

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

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over the causeway if a 1:2 side slope is used. The choice of a 1:1.5 side slope will cause the formation of ice piling at the slope. It becomes important from an economics standpoint when one realizes that the choice of a 1:1.5 slope will decrease the total causeway volume by 25% relative to a 1:2 side slope. Steepening the side slopes will require an increase in the size of the largest individual armor stones, however, from 7.25 tons to 8.3 tons. The economic impact of the need for larger armor rock is not presently known. In addition, the steeper side slope will have an effect on wave overtopping during severe wave events. The final design decisions for the causeway will rely on adequate wave and water level data as well as the results of small-scale hydrodynamic testing that will seek to minimize project costs while properly dealing with expected wave and ice forces.

## 4.2 OFFSHORE TERMINAL DESIGN

### 4.2.1 Vessel Traffic

At the present time, the City of Nome is visited by a number of vessel types that are serviced by the existing harbor facility. Those vessels with drafts in excess of five feet are normally unable to enter the port and must be serviced by "lightering" barges operated by Arctic Lighterage, a Division of Crowley Maritime, Inc. The expected vessel traffic that is anticipated at the Port of Nome is briefly discussed below.

#### Ocean-going Barge

The largest vessel type that currently visits Nome is the major cargo-carrying barge that arrives throughout the summer period. These vessels are normally towed by ocean-going tugs and the containerized cargos that they carry are off-loaded to shallow-draft lighterage barges for the transfer to the Nome city dock. The dimensions of the ocean-going barges are approximately as follows:

Length: 400 Feet  
Beam: 100 Feet  
Draft: 22 Feet  
(Loaded)

Because many of these barges make stops at Bethel and/or Dillingham prior to arrival at Nome, a fully loaded barge having a 22-foot draft is relatively rare at Nome. However, for the sake of conservatism and acknowledging the future status of the Port of Nome as the major maritime transport center of northwestern Alaska, the 22-foot draft value has been chosen for design purposes.

These large barges would be berthed at an offshore facility using a small fleet of tugs working in conjunction with the barge's towing vessel.

#### Ocean-going Tugboats

These tugs are large capacity towing vessels that supply the means of propulsion for the ocean-going barges. The dimensions of these vessels are as follows:

Length: 160 Feet  
Beam: 30 Feet  
Draft: 18-20 Feet  
(Loaded)

These vessels are very powerful and can be used to maneuver the large barges into and out of berthing spaces.

#### Utility Tugboats

Smaller tugboats owned, maintained, and operated by private interests would be used for many tasks at the Port of Nome. They would be required to assist in the berthing of all barge traffic. Also, certain large vessels having their own propulsion systems may require berthing assistance occasionally. Disabled craft will also require the use of these smaller tugs. The dimensions of this vessel type are as follows:

Length: 50-90 Feet  
Beam: 10-15 Feet  
Draft: 8-12 Feet  
(Loaded)

#### Oil Industry Workboats

In 1979, Arco Petroleum initiated field work that sought to determine the extent of the petroleum wealth of Norton Sound.

The first phase of exploratory drilling will begin in 1980. If oil is discovered in exploitable quantities in the Norton Basin/Chukchi Sea Region, workboats employed by the oil industry will call at the Port of Nome to transfer personnel, equipment, and to provide general logistics services. The dimensions of these vessels are as follows:

Length: 150 Feet  
Beam: 30 Feet  
Draft: 10-15 Feet  
(Loaded)

#### Fishing Craft

Various fishing vessels are expected to call at the Port of Nome to transfer their catch ashore, replenish food, water, fuel, and equipment supplies, and to undertake vessel or equipment repairs. These vessels vary in size from large inter-ocean craft to small boats used principally by the local residents to fish the waters of Norton Sound. Maximum draft of the fishing fleet that will utilize Nome as a port of call is assumed to be 20 feet.

#### 4.2.2 The Design Vessel

At the present time, the largest vessel that calls at Nome is the ocean-going cargo barge having a loaded draft of 22 feet. In order to allow for adequate water depths at all times alongside the proposed pier facility, it is recommended that the offshore docking terminal be located at the 30-foot bottom contour. Figure 4.4 illustrates the position of the design vessel when docked at this location for both the high-water and low-water extremes. The extreme low water level will occur when offshore winds drive the surface water to the south. During these periods, the still water level can fall as much as five feet (NOAA, 1977). For design purposes,

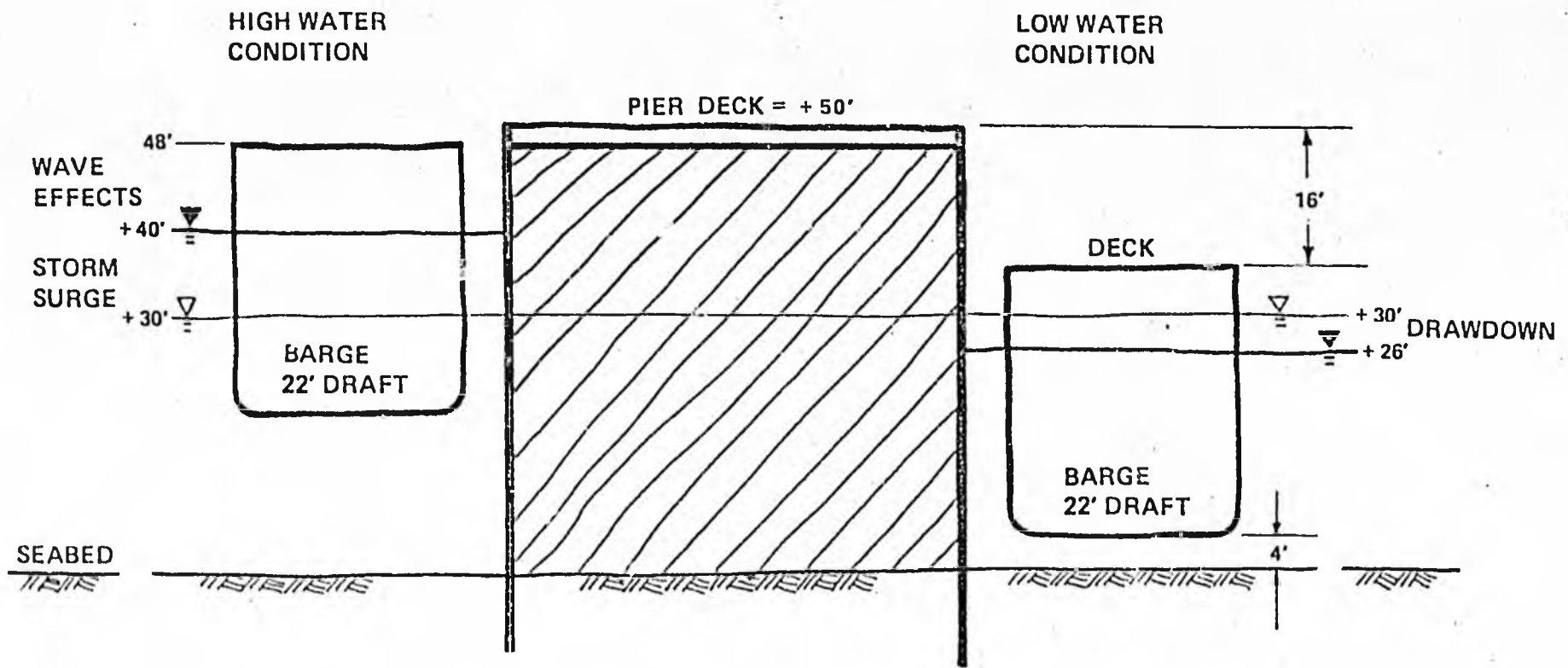


FIGURE 4.4: DETERMINATION OF DESIGN DEPTH ALONG PIER

a four foot water level fall has been chosen. At this level, the hull of the fully-laden barge will be 4 feet above the seabed. This additional depth below the keel is considered adequate to ensure vessel safety.

Conversely, during intense onshore wind episodes, the nearshore still water levels can experience increases of as much as 14 feet (NOAA, 1977). An increase of 10 feet has been chosen for the design of the terminal deck shown in Figure 4.4. During this high water period, the barge keel lies 18 feet above the sea bottom. In both cases of the high and low water extremes, the deck height as shown in Figure 4.4 is considered adequate for safe cargo transfer operations. Each ocean-going barge carries a crane for transferring its cargo. The height differential that exists between the barge and terminal decks is considered to be well within operational limits of the transfer equipment.

