	$0.	$0.	%$10,112,461.	
14	$0.	$4,252,514.	$0.	$0.	%$10,618,084.	
15	$0.	$4,465,139.	$0.	$0.	%$11,148,988.	
16	$0.	$4,688,396.	$0.	$0.	%$11,706,437.	
17	$0.	$4,922,815.	$0.	$0.	%$12,291,758.	
18	$0.	$5,168,956.	$0.	$0.	%$12,906,345.	
19	$0.	$5,427,403.	$0.	$0.	%$13,551,662.	
20	$0.	$5,698,773.	$0.	$0.	%$14,229,244.	

7.0 OTHER CONSIDERATIONS

7.1 POWER SUPPLY OPTIONS

Power supply options have been examined by B.C. Hydro for supplying regional power to the existing mine at Johnny Mountain as well as other potential mine developments throughout Northwest British Columbia. In all cases, the results were subject to unforseeable start-up dates for mine development and general uncertainties relating to the potential Stikine/Iskut hydro electric project.

Four power supply options are considered:

1) Extension from British Columbia Hydro's grid.
2) Hydro generation near mine sites (more creek for Shaft Creek and/or Stikine Copper, and small hydro, where identified, for other mines.
3) Diesel generators at mine sites
4) Extension from Tyee Lake Hydro at Bradfield Canal.

Option 1 Is contingent on the Stikine/Iskut Power Project, a forseeably delayed opportunity due to many environmental and political considerations.

Options 2 and 3 Suggest, in most cases, diesel operation is preferred to small hydro as an on-site source of electricity.

Option 4 The average energy costs from the Tyee Project should provide more efficient operation, improve power reliability, and is compatible with Regional Intertie System Development.

Power supply options 1 and 4 are biased upward for mines and potential mines where supplemental diesel operation is required because of the start-up date of the mine precedes the earliest, feasible, in-service date for another source of power such as the potential Stikine/Iskut power project or Tyee Power. Thus, if mine start-up is sensitive to power costs, it may be advantageous for some potential mines to delay production until after a network power project proceeds.

This is not to suggest that a decision on the Stikine/Iskut or Tyee extension can be based on mine development in the region. Such a decision must be based on future regional energy demand, possible energy export demand and the successful negotiation of international agreements.

Extension of Tyee Hydroelectric Project power via the Bradfield Corridor is supported by the Alaska Power Authority consistent with Federal Law providing for the export and sale of electricity and electric power lines crossing international borders

(Department of Energy-Guide to Authorization Procedures, November 1980). A Harza Engineering Study released in October 1987, for the Alaska Power Authority - Transmission Intertie
Study concludes:

1) An economic potential for utilization of surplus power from Tyee, and
2) Interconnecting Tyee to various mining projects is supported, in most cases, by the close geographical proximity of District mining properties

7.2 FUNDING OPTIONS

An assessment of present and near term availability of capital funds for access road development required review of four principal sources:

1) State of Alaska General Fund
2) FHWA - (Federal Highway Funds)
3) AIDEA Funds - (Alaska Industrial Development and Export Authority)
4) Mining Industry Capitalization

Subject to source number 1) The state of Alaska General Fund appears very remote. Present capital funds are restricted to declining state revenues, and highly prioritized statewide public transportation objectives. In simple terms the general fund allocation in it's present form and rate of growth is regionally and fractionally apportioned to meet diverse operational needs. The net effect being a poor source for single-use capital intensive investment.

Subject to source number 2) The 1988 Federal Highway Fund apportionment for the State of Alaska was $150-160 million. The Department of Transportation S.E. Region allocation was less than 10 percent or roughly $13 million. For the same problematic reasons as the State General Fund, the Southeast Regional Funds are allocated throughout the region for public transportation needs and provide little opportunity for access road development.

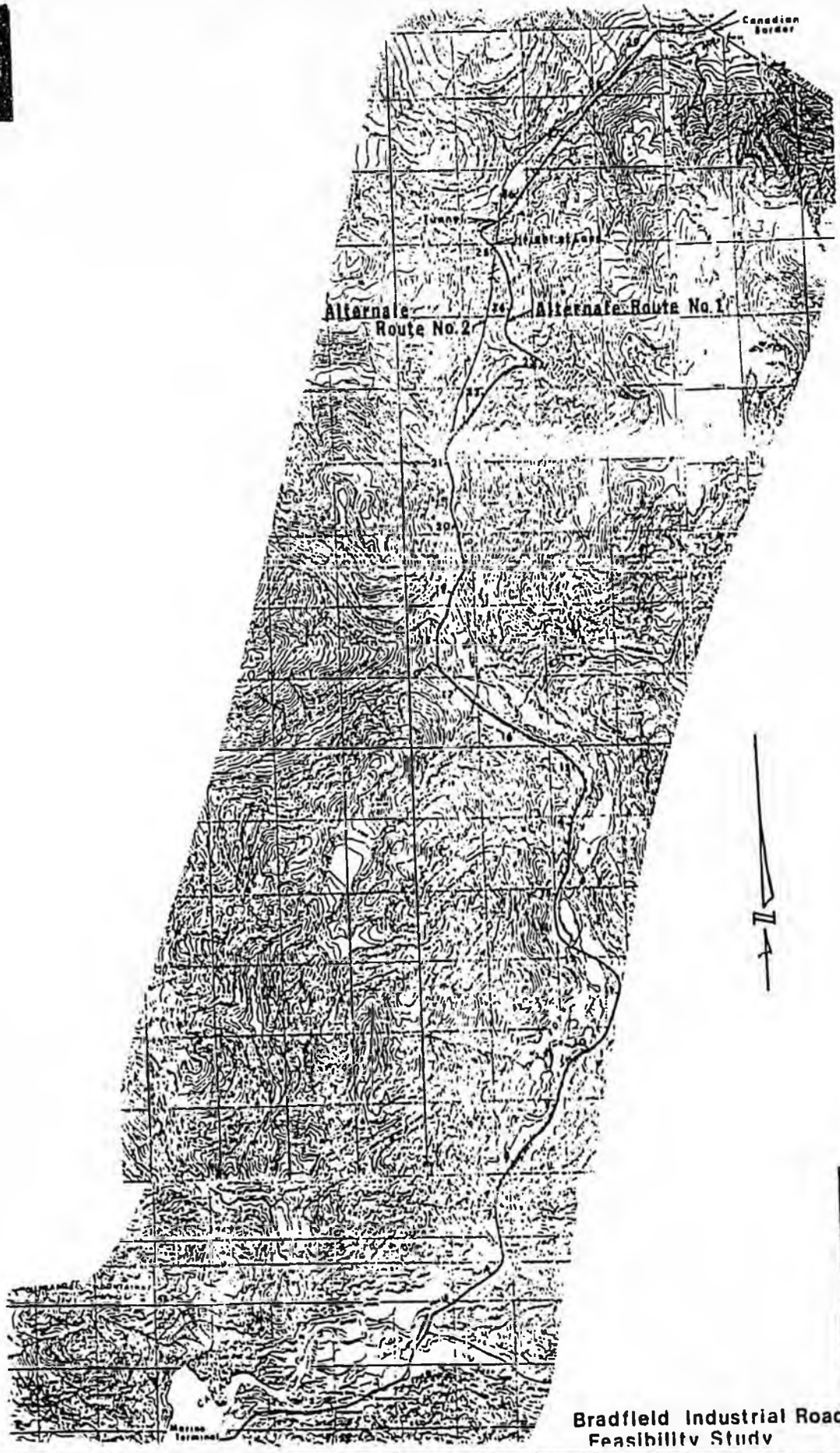
Subject to source number 3) The Alaska Industrial Development and Export Authority Funds provide the greatest opportunity for access road capital funds. The authority was created by the Alaska State Legislature in 1967 pursuant to the Industrial Development Act to finance industrial and business enterprises for the purpose of promoting the general properity and economic welfare of the people of the state, and to relieve problems of unemployment.

In February 1987 an AIDA agreement entitled Delong Mountain Transportation Project, provided for the authority to construct, own and operate a 52 mile road and deepwater port to serve the Red Dog Mineral Deposit. Proceeds from revenue

bonds issued by the authority and state appropriations ensure project financing. The initial principal user of the project is Cominco Alaska Incorporated, and under the agreement Cominco is to pay the authority established Toll Fees including certain "Pledged Revenues" or minimum annual assessment. Total project expenditures are assigned at $165 million. Toll charges are presently assessed at a rate which is expected to repay construction costs over a 50-year period, inclusive of a 6.5 percent rate of return. The tolls may be reevaluated, and subject to change, based on volume and value shipped.

