

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

SB 236 cont. - SB 238 639 230

# HOUSE COMMITTEE REPORT file

(11)

Date Referred: March 28, 1990

FURTHER REFERRALS:

Date of Committee Action: 5/1/90

The FINANCE Committee considered:

SB 236

SENATE BILL NO. 236

REVENUE BONDS FOR COPPER RIVER HIGHWAY

"An Act approving the issuance of revenue bonds for construction and upgrade of the Copper River highway; and providing for an effective date."

**RECOMMENDATIONS:**

- [ ] be replaced with \_\_\_\_\_ [✓] the same title
- [ ] have attached amendment(s) [ ] a new title
- [ ] do pass
- [ ] do not pass
- [✓] 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 \_\_\_\_\_
- [ ] zero fiscal note \_\_\_\_\_
- [ ] zero with analysis \_\_\_\_\_

- [✓] fiscal note(s) Rev 3/8/90
- [✓] zero fiscal note(s) DOTPF 3/8/90
- [ ] zero fn/analysis \_\_\_\_\_

**SIGNING DO PASS:**

**SIGNING:**

(Check) approp. column

Do Not  
PASS      No Rec      Amend

[Signature] Shultz

[Signature] Barnes

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

(Check) approp. column	Do Not PASS	No Rec	Amend
<u>[Signature]</u> Larson			X
<u>[Signature]</u> Swackhammer			X
<u>[Signature]</u> BROWN			X
<u>[Signature]</u> KAPONEN			X

CO Chairman's Signature

[Signature] Larson

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: \$25,000,000 Copper River Highway  
Revenue Bonds  
Sponsor: Coghill  
Requestor: Senate Finance

Agency Affected: State Bond Committee  
BRU: \_\_\_\_\_  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
<b>OPERATING</b>						
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	2,433.4	2,433.4	2,433.4	2,433.4	2,433.4
<b>TOTAL OPERATING</b>	0	2,433.4	2,433.4	2,433.4	2,433.4	2,433.4
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	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	2,433.4	2,433.4	2,433.4	2,433.4	2,433.4
<b>TOTAL</b>	0	2,433.4	2,433.4	2,433.4	2,433.4	2,433.4

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 for analysis. Fiscal year 1990 effect is zero.

Debt service on \$25 million revenue bonds with 30 year maturity at 9.0 percent. Fund source would be Toll Facilities Construction Fund for FY 92-93 and Toll Facilities Revenue Fund thereafter.

Prepared By: Milt Barker *MB*  
Division: Treasury

Phone: 465-2350  
Date: February 20, 1990

Approved by Commissioner: [Signature]  
Agency: Department of Revenue

Date: 2/20/90

Distribution (by preparer):

Legislative Finance  
Legislative Sponsor  
Requestor

Office of Management and Budget  
Impacted Agency(ies)

STATE OF ALASKA  
1990 LEGISLATIVE SESSION

BILL VERSION: SB 236 (b)  
PUBLISH DATE: 3/8/90

REQUEST: FISCAL NOTE

Revision Date:  
Title: Revenue Bonds for Copper River  
Highway  
Sponsor: Coghill  
Requestor: Senate Finance

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	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:

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

Phone: 465-3900  
Date: February 28, 1990

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

Date: 2/28/90

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

Introduced: 3/23/89  
Referred: Transportation and  
Finance

6-1079A

BY SEN. COGHILL, Szymanski, Kelly, Sturgulewski, Binkley

1 IN THE SENATE

2 SENATE BILL NO. 236

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act approving the issuance of revenue bonds for  
7 construction and upgrade of the Copper River highway;  
8 and providing for an effective date."

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

10 \* Section 1. In accordance with AS 37.15.610, the issuance of revenue  
11 bonds in an amount up to \$25,000,000 for the construction and upgrade of  
12 the Copper River highway by the Department of Transportation and Public  
13 Facilities under AS 37.15.610 - 37.15.760 is approved.

14 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).  
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TESTIMONY TO HOUSE FINANCE COMMITTEE

4/28/90

2

There are many arguments in this debate on the C.R.H. but the most important one today is the financial accountability of passing this bill on. As a voter, it is my understanding that if a bill is passed out of the Finance Comm. to the full House, it has been passed on the basis of its being a sound bill financially. If this perception is correct then passing SB 236 would be a disservice and a lie to the voting constituency. Revenue bonding for this highway is NOT a sound investment--it would be a very costly one in both the long and short terms, as well as in terms of indebtedness risk. (Details of all this have been written about and spoken to in testimonies you've received.)

Which brings me to the next brief point which is the debate as to whether or not the highway could be kept open in the winter due to the severe weather conditions. Well, of course it could be kept open--IF YOU THROW ENOUGH MONEY AT IT YEAR AFTER YEAR!! This is the bottom line, <sup>LADIES AND</sup> Gentlemen: This whole project is possible and feasible WITH ENOUGH MONEY!!

Finally, if you look at the overall benefits to the State to justify these enormous expenses, what have you got?? You'll have a scenic but very dusty little road to a little town and that's ALL!

Anyway you look at it, <sup>LADIES AND</sup> Gentlemen, if you get the old Pentlel out, it just doesn't add up!

Bonnie Honzola  
Robert Naukola  
Heni Kuehling  
Bridgette Kuehling  
Kenneth D. Kutche  
Herbert + Jensen  
Barbara A. Jensen  
Robert L. Mypell

Craig A. Kitcher  
John B. Jackson  
Betty York  
Brenda J. Smith  
J. Jeffery Boudry

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 today's headlines. 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 without political input. 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 passenger filled automobiles and large busses. There is nothing new or unusual about this, it is a common practice in Mexico as well as other less developed, road less countries.

What is unusual is that to 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 mountain 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 cruise 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 cruise 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.

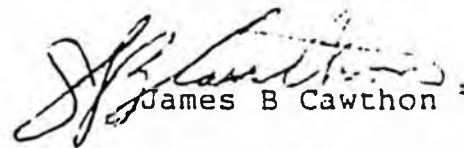
Suddenly out of the inky blackness there is an intensely bright flash of light, a cigarette lighter perhaps, an electrical or static spark, it matters little or not for at that instance there is a huge all enveloping "POOF" the sound of exploding fuel.

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 Eligh 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

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

1885 East Tudor Rd. #303E  
Anchorage, Alaska 99507  
phone (907) 561 7347



## Alaska R.O.A.D. Association

P.O. Box 535, Cordova, Alaska 99574-0535  
(907) 424-5755



December, 1989

Season's Greetings to our Members and Friends:

Christmas came early to the Alaska ROAD Association this year.

A City of Cordova Grant in October of more than \$11,000 allowed us to purchase a computer and printer, as well as a state-wide public opinion research survey by Hellenthal & Associates.

The state-wide survey results are included herein. As the state has been following a course of no new road construction for some time, you should find the survey results encouraging. There is strong state-wide support for building new roads in Alaska, and the Copper River Road specifically.

The new computer and printer are being used to produce this Christmas greeting and will be instrumental in producing future newsletters.

In the holiday spirit it is a pleasure to say "thank you" and extend our sincere appreciation to those who have helped the Alaska ROAD Association this year, both members and friends.

We wish to give special thanks to Mayor Johansen for sponsoring the City Council resolution authorizing our grant, and thanks to those councilmembers who support our work.

We wish to recognize and thank Senate President Tim Kelly, for establishing completion of the Copper River and Whittier Roads as one of his top priorities for the legislature when they reconvene in January.

And thank you, our membership, most of all, for without you none of our work would be possible.

1990 will be a very active year for your ROAD Association. It will take all of us working together to capitalize on the hard work done to date.

In this spirit, we offer our best wishes to you for the holidays and the New Year.

Sincerely,

Scott Novak, President

Larry Hogan, Vice-president

Dennis Nottingham, Executive Board

Steve Rehnberg, Sec./Treas.



# Alaska R.O.A.D. Association

P.O. Box 535, Cordova, Alaska 99574-0535  
(907) 424-5755

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%	Fairbanks Area + or - 13.6%	Cordova + or - 8.0%	Glennallen Area + or - 9.8%	COL %
<b>STATE BUILDING NEW HIGHWAYS:</b>						
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%
<b>STATE BUILDING HIGHWAY TO WHITTIER:</b>						
Favor.....	57.8%	80.1%	84.5%	72.7%	71.8%	80.5%
Oppose.....	42.2%	39.9%	35.5%	27.3%	28.4%	39.5%
<b>RECREATIONAL DEVELOPMENT OF PRINCE WILLIAM SOUND:</b>						
Favor.....	86.2%	85.0%	76.6%	78.1%	83.8%	83.7%
Oppose.....	13.8%	15.0%	23.4%	21.9%	16.4%	16.3%
<b>STATE COMPLETING THE COPPER RIVER HIGHWAY:</b>						
Favor.....	78.4%	78.1%	74.9%	57.0%	83.8%	76.9%
Oppose.....	24.8%	21.9%	25.1%	43.0%	16.2%	23.1%
<b>ALASKAN RESIDENCY:</b>						
1983 to 1989.....	15.4%	23.1%	26.9%	21.5%	13.8%	22.2%
1978 to 1982.....	21.5%	23.5%	17.4%	24.9%	24.8%	22.0%
1987 to 1975.....	31.4%	27.7%	32.2%	23.2%	22.5%	29.3%
Before 1987.....	31.7%	25.6%	23.4%	30.4%	38.9%	26.5%
<b>AGE OF RESPONDENT:</b>						
18-24.....	1.5%	11.3%	12.0%	3.3%	4.8%	8.4%
25-29.....	10.2%	14.8%	17.1%	9.3%	8.0%	14.2%
30-34.....	17.2%	17.3%	13.0%	21.7%	13.1%	18.5%
35-39.....	24.0%	18.2%	24.8%	17.8%	22.8%	20.6%
40-49.....	13.1%	20.1%	25.3%	20.2%	25.1%	19.7%
50 Plus.....	34.0%	18.3%	7.8%	27.8%	28.4%	19.8%
<b>TOTAL ROW PERCENT.....</b>	<b>20.1%</b>	<b>59.6%</b>	<b>19.0%</b>	<b>.6%</b>	<b>.7%</b>	<b>100.0%</b>



## Alaska R.O.A.D. Association

P.O. Box 535, Cordova, Alaska 99574-0535  
(907) 424-5755

Senator Jack Coghill  
Alaska State Legislature  
P.O. Box V MS 3100  
Juneau, Ak. 99811

March 9, 1990

Dear Senator Coghill,

We have received and reviewed the toll road feasibility study on the copper river highway. We find the report to be thorough, positive, and accurate. We also concur with the conclusion that a direct state appropriation for the full amount is the best way to fund this project.

We were pleased to see that the toll revenues generated from this project were more than sufficient to cover all of the maintenance cost for a year around road, plus produce a surplus of approximately \$600,000 per year. This surplus could be returned to the D.O.T. operating budget to help pay for maintenance in other districts.

One point that may have been overlooked is that the additional visitor traffic to Cordova that would be generated by completing this road would also increase revenues for the ferry Bartlet. Currently, the Bartlet is operating out of Cordova at only 17% of its vehicular capacity. The completed road would provide an increase in demand and possibly make the ferry a profit making venture. The copper river highway could in fact produce surplus revenues for the state in excess of one million dollars per year!!

Clearly, the copper river highway is an exceptional opportunity for our state. We urge you to give this project your full support. Also, please find enclosed a copy of the City of Cordova's recent resolution asking you to do the same.

Sincerely,

Scott Novak, President

*Jack, This was sent personally  
To all Senators Thank you for your  
support & Foresight  
Scott*



## Alaska R.O.A.D. Association

P.O. Box 535, Cordova, Alaska 99574-0535  
(907) 424-5755

March 29, 1989

Mark Hickey, Commissioner  
Department of Transportation & Public Finance  
3132 Channel Drive  
Box Z  
Juneau, AK 99811

Dear Commissioner Hickey,

Word has reached me from multiple sources that you are seeking a four or five page document which clearly and concisely demonstrates the need for the construction of the Copper River Road.

With some trepidation, I offer the following five page essay. My reservations arise because there well may be topics for further study contained herein. Little is said here that has not been previously studied. In fact the material is all contained in the book this letter is bound with.

I hope the attachment of this book will help forestall any further occurrence of "historical amnesia" I was somewhat chagrined to learn that two weeks ago you ordered what amounts to a "study of the studies" in conjunction with the request for proposals on the toll feasibility. I believe this proven route has already been studied beyond reason.

The disasterous effects of the oil spill on Cordova's single basis economy are being clearly demonstrated here now. This occurrence will, hopefully, push the legislature to finally "find" the pittance needed to make the Copper River Road a reality now, to help save Cordova from extinction.

**Build the Copper River Road Now !!!**

Respectfully submitted,

A handwritten signature in cursive script that reads "Larry M. Hogan".

Larry M. Hogan

In 1909 the Cordova paper stated that the railroad itself was Cordova's "Bonanza". It "insured" the economic stability of the region. The economic base of Cordova has not improved since the railroad closed fifty years ago. In point of fact the economy has undergone a slow erosion. There are fewer businesses and persons here than there were in 1938. The "insurance" for Cordova's future lies in the re-opening of the overland transportation link. It would allow Cordova to grow and plan for the future. The economic viability will be enhanced by increased accessibility. Cordova's opportunity to partake of the booming visitor industry coming into vibrant life in Alaska will be exponentially increased, as tourists will be able to loop through the area, continuing in linear travel, which has been clearly shown to be the preference of tourists.