#### 4.2.3 Offshore Terminal

The offshore berthing terminal will be connected to the on-shore port facility by a 3400-foot long causeway. Five offshore terminal alternatives were developed for consideration in Section 4.0 of this report. A refined version of Alternative III was chosen to best serve the proposed Port of Nome. Figure 4.5 presents a plan view of the anticipated terminal layout. Protection from incoming wave energy will be provided by the southern armorstone slope. Berthing facilities for various vessel types are provided. The large (100' x 400') ocean-going barge is the largest vessel that can be accommodated at the port. A freight transfer area exists on the terminal's southwest corner where trucks from the city will load/unload their cargos. This area is designed such that the trucks can make a single sweeping turn to pick up the cargo and return to the onshore facility. The berthing docks will have vertical walls

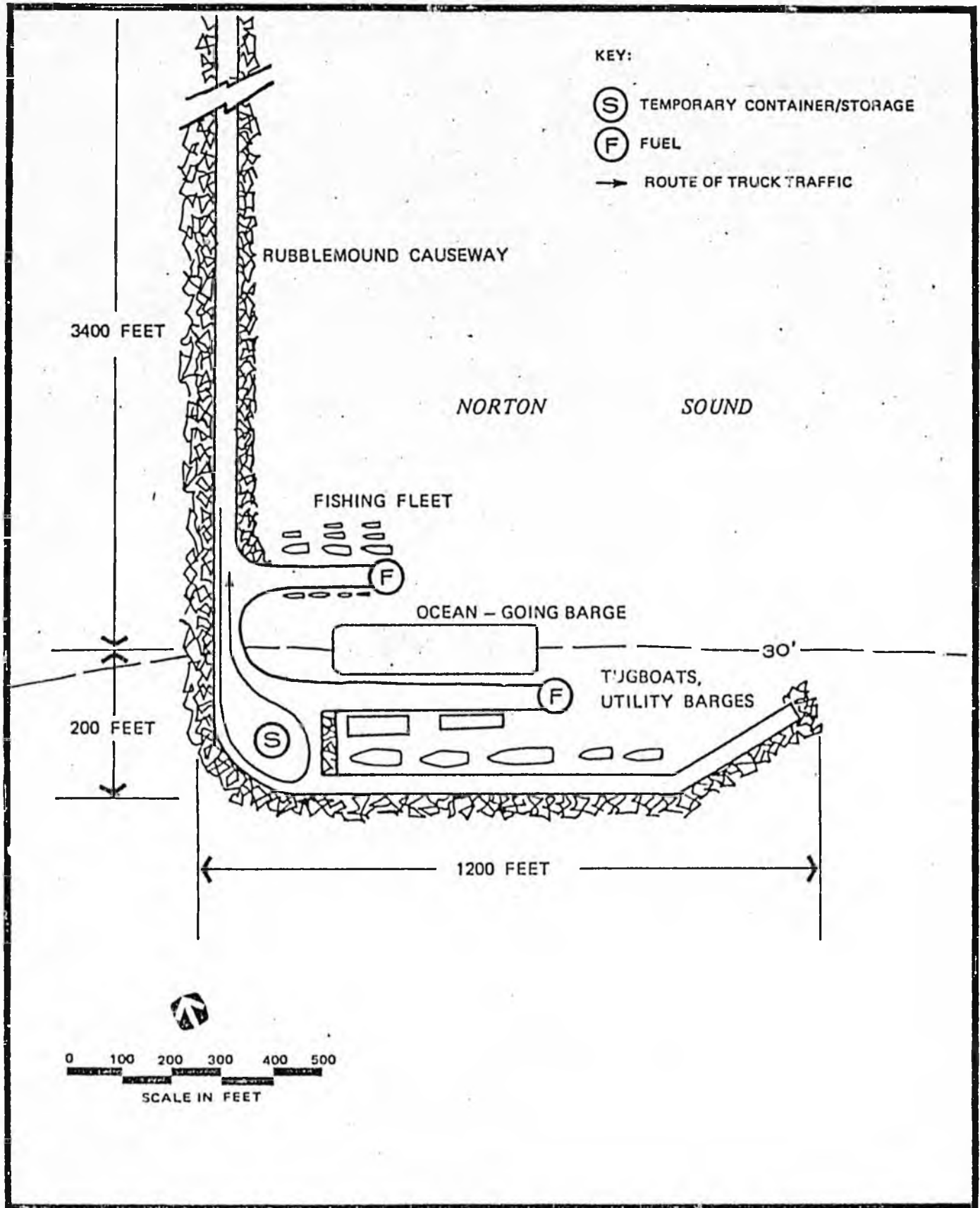


FIGURE 4.5 OFFSHORE TERMINAL LAYOUT

using either parallel sheet pile walls or circular steel sheet pile cells.

The offshore terminal has been separated into three general zones: 1) The ocean-going barge facility (accommodating one barge at a time, 22 foot design draft); 2) A utility barge, tugboat, and deep-draft vessel facility (designed to accommodate a wide range of vessels with maximum drafts of 22 feet); and 3) A small craft berthing area, to be utilized by fishing craft and other lighter-draft vessels (maximum draft = 20 feet).

Only mobile equipment will be utilized at the berthing terminal since the expected winter ice over-ride may damage any permanent facilities. Likewise, the utilities delivered to the piers (water, fuel, electricity, telephone) will be contained within a buried utility corridor.

#### 4.2.4 Phased Development

It may be necessary based on financial or logistical considerations to construct the offshore facility in a number of distinct phases. An example of this means of development is presented in Figure 4.6, where three distinct stages of completion are shown. In Stage I, the south breakwater and cargo transfer area is complete to accommodate ocean-going barge traffic and the related tug fleet.

In Stage II, the primary ocean-going barge berthing facility is contained on the inshore pier structure. This allows a higher level of usage for a medium-draft tug and barge fleet between the breakwater and the newly constructed pier. As the third stage of development, a small pier is constructed further inshore for the berthing of a small-craft/fishing fleet. If additional berthing space is required in the future, small piers similar to that added in Stage III can be constructed from the causeway further inshore.

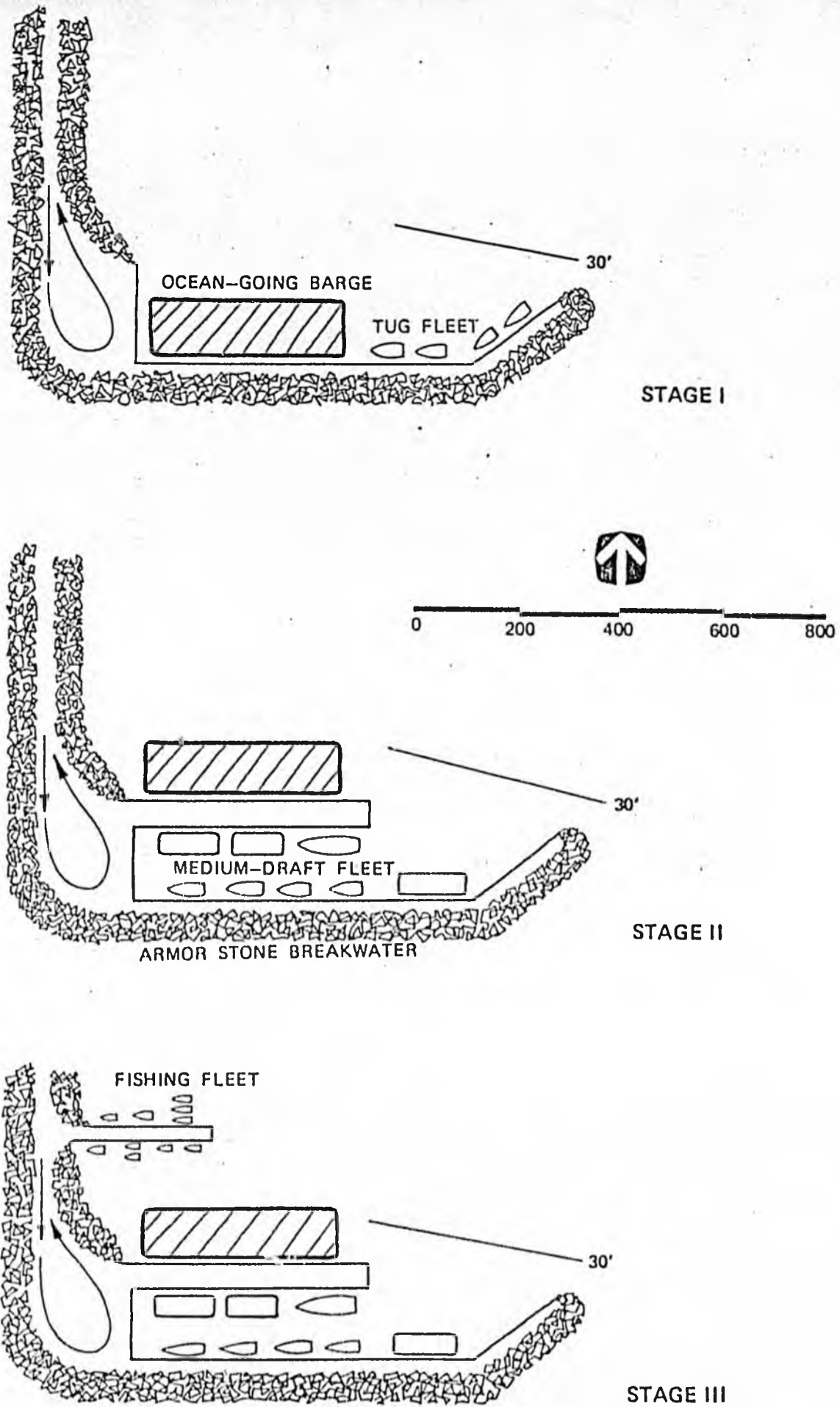


FIGURE 4.6: OFFSHORE FACILITY DESIGN

This phased development concept can be undertaken without disrupting existing port services since the Stage II and III construction sites do not directly impinge on the causeway traffic. Further, the causeway can be expanded in length if, in the future, the need for a deeper draft facility becomes apparent. During such expansion activities, the existing port should experience uninterrupted service as it is physically separated from the area of future expansion.