Authority funding for the Bradfield Industrial Road would be dependent upon satisfactory arrangements being consumated between the users of the facility and the Authority. Those user(s) agreements would have to contain acceptable financial provisions to ensure that funds utilized for the construction and operation of the facility would be repaid by those using the transportation system. Arriving at such mutually satisfactory agreements will require direct negotiations between the potential users as well as the Government of British Columbia and the State of Alaska.

Subject to source number 4) Canadian mining industry capitalization for access road and port development. Recommendations are for the Alaska Department of Transportation to maintain dialogue with the Canadian study team evaluating Iskut River access routes and associated cost estimates. Upon completion of the Iskut Corridor study, cost completion and user efficiency may be more clearly defined against the Bradfield alternative. In the past, the British Columbia Province has expected the private sector to take the lead responsibility for mine access road development. This position has only strengthened with poor outllooks for provincial infrastructure capital. The Canadian mining industry will carefully evaluate salt water access with maximum utility and minimal debt service for long term mine viability.



Bradfield Industrial Road
Feasibility Study

HB

311

SENATE FINANCE COMMITTEE REPORT

DATE: 2/22/90

FURTHER:

DATE TURNED INTO OFFICE: 3/15/90

The Finance Committee considered CSHB 311 (Trsp)

Approviving the issuance of revenue bonds for construction of a road from Portage to Whittier and of the Bradfield River resource road; efd.

and recommended:

[ ] replace with ______ CS ______ [ ] same title
[ ] or adopt ______ CS ______ [ ] new title
[ ] technical title change (HB only)

[ ] attached amendment(s)
[ ] ______ letter of intent adopted

[✓] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to ______

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

[ ] fiscal note(s) ______

[ ] zero fiscal note(s) ______

[ ] appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

[✓] fiscal note(s)
100.0 DOT 2/5/90
-0- 91, $4,798.7-93, DOR 1/31/90

[ ] zero fiscal note(s) ______

SIGNING DO PASS:

[signatures]
Paul Fischer

1. [signature] (Do Pass) -- 2. ______

Co-Chairs: Signatures and Recommendations

OTHER RECOMMENDATIONS:

A/B

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: CSHB 311 (Trans)
PUBLISH DATE: 2/6/90

REQUEST: FISCAL NOTE

Adopted

Revision Date: 2/05/90
Title: Revenue Bonds for Portage to Whittier and Bradfield River Roads
Sponsor: House Transportation
Requestor: Kubina

Agency Affected: DOT&PF
BRU:
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	100.0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	100.0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	100.0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	100.0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Funding is to determine the financial feasibility of constructing and operating a Portage to Whittier and Bradfield River Resource toll road under authority of Alaska Statutes 37.15.610-37.15.760, as amended by Legislation enacted in Chapter 165, SLA 1988.

Prepared by: W. Keith Gerken
Division: Deputy Commissioner, Operations

Phone: 465-3900
Date: Feb. 5, 1990

Approved by Commissioner: Mark S. Hickey
Agency: Department of Transportation and Public Facilities

Date: 2/5/90

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

STATE OF ALASKA
1990 LEGISLATIVE SESSION

Bill Version: CS HB 311 (Trans)
Publish Date: 2/6/90

Adopted

FISCAL NOTE

REQUEST:
Revision Date:
Agency Affected: State Bond Committee
Title: $49,300,000 Revenue Bonds for Portage to Whittier and Bradfield River Roads
BRU:
Sponsor: Senate Transportation
Components:
Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	4,798.7	4,798.7	4,798.7	4,798.7
TOTAL OPERATING	0	0	4,798.7	4,798.7	4,798.7	4,798.7
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	4,798.7	4,798.7	4,798.7	4,798.7
TOTAL	0	0	4,798.7	4,798.7	4,798.7	4,798.7

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Fiscal effect for FY 90 is zero.
$2,628,100 annual debt service for Portage to Whittier Road and $2,170,600 annual debt service for Bradfield River Road on $27 million and $22.3 million revenue bonds respectively. 30 year maturities and 9 percent interest estimated on bonds. Fund source is Toll Facilities Construction Fund for FY 92-93 and Toll Facilities Revenue Fund thereafter. Construction assumed to begin FY 93.

Prepared By: Milt Barker MB
Phone: 465-2350
Division: Treasury
Date:
Approved by Commissioner:
Date: Jan 31, 1990
Agency: Department of Revenue

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget

Offered: 5/4/89 6-1315E
Referred: Finance

Original sponsor: Cato

IN THE HOUSE BY THE TRANSPORTATION COMMITTEE

CS FOR HOUSE BILL NO. 311 (Transportation)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act approving the issuance of revenue bonds for construction of a road from Portage to Whittier and of the Bradfield River resource road; and providing for an effective date."

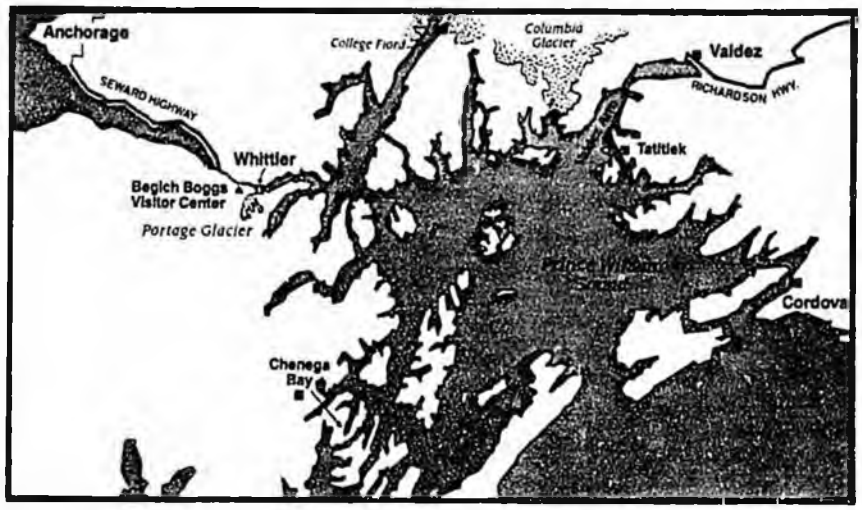
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. In accordance with AS 37.15.610, the issuance of revenue bonds in an amount up to $27,000,000 for the construction of a road from Portage to Whittier by the Department of Transportation and Public Facilities under AS 37.15.610 - 37.15.760 is approved.

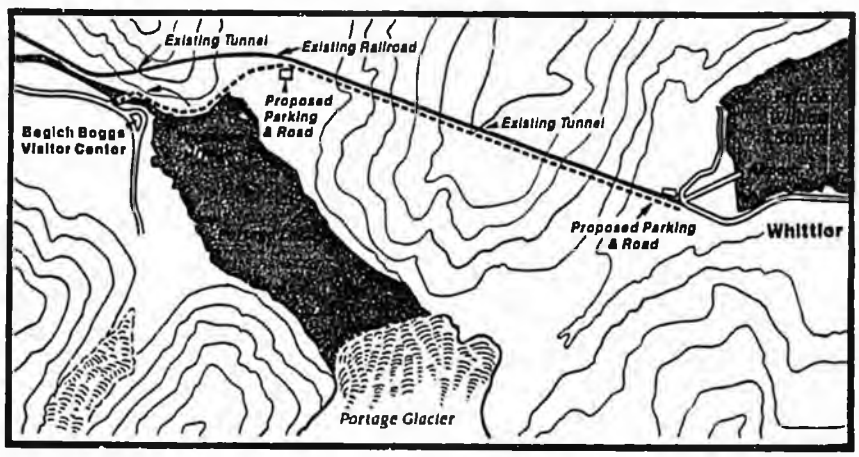
* Sec. 2. In accordance with AS 37.15.610, the issuance of revenue bonds in an amount up to $22,300,000 for the construction of the Bradfield River resource road by the Department of Transportation and Public Facilities under AS 37.15.610 - 37.15.760 is approved.

* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

Support Road Access To Prince William Sound



The proposed road would start near the Portage parking lot, bridge Portage River, and use the existing tunnels by paving the rail bed.



East/west rail and vehicle schedules would co-ordinate traffic. Turn-outs would be built into the tunnels.