Alaska's greatest need today is the development of an extensive highway system which would provide not only continuous transportation to all parts of the state, but would at the same time open up the resources of vast areas of the country which have lain dormant due to lack of adequate roads. Roads are needed if Alaska is going to begin to take care of herself. The continual fifty year delay in opening the Copper River Road is as restrictive and harmful to the development of the region as was the Department of the Interior's withdrawal of the Bering River coal fields 83 years ago. Cordova remains the only south central Alaska community not connected to the state highway system.

The native corporations of Ahtna, Chitina, Eyak and Chugach have all stated their strong support for this route's completion. The Cordova Chamber has pursued this road for over fifty years. The interior communities of Chitina, Kenney Lake, Copper Center, and others up to and including Fairbanks have shown strong support. Cordova's coastal neighbors who have roads have indicated strong support. The state must grow to maturity.

Governor Cowper clearly addressed the need in Alaska in his swearing-in address in December of '86 when he said: "We are called upon to develop and settle this mighty land..." and further to undertake action to promote "permanent economic activity...and see that our multicultural society is a success for all of us..." Later, in his State of the State address in 1989 the Governor clearly reiterated that Alaska has been discriminated against. The exclusion of Alaska from participation in the rightful sharing of Federal gas tax monies throughout the territorial period led directly to

our current inability to help ourselves in these post-oil-boom days. When Governor Cowper stated "our future is affected by commodity prices, transportation costs, and currency fluctuations..." and further stated "this is the time for real life in Alaska." He was clearly calling for expansion. He stated "this is the time".

The Copper River Road can be completed more easily than any new project in the state. The road can be re-routed advantageously in several difficult locations such as Abercrombie due to substantive changes to the course of the Copper River. This would make the all-weather considerations improve as the route can be moved away from the worst avalanche areas. Another important factor to consider is that the entire route has an existing road-bed. The right-of-way is wholly owned by the state. The entire route is at water grade with no snow passes to overcome, thus reducing possible winter maintenance costs. 72 miles from the south and 27 miles from the north have been converted. Only 32 miles of road remain to be converted. This would allow the state to maximize returns on its investment in roads in this area.

The current capital value of the Copper River Road including one lane and two lane bridges, two lane highway and one lane highway, and the potential pioneer road as exists in the railroad grade is sixty three million dollars. Interest on this amount is around six million per year. By completing the route for fifteen million, the state would begin to accrue benefits to the region and the state as a whole. Three years' interest on the amount invested would pay off the improvements. (See attachment A)

Another way to look at this economic value is on a per capita drivers served basis. The highway in its current condition is worth 60 million(+). At present approximately one thousand licensed drivers in Cordova can use the road. The per driver cost is around \$60,000. If the 100,000(+) drivers in the state had access, the cost would be around \$60 per licensed driver.

It is not unfair to expect that state government would promote progress, rather than inhibit it. Resource space in this portion of Alaska has now been clearly defined. Completion of the Copper River Road would demonstrate the sincerity of the state to aid economic progress, diversification, and stabilization. Resource development, especially tourism and recreation, would have a significant positive impact on the

regional economy. With 13.2 million acres of protected land in the Wrangell-St Elias National Monument, it is clear that this route can be built without loss of "too much" wilderness. Tourism possibilities abound with the jet port. While the coastal zone has a wet climate, the interior weather, just a short drive to the north is quite arid.

Local producers in Cordova are currently in a worsening competitive position. The shift in fish processing to highway served areas is based in a very real competitive advantage to being able to deliver your lower priced products to market in a timely and cost-of-money-wise fashion. With overland transportation fish move at \$.08/lb. to market in 60 hours. With air freight the cost is \$.33/lb. and the delivery time is not much different due to extra handling. Barge prices are very competitive with road freight, but the time line can extend to six weeks, which can destroy any profit if overall prices head downward as is usual as the season progresses. Thus, the further decline of the single economic basis of Cordova is inevitable, as fishermen follow processing away from Cordova.

Fishing downturns reverberate through the economy of a single base area like Cordova. Stabilization through diversification is essential. Cordova's basic transportation, the ferry system, is continually hampered by natural disasters. Weather, earthquakes which un-bed the engines, and oil spills all can have serious de-stabilizing effects.

Chugach Alaska is the biggest fish product producer in the area. They have clearly stated their desire to see this route finished. The Copper River Fisherman's Co-operative has likewise stated the necessity of completing the route, and have considered moving if there is no over-land transportation link forthcoming, as it's needed to remain competitive in today's market.

Availability of inexpensive over-land transportation will also help stabilize the work force in Cordova, while offering economic opportunities to interior residents. The road will reduce transportation costs such that it will open the door to additional new vendors who will seek markets in the Cordova district. Competition and diversity are at the heart of American business, as they lead to growth and prosperity.

The Compendium Report on the Copper River Highway (CRRH) projects approximately 83,700 visitors (175 cars/day \* 2.9 visitors per car \* 165

days/year) would come to Cordova over the road. With the collapse of Alaska's economy Cordova's share of the state revenues has likewise declined. The money these visitors spend could be the boost that will keep Cordova alive. With new canneries opening elsewhere to compete for Cordova's fish Cordova cannot afford to pass up this opportunity to diversify it's economy and bring money into the city.

The economic diversification of the region's economy will present numerous opportunities for additional small entrepreneurs to enter business in the region. Cordova could reasonably expect to have daily trucking deliveries. This would give rise to increased demand to service facilities allied to trucking. When shipping rates normalize, small businesses will arise to supply interior Alaska with fresh fish and timber products. This will elongate the business season in Cordova by weeks or months. This would have a strong beneficial effect on the economy of the entire region. Not building the Copper River Road essentially eliminates the commercial possibilities of trade between the coast and the interior.

Development of the travel industry will lead to its certain placement as the number one economic activity in the state. The Cordova District from tidewater to Chitina and on to McCarthy has the most wondrous array of attractions. Almost every wild-life wonder is found here. The mountain regions are unsurpassed in magnificence and beauty. The Wrangell-St. Elias National Monument is the largest park in the world. At 13.2 million acres with only a forest standard perimeter road on one border and a state highway on part of another, more than 13 acres of wilderness for each person in the state is guaranteed. With the wilderness use by all users decreasing nation-wide to well below five percent, it seems that we already have far more wilderness than is practical or usable. What we need now in Alaska is people oriented amenities, not unviewable wilderness. Little incentive will exist for small operators to expand visitor facilities until their future has the minimum guarantee of construction of the route.

The people who bought property at Tiekel River and made plans to construct a sub-division are being unjustly denied their right to access their properties and commence their lives there. Common access is within the realm of what these citizens should reasonably expect as just treatment from their state.

The Alaska Marine Highway is subject to natural and man-made disasters.

The airlines play an important part in our lives, but also are subject to various irregularities. The renewal of the land-link is only logical. The more alternative routes the better the chances of stability of economy and mutually beneficial social and political interaction. The latent demand for ferry travel has been demonstrated to be less than that of highways. People will drive where there are roads. Cordova has one of the finest jet ports in the State. Opportunities for citizens of the interior to access this port is a strong consideration. It would speed up mail service into some parts of the interior. Likewise, Cordovans could have equal access to the goods and products of the interior and regular beneficial contacts with their fellow Alaskans.

The coastal portions of the Cordova district have seen great benefits to wildlife via the hand of man. Our resident moose and Sitka black-tailed deer herds are due solely to their introduction to the coast by man. This husbandman's relationship is commonly seen wherever man interacts with the wilds. Opening the Copper River Road would not only allow people to view the majestic array of wildlife, but may offer opportunities for man to improve the lot of his fellow creatures. Several moose browse improvement areas already border the Northern reaches of the route.

The route covers some of the most important (and undiscovered) history in the State of Alaska and its early saga as a possession of the United States. It is essential that this history of the railroad and of the native peoples who lived in this region be accessed so that it may be preserved for Alaskans and other Americans to appreciate and interpret. We cannot deny ourselves our history, lest we be doomed to repeat it.

Road building and travel have always been the most American of activities. Roads built America. Alaska remains vastly under built. The people have requested that the Copper River Road should be built. The legislature has agreed. "A short-sighted and profligate government is an intolerable burden on a people who aspire to be leaders." (Steve Cowper 12/86)

The time is now.

Attachment "A"

CAPITAL VALUE OF COPPER RIVER HIGHWAY 1989

Two Lane Bridges	1.8 miles	\$23 million
One Lane Bridges	0.3 miles	4 million
Two lane Highway	55 miles	28 million
Partial Pioneer Road (Old R.R. Grade)	73 miles	8 million
Approximate Total Value		\$63 million

Approximate Annual Cost of Capital Value \$6 million .

Cost to Complete Copper River Highway (Cordova to Chitna) as a Pioneer Access Road \$15 million

Payback on this basis is less than 3 years.

Attachment "B"

COPPER RIVER HIGHWAY

BENEFITS

1. TRANSPORTATION ALTERNATIVE ROUTES
2. INTERIOR ACCESS TO A JET AIRPORT AT CORDOVA
3. INTERIOR ACCESS TO OCEAN PORTS
4. ACCESS TO TIMBER AND MINERALS
5. TOURIST ACCESS TO MAGNIFICENT ALASKAN SCENERY AND TRAVEL LOOPING
6. MARINE HIGHWAY SUPPORT TRAFFIC
7. HISTORICAL PRESERVATION OF KEY COPPER RIVER RAILROAD ELEMENTS
8. ROAD ACCESS FROM CORDOVA TO THE INTERIOR AND ALASKA HIGHWAY
9. ACCESS TO PARKS AND MONUMENTS
10. RECREATIONAL ACCESS



## Alaska R.O.A.D. Association

P.O. Box 535, Cordova, Alaska 99574-0535  
(907) 424-5755

Total pages faxed: 17

Representative Ron Larson  
Alaska State House Finance Committee  
Juneau, Alaska  
Fax: 465-2293

March 30, 1990

Dear Representative Larson,

We thank you for the informative discussion this afternoon relative to SB 236. The attached pages demonstrate broad and sustained local support for the prompt completion of the Copper River Road, (State Rt. # 10).

We hope this factual information will assist each committee member in making an informed decision in favor of SB 236.

These pages include:

1. Cordova City Council Resolution #90-05 of January 17, 1990 "Finish building the Copper River Highway", including one page narrative attachment supporting the project.
2. Cordova City Council Resolution # 88-33 of May 16, 1988 re:"... urging the Governor...to direct the prompt completion of the Copper River Road..."
3. Cordova City Council Resolution # 84-55 of December 6, 1984 re"...supporting improvements to the Copper River Highway and related road systems."
4. CERTIFICATION OF ELECTION RESULTS,Cordova Municipal ballot question October 10, 1986 re: favoring completion of the Copper River Highway between Cordova and Chitina.  
YES:334 NO:233  
Routes: Chitina:219 Tasnuna:33 Tiekel:49 Coastal:47
5. Cordova Chamber of Commerce letter of March 30, 1988 to the Governor. re:" The Chamber has supported this idea continuously from 1938 to the present time".
6. Prince William Sound Tourism Coalition Resolution 89-7 which urges "...the State of Alaska to continue its work toward the completion...." of the Copper River Road.
7. Chitina Native Corporation letter of December 22, 1988 re: "Copper River Highway through Chitina." "The Chitina Native Corporation supports the construction of the Copper River Highway through Chitina"

Honorable Ron Larson, page 2

8. Eyak Corporation letter of February 16, 1988 to the Governor, re: "Copper River Highway support by Eyak."
9. Chugach Alaska Corporation letter of February 11, 1988 to the Governor re..."recommend the State supporting construction of the Copper River Highway from Cordova to Chitina"
10. Greater Fairbanks Chamber of Commerce Resolution # 01-1290 of March 12, 1990 "...in support of the Copper River Highway extension."
11. Two pages starting "Here is the apparent history of local support for the conversion of the Congressionally granted historic right-of-way of the Copper River & Northwestern Railroad to highway. (Compilation by AK ROAD Historian)
12. Alaska R.O.A.D. Association letter of January 24, 1990 to Honorable Richard Foster regarding Hellenthal & Associates poll results : "57% Cordova and 76.9% state-wide desire to see this long-sought addition".

We can gladly provide further information, and testimony as necessary.

Completion of the Copper River Road is the right thing to do at this time, and we seek your yes votes on SB 236.

Sincerely,

*Lanny Hogan, UP for --*

Scott Novak, President

ej

REVISED

#/  
/

CITY OF CORDOVA, ALASKA

RESOLUTION 90-05

A RESOLUTION OF THE CORDOVA CITY COUNCIL REGARDING  
THE NEED FOR PROGRAMS OF THE STATE OF ALASKA IN CORDOVA

WHEREAS, Cordova is a substantial community with a fishing based economy, and

WHEREAS, certain state programs provide vital assistance to the residents of the community, and

WHEREAS, in recent years there has been an erosion in the level of service available to the community from the State of Alaska.

NOW, THEREFORE, BE IT RESOLVED that the Cordova City Council hereby requests the following programs be reinstated or initiated Cordova: They are not given in priority order.

Office of the Governor  
Reinstatement of the Governor's Office in Cordova

Department of Health and Social Services  
Reinstatement of the Public Health Nurse Position

Department of Labor  
Reopening of the Job Service Office

Department of Natural Resources  
Construction and operation of a state park with camping facilities

Department of Transportation and Public Facilities  
Restore the level of road maintenance of state roads to previous level

Paving of Whitshed Road

Finish building the Copper River Highway

Construct a sidewalk across Odiak Slough

1+

Restore ferry service to previous level

Change the administration of the Cordova office to the Northern District

Construction of a bike/pedestrian trail to Mile 13 of the Copper River Highway

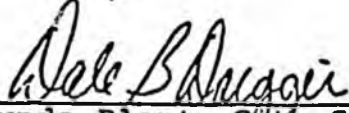
Repair or replacement of the ferry transfer bridge in a timely manner

Winter road maintenance on the Copper River Highway as far as the Forest Service Ski Trails

Legislative Affairs Office  
Institution of a Legislative Information Office

PASSED AND APPROVED THIS 17<sup>th</sup> DAY OF January, 1990.