## 7.0 ECONOMICS

### 7.1 COST PROJECTIONS

The costs associated with the construction of the proposed port facility at Nome have been estimated using a variety of data sources. The large scale of this construction project and the remote location of Nome make a precise engineering cost estimate extremely difficult to achieve. All estimates presented in this report are in 1980 dollars.

Due to the limited nature of Nome's historic growth and development, cost estimates based on comparable construction projects are not possible. This makes it necessary to develop cost estimates from limited past construction experiences with proper adjustment for both cost escalation and the economy associated with large scale acquisition of construction materials. The major raw material required for the proposed port construction is quarrrystone in various sizes ranging from large armor rock to small cobbles and rock fragments that comprise the "quarry run" causeway core. Approximately 800,000 cubic yards of quarry rock are needed for the construction of the offshore facilities.

It is obvious that the unit cost of quarry rock will have a major influence on the economic feasibility of the port development. For the purpose of determining the total project cost, unit costs for the various categories of quarry rock have been selected using prices quoted in the past escalated to 1980 price levels. It is understood in this analysis process that there is a practical limit to the funding capacity of the state government beyond which a port development is not possible. In a sense, the quarry rock unit costs are the controlling factor in the port construction feasibility and should be negotiated with this fact in mind.

The source of the quarry rock needed for the project is yet to be determined, however, potential quarry sites have been identified in close proximity to Nome. The assumed unit costs of quarry rock used in the cost determination are as follows:

|                   |                 |
|-------------------|-----------------|
| Armor Rock        | \$25/cubic yard |
| Filter Rock       | \$ 8/cubic yard |
| Core (Quarry Run) | \$ 5/cubic yard |

While more detailed design work may lead to a lowering of the total estimated costs, it seems reasonable to assume that the negotiated unit costs for quarrystone cannot increase significantly above the stated levels without severely impacting ultimate project feasibility.

The general philosophy used for the port design is to construct a simple, efficient, and cost-effective facility that will require a minimum of maintenance. For this reason, basic operating needs are filled without detailed and costly amenities. It is assumed, for example, that no road paving will be undertaken. Also, while the additional Phase B parcel of land should be purchased initially, no improvements shall be placed on that land until bulk cargo facilities are required. The cost of land acquisition is estimated to be \$2000/acre. At the present time, there is very little historic cost data upon which to base this figure. No comparable real estate sales have been undertaken in recent years to use as a basis for cost estimation. Negotiations between the City of Nome and the present owner of the land will establish the final cost of the parcel required for the onshore facilities.

An attempt has been made to minimize the need for imported construction materials due to the high cost of transportation to Nome. The major construction element that is not presently available at Nome is the steel sheetpile needed for the construction of the docking facility. The cost of supplying and driving

the sheetpile has been estimated based on prices presented in earlier reports (Gute and Nottingham, 1974; CH2M-Hill, 1976) and our own cost index for remote area construction.

A tabulation of all costs associated with the Port of Nome construction are presented in Table 9.

The total cost of construction of the Port complex is shown in Figure 7.1. The three stages of port development are compared in this figure with costs associated with each option.

The different costs associated with Stage II and Stage II only refer to the additional berthing facilities for auxillary barges and other medium draft vessels and for the small pier that is associated with fishing vessels and other comparably sized smaller craft.

A summary of the primary cost items of the three phases of construction are as follows:

| <u>PORT DESIGN</u>  | <u>TOTAL COST</u> |
|---------------------|-------------------|
| Stage I             |                   |
| Barge Facility      | \$20,409,300      |
| Stage II            |                   |
| Barge Facility      | \$20,409,300      |
| Medium-Draft Dock   | <u>3,383,100</u>  |
|                     | \$23,792,400      |
| Stage III           |                   |
| Barge Facility      | \$20,409,300      |
| Medium-Draft Dock   | 3,383,100         |
| Fishing Vessel Dock | <u>2,449,900</u>  |
|                     | \$26,242,300      |

# CONSTRUCTION COST ESTIMATE

TABLE 9.A



REFERENCE/PLAN NO. \_\_\_\_\_ JOB NAME Nome Port  
 LOCATION Port of Nome JOB NUMBER TC 3373  
Offshore Facilities - Phase I PRELIMINARY  FINAL   
 BY P. Gadd DATE 6-1-80  
 CHECK \_\_\_\_\_ DATE \_\_\_\_\_

| LINE | DESCRIPTION                        | QUANTITY | UNIT | UNIT PRICE | AMOUNT       |
|------|------------------------------------|----------|------|------------|--------------|
| *    | 3400-FOOT CAUSEWAY                 |          |      |            |              |
| 1    | Armor Rock                         | 101,800  | CY   | \$ 25      | \$2,545,000  |
| 2    | Filter Rock                        | 54,600   | CY   | \$ 8       | 436,800      |
| 3    | Core Rock                          | 130,300  | CY   | \$ 5       | 651,500      |
|      |                                    |          |      |            |              |
| *    | OFFSHORE TERMINAL                  |          |      |            |              |
| 4    | Armor Rock                         | 211,200  | CY   | \$ 25      | 5,280,000    |
| 5    | Filter Rock                        | 75,700   | CY   | \$ 8       | 605,600      |
| 6    | Core Rock                          | 264,000  | CY   | \$ 5       | 1,320,000    |
|      |                                    |          |      |            |              |
| *    | ROADWAY SUBGRADE AND SURFACE       |          |      |            |              |
| 7    | Gravel                             | 14,300   | CY   | \$ 4       | 57,200       |
|      |                                    |          |      |            |              |
| *    | STEEL SHEETPILE (DOCK FACE)        |          |      |            |              |
| 8    | Sheetpiles                         | 64,000   | LF   | \$ 24      | 1,536,000    |
| 9    | Pile Driving                       | 533      | EA   | \$620      | 330,500      |
| 10   | Tiebacks/Hardware                  | 800      | LF   | \$100      | 80,000       |
| 11   | Backfill Compaction                | 88,180   | CY   | \$ 8       | 705,400      |
| 12   | Dock Fenders                       | LS       |      |            | 32,000       |
| 13   | Docking Hardware                   | LS       |      |            | 55,000       |
| 14   | Navigational Aids                  | LS       |      |            | 15,000       |
|      |                                    |          |      |            |              |
|      | SUBTOTAL                           |          |      |            | 13,650,000   |
|      |                                    |          |      |            |              |
| 15   | Contingency (20%)                  |          |      |            | 2,730,000    |
| 16   | Engineering/Design (6%)            |          |      |            | 819,000      |
| 17   | Supervision/Administration (6%)    |          |      |            | 819,000      |
|      |                                    |          |      |            |              |
| 18   | PHASE I OFFSHORE FACILITIES TOTAL: |          |      |            | \$18,018,000 |
|      |                                    |          |      |            |              |

# CONSTRUCTION COST ESTIMATE

TABLE 9.B



REFERENCE/PLAN NO. \_\_\_\_\_

JOB NAME Nome Port

LOCATION Port of Nome

JOB NUMBER TC 3373

Onshore Facilities - Phase A + B

PRELIMINARY  FINAL

BY P. Gadd DATE 6-1-80

CHECK \_\_\_\_\_ DATE \_\_\_\_\_

| LINE | DESCRIPTION                     | QUANTITY | UNIT | UNIT PRICE | AMOUNT      |
|------|---------------------------------|----------|------|------------|-------------|
| *    | LAND ACQUISITION                |          |      |            |             |
| 19   | Phase A                         | 17       | Acre | \$2,000    | \$ 34,000   |
| 20   | Phase B                         | 53       | Acre | \$2,000    | 106,000     |
| 21   | Land Preparation                | 70       | Acre | \$4,000    | 280,000     |
| 22   | Road Construction               | 4,500    | LF   | \$ 40      | 180,000     |
| *    | UTILITIES                       |          |      |            |             |
| 23   | Water                           |          | LS   |            | 524,000     |
| 24   | Fuel                            |          | LS   |            | 329,000     |
| 25   | Electricity/Telephone           |          | LS   |            | 105,100     |
| 26   | Lighting                        | 20       | EA   | \$1,500    | 30,000      |
| 27   | Administration Building         | 1,000    | SF   | 80         | 80,000      |
| 28   | Restrooms                       | 5        | EA   | \$10,000   | 50,000      |
| 29   | Fencing (Phase A only)          | 2,500    | LF   | 35         | 87,500      |
| 30   | Signage                         |          | LS   |            | 6,000       |
| 31   | SUBTOTAL                        |          |      |            | 1,811,600   |
| 32   | Contingency (20%)               |          |      |            | 362,300     |
| 33   | Engineering/Design (6%)         |          |      |            | 108,700     |
| 34   | Supervision/Administration (6%) |          |      |            | 108,700     |
| 35   | ONSHORE FACILITIES TOTAL:       |          |      |            | \$2,391,300 |