PRINCE WILLIAM SOUND
ACCESS ALLIANCE

Endorsed By:
The Alaska Railroad Corporation
The City of Whittier
Prince William Sound Tourism Coalition
Chugach Alaska Corporation

Prince William Sound Access Alliance
200 West 34th Ave., Suite 206
Anchorage, Alaska 99503

Prince William Sound, An Exciting Recreational Opportunity

More than half the population of Alaska lives less than an hour from Prince William Sound. Easy access to Whittier opens up thousands of miles of sea coast to fishing, boating, and family camping.

Road access to Prince William Sound would enable you to load the family into the car at 8:00 a.m., hook up the boat, and be on the water and fishing by 10:00 a.m.

Access Via The Whittier Tunnel

24 hour road access to the clear blue waters of Prince William Sound, via Whittier, has been a dream of many Alaskans. What prevented it from happening was the cost of building a road over the mountains. But there is a simple, inexpensive solution – use the existing rail bed and tunnels already in place.

The road to Whittier would start near the parking lot for Portage Glacier. A bridge would be built to span Portage River. By grading and paving the rail bed, much like the way tracks cross a highway, we would have one-lane road access to Prince William Sound.

Turn-outs would be added to existing tunnels for disabled vehicles. And by scheduling east/west vehicle traffic around train schedules, we would have simple, safe road access to Whittier. By making it a toll-road, the costs of construction would be paid by recreational boaters, wilderness adventurers, commercial fishermen, and tourists – who just might want to add a trip to the Sound to their Portage visit.

Support Road Access To Whittier.

VOTERS c/o Tell Ya anything?

AREAS OF ALASKA AMONG ALL ADULTS
BY
POLITICAL AND GENERAL DEMOGRAPHICS, BEHAVIORS AND PERCEPTIONS

COLUMN PERCENTS
OCTOBER 20TH THROUGH OCTOBER 28TH, 1989
SAMPLE SIZE = 524; MARGIN OF ERROR = + OR - 4.28%

	AREAS OF ALASKA:					TOTAL
	Valdez-Kenai-MatSu + or - 13.5%	Anchorage + or - 7.6%	Fairbnks Area + or - 13.6%	Cordova + or - 8.0%	Glenn-allen Area + or - 9.6%	COL %
STATE BUILDING NEW HIGHWAYS:						
Favor	72.7%	82.2%	81.3%	79.2%	81.5%	80.0%
Oppose	27.3%	17.8%	18.7%	20.8%	18.5%	20.0%
STATE BUILDING HIGHWAY TO WHITTIER:						
Favor	57.8%	60.1%	64.5%	72.7%	71.6%	60.5%
Oppose	42.2%	39.8%	35.5%	27.3%	28.4%	39.5%
RECREATIONAL DEVELOPMENT OF PRINCE WILLIAM SOUND:						
Favor	86.2%	85.0%	76.6%	78.1%	83.6%	83.7%
Oppose	13.8%	15.0%	23.4%	21.9%	16.4%	16.3%
STATE COMPLETING THE COPPER RIVER HIGHWAY:						
Favor	75.4%	78.1%	74.9%	57.0%	83.8%	76.9%
Oppose	24.6%	21.9%	25.1%	43.0%	16.2%	23.1%
ALASKAN RESIDENCY:						
1983 to 1985	15.4%	23.1%	26.9%	21.5%	15.8%	22.2%
1976 to 1982	21.5%	25.5%	17.4%	24.9%	24.8%	22.0%
1967 to 1975	31.4%	27.7%	32.2%	23.2%	22.5%	29.3%
Before 1967	31.7%	25.6%	23.4%	30.4%	38.9%	26.5%
AGE OF RESPONDENT:						
18-24	1.5%	11.3%	12.0%	3.3%	4.8%	9.4%
25-29	10.2%	14.8%	17.1%	9.3%	6.0%	14.2%
30-34	17.2%	17.3%	13.0%	21.7%	13.1%	16.5%
35-39	24.0%	18.2%	24.8%	17.8%	22.6%	20.8%
40-49	13.1%	20.1%	26.3%	20.2%	25.1%	19.7%
50 Plus	34.0%	18.3%	7.8%	27.8%	28.4%	18.8%
TOTAL ROW PERCENT	20.1%	59.6%	19.0%	.8%	.7%	100.0%

HELLENTHAL & ASSOCIATES, INC.

HB 311
file

Whittier Seafoods, Inc.

"Fresh Fish From Alaska"
201 Barrow St., Ste. 101 • Anchorage • AK 99501
Ph. (907) 272-4177

TO: REP: Gene Kubina
ATTN: Monty
FAX: 465-4565

FROM: Larry J Imm
WHITTIER SEAFOODS INC.
FAX: 472-2324

Dear Monty:

Per our conversation on 3-5-90 in regards to the road project to Whittier.

We are a year round processing operation supplying fresh filets, round fish,and H&G fish to local,national and international markets. Due to the lack of access to Whittier many times we have missed markets,missed flights and had fish spoil because we could not transport the product out of Whittier. I have tried repeatedly to make arrangments with the Alaska railroad to move product with little or no success. Many times being a small operation we certainly dont have the quanity to justify a complete train which seems to be the only option available besides scheduled service.

Trying not to be totally negative about the service provided by the Alaska Railroad let me relate an incident that happened recently. For the past year we have been negotiating with a Japenese firm to represent our bottom fish on thier market.One of thier main concerns has been shipping out of Whittier and whether we could supply enough fish for thier market. After many meetings, phone calls, letters and other communications with the Japenese we convinced them we could meet thier criteria. On 28 Feb 1990 Mr. Hatakeyama from the Seattle office and Mr. Honsi from the Tokoyo office visited our Whittier facility but the 3:20 shuttle that is supposed to arrive at 3:55 arrived at 6:10 over two hours late. It's extremely hard to convince someone you can supply a product internationally when you can't even get it 11 miles. This is not a isolated incident and a situation I don't see improving unless we have road access to Whittier. I strongly support the Whittier road project and feel we need action now.

Yours Truly

Larry J Imm
President
Whittier Seafoods,Inc

MAR 12 1990

March 7, 1990

REPRESENTATIVE KUBINA
ALASKA STATE LEGISLATURE
P. O. BOX V (MS 3100)
JUNEAU, ALASKA 99811

DEAR REPRESENTATIVE KUBINA:

PLEASE GIVE YOUR SUPPORT TO FUNDING ROAD ACCESS TO WHITTIER.
WE USED TO LIVE PERMANENTLY IN WHITTIER BUT HAVE MOVED TO THE PALMER-WASILLA AREA. WE DO SPEND ABOUT FIVE MONTHS PER YEAR IN WHITTIER, AND HAD WE HAD ROAD ACCESS WOULD HAVE CHOSEN TO CONTINUE TO LIVE PERMANENTLY IN WHITTIER.

SINCERELY,

W.W. Klingler Dorothy Klingler

WILLIAM AND DOROTHY KLINGLER
P. O. BOX 639
PALMER, ALASKA 99645

P.S. I WOULD NOT BE ADVERSE TO A REQSONABLE TOLL CHARGE TO HELP DEFRAY THE COST.
WWK

March 10, 1990

Representative Kubina
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Dear Representative Kubina,

It has been brought to my attention that you are interested in opinions concerning the construction of a road from Portage Glacier to the port town of Whittier.

I have had a boat in Whittier harbor since 1976 and am currently a slip holder there. I am in favor of a road to Whittier. It is becoming increasingly more difficult to take adequate care of my boat during the off-season for the railroad. Emergencies and dangerous snowfalls often cannot be dealt with by me or my family living in Anchorage. Some seasons there are reliable people in Whittier to be hired to cope with problems and sometimes there are not.

Also, we have often experienced delays in getting equipment and supplies needed because of the limitations of the train schedule.

The cost of using the train service has increased

MAR 12 1990

Richard W. Marshall
15040 Platinum Circle
Anchorage, AK 99516
March 10, 1990

Representative Kubina
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, AK 99811

Dear Representative Kubina:

I am writing to strongly support the proposal for road access to Whittier.

I have a sailboat in Whittier but the train schedule places severe restraints on the use of it and also on winter maintenance. Road access would allow the full enjoyment of the amenities that Prince William Sound has to offer without constantly having to consider train schedules. Winter maintenance would be a pleasure instead of a chore.

