

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5148 HTRA HB 100 - HB 115

720

ALASKA RAILROAD CORPORATION
1987 SPENDING PLAN
MARKETING
SUMMARY

	<u>1987 PROPOSED BUDGET</u>	<u>1986 LATEST ESTIMATE</u>	<u>VARIANCE</u>
SALARIES, WAGES, AND OTHER PERSONNEL EXPENSES	1,230	1,411	(181)
CONTRACTUAL SERVICES	1,352	1,429	(77)
MATERIALS & SUPPLIES	60	60	0
RENTALS, UTILITIES	62	100	(38)
INSURANCE, CASUALTY	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	2,704	3,000	(296)
DEBT SERVICE	<u>0</u>	<u>0</u>	<u>0</u>
GRAND TOTAL	<u>2,704</u>	<u>3,000</u>	<u>(296)</u>

EXPLANATION OF MAJOR VARIANCES:

- ° PERSONNEL REDUCTIONS REFLECT VACANT SALES POSITION.
- ° OUTSIDE SERVICES COMPRISED OF COMMISSION TICKET SALES, WHITTIER BUS RENTALS, COACH/CABOOSE CLEANING, CATERING; DECREASE DUE TO REDUCTION OF ADVERTISING CONTRACT.
- ° RENTALS DECREASE IS DUE TO RELOCATION OF THE MARKETING STAFF TO THE VACANT OFFICE SPACE IN THE GENERAL OFFICE BUILDING.

ALASKA RAILROAD CORPORATION
1987 SPENDING PLAN
ADMINISTRATION
SUMMARY

	1987 PROPOSED BUDGET	1986 LATEST ESTIMATE	VARIANCE
SALARIES, WAGES, AND OTHER PERSONNEL EXPENSES	388	367	21
CONTRACTUAL SERVICES	209	272	(63)
MATERIALS & SUPPLIES	28	47	(19)
RENTALS, UTILITIES	0	0	0
INSURANCE, CASUALTY	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	625	686	(61)
DEBT SERVICE	<u>0</u>	<u>0</u>	<u>0</u>
GRAND TOTAL	<u>625</u>	<u>686</u>	<u>(61)</u>

EXPLANATION OF MAJOR VARIANCES:

- ° PERSONNEL COST DECREASE REFLECTS RE-ASSIGNMENT OF SECRETARIAL POSITIONS FROM CEO TO ADMINISTRATION AND PERSONNEL CUIS.
- ° OUTSIDE SERVICES DECREASE REFLECTS MOVING RESPONSIBILITY FOR BUDGETING ALL COMPUTER TYPE EQUIPMENT FROM ADMINISTRATION TO INFORMATION SYSTEMS.
- ° MATERIALS AND SUPPLIES REFLECTS A DECREASE DUE TO A ONE TIME ONLY PROJECT COMPLETED IN 1986.

ALASKA RAILROAD CORPORATION
1987 SPENDING PLAN
HUMAN RESOURCES
SUMMARY

	<u>1987 PROPOSED BUDGET</u>	<u>1986 LATEST ESTIMATE</u>	<u>VARIANCE</u>
SALARIES, WAGES, AND OTHER PERSONNEL EXPENSES	905	1,147	(242)
CONTRACTUAL SERVICES	212	220	(8)
MATERIALS & SUPPLIES	86	133	(47)
RENTALS, UTILITIES	0	0	0
INSURANCE, CASUALTY	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	1,203	1,500	(297)
DEBT SERVICE	<u>0</u>	<u>0</u>	<u>0</u>
GRAND TOTAL	<u>1,203</u>	<u>1,500</u>	<u>(297)</u>

EXPLANATION OF MAJOR VARIANCES:

- PERSONNEL COST DECREASE REFLECTS ELIMINATION OF 6 POSITIONS.

ALASKA RAILROAD CORPORATION
 1987 SPENDING PLAN
 GENERAL COUNSEL
 SUMMARY

	<u>1987 PROPOSED BUDGET</u>	<u>1986 LATEST ESTIMATE</u>	<u>VARIANCE</u>
SALARIES, WAGES, AND OTHER PERSONNEL EXPENSES	367	414	(47)
CONTRACTUAL SERVICES	484	501	(17)
MATERIALS & SUPPLIES	4	4	0
RENTALS, UTILITIES	0	0	0
INSURANCE, CASUALTY	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	855	919	(64)
DEBT SERVICE	<u>0</u>	<u>0</u>	<u>0</u>
GRAND TOTAL	<u>855</u>	<u>919</u>	<u>(64)</u>

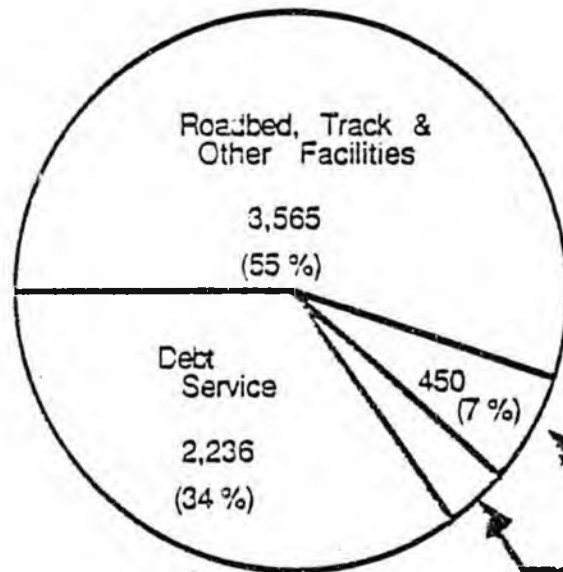
EXPLANATION OF MAJOR VARIANCES:

- PERSONNEL COSTS REFLECTS ELIMINATION OF GENERAL ATTORNEY POSITION.
- CONTRACTUAL SERVICES DECREASE REFLECTS REDUCED OUTSIDE ATTORNEY EXPENSES.

CAPITAL BUDGETS

ALASKA RAILROAD CORPORATION 1987 CAPITAL PROGRAM

Thousands of Dollars



BY
CATEGORY

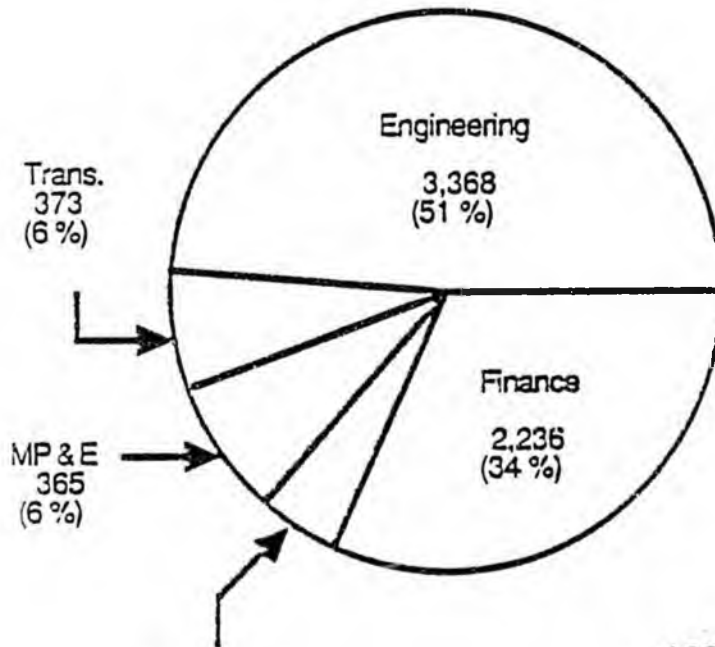
6,529

Other

Vehicles

278

(4%)