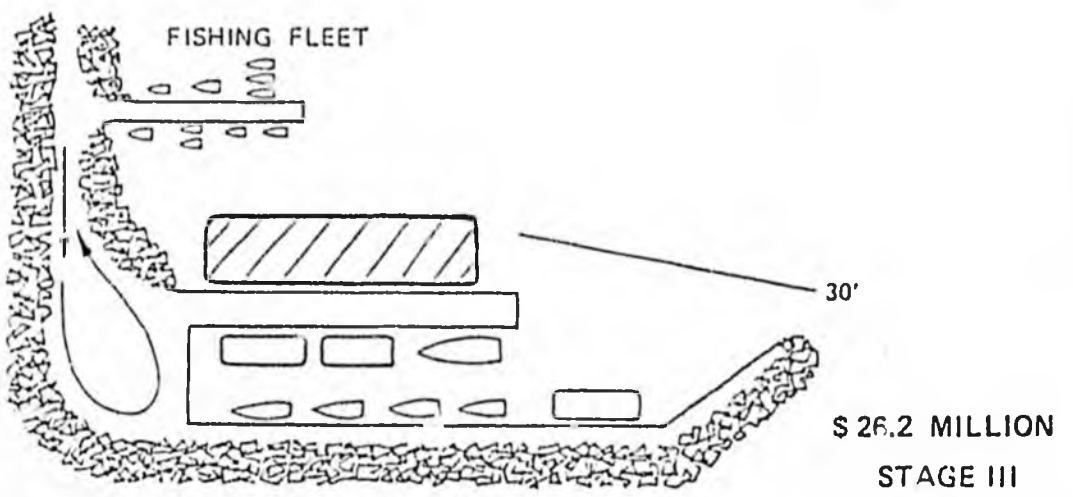
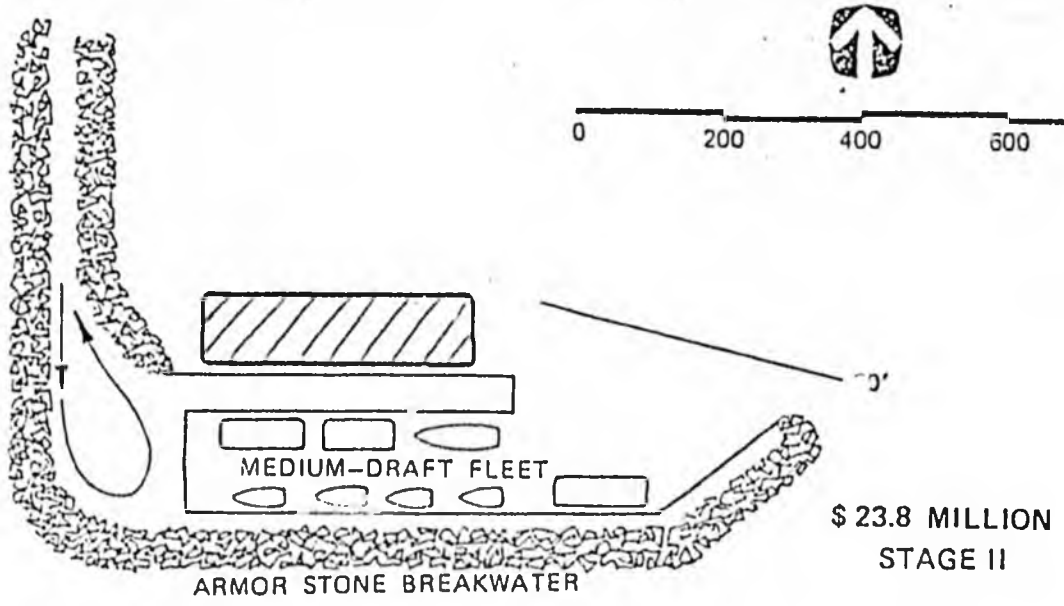
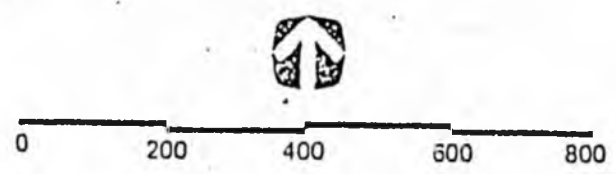
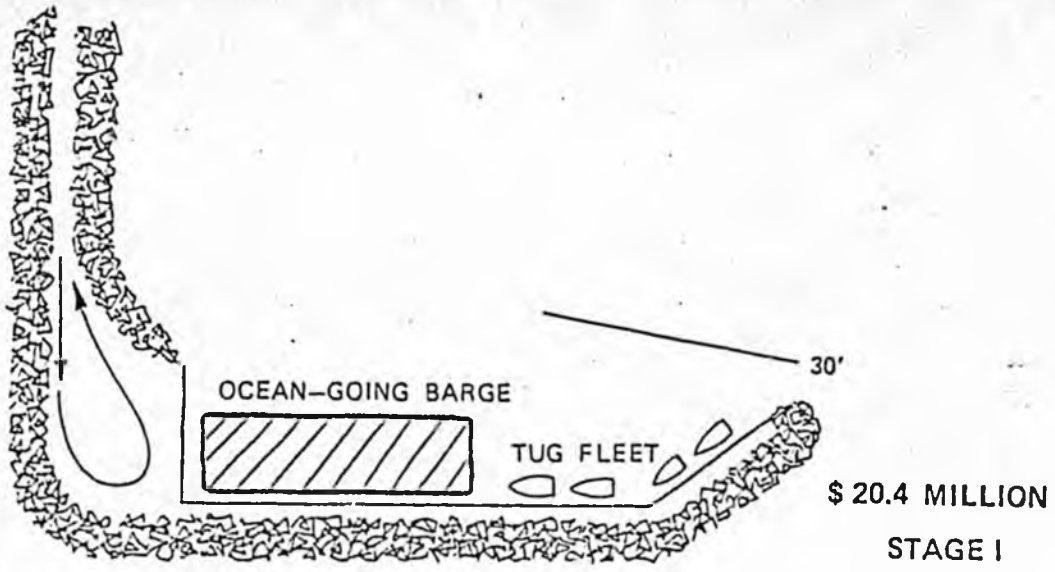


FIGURE 7-1. TOTAL COST ESTIMATE

Regardless of the specific offshore terminal design, the on-shore facility configuration remains the same. Basic cost items included for development of the onshore facilities are as follows:

- o Land Acquisition
- o Land Preparation
- o Road Construction
- o Utilities
  - \* Water
  - \* Fuel
  - \* Electricity/Telephone
  - \* Lighting
- o Buildings
  - \* Administration
  - \* Restrooms
- o Fencing
- o Signage

The cost estimate presented herein assumes development of only the 35 acre onshore facility shown in Figure 5.1.

In order for the port facility to be totally self-supporting, annual port income would have to exceed the yearly costs of operations, maintenance, the initial construction costs, and the costs associated with the debt service on the initial costs. Port costs can be annualized as follows:

|  |               |
|--|---------------|
| A. Capital Recovery<br>(50 Years @ 8%) | \$2,145,000   |
| B. Operations/Maintenance              |               |
| Maintenance                            | \$ 260,000    |
| Staff Salaries                         | 35,000        |
| Equipment Maintenance                  | 10,000        |
| Administrative Costs                   | <u>10,000</u> |
|  | \$ 315,000    |

TOTAL: \$2,460,000

The level of economic activity in the Nome region is not currently sufficient to generate the income needed to offset the projected \$2,460,000 annual costs.

An analysis has been undertaken, however, to determine the extent to which the port projected revenues can offset the city's costs in operating and maintaining the facility.

## 7.2 REVENUE PROJECTIONS

In order to develop anticipated revenues which might be derived from the usage of port facilities in Nome, the rate structures of several other ports in Alaska were examined. In addition, the actual cargo transported through the Nome Harbor in 1979, amounting to a total of 33,100 tons (refer to Table 6), was applied against these rate structures. Nome cargo, if transported through the harbors at Anchorage, Homer, and Dillingham, would be as follows:

|   | <u>General<br/>Cargo</u> | <u>Petroleum</u> | <u>Total</u> |
|---|--------------------------|------------------|--------------|
| Total tonnage through Nome in 1979 (refer to Table 6) | 8,100                    | 25,000           | 33,100       |
| Charges by the port if processed through the port at: |                          |                  |              |
| (\$ in thousands)                                     |                          |                  |              |
| Anchorage   | \$ 20                    | \$ 2             | \$ 22        |
| Homer   | \$ 35                    | \$ 35            | \$ 70        |
| Dillingham  | \$111                    | \$305            | \$416        |

Establishing Anchorage rates as the base for comparison, the ports would rank as follows:

| <u>Port</u> | <u>Port Charges as a<br/>Multiple of Anchorage</u> |
|-------------|--|
| Anchorage   | 1.0  |
| Homer       | 3.2  |
| Dillingham  | 18.9   |

The present service area of the Nome Port is generally that area encompassed by the Nome Census Division. Although villages outside the Division may receive goods transshipped through Nome, it is likely that over 90 percent of incoming general cargo and petroleum products is destined for residents or users within the Division. A study of growth in the Division by the Corps of Engineers (1974A) projects a population of about 9,500 persons by 1985 and 15,800 persons by the year 2000, compared to a population in 1978 estimated at between 6,700 and 7,200 (refer to Section 2.8.1).