I also feel that both the town of Whittier and residents of Anchorage who now have no reason to visit Whittier would benefit immeasurably. Prince William Sound has so much to offer, but most people are not even aware how close to Anchorage it is.

Please make every effort to provide funding for this very worthwhile project.

Sincerely,

Richard W. Marshall

MAR 1 2 1990

March 8, 1990
11111 Navroc Circle
Anchorage, Alaska 99516
(907) 349-3610
FAX (907) 349-2407

Representative Kubina
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, AK 99811

Re: Whittier Access Road

Dear Representative Kubina;

This letter is to encourage you to provide support and funding for an every-day, easy to use road to Whittier. With the chance of oil revenues dropping, the road would be a good investment for the following reasons:

Tourism - Cruise ship passengers on land tours would spend more time touring instead of scheduling their activities around the shuttle train. Ferry vehicles and passengers would explore Whittier more and frequent the local businesses instead of immediately queuing for the train. The Whittier road would be a small extension to the Portage Glacier Road. Portage Glacier being the most frequented tourist facility in the state.

Fishing - Prince William Sound is very active in the limited entry fishery program. To get the product to the processors and market as soon as possible has a direct bearing on quality and price.

Inter-State Commerce - Trailer containers now loaded on railroad cars could be taken directly to their destination.

Physical and mental well being of residents and property owners - Road access would afford residents and property owners the opportunity to come and to go at will. Should anyone in Whittier need Anchorage medical care, it would be available at any time. Telephone and Electric repair personnel and equipment would be able to respond promptly to any emergency.

Thank you for your time and effort spent on this road project.

Sincerely,

Donald O. Saur

March 9, 1990

MAR 12 1990

RE - Road from Portage to Whittier

Dear Mr. Kubina,

I am a Commercial Fisherman and use the railroad excessively regular. Also am a member of AK Fishing Advisory committee. The train is unreliable most of the time. I believe the train is dangerous. But I have been stuck there until 3:00 AM because rocks fell on the engine + tore up tracks. I have had rocks fall on my windshield. One of my deck hands had to go out on a gurney through the tunnel. Medical reasons. I never have a sure schedule. Have been using train service for 8 years. Its the pitts.

I'm sure people in the ~~WOT~~ AK area would utilize the city more if we had easier access to our jobs + able to use a road. A lot safer + convienient.

Sincerely
Ken Miller
Whittier, AK
8900 Honeysuckle B
Anch. AK 99502

PLEASE NOTE: This is not a news release, this letter is not intended for general distribution. The right to reproduce is granted only with this restraint in mind.

Anchorage Alaska 3/6/90

The Exxon Valdez grounding and oil spill disaster has captured todays head lines. This I believe would be the right time for the State of Alaska to take a long hard look at their own public relations and Liability hazards.

To be specific, I have in mind a real darb. The short piggy back shuttle the Alaska Rail Road operates between Portage Station and the Port of Whittier on Prince William Sound.

This operation often termed a money loser by the railroad, exists today because this small town orphan is with out political clout. The Legislature with typical regional protectionism controlling their votes, have never seen the need to fund the few miles of highway involved.

This neglect has created an economic burden on this part of the State, but most importantly, we have created a situation that grows progressively worse each year as use of this port by the tourist industry increases year by year.

The Whittier route is about twelve miles by rail. Special R.R. cars are used to haul passanger filled automobiles and large busses. there is nothing new or unusual about this, it is a common pratice in Mexico as well as other less developed, road less countries.

What is unusual is that too my knowledge Alaska is the only undeveloped area that is foolish enough to risk not securing the carried vehicles to the R.R. Flat car!

The rails also cut through two mountian ranges via two tunnels a total of some five miles of unlined tunnels, which lack even roof bolts and wire to protect the trains from rock falls. This is most unusual in this day and age.

I do not believe these tunnels would pass a U.S. Bureau of mines inspection as a haulage tunnel, If Miners were transported to and from work through them! Do we Alaskans have less concern for our visitors and residents than the Mining industry has for their Miners?

During the season many thousands of tourists are landed and disembark in Whittier,often as many as three thousand a day.They travel as guests of the cruse ships,(over 50 in 89) the Alaska Marine highway ferry system and various other local tour operators.

They are shuttled to and from Whittier often in busses,forty to a buss,fourteen to sixteen to a train. Some including the walk on ferry passengers use two or more ninety passenger double decker R.R.cars. The remaining of the flat cars are used when available by locals and trucking firms hauling goods and also much fresh and frozen sea food products to the Anchorage Air Port.

There are some one thousand Passengers per train and they represent every walk of life,They are the loved ones of families around the world. Most were attracted to Alaska by the millions of dollars Alaska and the tour and cruse lines have invested in advertising and promotional programs.

From strictly a mercenary view these millions invested are at risk along with the lives of our Golden Geese. These precious lives are not a worthy gamble,Alaska has allowed a situation to develop here so filled with risk and fraught with danger,that the Exxon Valdez episode in retrospect will one day look quite inconsequential as a tragedy and public relations disaster.Unless immediate changes are made.

For just one horror filled moment I ask you to take a moment of your busy day and give thought to the unthinkable. What would be the consequences if there should be a rock fall the size of the one that derailed the train last year,off season thank god.

Picture in your mind the sudden violent derailment as the speeding locomotive strikes tons of fallen boulders.Busses,automobiles and trucks virtually take wing,the lighter vehicles are crushed like so much tissue paper by the heavier busses and trucks.

The stale air of the tunnel in seconds is filled with the fumes of gasoline,it is as though a giant atomizer had been used,the air is saturated and mixed with the heavier fumes of diesel fuel from the ruptured tank of the locomotive, it becomes very hard to breathe.

The sudden shock of the accident is followed by deep silence, no longer can the crashing and tearing of metal be heard,the screams are gone,there is only silence.It is pitch black in the unlighted tunnel.and now as the shock wears off the first sounds of life can be heard coming out of the darkness A low moaning sound grows loud.

Suddenly out of the inky blackness there is an intensely bright flash of light,a cigarette lighter perhaps, an electrical or static spark, it matters little or not for at that instance there is a huge all enveloping "POOF" the sound of exploding fuel.

The erie silence is now filled by the terror filled screams of hundreds,the voices of the doomed. Man, woman, Child it is all the same in the Hell that follows, for in only a few brief minutes the oxygen is burned out of the air.Once again there is silence,even the fire in its ferocity did not survive.

EXAGGERATION you say! The chances of this scenario happening I would wager are a MILLION or more times greater than the chances of the Exxon Valdez striking Bligh reef.Its a sucker bet if I ever saw one.I can not believe the State Legislature would knowingly take the gamble knowing the stakes.

A highway link to Whittier is vital as well to the future of Alaska and might be considered mighty cheap insurance.The rock fall in the tunnel last year,by the way required from saturday after noon to Monday morning to clean up. This in its self would be a major disaster had it occurred during the tourist season.Remember there is no way in or out of town except by sea and rail.

Thank you for your time and consideration I am,

James B Cawthon *

1885 East Tudor Rd.#303E

Anchorage,Alaska 99507

phone (907) 561 7347

The writer is a second generation Alaskan who at seventy is sincerely interested in the future of both the State and Alaskans.

MAR 1 2 1990

James B. Cawthon
1885 East Tudor Rd.#303E
Anchorage Alaska 99507

March 9, 1990

Alaska State Legislature
House of Representatives
P.O.Box V
Juneau, Alaska 99811

My Dear Legislator:

Please take the time out of your busy schedule and read the attached, you should find it of intrest.

The writer is not a professional and this will show in his work,But there is an extremely important situation exposed herethat demands the attention of all who cherish this great state.

Thank you, I am,

Sincerely,

J.B. Cawthon

ADOPTED AUGUST 1972

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381
FAX: (907) 874-3952

FEB 23 1990

February 16, 1990

Senator Rick Uehling
Alaska State Legislature
Post Office Box V (MS3100)
Juneau, Alaska 99811

Dear Senator Uehling:

Enclosed is a copy of City of Wrangell Resolution No.02-90-342, supporting CS HB311, for the issuance of revenue bonds for construction of the Bradfield Resource Road, a 12 month review of B.C. mining's economic contribution to Wrangell, and two location maps of the area.

During the past two decades AK DOT/PF has conducted no less than six reconnaissance studies searching for the route that will best serve the transportation needs of commerce and industry in Southeast Alaska and North West British Columbia.

