

ALASKA LEGISLATURE COMMITTEE FILES 201902 0012

2133 HT SB 824 - SCR 6

2133

Payments for the right to sell and deliver in bond merchandise to foreign-bound passengers at international airports go to the International Airports Revenue Fund. These payments comprise a substantial portion of the monies directed to the Fund, and therefore are a major factor in defraying international airport operating expenses, supporting international airport improvement programs and securing international airport revenue bonds. Absent the conferral of exclusive rights upon the in bond contractor at each international airport, this flow of revenue would be substantially reduced. The in bond concession payments are largely dependent upon the amount of in bond merchandise business done at the state's international airports. And, it is our view that maximization of such business is contingent upon the granting of exclusive rights to the contractor at each international airport; allowing any other person to offer to sell, sell or deliver in bond merchandise at any international airport would substantially impair the in bond business in Alaska and accordingly, reduce the state's revenues.

Analysis of SB 824 - "An Act relating to sale and delivery of an in bond merchandise at international airports; and providing for an effective date."

Introduced by Senate Rules Committee by request of the Governor.

This bill specifically provides for the granting of exclusive contracts for in bond concessions at the international airports. Recently legal question were raised concerning the granting of these exclusive contracts. However, the US Supreme Court and other courts have indicated that these legal questions can be resolved through state legislation that:

1. makes it clear that the granting of exclusive contracts furthers an important state policy.
2. provides that the state have active supervision and oversight on contractor's activities.

SB 824 specifically does provide an expressed immunity from antitrust laws.

Section 1. Legislative Findings. This section expresses the state benefits for having exclusive contracts for in bond merchandise concessions in the international airports. Primarily, it is an important source of revenue. (approx. \$5.3 million) The findings specifically list its relationship to Alaska's tourism industry. This section also points out that Alaska is presently under exclusive contract and this would make that practice "legal".

Section 2. Amends AS 02.15 by adding the new section that allows the DOTPF to enter into exclusive contract and may not permit any other persons to sell in bond merchandise at international airports. It provides for successive contracting and for offering of contracts by competitive bidding based on considering the (1) safe and effecient operations, (2) whatever generates maximum revenues for state, (3) maintenance of quality merchandise and services. It also requires the department to supervise these operations by developing and implementing guidelines for review.

Section 3 AS 02.15.210. This section presently does not allow for exclusive rights in the airport. The selling of in bond merchandise would be excluded from this section i.e. exclusive contracts would be allowed.

Section 4 Criteria is listed for what can be considered cargo.

General comments on SB 824---

I spoke with Bert Wagnon of DOTPF in Anchorage. In response to my questions of why revenues would be maximized if have only one concession as opposed to two, he said that it was necessary to consider the physical layout of the airport. He felt that it worked better. Passengers only have an hour or so to shop and if there were two concessions this would "confuse" the people who might want to shop for the best deal and consequently buy less goods thus reducing gross receipts and thus reduce state revenues.

I still don't see how granting one concession maximizes your revenues. My economic background tells me that having two concessions enhances your sales and certainly would not decrease sales. As a matter of fact, I think two concessions would give more people a chance to buy; be more accessible; less waiting for service.

Mr. Wagnon indicated that the "market is different". It has to be developed. He felt one operator can do a better job of convincing patrons that his prices are as good or better than those in Europe. He felt it was important to have a cohesive market.

He also felt that if there is an exclusive contract there would be a higher quality of merchandise; again he said two vendors would confuse people.

Later Mr. Wagnon added that he felt LIZ operated in semi-legal manner..tricks. He also thought they were "skunks". He added that it is easier for the department to oversee one concession. He commented that he has not had pleasant dealings with LIZ and that they have caused the department problems.

I asked why Hawaii had 20% payment on receipt and Alaska 13 3/4%. He said Hawaii has a different market. People are there longer periods of time. (To me this would mean they would buy more merchandise and the % would be less because the total would be more..) He also said that Hawaii's contract was recent whereas Alaska's is older. He does expect it to be higher when new contract. I wonder why that portion of contract was not renegotiated.

Personally this all sounds too cozy for me. This is mega bucks involved. I really fail to see how revenues would be reduced it there is competition and free enterprize. You have a captive audience already and they are going to buy. Also this exclusive contract had been the practice and in violation of antitrust laws and so this bill basically covers their (old) practice. Duty free has a big business here.

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Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Senator Fischer, Chairman
Senate State Affairs Committee

FROM: Senator Ferguson, Chairman *RF*
REAA Budget Oversight Committee

SUBJ: Senate Bill 846 - Architectural Barrier Regulations

DATE: March 29, 1982

Testimony received by the REAA Budget Oversight Committee has indicated that regulations regarding architectural barriers have had an adverse impact on maintenance and operations costs as well as construction costs in the rural school districts. These regulations include both the interim regulations for barrier-free facilities as well as the exterior ramps required by these regulations. Compliance involves an abnormal amount of manual labor during the winter months to keep the ramps free of snow and ice.

Although a multi-story structure has proven to be the most fuel efficient, the code requirements for elevators cause many districts having "bush" schools to utilize single story construction. The primary objection to the elevator installation in bush communities is the prohibitive costs of maintenance and restricted availability of service. The result of this code restriction is less energy efficient buildings.

REAA school districts are required to build ramps for the handicapped and to comply with other regulations for the access of the handicapped in villages without sidewalks or roads.

Senate Bill 846 would allow the Commissioner of DOTPF to make exemptions to these regulations in such cases as those that have been occurring in the REAA school districts.

*Deborah Bear
Spec Asst.*

APR 16 1982

Berrier
Alternative 1,
4/16/82

Original sponsor: Rules Committee
by request

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE
2 HOUSE CS FOR SENATE BILL NO. 846 (Transportation)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to waiver of compliance with architec-
7 tural barrier regulations; and providing for an effec-
8 tive date."

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

10 * Section 1. AS 35.10.015 is amended by adding a new subsection to read:

11 (f) A waiver of strict compliance with the regulations adopted
12 under (a) of this section may be granted only by the commissioner of
13 transportation and public facilities based on

14 (1) a recommendation by the Governor's Committee on the
15 Employment of the Handicapped that the waiver be granted; and

16 (2) a finding by the Governor's Committee on the Employment
17 of the Handicapped that there are practical difficulties in complying
18 with the regulations and that the public interest will be served by the
19 waiver.

20 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
21 070(c).

As comment
Preferred ->
① no fiscal effect - no revenue
② simpler - less cumbersome if that be
adequate & provide incentives to disabled
③ easier to pass
④ not a bad idea
⑤ improve fine



APR 23 1982

ANCHORAGE COMMUNITY COLLEGE
2533 PROVIDENCE AVENUE • ANCHORAGE, ALASKA 99504 • (907) 263-1200

April 19, 1982

Joyce

Chairman Betty Cato
Alaska State Legislature
House Transportation Committee
Pouch V
Juneau, Alaska 99811

Re: Senate Bill No. 846

Dear Chairman Cato:

I would like to take this time to object to the underlined portion of this bill i.e. However, when it is clearly demonstrated....any other provisions of law.

Although there are certainly cases where it is impracticable to enforce such a regulation as this, I think it is also clear that this decision should not be left to the discretion of one person. In all due respect for the competence, integrity, and forthrightness of any individual, I believe it is unreasonable to expect such an individual will not be unduly swayed by the various pressures that will be asserted by the differing segments of our society.

In addition to pressure groups, is the very real concern that if the waiver process is too easy, there will be a plethora of waiver requests which would not be initiated if the process were somewhat more difficult.

In difference to the proposed wording, I would suggest the establishment of specific criteria by which the reasonableness of a waiver could be evaluated or in lieu of this, establishment of a committee of specialists who would be responsible for hearing and acting upon such requests.

Sincerely,

Robert G. Stewart, Ph.D.
Director of Counseling Services

RS:jh

APR 13 1982

MSG 82-00020667 PRTY 1 04/13/82 13:46:56 ORIG: LA05 IN= 0005 OUT= 0076
FROM: MARCIE, ANC INFO TO: POM, JUNEAU INFO
TARGET: LJH2 SUBJ: F O M PAGE 0001

TO: SENATOR BILL RAY
REPRESENTATIVE BETTE CATO

FROM: DAVID MALTMAN, 325 E. THIRD AVENUE-SECOND FLOOR, ANC 99501
HM 278-4990 WK 274-3658

RE: SENATE BILL 846

THE STANDARD FOR ALLOWING A WAIVER TO ACCESSIBILITY REGULATIONS IS MUCH TOO VAGUE AND WILL CREATE MANY OBSTACLES TO ENFORCEMENT. DOT EXERCISES MANY OPTIONS TO AVOID ADDRESSING ACCESSIBILITY NEEDS OF PERSONS WITH HANDICAPS. WE ASK YOU TO STRIKE THIS WAIVER FROM SB 846. PLEASE READ THIS INTO THE RECORD AT PUBLIC HEARING.

/S/ DAVID MALTMAN
PROTECTION AND ADVOCACY FOR THE
DEVELOPMENTALLY DISABLED



Alaska State Legislature

Senate

Official Business

20544
Pouch V
State Capitol
Juneau, Alaska 99811

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exempt from state owned railroad

20 miles of track

Compromise on an ~~track~~ softy

→ has there been
- admirably agreed -

- desire amendment -

Narrow gauge railroad exempt from

- tonnage -

1963	→	135 thousand tons entire year
1981		124 thousand tons month of Jan - 10 times as much -

- 20 times more track -

- railroad -

- 1970 -

WED

Weather

Intervals of high cloudiness tonight, low -10. Mainly cloudy with a few periods of snow Thursday. High +1. Friday: frequent sunny periods. Yesterday's high -4.6. Low last night -16.3. Trace of snow during last 24 hours. Sunset 7:06 p.m. Sunrise tomorrow 7:11 a.m. More details on page 2.



IDLE TRAINS may become a familiar sight. White Pass rail crews have been cut to a minimum by layoffs that also affect the trucking division.

WP lays off 48

By **MASSEY PADGIAM**
Staff Reporter

White Pass is laying off 48 people in several of its divisions.

White Pass president Tom King blames the layoffs on a drop in freight hauling because of the generally poor economy.

Nineteen people in Whitehorse — 17 in trucking and two more in the rail operation — were laid off Friday.

Fifteen workers are also

being laid off from the rail division in Skagway and three more in the rail division in Seattle.

Yesterday, King was in Skagway to talk to union officials and warn them things may get even worse.

It's "just the volume of business," King said. "The volumes certainly are . . . off from where they were in January."

A full train crew of five has been laid off in Skagway, barely weeks after being called back from the

traditional winter lull. Ten Teamsters in the rail yards are also being laid off.

"We're down to three (rail) crews," said Larry Jacquot, chairman of the Skagway local of the United Transportation Union. "We just put one on, anticipating an upturn . . . (Now) we're cut back again." Three rail crews is the minimum White Pass has to have on under the union's collective agreement.

Cont'd on p. 31

Nosedive ends 1981 boom

After enjoying surging economic growth during the first nine months of 1981, the Yukon's economy began a sharp nosedive during the last quarter that shows no signs of levelling off.

That pattern is shown in the annual review for 1981, released today by the Yukon government's Economic Research and Planning Unit.

Employment was up strongly in the first nine months of last year, and then started to sag badly. "Signs of a slump in the mining sector were becoming evident in the

22% mining drop
17% inflation
30% jobless seen

fourth quarter," says Dan Lang, minister of economic development, in a statement accompanying the report.

Mineral production led the decline in 1981, as predicted by preliminary figures in January. The value of mineral production last year was \$208 million, the report says.

That compares to a final figure of \$360 million in 1980. Dropping silver and lead values were mainly responsible for the 22 per cent drop.

The number of people who had jobs in the territory peaked late last summer and then started plummeting. The total number of employees was 11,684 in September, 36 per cent above the 8,571 people who had jobs at the end of 1980. But by the end of last year, the number of people with jobs had dropped to 10,743. That meant 1981 saw an overall increase of 25.3 per cent in the number of people

Cont'd on p. 31

Cont'd from front

which tell you how many kilowatt hours of power you use. Then multiply that by 7.573 cents.

The average business in Whitehorse now uses 4,954 kilowatt hours a month at 8.352 cents each. The new cost will be 8.916 cents. The average monthly bill thus goes from \$413.76 to \$441.80.

In Carcross, Carmacks, Marsh Lake and Tagish, the average house now uses 457 kilowatt hours a month. Power now costs 11.807 cents per

house. After next month, it will cost 12.671 cents or \$57.91 per average house.

Ross River residences use an average 586 kilowatt hours a month. Power now costs a whopping 17.42 cents per kilowatt hour or \$102.08 a month for the average house. Power will cost 19.313 cents or \$113.17 per average household.

Haines Junction residences use an average 742 kilowatt hours. Power now costs 11.967 cents per kilowatt hour or \$88.79 a month for the average house. Power will cost 13.331 cents or \$98.92 per average household.

For the information of the

Board, NCPD also filed a rate designed to bring the Yukon closer to equalized power rates. The board has yet to decide that is a good thing, although it has already happened a little bit. If it does happen, it would likely mean the cost for a kilowatt hour of electricity would be the same in any Yukon community. In effect, it means hydro-supplied Whitehorse and Mayo residents would subsidize power users in small, diesel-only towns. Under that scheme, if adopted, power rates would go up even more here, to \$84.30 a month for the average household, rather than \$81.94 as NCPD's current proposal would require.

UNALAKLEET records will be

A group of Yukon River hours only 40

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It is 436 kilometres Three-time champion banks area, without Smith to 1981, this race no

Layoffs

Cont'd from front

King said general freight, such as supplies for Yukon stores, has started to drop as the effects of mine layoffs — 88 at United Keno Hill in Elsa and 95 at Cyprus Anvil in Faro — ripple through the economy.

"We're seeing a fair bit of that and with the mining generally," he said. "That includes placer mining. We're very worried."

Everett Hamme, job steward for the Teamsters who work the Skagway rail yards, said layoffs there go into effect this weekend.

Eleven people have been

laid off in White Pass's trucking operations in British Columbia and Alberta, which King blames on economic conditions there.

Meanwhile, Hamme said

his union and White Pass have asked for a U.S. federal mediator following the breakdown of talks. The union's four-year contract expired in November.

The Airport Cafe will be closed for renovations March 19 & 20 March 26 & 27

We are sorry for any inconvenience this may cause

Economy

Cont'd from front

holding jobs, though it dropped eight per cent in the last quarter.

The unadjusted unemployment rate in the Yukon was 9.7 per cent in December, 1981, well below the 22.5 per cent figure recorded in December 1980.

Colin Heartwell, director of the economic research and planning unit, said the drop reflects last year's booming tourist season and increased employment in the service sector.

"That grew substantially, and took up the slack in terms of the number of people previously unemployed."

But with the latest round of mining layoffs, he warned, the unemployment rate may easily surpass 30 per cent during the first quarter of this year.

Prices for most consumer goods was up 16.6 per cent last year, compared to about 12 per cent in southern Canada. Prices here are 21.6 per cent higher than Edmonton and 16.1 per cent higher than Vancouver. Food prices alone shot up 11.1 per cent here, 19.5 per cent in Dawson City and 8.3 per cent in Vancouver.