In the period from 1969 to 1979, the average cargo tonnage through the Nome Port amounted to between 4.6 and 4.9 tons per person per year, with no meaningful trends of increase or decrease in evidence. Therefore, using a figure of 4.75 tons per person per year, the following cargo projections resulted:

| <u>Year</u>      | <u>Projected Service Area Population (Nome Census Div.)</u> | <u>Total Incoming General Cargo and Petroleum Products through Nome</u> |
|------------------|---|---|
| Base Year (1979) | 7,000   | 33,250*   |
| 1985             | 9,500   | 45,125  |
| 2000             | 15,800  | 75,050  |

\* Compares with actual of 33,100 tons (refer to Table 6)

Utilizing a rate structure equivalent to 15.0 times the Anchorage rates results in annual revenues for the Nome Port as follows:

| <u>Year</u>      | <u>Total Incoming General Cargo &amp; Petroleum Products</u> | <u>Annual Revenues Rec'd from Port Charges &amp; Fees</u> |
|------------------|--|---|
| Base Year (1979) | 33,250   | \$331,250   |
| 1985             | 45,125   | \$450,000   |
| 2000             | 75,050   | \$750,000   |

This amounts to an average rate of \$10.00 per ton or about \$0.50 per 100 pounds of cargo.

In addition, other port revenues will accrue from sources which cannot, at this time, be adequately quantified. These include:

1. Docking of workboats related to petroleum exploration, development, and production, primarily for the purpose of securing provisions and supplies, and transporting work crews and equipment.
2. Docking of fishing vessels operating in Norton Sound and nearby fisheries, primarily for the purpose of securing provisions and supplies.
3. Docking of vessels for the purpose of receiving minerals mined in northwest Alaska for transport to Japan or the "lower 48".
4. Docking of vessels and transshipment of cargo related to petroleum development activities on the Beaufort and Chukchi Seas. This may include export of quarrystone for oil drilling island construction in these areas.
5. Leasing of land within the port complex to private firms for the purpose of constructing and utilizing operations and storage buildings, fuel facilities, repair facilities, and similar structures, as well as for open land for container storage and other types of storage.

The above revenue items could add significantly to the revenue projections derived from incoming general cargo and petroleum products. The complex and speculative nature of this income requires that an accurate determination of this element of potential income must await further study in Phase B of the planning effort.

### 7.3 ECONOMIC CONCLUSIONS

It is anticipated that the annual cost of debt service, operation and maintenance activities of the port of Nome will exceed the income generated by the Port. This conclusion is somewhat speculative in part due to the inability of accurate forecasting of the extent and magnitude of developments in the petroleum, mining, coal and fishing industries. It does seem clear, however, that the income generated from port operations will exceed the cost of port operations and maintenance. Given the rather conservative port income scenario that anticipates income from the projected population growth only, the income roughly equals the yearly cost of port operations and maintenance. If other more optimistic scenarios develop that would increase port traffic, income levels would rise accordingly. The highly speculative nature of economic forecasting for Nome dictates that it be limited to those elements that seem most plausible. This has been our objective and it is upon this premise that our preliminary economic evaluation is based.

The planning, engineering and economic analyses undertaken in this report conclude that construction and operation of a deep-draft port facility in Nome, Alaska, is feasible from a functional, operational, and environmental standpoint. This conclusion is based solely on the expected growth rate of the city and region although additional growth-inducing factors are considered (petroleum, mineral, fisheries development), these rather speculating elements are not judged to be necessary for the port to succeed. It has been determined that port income will roughly equal the expected port operation and maintenance costs. A primary requirement for the economic viability of the port project is the ability of the State of Alaska to finance the initial costs of land acquisition, engineering design, and construction of the port facilities. The level of income generated by the port is not anticipated to absorb the total construction costs assuming even the most optimistic regional growth scenarios.

The port complex will be composed of onshore cargo storage/handling facilities connected to the offshore terminal by a 3600-foot long rubblemound causeway, as shown in Figure 9.1. The port facility will accommodate vessels with maximum drafts of 22 feet. At the offshore terminal, general and containerized cargo will be handled by vessel-fixed cranes as well as a dock-based mobile crane. Fuel, water, electricity and telephone services will be provided at dockside.

The site selected for the location of the onshore terminal is on an elevated plateau just west of the Snake River. This site is convenient to the city and city services and will lead to reduced dredging requirements at the present harbor due to the sand blocking effect of the causeway.

Onshore area requirements for the cargo storage/handling activities

transfer system in the future.

The existing harbor at Nome (in the Snake River) is envisioned as a small craft harbor with an anticipated vessel capacity of 80-100 boats. It is believed that the presently authorized depth of eight feet will not be required for the Snake River and that small craft traffic within the present harbor will be limited to vessels drawing four feet or less.

Environmental concerns that have been identified appear not to be of the nature or degree that would prevent port construction or operation. These concerns include:

- o Longshore Sediment Transport;
- o Ice Movement and Forces;
- o Salmon Spawning;
- o Crab Fisheries;
- o Expected Regional Growth;
- o Structural Foundation Support;
- o Cultural, Archeological Concerns.

Permitting requirements for the Port of Nome have been identified and include the U.S. Army, Corps of Engineers, Alaska Department of Transportation, Alaska Department of Fish and Wildlife, as well as other state and federal agencies. The total time to process all permit applications is 12-18 months, however, if opposition to the project is slight it is conceivable that this time requirement would be reduced.

#### 9.1 RECOMMENDATIONS

Based on the findings of this report, it is recommended that the City of Nome initiate the following tasks in order to expedite the construction of the Port of Nome:

- 1) Obtain specific data at the proposed port site to properly describe site geology, offshore bathymetry and onshore topography.
- 2) Undertake negotiations to procure onshore land from present owner.
- 3) Conduct tidelands survey to allow State to grant ownership to the City of Nome for the offshore lands existing between the city limits and a line located two miles offshore.
- 4) Conduct refined economic assessment to better quantify the expected port income given various development scenarios.
- 5) Organize a citizens committee and assign specific responsibilities to establish the means to obtain financial support from the State for the port facility.
- 6) Provide site and contract specific guidance to Tetra Tech in order to proceed with development of Port of Nome Master Plan (Phase B of ongoing study).

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

SCR

52

Introduced: 4/19/82  
Referred: Transportation

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 SENATE CONCURRENT RESOLUTION NO. 52

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Establishing the Alaska Railroad

6 Personnel Advisory Committee.

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

8 WHEREAS the United States government has expressed its determination to  
9 discontinue federal operation of the Alaska Railroad at the earliest possible  
10 date; and

11 WHEREAS at this time there is no realistic possibility of private  
12 acquisition and operation of the railroad; and

13 WHEREAS continued operation of the railroad is possible only if the  
14 state acquires the railroad from the federal government and provides for  
15 operation of the railroad; and

16 WHEREAS continued operation and development of the Alaska Railroad is  
17 essential to the long-term economic growth and development of the state and  
18 its natural resources and will serve an important public purpose; and

19 WHEREAS continued operation of the Alaska Railroad will promote the  
20 general welfare of the people of the state by providing important freight  
21 and passenger service to residents of the state, to businesses of the state,  
22 and to nonresidents visiting or doing business in the state; and

23 WHEREAS the service capacity of the Alaska Railroad is positively  
24 affected by the contributions of the Alaska Railroad personnel; and

25 WHEREAS the expeditious transfer of the Alaska Railroad to the State of  
26 Alaska hinges in part on resolution of personnel issues that arise in con-  
27 junction with the transfer;

28 BE IT RESOLVED by the Alaska State Legislature that an Alaska Railroad  
29 Personnel Advisory Committee is established to examine the personnel, collec-

1 tive bargaining, and employee benefit issues posed by the transfer of the  
2 Alaska Railroad; and be it

3 FURTHER RESOLVED that the Alaska Railroad Personnel Advisory Committee  
4 is composed of two members of the senate appointed by the president of the  
5 senate; two members of the house of representatives appointed by the speaker  
6 of the house; two members appointed by the governor; a person designated by  
7 the general manager of the Alaska Railroad; and a representative of each  
8 labor organization representing employees of the Alaska Railroad elected by  
9 the membership of that organization; and be it