The Bradfield route has been determined to be the most feasible. It is the shortest route to the sea. It does not infringe upon any wilderness area, and there is an ideal deep water port location at the head of the Bradfield Canal. A power corridor has already been established from the Tyee Power Plant along the Bradfield route to facilitate the sale of surplus power to mining operations in British Columbia.

Todays resource development in British Columbia has created a demand for access to the sea. The Skyline mine on Johnny Mountain is operational. The adjacent Cominco-Delaware mine will be operational this year and there are some 75 other mining companies in various stages of exploration and development in the Iskut region. The enclosed figures for Wrangell are the result of air transport to the Iskut mining region at todays operational level. The amount is miniscule compared to the traffic and dollar volume that will be generated throughout Southeast Alaska when road access to the coast is available.

Construction of the Bradfield Road and Port will provide the catalyst for development of an estimated 1 billion+ tons of known mineral deposits and 3 billion board feet of timber that is presently dormant for want of cost efficient transportation. Annual shipping volume is projected at 1.5 to 2 million tons, and the Bradfield road represents an average round trip savings of 226 miles to port when compared to any other possible route in the region.

The Canadians are actively pursuing construction of a road into the Iskut region from the east and have indicated a willingness to tie into the Bradfield Road at the border. They make no bones about the fact that they intend to open the region for resource development whether or not we build a road on our side of the border.

We have a golden opportunity to benefit from massive Canadian resource development now, and to nurture economic and social exchange with Canada forever.

Please support passage of CS HB311.

Sincerely,

Donald J. House
Mayor

DJH\jg

cc: Governor Steve Cowper
State of Alaska Sixteenth Legislature

encl.

CITY OF WRANGELL, ALASKA

RESOLUTION NO. 02-90-342

A RESOLUTION OF THE COUNCIL OF THE CITY OF WRANGELL, ALASKA IN SUPPORT OF COMMITTEE SUBSTITUTE HOUSE BILL #311, APPROVING THE ISSUANCE OF REVENUE BONDS FOR CONSTRUCTION OF THE BRADFIELD RESOURCE ROAD.

WHEREAS, there is a fundamental need for Southeast Alaska to diversify its economy to insure the future self-sufficiency and economic stability of the region; and

WHEREAS, economic development and diversification in Southeast Alaska is stifled by market inaccessibility, Jones Act restrictions, high tariffs and other obstacles directly attributable to insufficient transportation infrastructure; and

WHEREAS, a road linking Central Southeast Alaska and British Columbia will generate industrial, commercial and recreational opportunities for economic diversification in Southeast Alaska; and

WHEREAS, the State of Alaska has conducted numerous reconnaissance studies in Central Southeast Alaska in an effort to evaluate the optimum routing for a hard surface road to the mainland to unite with the Canadian road system forming an international link with Canada and the contiguous United States; and

WHEREAS, the reconnaissance studies have determined that a route through the Bradfield-Craig watershed with a deep water port at the head of the Bradfield Canal is the most viable from an engineering standpoint and least sensitive environmentally; and

WHEREAS, this routing is compatible with AK DOT/PF long range plans for expansion of transportation infrastructure in Southeast Alaska; and

WHEREAS, the State of Alaska has nominated 5,020 acres at the east end of Bradfield Canal for land selection for the purpose of port development to service the proposed road; and

WHEREAS, the State of Alaska has appropriated funding for an Environmental Impact Statement for the Bradfield Road and Port Project; and

Certified a true and correct copy of the original filed in my office.
Samuel K. Dunlevy
City Clerk 2/14/90
City of Wrangell 3 pages

WHEREAS, the Bradfield route is the shortest distance to the sea for existing mining operations in the Iskut and Sulpherets regions of British Columbia who would immediately utilize the road for export of raw materials and import of equipment and supplies; and

WHEREAS, the Bradfield road will initiate activation of a large number of known mineral deposits and timber resources that are presently dormant for lack of cost efficient transportation; and

WHEREAS, the volume of commerce that will be generated by easy access to the sea will provide an economic return that justifies the comparatively small cost of road and port development; and

WHEREAS, in the long term this intercontinental road system will open the door for maximum utilization of the United States Canada Free Trade Agreement and foster social, cultural and economic relationships beneficial to both countries; and

WHEREAS, said intercontinental road system will provide a viable alternate land route for the traveler easing the pressure on our overtaxed ferry system, provide an evacuation route in the event of a coastal catastrophe, and improve national defense in the event of foreign hostilities; and

WHEREAS, the Southeast Conference, The City and Borough of Juneau, the Ketchikan Gateway Borough, and the City of Petersburg have joined with the City of Wrangell and endorsed the Bradfield Road and Port Project by passing formal resolutions expressing their support for the project.

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

1. In the name of prudent economic development and the furtherance of a strong self-supporting economic base in Southeast Alaska we ask Governor Cowper and the Sixteenth Legislature of the State of Alaska to support passage of Committee Substitute House Bill #311.

2. We further request Governor Cowper and the Sixteenth Legislature of the State of Alaska to support affirmative action to implement the Environmental Impact Statement process for the Bradfield Road and Port Project.

3. The City Clerk is hereby directed to transmit copies of this resolution to:

   Governor Steve Cowper
   The Sixteenth Legislature of the State of Alaska

4. This resolution shall become effective on approval.

PASSED AND APPROVED: FEBRUARY 13, 1990

Mayor

ATTEST:

City Clerk

WRANGELL, ALASKA & B.C. MINING OPERATIONS

VOLUMES, VALUES & FLIGHTS

NUMBER OF INTERNATIONAL FLIGHT OPERATIONS WRANGELL AIRPORT

Year	1986	1987	1988	1989
# Flights	279	3,600	6,361	7,372

AIRCRAFT CARGO VOLUME 1/1/89 - 1/1/90

FUEL	10,169,590	LBS.
LUBRICANTS	144,108	LBS.
FOOD & SUNDRIES	474,726	LBS.
BLDG. & HARDWARE SUPPLIES	235,410	LBS.
EQUIP. REPAIR & FABRICATION	95,760	LBS.
PROPANE, ACETYLENE, OXYGEN ETC.	315,077	LBS.
MISC. EQUIPMENT & SUPPLIES	29,260	LBS.
IN TRANSIT HEAVY EQUIPMENT & SUPPLIES	5,245,376	LBS.
ORE CONCENTRATES	7,026,250	LBS.
TOTAL AIRCRAFT CARGO VOLUME	23,735,557	LBS.

AIRCRAFT CARGO VALUE (local purchase) 1/1/89 - 1/1/90

PETROLEUM PRODUCTS	$2,232,043
FOOD AND SUNDRIES	661,010
BUILDING, HARDWARE, AUTOMOTIVE	236,740
MISCELLANEOUS SERVICES (trucking, equipment repair, longshore, video rentals, hotel, meals etc.)	179,550
TOTAL LOCAL PURCHASES	$3,309,343