  
\_\_\_\_\_  
Mayor Robert Van Brocklin

*for*   
\_\_\_\_\_  
D. Lynda Plant, City Clerk

1+

CITY OF CORDOVA  
REQUEST REGARDING  
DEPARTMENT OF TRANSPORTATION  
CAPITAL BUDGET FY 1991  
CONSTRUCTION OF THE COPPER RIVER HIGHWAY

The reasons to build the Copper River Highway are so numerous that they could not be all listed in one readable document. The State of Alaska has spent 2 million dollars in studies covering the feasibility, need, routing and benefits of building the Copper River Highway. They all pointed out great benefits to the State and its economy, so we will try to summarize a few of the important ones.

The Copper River Highway is the cheapest, <sup>most</sup> cost affective road to build in Alaska. The State has 63 million dollars invested in the highway to nowhere now. Another 15 million would protect and allow the State to cash in on this investment. With the declining oil prices, the State needs to help with the development of the timber and minerals in the interior. The Copper River Highway would provide an ocean port and an all weather airport to the interior. The Exxon-Valdez oil disaster pointed out the important needs for this. It also pointed out the need for Cordova to broaden and strengthen its economy. The biggest single thing to boost Cordova's economy is the Copper River Highway.

The tourist trade is a major contribution to Alaska's economy. The Copper River Highway would open up some of the most magnificent scenery in Alaska. No other route would provide such a complete and diversified look at Alaska then taking the ferry through Prince William Sound and then driving up the Copper River Highway. State visitor forecasts predict 3.8 million tourist dollars would pass through Cordova if the highway were built.

This all amounts to the fact that the Copper River Highway has the support of the entire State. It would benefit the economy of the entire State. The right of way is owned by the State. It has been scheduled to be built for over 50 years. Therefore, we should build it.

#2.

CITY of CORDOVA, ALASKA

RESOLUTION 88-33

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, URGING THE GOVERNOR OF THE STATE OF ALASKA TO DIRECT THE PROMPT COMPLETION OF THE COPPER RIVER ROAD AND TO EXECUTE THE INTENT OF THE LEGISLATURE TO PERFORM MAINTENANCE WORK IN THE SUMMER OF 1988 BEYOND MILE 49 OF THE COPPER RIVER ROAD

WHEREAS, the City of Cordova has expressed support for completion of the Copper River Road to Chitina; and

WHEREAS, the City Council has officially, in Resolution 87-16, called upon the Legislature of the State of Alaska to commit support to the completion of the Copper River Road; and

WHEREAS, the Second Session of the Fifteenth Alaska Legislature has enacted HCR 46 and HB101 to authorize and facilitate the completion of the Copper River Road; and

WHEREAS, the Legislature has further expressed its intent and support by authorizing the expenditure of State funds for maintenance of that portion of the Copper River Road beyond Mile 49;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Cordova, Alaska, that the Governor of the State of Alaska is hereby urged to direct the prompt completion of the Copper River Road in furtherance of the intent and effort of the Alaska State Legislature; and

BE IT FURTHER RESOLVED that the Governor is urged to also execute the intent of the Legislature to perform maintenance work in the summer of 1988 beyond Mile 49 of the Copper River Road.

PASSED AND APPROVED THIS 16th DAY of May, 1988.

  
\_\_\_\_\_  
Mayor Erving T. Johansen

  
\_\_\_\_\_  
D. Lynda Plant, City Clerk

#3

RESOLUTION 84-55

A RESOLUTION SUPPORTING IMPROVEMENTS TO THE COPPER RIVER HIGHWAY AND RELATED ROAD SYSTEMS

WHEREAS, the Mayor and City Council have examined the capital, legislative, and economic needs of the City of Cordova, and

WHEREAS, the economic future of Cordova depends on a comprehensive transportation network including surface, air and water routes, and

WHEREAS, the existing road system serving Cordova is not capable of providing access to resources necessary for economic development, and

WHEREAS, the Mayor and City Council on behalf of the Citizens of Cordova agree that specific projects need to be completed for the future good of Cordova and Southcentral Alaska,

NOW THEREFORE BE IT RESOLVED that the Mayor & City Council of the City of Cordova, Alaska, request Governor Sheffield, the Alaska Legislature, and the Department of Transportation and Public Facilities to give their full support to the following projects:

Construction of the Copper River Highway from Mile 18 to Mile 27 as proposed in Department of Transportation Project #RS-0851(40) in fiscal 86.

Construction of the Copper River Highway from the existing terminus to Chitina utilizing the Woods Canyon route.

Construction of a road from approximately Mile 38 on the Copper River Highway south to Katella.

PASSED AND APPROVED THIS 6 DAY OF December, 1984.

Leonard W. Ringler  
Mayor

Ann M. Shelby  
City Clerk

360 #4

CERTIFICATION OF ELECTION RESULTS

I, D. Lynda Plant, the duly appointed and acting City Clerk of the City of Cordova, Alaska,

DO HEREBY CERTIFY the following to be the official results of the Regular Municipal Election of the City of Cordova, Alaska, held October 7, 1986, as certified by the City Council acting as the Canvass Board.

Total Votes Cast: 606

Councilmember - 3 year term - elect 2

Micheal C. Anderson 370\*  
P.J. Roberts 216  
Dave Rawlins 312\*

Councilmember - 1 year term - elect two

Larry Gentry 342\*  
Meera Kohler 313\*  
Jacqueline Fowler 140

Write in Candidate - 1 year term

Lew C. Cochran 153

School Board Member - 3 year term - elect 1

M.K. (Kathy) Irvine 529\*

Proposition #2 Charter Amendment

Yes 387\* No 142

Proposition #1 Advisory Question/Highway

Yes 334\* No 233

Routes: Wood Canyon(Chitina)....219\*  
Tasnuna..... 33  
Tiekel..... 49  
Coastal..... 47

Declared Winners:\*

Dated this 10 day of October, 1986.

# Cordova Chamber of Commerce

P.O. Box 99  
Cordova, Alaska 99574  
(907) 424-7260

#5



Honorable Governor Steve Cowper  
Office of the Governor  
Juneau, Alaska 99801

March 30, 1988

Dear Governor Cowper:

Near the turn of the century, the discovery of rich copper deposits in the Wrangell Mountains near the present town of McCarthy spurred construction of a railroad from Cordova up the Copper River to Chitina and from Chitina east through the Chitina River Valley to the Bonanza Mines. The Copper River and Northwestern Railway operated from 1911 through 1938, when the mines closed. The railroad abandoned the route and returned the right of way to the people for use as railroad, road or tramway. Before the railroad stopped operations, the Cordova Chamber began trying to have the railbed along the Copper River converted to a roadway.

The Chamber has supported this idea continuously from 1938 to the present time. This is evidence of a continuous and lasting support of the Copper River Route #10. The Cordova Chamber of Commerce remains a staunch advocate for development of the Alaska highway system. Construction of the ground transportation system of Alaska is not a luxury, it is not even optional, it is imperative for the maintenance and improvement of commerce. This alone should be sufficient economic justification for construction of the highway.

Historically the earliest trails and roads were built by subscription and maintained by tolls in Alaska. Our pioneering spirit hasn't died, although it has tarnished during the fifty year struggle with nature and man to complete the road.

Many times in the past the Cordova Chamber has called on friends in the rest of the state to add their voices to ours in calling for renewal of our ground transportation link. The Native Corporations, our neighboring Chambers, our neighboring cities once again have added their voice. The people of Alaska want to visit the North Gulf Coast, and the Cordova Chamber of Commerce as always is thankful for their continuing support. Cordova wants to take her place as a full equal amongst her neighbors; to greet her neighbors in the same friendly spirit that exists throughout the GREATLAND.

We urge you, Governor Cowper, to aid Cordova with a "build" decision for the Copper River Highway. Your assistance and support for Alaska State House of Representative Co-Resolution 46 would be one way you could express this support.

Sincerely,  
*Connie Taylor*  
Connie Taylor  
President

cc: Senator Dick Eliason, Senator Willie Hensley, Senator Jan Faiks,  
Senator John Binkley, Senator Paul Fischer, Senator Rick Uehling,  
Senator Jim Duncan, Senator Fred Zharoff, Senator Lloyd Jones,  
Senator Jack Coghill, Senator Tim Kelly, Senator Mitch Abood,  
Senator Bettye Fahrenkamp



#6

P.O. Box 1477  
Valdez, Alaska 99686  
(907) 835-2984

#### RESOLUTION 89-7

WHEREAS, the environmental tragedy in the Prince William Sound in 1989 clearly demonstrated the economic dangers inherent in single resource based economies in small Alaskan communities; and

WHEREAS, tourism and the resultant commerce show the greatest potential for Alaska's future economic development; and

WHEREAS, visitors prefer looping linear routes to view a continuing array of scenic wonders; and

WHEREAS, the City of Whittier is desirous of road access to Portage; and

WHEREAS, the City of Cordova is desirous of renewal of overland access via the historical right-of-way of the Copper River & Northwestern Railroad to Chitina; and :

WHEREAS, the opening of these two routes would dramatically increase the tourist looping potential of the entire region; and

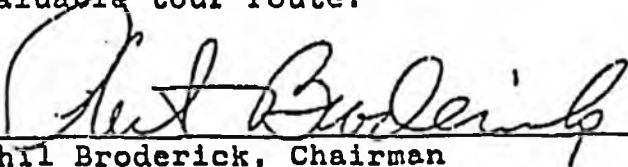
WHEREAS, the Copper River route was historically one of the most popular scenic tour routes as a portion of the Golden Belt Tour of the Alaska Steamship Co. days, and is currently designated as State Highway Route 10; and

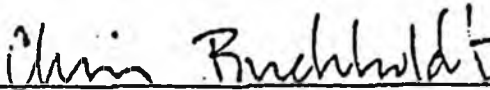
WHEREAS, the Whittier-Portage Highway is, via connection with the Alaska Marine Highway, an extension of this important scenic tour route;

NOW THEREFORE BE IT RESOLVED, that the Prince William Sound Tourism Coalition does hereby support the designation of this route as State Highway Route 10 from the Seward Highway at Portage to the Richardson Highway at the Edgerton Cut-off via Whittier, the Alaska Marine Highway, Cordova, and Chitina; and

PWSTC Resolution 89-7, cont'd

BE IT FURTHER RESOLVED, that the Prince William Sound Tourism Coalition urges the State of Alaska to continue its work toward the completion of this invaluable tour route.

  
\_\_\_\_\_  
Phil Broderick, Chairman

  
\_\_\_\_\_  
Chris Buchholdt, Secretary

7. Chitina Native Corporation

P.O. Box 3, Chitina, Alaska 99566

December 22, 1988

Michael L. Tinker  
 State of Alaska  
 Department of Transportation  
 and Public Facilities  
 Division of Design and Construction  
 2301 Peger Road  
 Fairbanks, Alaska 99709-2238

RECEIVED  
 DEC 22 1988  
 CITY OF CORDOVA

Re: Copper River Highway through Chitina

Dear Mr. Tinker:

Chitina Native Corporation(CNC) would like to thank the Department of Transportation (DOT) for holding a public hearing on May 11, 1988 in Chitina on whether or not the State should recommend building the Copper River Highway. Although I was not able to attend the hearing, I understand that many of the issues that I will address in this letter were discussed by CNC shareholders who were present.

The Chitina Native Corporation supports the construction of the Copper River Highway through Chitina. The Board of Directors encourages the State to start with a pioneer access road that will eventually be upgraded to a secondary federal-aid highway.

The corporation supports efforts that would allocate the \$18 million in State funds needed to construct the highway. If this approach is not feasible, a toll road financed by revenue bonds would also be supported with the stipulation that Chitina and other residents in the vicinity be allowed to use the road toll free. This could be accomplished by placing a toll gate a least ten miles south of Chitina toward Cordova.

CNC's support is subject to numerous issues that need to be addressed before the highway is constructed. A summary of concerns that have been brought to the attention of the CNC Board of Directors by shareholders are discussed as below:

LOCAL HIRE. CNC would like the Copper River Highway construction job to be a model project for local hire. Every effort should be taken to ensure a maximum percentage of local hire. CNC suggests that DOT take the lead in developing a structure that will encourage unions, contractors, sub-contractors and State agencies to hire locally.

There is no reason State labor laws can not be used to influence contractors to hire local people. Chitina is within the Valdez and Cordova census area. Under the State residence hire law, State

# THE EYAK CORPORATION

8

February 16, 1988

Office of The Governor  
ATTN: Governor Couper  
Pouch A  
Juneau, AK 99811

RE: COPPER RIVER HIGHWAY SUPPORT BY EYAK

Dear Governor Couper,

The Eyak Corporation strongly supports the building of the Copper River Highway, and has supported it for a number of years. Any method that would expedite the building of the Copper River Highway, including a pioneer road, we feel would be a benefit to our people and all the people of Cordova. A highway would be a more economical way for people and freight to flow in and out of this community.