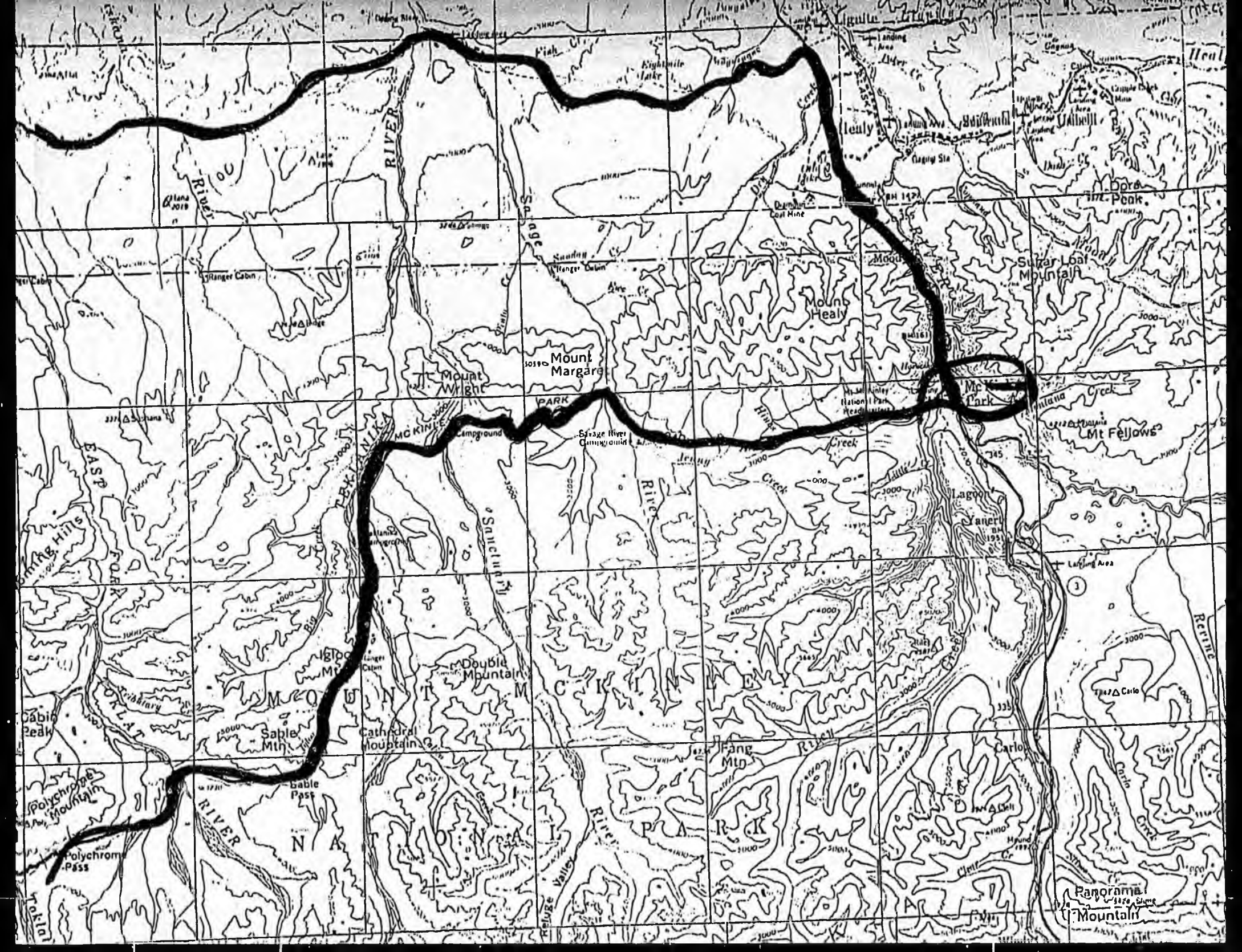
10 FURTHER RESOLVED that the Alaska Railroad Personnel Advisory Committee  
11 elect a presiding officer from among its membership, meet to examine the  
12 personnel, collective bargaining, and employee benefit issues posed by the  
13 transfer of the Alaska Railroad, and report its findings and recommendations  
14 to the legislature by January 30, 1983; and be it

15 FURTHER RESOLVED that the Alaska Railroad Personnel Advisory Committee  
16 is terminated January 30, 1983.

- 17  
18 *1. Employees*  
19 *2. Rail Service Provided.*  
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SCR

52





11 groups  
use private individuals  
Dave Allison

10,000

Introduced: 6/20/81  
Referred: Transportation

Beth Robinson - self-

1 IN THE SENATE BY FERGUSON

2 SENATE JOINT RESOLUTION NO. 53 am(title)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 TWELFTH LEGISLATURE - SECOND SESSION

5 Requesting the National Park Service  
6 to improve an old mining road through  
7 the north addition to Denali National  
8 Park and Preserve and to extend the  
9 road to the Denali Park Road at  
10 Wonder Lake-Kantishna.

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

12 WHEREAS an old mine road, constructed by the state to provide access  
13 between the Alaska Railroad to Healy and the Toklat River valley to obtain  
14 access to the Stampede Mine antimony deposits that were worked during World  
15 War II, has fallen into disrepair; and

16 WHEREAS the road now falls within portions of the Denali National Park  
17 and Preserve, as established by the 1980 Alaska National Interest Lands Act  
18 (P.L. 96-487); and

19 WHEREAS these additions to the Denali National Park and Preserve were  
20 established, according to the Congressional report issued with the 1980  
21 federal Act, "to support populations of moose, wolf, and caribou as part of  
22 an integral ecosystem [so that] public enjoyment of these outstanding wild-  
23 life values would thus continue to be assured"; and

24 WHEREAS the old mine road ends at the Stampede Mine in the Toklat River  
25 valley, but could be extended along the watershed of that river to the  
26 vicinity of Kantishna and Wonder Lake, providing a road loop within the  
27 Denali National Park and Preserve; and

28 WHEREAS the Kantishna Hills-Dunkle Mine area of the park and preserve  
29 have been identified by the Alaska National Interest Lands Act as worthy of

1 special evaluation and study for, among other reasons, the potential value  
2 of wildlife and mineral resources; and

3 WHEREAS the tragic accident that recently occurred within Denali  
4 National Park underscores the need for improved transportation facilities  
5 within the park; and

6 WHEREAS the reconstruction and extension of the north addition road  
7 would provide a transportation facility that would benefit visitors to  
8 Denali National Park and Preserve and serve as an alternative road for  
9 further mineral evaluation and development work;

10 BE IT RESOLVED by the Alaska State Legislature that the National Park  
11 Service is respectfully requested to prepare plans for reconstruction of the  
12 old Stampede Mine road through the north addition to Denali National Park  
13 and Preserve and its extension to the vicinity of Wonder Lake and Kantishna.

14 COPIES of this resolution shall be sent to the Honorable James G. Watt,  
15 Secretary of the Interior; to Mr. Ray Arnett, Assistant Secretary of the  
16 Department of the Interior for Parks and Wildlife; and to the Honorable Ted  
17 Stevens and the Honorable Frank Murkowski, U. S. Senators, and the Honorable  
18 Don Young, U. S. Representative, members of the Alaska delegation in  
19 Congress.

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—

SJR

66

Bette -

Linda, from Rep. Fuller's office stopped in to "remind" us that CSSR.66 was on calendar today. I told her it was Sen.

Eliason's resolution but she thought that since it was reported out of transportation you might need to respond or answer questions. As such - here is some of the relative materials.

Rep. Duncan was the author of the House version so he might speak - also maybe Rep. Haugen. S<sup>rd</sup> Jayce T.

SJR 66 - Coast Guard User Fees

The United States Department of Transportation has proposed the imposition of Coast Guard User Fees on boat owners.

The intent is to recover from boat owners part of the operating expense for Coast Guard services such as search and rescue, navigation aids, etc.

These would be straight yearly charges to all boat owners including recreational and commercial fishing vessels and tugs.

The proposed rate schedule charges fishing vessels from \$1,350 to \$40,000 depending on size.

My biggest problem with this is that their smallest category is boats under 100 gross tons at a yearly fee of \$1,350. This is enough to put many of Alaska's small boat fishermen out of business. And with our current crisis in the salmon industry these fees will be devastating to our fishermen.

Also many boats classed as "recreational" are more than that to Alaskans. They are basic transportation or used for subsistence hunting and fishing. Each of these would be charged from \$50 to \$600.

My other major concern is with the concept of charging user fees for such basic and appropriate government services as search and rescue and aids to navigation.

The "whereas" clauses of SJR 66 express some more concerns with the proposed fees.

The federal government is moving ahead right now with the Coast Guard fees. The Congress has a committee meeting scheduled in March to consider the proposal.

As a state full of people dependent on our boats, it is imperative that we express our concerns and opposition to the Coast Guard fee proposal to the federal government right away.

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



DEPARTMENT OF TRANSPORTATION  
UNITED STATES COAST GUARD

ZND drift

MAILING ADDRESS:  
U.S. COAST GUARD  
WASHINGTON, D.C. 20593  
PHONE:

DEC 23 1981

WJH  
T.A.  
RBL  
FILE

(To 158 addressees)

Dear :

Following the series of meetings held in September on the concept of establishing user fees for certain Coast Guard services, the comments received have been carefully reviewed. It was indicated at the meetings that an attempt would be made to inform all the interested groups and individuals of the results of this review and provide an update of the conceptual proposal.

The comments received at the meetings and subsequently were thorough, informative, and responsive. In addition to being responsive to the requests for information in nearly all areas, a number of suggestions were made concerning both the general philosophy of user fees as well as details of the demonstration fee schedule.

In light of the comments and recommendations received, and other information, a conceptual legislative proposal is being developed along with demonstration fee schedule revisions. Of necessity, both the illustrated budget level and the hundred percent recovery level used in the demonstration fee schedules have remained unchanged. As new budget figures and program distributions are developed, revisions in all the areas will be made to reflect the changes.

The enclosure includes a summary of a number of revisions to the demonstration fee schedules and the revised demonstration fee schedules.

A number of commenters expressed concern on some very basic philosophical and practical points. While all of these could not be accommodated, they were given very serious consideration. Many expressed concern over equity among marine users as well as among the various transportation modes. It is believed that the enclosed demonstration fee schedules reflect equity among the user groups. The need for user group input into setting the level of service to be provided was a common concern. It is clear that the services provided should reflect the needs of the users. This may be accomplished by incorporating the views of the users at both the national and local level.

ENCLOSURE

As indicated, the comments received to date have been very helpful and responsive. The review process is continuing. The information included in the enclosure should be viewed as an "update" and not a final version. Please review the enclosure and make any comments that you feel are appropriate.

Thank you for your cooperation.