Rents in Whitehorse remained constant through the fourth quarter, with December rents being 19 per

rb auction

UNRESERVED PUBLIC AUCTION

TUESDAY APRIL 27, 1982 WHITEHORSE, YUKON. EQUIPMENT FROM: General Enterprises - as they re-align their equipment requirements. ALSO C.W. Friday Const. Ltd.

CRAWLER TRACTORS incl: 2- Cat D9H's; 2- Cat D9G's; 2- 1980 Cat D8K's; 1976 Cat D8K; 1975 Cat D8K; 4- Cat D8H's. WHEEL LOADERS incl: 1979 Cat 980C; 1974 Cat 966C; Cat 966B. MOTOR GRADERS incl: 1977 Cat 14G; 3- Cat 12E's; Cat 12. EXCAVATORS incl: 1973 P & H 412. ROCK TRUCKS incl: 1976 Cat 769 c/w 18:00 x 33 tires. MOTOR SCRAPERS incl: 3- 1980 Cat 827B's c/w Push-pull attachment, cushion-tires, 29.5 x 35 tires; 2- 1974 Cat 631C's c/w cushion-tires, 33.25 x 35 tires; 4- 1971 Cat 631C's c/w cushion-tires, 33.25 x 35 tires. COMPACTION incl: 1972 Cat 814; 2- 1978 Dynapac CA25D's Vib.; 1978 Bros SP 3000; Tempo RA2003. TRUCK TRACTORS incl: 2- Kenworth 924's; 2- Kenworth 923's. CENTRE DUMPS incl: 2- Decap T/A center dumps c/w 3 bays; 4- McCoy centre dumps c/w 3 bays.

FOR FURTHER INFORMATION AND TO CONSIGN EQUIPMENT, CONTACT WAYNE GILLIES IN WHITEHORSE AT 568-4747 OR CALL OUR PRINCE GEORGE OFFICE AT (604) 563-5711

Write or phone for FREE Brochure

WEEKEND FOR 16th annual women's with scheduled work accommodation March 26-28, Atlin. \$60. Info. & reg Women's Centre, 667

PHOTOGRAPHY Society of the Yukon Photographic Society, with Dr. C. Y. Professor of education Sat., March 27, 8:30 p.m. & 7-9 p.m.; Sun 28, 8:30-11:30 a.m., School. Info.: 667-5240 667-7507 eves.

JUNEAU FOLK FEST — Enjoy a trip to Charter flight leaving April 2, returning Sun 4. Details: Christine, 66

RIVERDALE SOUTH nomination meeting. March 23, 8 p.m., River Baptist Church, 32 Tutu Everyone welcome.

RIVERDALE NORTH L nomination meeting. March 23, 8 p.m., River Baptist Church, 32 Tutu Everyone welcome.

WHSE. NORTH CENT NDP annual general meeting election of officers. T March 18, 7:30 p.m., Hall. Public is welcome.

YUKON CRAFTS SOCIETY

et alone the
ly knows his on increases slapped on by NCPC.

er. Commission
e effective ear-
ncrease will be
hat consumers
simultaneously
low-water sur-

Yukon Electrical has calculated the im-
pacts of NCPC's latest increase.
In Whitehorse, it will cost the average
household another \$6.12 a month.
The average city household uses 1,082
kilowatt hours of electricity each month.
Right now the price, after all the fuel and
water adjustments are added, comes to 7.007

While Yukon Electrical uses a sliding rate
scale, depending on power used, you can still
do an easy calculation to get an idea how much
your power bills will be within a few cents.
Simply calculate how much power you use by
pulling out your copies of your power bill,

Cont'd on p. 31

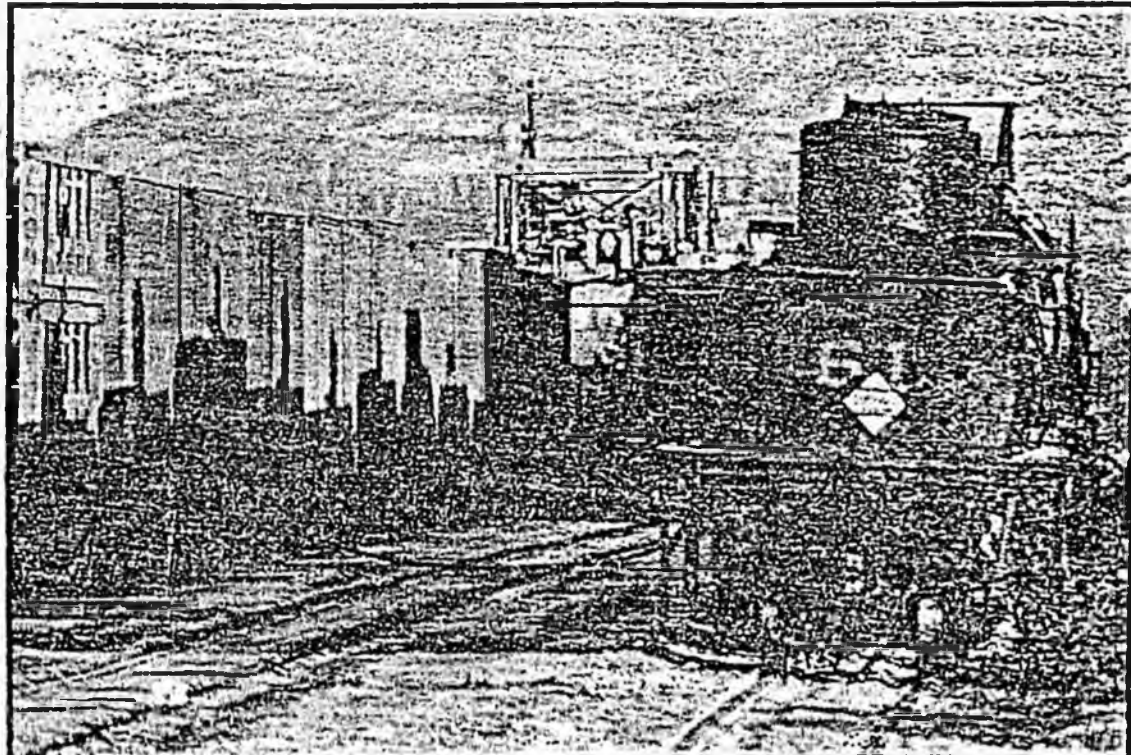
CARBORUNDUM
E. YUKON

AR

Established
In 1900

Star, Wednesday, March 17, 1982

RAT
RACE



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By MASSEY PADGHAM
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UNALAKLEET

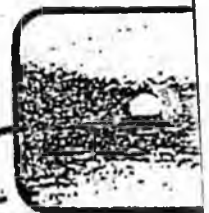
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WEEKEND FOR
6th annual women
with scheduled wo
accommodation
March 26-28, Atlin.
\$60. Info. & re
Women's Centre, 66

PHOTOGRAPHY
of the Yukon Photog
Society, with Dr. C.)
essor of education
Sat., March 27, 8:
p.m. & 7-9 p.m.; Sur
28, 8:30-11:30 a.m., S
School. Info.: 657-52:
667-7507.eves.

JUNEAU FOLK FE
— Enjoy a trip to
Charter flight leavi
April 2, returning Su
4. Details: Christine, 6

RIVERDALE SOUTH
nomination meeting.
March 23, 8 p.m., R.
Baptist Church, 32 Tu
Everyone welcome.

RIVERDALE NORTH
nomination meeting.
March 23, 8 p.m., R.
Baptist Church, 32 Tut
Everyone welcome.

WHSE. NORTH CE
NDP annual general m
election of officers.
March 18, 7:30 p.m.
Hall. Public is welcome

YUKON CRAFTS

BORUNDUM
YUKON



Established
In 1900

Anvil — closed this summer?

Barely hours after 95 people got layoff notices, the unions at the Cyprus Anvil mine in Faro have been warned to expect a summer vacation shutdown.

Robert McCallum, vice-president of operations for the mine, said the decision has not yet been made at the company's head office in Vancouver.

"I would think at this time that the decision will likely be made next week," he said. "It's being very carefully studied in the corporate office."

Any shutdown would have a very definite ripple effect. About 100 White Pass workers depend directly on hauling concentrates for Anvil.

"If Anvil closes down for a period of time, then we will have a subsequent layoff," White Pass president Tom King said flatly.

Cont'd on P. 2

Thursday, March 18, 1982

Iditarod update

SHAKTOOLIK, Alaska — Rick Swenson and Jerry Austin arrived here within three seconds of each other at 1:30 this morning, but did not continue in the face of extremely strong winds. The next section is 100 kilometres of open, glaring sea ice.

Dave Monson and Bob Chulpach munched in at 1:35 a.m.; Emmitt Peters at 3:20 a.m. and Susan Butcher and Herbie Nayokpuk at 3:30 a.m., Joe May at 6:15 a.m. and Rick Mackey and Dean Osmar at 6:50 a.m. after getting lost.

"It was blowing snow so hard I couldn't see the trail," Mackey said.

See story — page 3

THUR



ALWAYS CARRY A

PHOTO BY RICK VAN SICKLE

Anvil

Cont'd from front

Some rail traffic would continue to accommodate other freight and tourism, but Anvil is about two-thirds of the railway's business.

The mine is generally considered the backbone of the Yukon's economy.

Dave Power, president of the production workers union, Steelworkers Local 1051, which represents the bulk of the lead-zinc-silver mine's workers, was reluctant to discuss yesterday afternoon's meeting with mine management before special general union meetings scheduled for today.

Power said he got the impression the decision rests on Anvil's view of where metal prices will go in the next few months and how much money will be saved by the 95 layoffs.

The mine lost \$3 million last month.

"I think it's how much money they're losing."

McCallum and Power said most people have six weeks' vacation coming, but scheduling those vacations is extremely difficult now that the work force has been pared to a minimum.

McCallum said many mines are shutting down for five to eight weeks this summer. If the shutdown is longer than six weeks, the workers would be put on temporary layoff to make them eligible for unemployment insurance.

"They could possibly shut down for a two-month period," Power commented, "but I think six weeks would be a ball park figure."

True to form, Power said, rumors of a possible shutdown have preceded the statement, and Anvil officials have in the last few weeks refused to rule out the possibility.

"Nothing would surprise me now."

Power said the company has actually been talking about a shutdown for summer vacation for a couple of years now — so it might become a regular feature. A summer shutdown allows major maintenance work to be done, and Power said he expects some people would be working at the mine and mill through any shutdown.

McCallum said the mine has considered that, but any shutdown this summer would be strictly based on economics and no decision is being made to have a summer shutdown as a annual event.

Another company-union meeting has been scheduled for Wednesday to discuss the contentious issue of layoff conditions, and there is a good chance the company decision on any summer closure will be announced then.

Taylor

Cont'd from front

is going to terminate my service in office, all the people should have a say in it."

He said calls of encouragement have been pouring in to his home all morning.

Taylor, who has represented Watson Lake for 21 years, believes he has "an excellent chance" of taking the riding as an independent. He said he still remains "a loyal Conservative" and would consider rejoining the party if he is re-elected.

"I have no dissatisfaction with the party itself. It's been a long winter, and I felt it was time I shook things up a bit."

Taylor, speaker for eight years, could again be named to the position by the legislature even if re-elected as an independent.

"It's a great honor, and if the house, in its wisdom, invited me to be speaker again, I would consider it."

He refused to name the persons in the "clique", but said several are members of the Watson Lake business community "and know who they are."

"I was very angry about it up until last night, but now I figure these people should be pitied, not scorned. If they put a wolverine to the wall, it'll fight, and I'm ready to fight."

Taylor made the decision a week ago, but did not consult Government Leader Chris Pearson.

"I don't want anybody else fighting my battles for me. . . . That would be unfair."

YTG releases small contractors from bondage

The Yukon government will now permit small, unbonded contractors to use irrevocable letters of guarantee as a cash equivalent to bonds to help them bid for government contracts.

Successful bidders on a government contract must post a bond, or cash equivalent, of 10 to 20 per cent of the total contract amount. But for unbonded companies, coming up with the cash equivalent often meant borrowing at high interest rates, which adversely affected their ability to submit

low bids.

According to Geoff Lattin, minister of highways and public works, all five banks have agreed to the scheme, which will mean a cheaper line of credit for unbonded contractors.

The letter is issued by a bank, and, because the bank retains the use of the money, charges to the contractor are lower than normal interest on loans.

"It had reached the point where some contractors simply couldn't bid competitively because of high interest rates," Lattin said.

From the speaker's chair, he said, he enjoys "closer contact with the cabinet and more open doors that a MLA does."

If defeated, he would "go out gracefully and with dignity" to resume his career as a prospector.

Rollie, meanwhile, said he was "shocked" by last night's developments.

"I wanted the nomination, but not this way," he said. "I don't want any part of any dirty politics."

In Whitehorse, Jim Kennelly,

a 40-year-old businessman, has announced he will seek the Liberal nomination for Riverdale North, the riding held by Pearson. The meeting will be held next Tuesday, the same night as the Liberal nomination meeting for Riverdale South, currently held by party leader Ron Veale.

Whitehorse resident Larry Whelan intends to seek the Liberal nomination for Porter Creek West, now held by Conservative Doug Graham. That nomination meeting will take place April 8.

London

LONDON (AP) — London metals Thursday, in pound silver in pence a troy ounce.

Copper spot 847-848; future Tin spot 7,200-7,210; future Lead spot 341-343; future Zinc spot 443-445; future Silver spot 397-398; future Aluminum spot 577.5-578; fu

601 Nickel spot 3,145-3,150; fu 3,173

New York

NEW YORK (AP) — The stock market rallied today as traders began to head to the U.S. Federal Reserve's weekly report on money.

The Dow Jones average industrial rose 6.38 to 802.21.

Gainers held a 2-to-1 lead in New York Stock Exchange issues.

Analysts noted that there is a clear-cut trend in the market in several sessions. Prices drifted lower on Tuesday and Wednesday. They perked up, however, amid speculation about the board's weekly report late Friday show a decline in the basic money supply.

Traders were also keeping news reports from Vienna. Organization of Petroleum Countries oil ministers were for an emergency meeting to discuss strategies to counter downward pressure on oil prices.

H.J. Heinz led the active list up 23 1/4. A 157,700-share block of traded at \$27 1/4.

The NYSE's composite index rose 63.22.

Volume totalled 23.75 million against 22.56 million at the close Wednesday.

Among Canadian issues, Alcan rose 1/4 to \$18 1/4, Canadian Pacific 1/4 to \$14 1/4, and Genstar 1/4 to \$14 1/4.

Ashland Oil lost 1/4 to \$22 1/4.

Montreal

MONTREAL (CP) — U.S. terms of Canadian funds at the close were down 7/100 at \$1.2149. Pows was up 3/25 at \$2.1990.

The Canadian dollar was up 30.8211 and pound sterling was \$1.8100.

Toronto

TORONTO (CP) — Share prices edged sharply higher in mid-morning to stock market trading that what analysts called a long technical rally.

The TSX 300 index gained 1.07 or .74 per cent to 1560.14 as issues outnumbered the losses 1162 issues unchanged.

Twelve of the composite's groups advanced, led by gold climbed 52.81 points or 2.56 per cent to 2112.68. Real estate and construction 21.79 points or .48 per cent while management continued to register a fractional decline.

Trading activity was still slow, however. Volume by 11.1.19 million shares, compared million shares at the same time yesterday.