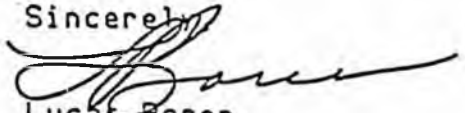
We feel that the question of whether or not the people of Cordova want a road, has been answered, and that answer was yes. We also would hope that you would be in favor of tying the state together via a highway system especially one that connects Cordova to the rest of the state. It is our understanding that since the Hickel Administration, no new state highways have been built.

The Eyak Corporation passed a resolution that endorsed the Woods Canyon Route otherwise known as the Chitna Route. This resolution is attached.

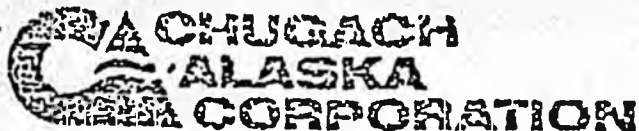
We also feel that this road would not only benefit the Cordova area, but it would also benefit the entire state. With the increase in tourism, especially in the area of McKinley Park, The Copper River Highway could go a long way to diversifying the areas visited by tourists by opening up the Wrangell St Elias area during the tourist season. Additional attractions that would be opened up and visited, are the Childs Glacier, Copper River Delta, and Sheridan Glacier, all of which are currently enjoyed by only a few people. Another fact that should be considered is the potential stabilization of Cordova's economy with the additional flow of persons and commerce that would travel to Cordova via the Copper River Highway. Many of these persons and businesses might not come without the highway.

Again we ask for your support and hope that the Highway can become a reality soon.

Sincerely,

  
Lucas Borer  
Chief Executive Officer  
The Eyak Corporation

P.O. BOX 340 CORDOVA, ALASKA 99574 (907)424-7161



9. February 11, 1988

The Honorable Steve Cowper  
 Governor of Alaska  
 P. O. Box A  
 Juneau, Alaska 99811-0101

Dear Governor Cowper:

This is to recommend the State supporting construction of the Copper River Highway from Cordova to Chitina. The route would connect the Chugach Alaska Corporation (CAC) and Ahtna, Inc. regions along the traditional trade and railroad route. In the Chugach region, it would access property owned by the U.S. Forest Service, the National Park Service and three ANCSA corporations including CAC.

The highway would connect Cordova to the State highway network and provide another link between the road and marine highway systems. This link will provide benefits to the statewide economy because of the new opportunities it will open for resource development including tourism and recreation. The draft State Area Plan for the Prince William Sound recognizes these resources as important to the growth and diversification of the area's economy.

Chugach Alaska Corporation feels that this project is an ideal pilot project for secondary road construction in the State because it accesses a remote, historic and magnificent part of the State, reduces construction costs by using an existing but dormant transportation corridor, and reduces initial maintenance costs by starting as a seasonal road.

Thank you for your consideration of our views on this project.

Sincerely,

CHUGACH ALASKA CORPORATION

Michael H. Clittick  
 President

MHC:jc

CC: Representative Setta Cato  
 Senator Jalmar Kerttula  
 Senator Mike Szymanski



Greater Fairbanks

**Chamber**

of Commerce

First National Center

100 Cushman Street

(907) 452-1105

P.O. Box 74446

Fairbanks, Alaska 99707

**RESOLUTION 01-1290**

**10. A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF COMMERCE  
IN SUPPORT OF THE COPPER RIVER HIGHWAY EXTENSION**

WHEREAS, the Fairbanks Chamber of Commerce supports expansion of the Alaska transportation system to include the intrastate connection between communities; and

WHEREAS, the extension of the Alaska highway system from Chitina to Cordova over the old Copper River railroad alignment would stimulate economic development by enhancing tourism and economical access to natural resources; and

WHEREAS, the Fairbanks community would also benefit as a primary provider of air and overland transport to Cordova; and

WHEREAS, the highway extension would encourage a healthy competition for the transport of trade goods to and from Cordova; and

WHEREAS, it adds to the health and safety of coastal communities by providing an all weather, economical and readily available access route to Alaska's major medical centers; and

WHEREAS, additional overland access to the coastal shipping lanes is critical to the environmental interests of Alaska to minimize further damage to our coastlines due to lack of ready access; and

WHEREAS, we believe the best interests of all Alaskan communities are served by completion of our transportation network between Alaska's rural communities and major population centers, and it is in that interest that we add our support for the completion of Copper River Highway; and

WHEREAS, the recently completed Copper River Highway Toll Feasibility Study concludes that it is feasible to construct the extension to Chitina at a cost of \$24.5 million; and

WHEREAS, Senate Bill 479 has been introduced to appropriate \$24.5 million for the construction of the Copper River Highway;

**NOW THEREFORE BE IT RESOLVED** by the Greater Fairbanks Chamber of Commerce that we support Senate Bill 479 and that the 1990 Legislature appropriate \$24.5 million in State funds to construct the Copper River Highway Extension to Chitina.

Passed this March day of 12, 1990

By Larry Kelly  
Larry Kelly  
President

By Rick Schikora  
Rick Schikora  
Chairman of the Board

Copies of this resolution shall be forwarded to all Legislators, the Mayor of Cordova and the Commissioner of the Department of Transportation & Public Facilities.

11.

Here is the apparent history of local support for the conversion of the Congressionally granted historic right-of-way of the Copper River & Northwestern Railroad to highway:

1937...Citizens worried about prospect of rail closure. Federal officials hear concerns.

April, 1938...City and Chamber of Commerce ask for help from the territorial legislature to convert the rails to road, Federal officials visit.

November, '38... Closure, CR&NR

1939...City and Chamber ask for help to convert rails to road from territorial legislature

1940...Territorial Legislature "Memorializes" Congress regarding conversion

1941...Act of Congress re-establishes federal ownership of r-o-w, and guarantees its status as a public highway; territorial legislature memorializes congress to convert railway to roadway

During the War Years Congress is too busy with defense, the population of Cordova continued to dwindle.

1947-'48...Sometimes Mayor John LeFevre rouses a citizenry grown lethargic over in-action and population depletion due to inaction; the Territorial legislature memorializes congress; federal officials visit

48'-53...Funding appears in federal budgets, somewhat subdued citizen advocacy continues

1949...Alaska Road Commission study is completed for conversion.

'53...Railway to road conversion is begun and continues on a per-funding basis

1959...partially converted road passes to state with Omnibus Act, state continues progress on conversion

1964...conversion is complete to 59 mile at time of earthquake, bridges are disrupted, the Cordova City Council asks for help in completing the conversion of the route

Federal disaster monies are set aside, and repair and conversion continue.

1973...a combination of outside forces coalesce to bring construction to a halt: the National Environmental Policy Act, ANILCA, ANLCSA, are used to force the state to agree out of court to not proceed until 1978; "Sierra Go Home" sentiment is strong

The Northern Region, DOT&PF has best summed up the remaining years of increasing public lethargy toward completion as once again their hopes of a transportation link renewal diminished. Appendix A of the Compendium Report on the Copper River Highway is attached:

CITY OF CORDOVA

REQUEST REGARDING  
DEPARTMENT OF TRANSPORTATION  
CAPITAL BUDGET FY 1991  
CONSTRUCTION OF THE COPPER RIVER HIGHWAY

The reasons to build the Copper River Highway are so numerous that they could not be all listed in one readable document. The State of Alaska has spent a million dollars in studies covering the feasibility, need, routing and benefits of building the Copper River Highway. They all pointed out great benefits to the State and its economy, so we will try to summarize a few of the important ones.

The Copper River Highway is the cheapest, cost affective road to build in Alaska. The State has 63 million dollars invested in the highway to nowhere now. Another 15 million would protect and allow the State to cash in on this investment. With the declining oil prices, the State needs to help with the development of the timber and minerals in the interior. The Copper River Highway would provide an ocean port and an all weather airport to the interior. The Exxon-Valdez oil disaster pointed out the important needs for this. It also pointed out the need for Cordova to broaden and strengthen its economy. The biggest single thing to boost Cordova's economy is the Copper River Highway.

The tourist trade is a major contribution to Alaska's economy. The Copper River Highway would open up some of the most magnificent scenery in Alaska. No other route would provide such a complete and diversified look at Alaska then taking the ferry through Prince William Sound and then driving up the Copper River Highway. State visitor forecasts predict 3.8 million tourist dollars would pass through Cordova if the highway were built.

This all amounts to the fact that the Copper River Highway has the support of the entire State. It would benefit the economy of the entire State. The right of way is owned by the State. It has been scheduled to be built for over 50 years. Therefore, we should build it.

COST ESTIMATE TO OPEN A YEAR-ROUND ROAD

	<u>Road Construction Cost</u>	<u>Maintenance Camp and Maintenance Equipment Needed</u>	<u>Total Cost To Open A Year- Round Road</u>
<u>Pioneer Access</u>			
Pioneer Access Road (62 Miles) Mile 49 to Chitina	\$15,000,000	\$ 3,255,000	\$ 18,255,000
<u>Federal-aid Secondary Highway</u>			
Wood Canyon Route (82 Miles) Mile 49 to Chitina	\$90,000,000	\$ 3,255,000	\$ 93,255,000
Tasnuna Route (64 Miles) Mile 49 to Richardson Highway	\$75,000,000	\$ 3,255,000	\$ 78,255,000
Tiekel Canyon Route (67 Miles) Mile 49 to Richardson Highway	\$70,000,000	\$ 3,255,000	\$ 73,255,000

The yearly maintenance costs have also been estimated.

YEARLY MAINTENANCE COST ESTIMATE

	<u>Yearly Seasonal Maintenance Cost</u>	<u>Yearly Year-Round Maintenance Cost</u>
Pioneer Access	\$ 600,000	\$1,200,000
Federal-aid Secondary Highway (Tasnuna, Tiek el or Wood Canyon Routes)	\$ 800,000	\$1,600,000

## HISTORY OF THE COPPER RIVER HIGHWAY

When the Copper River and Northwest Railroad closed in 1939, the residents of the area began working on converting the railroad bed to a highway. The railway company conveyed the railroad right-of-way to the United States in 1945. Between 1941 and 1945, 13 miles of the highway were built from Cordova to serve the new airport (now named Mudhole Smith International Airport). Territorial Representative Dimond in 1936, recommended to the Alaska Road Commission a ten year road improvement plan that included building a highway from Cordova to the Richardson Highway through the Tasnuna Canyon.

In 1946, John LaFever, a Cordova businessman and sometime Mayor of Cordova, restarted a push to convert the entire length of the right-of-way to a highway. A reconnaissance, schedule and cost estimate were completed for the conversion by the Alaska Road Commission in 1949.

In 1953, the U.S. Congress appropriated \$550,000 and the conversion was started by the Alaska Road Commission. Another \$2,400,000 was appropriated for 1954. In 1956, the Bureau of Public Roads took over the responsibility for roads in Alaska and continued the conversion to Mile 49.

The right-of-way was quitclaimed to the State of Alaska by the U.S. Department of Commerce in 1959 at the time of statehood (1959). The Alaska Department of Highways continued the conversion to Mile 59 when the 1964 earthquake occurred. The earthquake damaged many bridges along the route, some beyond repair. By this time, the route was designated as a Federal-aid Secondary (FAS) highway and numbered 851.

After the earthquake, the State of Alaska (Department of Highways) and the Federal Government (FHWA) decided to re-evaluate the project. A feasibility study was completed in 1967 which considered three alternative routes: the route to Chitina, a route up the Tasnuna River Valley and a route up the Tiekel River Valley. The study recommended the Tiekel Route as technically best, with the Tasnuna Route a close second.

After a review, by the then Department of Highways, the Tasnuna Route was chosen as the preferred alternative and the Federal and State governments decided to proceed with repairing the earthquake damages and building a road through the Tasnuna Valley to the Richardson Highway. Public hearings on the feasibility study were held in Valdez and Cordova in early 1969.

History of Copper River Highway

## RECOMMENDATIONS

The Northern Region of the Alaska Department of Transportation and Public Facilities (ADOT&PF) recommends completing the Copper River Highway initially as a pioneer road to Chitina leaving open the option of a secondary highway on the Chitina, Tiekel or Tasnuna routes. In preparation, ADOT&PF recommends maintenance on the portions of the Copper River Highway north of the Million Dollar Bridge that has been converted to roadway and seeking Legislative funding to do so as part of the FY 1990 budget. This would add Mileposts 49 to 72 and Mileposts 112 to 131 to the maintenance system. Additional operating funds would be required to perform this maintenance which would be at a level considerably below normal maintenance standards.

It is further recommended that the Department of Transportation and Public Facilities in conjunction with the appropriate experts from the Department of Revenue perform an in depth analysis of the toll road concept and the cost and feasibility of obtaining some form of bonding for construction. This analysis should begin as soon as possible to be able to provide the Governor and the Legislature with the data necessary to make funding decisions.

Additional coordination with the Federal Highway Administration to positively determine whether or not the cost of constructing the Copper River Highway as a pioneer access road could be eligible at a later date when upgraded to secondary standards. This work should also be done prior to the next Legislative session.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

June 17, 1988

The Honorable Jan Faiks  
President of the Senate  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Faiks:

On this date I have allowed the following bill to become law without my signature and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE COMMITTEE SUBSTITUTE FOR  
COMMITTEE SUBSTITUTE FOR  
HOUSE BILL NO. 101(Fin) am S  
(Relating to state toll facilities.)  
Chapter No. 165, SLA 1988

This legislation makes changes desired by the Department of Transportation and Public Facilities (DOT/PF) regarding toll facilities, including authorizing the construction of the Copper River highway as a toll facility if certain conditions are met and federal funds be made available. I fully agree with the purpose of the first four sections of this bill, which primarily add tunnels to the list of authorized public toll facilities since the proposed Whittier highway tunnel may later become feasible or necessary.