Sincerely,

J. W. KIME  
Captain, U. S. Coast Guard  
Deputy Chief, Office of Marine  
Environment and Systems  
By direction of the Commandant

Talked with:  
Capt. Wm. Riddell  
426-2274

Enclosures

D.C.  
202-426-2008

Res. - Send to:

## Introduction

New demonstration fee schedules have been developed based on the comments and responses to the public meetings held in September and written comments and recommendations received subsequently. All comments were given careful review. The budgetary figures used previously and the hundred percent recovery level has been continued. It is recognized that the cost figures will need to be revised to reflect the program costs at the time of implementation.

## Summary of Changes in Fee Schedules

### 1. Recreational Boats

- Added internal boats (5 to 8 million)
- Divided into three groups: Internal, Inland, and Coastal
- All recreational boating SAR costs distributed to coastal group. Population and other appropriate costs distributed 75-25% between inland and coastal

### 2. Inland Uninspected Vessels

- Number of towboats has been refined to reflect a more accurate number using inland waters
- Classes of horsepower ratings have been changed from 4 to 3
- Barges have been grouped into two sizes breaking at 1600 gross tons in lieu of 1000 gross tons

### 3. Fishing Vessels

- Separated into domestic and foreign fleet
- Fee is identical for each class of vessel, whether foreign or domestic to provide fair and equal treatment

### 4. Commercial-Domestic and International

- Numbers of tugboats have been refined to reflect more accurate number using coastal waters
- Three groups for tugboats used. Horsepower ratings used to group (similar for coastal and inland fees)
- Barges have been grouped into two sizes breaking at 1600 gross tons with fees similar to like inland barges
- A separate fee schedule established for Mobile Offshore Drilling Units (MODU's)

5. Great Lakes

- All fees similar to same types of commercial vessels in inland or coastal areas
- Domestic icebreaking surcharge during January 15 - March 31 period has been eliminated

6-11. Direct Charges

- Commercial vessel safety fee schedules expanded to present more discreet client identification
- Terminals "sized" with separate fee for very small terminal and a greater spread in terminal sizes
- An incident fee has been established for cargoes of particular hazard

DEPARTMENT OF TRANSPORTATION

U. S. COAST GUARD

(\$ in Thousands)

ESTIMATED RECOVERABLE COAST GUARD OPERATING EXPENSE EXPENDITURES FOR FY 1982  
 COSTS RECOVERABLE BY INDIRECT CHARGES - RECREATIONAL BOATING.

~~ESTIMATED RECOVERABLE COAST GUARD OPERATING EXPENSE EXPENDITURES FOR FY 1982  
 COSTS RECOVERABLE BY INDIRECT CHARGES - RECREATIONAL BOATING.~~

|  | <u>Totals</u> | <u>Internal</u> | <u>Inland</u>    | <u>Coastal</u> |
|--|---------------|-----------------|------------------|----------------|
| + Search and Rescue.....               | \$152,655     | -               | -                | \$152,655      |
| + Short Range Aids to Navigation.....  | 4,505         | -               | \$ 3,380         | 1,125          |
| + Radionavigational Aids.....          | 366           | -               | -                | 366            |
| + Commercial Vessel Safety.....        | 1,000         | -               | 750              | 250            |
| + Recreational Boating Safety.....     | 49,794        | 24,000          | 19,345           | 6,449          |
| + Port Safety and Security.....        | 291           | -               | 216              | 75             |
| + Marine Environmental Protection..... | 4,075         | -               | 3,055            | 1,020          |
|  | <hr/>         | <hr/>           | <hr/>            | <hr/>          |
| Subtotals                              | \$212,606     | \$24,000        | \$26,746         | \$161,940      |
| <b>TOTAL</b>                           |               |                 | <b>\$212,606</b> |                |

# I. RECREATIONAL BOATING

## A. Discussion

1. 100% of all allocated costs recovered.
2. Three groups of recreational boaters established:
  - a. Those using only internal waters of states
  - b. Those using only inland navigable waters
  - c. Those using only coastal areas
3. Those using internal waters only do not benefit from CG operational services (e.g., SAR, aids to navigation) and therefore should not be charged for them.
4. Practically all search and rescue activity takes place in coastal areas. Therefore it is more equitable to charge higher fees for boats which use those waters, than those which restrict their activities to inland waters.

## B. Demonstration Fee Schedule

### 1. Internal Waters - Annual Fees

|                    | <u>Number</u> | <u>Fee</u> | <u>Amount (000's)</u> |
|--------------------|---------------|------------|-----------------------|
| Recreational Boats | 6,000,000     | \$4        | \$24,000              |

### 2. Inland Area - Annual Fee

| <u>Class</u>      | <u>Number</u>    | <u>Fee</u> | <u>Amount (000's)</u> |
|-------------------|------------------|------------|-----------------------|
| Less than 16 feet | 2,600,000        | \$ 4       | \$10,400              |
| 16 to 26 feet     | 1,630,000        | 9          | 14,850                |
| 27 to 40 feet     | 57,000           | 15         | 855                   |
| 41 to 65 feet     | -                | -          | -                     |
| More than 65 feet | -                | -          | -                     |
| Total             | <u>4,307,000</u> |            | <u>\$26,105</u>       |

3. Coastal Area - Annual Fee

| <u>Class</u>      | <u>Number</u> | <u>Fee</u> | <u>Amount (000's)</u> |
|-------------------|---------------|------------|-----------------------|
| Less than 16 feet | 400,000       | \$ 50      | \$20,000              |
| 16 to 26 feet     | 750,000       | 110        | 82,500                |
| 27 to 40 feet     | 200,000       | 200        | 40,000                |
| 41 to 65 feet     | 45,000        | 400        | 18,000                |
| More than 65 feet | <u>3,000</u>  | 600        | <u>1,800</u>          |
| Total             | 1,398,000     |            | \$162,300             |
| TOTALS            |               |            | \$212,405             |

*under 100 gross tons*

DEPARTMENT OF TRANSPORTATION

U.S. COAST GUARD

(\$ in Thousands)

ESTIMATED RECOVERABLE COAST GUARD OPERATING EXPENSE EXPENDITURES FOR FY 1982 (1)

~~COMMERCIAL AND FISHING~~

COSTS RECOVERABLE BY INDIRECT CHARGES - COMMERCIAL AND FISHING

|                                     | <u>Totals</u> | <u>Inland</u>         | <u>Eligible Fleet</u>   | <u>Commercial Domestic &amp; International</u>  | <u>Grant In-aid</u> |
|-------------------------------------|---------------|-----------------------|-------------------------|---|---------------------|
|                                     |               | - Terminal<br>- Barge | - Domestic<br>- Foreign | - Foreign & U.S. Inspected<br>- Domestic (Inspected and<br>uninspected)<br>- Tug/Towboat<br>- Barge (Inspected and<br>uninspected)<br>- MXX | - All               |
| Search and Rescue.....              | \$113,604     | \$ 0                  | \$ 92,304               | \$ 17,750   | \$ 3,550            |
| Wreck Barge Aids To Navigation..... | 214,003       | 24,069                | 99,027                  | 74,330  | 15,769              |
| Navigation International Aids.....  | 35,239        | 0                     | 29,900                  | 4,627   | 712                 |
| Wreck Administration.....           | 5,050         | 5,050                 | 0                       | 0   | 0                   |
| Domestic Icebreaking.....           | 12,630        | 0                     | 0                       | 3,791   | 8,047               |
| Port Safety and Security.....       | 33,147        | 2,466                 | 5                       | 28,946  | 1,730               |
| Marine Environmental Protection.... | <u>44,030</u> | <u>4,343</u>          | <u>7</u>                | <u>30,200</u>   | <u>2,200</u>        |
| Total.....                          | \$450,511     | \$36,720              | \$221,243               | \$167,732   | \$32,000            |

## II. INLAND UNINSPECTED VESSELS

### A. Assumptions

1. One hundred percent (100%) of allocable costs will be recovered.
2. Continued use of the fuel tax is proposed (P.L. 95-502). The current 4¢/gallon fuel tax applied to less than the total inland towboat fleet is recovering approximately \$20 million. Therefore, it is estimated that an additional 6¢/gallon on the whole fleet would yield approximately \$36 million.
3. The numbers of towboats listed below includes boats using inland waters. Horsepower ratings generally reflect varying levels of use of applicable Coast Guard programs. Similar horsepower ratings are also used for tugboats and towboats in the domestic coastal trade.
4. Barges have been grouped into two sizes. In addition to the annual fee for indirect services, inspected barges will also be subject to any applicable direct charge.

### B. Demonstration Fee Schedules

#### 1. Annual Fee

|            | <u>Class</u>      | <u>Number</u> | <u>Annual Fee</u> | <u>Amount(000's)</u> |
|------------|-------------------|---------------|-------------------|----------------------|
| Towboats - | Less than 1000HP  | 2,520         | \$2,000           | \$5,040              |
|            | - 1000 to 4999HP  | 1,500         | 5,000             | 7,500                |
|            | - 5000HP and Over | <u>150</u>    | 10,000            | <u>1,600</u>         |
|            | Subtotal          | 4,180         |                   | \$14,140             |
| Barges -   | Less than 1600GT  | 20,000        | 800               | \$16,000             |
|            | - 1600GT and Over | <u>4,000</u>  | 1,600             | <u>6,400</u>         |
|            | Subtotal          | 24,000        |                   | \$22,400             |
|            | TOTAL             |               |                   | \$36,540             |

# FISHING FLEETS

## FISHING FLEETS: (DOMESTIC AND FOREIGN)

### A. Assumptions

- Separate schedules will be proposed for domestic and foreign
1. ~~Separate schedules will be proposed for domestic and foreign~~ ~~domestic and foreign fleets~~ and divided into the same classes  
the fee schedule reflects an identical fee for each class
  2. ~~the fee schedule reflects an identical fee for each class of vessel, whether foreign or domestic, to provide equal treatment.~~ of VESSEL, whether foreign or domestic to provide equal treatment.
  3. Make-up of foreign category estimated from past fishing permit issuance and indicates the aggregate number of vessels in operation but does not double count where more than one permit is issued to a single vessel.