By The Canadian Press
Forecasts for the Yukon and the Western British Columbia and Environment Canada for today:
Day: Snowy
High clouds were reported but southerly portions of the district this morning. Strong winds in the Whitehorse area kept temperatures near the freezing mark. A system will produce cloud and light precipitation over southern Yukon today. Clearing is expected by Friday. Northern areas will be cloudy with occasional light snow days as a second frontal system moves through.

Forecasts
Northern Yukon Travellers' Association

CLASSIFIEDS

JANITOR'S SUPPLIES

By MASSEY PADGHAM
Staff Reporter

Anvil workers got the bad layoff news last night, a week after their employer said it was coming.

Robert McCallum, vice-president of operations at the Cyprus Anvil mine, said 95 of its 770 workers will file out of the lead-zinc-silver mine for the last time on March 26.

McCallum delivered the news to executives of the two Steelworkers union locals in a meeting yesterday afternoon.

"We have identified that there are 95 employees that will be part of this reduction of forces," McCallum said last night.

The first layoffs are among the 12 temporary workers, most of them doing clean-up work around the mill. They are being laid off first as required by the unions' collective agreement.

The largest group of layoffs, 44, comes from the production workers group, Steelworkers Local 1051. There are about 540 members of this Local. Ten of the temporary workers also belong to this local.

Another 19 people will come from the office and technical workers group, Steelworkers Local 8243, which has about 90 members.

Twenty salaried employees, the management and administrative level of the mine, will be laid off, reducing the staff size from 125. McCallum said they would come from all departments.

The individual workers were to be notified this morning and will work their last shift on March 26.

McCallum called the layoffs a permanent reduction of the workforce. Despite the layoffs, the company, at least for now, will maintain full production of about 10,200 tonnes of ore daily. No call-back of workers will happen, although when times get better the size of the work force may gradually rise.

As Anvil president John Bruk puts it, you take it "easy" a bit in good times. Bruk said Anvil's staff now is more highly trained than before and so is more

productive.

McCallum said the union officials sat and listened to the company's news, without immediate comment. They were to meet again with the company this afternoon.

MLA Maurice Byblow (NDP-Faro) termed the day "Black Tuesday."

He said because each worker accounts for three other people through family and indirect work, the net effect of the Anvil layoff and the departure from Elsa Monday of most of the 88 people laid off there is a loss of about 700 people or three per cent of the people in the Yukon.

While he said he hopes businesses in Faro can tighten their belts and survive, Byblow, co-owner of the Faro Hotel, is worried some newer businesses may be forced to close.

"We have to look at diversifying our economy," he noted.

McCallum said the company has suggested the company and the union form a consultative committee through the Canada Employment Centre to try to find jobs for the laid-off workers, a difficult task given the country's sagging economy. Employment officials are expected to be in Faro Friday.

The mine in Faro is not the only sector of the Cyprus Anvil operation that is going to get cutbacks.

Bruk said Monday a full review of corporate organization by three senior executives is expected to recommend cuts of some people in the Vancouver office and those cuts will be made. How many people will be laid off in Vancouver is not yet known.

"As far as the Vancouver office is concerned," Bruk said, "of course, we are in the process for rationalizing and streamlining the Vancouver operation, and the re-organization that is being announced to the employees is applicable throughout."

The three executives on the top-level committee — McCallum; Bert Cook, senior

Whe

"Black Tuesday That, says a leader, is probably description of y. layoff of 95 work Cyprus Anvil mine

While union me the layoffs as ine metal prices tumb mine's costs rise, union local at the spoiling for a fight the mine is going at off the workers.

Dave Power, pr the production group, Steelwork 1051, said speci meetings are being 10:30 a.m. and 6 p sday to explain raised by the local's at a meeting last Faro.

"It looks like we'r of disagreement c layoffs are administ

vice-president for m and Glen Simpson, vice for exploration — ha given wide-ranging p Bruk. They are to repo end of the month.

They are designi organization plan becau poor economy and the last summer that turn from being a public company into a whol subsidiary of Hudson's and Gas Company Lt wholly owned by Petroleum.

That change will se tions in the labor throughout and re-assign authority, Bruk said.

Now that Dome owns completely, Bruk is se meet with Dome official next couple of weeks t Anvil's future. There h speculation that Dome, to reduce its \$5-billion de might sell Anvil, which i for \$340 million last sum Cominco, the world's lead-zinc producer.

NCPC 'taxing' Anvil illegally?

By MASSEY PADGHAM
Staff Reporter

Cyprus Anvil lawyers began laying the groundwork yesterday for expected arguments that the Northern Canada Power Commission's proposed rate structure is illegal.

Anvil is furious at increased power bills, and president John Bruk has said it threatens the long-term viability of the mine.

If Anvil's arguments at the Yukon Electrical Public Utilities Board hearings are to no avail, Anvil could take the commission to court, said company lawyer Laurie Pathman.

Anvil argues, and NCPC admits, that the mine has paid

officials to justify those rates. NCPC says its act gives it the authority to set the rates.

Anvil officials have said they don't want Yukoners to subsidize the mine, they just want a fair deal.

Pathman also wanted information from 1969 to 1975 to indicate how much Anvil has been paying above what it considers a fair price. That information only started becoming available in 1975, and it is only since then that NCPC can say for sure that Anvil has been paying 100 to 130 per cent of the actual cost if its power. Anvil uses about one-quarter all the power generated in the Yukon.

possibility, but no decision been made by Anvil office

If NCPC did have money back, it would likely money from Yukon consumers.

Pathman pointed out I City residences, for example only half what it really NCPC to supply them with from the town's diesel gen

She suggested to the that NCPC has no legal powers, but Anvil's rates considered an indirect tax

So far, Anvil has only cross-examining NCPC nesses. The real fireworks when Anvil officials go stand and company lawyer their arguments.

in all divisions, even HQ

'Where am I going to go?'

"Black Tuesday."

That, says a Faro union leader, is probably the best description of yesterday's layoff of 95 workers at the Cyprus Anvil mine.

While union members see the layoffs as inevitable, as metal prices tumble and the mine's costs rise, the major union local at the mine is spoiling for a fight over how the mine is going about laying off the workers.

Dave Power, president of the production worker's group, Steelworkers Local 1051, said special union meetings are being called for 10:30 a.m. and 6 p.m. Thursday to explain concerns raised by the local's executive at a meeting last night in Faro.

"It looks like we're in a sort of disagreement over how layoffs are administered," he

said.

"We have another meeting (today) with the company at 2:30," Power said. "There's some problems with how they're going about this, this layoff. We'll be asking them questions."

Power said the Canadian government has to be blamed for blundering the economic situation in the Yukon.

"I guess we'll have to expect more of this in the future."

"We don't give too much praise to the way the Conservatives are handling things in the Yukon either," he added bitterly.

"I've talked to quite a lot of people today who just shake their head and say, 'Where am I going to go.'"

Power said he cannot say much about the disagreement with the company, until the

meetings Thursday about the union's concerns.

But they are known to include a dispute over what kind of transportation help Outside the laid-off workers will get.

There is also a dispute over who will be laid off. The actual notices to individual workers have not yet gone out, but the union wants to make very sure the most recently hired employees are the first to go.

Another problem is the length of notice. The company is giving workers 10 days' notice. The union is expected to argue at least 14 days' notice is needed and even more for workers with at least two or three years of experience.

"It seems like we're going in one direction and the company's going in another."

vice-president for marketing, and Glen Simpson, vice-president for exploration — have been given wide-ranging powers by Bruk. They are to report by the end of the month.

They are designing a re-organization plan because of the poor economy and the change last summer that turned Anvil from being a publicly-traded company into a wholly-owned subsidiary of Hudson's Bay Oil and Gas Company Ltd., itself wholly owned by Dome Petroleum.

That change will see reductions in the labor force throughout and re-assignment of authority, Bruk said.

Now that Dome owns Hubday completely, Bruk is seeking to meet with Dome officials in the next couple of weeks to chart Anvil's future. There has been speculation that Dome, in order to reduce its \$5-billion debt load, might sell Anvil, which it bought for \$340 million last summer, to Cominco, the world's largest lead-zinc producer.

possibility, but no decision has been made by Anvil officials.

If NCPC did have to pay money back, it would come from Yukon consum

Guild Productions'

GIANT

TELEVISION BINGO

Wed. March 24/7:30 - 10 pm

W.H.T.V. Channel 9

13 GAMES! PLUS **13 GAMES!**
Live Entertainment

- 10 small games for at least \$25.00 each
- 2 blackout games for at least \$100.00 each
- 1 jackpot game for at least \$250.00!!!

Jackpots may be bigger if card sales are high!

ALL PROCEEDS TOWARD THE

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SCR

5

POSITION PAPER/Department of Health and Social Services

POSITION PAPER

CS For Senate Concurrent Resolution No. 5 (Transportation)

Relating to free travel for handicapped persons on the State Marine Highway System.

CS for Senate Concurrent Resolution No. 5 (Transportation) requests the Governor to direct the Division of Marine Highways to initiate a program whereby handicapped persons may travel without charge between two Alaskan ports on a space available basis from October 1 to the following May 15.

By such a program we would express to handicapped persons the interest of the State in their participation of State affairs by offering them an economical and convenient method of visiting new areas on the marine highway system, thus increasing their knowledge of these areas. In addition to opening new vistas of interest we are helping the handicapped person become a more informed citizen.

It is our understanding the marine highway system is in the process of removing all architectural barriers to handicapped persons thus enhancing the accessibility of the vessels. As such it is possible the vessels might be used as a transportation device from remote areas to larger towns for those needing routine medical attention.

The Department of Health and Social Services recommends the passage of this resolution.

Recommended by:

David Bruce

David Bruce, Deputy Director
Division of Public Health

Date:

April 9, 1981

Approved:

Helen D. Beirne

Helen D. Beirne
Commissioner

Date:

4/18/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Concurrent Resolution No. 5 (Transportation)
 Title Relating to free travel for handicapped persons on the State Marine Highway System
 Requested by Commissioner's Office Date 3/10/81

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services

Program Category Affected Public Health

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	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 (Specify Fund Source)	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

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 3/10/81

PREPARED BY David Bruce

AGENCY Dept. of Health & Social Services

PHONE 465-3090

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) M&B Approval Maria Heikkinen Date 2/24/81

Draft CS for SCR5

Explanation of changes proposed by the sponsor, Senator Eliason.

Took out "severely" throughout the resolution and added the definition of "handicapped person" from the Federal Rehabilitation Act of 1973. The State Department of Transportation felt that a single definition for handicapped was necessary and preferred that it be defined at the legislative level.

Changed "Alaskans" to "persons" throughout to avoid legal challenge on basis of discrimination against out-of-state residents.

Added provision for requiring the signature of a physician verifying that the person meets the established definition of handicapped person. (D.O.T. was also concerned about how to administrate the program.) This method of qualification for the free travel pass would provide uniform criteria, would be simple and inexpensive to administer and most importantly, would protect the privacy and right to medical confidentiality of the handicapped person. The simple yes or no and signature of the doctor negates the need for the handicapped persons to specify or describe their disabilities to any non-medical personnel such as the ferry's purser.

5/19/81

Mary Le Van

Ho Trip

~~Hand~~
Noble
Thelma

CSSECR 5

81 Mary Le Van - Election's side
- def of handicapped
- ques to make it year-round
- handicapped Ak to persons
- deleted severely

50 Hayes - 7 Categ pg 2
Mary - form by Marine trns ref de. signature

80 Fry - lumpy

113 Hayes - likes big bill
too broad of categories - "speech impediment"
Mary - only legal - marine trns will handle
as they choose

139

Xerox proposed chngs that encorp also sign

226 Hayes - move to adopt proposed 55 by Election
55 - fed guidelines

255 Fry - discussion in Sen Trip impact on re-design
ferries

263 Mary - 3 ferries that will hv elevators this season
Major structural chngs; ramps on

274 Fry - pass legislat inherent oblig

Mary - no, not > than now

280 Hurl - likes big bill best

300 Fry - chngs in draft preferable; adopt draft + delete
line 26^{or} pg 1, complicated; debate severely

314 Betty - motion before Committee by Hayes; no obj; 50 moved (326)

328 Fry - move and delete line 26-29 pg 1 1-6 pg 2
Main concept

340 Spar - obj - defs shd remain

not aware of cond to be handicapped

Mary - 1973 fed guideline define handicap

leave 26-29 pg 1 delete pg 2 line 1 after cond

378 Fry Hurl - take defs out

5/19/81

Hs TRSP

- 398 Inq - am motion to reflect Mary's rec
400 Hayes - am am am
add severely before handicapped anywhere in bill
unan consent
- Zhar - obj - uncomfortable w/ categorizing
430 Inq - agree w/ concept but covered on line 27
434 Hayes - w/drawn am am am
428 Zhar - pg 2 line 4 re mental or psych'l disorder
unan consent
→ obj noted
- 432 Inq - obj
440 Zhar - delete line 24 & - for consistency
w/drawn
- 450 Bette - head am am
456 anyobj - no - so moved
462 - Bette - am pg 2 line 1 - 6 after cond
463 any obj - no - so moved
465 motion
475 Hayes - move herol as c5
476 Zhar obj - purposes add'l am
480 Zhar delete 24 + 25 from Oct. - May 15
483 obj by Hayes + Inq
490 Inq - yr - bound as in elderly
504 Zhar - bumped; not much probl
511 Inq - defer to Mary's know of ferry sched
515 Mary - lives in Angkor - ferry once wk
good turn - around system - ferry full when
Lewis Village - dock @ end of 4 mi rd
if bumped - left in woods
- 531 Hurl - does handicap bump someone else? no
nothing wrong w/ yr - bound
- 539 Inq - that's whole pt - don't know if he'll get bumped;
May end up @ end of rd for week
Zhar - suspect occasional occurrence. pursers shd be
those heavy vol times identified - don't spoon feed

5/19/21

Hs Trip

HCS SSCR 5

ghar (cont'd) make year-round

563 Hurl -

572 am passes - yr

573 Fng - leg opposition

576 Fng move to rescind action

Hurl - table - now

581 Fng - debate - employe comm members good
Samaritan will be state - At will end up
bldg hotels - spon, trop comm, maintenance
didn't hv that in mind

595 Hayer - support of rescinding
restrict from Oct 1 - May 15

605 Bette - all elderly in ESTER 1 ~~and~~

Hayer - grt oppost for handie to be inconvenienced
than elderly person. maybe handie not capable
to make judgment

622 Bhar - disagree - if incapable - will hv someone
with them to make decision

How many handie in S.E.?

639 Bette - S.E. skippers didn't see prob on yr-round
basis - Captains themselves

646 Fng - test from kids that there would be occasion where
it will be probl - rescind action

665 Hurl - lang space - avail on return trips?

678 Mary - if space when get on, guarantee space on return

691 ghar - Subst fed monies ~~inv~~ invol, not just for Akr resid

702 Fng - not depraving anyone; giving spec privilege

710 Hurl - Ditka on ferry, handie - can't see anyone
leaving that guy; oblig in legial or we wouldn't
be passing it - handie people hv priority

731 Fng - ques is believe elderly + handie give em
break; prod people stay home who pay
Ray's mother - left date

750 Motion failed to rescind way Fng + Hurl

761 Bette - pass out leas HCS CS SCR 5 am

5/19/81

Hs Traps

764 Betty - mtgs starting later - wants to
start promptly @ 8:30

774 - agrees - good idea

5 days in advance comm sched

778

Zhan - only 1 wk haven't received

Hurl

plus committee sched on floor desk

Betty - won't make comm announcements on floor

.....