BY
DEPARTMENT

6,529

SPENDING

1986 Carryover		548
1987 New Projects		5,981
Total 1987 Spending		<u>6,529</u>

ALASKA RAILROAD CORPORATION
Capital Budget Summary
1987

DEBT SERVICE

<u>INSTITUTION</u>	<u>PRINCIPLE</u>	<u>INTEREST</u>	<u>INTEREST RATE</u>
<u>Chase Manhattan</u>			
Locomotives, GP-49	482,076.00	359,040.00	9.3
Articulated Flats, 30	235,530.00	192,055.00	10.5
Construction Equipment	119,284.00	128,352.00	7.5
Locomotives, GP-38/3 (6)	279,002.00	229,917.00	8.0
Locomotive Cranes (3)	130,868.00	109,455.00	8.0
RDC, 1986 (3)	53,348.00	45,609.00	8.0
Subtotal	1,300,108.00	1,064,428.00	
<u>Citicorp</u>			
Locomotives,			
Construction Equip	214,278.00	161,821.00	8.3
Articulated Flats (15)	126,427.00	102,734.00	6.011
Subtotal	340,705.00	264,555.00	
<u>Alaska Pacific Bank</u>			
RDC, 1985 Upgrade	183,182.00	61,008.00	8.15
Subtotal	183,182.00	61,008.00	
<u>Miscellaneous</u>			
IBM (small equipment)	98,599.00	11,663.00	
IBM (mainframe)	221,727.00	71,937.00	
US Leasing (Wang Equip)	91,550.00	9,115.00	
Subtotal	411,876.00	92,715.00	
 TOTAL DEBT SERVICE	 2,235,871.00	 1,482,706.00	

December 18, 1986

(Cont)

	<u>\$ THOUSANDS</u>	
	<u>TOTAL</u> <u>VALUE</u>	<u>1987</u> <u>SPENDING</u>
1987 PROPOSED CAPITAL PROGRAM (CONT)		
<u>Security</u>		
Light Vehicles, (2)	32	32
Fencing, West Anchorage ROW	26	26
TOTAL	<u>58</u>	<u>58</u>
TOTAL OPERATIONAL PROJECTS	<u>6.291</u>	<u>4.106</u>
<u>PASSENGER SERVICES UPGRADE</u>		
Containerized Baggage	72	72
Denali Depot Upgrade	15	15
Whittier Flatcars	100	100
TOTAL PASSENGER SERVICES	<u>187</u>	<u>187</u>
<u>TOTAL OPERATION AND PASSENGER SERVICES</u>	<u>6.478</u>	<u>4.293</u>

December 18, 1986

OPERATIONS DEPARTMENT CAPITAL PROPOSAL

PROPOSED 1987 BASELINE CAPITAL BUDGET
SUPPLEMENTAL PROJECT INFORMATION SHEET
(\$000)

- A. PROJECT TITLE: LIGHT VEHICLE REPLACEMENT PROGRAM
- B. LOCATION: OPERATIONS DIVISION
- C. ESTIMATED COST: \$278
- D. ACCURACY OF COST ESTIMATE: CLASS 111 (+ OR - 15%)
- E. STATUS OF ENGINEERING DESIGN
& COST ESTIMATE: N/A
- F. PROJECT DESCRIPTION: PURCHASE 16 LIGHT VEHICLES
- G. PROJECT JUSTIFICATION:

The present vehicles scheduled for replacement have body and rust damage, high mileage, and experience high maintenance costs. The vehicles' average age is eight years and mileage over 80,000. These vehicles have met or exceeded their forecasted economic life of five years or 70,000 miles.

Older vehicles with high mileage are difficult to maintain to ensure reliable operating status. An annual replacement program will result in lower vehicle maintenance cost, increase availability resulting in increased productivity, and a higher quality vehicle fleet.

PROPOSED 1987 BASELINE CAPITAL BUDGET
SUPPLEMENTAL PROJECT INFORMATION SHEET
(\$000)

- A. PROJECT TITLE: UPGRADE ANCHORAGE TOFC YARD
- B. LOCATION: SHIP CREEK
- C. ESTIMATED COST: \$65
- D. ACCURACY OF COST ESTIMATE: CLASS 111 (+ OR - 15%)
- E. STATUS OF ENGINEERING DESIGN & COST ESTIMATE: N/A

F. PROJECT DESCRIPTION:

Resurface the existing TOFC Yard. The project will consist of fill, grading, compaction, and surfacing with D-1 or equivalent.

G. PROJECT JUSTIFICATION:

The current TOFC Yard has not received any major improvements since 1984. Over the last three years of constant use and exposure to weather conditions, the yard has deteriorated to an uneven, wash-board surface resulting in slower operations and potential safety hazards. In August, two employees claimed on-the-job back injuries from operating yard hostlers over this rough terrain for extended periods of time.

PROPOSED 1987 BASELINE CAPITAL BUDGET
SUPPLEMENTAL PROJECT INFORMATION SHEET
(\$000)

A. PROJECT TITLE: HEAD END POWER PLANT
B. LOCATION: ANCHORAGE
C. ESTIMATED COST: \$75
D. ACCURACY OF COST ESTIMATE: CLASS 11 (+ OR - 10%)
E. STATUS OF ENGINEERING DESIGN & COST ESTIMATE: COMPLETE

F. PROJECT DESCRIPTION:

Purchase and install a 315 KW head end power plant in locomotive 3010. This project was initiated in fourth quarter 1986 with \$28 forecasted as a work in process carryover. The estimated 1987 expenditures is \$75.

G. PROJECT JUSTIFICATION:

The modification of locomotive 3010 with a head end power unit provides the most utility to railroad operations. This modified locomotive will be used in passenger service and winter freight service. The winter utilization will consist of keep from freezing freight service.

PROPOSED 1987 BASELINE CAPITAL BUDGET
SUPPLEMENTAL PROJECT INFORMATION SHEET
(\$000)

- A. PROJECT TITLE: MATERIAL HANDLING
EQUIPMENT
- B. LOCATION: ANCHORAGE
- C. ESTIMATED COST: \$20
- D. ACCURACY OF COST ESTIMATE: CLASS III (+ OR - 15%)
- E. STATUS OF ENGINEERING DESIGN & COST ESTIMATE: N/A
- F. PROJECT DESCRIPTION:

Purchase and install miscellaneous shop equipment

G. PROJECT JUSTIFICATION:

This investment pool represents an equipment replacement program established to update our shop equipment. The shop equipment will be replaced with new more efficient equipment when the old equipment breaks down beyond economic repair.