Most of the public's attention, however, has been focused on Section 5 of this bill. Section 5 instructs DOT/PF to build the Copper River highway as a toll road, but bonding authorization has not been provided to do so. Further, federal bridge funds would be available only if the state commits to constructing the road, but this bill makes constructing the road contingent on receipt of the federal bridge funds.

If the road is to be constructed using revenue bonds, AS 37.15.730(1) requires the department to submit a feasibility study to the Governor and the Legislature and to determine if this method is financially feasible. Also, in the event that federal bridge funds became available to the

state, funding for actual construction of the road would still be subject to a positive feasibility study and subsequent bonding authorization by the Legislature.

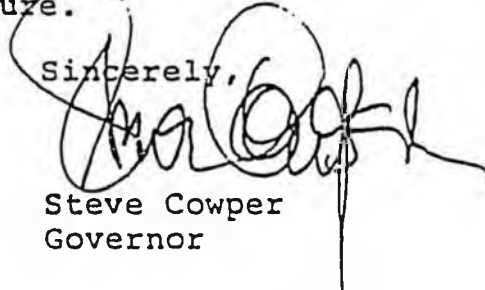
Section 5 serves little practical purpose. House Concurrent Resolution 46, relating to a Copper River toll road, passed the Legislature this year. It requests the Governor to direct DOT/PF to construct the route as a toll road. The Legislature's desire for a toll road has therefore already been expressed through this resolution.

Many people in the Cordova area evidently have been told that this legislation mandates the building of the Copper River highway. Judging from the public opinion messages I have received, there is a strong belief in some quarters that this bill is the final step in the process and that construction of the road will begin immediately.

That assumption is wrong. The Copper River highway is a major undertaking which will involve a substantial commitment of public money. Like all major public works projects, it requires a careful assessment of its benefits and burdens which cannot be made for many months. The unrealistic expectations which have been expressed by some of the proponents of the Copper River highway will probably result in frustration later, when people realize that the normal processes have not really been circumvented.

For these reasons, I am allowing SCS CSHB 101(Fin) am S to become law without my signature.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the word "Sincerely,". The signature is fluid and cursive, with a long vertical line extending downwards from the end of the name.

Steve Cowper  
Governor

MEMBER

OFFICE OF THE PRESIDENT

TENTH ALASKA LEGISLATURE  
ELEVENTH ALASKA LEGISLATURE  
TWELFTH ALASKA LEGISLATURE  
THIRTEENTH ALASKA LEGISLATURE  
FOURTEENTH ALASKA LEGISLATURE  
FIFTEENTH ALASKA LEGISLATURE  
SIXTEENTH ALASKA LEGISLATURE



SENATOR TIM KELLY

P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 489-3822

P.O. BOX 210001  
ANCHORAGE, ALASKA 99521  
(907) 561-7612

NOVEMBER 3, 1989

FOR IMMEDIATE RELEASE

ROADS TO CORDOVA, WHITTIER GAIN SUPPORT

Alaska's Prince William Sound should be developed for economic and recreational use, according to Senate President Tim Kelly (R-Anchorage).

Kelly made his comments before a group of business leaders seeking to build additional road access to the Sound. Kelly stressed his belief that Prince William Sound offers one of the greatest opportunities to expand tourism and economic development in Alaska.

"The first step for economic and recreational development of the Sound is adequate road access," said Kelly. "It's only logical to construct roads to Cordova and Whittier."

The controversial debate over road access to Whittier and Cordova has continued for over two decades. The road to Cordova, at one point, had been funded by the legislature but was never constructed due to mixed public support. The funds were later reappropriated by the legislature to other projects.

"Time has changed public sentiment," stated Kelly. "I believe the people in Whittier, Cordova and statewide want roads into Prince William Sound".

"I intend to make new roads to Whittier and Cordova one of my top legislative priorities for the upcoming session," concluded Kelly. "I'm working with Department of Transportation and Alaska Railroad officials to gather the necessary information on these projects to gain support for legislative funding and successfully complete these projects."

-END-

For More Information contact:  
SENATOR TIM KELLY  
561-7612

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

P.O. BOX Z  
JUNEAU, ALASKA 99811-2500  
PHONE: (907) 465-3900

OFFICE OF THE COMMISSIONER

March 6, 1990

The Honorable Jack Coghill  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear ~~Senator~~ <sup>JACK</sup> Coghill:

Enclosed for your use and information is a copy of the Copper River Highway Toll Feasibility Study and Construction Analysis. This document is being provided to you in accordance with AS 37.15.730, section (1), as amended by Chapter 165, SLA 1988, An Act Relating to Toll Facilities.

The Toll Study concludes that it is financially feasible to construct an 18-foot wide gravel surfaced toll road, from the end of the existing Copper River Highway to Chitina, on the old Copper River and Northwestern Railroad Alignment, but it is only feasible if state funds, or possibly special federal demonstration project funds, are obtained to pay for all capital construction, and if a toll of \$15 per vehicle is charged to pay for annual maintenance costs.

Connecting Cordova with the Alaska Highway System by constructing an extension of the existing Copper River Highway from MP 49 (the Million Dollar Bridge) to Chitina, on the old Copper River and Northwestern Railroad alignment, has long been considered. In recent years, considerable attention has been focused on determining a way in which this extension could be constructed.

The Department of Transportation and Public Facilities is required to submit to the Governor and Legislature a study which determines whether a toll facility is able to produce revenue adequate to repay revenue bonds with which it may be financed. Chapter 165/88 also requires the DOT&PF to construct the Copper River Highway as a toll facility should this analysis prove feasible, and other conditions of federal financial assistance are met.

The Honorable Jack Coghill

-2-

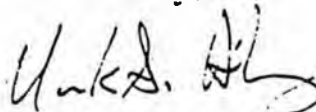
March 6, 1990

The Study concludes that the amount of \$24.5 million would cover the entire capital cost of the project from preconstruction activities through actual construction of the highway, additional maintenance camps, and acquisition of additional maintenance equipment. Tolls would fully cover annual year-round maintenance costs. As an alternative, the department has concluded approximately 20% to 30% of the construction costs could be financed through tolls, if general funds covered maintenance expenses.

In the event full state funding is not made available, a special federal demonstration grant for construction and maintenance equipment could be pursued. If preconstruction activities were state funded, design of the project could begin this year. Such action would demonstrate to Congress that Alaska is serious about constructing the Copper River Highway extension. However, there are other ramifications to consider, as outlined in the report, before pursuing federal funding. Paramount among them would be possible endangerment of our normal federal-aid highway program funding.

Clearly the simplest way to construct this project is with state funds. Whether such a financial investment is possible at this time is a difficult question. If you have any questions regarding the information, please let me know.

Sincerely,



Mark S. Hickey  
Commissioner

Enclosure

cc: The Honorable Steve Cowper, Governor

# Senator John B. (Jack) Coghill

Alaska State Legislature

Box V  
Juneau, Alaska 99811  
(907) 465-4797

Box 55028  
North Pole, Alaska 99705  
(907) 488-0862

## MEMORANDUM

DATE: March 27, 1990

TO: Representative Ron Larson  
Co-Chairman Finance Committee

FROM: Senator Jack Coghill

SUBJECT: Hearing for SB 236

The House Transportation Committee has passed out SB 236, revenue bonds for the Copper River Highway. At your convenience, I would appreciate a hearing on SB 236, as soon as possible.

SB 236 would complete the already started work on the Copper River Highway. Revenue Bonds of up to 25 Million Dollars would be sold to pay for construction costs, and upgrade of the highway. A small toll of \$15 would be put in place to cover the cost of financing the bonds. The toll is low enough to encourage travel between Cordova and Anchorage, in addition to encouraging tourism in Cordova by out-of-state tourists.

For fifty years construction of the Copper River Highway has been on hold, for a variety of reasons.

The effects of building the Copper River Highway would be considerable. Cordova would be connected with the rest of the state. The whole area would be open to economic development, and the diversification of the economy would bring new jobs to the area.

I strongly urge the Finance Committee to give SB 236 a public hearing, and to continue the process under which it moves through the legislature.

The Anchorage  
**Times**  
Alaska's Best Newspaper



## Cordova roadblock

WITH JUST a little more than two weeks left in the 1990 legislative session, the roadblock to construction of the Copper River Highway to Cordova still remains.

It is almost inconceivable that a legislature which has done little in the almost four months it has been in session will let another major issue die — but so far, there appears no inclination again to address this pressing need.

It is not a case of the Cordova road proposal being too new to grasp.

After all, there have been plans on the drawing board for more than 50 years to provide Cordova with a surface access to the rest of Alaska. In recent years, the studies have been detailed and thorough.

Yet Cordova's needs just seem to fall through the cracks. The legislature con-

stantly finds other areas with bigger problems, and nobody speaks — or acts — for the community's transportation future.

**ONLY** A relative few miles of pioneer road are necessary to give Alaskans surface access to and from Cordova, a construction that would open vast new travel and tourism opportunities.

Contentions that a majority of Cordova residents don't want the road have long since been laid to rest. There is evidence aplenty that both Cordovans and a majority of all Alaska strongly favor construction of the highway.

The legislature has the authority to move this project ahead, but it must do so in the next two weeks. Make it a toll road, fine. But build it.

The time is now.



HIGHWAY USERS FEDERATION OF ALASKA  
P.O. BOX 92665 ANCHORAGE, ALASKA 99509-2665

Alaska R.O.A.D. Association



P.O. Box 635, Cordova, Alaska 99574-0635

# The Anchorage Times

Alaska's Best Newspaper



Alaskan owned and operated since 1915

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Our purpose: To present a balanced, accurate, impartial news report; to watchdog government and other institutions depending on the public for support; to provide wholesome family entertainment; and to support on our editorial page environmentally sound development of our natural resources and a diversity of other economic opportunities.

## 18-1 for progress

ONCE MORE the members of the Alaska House are going to have to step up and be counted — like it or not.

The Senate off an overwhelming vote has passed to the ladies and gentlemen of the House a bill that would authorize a \$25 million bond issue to finance a toll road that finally — at long last, after decades of sorry debate — would connect Cordova by highway to the rest of Alaska.

Will the House go along with the proposal — or will it cave in to the environmental extremists and a lot of people who come up from Seattle in the summertime to become Cordova residents for three months?

IT'S LUDICROUS that this highway link has been so long delayed. It's even longer if you consider that even if Cordova residents overtook the state in the next few years, they would still

ging has gone on and on, bolstered by a contention that Cordova residents are divided, about 50-50 on whether there should be a road. The city council, too, is divided. But the interests of the state are clear. Trade and commerce and tourism and public safety all speak to the need.

THE ADMINISTRATION and the state Department of Transportation and Public Facilities have been derelict in not pursuing the matter. The sad truth is that DOT isn't in the road building business any more. Those in charge don't believe in it.

The Senate, however, asserted itself in a powerful way — giving the bonding proposal an 18-1 endorsement. The House must

## PUBLIC OPINION MESSAGE

DEAR: SENATOR COGHILL

NAME: MARIA ADKINS  
 TITLE:  
 ADDRESS: BOX 461  
 CITY: CORDOVA, AK  
 PHONE: 424-7311  
 BILL NO: SB 236

ZIP: 99574

SUBJECT: REVENUE BONDS FOR COPPER RIVER HIGHWAY  
 MESSAGE: LADIES AND GENTLEMEN, THANK YOU FOR A JOB WELL DONE IN PASSING  
 SB236. NORTH GULF COAST, THE REST OF ALASKA, COPPER RIVER HIGHWAY NEEDS  
 ALL THE HELP IT CAN GET TO COMPLETE THIS HIGHWAY AS EXPEDITIOUSLY AS  
 POSSIBLE. IT IS REFRESHING AT LONG LAST AT HAVING A LEGISLATIVE BODY  
 MOVING IN THE RIGHT DIRECTION TO SERVE ALL THE VOTERS OF ALASKA. THANK YOU.

POMID: 00114412  
 DATE: 03/15/90  
 TIME: 11:44:12  
 PHONE: JUNEAU LIO

COPIES: SENATORS

ADAMS  
 BINKLEY  
 DUNCAN  
 ELIASON  
 FAHRENKAMP  
 FAIKS  
 FISCHER  
 FRANK  
 HALFORD  
 JONES  
 KELLY  
 KERTTULA  
 PEARCE  
 POUCHOT  
 RODEY  
 STURGOLEWSKI  
 SZYMANSKI  
 UENLING  
 ZHAROFF

## PUBLIC OPINION MESSAGE

DEAR: SENATOR COGHILL

NAME: FRANK ADKINS  
 TITLE:  
 ADDRESS: BOX 5-10-1  
 CITY: BIG LAKE, AK  
 PHONE: 892-8816  
 BILL NO: SB 236

ZIP: 99652

SUBJECT: REVENUE BONDS FOR COPPER RIVER HIGHWAY  
 MESSAGE: THE PASSAGE OF SB236 IS PROGRESSIVE MOVE FOR THE STATE OF ALASKA.  
 AND MOVING IN A POSITIVE DIRECTION IN UPGRADING OLD ROADS AND CONSTRUCTING  
 OR COMPLETING NEW ONES. DUE TO THE LOGISTICS I HAVE RELOCATED MY FISHERIES  
 AND TENDERS CHARTER BUSINESS TO VALDEZ. I MAINTAIN FAMILY, FRIENDS AND  
 IS LONG OVERDUE TO DRIVE TO CORDOVA.