5 day notice on amendments

~~.....~~ -

Hurl - Comm does extraordinary jobs

June 20, 1981

TO: Rep. Bette Cato

FR: Steve Soenksen *SS*
Research Analyst

RE: FCCSSCR 5

I have read the proposed FCC bill and find it to be almost the same as the House Transportation Committee Substitute. The following are observations:

added (Page 1, Lines 24-25 adds new language
"from each October 1 to the following May 15; and be it"...)

As a suggestion for the sake of clarity;

"from October 1 to May 15 inclusive; and be it"... may be better terminology. also this would be consistent with language of Legislative Resolve no.2 1980, concerning senior citizens on the ferry system.

The other difference between the FCC bill and the House Transportation CS, is the deletion of the language on page 1, line 29 as follows;

deleted ("and which is a physiological disorder or condition")

With these two exceptions, the proposed FCC is the same as the House Transportation Committee Substitute.

Introduced: 1/22/81
Referred: State Affairs,
Transportation and Finance

1 IN THE SENATE

BY ELIASON

2 SENATE CONCURRENT RESOLUTION NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Relating to free travel for severely
6 handicapped Alaskans on the state
7 marine highway system.

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

9 WHEREAS the recent years of inflation have damaged the financial status
10 of many severely handicapped ^{Persons} Alaskans who rely on federal and state aid
11 programs; and

12 WHEREAS the continuing high rate of unemployment during recent years
13 has made it difficult for severely handicapped Alaskans to compete in the
14 job market; and

15 WHEREAS many severely handicapped Alaskans who would like to see their
16 state are not able to go boating, camping, hiking, or skiing; and

17 WHEREAS many severely handicapped Alaskans who would like to travel
18 around the state cannot conveniently use all methods of transportation; and

19 WHEREAS during the off-season the state ferries frequently operate at
20 less than full capacity;

21 BE IT RESOLVED that the Alaska State Legislature respectfully requests
22 the Governor to direct the division of marine highways to initiate a program
23 whereby severely handicapped Alaskans may travel on state ferries for no
24 charge on a space-available basis between two Alaskan points of embarkation
25 from October 1 to the following May 15 annually.

SCR

6

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Frank Ferguson
FROM: Mike Scott *MS*
DATE: February 16, 1981
SUBJECT: SCR 6 BRIEF



In 1980, the Legislature passed and the voters approved \$5,000,000 for the construction of a deep water port facility. Since that time, the Bureau of Land Management has objected to the construction of a causeway that is needed to build the port facility. In turn, the Army Corp of Engineers who is responsible for issuing the permit to construct the causeway, has requested that the State of Alaska waive any claim to the submerged lands that would result from the extension of the causeway outward from the shoreline by 3600 feet.

The Department of Natural Resources and the Attorney General have both denied the request for the waiver. The DNR and AG state that to waive claim would constitute a challenge to the state's three mile territory authority. The DNR and AG's office opinion, coupled with the BLM objection, places the possibility of lengthy litigation to the forefront. This is not a viable option.

SCR 6 would direct the DNR and AG's office to waive claim to any additional submerged lands. The AG's office says that they have only once given waiver to additional claims in a case that would have resulted in lengthy litigation and held up the project. Such is the case this time with the Nome port facility. If the project is delayed because of legal entanglements present funding amounts would prove inadequate which would result in more state funding above and beyond what has been appropriated.

In addition, there would be severe economic loss in the region with lost jobs, excessive literage fees and delayed resource development that is dependent upon the port facility.



CITY OF NOME

P.O. BOX 221 - NOME, ALASKA 99762
TELEPHONE (907) 443-5242

February 11, 1981

Michael Whitehead
Special Assistant to the Governor
Governor's Office
Pouch A
Juneau, Alaska 99811

Dear Mr. Whitehead:

I am disappointed in your response to the concerns we have regarding the proposed causeway. In fact, in year's gone by, I have felt very confident that the Governor's office would try to assist a City's endeavors instead of whatever is going on now. Mr. Koester explained that the problem is primarily with the Dept. of Natural Resources, in addition to complex legal issues as you have mentioned. All we want to do is build a causeway.

A permit was given to put a 5700 foot causeway into the water off the North Slope into the Beaufort Sea. This was done several months ago. As I understand it, the State of Alaska agreed that the 5700 causeway would not move the 3-mile limit. Why the same action can't be taken off Nome's coast is hard to understand.

As to building the causeway to meet the legal definitions, I will look into that. However, we have unusual problems with ice here and must build the causeway with rock instead of piling.

Possibly you can find out the facts of the situation and let me know what is going on. Your assistance will be greatly appreciated.

Sincerely,

Ivan L. Widom
Ivan L. Widom
City Manager

cc: Governor Hammond
Senator Ferguson
Representative Fuller
Tetra Tech
Mayor & City Council

February 2, 1981

Mr. Ivan L. Widom
City Manager
City of Nome
P.O. Box 281
Nome, AK 99762

Dear Mr. Widom:

Subsequent to your meeting with Mrs. Jessie Dodson of this office regarding the proposed Nome Causeway, she asked that I follow-up on your concerns.

It is my understanding that you met with Mr. G. Thomas Koester of the Attorney General's Office who has explained to you the complex legal issues involved in the State's decision not to waive territorial claims we may have as a result of the proposed causeway. There is, however, an element which you may wish to pursue with your consulting firm. Recent case law indicates that an open-piled causeway does not necessarily extend a states territorial claim. Thus, were such a design to be feasible from engineering and financial standpoints, it could perhaps sidestep the legal issues.

We appreciate your apprising us of your concerns in this matter. If I can be of future assistance, please do not hesitate to contact me.

Sincerely,

Michael Whitehead
Special Assistant
to the Governor

MW:bap

bcc: Mr. G. Thomas Koester, Department of Law
The Honorable Robert LeResche, Commissioner
Department of Natural Resources
The Honorable Frank Ferguson, Senator
The Honorable John G. "Jack" Fuller, Representative
Mr. Bruce Baker, Division of Policy Development
and Planning

STATE OF ALASKA

JAN 20 1981
JAY S. HARRINGTON, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

FOUCH K-STATE CAPITOL
JUNEAU, ALASKA 99911
(907) 465-3656

January 21, 1981

Daniel L. Behnke
Project Engineer
TETRA TECH, INC.
Suite 101
909 W. 9th Ave.
Anchorage, AK, 99501

Re: Proposed Territory Waiver-Nome
Causeway. Our file J-66-450-81

Dear Mr. Behnke:

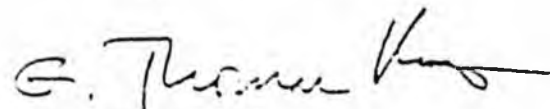
Your December 3, 1980 letter to Mr. Claud Hoffman regarding a possible waiver of any claim the state might make to additional submerged lands based on construction of the proposed Nome causeway has been referred to me.

Following discussion with Robert E. LeResche, Commissioner of the Department of Natural Resources, and Wilson L. Condon, Attorney General, I have been instructed to inform you that we cannot give the requested assurance that construction of the causeway will not extend the state's boundary seaward. The state has given such assurances only once in the past, and then only because failure to do so might have resulted in a failure to obtain maximum production from the Prudhoe Bay oil and gas field.

If you have additional questions, I will be happy to discuss this matter at your convenience.

Sincerely,

WILSON L. CONDON
ATTORNEY GENERAL

By: 
G. Thomas Hoester
Assistant Attorney General

cc:

Senator Frank R. Ferguson
Mr. I. Widom, City of Nome
Mr. J. Caruth, Corps of Engineers
Mr. Orin B. Collier, BLM
Mr. Louis F. Claiborne, Deputy Solicitor General
Representative John G. "Jack" Fuller

TO: Wilson Condon, Attorney General
Department of Law

DATE: 12/23/80

Attn: Tom Koester, Assistant Attorney General
Department of Law

FILE NO: 2425

TELEPHONE NO: 263-2200

FROM: *John*
Claude M. Hoffman, Director
Division of Technical Services

SUBJECT: Appln. for Construction of
Causeway in Norton Sound

BY: *9.3h*
Irving Zirpel, Jr., Chief
Coastal/Marine Boundary Section

The attached letters are self explanatory requesting a waiver of the State of Alaska's right to extend the boundary of its territorial sea due to the proposed construction of a causeway and docking facility.

We have examined the Norton Sound, Nome Harbor and Approaches Chart #16206 and compared the chart shoreline data with 1980 aerial photography (both black and white and color infrared). We find very little difference due to accretion or erosion. The area involved if the seaward boundary is extended due to the proposed causeway construction consist of approximately 665 acres.

Being as the shoreline in this area appears to be relatively stable and is adequately shown on chart #16206, and the proposed construction is not to extend seaward beyond the 31 ft. depth line, we recommend that the causeway construction be permitted without effecting the seaward boundary of the state's territorial sea.

The above is submitted for your perusal and comments.

RECEIVED.
Department of Law
Juneau, Alaska

DEC 30 1980

AM PM
7,8,9,10,11,12,1,2,3,4,5,6

L



TETRA TECH, INC.
 SUITE 101
 809 W. 9TH AVE.
 ANCHORAGE ALASKA 99501
 TELEPHONE (907) 274-4531
 TELEFAX NO. 907-25424
 TETRA TECH PSC

December 3, 1980

101
Wm Condon
Vol
Please Review
Let's discuss

W

DLB

Mr. Claude Hoffman, Director
 Division of Technical Services
 Department of Natural Resources
 State of Alaska
 703 W. Northern Lights Blvd.
 Suite 200
 Anchorage, Alaska 99503

Dear Sir:

This is in regards to an application to the Corps of Engineers by the City of Nome for a permit for construction of a rubblemound causeway and docking facility in Norton Sound, Alaska. The location and orientation of the causeway are shown on the accompanying drawings.

The Corps of Engineers has received a protest from the Division of Cadastral Survey, Bureau of Land Management, (see attached letter) that the construction of the 3,400 foot causeway would alter the existing shoreline, affecting approximately 400 acres of Federal OCS lands. (The length of causeway and dock is presently proposed to be 3600 feet.) They request that permission to build the causeway be withheld unless they receive assurance from the State of Alaska that the construction will not extend the State boundary seaward into what is presently Federal OCS land.

The City of Nome would like to have this potential conflict resolved in a timely manner so that the construction of the port facility is not delayed. Tetra Tech is acting for the City of Nome in this matter, and will be happy to supply any additional information you require.

Sincerely,

Daniel L. Behnke

Daniel L. Behnke
 Project Engineer

DLB:am
 Enclosure

cc: Mr. I. Widom, City of Nome
 Mr. J. Caruth, Corps of Engineers
 Mr. Orin Collier, ELM



United States Department of the Interior (Corps of Engineers)

9540.2 (720)

BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

November 5, 1980

Alaska District, Corps of Engineers
Attention: Regulatory Functions Branch
P.O. Box 7002
Anchorage, Alaska 99510

Gentlemen:

This is in regard to your notice NPACO Application No. 071-CVD-2-800311 dated 24 October 1980.

As shown on the plans enclosed with the notice, the proposed rubble mound causeway would extend the present shoreline seaward 3,400 feet to affect about 400 acres with a similar area coverage to the OCS.

This Bureau is always concerned where a shoreline alteration tends to extend a State boundary seaward to the detriment of the Federal ownership on the OCS.

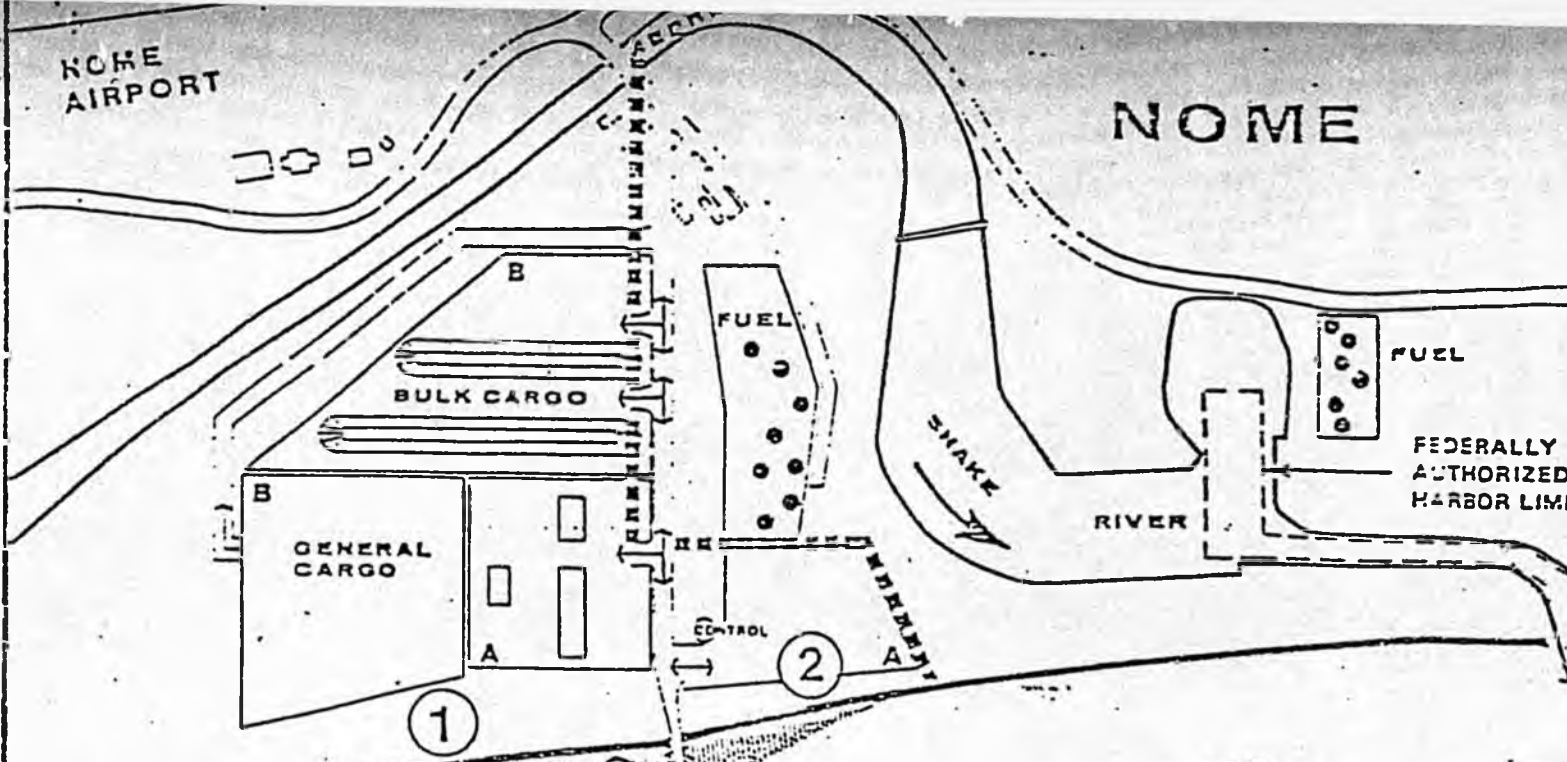
Accordingly, we must protest the application unless there is assurance by the State of Alaska that the construction will not extend the State boundary seaward.