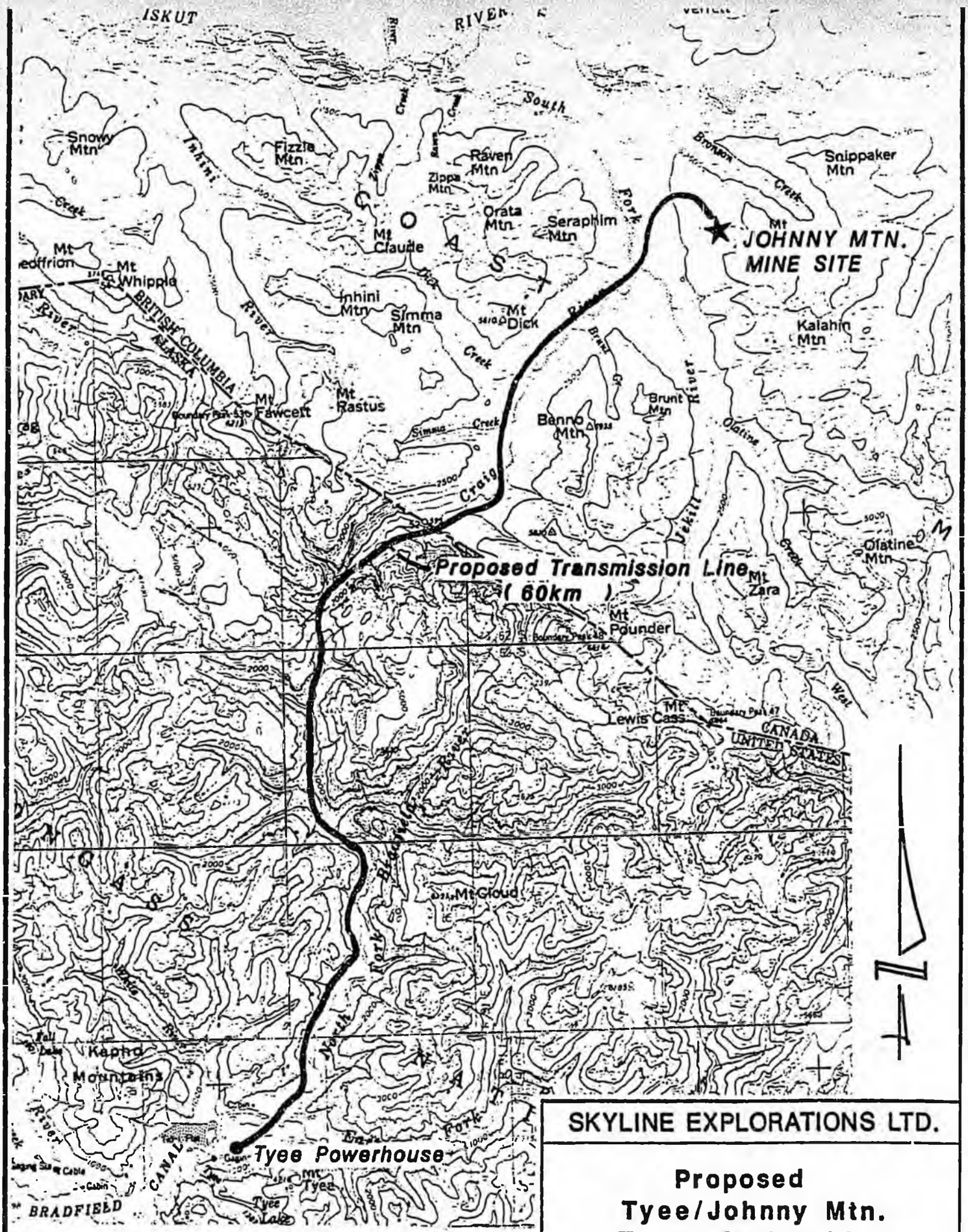
NEW BUSINESSES & JOBS AS A DIRECT RESULT OF MINING ACTIVITY

North Arm Expediting (new business)	4 employees
White Pass Oil (new business)	5 employees
Bradfield Electric (new business) (will have construction crew for power line)	1 employee
U.S. Customs	1 new employee
City Market	5 new employees
Diamond Aviation	1 new employee
Chevron Oil	1 new employee
Longshoremen	5 new jobs
Trans-Provincial Airlines (new business)	1 new job

TOTALS: 4 NEW BUSINESSES & 24 NEW JOBS

In addition there are 3 Canadian air carriers working out of Wrangell. Two servicing mining operations daily with 3 -4 employees staying in Wrangell. One transporting mining personnel for R & R one trip per week.

Estimated Overall Economic Value to Wrangell is in excess of $21,000,000.00.



SKYLINE EXPLORATIONS LTD.

Proposed Tyee/Johnny Mtn. Transmission Line

Scale	1 : 250 000	Date	88/02/22
N.T.S.	N.T.S. 104/B		

SKYLINE EXPLORATIONS LTD.

Johnny Mtn. Gold Mine

LOCATION MAP

Scale . 1:2 000 000	Date March, 1988
Ref.	

B

18

HOUSE COMMITTEE REPORT

File

(d1)
Date Referred: February 12, 1990 FURTHER REFERRALS:

Date of Committee Action: 3/20/90

The FINANCE Committee considered: HB 318

HOUSE BILL NO. 318 CODE OF FAIR CAMPAIGN PRACTICES

"An Act relating to the Fair Campaign Practices Code."

RECOMMENDATIONS:
[X] be replaced with CS HB 318(FIN) [X] the same title
[ ] a new title
[ ] have attached amendment(s)
[ ] do pass
[ ] do not pass
[X] no recommendation
[ ] individual recommendations
[ ] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Date/Dept)

[ ] fiscal impact _____ [ ] fiscal note(s) _____
[X] zero fiscal note ADOC [X] zero fiscal note(s) 2/12/90/Elections
[ ] zero with analysis _____ [ ] zero fn/analysis _____

SIGNING DO PASS:

Tam Brown BROWN
Pat Ulmer ULMER

SIGNING:
(Check approp. column)

	Do Not Pass	No Rec	Amend
Hoffman		X	
Carson		X	
Swackhammer		X	
Koponen		X	
Shultz		✓	
Phillips		✓	
Riegur		✓	
Barnes		✓	

Ronald J. Carson CARSON
Chairman's Signature
Hoffman HOFFMAN

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: CSHB 318(JUD) No. 2
PUBLISH DATE: HOUSE 2/12/90

FISCAL NOTE

REQUEST:

Revision Date: 2/1/90
Title: Relating to the Fair Campaign Practices Code
Sponsor: Rep. Finkelstein
Requestor: Rep. Finkelstein

Agency Affected: Office of the Governor
BRU: Elections
Components: 1 Elections

Adopted

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The fiscal impact for FY 90 is -0-.

Prepared by: Linda Edgeworth
Phone: 465-4611
Division: Division of Elections
Date: 1/31/90

Approved by Commissioner:
Date: 2-1-90
Agency:

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION : CSHB 318 (FIN)
PUBLISH DATE : 2/12/90

FISCAL NOTE

REQUEST:

Revision Date: 2/20/90
Title : An Act relating to the Fair Campaign Practice Code
Sponsor : Rep. Finkelstein
Requestor :

Agency Affected : Dept. of Administration
BRU : Alaska Public Offices Commission

Components :

Adopted

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Since the committee substitute transfers administration of this law from APOC to the Division of Elections there would be no fiscal impact on APOC.

Prepared by : Karla L. Forsythe, Executive Director — Phone : 276-4176
Division : Alaska Public Offices Commission — Date : 2/20/90
Approved by Commissioner : Annie Laurie Howard, Acting Chair — Date : 2/20/90
Agency : Alaska Public Offices Commission

Distribution (by preparer) :
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Original sponsor(s): BY REP. FINKELSTEIN, Wallis, M.Davis, Gruenberg, Menard, Ellis, Donley, Ulmer, Brown, Goll, Koponen, Boucher

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 318 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the Fair Campaign Practices Code."

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

* Section 1. AS 15.20 is amended by adding new sections to read:

ARTICLE 6. FAIR CAMPAIGN PRACTICES CODE.

Sec. 15.20.810. SUBSCRIPTION TO FAIR CAMPAIGN PRACTICES CODE. (a) The director shall prepare a form that contains the Fair Campaign Practices Code established under AS 15.20.820 with a place for a candidate to sign the form and to indicate that the candidate endorses, subscribes to, and pledges to abide by the code.

(b) The director shall provide a copy of the Fair Campaign Practices Code to each candidate who files a declaration of candidacy or nominating petition with the director. A candidate who agrees to comply with the Fair Campaign Practices Code shall sign the form and return the signed copy to the director at the time the candidate files a declaration of candidacy or nominating petition. A candidate who does not sign the Fair Campaign Practices Code does not violate a provision of this chapter.

Sec. 15.20.820. FAIR CAMPAIGN PRACTICES CODE. The Fair Campaign Practices Code is:

There are basic principles of decency, honesty, and fair play that every candidate for public office in the state has a moral obligation to observe and uphold in order that, after vigorously contested but fairly conducted campaigns, our citizens may exercise their

constitutional right to a free and untrammeled choice and the will of the people may be clearly expressed on the issues before the state. Therefore,

I will conduct my campaign without the use of personal vilification, character defamation, whispering campaigns, libel, slander, or scurrilous attacks on my opponent or the personal or family life of my opponent.

I will not use campaign material of any sort that misrepresents, distorts, or otherwise falsifies the facts nor will I use malicious or unfounded accusations that aim at creating or exploiting doubts, without justification, as to the loyalty and patriotism of my opponent.

I will not make any appeal to prejudice based on race, sex, creed, or national origin.

I will not undertake or condone any dishonest or unethical practice that tends to corrupt or undermine our American system of free elections or that hampers or prevents the free and full expression of the will of the voters.

Insofar as is possible, I will immediately and publicly repudiate support deriving from any individual or group that resorts, on behalf of my candidacy or in opposition to that of my opponent, to the methods and tactics that I have pledged not to use or condone.