PROPOSED 1987 BASELINE CAPITAL BUDGET
SUPPLEMENTAL PROJECT INFORMATION SHEET
(\$000)

- A. PROJECT TITLE: OVERHEAD CRANE
IMPROVEMENTS
- B. LOCATION: ANCHORAGE
- C. ESTIMATED COST: \$50
- D. ACCURACY OF COST ESTIMATE: CLASS 11 (+ OR - 10%)
- E. STATUS OF ENGINEERING DESIGN & COST ESTIMATE: N/A

F. PROJECT DESCRIPTION:

Purchase and install new power supply for the General Repair Shop
DC cranes.

G. PROJECT JUSTIFICATION:

The proposed new power supply will enable the crane to be operated
from floor level controls versus from a cab on the crane. The new
floor level controls will reduce labor requirements and improve shop
safety. Additionally, noise levels will be reduced and improving
the working conditions.

PROPOSED 1987 BASELINE CAPITAL BUDGET
SUPPLEMENTAL PROJECT INFORMATION SHEET
(\$000)

- A. PROJECT TITLE: RAIL PROGRAM
- B. LOCATION: SYSTEM WIDE
- C. ESTIMATED COST: \$319
- D. ACCURACY OF COST ESTIMATE: CLASS III (+ OR - 15%)
- E. STATUS OF ENGINEERING DESIGN & COST ESTIMATE: COMPLETE

F. PROJECT DESCRIPTION:

Install 14,400 feet of alloy rail.

G. PROJECT JUSTIFICATION:

This is an annual major maintenance program designed to replace rail that has exceeded its useful life for mainline operations. The used rail will be cascaded to sidings and or yard tracks where re-required. The replacement rail will come from existing inventories and will not require a capital outlay.

PROPOSED 1987 BASELINE CAPITAL BUDGET
SUPPLEMENTAL PROJECT INFORMATION SHEET
(\$000)

- A. PROJECT TITLE: BALLAST PROGRAM
- B. LOCATION: SYSTEM WIDE
- C. ESTIMATED COST: \$658
- D. ACCURACY OF COST ESTIMATE: CLASS III (+ OR - 15%)
- E. STATUS OF ENGINEERING DESIGN & COST ESTIMATE COMPLETE

F. PROJECT DESCRIPTION:

Replace 60,000 cubic yards of ballast and resurface 300 miles of track.

G. PROJECT JUSTIFICATION:

This is an annual major maintenance program designed to replace ballast that has exceeded its useful life. The replacement ballast will come from existing inventories and will not require a capital outlay.

PROPOSED 1987 BASELINE CAPITAL BUDGET
SUPPLEMENTAL PROJECT INFORMATION SHEET
(\$000)

- A. PROJECT TITLE: BRIDGE PROGRAM
- B. LOCATION: SYSTEM WIDE
- C. ESTIMATED COST: \$575
- D. ACCURACY OF COST ESTIMATE: CLASS III (+ OR - 15%)
- E. STATUS OF ENGINEERING DESIGN & COST ESTIMATE: COMPLETE

F. PROJECT DESCRIPTION:

This is an annual program of major maintenance on steel bridges, timber trestles, and culverts. Deteriorated ties, piling, bridge timbers, and culverts are replaced on a programmed basis.

G. PROJECT JUSTIFICATION:

Timber bridge components have an average service life of 30 years. Major rehabilitation work in the 1952 - 1956 period resulted in a significant amount of 30+ year old timber in service. This program is required to replace these bridge members to reduce the risk of failure. Culvert replacements are required to maintain drainage and keep roadbed maintenance costs from increasing. Renewed bridges also reduces the cost of track maintenance at the bridge ends. The replacement and/or upgrade of the substructure of the bridges is required to ensure the load carrying capabilities of the bridge and maintain a safe operating railroad.

The material cost is estimated at \$200 with the majority of the materials coming from existing inventory.

PROPOSED 1987 BASELINE CAPITAL BUDGET
SUPPLEMENTAL PROJECT INFORMATION SHEET
(\$000)

A. PROJECT TITLE: RAIL TIE FASTNERS
B. LOCATION: SYSTEM WIDE
C. ESTIMATED COST: \$100
D. ACCURACY OF COST ESTIMATE: CLASS III (+ OR - 15%)
E. STATUS OF ENGINEERING DESIGN & COST ESTIMATE: COMPLETE

F. PROJECT DESCRIPTION:

Install 150 gage plates and 300 Pandrol tie plates on curves of 6 degrees or greater. This is a carryover project approved in the 1986 Capital Budget.

G. PROJECT JUSTIFICATION:

These devices prevent spreading track gage. Spreading of gage on sharp curves as well as rail rotation under severe lateral loading is a very serious concern for the Railroad. Constant regaging on wooden ties reduces tie service life by an estimated 15%.

The gage plates and Pandrol tie plates are in our current inventory minimizing any capital outlay for materials.

PROPOSED 1987 BASE NE CAPITAL BUDGET
SUPPLEMENTAL PROJECT INFORMATION SHEET
(\$000)

- A. PROJECT TITLE: FIBER OPTIC CABLE TERMINALS
- B. LOCATION: ANCHORAGE, PORTAGE, & WHITTIER
- C. ESTIMATED COST: \$112
- D. ACCURACY OF COST ESTIMATE: CLASS III (+ OR - 15%)
- E. STATUS OF ENGINEERING DESIGN & COST ESTIMATE: COMPLETE
- F. PROJECT DESCRIPTION:

Install digital fiber optical terminals to replace open wire pole line and marine cable system between Portage and Whittier. This is a carryover project approved in the 1986 Capital Budget.

G. PROJECT JUSTIFICATION:

The pole line cable system to Whittier was built in 1940 and is in need of major overhaul and replacement. The system received major damage during the 1964 earthquake and four sections have been replaced with temporary cable. In the last six years most of the lead splices have badly corroded and are close to failure. A replacement system will cost \$325,000, but an agreement between Anchorage Telephone Utility and the Railroad has enabled us to utilize the fiber optic system between Anchorage and Whittier. This agreement will eliminate the need for replacement of the pole line. Purchasing the fiber optic terminals and connecting them to ATU's fiber optic system will give us full data and telephone service to the Whittier Terminal.

PROPOSED 1987 BASELINE CAPITAL BUDGET
SUPPLEMENTAL PROJECT INFORMATION SHEET
(\$000)

- A. PROJECT TITLE: WHITTIER ELECTRIC
- B. LOCATION: WHITTIER TERMINAL
- C. ESTIMATED COST: \$200
- D. ACCURACY OF COST ESTIMATE: CLASS III (+ OR - 15%)
- E. STATUS OF ENGINEERING DESIGN & COST ESTIMATE: REVIEW STATUS
- F. PROJECT DESCRIPTION:

Replacement of existing high voltage distribution system in the Whittier Yard.

G. PROJECT JUSTIFICATION:

The railroad has incurred a PCB contamination problem in the Whittier electrical distribution system. The current system is a non-standard distribution network which is contaminated with PCB's. A replacement system is necessary to eliminate future PCB problems and to minimize clean up costs of the current contaminated system.

PASSENGER SERVICES CAPITAL PROPOSAL

HB

101



Unique — even in Alaska!