Sincerely yours,

Orin B. Collier
Acting Chief
Division of Cadastral Survey

NOME AIRPORT

NOME



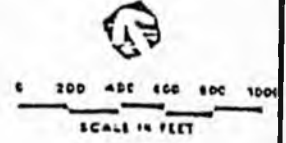
NOTES:

BATHYMETRY (FEET BELOW MLLW) -
 FROM NOAA CHART 16206 (1977)
 MEAN TIDAL RANGE = 1.6 FEET
 APPROXIMATE CAUSEWAY FILL
 QUANTITIES TO BE TRUCKED TO SITE
 FROM NOME QUARRY SITE.

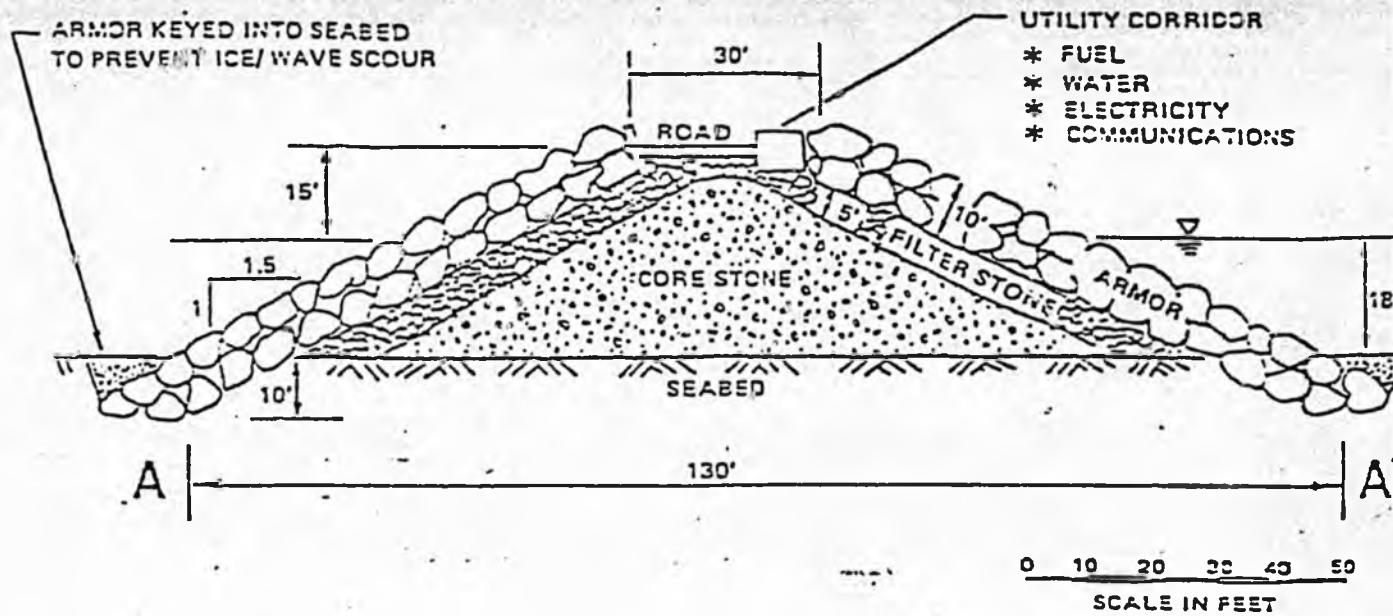
	APPROX. SIZE	QUANTITY, CY
ARMOR STONE	4 - 8 TONS	312,000
FILTER STONE	100 - 500 LBS.	130,000
CORE STONE	5 - 50 LBS.	436,000

PURPOSE: TO PROVIDE PRIVATE AND COMMERCIAL
 MEDIUM DRAFT PORT FACILITIES TO
 CITY AND REGION.