* Sec. 2. AS 15.58.020 is amended by adding a new paragraph to read:

(11) the full text of the fair campaign practices code, a list of those candidates who have agreed to it, and a list of the telephone numbers of the division of elections accompanied by a statement that a member of the public who observes a violation of the fair campaign practices code should report the violation to the nearest

office of the division of elections.

Attachment 1
4/20/90
Adopted

AMENDMENT #1

To: CS HB 318 (Jud) By: PHILLIPS

On Page 2, line 2[illegible],

Delete Section 2 in its entirety, and insert in its place:

"*Sec. 2. AS 15.58.020 is amended by adding a new subsection to read:

(11) the full text of the fair campaign practices code, and a list of those candidates who have agreed to it, and a list of the telephone numbers of the elections offices in the state accompanied by a statement that a member of the public who observes a violation of the fair campaign practices code should report the violation to the nearest elections office.

Alaska State Legislature
House

Official Business

P.O. BOX V
State Capitol
Juneau, Alaska 99811

February 21, 1990

To: Rep. Hoffman, Co-Chair
Rep. Larson, Co-Chair
Finance Committee

From: Rep. Finkelstein

Re: Request for waiver of HB 318, the Fair Campaign Practices Code, from the Finance Committee

HB 318 is a very simple bill I introduced last year to give candidates the opportunity to sign the Fair Campaign Practices Code. There are no penalties for not signing the Code, and no enforcement for those who do sign it. HB 318 is just a voluntary approach to encourage honest, issue-oriented campaigns.

Last month a Finance Committee referral was added to HB 318 because I had mistakenly included the bill's provisions in the APOC statutes. The Judiciary Committee corrected this mistake and moved the bill's provisions to the Division of Elections. The Division plans to just copy the Fair Campaign Practice Code on the back of the declaration of candidacy form. Thus they have issued a zero fiscal note, a copy of which is attached.

I would greatly appreciate it if you would consider waiving HB 318. If you would like me to come to talk to you about it please let me know.

Thanks for your consideration.

Encl: HB 318 current fiscal note

Item 3

Alaska State Legislature
House

Official Business

P.O. BOX V
State Capitol
Juneau, Alaska 99811

January 10, 1990

MEMORANDUM

TO: Representative Red Boucher
State Affairs Committee Chairman

FR: Representative David Finkelstein

RE: Background on HB 318, Fair Campaign Practices Code

HB 318 is based on the Fair Campaign Practices Code adopted by Montana in 1979. Since that statutue was implemented, campaigns are considered to have gotten much cleaner there.

The Montana Commission of Campaign Practices is responsible for providing the code to all local, county and state candidates. Signing the code is voluntary although Commissioner Delores Colberg states no candidate has ever refused to sign the code.

Attachment

MONTANA CODE ANNOTATED

Adopted by Chapter 1, Laws of 1979

Gregory J. Petesch
Code Commissioner
&
Director Legal Services

Staff Attorneys

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H. David Cogley
Lee Heiman
Jim Lear
Valencia Lane
Mary Kelly McCue
Eddye McClure, Legal Reseacher
Doug Sternberg, Paralegal

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Published by
Montana Legislative Council
Room 138, State Capitol
Helena, Montana 59620
Telephone (406)444-3064
1987

13-35-230. Repealed. Sec. 407, Ch. 571, L. 1979.
History: En. 23-47-137 by Sec. 37, Ch. 334, L. 1977; R.C.M. 1947, 23-47-137.

13-35-231. Unlawful for political party to endorse judicial candidate. A political party may not endorse, contribute to, or make an expenditure to support or oppose a judicial candidate.
History: En. 23-47-138 by Sec. 38, Ch. 334, L. 1977; R.C.M. 1947, 23-47-138; amd. Sec. 223, Ch. 571, L. 1979.

Cross-References
Election of Supreme Court Justices, 3-2-101, 3-2-102.
Election of District Court Judges, 3-5-201, 3-5-202.
Election of Justice of the Peace, 3-10-201.
Violation as misdemeanor, 13-35-103.

13-35-232. Repealed. Sec. 407, Ch. 571, L. 1979.
History: En. 23-47-139 by Sec. 39, Ch. 334, L. 1977; R.C.M. 1947, 23-47-139.

13-35-233. Solicitation of votes on election day. (1) It is unlawful for a person or a political committee to place an advertisement supporting or opposing a candidate or a ballot issue for use on election day. Failure to remove billboards, yard signs, or posters on election day is not considered a violation.

(2) A person convicted of solicitation of votes on election day is guilty of a misdemeanor and shall be imprisoned in the county jail for a term not to exceed 6 months or be fined not to exceed $1,000, or both.
History: En. Sec. 1, Ch. 539, L. 1979.

13-35-234. Political criminal libel — misrepresenting voting records. (1) It is unlawful for any person to make or publish any false statement or charge reflecting on any candidate's character or morality or to knowingly misrepresent the voting record or position on public issues of any candidate. A person making such a statement or representation with knowledge of its falsity or with a reckless disregard as to whether it is true or not is guilty of a misdemeanor.

(2) In addition to the misdemeanor penalty of subsection (1), a successful candidate who is adjudicated guilty of violating this section may be removed from office as provided in 13-35-106 and 13-35-107.
History: En. Sec. 2, Ch. 539, L. 1979; amd. Sec. 1, Ch. 545, L. 1983.

Cross-References
When owner of radio station not held responsible for defamatory broadcast, 27-1-811.
Misdemeanor penalty, 46-18-212.

Part 3

Code of Fair Campaign Practices

13-35-301. Adoption of code of fair campaign practices. The following code of fair campaign practices is adopted by Montana:

"There are basic principles of decency, honesty, and fair play that every candidate for public office in the United States has a moral obligation to observe and uphold, in order that, after vigorously contested but fairly conducted campaigns, our citizens may exercise their constitutional right to a free and untrammeled choice and the will of the people may be fully and clearly expressed on the issues before the country. Therefore:

I will conduct my campaign in the best American tradition, discussing the issues as I see them, presenting my record and policies with sincerity and frankness, and criticizing without fear or favor the record and policies of my opponent and his party which merit such criticism.

I will defend and uphold the right of every qualified American voter to full and equal participation in the electoral process.

I will conduct my campaign without the use of personal vilification, character defamation, whispering campaigns, libel, slander, or scurrilous attacks on my opposition or his personal or family life.

I will not use campaign material of any sort which misrepresents, distorts, or otherwise falsifies the facts, nor will I use malicious or unfounded accusations which aim at creating or exploiting doubts, without justification, as to the loyalty and patriotism of my opposition.

I will not make any appeal to prejudice based on race, sex, creed, or national origin.

I will not undertake or condone any dishonest or unethical practice which tends to corrupt or undermine our American system of free elections or which hampers or prevents the full and free expression of the will of the voters.

Insofar as is possible, I will immediately and publicly repudiate support deriving from any individual or group which resorts, on behalf of my candidacy or in opposition to that of my opponent, to the methods and tactics that I have pledged not to use or condone."

History: En. Sec. 1, Ch. 475, L. 1979.

13-35-302. Candidates to be given opportunity to subscribe to campaign practices code — publicity. (1) The commissioner of campaign practices shall prepare a form which contains the code of fair campaign practices provided for in 13-35-301 and a place for a candidate to sign the form and to indicate that the candidate endorses, subscribes to, and pledges to abide by the code.

(2) Each candidate required to file statements or reports with the commissioner shall be sent a copy of this form. Signing the form is voluntary, and a failure or refusal to sign is not a violation of the election laws. A form shall be sent for each election as soon as feasible. The signed form shall be returned to the commissioner.

(3) The commissioner shall supply the secretary of state, the county registrars, and the city and town clerks with forms. Any candidate not required to file with the commissioner but wishing to subscribe to the code may obtain the form from the commissioner, the secretary of state, a county registrar, or a city or town clerk and may sign the form and deliver it to the commissioner.

History: En. Sec. 2, Ch. 475, L. 1979.

CHAPTER 36

CONTESTS

Part 1 — General Provisions

Chapter Cross-References
Salaries withheld during 2-16-202.
Role and duties of C Recorder, 7-4-2611.
Challenges to local gover tions, 7-7-105.
Definitions applicable 13-1-101.

13-36-101. Groun public office. An elect tion or election to pub for any of the following
(1) on the ground c provision of the law rel
(2) whenever the pe the election, eligible to s
(3) on account of ill vass of votes.