THE CITY OF WHITTIER

March 31, 1987

APR 6 1987

The Honorable Representative Bette Cato
P.O. Box V
Juneau, AK 99811

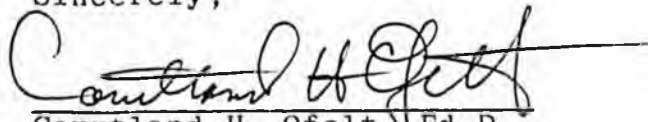
Dear Representative Cato,

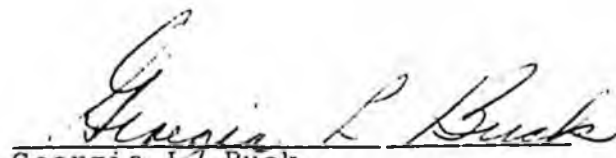
Please extend our warmest greetings to your staff and colleagues. We are submitting this letter for your perusal in lieu of in person testimony on HB 101 while it is in committee.

We perceive this measure to be a first step if you will, in the process of enabling a project of this nature to go forward. At this time, the measure costs us nothing but the energy spent on its consideration in the legislature. It is our strongly held belief that this measure is essential for us to even begin to consider any of the options that have been suggested for improved transportation access from Portage to Whittier. Through this legislation we envision a future project that will be self sufficient with regard to the retirement and all financial obligations.

We believe that sometime in the future a road will be constructed which will serve to connect the last unpaved link between Whittier and Anchorage. This will thereby increase the utility of the Port of Whittier as a freight handling terminal for the entire state by enhancing current rail only operations. It would also add to the convenience of the many visitors from Anchorage who utilize Whittier as the closest access to the recreational opportunities on Prince William Sound. Other benefits would include the impacts that would be felt by the fishing industry in western Prince William Sound and the flexibility that could be enjoyed by the tourism industry in their scheduling through this Port.

Sincerely,


Courtland H. Ofelt, Ed.D.
City Manager


Georgia L. Buck,
Mayor



Alaska State Legislature

House of Representatives

Committee on Transportation



Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

April 1, 1987

FOR TODAY'S MEETING YOU HAVE:

A FOLDER ON HB 196 THAT INCLUDES:

- * a copy of HB 196
- * an amendment offered by the Dept. of Commerce & Economic Development
- * a fiscal note from the Dept. of Commerce
- * a copy of the statutes impacted by HB 196
- * a sectional analysis

A FOLDER ON HB 101 THAT INCLUDES:

- * a copy of HB 101
 - * a sectional analysis
 - * a fiscal note and position paper from DOT/PF
 - * a copy of the statutes impacted by HB 101
 - * a letter of support from the City of Whittier
 - * a resolution from the Alaska Municipal League
 - * a newspaper article
 - * a map of the proposed toll road
- report on the DOT/PF capital project cleanup

*File 101
in folder*

Alaska State Legislature

House of Representatives

Committee on Transportation



Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

February 26, 1988

TO: Senate Transportation Committee Members

FROM: Representative Bette Cato *BC*

SUBJECT: HB 101

I have reviewed the proposed committee substitute for CSHB 101 and I am happy with the changes.

Essentially, the proposed changes would allow ANY state toll facility to be constructed provided the conditions in AS 37.15.730 are met. Originally, HB 101 required Knik Arm Crossing and the Whittier Toll road be the first state toll facilities constructed.

Thank you for considering CSHB 101.

Original sponsor: Cato

IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 101 (Transportation)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state toll facilities."

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

* Section 1. AS 19.05.040(11) is amended to read:

(11) establish, levy, and collect tolls, fees, charges, and rentals for the use of state roads, highways, bridges, tunnels, crossings, and causeways; and

* Sec. 2. AS 37.15.720 is amended to read:

Sec. 37.15.720. STATE TOLL FACILITIES. The state is authorized to acquire, construct, equip, and maintain toll bridges, tunnels, highways, roads, crossings, and causeways found to be necessary by the commissioner of transportation and public facilities.

* Sec. 3. AS 37.15.730 is amended to read:

Sec. 37.15.730. REVIEW OF TOLL FACILITY PROJECTS [KNIK ARM CROSSING]. A toll facility may be financed under AS 37.15.610 - 37.15.760 [NOTWITHSTANDING THE PROVISIONS OF AS 37.15.720 THE FIRST STATE TOLL FACILITY TO BE FINANCED UNDER AS 37.15.610 - 37.15.760 IS THE KNIK ARM CROSSING NEAR ANCHORAGE] if the following conditions are met for that toll facility:

(1) the department submits to the governor and the legislature a feasibility study that finds that the toll facility [CROSSING] is financially feasible and able to produce revenue adequate to repay the bonds with which it is financed;

(2) if financing in addition to revenue bonds is required to finance the toll facility [ANTICIPATED], the department submits to

the governor and legislature a finance plan that includes [TO INCLUDE] an estimate of the total cost of the toll facility [PROJECT] and a description of the sources of money that will be used to finance the total cost of the toll facility [PROJECT]; and

(3) the office of management and budget reviews the feasibility study and the finance plan, if required, and reports its findings and recommendations to the governor and legislature not later than 90 days after the study and plan are received by the office.

* Sec. 4. AS 37.15.760(7) is amended to read:

(7) "toll facilities" means highways, roads, bridges, tunnels, crossings, and causeways upon which tolls, charges, rentals, or other user fees are placed by the commissioner of transportation and public facilities.

Original sponsor: Cato

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 101 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to state toll facilities."
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 * Section 1. AS 19.05.040(11) is amended to read:
9 (11) establish, levy, and collect tolls, fees, charges, and
10 rentals for the use of state roads, highways, bridges, tunnels, cross-
11 ings, and causeways; and
12 * Sec. 2. AS 37.15.720 is amended to read:
13 Sec. 37.15.720. STATE TOLL FACILITIES. The state is authorized
14 to acquire, construct, equip, and maintain toll bridges, tunnels,
15 highways, roads, crossings, and causeways found to be necessary by the
16 commissioner of transportation and public facilities.
17 * Sec. 3. AS 37.15.730 is amended to read:
18 Sec. 37.15.730. REVIEW OF TOLL FACILITY PROJECTS [KNIK ARM
19 CROSSING]. A toll facility may be financed under AS 37.15.610 -
20 37.15.760 [NOTWITHSTANDING THE PROVISIONS OF AS 37.15.720 THE FIRST
21 STATE TOLL FACILITY TO BE FINANCED UNDER AS 37.15.610 - 37.15.760 IS
22 THE KNIK ARM CROSSING NEAR ANCHORAGE] if the following conditions are
23 met for that toll facility:
24 (1) the department submits to the governor and the legisla-
25 ture a feasibility study that finds that the toll facility [CROSSING]
26 is financially feasible and able to produce revenue adequate to repay
27 the bonds with which it is financed;
28 (2) if financing in addition to revenue bonds is required
29 to finance the toll facility [ANTICIPATED], the department submits to

1 the governor and legislature a finance plan that includes [TO INCLUDE]
2 an estimate of the total cost of the toll facility [PROJECT] and a
3 description of the sources of money that will be used to finance the
4 total cost of the toll facility [PROJECT]; and

5 (3) the office of management and budget reviews the fea-
6 sibility study and the finance plan, if required, and reports its
7 findings and recommendations to the governor and legislature not later
8 than 90 days after the study and plan are received by the office.