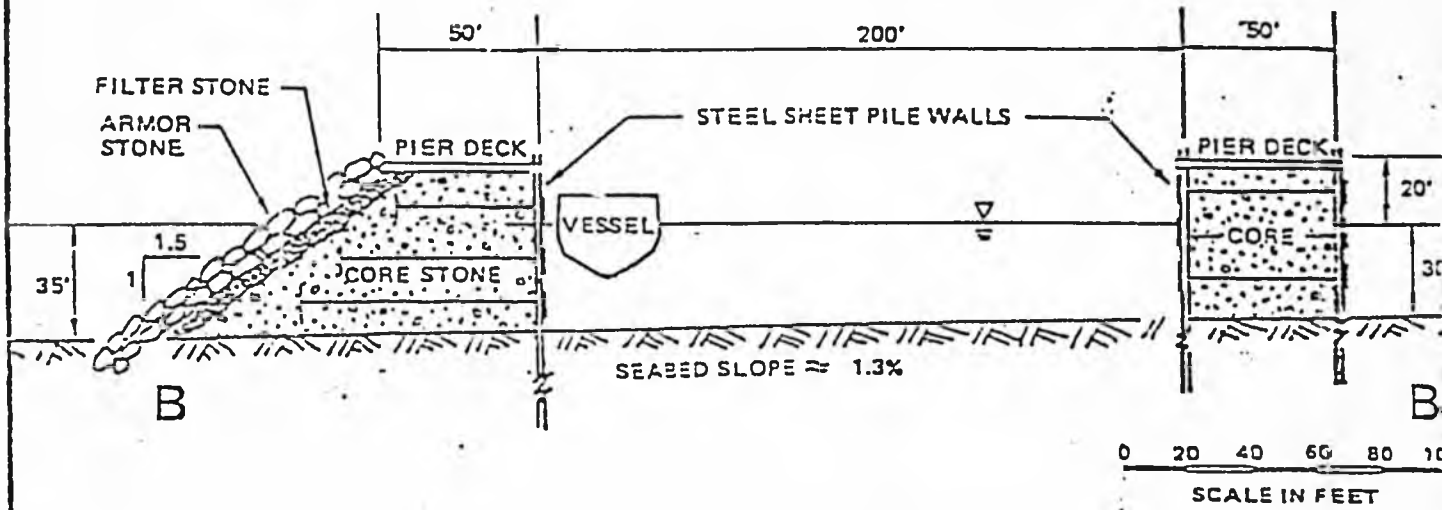
ADJACENT PROPERTY OWNERS: (1) (2) ALASKA GOLD COMPANY



PORT OF NOME
 BERING SEA, ALASKA
 APPLICANT: CITY OF NOME
 SHEET 2 OF 3 5/10



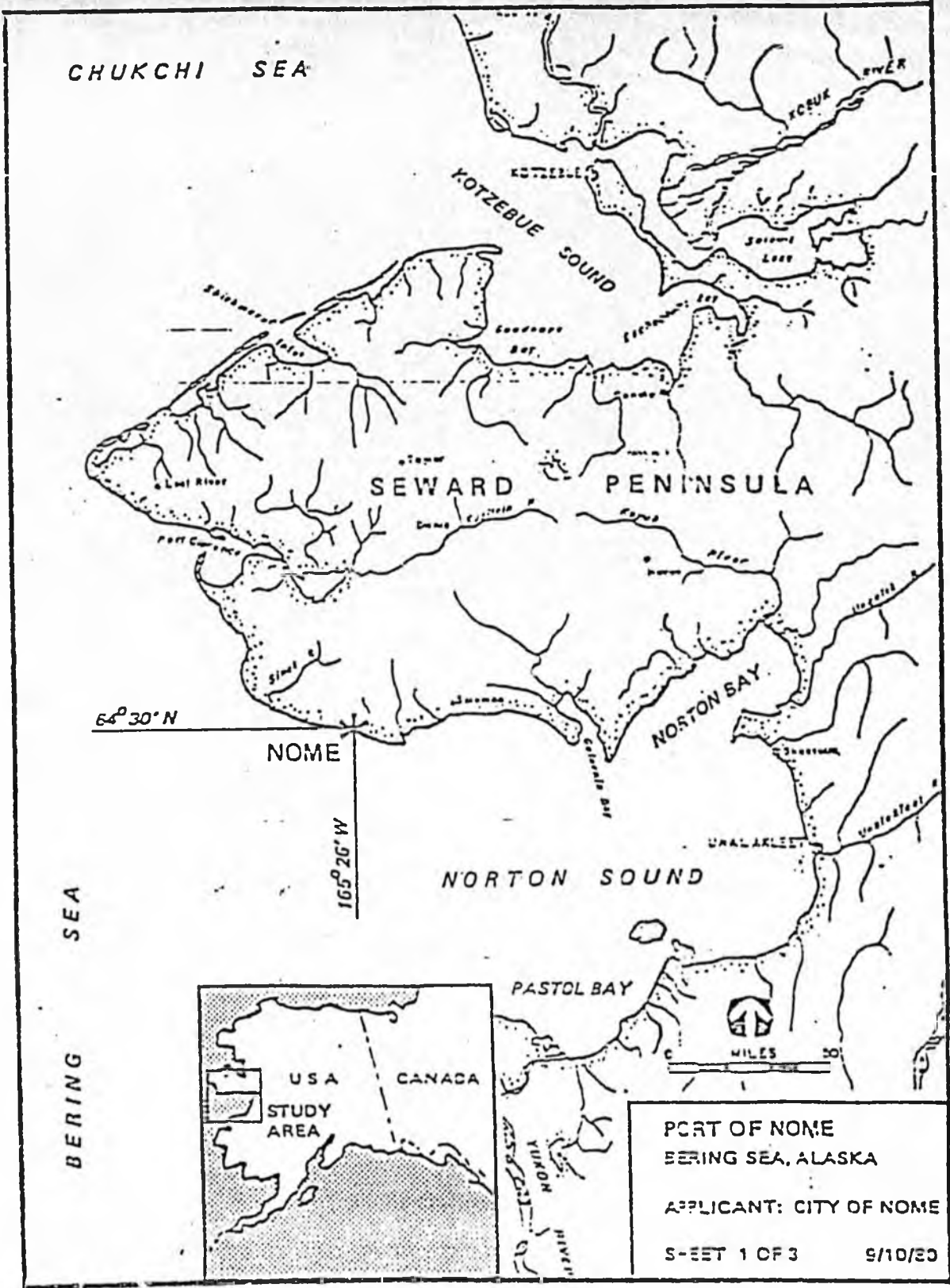
CAUSEWAY CROSS-SECTION, A-A



OFFSHORE TERMINAL CROSS-SECTION, B-B

DATUM IS MEAN LOWER LOW WATER

PORT OF NOME
 BEERING SEA, ALASKA
 APPLICANT: CITY OF NOME
 SHEET 3 CF3 5/10/01



CHUKCHI SEA

KOTZEBUE SOUND

SEWARD PENINSULA

64° 30' N

NOME

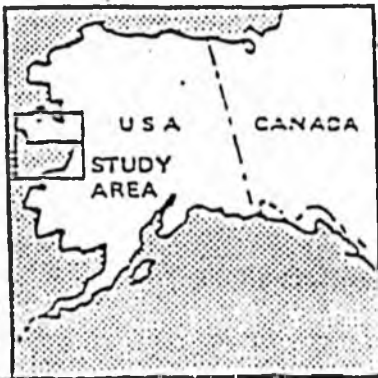
165° 26' W

NORTON SOUND

NORTON BAY

PASTOL BAY

0 10 20 MILES

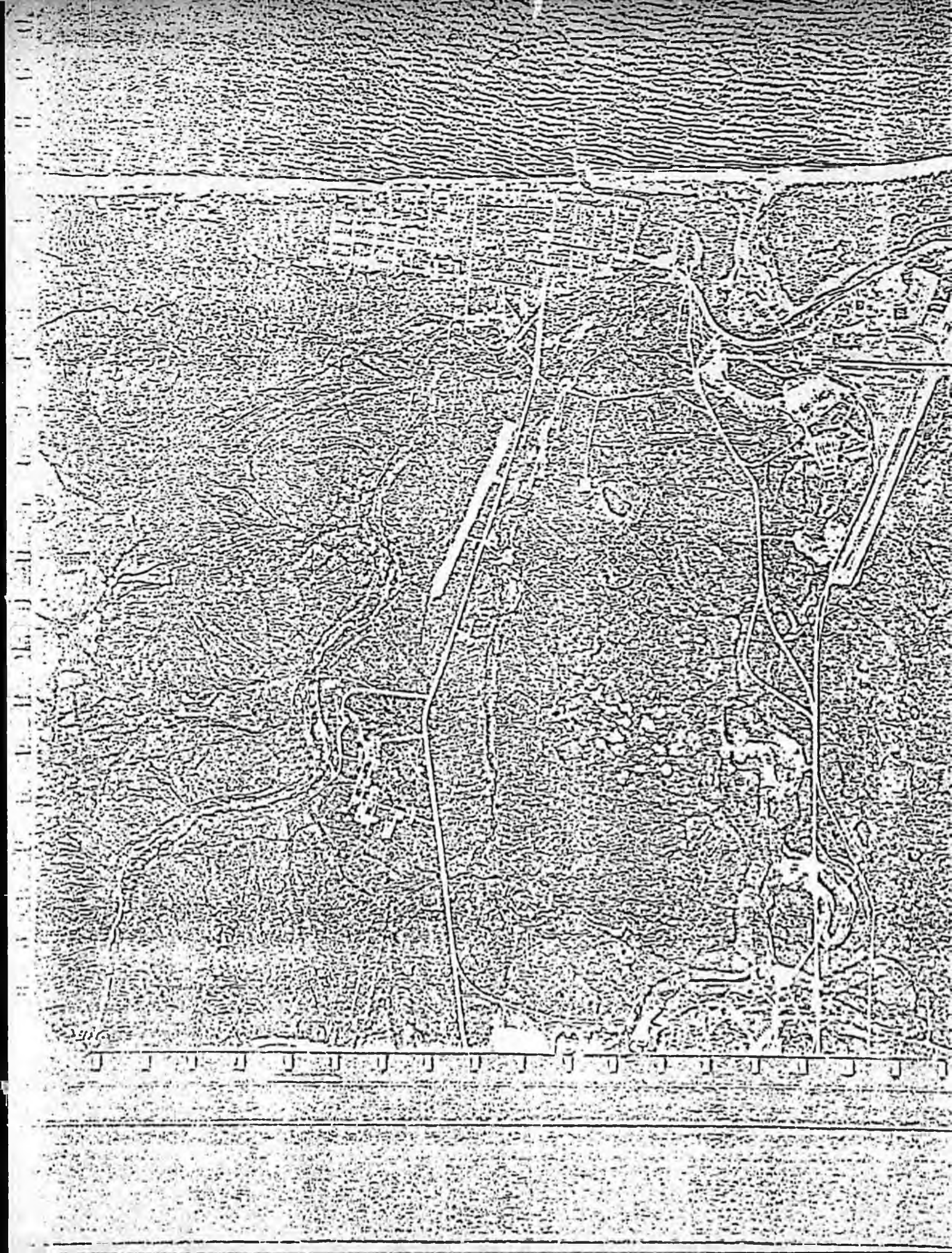


PORT OF NOME
BERING SEA, ALASKA

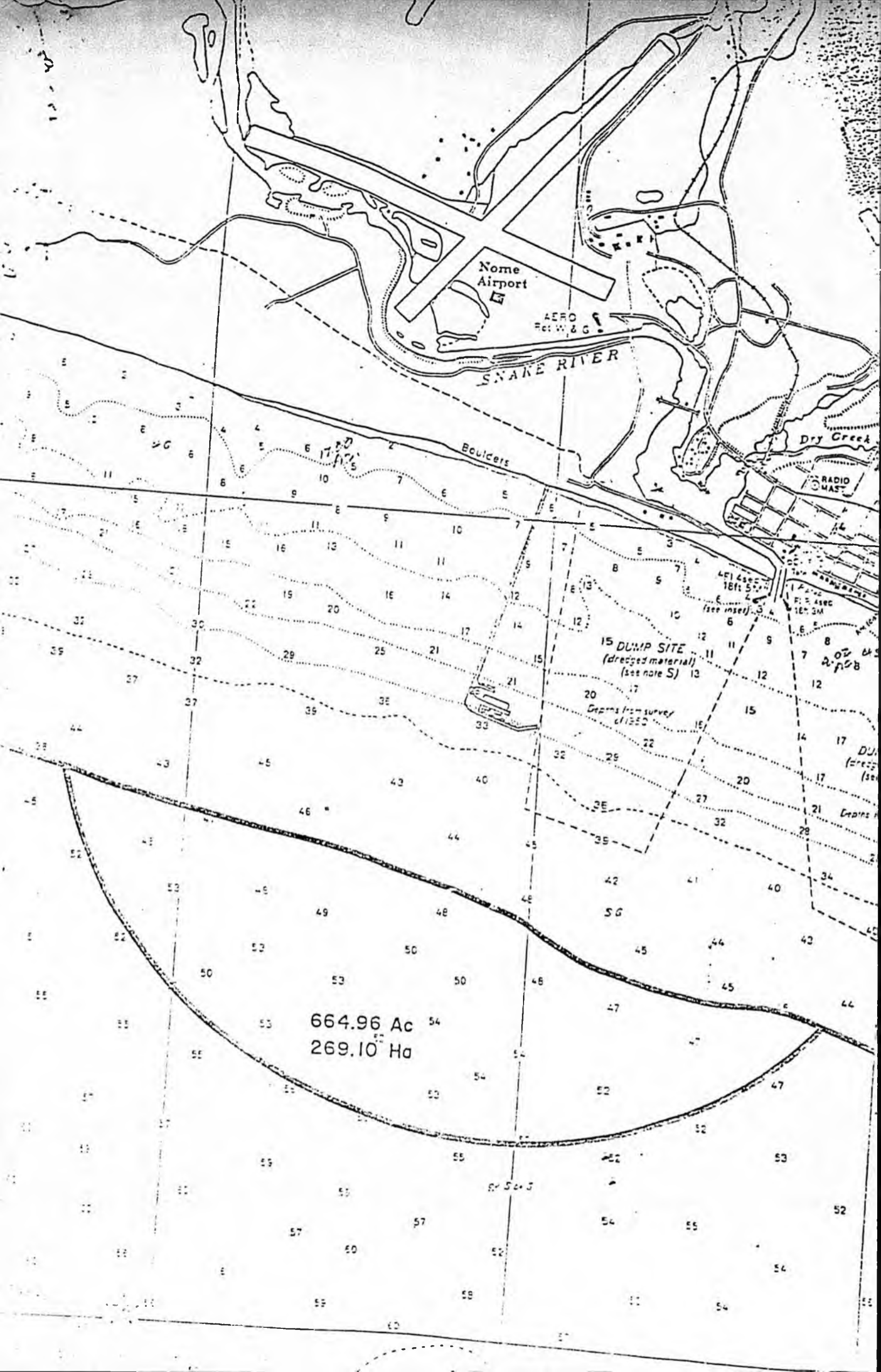
APPLICANT: CITY OF NOME

SHEET 1 OF 3 9/10/20

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.



THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.



Nome Airport

AERO
FOR W & G

Snake River

Boulders

Dry Creek

RADIO MAST

15 DUMP SITE
(dredged material)
(see note S)

Depths from survey
of 1950

664.96 Ac
269.10 Ha

SG

DUN
(dredged
(see

Depths

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.**

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT



REP. JOHN G. (JACK) FULLER

DISTRICT 22

Alaska House of Representatives

Home
P.O. Box 689
Nome, Alaska 99762
(907) 443-2968

White In Juneau
Pouch V
Juneau, Alaska
99811

(907) 465-3789
465-3750

Chairman
Bush Caucus
Chairman
Regulation Review Committee
Vice Chairman
Labor & Commerce Committee
Vice Chairman
State Affairs Committee
Majority Whip
Member Rules Committee
Member Special Committee
on Subsistence
Member Committee on Committees

Representative Cato:

Attached is some information about Nome's port facility. It is, for the most part, the city's condensation, selections from the feasibility study by Tetra Tech of Anchorage. Should you also like to see a copy of the study, just let us know and we'll share our copy.

If additional information would also be helpful, please give a call.

Cheryl.

Cheryl Frasca
Jack Fuller's Office
2.18.81

PROJECT TITLE: Support for DOT/City of Nome Funding Request for Deep-Water Port Facility

The following excerpts have been taken from a published Port Feasibility Study for Nome, Alaska (Phase A) which was completed by Tetra Tech, Inc. This data generally outlines our needs, and the design and approach to meet these needs. Further, it breaks out project costs and timing proposed to complete this deep-water port facility.

The complete Feasibility Study (Phase A) for a Port of Nome, Alaska is available from City Administration, City of Nome on request.

EXECUTIVE SUMMARY

Based on the planning, engineering, and economic feasibility analyses conducted for the City of Nome for the development of a deep draft general purpose port facility, the following conclusions have been drawn:

1. It is functionally, environmentally and operationally feasible to develop a general purpose, deep draft/causeway port at the City of Nome, provided that the initial costs of land acquisition, engineering design and construction of the navigational works are assumed by the State of Alaska. This feasibility assessment is based on the present rate of growth of the city and the region. If additional growth-inducing factors such as energy resource development, mineral extraction or fisheries development accelerate the regional growth, a significant portion of the development costs can be absorbed by the port and the related industrial concerns.
2. The port facilities have been designed to accommodate general cargo, utility and fishing vessels, and ocean-going barges with a draft not to exceed 22 feet.

Cargo handling at the pier is accommodated by ship/barge fixed cranes and a mobile crane onshore. Fuel transfer is accomplished using a fixed line/pump system to existing shore storage facilities.

Shoreside facilities for vessel service will include fuel supply, water, power, and telephone communications.

3. The site location that has been selected for the port/causeway facility is at the west city limits, on an elevated plateau that is bordered on the north and east by the Snake River. This site is in close proximity to the city, the

city utilities, fuel storage tanks, the Nome Airport, and lies well above the level of expected coastal flooding. The selected shore facilities location also allows for expansion of material handling/storage areas for future growth, and does not compete with the city for contiguous commercial/residential land. Site location at Cape Nome was found to be unacceptable because of adverse operational and engineering reasons.

4. The port will consist of a 3600-foot long causeway with berthing/loading facilities at its seaward end and with container, general cargo and bulk handling facilities located on shore.

The immediate need at Nome is to develop containerized and general cargo handling capabilities. To provide for this task, approximately 35 acres of onshore land are required in Phase A of the onshore development. If bulk cargo handling is required in the future (for tin ore, coal, fluorite, quarrrystone), Phase B of onshore development must be implemented, requiring an additional 65 acres of onshore land adjacent to the Phase A parcel.

The top elevation of the causeway and loading dock is +20 feet above the mean lower low water level.

5. Acquisition, design and construction costs of the port are estimated in three phases, each representing a successive level of expansion.

	<u>Initial Construction</u>
Phase I	\$20.4 Million
Phase II	\$23.8 Million
Phase III	\$26.2 Million

Construction estimates are in 1980 dollars and are based on a \$25/cubic yard unit cost for armor rock (in place) assumed to be a realistic negotiated present day value. Final construction cost can be established only after a firm quarrystone price has been negotiated.

Direct revenues for the operation at the port will accrue from berthing fees, land/facility leases and sales of fuel, power and water to the harbor users.

6. Each of the above expansion increments may be constructed without major disruptions in the on-going port activities. The causeway cross-section has been designed to accommodate additional utilities and a future bulk material handling system.
7. Environmental considerations for the proposed plan include longshore transport of sand, ice movement and forces, salmon spawning, crab fishing, induced economic growth of the region and prehistoric native dwelling sites. None of the above concerns represent irreconcilable constraints to the implementation of the port project.
8. Permitting requirements for the proposed port facility have been reviewed and include U.S. Corps of Engineers, Alaska Department of Transportation, Department of Fish and Wildlife, and a number of other specific state and federal regulatory agencies. Meeting their currently existing permit requirements and the Environmental Impact Report process will require approximately 12-18 months. Without public opposition to the project, this time period may be decreased significantly.
9. The existing harbor area has been identified as a potential location for a small boat harbor facility with a capacity

for 80-100 craft. The present harbor entrance at the mouth of the Snake River will serve the small boat traffic of the inner harbor only.

These conclusions summarize the general findings of this Phase A engineering feasibility study and define the major deep draft port development options for the City of Nome within the limits of the study. More definitive and quantitative answers to some of the questions raised will be answered in Phase B - Port Master Plan Development.

1.0 INTRODUCTION

1.1 BACKGROUND

The need for a port development plan for the City of Nome is based on the recognition of the strategic location of Nome as a major center of trade and transportation for the Norton Sound - Northern Bering Sea area. Nome not only has the most developed infrastructure for the area, but also serves as the principal center for distribution of goods and services in the Bering Sea region (see area map, Figure 1.1).

The major deterrent to growth and economic well-being of Nome and the population/industry served by this center of distribution is the lack of modern port facilities.

The shallow entrance to the limited port facilities (designed and built in the 1920's) precludes the use of the harbor for all but extremely shallow draft vessels. In fact, the present harbor represents only a marginal improvement over the lighterage techniques used at the turn of the century.

Previous studies for the improvement of the Port of Nome have contained a single economic element for their justification--the transfer of freight. This picture has changed significantly in the last few years. Nome now has a real and growing demand for services to two additional industries - fishing and oil development. The two-year old herring and red King Crab fisheries have already resulted in a multifold increase in fishing vessel visits for purposes of obtaining fuel, water and supplies.

In light of the above concerns, the City of Nome has authorized this port feasibility/expansion study to synthesize planning work done to date, to consider the latest economic pressures

and to establish a set of specific development recommendations for a viable port facility in the area.

1.2 SPECIFIC PURPOSE OF STUDY

In order to establish the overall feasibility for the Nome Port development, the study plan has been organized consisting of two major work phases, with the following specific purpose:

Phase A - Port Feasibility Determination. (1) A review of planning and study work done to date. (2) Schematic development of port improvements protective structures, site identification. (3) Selection of specific facility features and infrastructure. (4) Preliminary cost estimates, benefit/cost analysis. (5) Identification of major permit, environmental and financing constraints.

Phase B - Port/Facility Planning. Development of a detailed specific plan for both facilities; definition of facility element mix and supporting infrastructure, economic analysis of plan including implementation, operation, maintenance; identification of specific financing sources, development of an implementation plan and schedule.

Figure 1.2 shows the schematic relationship of the above Phases A and B to the overall development of the port, including such other specific tasks as field studies for bathymetry, geologic and soils investigations, environmental impact report development, model studies and finally, the development of detailed engineering design drawings and specifications.

This report represents work accomplished for port feasibility determination as outlined in the Phase A task.

In general, this phase of the study incorporates the following features:

1. The study uses existing data and available local inputs to the maximum extent possible to minimize time requirements for the task.
2. It addresses critical engineering, regulatory, environmental, socioeconomic, and political issues at the outset to minimize potential delays for implementation.
3. It incorporates selected energy industry, transportation industry, and mining industry needs to consolidate the financing and political interest base for the project. It also incorporates requirements for the expanding fishing industry operations and processing.
4. Engineering analysis work has been done to the level necessary to establish project feasibility; further refinement is necessary in Phase B to establish a detailed port plan.
5. Economic feasibility assessment is based on a number of growth scenarios and general assumptions which need to be refined and verified in the subsequent work element.

Following the Gold Rush that precipitated the growth of Nome in 1898-1900, it became obvious that a harbor was needed to support the city's growth. Not until 1915, however, did the Federal government initiate action to create the present harbor. Following government surveying efforts and further authorization, construction of the harbor jetties and dredging activities was begun in 1919. Various dredging activities and further reconstruction and rehabilitation have continued to the present day. Table 1 documents the construction history of Nome Harbor dating back to 1915. Figure 1.3 shows Nome Harbor as it exists today.

The present port facilities are operated by Arctic Lighterage (a division of Crowley Maritime). The majority of the harbor maintenance is performed by the Federal government.

2.4.3 Dredging History

Since its completion in 1923, Nome Harbor has undergone major periodic dredging operations to maintain adequate navigational depths. On the average, dredge volumes of from 12,000 to 20,000 cubic yards have been removed on a yearly basis. Major storm periods, however, have required the emergency removal of as much as 60,000 cubic yards of sediments to allow safe passage into the harbor. The majority of the dredging activity takes place at the harbor mouth where the prevailing southwest waves and the unlimited coastal sand supply yield a net west to east sediment flow. Within the inner harbor, settling of the sediments carried by the Snake River requires periodic dredging.

Maintenance dredging at Nome has been directed by the U.S. Army Corps of Engineers using government-owned equipment. Since 1964, the GILPIN, a 0.75-cubic yard clamshell dredge, has performed the majority of the dredge work. The GILPIN normally loads two side-dumping barges which transport the spoil to offshore areas prior to dumping. This equipment is only marginally adequate for the dredging task at Nome. This fact is exemplified by the inability of the equipment to achieve and maintain the harbor's authorized depth of eight feet.

Dredging is severely limited by the existing environmental conditions. Ice cover limits these activities to the June through October period. The limiting wave height for efficient dredge operations is three feet, a condition that is exceeded 50% of the time in July (Dames & Moore, 1977).

The importance of maintaining navigable depths within Nome Harbor is paramount to the economic well-being of the city and region. A large volume of goods are transported to Nome during the summer months aboard ocean-going barges that transfer their cargos to shallow-draft barges that can safely navigate within the harbor. As harbor shoaling occurs, the lighterage craft must limit their loads in order to maintain adequate draft for passage into the harbor. This requires these vessels at times to make trips from the ocean-going barge to the city dock with loads that are less than their full capacity. Thus, additional roundtrips must be made leading to additional costs that must eventually be absorbed by the consumer. If shoaling proceeds without dredging, Nome Harbor would eventually be closed to all vessel traffic.

The dredging costs expended at Nome by the federal government have been substantial. This history of these expenditures are presented in Table 3. To date, the total value of these activities is approximately \$2.6 million. Projected costs for fiscal year 1981 are \$490,000. Figure 2.5 shows the alarming rate at which annual costs have increased since 1971.