POMID: 00114759  
 DATE: 03 15 90  
 TIME: 11:47:59  
 PHONE: JUNEAU LIO

COPIES: SENATORS

ADAMS  
 BINKLEY  
 DUNCAN  
 ELIASON  
 FAHRENKAMP  
 FAIKS  
 FISCHER  
 FRANK  
 HALFORD  
 JONES  
 KELLY  
 KERTTULA  
 PEARCE  
 POUCHOT  
 RODEY  
 STURGOLEWSKI  
 SZYMANSKI  
 UENLING  
 ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR COGHILL

NAME: HARLA ADKINS

TITLE:

ADDRESS: BOX 461

CITY: CORDOVA, AK

PHONE: 424-7311

BILL NO: SB 236

SUBJECT: REVENUE BONDS FOR COPPER RIVER HIGHWAY

MESSAGE: PLEASE DO PASS SB236 FUNDING FOR COPPER RIVER HIGHWAY BY COGHILL AND SZYMAŃSKI. THIS UNCOMPLETED STRETCH IS LONG OVERDUE FOR POTENTIAL OIL SPILL RESPONSE FOR THE GULF, TOURISM, ECONOMY. IT IS A MUST. THANK YOU FOR YOUR PERCEPTION. MISS COPPER RIVER HIGHWAY, CORDOVA ALASKA

PHONID: 00090449

DATE: 03/14/90

TIME: 09:04:49

LIQNAME: JUNEAU LIO

COPIES: SENATORS

ADAMS  
BINKLEY  
DUNCAN  
ELIASON  
FAHRENKAMP  
FAIKS  
FISCHER  
FRANK  
HALFORD  
JONES  
KELLY  
KERTTULA  
PEARCE  
POURCHOT  
RODEY  
STURGOULEWSKI  
SZYMAŃSKI  
UEHLING  
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR COGHILL

NAME: LARRY DUNCAN

TITLE:

ADDRESS: BOX 579

CITY: CORDOVA

PHONE: 424-5298

BILL NO: SB 236

SUBJECT: REVENUE BONDS FOR COPPER RIVER HIGHWAY

MESSAGE: THE OIL SPILL DEMONSTRATED THE ESSENTIAL NEED FOR ACCESS TO PROTECT THE LAND. PLEASE SUPPORT ANY AND ALL MEANS TO BUILD THE COPPER RIVER ROAD NOW. PLEASE PASS SB236 UNANIMOUSLY TODAY.

ZIP: 99574

PHONID: 00091117

DATE: 03/14/90

TIME: 09:18:49

LIQNAME: JUNEAU LIO

COPIES: SENATORS

ADAMS  
BINKLEY  
DUNCAN  
ELIASON  
FAHRENKAMP  
FAIKS  
FISCHER  
FRANK  
HALFORD  
JONES  
KELLY  
KERTTULA  
PEARCE  
POURCHOT  
RODEY  
STURGOULEWSKI  
SZYMAŃSKI  
UEHLING  
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR COGHILL

NAME: SUE LAIRD  
 TITLE:  
 ADDRESS: PO BOX 1624  
 CITY: CONDOVA  
 PHONE: 424-3826  
 NO: SB 236

ZIP: 99574

SUBJECT: REVENUE BONDS FOR COPPER RIVER HIGHWAY  
 MESSAGE: PLEASE QUESTION 25 MILLION IN REVENUE BONDS TO BUILD THE COPPER RIVER HIGHWAY INTO A SEASONAL, SUBSTANDARD, 4 WHEEL DRIVE, PIONEER, TOLL ROAD. SAFE, ENERGY EFFICIENT, PUBLIC TRANSPORTATION IS OUR FUTURE. PLEASE CONSIDER INSTEAD, BUILDING THE SHORTER ROAD TO WHITTIER AND INCREASING FERRY SERVICE TO ALL COMMUNITITES IN PRINCE WILLIAM SOUND.

FORMID: 14111501  
 DATE: 03/21/90  
 TIME: 11:15:01  
 NAME: MAT-SU LIO

COPIES: REPRESENTATIVES SENATORS

FOSTER  
 HOFFMAN  
 LARSON  
 KUDINA

KERTTULA  
 SZYMANSKI  
 JONES  
 FAHRENKAMP  
 FISCHER  
 FOURCHOT  
 LINLEY  
 UFFLING  
 DUNCAN  
 FRANK  
 FEARCE  
 ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR COGHILL

NAME: SCOTT NOVAL  
 TITLE:  
 ADDRESS: PO BOX 1703  
 CITY: CONDOVA, AK  
 PHONE: 424-7107  
 BILL NO: SB 236

ZIP: 99574

SUBJECT: REVENUE BONDS FOR COPPER RIVER HIGHWAY  
 MESSAGE: I URGE YOU TO PASS THIS BILL AND PLEASE REMEMBER THAT 80% OF ALL ALASKANS SUPPORT NEW ROADS.

FORMID: 00145251  
 DATE: 03-13-90  
 TIME: 16:52:51  
 NAME: JUREAU LIO

COPIES: SENATORS

ADAMS  
 BIRLEY  
 DUNCAN  
 ELLISON  
 FAHRENKAMP  
 FATES  
 FISCHER  
 FRANK  
 HALLGREN  
 JONES  
 KELLY  
 KERTTULA  
 PEARCE  
 FOURCHOT  
 RODEY  
 STURGEONWORTHY  
 SZYMANSKI  
 UFFLING  
 ZHAROFF

## PUBLIC OPINION MESSAGE

DLAR: SENATOR COGHILL

NAME: ANN L. STOW

TITLE:

ADDRESS: 1111 OCEAN VIEW DRIVE

CITY: ANCHORAGE

ZIP: 99515

PHONE: 345-5436

BILL NO:

SUBJECT: CORDOVA ROAD

MESSAGE: I WOULD ENCOURAGE YOU HIGHLY TO GET THE ROAD TO CORDOVA IN. EVEN IF IT IS A TOLL ROAD, I BELIEVE PEOPLE WILL BE MORE THAN HAPPY TO PAY THE FEE. I HAVE LIVED IN ALASKA FOR OVER 50 YEARS AND HAVE NEVER HAD THE PRIVILEGE OF GOING TO CORDOVA BECAUSE THERE WAS NO ROAD. I THINK IT WILL BE A GREAT BOOST TO OUR TOURISM. /CHR

POMID: 03155543

DATE: 03/19/90

TIME: 15:55:43

LOCATION: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS, C.	ELIASON
DAVIS, M.	DONLEY	FAHRENKAMP
ELLIS	FINDELSTEIN	FAIS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
KUBINA	LARSON	KERTTULA
LEMAN	MACLEAN	PEARCE
MARTIN	MEHARD	POURCHOT
MILLER	HAVARRE	RODEY
PETTYJOHN	PHILLIPS	STURGULEWSKI
RIEGER	SHARP	SZYMAWSKI
SHULTZ	SHACKHAMMER	UEHLING
TAYLOR	ULNER	ZIAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR COGHILL

NAME: JO KING

TITLE:

ADDRESS: P.O. BOX 29

CITY: CHITINA

ZIP: 99566

PHONE: N.R.

BILL NO:

SUBJECT: PROPOSED CORDOVA HIGHWAY

MESSAGE: I SUPPORT THE CORDOVA ROAD. 23 PLUS PEOPLE WHO HAVE BOUGHT LAND FROM ME ARE VERY INTERESTED IN ACCESS TO THEIR PROPERTY. WITHOUT THIS ROAD VIA CHITINA, THEY WOULD BE PROHIBITED FROM ACCESS. I WOULD ALSO PREFER THAT IT NOT BE CONSIDERED A TOLL ROAD. /IW

POMID: 03155559

DATE: 03/19/90

TIME: 15:55:59

LOCATION: ANCHORAGE LIO

COPIES: REPRESENTATIVES SENATORS

KUBINA	JONES
GRUSSENDORF	FAHRENKAMP
HUDSON	FISCHER
LEMAN	POURCHOT
FOSTER	

PUBLIC OPINION MESSAGE

DEAR: SENATOR COGHILL

NAME: JULIE CLARK

TITLE:

ADDRESS: 1111 OCEAN VIEW DRIVE

CITY: ANCHORAGE

PHONE: 345-5061

ZIP: 99515

BILL NO:

SUBJECT: ROAD TO CORDOVA

MESSAGE: YES. BUILD THE ROAD TO CORDOVA TO CHIITHA. LET'S SPREAD THE TOURISM AROUND SO WE CAN ALL HAVE A BITE. IT WILL ALSO SPREAD TOURIST AWAY FROM OVERUSED AREAS. /CMR

PHID: 03162014

DATE: 03/19/90

TIME: 16:20:14

LOCATION: ANCHORAGE LIO

COPIES: PEP REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINELEY
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS, C.	ELIASON
DAVIS, H.	DOHLEY	FAHREHAMP
ELLIS	FINKELSTEIN	FALTS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACO	KOPONEN	KELLY
KURZHA	LARSON	KETTUNA
LEMAN	MACLEAN	PEARCE
MARTIN	MENARD	POURCHOT
MILLER	HAVARRE	RODEY
PETTY, JOHN	PHILLIPS	STURGULEWSKI
RIEGER	SHARP	STYHANSEI
SHULTZ	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

Marla Jean Adkins

P.O. Box 461  
Cordova, Alaska 99574  
(907) 424-7311

2-2-90

Tim Kelly  
Senator  
Senate President  
PO Box V  
Juneau, Ak.

Dear Senator Kelly:

I re-read with interest your Press Releases of sometime back regarding Prince Wm Sound, Whittier road and Copper River Highway. With legislature in session, I feel it is the proper time to drop these lines and ask for your cooperation.

I am certain you have viewed the Poll response that was done by a professional firm for Copper River Highway by ALASKA R.O.A.D Assoc?

I would like to ask at this time....after 50 plus years.... for you to Sponsor a bill or at least perhaps with with Coghill or and co-sponsor, lending the strength of your office, to allocate monies to complete COPPER RIVER HIGHWAY. For starters we should not be waiting more years, with the protection of our Gulf Coast on line for Oil Response and backup.

I would immediately like to see a \$1,000,000 (million) to begin Design and preliminary construction, plus funds to cross the Allan River this summer. This will back up the funds put in the last two years between the Million Dollar Bridge and Allan River on work done out of Valdez. I believe Maintenance funds were used but no funds were issued back to DOT by the legislature.

I do not need to remind you that if Alaska is going to seek Tourism and move forward, unlock the North Gulf Coast at least a little, we must MOVE AHEAD with a MAJOR ROAD PROGRAM which includes new roads and upgrading our old, or we waste our efforts and \$.

With our Jet Port here, Tourism on the climb in the Sound, Oil future, the Nations largest National Park to enjoy....completion and immediately of COPPER RIVER HIGHWAY is a must.

Sincerely Yours,

*Marla J. Adkins*  
Marla Jean Adkins

Alternatives For Cordova  
Box 1131  
Cordova, AK 99574

Jan. 14, 1990

Dear Senator Martell:

The construction of a highway to Cordova seems to be an active issue this session. Alternatives For Cordova is a group of citizens which does not favor this project. We would like to emphasize how divided the community remains on the issue.

A brief review of past political decisions reflects this division. In about 1981, a community-wide straw poll showed 60% of the community against a Copper River Highway. About four years later, a similar poll, but this time restricted to only voters within the Cordova City Limits, showed about 60% of voters in favor of the road. In September of 1989, the City Council voted \$35,000 of funding for the Alaska R.O.A.D. Assn., a local pro-Highway group. The vote was a tie vote, broken by the mayor. Then two months later, the vote was rescinded and the grant withdrawn, again by a tie vote broken by the mayor.

These experiences show how split the community is regarding a Copper River Highway. A fair estimate is that half of the community is against a road, and half is for a road. We believe that a Copper River Highway should not be started when the community it serves remains so divided about the benefits.

We would like to emphasize other pressing needs of Cordova. We need immediate improvement in ferry access. Even should you favor a road, the completion would be years off, and we need the improved access now, by ferry. Cordova needs help solving its' energy needs, and the Cordova Electric Cooperative will be asking for help in funding a hydroelectric project. Cheaper electricity is absolutely necessary for Cordova to maintain its' traditional economic base of fish processing.

You will be hearing a lot from the Alaska R.O.A.D. Assn. this year. The push will be to fund a "pioneer road" as a less expensive option. However, a "pioneer road" likely would not be safe for heavy traffic such as freight trucks or tour buses. It may do little for the basic industrial base of the town, which would still rely on Sealand and the ferry. Eventual upgrade to highway status will require hundreds of millions of dollars. Approximately half of the voters of this area do not want to spend their public monies on such a project.

Sincerely,

*Oliver Osborn*  
Oliver Osborn

cc:all legislators

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SENATE COMMITTEE REPORT

FURTHER

4/4/89

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

FINANCE Committee considered SB 237

lapsing of appropriations for capital projects

and recommended

- replace with \_\_\_\_\_ CS \_\_\_\_\_ )  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_ )  new title
- attached amendment(s) and  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

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

*Hearing 4-25-89*  
*Bill died in committee.*

FISCAL NOTE(S)  zero  fiscal impact  appropriation no FN  
 new  updated  previous  
 same as previous fiscal note(s) published \_\_\_\_\_

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

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 \_\_\_\_\_

\_\_\_\_\_  
Chairman signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

b  
6-0859 H

Date of 5-DAY NOTICE 3-30-89  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

FIN ✓

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 4-3-89

3/23/89

Mr. President:

STATE AFFAIRS

Committee considered

SB 237

lapsing of appropriations for capital projects

and recommended:

replace with CS SB 237 (st aff)  same title  
[ ] attached amendment(s) and  new title  
[ ] + majority does  
[ ] \_\_\_\_\_ letter of intent adopted

do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

BFK

CS fiscal note coming

FISCAL NOTE(S) attached  zero  
[ ] appropriation no FN attached

[ ] fiscal impact  
[ ] Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Jan Ladd  
Tim Kelly  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

Jan Ladd  
do pass

Chair ~~signature~~ signature and recommendation

[ ] Committee backup attached

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Department of Administration  
 Title: An Act relating to the lapsing of appropriations for capital projects. BRU: Finance  
 Sponsor: Pourchot, Adams, et al. Components: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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 1034 PERS/TRS	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)

No cost to Finance assuming AKSAS can be used for reporting requirements, and computer reports are adequate for analysis required.