9 * Sec. 4. AS 37.15.760(7) is amended to read:

10 (7) "toll facilities" means highways, roads, bridges,
11 tunnels, crossings, and causeways upon which tolls, charges, rentals,
12 or other user fees are placed by the commissioner of transportation
13 and public facilities.

14 * Sec. 5. The Department of Transportation and Public Facilities shall
15 construct the Copper River highway as a toll facility ^{in accordance with} ~~if~~ federal dis- **Sec. 37.15.73**
16 cretionary highway bridge funds are authorized by the federal government
17 for the reconstruction and repair of the Million Dollar Bridge over the
18 Copper River and the approaches to the bridge.



Alaska State Legislature

SENATE

Official Business

May 8, 1988

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

MESSAGE TO THE HOUSE

MR. SPEAKER

The Senate has passed CS FOR HOUSE BILL NO. 101 (FIN)
with the following amendments:

SENATE CS FOR CS FOR HOUSE BILL NO. 101 (Finance) *am S*
"An Act relating to state toll facilities."

Amendment No. 1 By Jones and Coghill

Page 2, line 15: After "facility"

Insert "in accordance with Sec. 37.15.730"

and is returning for consideration.

Certify:

Nancy Quinto
Nancy Quinto
Senate Secretary

Under Rule 43(b) of the Uniform Rules, engrossment was
waived and certified copies of the amendment is above.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: State Bond Committee
 Title: State Toll Facilities BRU: _____
 Sponsor: Senate Finance Components: _____
 Requestor: Senate Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		1000.0	2000.0	2100.0	2100.0	2100.0
TOTAL OPERATING		1000.0	2000.0	2100.0	2100.0	2100.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		1000.0	2000.0	2100.0	2100.0	2100.0
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB
 Division: Treasury

Phone: 465-2350
 Date: May 3, 1988

Approved by Commissioner: Hugh Malone
 Agency: Department of Revenue

Date: 5/2/88

Distribution (by preparer):

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

SCS CS HB 101 (Finance)
Fiscal Note Analysis

The following amounts of debt service on \$22,000,000 of toll facilities revenue bonds assume a 30 year maximum maturity and an average interest rate of 9 percent:

<u>Fiscal Year</u>	<u>Fund Source</u>	
	<u>Toll Facilities Construction Fund</u>	<u>Toll Facilities Revenue Fund</u>
1989	\$1,000,000	0
1990	2,000,000	0
1991	1,000,000	\$1,100,000
1992		2,100,000
1993		2,100,000

The amounts paid from the Toll Facilities Construction Fund are capitalized interest (interest during construction). Total debt service to maturity (including capitalized interest) would be approximately \$68 million.

Up to \$6.5 million of the bond proceeds might be required for capitalized interest, a debt service reserve fund of \$2.1 million, and issuance costs. This would leave \$15.5 million available for construction costs.



April 9, 1987 APR 14 1987

The Honorable Bette M. Cato
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear Madam:

This is to convey Chugach Alaska Corporation's support for the passage of House Bill 101 amending Alaska Statutes 19 and 37 to provide for the establishment the Whittier Toll Road. The road will greatly enhance access not only to the existing community at Whittier but also to Passage Canal and the Prince William Sound. The corporation owns approximately 450 acres west of town where it is planning to develop its recreation and tourism resources.

The State's long standing interest in the project is attested to by its formal reports and correspondence with the City of Whittier dating from the late sixties to the present. The latest study has identified several feasible options which can be financed either entirely through a toll-related revenue bond or through a combination of the toll bonding and outside capital. The passage of this bill into law this year will coincide well with the further analysis of the final options and other land use planning that is planned in the area.

The progress of this bill is critical for the well being of the south-central region's tourism and recreation economy. The Prince William Sound Tourism Coalition, of which CAC is a member, is beginning its second year of guiding the development of the area's recreational resources into a condition that will accomodate a world class visitor experience.

Thank you for your work on this important bill. If we can assist you further on this matter, please do not hesitate to contact us.

Sincerely,

CHUGACH ALASKA CORPORATION

A handwritten signature in cursive script, appearing to read "Keith Gordaoff".

Keith Gordaoff
Chief Executive Officer

KG: jc



CC: The Honorable Georgia Buck, Mayor
City of Whittier

The Honorable Jan Faiks, President
Alaska State Senate

The Honorable Steve Cowper, Governor
State of Alaska

HOUSE BILL 101 - AN ACT RELATING TO STATE TOLL
FACILITIES.

~~THE CITY OF WHITTIER HAS EXPERIENCED TREMENDOUS GROWTH SINCE
ITS DEVELOPMENT DURING WORLD WAR II. WHEN YOU CONSIDER THE
MANY BENEFITS THAT A CITY LIKE WHITTIER COULD PROVIDE NOT ONLY
TO THE CITY AND LOCAL RESIDENTS, BUT TO THE STATE AS A
WHOLE I THINK YOU WILL AGREE THAT ANY INVESTMENT MADE TOWARD
THE FUTURE GROWTH AND DEVELOPMENT OF THE CITY OF WHITTIER
WOULD BE VERY ADVANTAGEOUS TO THE STATE OF ALASKA.~~

THE POPULATION OF WHITTIER IS 362. THIS NUMBER INCREASES TO
OVER 900 HUNDRED DURING THE SUMMER MONTHS. THERE ARE OVER
QUARTER MILLION TOURISTS VISIT THE CITY OF WHITTIER EACH YEAR
BY SHIP OR VIA THE ALASKA RAILROAD.

THIS IS A CITY THAT HAS AN IDEAL LOCATION. CURRENTLY ONE CAN
TAKE A 35 MINUTE TRAIN RIDE FROM PORTAGE TO WHITTIER,
APPROXIMATELY 11 MILES. WITH THIS CLOSE PROXIMITY TO
ANCHORAGE MANY ANCHORAGE RESIDENTS MOOR THEIR BOATS AT ONE
OF THE 340 BOAT SLIPS AVAILABLE IN WHITTIER. THIS NUMBER
COULD BE INCREASED DRAMATICALLY IF MORE SLIPS WERE AVAILABLE
AS WHITTIER CURRENTLY HAS A WAITING LIST OF OVER 400 PEOPLE.
WHEN WE CONSIDER THAT HERE LIES A COMMUNITY THAT NOT ONLY
OFFERS TOURISTS THE OPPORTUNITY TO SEE SOME OF THE MAGNIFICANT
BEAUTY ALASKA HAS TO OFFER BUT, WHITTIER IS IDEALLY LOCATED TO
PROVIDE ALASKA WITH ONE OF THE MAJOR PORTS FOR INTERNATIONAL
TRADE. WITH THE ALASKA RAILROAD PROVIDING CONTINUAL SERVICE
FROM WHITTIER TO ANCHORAGE AND, THE POSSIBILITIES OF
DEVELOPING THE PORT AND HARBOR AREAS IN WHITTIER THE BENEFITS
TO SHIPPERS AND FREIGHT COMPANIES ARE OBVIOUS.