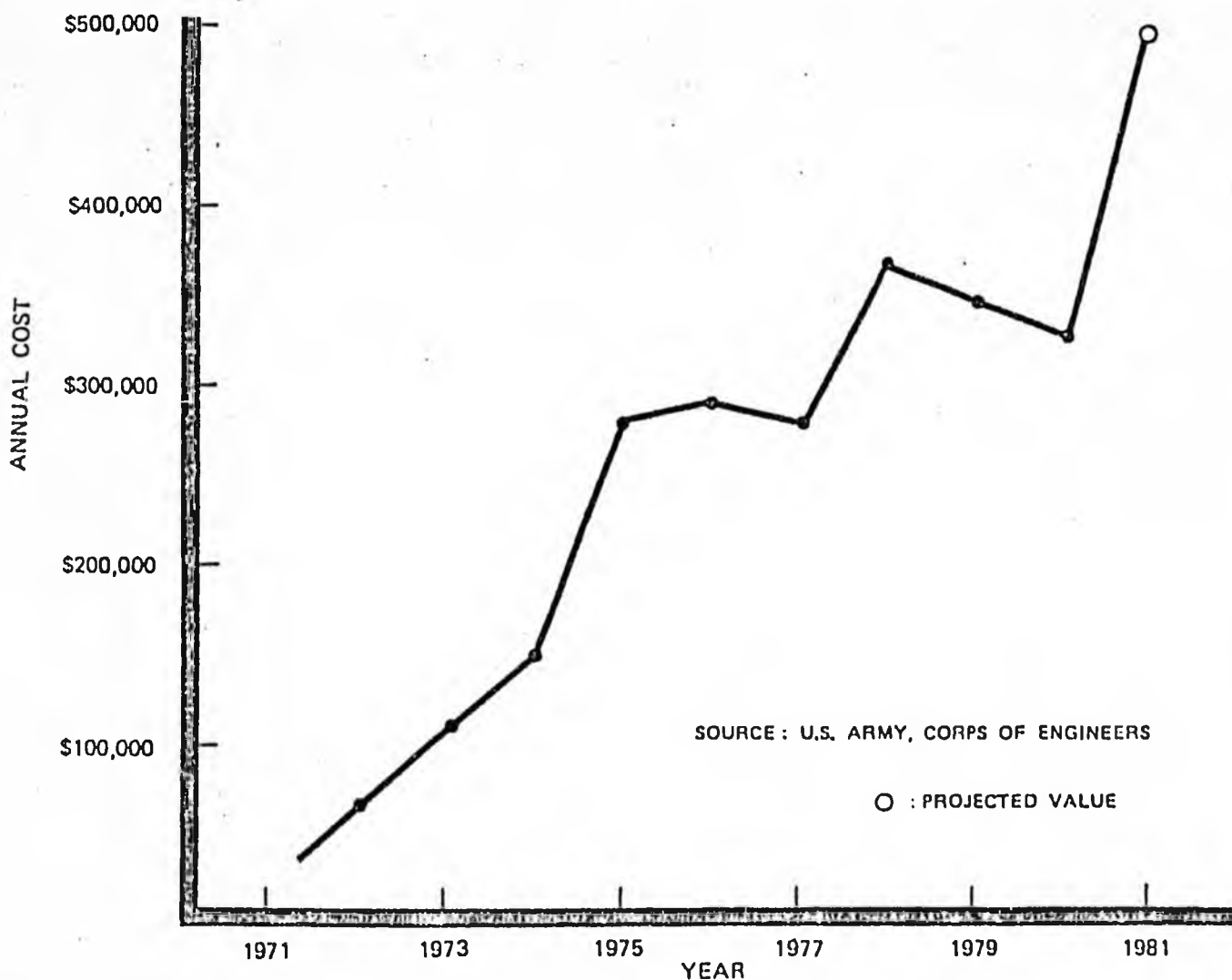


FIGURE 2.5: RECENT FEDERAL DREDGING COSTS, NOME

DATE OF DREDGING	LOCATION	VOLUME & TYPE OF DREDGED MATERIALS	TYPE, SIZE & CONDITION OF DREDGE	DISPOSAL METHOD AND LOCATION	CONTRACTOR	COSTS
1919-1920	Turning basin and ent. channel	20,625 cy of silts and sands	Not available	Not available	W.J. Lowe, Nome	\$ 20,212
1923-1933	Annual maint. dredging turning basin and ent. channel	65,690 cy of silts and sands	Not available	Offshore disposal areas south of harbor	Not available	\$113,735
1933-1964	Turning basin/ent. channel maintenance	Est. average 17,250 cy for 7 yrs. of silts and sands	Small clamshell (ARCTIC) and 2 scoops	Offshore disposal areas south of harbor	Govt. owned equipment	Est. average \$40,271 for 7 years
1949-1951	Turning basin expansion	Unknown volume (silts and sands?)	Small clamshell (ARCTIC) and 2 scoops	Offshore disposal areas (?)	Govt. owned equipment	Unknown
1964 through October 1971	Turning basin and entrance channel maint. dredging	Est. average 15,030 8 years (silts and sands)	3/4 cy clamshell (GILPIN) and 2 scoops (65 cy)	Offshore disposal areas	Govt. owned equipment	\$61,322 average for 1974 through FY 1970
FY 1973 (7/1/72-6/30/73)	Turning basin and entrance channel maint. dredging	14,350 cy (silts and sands)	3/4 cy clamshell (GILPIN) and 2 scoops (65 cy)	Offshore disposal areas	Govt. owned equipment	\$108,320
FY 1974 (7/1/73)-	Turning basin and entrance channel maint. dredging	13,510 cy (silts and sands)	3/4 cy clamshell (GILPIN) and 2 scoops (65 cy)	Offshore disposal areas	Govt. owned equipment	\$140,104
FY 1974 11/74-4/75	Emergency ent. channel dredging	60,000 cy (sands)	2900 monitoring drag-line dozer, loader, scraper dumptruck (condition?)	Onshore; location	B&R Rug & Barge	\$158,320
FY 1975 7/1/74-6/30/75	Turning basin and ent. channel maint. dredging	12,000 cy ? (silts and sands)	3/4 clamshell (GILPIN)	Offshore disposal areas	Govt. owned equipment	\$120,000

TABLE 3 : DREDGE HISTORY , NOME, ALASKA

FY 1976 7/1/75- 6/30/76	Turning basin and ent. channel maint. dredging	12,100 cy (clam- shell) 21,550 (suction)	3/4 cy clamshell (GILPIN) 12-inch pipeline dredge (Bethel)	Offshore disposal areas	Govt. owned equipment	\$183,381
July-Oct. 1976	Turning basin and ent. channel maint. dredging	6,650 cy (silts and sands)	3/4 cy clamshell (GILPIN)	Offshore disposal areas	Govt. owned equipment	\$105,588
1977	Turning basin and ent. channel maint. dredging	12,120 cy	3/4 cy clamshell (GILPIN)	Offshore disposal areas	Govt. owned equipment	\$278,880
1978	Turning basin and ent. channel maint. dredging	9,330 cy	3/4 cy clamshell (GILPIN)	Offshore disposal areas	Govt. owned equipment	\$363,248
1979	Turning basin and ent. channel maint. dredging	13,000 cy	3/4 cy clamshell (GILPIN)	Offshore disposal areas	Govt. owned equipment	\$346,250
1980	Turning basin and ent. channel maint. dredging	13,000 cy	3/4 cy clamshell (GILPIN)	Offshore disposal areas	Govt. owned equipment	\$322,250
1981*	Turning basin and ent. channel maint. dredging	13,000 cy	3/4 cy clamshell (GILPIN)	Offshore disposal areas	Govt. owned equipment	\$490,000

* Projected

Source: U.S. Army Corps of Engineers

TABLE 3 (CONTINUED)

With the escalating cost of diesel fuel, replacement parts, and skilled labor, these expenditures will continue to rise in the future. A principal goal of the proposed port design is to minimize the dredging requirements at Nome. Placement of any new coastal structure will have an effect on the sand transport along the shore. With proper consideration of this effect, it is hoped that a reduction in the dredge requirements at Nome can be achieved.

2.9 ECONOMIC BASE

2.9.1 Fishing Industry

The fishing industry of the Norton Sound area is limited and the commercial harvesting of fisheries resources must compete heavily with subsistence fishing interests. High operating costs have discouraged investment of private capital in sea-food processing in the Norton Sound area and, consequently, transportation is a major cost factor. Typically, the fishermen of the area do not have large capital investments in their boats and equipment, and most use 13-foot skiffs with outboard motors.

Salmon

Salmon gillnetting is the principal commercial fishery in the Norton Sound area. Five species are harvested in Norton Sound waters with the vast majority of catches being pink and chum salmon (NOAA, 1977).

Until recently, the Norton Sound commercial fishery was sporadic because of the lack of processors and buyers or inadequate tendering service. However, the recent development of cooperatives and improved tendering facilities have helped to stabilize the fishery (Gusey, 1979).

The commercial salmon fishing season extends from June 15 to September 30, a basic season that has been in effect since 1963. The Norton Sound fisheries began in 1961. The period of high fishing effort from 1962 to 1964 was followed by several years of low effort. Beginning in 1969, levels recovered and have been consistently exceeding 140,000 fish annually (Gusey, 1979).

Annual commercial salmon harvests in the Norton Sound region ranged from 40,000 to 316,000 fish during the 1961 to 1976

period, averaging about 170,000 annually. During that time, chum salmon comprised nearly 65 percent of the total catch, followed by pink salmon with 29 percent (NOAA 1977).

In 1979, commercial fishermen harvested 10,706 king, 21,438 coho, 167,411 pink, and 140,789 chum salmon, totaling 350,344 fish in Norton Sound. This was the second largest catch on record and was 110% of the recent 5-year average annual harvest of 310,005 salmon. A total of 204 commercial fisheries entry permits were issued for the Norton Sound district in 1979. Approximately \$875,000 was paid to fishermen for their 1979 salmon catches. Eleven processors operating in the Sound in 1979 purchased approximately 2.1 million pounds of salmon (Schwarz, 1980A).

Commercial catches of salmon during the 1961 to 1976 period are shown in Table 4.

TABLE 4
COMMERCIAL SALMON CATCH, 1961-1976

Year	Norton Sound Commercial Catch of Salmon (No. of Fish)
1961	101,711
1962	232,431
1963	233,863
1964	164,671
1965	40,524
1966	100,345
1967	74,818
1968	124,499
1969	178,972
1970	178,218
1971	141,977
1972	149,713
1973	176,797
1974	315,829
1975	257,802
1976	192,917

Source: NOAA, 1977; Gusey, 1979

In the subsistence category, nearly all of the native peoples are dependent to some degree on the fish and game resources for their sustenance. In 1979, all subsistence fishermen interviewed by the Alaska Department of Fish and Game reported catching a total of 46,446 salmon, about 35 percent above the recent 5-year annual average harvest (Schwarz, 1980A).

Herring

The earliest American commercial effort on Bering Sea herring apparently took place in the early part of this century at Golovin Bay in Norton Sound. It declined because of foreign competition and then resumed in 1964 near Unalakleet and has continued on a limited and sporadic basis. The harvest is not taken in the Nome area, but rather in the Cape Denbigh, Unalakleet, and Stuart Island to Klikiktarik areas.

Commercial fishing for herring is carried out by local inhabitants and foreign gillnet fleets. Fishing is performed primarily with gillnets and occasionally by beach seines. Herring roe is the main product of commercial operations. Most harvest occur after winter ice break-up in May-June, while herring are in spawning concentrations (NOAA, 1977).

Considered a developing fishery, interest in northwestern Alaska herring stocks appears to be increasing. Market conditions, however, have a large influence on the catch. For example, when 1172 metric tons of herring were harvested in Norton Sound in 1979, the market price was about \$800 per metric ton. This year, however, the price has fallen to \$200 per metric ton and will likely significantly influence the volume of harvest (Schwarz, 1980A).

Historical herring catch figures for the 1964 to 1976 period are shown in Table 5.

TABLE 5
COMMERCIAL HERRING CATCH, 1964-1976

Year	Norton Sound Commercial Harvest of Herring (Metric Tons)		
	Local Inhabitants	Japanese Fleets	Total
1964	18.1	0	18.1
1965	0	0	0
1966	0	0	0
1967	0	0	0
1968	0	125	125.0
1969	0	1270	1270.0
1970	7.3	54	61.3
1971	17.7	621	638.7
1972	15.3	11	26.3
1973	32.3	25	57.3
1974	3.1	720	723.1
1975	2.0	5	7.0
1976	7.7	N.A.	N.A.

Source: NOAA, NMFS, 1977; Gusey, 1979
N.A. = Not Available

King Crab

Another developing fishery is that of King Crab. A winter and summer commercial king crab fishery has recently developed in Norton Sound. The summer fishery is a large vessel fishery consisting mainly of Dutch Harbor vessels. The winter fishery is composed mostly of local fishermen who fish through the ice with pots for the crab. In 1979, 3 million pounds of king crab were harvested; this year, the harvest will be held to only 1 million pounds, however. A subsistence king crab fishery also exists.

The fishing industry harvests in Norton Sound are not expected to experience significant change, other than that resulting from normal market economics. New fisheries development is not expected for the area due primarily to the far north location,

proximity to markets, and the competition offered by more attractive, plentiful fisheries in other parts of the state (Schwarz, 1980B).

2.9.2 Mining Industry

Next to federal and state spending, mining and tourism were the major components of the cash economy of northwest Alaska prior to the discovery of oil at Prudhoe Bay. The Seward Peninsula has historic ties with the gold mining industry which date back to the gold rush of 1898 and the resultant settling of Nome. Beginning with this gold boom in 1898, the following minerals have been located and produced in significant quantities in the Seward Peninsula: gold, tin, tungsten, and beryllium. Small amounts of antimony, bismuth, copper, silver, lead, and quicksilver have also been found but no large deposits of these metals are known to exist on the Peninsula. A residual iron deposit occurs near Nome, while zinc, arsenic, uranium, and molybdenum occur in or near the tin and base metal lodes. Platinum, manganese, mica, fluorite and graphite have also been reported (Corps of Engineers, 1974A). Although gold is being produced at this time, other minerals are not now under active operation.

Gold

As discussed earlier, gold mining in the area dates from 1898. Although large dredges continued to mine placer gold in the Nome area until 1962, production was not steady and suffered severe fluctuations over the years. In 1962, the United States Smelting, Refining, and Mining Company (USSR&M) discontinued their operations, having previously employed as many as 400 persons in the area. With an increase in the price of gold, the Alaska Gold Company (successor to the USSR&M) resumed their dredging operations in 1975 and have operated in the area since

that time during the summers. The company is one of the major employers in Nome, and their operations have contributed to the overall economy. In 1978, the Alaska Gold Company produced 11,925 troy ounces of gold from the Nome area using two large dredges.

Tin-Beryllium-Fluorite

At the present time, the Lost River and Tin City deposits constitute the most important tin reserve in the United States. Although the deposits are not large, they are the only known deposits of significance in the United States. The heavy minerals belt passes through the Seward Peninsula and tin production from this belt has been in the form of both lode deposits and placer tin. Production is now relatively inactive (City of Nome, 1968).