### B. Demonstration Fee Schedule - Fishing Fleets (Domestic/Foreign)

#### 1. Domestic Fishing Vessels - Annual Fees

| <u>Class</u>    | <u>Number</u> | <u>Annual Fee</u> | <u>Amount (000's)</u> |
|-----------------|---------------|-------------------|-----------------------|
| Less than 100GT | 120,000       | 1,350             | \$162,000             |
| 100 to 199GT    | 5,000         | 1,800             | 9,000                 |
| 200 to 299GT    | 3,800         | 2,000             | 7,600                 |
| 300 to 1599GT   | 500           | 20,000            | 10,000                |
| 1600GT and Over | 100           | 40,000            | 4,000                 |
| Subtotals       | 129,400       |                   | \$192,600             |

#### 2. Foreign Fishing Vessels - Annual Fees

| <u>Class</u>    | <u>Number</u> | <u>Annual Fee</u> | <u>Amount (000's)</u> |
|-----------------|---------------|-------------------|-----------------------|
| Less than 100GT | 0             | \$ 1,350          | \$ 0                  |
| 100 to 199GT    | 0             | 1,800             | 0                     |
| 200 to 299GT    | 450           | 2,000             | 900                   |
| 300 to 1599GT   | 450           | 20,000            | 9,000                 |
| 1600GT and Over | 450           | 40,000            | 18,000                |
| Subtotals       | 1,350         |                   | \$27,900              |

TOTALS 130,750 \$220,500

A. Assumptions

1. Vessels in international trade:  
A tonnage fee on gross registered tons will be used and collected by Customs
2. Vessels in domestic coastal trade:  
An annual fee will be used. Same classes and charges as commercial fishing vessels.
3. Towboats/tugs:  
Class sizes by horsepower reflect different levels of use of Coast Guard programs. The same classes and fees apply as to inland towboats and tugs.

B. Demonstration Fee Schedule

1. International Trade - (See Note (1))

|             | <u>Net Registered Tons</u> | <u>Fee</u> | <u>Amount(000's)</u> |
|-------------|----------------------------|------------|----------------------|
| Tonnage Fee | 500,000,000                | 0.24       | \$120,000            |

2. Domestic Coastal Trade (Excludes listings under 3, 4 and 5)  
Annual Fee - (See Note (2))

| <u>Class</u>    | <u>Number</u> | <u>Annual Fee</u> | <u>Amount(000's)</u> |
|-----------------|---------------|-------------------|----------------------|
| Less than 100GT | 0             | \$1,350           | \$ 0                 |
| 100 to 199GT    | 0             | 1,800             | 0                    |
| 200 to 299GT    | 4,000         | 2,000             | 8,000                |
| 300 to 1599GT   | 200           | 20,000            | 4,000                |
| 1600GT and Over | <u>500</u>    | 40,000            | <u>20,000</u>        |
| Subtotals       | <u>4,700</u>  |                   | <u>\$32,000</u>      |

3. Tug/Towboats - Annual Fee

| <u>Class</u>     | <u>Number</u> | <u>Annual Fee</u> | <u>Amount(000's)</u> |
|------------------|---------------|-------------------|----------------------|
| Less than 1000HP | 1,890         | \$ 2,000          | \$3,780              |
| 1000 to 4999HP   | 860           | 5,000             | 4,300                |
| 5000HP and Over  | <u>120</u>    | 10,000            | <u>1,200</u>         |
| Subtotal         | <u>2,870</u>  |                   | <u>\$9,280</u>       |

4. Barges - Annual Fee (See Note (2))

| <u>Class</u>     | <u>Number</u> | <u>Annual Fee</u> | <u>Amount(000's)</u> |
|------------------|---------------|-------------------|----------------------|
| Less than 1600GT | 1,800         | \$ 800            | \$1,440              |
| 1600GT and Over  | <u>2,400</u>  | 1,600             | <u>3,840</u>         |
| Subtotal         | <u>4,200</u>  |                   | <u>\$5,280</u>       |

5. MODU's - Annual Fee

| <u>Class</u> | <u>Number</u> | <u>Annual Fee</u> | <u>Amount (000's)</u> |
|--------------|---------------|-------------------|-----------------------|
| " MODU       | 580           | \$1,000           | \$580                 |
| TOTAL        |               |                   | \$167,140             |

- NOTE: (1) Tonnage fee similar to limitations of current tonnage tax administered by Customs.
- (2) Vessels and barges sailing in both domestic and international trade subject to the greater of the annual fee or the tonnage fee.

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

# ALASKA STATE LEGISLATURE - SENATE



SENATOR RICHARD I. ELIASON  
P.O. BOX 143  
SITKA, ALASKA 99835  
POUCH V  
JUNEAU, ALASKA 99811

COMMITTEES  
FINANCE  
RESOURCES  
STATE AFFAIRS

February 9, 1982

Captain William Riedel  
U.S. Coast Guard Headquarters (G - WS/11)  
Washington D.C., 20593

Dear Captain Riedel,

Thank you for the information you provided my staff member Mary Levan by telephone and for the additional information you sent by mail. At your suggestion I am writing to express several of my specific concerns about the "user fees" which the federal government proposes to impose on boat owners.

I am enclosing for your review a draft copy of the resolution which I am introducing in the Alaska State Legislature. It touches on many of my concerns about the user fees.

The particularly important point to consider is the high fee proposed for fishing vessels under 100 gross tons. Most fishing vessels in Alaska fit into this category, but many of these are small, ranging from 16 to 40 feet. Using statistics from the Commercial Fisheries Entry Commission on gross weights reported for Commercial Fishing Vessel Licenses, I have figured out that of those which fall under the 100 gross ton category, over 83% are under 25 gross tons. And many of those are considerably smaller than 25 gross tons. It is discriminatory and inequitable to charge the same fee to a 20' foot handtroller whose net income is often about one thousand dollars and a 58 foot seiner who may make \$20,000 or more. This is especially unreasonable when the user fee proposed is so high that it would put many small boat fishermen out of business and even be a hardship for many larger boat owners. Many of these fishermen have no alternative means of making a living.

If extra revenue must be collected, I don't believe most boat owners would object as much to higher charges for such direct services as vessel documentation, safety inspections, and special occasions when the Coast Guard patrols and stands-by such as salmon derbies and regattas.

Captain William Riedel  
February 9, 1982  
Page 2

The proposed fees seem inconsistent with President Reagan's philosophy of maintaining taxation on luxury items while providing incentives to encourage private enterprise. In the proposal we see fairly low fees for pleasure craft and exorbitantly high fees for even the very small commercial fisherman. Many of Alaska's fishermen are struggling right now financially and any fees imposed must be in line with their ability to pay this added expense. I suggest a rate structure based on length or weight of vessels beginning with very small boats at a very low rate and adding a small amount for each additional unit of weight.

I am also concerned about the fact that Alaska is dealt with in the proposal exactly as other coastal states are. Alaska has unique circumstances and problems and has special dependence on the Coast Guard. Boat owners are only one of the user groups for Coast Guard Services here. Great distances between towns and the lack of other medical and emergency services make all Alaskans dependent on the Coast Guard. Every resident of coastal areas is dependent upon marine transportation, ferries, and barges to get virtually all of their supplies. This makes each of these people indirect users of navigational aids, ice breaking services, and so on. The aviation industry also makes constant use of marine navigational aids. It is, of course, nearly impossible to collect specific user fees from all of the people dependent on the Coast Guard services, but it is unfair to hit boat owners alone with the burden of support.

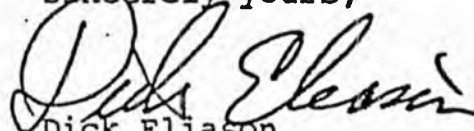
Furthermore, there are vast areas in Western Alaska where there are almost no available Coast Guard services - no stations, no navigation aids, and emergency help is so far away as to be of little help in a real emergency. Boat owners in these areas can hardly be expected to pay the same fee as those who live in areas where Coast Guard services are constantly available and used.

Several more concerns are outlined in the attached resolution. These should be self-explanatory. As the resolved clause states, we request a review of the user fee proposal. I seriously question the very concept of imposing user fees for such a basic government service. Government has gotten into many areas over the last few years which are better

Captain William Riedel  
February 9, 1982  
Page 3

left to private enterprise or for which specific users ought to be charged. The Coast Guard, however, is an entity much like the military or the National Guard, an entity to provide basic security functions for the people, services which are appropriate for a democratic government to provide. If however, the user fees are indeed imposed, we implore you to see that they are administered justly and equitably and are not an unbearable burden to the people served.

Sincerely yours,



Dick Eliason  
State Senator  
District B

cc: Admiral John B. Hayes  
Captain J.W. Kime