THERE IS ONE BIG HURDLE TO OVERCOME IF THE POTENTIAL OF THE CITY OF WHITTIER IS TO BE TRULY REALIZED. ACCESS

HB 101 HELP TO OVERCOME THIS MAJOR PROBLEM BY PROVIDING THE DEPARTMENT OF TRANSPORTATION THE AUTHORITY TO CONSTRUCT A TOLL ROAD TO THE CITY OF WHITTIER. THE TOLL ROAD WOULD BE CONSTRUCTED UTILIZING EXISTING STRUCTURES.

HB 101 STATES THAT THE WHITTIER TOLL ROAD WILL BE THE FIRST STATE TOLL FACILITY FINANCED IF THE FOLLOWING CONDITIONS ARE MET:

1. THE DEPARTMENT SUBMITS TO THE GOVERNOR AND THE LEGISLATURE A FEASIBILITY STUDY THAT FINDS THAT THE PROJECT IS FINANCIALLY FEASIBLE AND ABLE TO PRODUCE REVENUE ADEQUATE TO REPAY THE BONDS WITH WHICH IT FINANCED.
2. IF FINANCING IN ADDTION TO REVENUE BONDS IS ANTICIPATED THE DEPARTMENT SUBMITS TO THE GOVERNOR AND LEGISLATURE A FINANCE PLAN THAT INCLUDES AN ESTIMATE OF THE TOTAL COST OF THE PROJECT AND THE SOURCES OF MONIES THAT WILL BE USED TO FINANCE THE TOTAL COST OF THE PROJECT.
3. THE OFFICE OF MANAGEMENT AND BUDGET REVIEWS AND RECOMMENDS TO THE GOVERNOR THE FEASIBILITY OF THIS PROJECT.

WHILE HB 101 WILL GREATLY BENEFIT BOTH THE CITY OF WHITTIER AND THE STATE OF ALASKA BY PROVING ACCESS TO THE CITY OF WHITTIER, THIS BILL DOES NOT DRAMATICALLY CHANGE THE EXISTING STUTUES. AS YOU WILL SEE IN YOU FOLDERS THE

STATUTES CURRENTLY PROVIDES FOR THE TOLL ROAD TO BE
CONSTRUCTED FOR THE KNIK ARM CROSSING.

I FEEL THAT IF WE ARE TO CONTINUE TO PURSUE TO ECONOMIC
GROWTH AND DEVELOPMENT OF THIS STATE AND, CONTINUE TO
WORK TOWARD INCREASING TOURISM WE NEED TO SUPPORT LEGISLATION
THAT WILL WORK TOWARD THESE GOALS.

THANK YOU FOR LISTENING TO ME.

HOUSE COMMITTEE REPORT

Date referred: 2/2/87

FURTHER REFERRALS: Finance

DATE: April 1, 1987

The Transportation Committee has considered HB 101

"An Act relating to state toll facilities."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

[Handwritten signatures]

SIGNING OTHER RECOMMENDATIONS:

[Handwritten signature]

 Chairman's signature



Official Business

COMMITTEE:

House Transportation Committee

DATE: April 1, 1987

SIGN-IN

Subject of meeting:

HB 196: Air Carriers Regulations

*HB 101: "An Act relating to state toll facilities."

NAME <small>Please include title</small>	ADDRESS <small>Please use full address. Please include zip.</small>	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
<i>LOBBYIST</i> Road Stops	Box 1211 Juneau, 911	538-3340	AACTA	Yes
Back Bear	Box D Juneau	465 2504	DCEIO	Yes

* indicates first public hearing

HB

115

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Transportation:

3/4/87

3/11/87

Alaska State Legislature



House of Representatives

Committee on Transportation

Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

March 4, 1987

FOR TODAY'S MEETING YOU HAVE:

A FOLDER ON HB 115 THAT INCLUDES:

- * a copy of HB 115
- * a fiscal note from DOT/PF
- * a fiscal note from the Dept. of Public Safety
- * a position paper from the Dept. of Public Safety
- * a map of the Dalton Highway
- * an excerpt from the state statutes
- * an excerpt from DOT's regulations
- * 2 resolutions from the Fairbanks Chamber of Commerce
- * a newspaper article
- * the construction agreement between the state of Alaska and Alyeska Pipeline Service Co.
- * a letter from the Office of the Governor

Alaska State Legislature



House of Representatives

Committee on Transportation

Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

March 11, 1987

FOR TODAY'S MEETING YOU HAVE:

A BINDER ON HB 115 THAT INCLUDES:

- * a copy of HB 115
- * a copy of the questions sent to DOT/PF
- * a fiscal note from DOT/PF
- * a position paper and fiscal note from the Dept. of Public Safety
- * an overview of HB 115 from Rep. Frank
- * a map of the Dalton Highway
- * an excerpt from the state statutes
- * an excerpt from the federal statutes
- * an excerpt from the DOT/PF regs
- * an opinion from the attorney general's office
- * the construction agreement between the State of Alaska and the Alyeska Pipeline Service Company
- * a letter from the attorney general to the office of the governor
- * two resolutions from the Fairbanks Chamber of Commerce
- * a statement from the executive director of the Alaska Trucking Association
- * a newspaper article

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 115

Publish Date: _____

REQUEST

Revision Date: _____

Title: Opening the entire Dalton Highway to the public without toll.

Sponsor: Frank

Requestor: Cato

Agency Affected: DOT&PF

BRU: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		<243.0>	<243.0>	<243.0>	<243.0>	<243.0>
TRAVEL						
CONTRACTUAL		<127.0>	<27.0>	<27.0>	<27.0>	<27.0>
SUPPLIES		<20.0>	<20.0>	<20.0>	<20.0>	<20.0>
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		<390.0>	<290.0>	<290.0>	<290.0>	<290.0>
CAPITAL						
REVENUE		<5600.0>	<5500.0>	<5500.0>	<5500.0>	<5500.0>

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (IARF)		<390.0>	<290.0>	<290.0>	<290.0>	<290.0>
TOTAL						

POSITIONS:

FULL-TIME		<5>	<5>	<5>	<5>	<5>
PART-TIME		<1>	<1>	<1>	<1>	<1>
TEMPORARY						

ANALYSIS: This bill will remove the authority to charge tolls on the Dalton Highway. These are estimated to produce \$5.6 million in FY88 to support the maintenance and operating costs of this route. These tolls would have been deposited in the General Fund to offset the budgeted costs for operation.

The deletion of the requirement for the checkpoint will not impact the 1988 budget because funding is not included.

The reduced operating expenditures and funding are related to the estimated costs of collection of the tolls.

Prepared by: Ron B. Lind, Director
Division: Plans, Programs, and Budget

Phone: 465-4070

Date: 2/27/87

Approved by Commissioner: *M. S. H.*

Date: 2/3/87

Agency: DOT & PF

Distribution (by preparer):

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

BILL NO: HB 115

DATE: February 27, 1987

TITLE: "An Act relating to public use of the Dalton Highway."