If fluorite and beryllium deposits in the Lost River area are developed, the tin ore reserves at that location may be confirmed and expanded. In addition, tin claims on Humbolt Creek, 125 miles due north of Nome at Serpentine Hot Springs, were explored during 1970 and 1971. These are believed to be an extension of the lode tin deposits at Lost River which would make them the fourth largest known tin lode in the world (Corps of Engineers, 1974A).

Almost all of Alaska's known beryllium deposits occur in the Lost River area. These are reported to be a substantial portion of the total national resource. Although these deposits occur in commercial quantities, the feasibility of mining them is not proven due to mineralogy and economic factors. A proposed fluorite, tin and beryllium mining venture at Lost River is not presently active (City of Nome, 1968; 1979).

Similarly, fluorite is known to occur in commercially significant quantities at the Lost River tin mine. No active production

operations are underway (City of Nome, 1968; 1979).

Tungsten

By itself, tungsten production does not appear to be feasible on the Seward Peninsula. In connection with the tin mining activity at Lost River, however, tungsten may be a minable by-product of tin lodes in this region (City of Nome, 1968).

Other Minerals

The mining of lead, zinc, and copper does not appear to be commercially feasible at this time. Small amounts of these ores have been recovered in the past as a by-product of gold mining. In addition, there has been a minimal amount of silver production as a by-product of gold mining. Future production, however, probably rests upon the development of some of the lead and silver bearing galena lodes scattered about the Seward Peninsula (Corps of Engineers, 1974A).

Future

The future of large-scale mineral development on the Seward Peninsula is affected by the remoteness of the deposits from market outlets, available transportation, the absence of an industrial and institutional infrastructure, and the associated high production costs. The key to successful mineral production is the development of a market demand sufficient to pay the high costs of Alaska production and transport (City of Nome, 1979; Corps of Engineers, 1974A).

Transport costs alone cannot be isolated as the major impediment to development. Oil, for example, with 50 percent of its market price absorbed by transportation costs, can support its own highly sophisticated transport system. Under present economic circumstances, however, most other Alaska resources cannot

do this because they are not valued high enough in the market place.

With the exception of gold, mineral development in the Seward Peninsula must, therefore, be considered to be far in the future. The extent and timing of development is dependent partly upon unpredictable market forces. A long-term potential for development of the Lost River deposits does exist, but probably for a small, seasonally-operated mine only (Sanders, 1980).

On the other hand, the potential for developing gold in off-shore beaches is very high. Forecasts of future production are not available, however.

2.9.3 Coal

Alaska possesses extensive coal resources, distributed widely throughout the state. Of the total 130 billion tons speculatively estimated to exist in the state, more than 90 percent is believed to be located in the northwestern Arctic. This includes an estimated total of 19.3 billion tons of bituminous and 100.9 billion tons of subbituminous and lignite coals (Corps of Engineers, 1974A). This area encompasses about 30,000 square miles bounded by the Brooks Range in the south, the lower Colville and Itkillite Rivers to the east, and the Beaufort and Chukchi Seas to the north and west. Roughly 24,000 square miles of this coal-rich area is included in the National Petroleum Reserve No. 4. The U.S. Bureau of Mines has identified the parts of the area along the Chukchi Sea coast as being "very important" in its potential for economic viability and national or local economic or strategic need for development (DMJM, 1979).

Alaska's identified resources (130 billion tons) are approximately 7.5 percent of the total United States identified coal resources of 1,730 billion tons.

Alaskan coal; including that in the Arctic, is low in sulfur content. The subbituminous coal is generally high in water and ash content, but bituminous coal of some areas possesses good coking characteristics. Some of the beds are known to be of good quality and are capable of being mined in large blocks with large mechanized equipment. Coking coal is generally in high demand on the world market at the present time (City of Nome, 1968; DMJM, 1979).

The major markets for Alaskan coal, given the limited domestic market, are the west coast of the United States and Japan. The United States market is limited to coal for electric power production, while the Japan market is limited primarily to metallurgical coal. Key to the marketability of this coal is the technology and cost of moving it from the northwestern Arctic area to a coastal loading point (Federal-State Land Use Planning Commission, 1978). Substantial investments would be required in mining equipment and transportation systems before coal can be moved from these northwestern fields. Such problems as moving the coal from mine to a port in a roadless area, plus the development of suitable port facilities and loading techniques, have caused some to hold a pessimistic outlook on near-term coal development. Rather, they suggest that production of northwestern Arctic coal under present technology and costs is far in the future (Corps of Engineers, 1974A). A more recent report (Massachusetts Institute of Technology, 1980), stresses the importance of coal as a source of energy in the United States' future. The study, which reflects the recent instability of Mid-East oil supplies, states that coal will become the primary domestic energy source for the United States within twenty years.

Although coal production activities in the northwest Arctic area would be remote from Nome, Nome may play a future role as a base of operation and supply as well as a loading terminal point for coal exports to both Japan and the west coast of the continental United States.

2.9.4 Petroleum Industry

The potential for development of petroleum resources in the Norton Sound area is uncertain at this time, although inferential data indicates that reserves may be sufficient for feasible development. Because detailed geophysical data is unavailable and because there is no drilling history in the Norton Basin, reserves estimates have been based upon known characteristics of similar geologic areas. Present estimates of undiscovered recoverable oil and gas reserves in North Basin are:

	<u>Low Find</u>	<u>Medium Find</u>	<u>High Find</u>
Oil (billions of barrels)	0.38	1.4	2.6
Gas (trillions of cu. ft.)	1.2	2.3	3.2

Source: Dames & Moore, 1980.

If exploration, development, and production of the Norton Basin petroleum resources does occur, Nome will serve as a support base for supplies and services, including aerial support for offshore operations. The extent to which this occurs will depend upon the magnitude of the development and production phases (Dames & Moore, 1978). In addition, the future development of petroleum resources to the north in the Chukchi Sea area, Kotzebue Sound, and the National Petroleum reserve could also have a significant effect upon the Community of Nome, first as a staging and transshipment point for supplies, materials, and personnel destined for these northern areas and, second, as the pipeline terminus and transshipment point for product oil from these areas.

The lease sale No. 57 for the Norton Basin is scheduled to take place in September, 1982, and is to be preceded by a number of intermediate formal steps leading to this sale. In addition, a continental offshore stratigraphic test well will be drilled by ARCO in 1980 to better identify the geologic strata in the Norton Sound (Scott, 1980; Fisher, 1980).

Exploitation of a petroleum reserve involves three distinct phases of activity, i.e., exploration, development, and production. The development phase involves drilling the optimum number of production wells for the field and construction of the equipment and pipelines necessary to process the crude oil and transport it to its destination. Whereas the exploration and production phases are not particularly labor intensive, the development phase creates the highest levels of employment locally and the import of the greatest amount of materials, supplies, and services for development activities (Dames & Moore, 1980).

The development of petroleum resources included in lease sale No. 57 is expected to result in the production and employment levels shown in Table 6.

TABLE 6
PETROLEUM DEVELOPMENT SCENARIOS

	<u>Low Find</u>	<u>Medium Find</u>	<u>High Find</u>
<u>OIL</u>			
Years of Production	1990-2009	1990-2011	1989-2016
Peak Years	1993	1994	1995
Peak Production	153,000 b/d	463,000 b/d	764,000 b/d
<u>GAS</u>			
Years of Production	1990-2009	1989-2009	1989-2011
Peak Years	1993-2001	1994-2000	1995-1998
Peak Production	230.4 mmcf/d	460.8 mmcf/d	691.2 mmcf/d
<u>EMPLOYMENT</u>			
Onshore & Offshore			
Peak Years	1990	1990	1991
Peak Employment	1376	3555	5276
Onshore Only*			
Peak Years	1989	1990	1987
Peak Employment	387	874	1544

* A portion of this work force may establish residence at or near Nome.

Source: Dames & Moore, 1980

2.9.5 Port Operations

Freight service to Nome is generally via ocean-going cargo barges direct from Seattle, although some freight is transported to Nome by air. In 1979, 18 general cargo barge trips were made by the three firms serving the city as follows:

Pacific-Alaska Lines	4 Trips
Alaska Cargo Lines, Inc.	4 Trips
Foss Barge Company	10 Trips

Barges from Seattle normally do not arrive fully loaded, having previously stopped in Bethel and Dillingham.

The barge season generally runs from May 1 to September 25, a period of slightly less than 5 months. Incoming general cargo averages between 6,000 and 8,000 tons per year. Nearly all general cargo is containerized; an ocean-going barge can haul about 150 containers.

Because of extensively shoaled beaches, ocean-going barges calling at Nome presently anchor about one mile offshore for unloading and reloading of cargo and freight. The harbor is too shallow to allow ocean ships and barges to enter. Therefore, cranes onboard the ocean-going barges are used to offload containers and other cargo to lighters. The average time required to offload the typical ocean-going barge is 18 hours. The shallow-draft lighters are towed through the surf and the shallow entrance channel for unloading at the transfer facilities of the lighterage company, Arctic Lighterage (Crowley Maritime). Consequently, freight is, of necessity, double-handled in lightering from ship to shore and, furthermore, freight destined for interior locations is handled a third time. Winds in excess of 15 knots make the transfer to lighters extremely difficult, the resulting delays adding a demurrage charge of \$12,000 per day.

On shore, the lighters are unloaded over the entrance channel revetment by portable cranes. Empty containers and outgoing shipments are reloaded to lighters inside the harbor area for return to the ocean-going barges anchored offshore.

Lighterage costs represent approximately 22 percent of the typical freight bill between Seattle and Nome.

Bulk petroleum products are presently delivered to Nome by Chevron Shipping Corporation in tankers loaded at Richmond, California. In 1979, three direct shipments were made. The average annual imports of petroleum amount to about 7 million gallons. As with the general cargo barges, tankers are anchored offshore at Nome and the products are offloaded to lighters for transfer to onshore storage facilities.

Waterborne commerce through the Nome Harbor for the period 1969 to 1979 is presented in Table 7.

TABLE 7
CARGO TRANSPORT, NOME HARBOR, 1969-1979

	TONNAGE		
	General Cargo	Liquid Petroleum	Total
1969	5,945	20,327	26,272
1970	8,108	12,843	20,951
1971	6,145	15,786	21,931
1972	10,643	32,506	43,149
1973	5,620	23,162	28,782
1974	10,158	22,156	32,314
1975*	N.A.	29,000	N.A.
1976*	N.A.	25,000	N.A.
1977*	N.A.	29,000	N.A.
1978*	6,800	24,000	30,800
1979*	8,100	25,000	33,100

* Estimates by Arctic Lighterage

Projections of future commerce through Nome Harbor depend upon expected population growth within the service area, the extent to which the natural resources of the Seward Peninsula are developed (mining, petroleum, fishing), the potential of the Nome Harbor as a cargo transshipment point for developing areas and communities in such categories as tourism and recreation. The future of some of these factors depends upon outside economic, marketing, and physical determinants. The future of the harbor as a transshipment point may depend largely upon the physical development of the port facility itself.

In the event that the population of the service area was to increase by the projected 65 percent between 1970 and 1985, then the increase in the throughput of staples would likely increase proportionately. Other dry cargo, such as equipment and construction materials, would not necessarily experience such a proportionate increase. Rather, the import volume of these items would relate more to the economic activity and new development in the region. The consumption of oil products is expected to continue its steady long-term increase.

~~of the local labor force.~~

4.1.1 The Selected Causeway Design

Based on the evaluation of the various causeway designs presented previously, the cross-section shown in Figure 4.3 has been selected for the port of Nome causeway. The major positive attributes of this design are as follows:

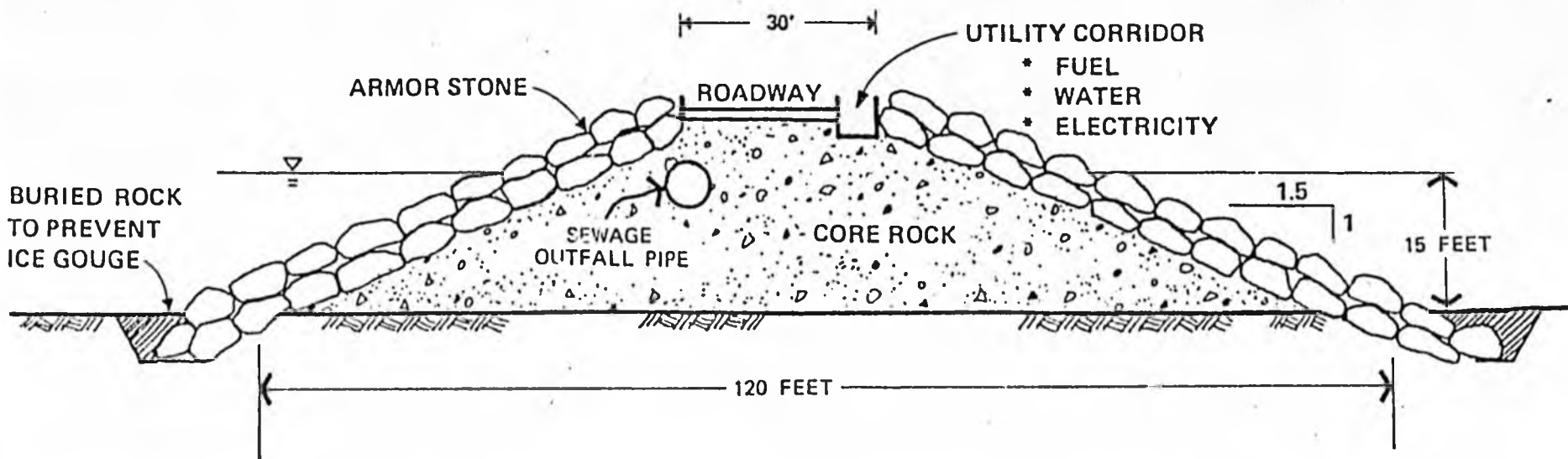


FIGURE 4.3: CAUSEWAY DESIGN CROSS-SECTION

- 1) Local availability of all construction materials
- 2) Simple construction methods
- 3) Durability
- 4) Ease of expansion
- 5) Maximum use of local labor force
- 6) Moderate cost

The use of this design assumes that wintertime port operations will not be undertaken since ice can be expected to over-ride the structure. For this reason, no structural elements will be placed on the causeway surface. Similarly, the quarrystone armor must be placed carefully to minimize its displacement by the moving ice. All utilities (fuel, water, electricity) must be placed in a covered containment channel thereby allowing easy accessibility for future expansion or maintenance of these items. Nome has an immediate need to develop an effective sewage disposal system in order to avoid the necessity of constructing a secondary sewage treatment plant. By burying an outfall pipe in the causeway, primary-treated sewage can be discharged to the relatively deep waters at the end of the causeway. The feasibility and cost-effectiveness of this plan must await future analysis. The armor rock will be buried to a depth of five feet to reduce the possibility of displacement due to wave or ice scour. The side slopes (1:1.5) have been designed to minimize construction cost while maximizing the protection afforded from wave and ice impact.

The data needed to fully refine this design is not yet available. Such critical design considerations as side slope alignment, causeway elevation, height and thickness of armor layer, and filter layer thickness are best designed in detail following close examination of the performance of these components in scale-model testing experiments. In this way, the total design can be optimized to deal with all the serious threats posed by waves, ice, and high water levels at the minimum construction cost. For example, the results of analytical studies on ice impact at the causeway shows that ice along the Nome coast will ride-up and