Prepared By: Keith Busch, Director *Keith Busch* Phone: 465-2240  
 Division: Finance Date: 4/6/89  
 Approved by Commissioner: John M. Andrews *[Signature]* Date: 4/5/89  
 Agency: Department of Administration

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

Offered: 4/4/89  
Referred: Finance

6-0859H

Original sponsors: Pourchot, Adams,  
Halford, et al.

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 237 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the lapsing of appropriations for  
7 capital projects."

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

9 \* Section 1. AS 37.25.020 is amended to read:

10 Sec. 37.25.020. UNEXPENDED BALANCES OF APPROPRIATION FOR CAPITAL  
11 PROJECTS. An appropriation made for a capital project is valid for  
12 the life of the project and the unexpended balance may [SHALL] be  
13 carried forward to subsequent fiscal years. Unless a statement has  
14 been filed under (c) of this section during the preceding fiscal year,  
15 during July [BETWEEN JULY 1 AND AUGUST 31] of each fiscal year, a  
16 statement supporting the amount of the unexpended balance required to  
17 complete the projects for which the initial appropriation was made and  
18 the amount that may be lapsed shall be recorded with the Department of  
19 Administration.

20 \* Sec. 2. AS 37.25.020 is amended by adding new subsections to read:

21 (b) The agency responsible for administering a capital appro-  
22 priation shall file the report required under (a) of this section.  
23 The amount set out in the report as available for lapsing lapses upon  
24 certification under (e) of this section.

25 (c) Within 30 days after the end of a month in which a capital  
26 project is completed or abandoned, the agency responsible for admin-  
27 istration of the appropriation for that project shall file a statement  
28 with the Department of Administration stating that the project has  
29 been completed or abandoned and stating the amount of the unexpended  
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1 and unobligated balance of the appropriation that may be lapsed. The  
2 amount set out as available for lapsing lapses upon certification  
3 under (e) of this section.

4 (d) A project for which a statement has not been filed under (b)  
5 or (c) of this section before August 1 of each year is presumed to  
6 have been completed or abandoned during the preceding fiscal year and  
7 the unexpended and unobligated balance of the appropriation for that  
8 project lapses upon certification under (e) of this section.

9 (e) By October 15 of each fiscal year, the Department of Admin-  
10 istration shall certify to the Office of Management and Budget the  
11 amount that lapses under (b) - (d) of this section.

12 (f) Subsections (b) - (e) of this section do not apply to appro-  
13 priations in the form of grants under AS 37.05.315 - 37.05.317.  
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BY POURCHOT, ADAMS, HALFORD,  
FAIKS, FRANK, STURGULEWSKI,  
KELLY, COGHILL, FISCHER AND  
JONES

1 IN THE SENATE

2 SENATE BILL NO. 237

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the lapsing of appropriations for  
7 capital projects."

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

9 \* Section 1. AS 37.25.020 is amended to read:

10 Sec. 37.25.020. UNEXPENDED BALANCES OF APPROPRIATION FOR CAPI-  
11 TAL PROJECTS. An appropriation made for a capital project is valid  
12 for the life of the project and the unexpended balance may [SHALL] be  
13 carried forward to subsequent fiscal years. Unless a statement has  
14 been filed under (c) of this section during the preceding fiscal year,  
15 between [BETWEEN] July 1 and August 31 of each fiscal year, a state-  
16 ment supporting the amount of the unexpended balance required to  
17 complete the projects for which the initial appropriation was made and  
18 the amount that may be lapsed shall be recorded with the Department of  
19 Administration.

20 \* Sec. 2. AS 37.25.020 is amended by adding new subsections to read:

21 (b) The agency responsible for administering a capital appro-  
22 priation shall file the report required under (a) of this section.  
23 The amount set out in the report as available for lapsing lapses upon  
24 certification under (e) of this section.

25 (c) Within 30 days after completion or abandonment of a capital  
26 project, the agency responsible for administration of the appropria-  
27 tion for that project shall file a statement with the Department of  
28 Administration stating that the project has been completed or aban-  
29 doned and stating the amount of the unexpended and unobligated balance  
S

1 of the appropriation that may be lapsed. The amount set out as avail-  
2 able for lapsing lapses upon certification under (e) of this section.

3 (d) A project for which a statement has not been filed under (b)  
4 or (c) of this section before September 1 of each year is presumed to  
5 have been completed or abandoned during the preceding fiscal year and  
6 the unexpended and unobligated balance of the appropriation for that  
7 project lapses upon certification under (e) of this section.

8 (e) By October 1 of each fiscal year, the Department of Adminis-  
9 tration shall certify to the Office of Management and Budget the  
10 amount that lapses under (b) - (d) of this section.

11 (f) Subsections (b) - (e) of this section do not apply to  
12 appropriations in the form of grants under AS 37.05.315 - 37.05.317.  
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FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Department of Administration  
 Title: An Act relating to the lapsing of appropriations for capital projects. BRU: Finance  
 Sponsor: Pourchot, Adams, et al. Components: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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 1034 PERS/TRS	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)

No cost to Finance assuming AKSAS can be used for reporting requirements, and computer reports are adequate for analysis required.

Prepared By: Keith Busch, Director *Don Wainio for* Phone: 465-2240  
 Division: Finance Date: March 31, 1989  
 Approved by Commissioner: *John M. Andrews* Date: 3/31/89  
 Agency: Department of Administration

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

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,  
CHAIR

ETHICS COMMITTEE,  
CHAIR



ANCHORAGE  
P.O. BOX 104836  
ANCHORAGE, AK 99510  
(W) (907) 581-7623  
(H) (907) 338-2425

JUNEAU  
P.O. BOX V  
STATE CAPITOL  
JUNEAU, AK 99811  
(907) 465-3712

## Senator Pat Pourchot

### MEMORANDUM

TO: Senator Rick Uehling, Co-Chairman  
Senate Finance Committee

FROM: Senator Pat Pourchot

RE: Scheduling of SB 237

DATE: April 12, 1989

SB 237, relating to the lapsing of appropriations for capital projects, has been referred to the Senate Finance Committee. I am writing to respectfully request that you schedule SB 237 for a hearing.

SB 237 would establish a procedure for the administrative lapse of capital appropriations upon completion or abandonment of a capital project. Current statute authorizes administrative lapse, but does not require that the lapse actually occur.

As you know, over the years the legislature has reappropriated millions of dollars in unused capital appropriations. At a time when we are in dire need of revenues to balance the State's budget and are debating literally every revenue source, I firmly believe that these dollars need to be used to meet general government expenses. Unused capital dollars need to undergo the same deliberation and scrutiny as do state general funds -- no longer should these monies be considered "my dollars" or "your dollars" subject almost entirely to the discretion of individual legislators.

SB 237 would require that any funds available after project completion lapse to the general fund within 30 days of completion. The bill would apply only to direct appropriations for capital projects, not to grants to municipalities, unincorporated communities, or named recipients.

Please note that there is a State Affairs Committee Substitute which changes the dates by which funds available for lapse must be reported to the Department of Administration. The changes were made to align with preparation of the state's Annual Financial Report.

I urge your favorable consideration of SB 237 and would be happy to discuss it with you at your convenience. The bill has a zero fiscal note.

Sen. Pourchot  
April 10, 1989

SB 237, LAPSING OF APPROPRIATIONS FOR CAPITAL PROJECTS

THE PRESENT

Under current law, appropriations for capital projects are valid for the life of the project and the unexpended balance is carried forward to subsequent fiscal years. The agency responsible for administering a capital project is to report to the Department of Administration each year any amount that will not be needed for project completion. Unneeded funds may be administratively lapsed but there is no requirement that the lapse actually occur.

THE PROBLEM

Generally, these funds are not lapsed but are reappropriated by legislators for projects of their choice. At a time when the state's budget needs exceed revenues and literally every revenue source is under debate, unused capital dollars need to undergo the same deliberation and scrutiny as do state general funds. Lapsing unused capital funds to the state's general fund would allow this to occur.

THE PROPOSAL

Within 30 days after the end of a month in which a project is completed or abandoned, the agency responsible for administering the project must file a statement with the Department of Administration that identifies the amount of the appropriation available for lapse. The amount would automatically lapse upon certification by the department.

In the case of projects not complete or abandoned, a report would be filed annually with the Department of Administration as required under current law. Failure to file the report would result in automatic lapsing of the unexpended and unobligated balance of the appropriation.

These provisions would apply only to direct appropriations for capital projects, not to grants to municipalities, unincorporated communities, or named recipients.

THE PROSPECT

For the first time since 1983, in September 1988 the Governor's Office of Management and Budget undertook an agency by agency review of capital appropriations and administratively lapsed \$1.6 million in general funds. (This amount is exclusive of the Department of Transportation and Public Facilities, whose capital project clean-up effort has identified over \$15 million as available for lapse.) Presumably the amount available for lapse would have been much greater, and would be much greater in future years, if project balances are not subject to reappropriation.

Sen. Pourchot  
4/3/89

SECTIONAL ANALYSIS

CSSB 237 (State Affairs)  
AN ACT RELATING TO THE LAPSING OF APPROPRIATIONS FOR CAPITAL  
PROJECTS

Sec. 1 Requires that for ongoing capital projects, the agency administering the project file a statement with the Department of Administration in July of each year indicating any balance available for lapse.

Sec. 2 (b) Provides for lapse, upon certification by DOA, of the amount indicated in Sec. 1 as available for lapse.

(c) Requires that for capital projects that have been completed or abandoned, the agency administering the project file a statement with DOA within 30 days after the month in which a project is completed/abandoned indicating any balance available for lapse. The amount lapses upon certification by DOA.

(d) Provides that failure to file the required statement with DOA (either for ongoing projects or completed/abandoned projects) will result in the lapse of the unexpended and unobligated balance of the appropriation.

(e) Requires that DOA certify to OMB by October 15 of each year the amount lapsed.

(f) Clarifies that the lapse provisions apply only to direct appropriations, not to grants to municipalities, unincorporated communities, or named recipients.

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SENATE COMMITTEE REPORT

FURTHER

5/6/89

DATE TURNED INTO OFFICE 3/21/90

Mr. President:

Finance Committee considered SB 238

power project fund, and to the powers of the Alaska Power Authority to finance and make loans from the power project fund and to sell waste heat; efd and recommended

- replace with CS SB 238 (Finance) )  same title
- or adopt \_\_\_\_\_ )  new title
- attached amendment(s) and  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

**FISCAL NOTE(S)**  <sup>APA</sup> zero  fiscal impact  appropriation no FN  
 new  updated  previous  
 same as previous fiscal note(s) published \_\_\_\_\_

**MEMBERS SIGNING DO PASS**

[Signature]

\_\_\_\_\_

[Signature]

\_\_\_\_\_

\_\_\_\_\_

**OTHER RECOMMENDATIONS**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature] **No REC** [Signature] (No Rec)  
 Chair: signature and recommendation

Committee Backup attached

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: AK Power Authority  
 Title: Act relating to Power Project BRU: \_\_\_\_\_  
 fund \_\_\_\_\_  
 Sponsor: Rules Components: \_\_\_\_\_  
 Requestor: Governor

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
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						
OTHER						
TOTAL	0	0	0	0	0	0

**POSITIONS:**

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

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

Prepared by: *[Signature]* Phone: 465-3575  
 Division: APA Date: 17 March 89  
 Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

**Distribution (by preparer):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Changes in CSSB 238 (Fin)  
 have no fiscal impact.  
 This fiscal note is  
 appropriate. 3/21/90 ML

gou80y5E  
Crumer  
3/15/90  
Adopted  
SFC 3/21/90

Original sponsor(s): Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 238 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the power project fund, and to  
7 the powers of the Alaska Energy Authority to finance  
8 and make loans from the power project fund and to  
9 sell waste heat; and providing for an effective  
10 date."

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

12 \* Section 1. AS 44.83.080(16) is amended to read:

13 (16) to recommend to the legislature

14 (A) the issuance of general obligation bonds of the  
15 state to finance the construction of a power project if the  
16 authority first determines that the project cannot be financed by  
17 revenue bonds of the authority at reasonable rates of interest;

18 (B) the pledge of the credit of the state to guarantee  
19 repayment of all or any portion of revenue bonds issued to assist  
20 in construction of power projects;

21 (C) an appropriation from the general fund

22 (i) for debt service on bonds or other project  
23 purposes; or

24 (ii) to reduce the amount of debt financing for  
25 the project;

26 (D) an appropriation to the power project revolving  
27 loan fund for a power project;

28 (E) [REPEALED

29 (F)] development of a project under financing

1 arrangements with other entities using leveraged leases or other  
2 financing methods;

3 (F) [(G)] an appropriation for a power project ac-  
4 quired or constructed under AS 44.83.380 - 44.83.425 (energy  
5 program for Alaska).