CONTACT: Maj. Walter J. Gilmour
Acting Director
Alaska State Troopers

DEPARTMENT OF PUBLIC SAFETY

HB 115 will open the Dalton Highway for public access for the entire year.

The Division of Alaska State Troopers will need to provide a full range of law enforcement services to include accident response and investigation, search and rescue and patrol in order to protect the users of the highway. Winter use of the highway will result in a need to provide these services under difficult conditions, and equipment costs reflect this fact.

The Department of Public Safety is opposed to this legislation.

William R. Nix
WILLIAM R. NIX
Acting Commissioner

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 115

Publish Date: _____

REQUEST

Revision Date: _____

Title: "An Act relating to public use
of the Dalton Highway."

Agency Affected: Public Safety

BRU: Alaska State Troopers

Sponsor: Rep. Frank

Components: Detachments & CIB

Requestor: House Transportation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		281.4	289.8	298.5	307.5	316.7
TRAVEL		8.0	8.2	8.5	8.7	9.0
CONTRACTUAL		92.9	95.7	98.6	101.5	104.6
SUPPLIES		13.2	13.6	14.4	14.8	15.3
EQUIPMENT		89.2				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		484.7	407.3	420.0	432.5	445.6
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUNDS		484.7	407.3	420.0	432.5	445.6
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		4	4	4	4	4
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See attached schedule.

Prepared by: Francis C. Alian

Phone: 269-5691

Division: Alaska State Troopers

Date: 2/27/87

Approved by Commissioner: William R. Nix

Date: 3/3/87

Agency: Public Safety

Distribution (by preparer):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

Senate Secretary

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 115

In order to keep the Dalton Highway open throughout the entire year, a full range of law enforcement services must be maintained. In order to provide accident response, patrol, investigation and search and rescue services, four additional State Trooper positions will be needed; one at Coldfoot, one at 7-Mile Camp, and two others in Prudhoe Bay. The costs below summarize their Personal Services and related costs. It is anticipated that equipment will be needed in the first year only and that a 3% inflationary cost will be incurred each year after 1988.

	Trooper Coldfoot	Trooper 7-Mile	Trooper Prudhoe Bay	Trooper Prudhoe Bay	Increased Helo Oper. Costs (1)	Total
Personal Services	71.5	66.9	71.5	71.5		281.4
Travel	2.0	2.0	2.0	2.0		8.0
Contractual	8.5	8.5	42.1	32.5	1.3	92.9
Supplies	3.3	3.3	3.3	3.3		13.2
Equipment	22.3	22.3	22.3	22.3		89.2
	<u>107.6</u>	<u>103.0</u>	<u>141.2</u>	<u>131.6</u>	<u>1.3</u>	<u>484.7</u>

(1) - Helicopter costs include one additional trip up and down the highway, fueling at Coldfoot and Prudhoe Bay (contract). This is expected to involve seven hours @ \$187 per hour.

Position Title State Trooper		No. of Positions	Range/Step 76/A	Barg. Unit PSEA																										
Time Status PFT	Staff Months 12.0	Location Coldfoot		Election District 22																										
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>Amount</th> </tr> <tr> <th>1</th> <th>2</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td>48,516</td> </tr> <tr> <td>Benefits</td> <td>12,454</td> </tr> <tr> <td>Premium Pay</td> <td>4,478</td> </tr> <tr> <td>Other</td> <td>6,097</td> </tr> <tr> <td>Total Personal Services</td> <td>71.5</td> </tr> <tr> <td>Travel</td> <td>2.0</td> </tr> <tr> <td>Contractual</td> <td>8.5</td> </tr> <tr> <td>Commodities</td> <td>3.3</td> </tr> <tr> <td>Equipment</td> <td>22.3</td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Cost</td> <td>107.6</td> </tr> </tbody> </table>		Type of Expenditure	Amount	1	2	Salary	48,516	Benefits	12,454	Premium Pay	4,478	Other	6,097	Total Personal Services	71.5	Travel	2.0	Contractual	8.5	Commodities	3.3	Equipment	22.3	Other		Total Cost	107.6	Justification A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation and Search and Rescue along the Dalton Highway. This trooper position must have a 4 X 4 vehicle (152P) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience. Currently, The FY88 FWP operating plan calls for the elimination of the FWP Trooper stationed in Coldfoot. This state housing unit will be occupied by this new AST Trooper.		
Type of Expenditure	Amount																													
1	2																													
Salary	48,516																													
Benefits	12,454																													
Premium Pay	4,478																													
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Other																														
	107.6																													

**Request For
New Position**

Agency Department of Public Safety
BRU Alaska State Troopers
Component Detachments & CIB

Page 1 of 4
Revised Date _____

FY 88

Position Title State Trooper			No. of Positions	Range/Step 76/A	Barg. Unit PSEA
Time Status PFT	Staff Months 12.0		Location 7-Mile		Election District 22
Type of Expenditure			Justification		
		Amount	<p>A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation and Search and Rescue along the Dalton Highway. This trooper position must have a 4 X 4 vehicle (152P) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience.</p> <p>Under the current AST FY88 plan, the 7-Mile housing unit was to be vacated and sub-leased as part of the reduction. This new trooper position however will occupy the unit.</p>		
1	2	3			
Salary	45,060				
Benefits	11,567				
Premium Pay	4,159				
Other	6,097				
Total Personal Services		66.9			
Travel		2.0			
Contractual		8.5			
Commodities		3.3			
Equipment		22.3			
Other					
Total Cost		103.0			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	103.0			
I-A Receipts	1006				
CIP Receipts	1061				
Other					

**Request For
New Position**

Agency Department of Public Safety
 BRU Alaska State Troopers
 Component Detachments & CIB

Page 2 of 4
 Revised Date

FY 88

Position Title State Trooper			No. of Positions	Range/Step 76/A	Barg. Unit PSEA
Time Status PFT	Staff Months 12.0		Location Prudhoe Bay	Election District 22	
			Justification		
Type of Expenditure			Amount		
1	2		3		
Salary	48,516				
Benefits	12,454				
Premium Pay	4,478				
Other	6,097				
Total Personal Services			71.5		
Travel			2.0		
Contractual			42.1		
Commodities			3.3		
Equipment			22.3		
Other					
Total Cost			141.2		
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004		141.2		
I-A Receipts	1006				
CIP Receipts	1061				
Other					

A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation and Search and Rescue along the Dalton Highway. This trooper position must have a 4 X 4 vehicle (152P) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience.

Contractual costs include housing and office space at a cost of \$2,800 per month, which is based upon previous AST experience in Prudhoe Bay as assumes space availability.