History: En. Sec. 45, Init. R.C.M. 1935; Sec. 94-1464, R 59, Ch. 365, L. 1977; R.C.M.

Cross-References
Definition of "elector" and 13-1-101.

13-36-102. Time f a candidate has been ce nomination to any publ whose nomination he int test. The contestant sha

Item 4

STATE OF ALASKA

STEVE COWPER, GOVERNOR

ALASKA PUBLIC OFFICES COMMISSION

REPLY TO:

☑ 2221 E. Northern Lights, Room 128
Anchorage, AK 99508
(907) 276-4176

☐ Juneau Branch Office
Box CO
Juneau, AK 99811-0222
(907) 465-4864

January 17, 1990

RECEIVED
JAN 12 1990

Representative H. A. "Red" Boucher
Pouch V
Juneau, Alaska 99811

Dear Representative Boucher:

I am writing with regard to HB 318, an act relating to the Fair Campaign Practices Code.

This measure establishes a fair campaign practices code. It requires the commission to prepare a form for candidates to sign, indicating that they will abide by the provisions of the code. The commission would be required to send a copy to each candidate who files reports under AS 15.13, and by implication would maintain copies of signed reports for public review.

As you may be aware, during the last session the commission submitted a fiscal note indicating this measure would not have a fiscal impact on the workload of the commission. At its November 30, 1989 meeting, the commission reviewed the assumptions upon which this note was based, and asked me to submit a revised fiscal note indicating that resources will be required.

With regard to the substance of the proposal, commission members support the ideals expressed in the code, but expressed concerns about the practical value of enacting this type of legislation. These concerns are exacerbated by the potential for workload increases for an already overextended staff.

This measure does not directly authorize citizens to file complaints with APOC. It is the commission's understanding that there would be first amendment problems with imposing sanctions for violations of a code of this nature. But under AS 15.13, a person who believes the chapter has been violated is entitled to file a complaint with the commission. It is reasonable to believe that the public and candidates will file complaints under AS 15.13.120(d) alleging violations of the code.

This expectation is borne out by the experience in Montana and Washington, two jurisdictions which have adopted fair campaign practice codes. I discussed this measure with Delores Colberg, Commissioner of Political Practices for Montana. Ms. Colberg

indicates that her office receives complaints, and investigates them informally. Although these complaints are few in number, some level of review does take place.

I also spoke with Graham Johnson, Director of the Washington State Public Disclosure Commission. He indicates that the original version of Washington's law did not include a complaint investigation provision. However, the Public Disclosure Commission soon realized that it needed to establish a procedure to handle complaints. The method devised was to send a copy of the complaint to the respondent and request a response. Once the respondent provides a response, commission staff then drafts a press release outlining the contents of the complaint and the response. In the release the commission makes clear that it has no observations or comments on the matter. Thus, the commission makes the complaint and response public, without undertaking investigation. Again, there are very few complaints of this nature, but when they are filed with the commission they receive some level of review.

APOC has much higher visibility as a complaint enforcement agency than either of these two offices. Even if the commission took the position that callers would be informed that the commission does not investigate complaints of this nature, staff time would be spent fielding the telephone calls, and explaining to citizens why there is no remedy. The commission already has more investigation work than can be handled within the time frames anticipated by law. For these reasons, given the added volume of work which the commission believes would occur as a result of this measure, the commission believes the bill would require additional resources.

The commission further believes it may be appropriate to consider placing the administration of this code elsewhere, perhaps within the Division of Elections, which is not generally perceived as an agency which investigates complaints.

A different approach brought to my attention by Graham Johnson involves using the private sector rather than a government agency to monitor elections. I have attached materials provided to me by Mr. Johnson, which describe an organization in Chicago called CONDUCT. CONDUCT is an interfaith, inter-racial, nonpartisan civic organization dedicated to discouraging bigotry and bias in Chicago area election campaigns. CONDUCT has promulgated a code of fair campaign practices, monitors local campaigns, investigates complaints, and sends letters of censure if a campaign is found in violation of the code.

Thank you for your consideration of these comments. If you or other committee members have any questions, please let me know.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION

Karla L. Forsythe
Executive Director

Attachments

cc: Representative Finkelstein
Representative Wallace
Representative Davis
Representative Gruenberg
Representative Menard
Representative Ellis
Representative Donley
Representative Ulmer
Representative Brown
Representative Koponen
Bob Evans, Office of the Governor
Sioux Plummer, Special Assistant, Dept. of Administration
APOC Members
APOC Senior Staff

CONDUCT

COMMITTEE ON DECENT UNBIASED CAMPAIGN TACTICS

55 E. Jackson Blvd.-Suite 1870
Chicago, IL 60604
(312) 663-5500

STATEMENT OF PURPOSE

CONDUCT is an interfaith, interracial, non-partisan civic organization dedicated to discouraging bigotry and bias in Chicago area election campaigns. Members of CONDUCT's board serve as individuals, not as representatives of any group or institution.

CONDUCT respects and affirms the value of vigorous election campaigns and sharp debate. Such campaigns benefit the community. They can clarify issues and are very much a part of the Chicago political tradition. Campaign tactics that appeal to hate or fear, however, or that denigrate the opposition based on the opponent's race, religion, ethnicity or gender, are morally wrong, undermine community peace and subvert the political process.

CONDUCT has promulgated a Code of Fair Campaign Practice as a basic guideline for ethical, campaign behavior. Candidates are invited to voluntarily commit themselves and their campaigns to observe the Code.

CONDUCT's staff monitors local political campaigns for violations of the Code. CONDUCT also investigates complaints of Code violations received from candidates, the press and members of the community.

If a candidate, campaign organization or partisan is found in serious violation of the Code, a letter of censure is sent to the offender including an appeal to cease and desist the practice in question. At the same time, the letter is released to the public and the press.

CONDUCT is an interfaith, interracial, non-partisan, civic organization dedicated to discouraging bigotry and bias in Chicago area election campaigns. Members serve as individuals, not as representatives of any group or institution. CONDUCT encourages ethical campaign practices, but endorses no candidate or party.

I. HISTORY OF THE PROJECT

CONDUCT, the Committee on Decent Unbiased Campaign Tactics, an independent, non-partisan, interracial and interfaith group of Chicago leaders, was launched in June 1984 with the help of the American Jewish Committee to discourage appeals to bias and bigotry in Chicago's election campaigns. It was formed in response to the bitter racial polarization, use of smear tactics and racist and anti-Semitic literature which marred Chicago's 1983 mayoral election. The Joyce Foundation provided seed money for Chicago's CONDUCT to organize the board and develop a working program. In its 18 months of operation CONDUCT committee members developed an action program to combat appeals to bigotry in political campaigns. Education, monitoring, and public exposure emerged as the main elements of CONDUCT's program.

The 1986 special aldermanic elections in the seven remapped wards presented a special learning opportunity for CONDUCT, a chance to test its model on a small scale. The lessons from this experience could become the basis for a major program in the 1987 mayoral and aldermanic races. For this 1986 "trial run", CONDUCT developed a limited plan of action based on the key elements identified earlier; education, monitoring and public exposure.

To monitor the seven races, CONDUCT sent three observers into the seven wards to observe the aldermanic campaigns. The three attended political rallies and forums, and visited campaign offices. They interviewed the candidates, their staffs and local community people. In addition they read the neighborhood newspapers and reviewed campaign literature. The observers found a few examples of racial and religious bigotry. More importantly, it became clear that their presence deterred some campaigns from playing on the fears and prejudices of the voters.

An educational program was undertaken aimed at the over 150 candidates running in the primary elections. Letters explaining CONDUCT'S support and willingness to investigate complaints were sent to all candidates for alderman and to candidates in contested state legislature or congressional races in the Chicago area. The public learned of CONDUCT through press conferences and the media coverage.

The CONDUCT board evaluated all the complaints it received and issued four letters of censure to the candidates involved. Copies were sent to the media.

II. THE PROGRAM

Based on the experience in 1986, a modified three part program was developed for the 1987 aldermanic and mayoral elections. CONDUCT drafted and publicized a Code of Fair Campaign Practice, a statement of ethical principles including six specific guidelines designed to prevent overt or covert appeals to bias. All candidates were asked to sign the code. CONDUCT also hired and trained a staff of 12 observers. Finally, CONDUCT invited complaints based on the standards of the code. It received and investigated 64 complaints.