6 \* Sec. 2. AS 44.83.080 is amended by adding a new paragraph to read:

7 (17) to sell waste heat directly to retail consumers.

8 \* Sec. 3. AS 44.83.090(a) is amended to read:

9 (a) The authority shall, in addition to the other methods that  
10 [WHICH] it may find advantageous, provide a method by which municipal  
11 electric, rural electric, cooperative electric, or private electric  
12 utilities and regional electric authorities, or other persons au-  
13 thorized by law to engage in the distribution of electricity may  
14 secure a reasonable share of the power generated by a project, or any  
15 interest in a project, or for any right to the power and shall sell  
16 the power or cause the power to be sold at the lowest reasonable  
17 prices that [WHICH] cover the full cost of the electricity or ser-  
18 vices, including capital and operating costs, debt coverage as con-  
19 sidered appropriate by the authority, and other charges that may be  
20 authorized by this chapter. Notwithstanding the provisions of this  
21 subsection, the authority may sell waste heat directly to retail  
22 consumers. Except for a contract or lease entered into under AS 44.-  
23 83.380 - 44.83.425, a contract or lease for the sale, transmission,  
24 and distribution of power generated by a project or any right to the  
25 capacity of it shall provide:

26 (1) for payment of all operating and maintenance expenses  
27 of a project and costs of renewals, replacements, and improvements of  
28 it;

29 (2) for interest on and amortization charges sufficient to

1 retire bonds of the authority issued for the project and reserves for  
2 them, plus a debt service coverage factor as may be determined by the  
3 authority to be necessary for the marketability of its bonds;

4 (3) for monitoring of the project by the authority or its  
5 agents;

6 (4) for full and complete disclosure to the authority of  
7 all factors of costs in the transmission and distribution of power, so  
8 that rates to any persons may be fixed initially in the contract or  
9 lease and may be adjusted from time to time on the basis of true cost  
10 data;

11 (5) for periodic revisions of the service and rates to  
12 persons on the basis of accurate cost data obtained by the accounting  
13 methods and systems approved by the directors and in furtherance and  
14 effectuation of the policy declared in this chapter;

15 (6) for the cancellation and termination of a contract or  
16 lease upon violation of its terms by any person;

17 (7) for security for performance as the authority may  
18 consider practicable and advisable, including provisions assuring the  
19 continuance of the distribution and transmission of power generated by  
20 a project and the use of its facilities for these purposes; and

21 (8) other terms not inconsistent with the provisions and  
22 policy of this chapter as the authority may consider advisable.

23 \* Sec. 4. AS 44.83.170(a) is amended to read:

24 (a) There is established as a separate fund the power project  
25 revolving loan fund. The fund consists of

26 (1) appropriations to the fund;

27 (2) repayments to the fund of principal on loans made from  
28 the fund;

29 (3) payments of interest on loans made from the fund;

(4) income from investment of money in the fund; and  
(5) the proceeds of bonds issued under AS 44.83.171 [THAT SHALL BE DISTINCT FROM ANY OTHER MONEY OR FUNDS OF THE AUTHORITY, AND THAT INCLUDES ONLY MONEY APPROPRIATED BY THE LEGISLATURE].

\* Sec. 5. AS 44.83.170(b) is amended to read:

(b) The authority may make loans from the power project revolving loan fund

(1) to electric utilities, regional electric authorities, municipalities, [CITIES, BOROUGHS,] regional and village corporations, village councils, and nonprofit marketing cooperatives to pay the costs of

(A) reconnaissance studies, feasibility studies, license and permit applications, preconstruction engineering, and design of power projects;

(B) constructing, acquiring, equipping, modifying, improving, and expanding [SMALL-SCALE] power projects [PRODUCTION FACILITIES], conservation facilities, bulk fuel storage facilities, and transmission and distribution facilities, including energy production, transmission, and distribution, and waste energy conservation facilities that depend on fossil fuel, wind power, tidal, geothermal, biomass, hydroelectric, solar, or other nonnuclear [NON-NUCLEAR] energy sources; [AND]

(C) reconnaissance studies, preconstruction engineering, design, construction, equipping, modification, and expansion of potable water supply including surface storage and groundwater sources and transmission of water from surface storage to existing distribution systems;

(D) acquisition of bulk fuel reserves or proven reserves of gas, oil, coal, geothermal, or other energy resources;

and

(E) consumer end-use improvements to reduce demand for energy;

(2) to school districts, regional educational attendance areas, regional housing authorities, and business enterprises to pay the cost of

(A) waste energy conservation facilities;

(B) consumer end-use improvements to reduce demand for energy;

(C) acquisition, construction, or repair of bulk fuel storage facilities and acquisition of fuel reserves;

(D) electric distribution facilities for housing development by regional housing authorities;

(E) power generation facilities only when those facilities provide wholesale power or emergency reserve power for a community and the utility certificated to serve that community has formally recommended approval of the loan application;

(3) to a borrower for a power project if

(A) the loan is entered into under a leveraged lease financing arrangement;

(B) the party that will be responsible for the power project is an electric utility, regional electric authority, municipality, [CITY, BOROUGH,] regional or village corporation, village council, school district, regional educational attendance area, regional housing authority, business enterprise, or non-profit marketing cooperative; and

(C) the borrower seeking the loan demonstrates to the authority that the financing arrangement for the power project will reduce project financing costs below costs of comparable

public power projects.

\* Sec. 6. AS 44.83.170(c) is amended to read:

(c) Before making a loan from the power project revolving loan fund, the authority shall, by regulation, specify

(1) standards for the eligibility of borrowers and the types of projects to be financed with loans;

(2) standards regarding the technical and economic viability and revenue self-sufficiency of eligible projects;

(3) collateral or other security required for loans;

(4) the terms and conditions of loans;

(5) criteria to establish financial feasibility and to measure the amount of state assistance necessary for particular projects to meet the financial feasibility criteria; and

(6) other relevant criteria, standards, or procedures.

\* Sec. 7. AS 44.83.170(e) is amended to read:

(e) Repayment of the loans shall be secured in any manner that the authority determines is feasible to assure prompt repayment under a loan agreement entered into with the borrower. The authority may make an unsecured loan from the power project revolving loan fund to a borrower regulated by the Alaska Public Utilities Commission under AS 42.05 if the borrower has a substantial history of repaying long-term loans and the capacity to repay the loan. Under a loan agreement, repayment may be deferred for 10 years or until the project for which the loan is made has achieved earnings from its operations sufficient to pay the loan, whichever is earlier.

\* Sec. 8. AS 44.83.170(f) is amended to read:

(f) Power projects are subject to the following limitations on interest and specific restrictions:

(1) power projects for which loans are outstanding from the

former water resources revolving loan fund under former AS 45.86 on July 13, 1978, may receive additional financing from the power project revolving loan fund; the additional financing, if granted, must be

(A) granted for a term not exceeding 50 years;

(B) granted at an interest rate of not less than three or more than five percent a year on the unpaid balance;

(C) conditioned on the repayment of loan principal and interest to begin on the earlier of

(i) the date of the start of commercial operation of the project; or

(ii) 10 years from the date the loan is granted;

(2) loans for power projects shall be granted

(A) for a term not to exceed 50 years; and

(B) at an interest rate that is not less than five percent and that is the lesser of

(i) a rate equal to the percentage that is the average weekly yield of municipal bonds for the 12 months preceding the date of the loan, as determined by the authority from municipal bond yield rates reported in the 30-year revenue index of the Weekly Bond Buyer; or

(ii) a rate determined by the authority that allows the project to meet criteria of financial feasibility established under (c) of this section.

\* Sec. 9. AS 44.83.170(h) is amended to read:

(h) The legislature may forgive the repayment of a loan made from the power project revolving loan fund for a reconnaissance study or a feasibility study when the authority finds that the power project for which the loan was made is not feasible.

\* Sec. 10. AS 44.83 is amended by adding a new section to article 5 to

read:

Sec. 44.83.171. POWER PROJECT BONDS. (a) The authority may borrow money and may issue bonds to make or refinance loans for projects authorized under AS 44.83.170. The terms of loans made or refinanced with the proceeds of bonds authorized by this section are subject only to AS 44.83.170(a) - (e).

(b) To enhance the marketability of bonds issued under this section,

(1) the authority may pledge the amounts in the power project revolving loan fund, including appropriated money and any income to the fund from any source, as security for bonds issued under this section; those amounts may be deposited by the authority with a trustee, as may be considered necessary, in order to further enhance the security of the bonds; and

(2) the authority may use all amounts in the power project revolving loan fund, from any source, to make principal, interest, and other payments required on bonds issued under this section, and to pay the administrative costs of the power project revolving loan fund; principal and interest repayments on loans made from appropriations and not otherwise used under this paragraph by the end of each fiscal year shall be deposited in the general fund.

(c) The authority may notify the head of an agency of the state, in writing, that a municipality is in default on the repayment of principal or interest on amounts financed by the sale of bonds under this section. After the notice is given, and notwithstanding any other provision of law, the agency shall, to the extent that the municipality is in default, withhold payment of money that the municipality would otherwise be entitled to receive, and shall pay the money to the authority to pay principal and interest on bonds of the

authority issued under this section.

(d) If a utility is a borrower from the power project revolving loan fund and is in default on the repayment of principal or interest on amounts financed by the sale of bonds under this section, the authority may, to the extent of the utility's default, withhold any payments owing to the utility under the power cost equalization program (AS 44.83.162 - 44.83.164), and shall pay the money to the power project revolving loan fund.

\* Sec. 11. AS 44.83.181(c) is amended to read:

(c) The plan of finance must include recommendations of the most appropriate means to finance a project, including, but not limited to,

- (1) the issuance of revenue bonds of the authority;
- (2) the issuance of
  - (A) general obligation bonds of the state; or
  - (B) revenue bonds of the authority that are guaranteed or partially guaranteed by the state;
- (3) an appropriation from the general fund
  - (A) to pay debt service on bonds or for other project purposes; or
  - (B) to reduce the amount of debt financing for the project;
- (4) a loan from the general fund;
- (5) financing arrangements with other entities using leveraged leases or other financing methods;
- (6) assistance from any federal agency, including, but not limited to, the Rural Electrification Administration;
- (7) a loan from the power project revolving loan fund under AS 44.83.170(a); or
- (8) any combination of financing arrangements listed in

this subsection.

\* Sec. 12. AS 44.83.187(a) is amended to read:

(a) The provisions of AS 44.83.177 - 44.83.185 and 44.83.189 apply only to a proposed new project that will generate more than 1.5 megawatts of power and

(1) requires an appropriation from the state general fund [, FROM THE POWER PROJECT FUND, OR FROM THE RENEWABLE RESOURCES FUNDS]; or

(2) is based on a plan of finance that requires the issuance of general obligation bonds or other pledge of the credit of the state.

\* Sec. 13. AS 44.83.940 is amended to read:

Sec. 44.83.940. ANNUAL REPORT. Before March 1 of each year, the authority shall submit to the governor and the legislature a comprehensive report describing operations, income, and expenditures, including a detailed accounting of the loans made from and income received by the power project revolving loan fund, for the preceding 12-month period.

\* Sec. 14. AS 44.83.990 is amended by adding a new paragraph to read:

(10) "business enterprise" means a single proprietorship, corporation, firm, partnership, or other association of persons organized in any manner, for any business purpose, other than on a nonprofit basis, that sells or transports electricity or waste heat in compliance with all applicable federal and state statutes and regulations.

\* Sec. 15. AS 44.83.170(g) and 44.83.990(9) are repealed.

\* Sec. 16. This Act takes effect immediately under AS 01.10.070(c).

2/8/90  
go0809sAaV  
Cramer

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 238

BY THE LABOR AND

COMMERCE COMMITTEE

Page 5, line 2:

Delete "reserves"

3/8/90

Amendment to SB 238  
proposed by ARECA

Page 4, lines 12-13

Delete the underlined language.

Page 5, after line 6 by adding:

(2) to school districts, regional educational attendance areas, regional housing authorities and business enterprises to pay the cost of

- (A) waste energy conservation facilities;
- (B) consumer end-use improvements to reduce demand for energy;
- (C) acquisition, construction or repair of bulk fuel storage facilities and acquisition of fuel reserves; and
- (D) power generation facilities only when those facilities provide wholesale power or emergency reserve power for a community and the governing body of the utility certificated to serve that community has formally recommended approval of the loan application.

Page 5, line 7

Change (2) to (3).

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

3/8/90

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proposed by ARECA

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Page 5, line 7

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State of Alaska  
Steve Cowper, Governor

**Alaska Energy Authority**

A Public Corporation

March 14, 1990

The Honorable Drue Pearce  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Re: SB 238

Dear Senator Pearce:

At the Senate Finance Committee hearings of March 8, 1990 you asked my staff why wording on page 4, lines 19 and 20 of SB 238 was revised to read "power projects" from "small-scale power production facilities." We did not recall the answer at the time and later promised to check with the Department of Law which drafted the bill, after consultation with the Authority, utilities and bond counsel.

It is my recollection that the change was made to conform the authorized purposes of borrowing from the fund to include those defined by existing statute AS 44.83.990(6) where "power project" or "project" is defined as:

A plant, works, system, or facility, together with related or necessary facilities and appurtenances, including a divided or undivided interest in or a right to the capacity of a power project or project, that is used or is useful for the purposes of

- (A) electrical or thermal energy production other than nuclear energy production;
- (B) waste energy utilization and energy conservation; or
- (C) transmission, purchase, sale, exchange, and interchange of electrical or thermal energy, including district heating or interties.