**Request For
New Position**

Agency Department of Public Safety
 BRU Alaska State Troopers
 Component Detachments & CI

Page 3 of 4
 Revised Date

FY 88

Position Title State Trooper		No. of Positions	Range/Step 76/A	Barg. Unit PSEA
Time Status PFT	Staff Months 12.0	Location Prudhoe Bay		Election District 22
Type of Expenditure		Justification		
		A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation and Search and Rescue along the Dalton Highway. This trooper position must have a 4 X 4 vehicle (152P) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience.		
		Contractual costs include a leased housing space of approximately \$24,000 per year, assuming that it is available.		
Amount				
1	2	3		
Salary	48,516			
Benefits	12,454			
Premium Pay	4,478			
Other	6,097			
Total Personal Services		71.5		
Travel		2.0		
Contractual		32.5		
Commodities		3.3		
Equipment		22.3		
Other				
Total Cost		131.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	131.6		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

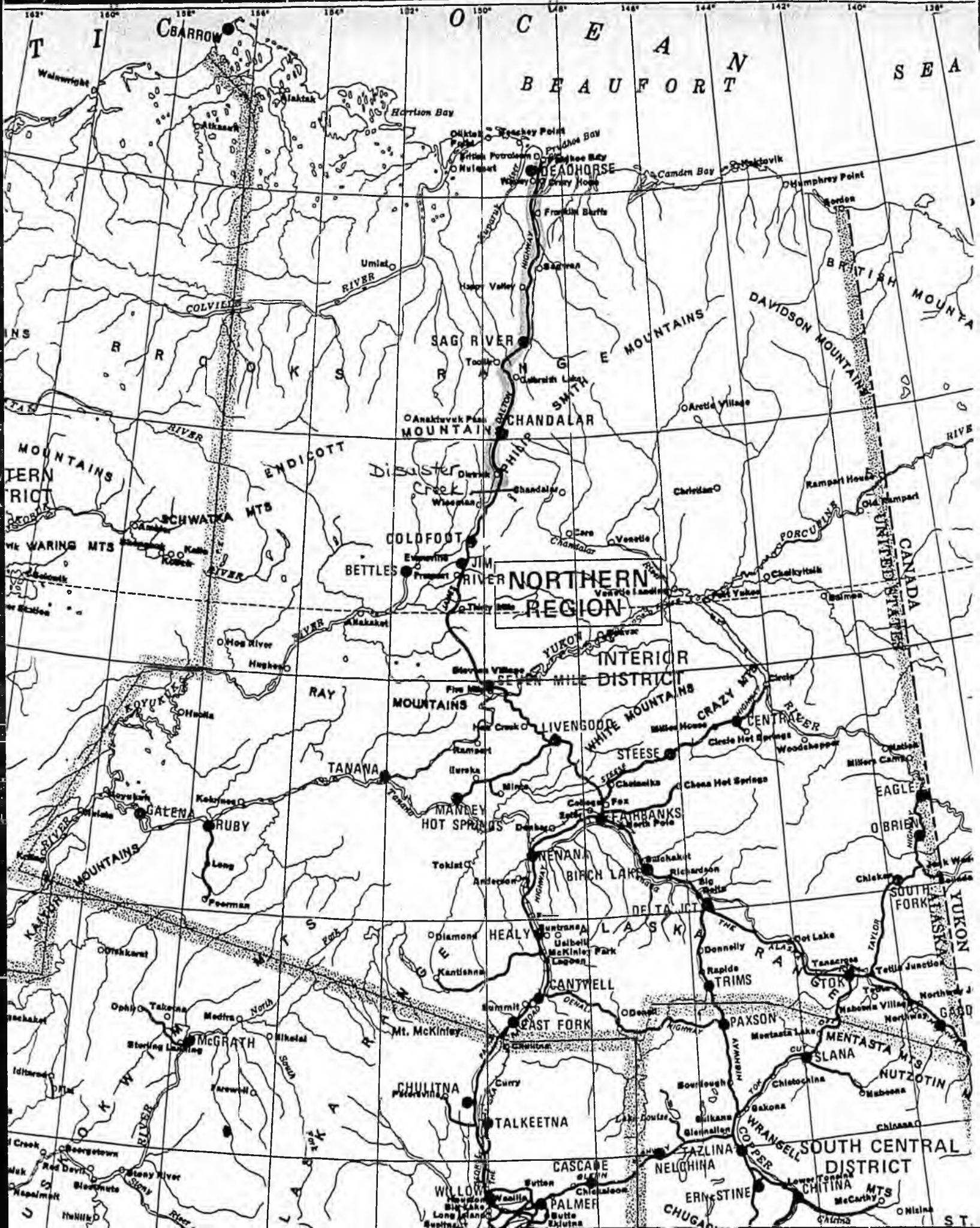
**Request For
New Position**

Agency Department of Public Safety
 BRU Alaska State Troopers
 Component Detachments & CIB

Page 4 of 4
 Revised Date

FY 88

open only to mail service
open to all public traffic
Villages which practice subsistence hunting





Greater Fairbanks

Chamber

of Commerce

First National Center

P O. Box 74446

100 Cushman Street

(907) 452-1105

Fairbanks, Alaska 99707

RESOLUTION 3-0287

A RESOLUTION TO OPEN THE DALTON HIGHWAY TO THE GENERAL PUBLIC

WHEREAS, there is no justifiable reason that the general public should not have access to a public highway, and

WHEREAS, public funds are used to maintain this road, and

WHEREAS, the denial of the public to use the Dalton Highway as any other highway in Alaska, as stated in A.S. 19.40.120, is discriminatory, and

WHEREAS, there are existing state and federal regulations which provide for management of public use of land and resources adjoining public highways, and

WHEREAS, the opening of the Dalton Highway has been part of the program of work as stated in the Interior Transportation Needs Study developed by the Greater Fairbanks Chamber of Commerce;

NOW, THEREFORE, be it resolved, that the Greater Fairbanks Chamber of Commerce recommends that the Legislature pass HB 115 without further restrictions.

Be it further resolved that this resolution be sent to the following:

Governor Cowper
The Interior Delegation
The Congressional Delegation
The Commissioner of Transportation

DATED THIS 23rd

DAY OF February, 1987

BY James Dodson
James Dodson, Chairman of the Board

BY Althea St. Martin
Althea St. Martin, Acting President



Greater Fairbanks

Chamber

of Commerce

First National Center
100 Cushman Street

(907) 452-1105

P.O. Box 74446
Fairbanks, Alaska 99707

RESOLUTION 1-0287

A RESOLUTION RECOMMENDING THAT A TOLL SHOULD
NOT BE CONSIDERED ON THE DALTON HIGHWAY

WHEREAS, Fairbanks is facing an economic down trend, and

WHEREAS, more effort needs to be placed on trying to assist Fairbanks to recover and continue to offer competitive services in deploying freight through Fairbanks to users along and at the end of the Dalton Highway, and

WHEREAS, a toll could work an economic hardship on any business planning to use the road, and

WHEREAS, the Greater Fairbanks Chamber of Commerce feels that the road should not be used as a single purpose road, and

WHEREAS, this proposed toll would represent a double tax on the oil industry,

NOW, THEREFORE, be it resolved that options other than a toll being placed on a road in Alaska (specifically the Dalton Highway), be considered as a method to generate more state revenue.

BE IT FURTHER RESOLVED that this resolution be sent to the following:

Governor Cowper
The Interior Delegation
The Congressional Delegation
Commissioner of Transportation

DATED THIS

Feb. 23 87

BY

James Dodson
James Dodson, Chairman of the Board

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BY

Aithea St. Martin
Aithea St. Martin, Acting President

Ex-lawmaker says Dalton should be open

By JOHN FRIDRICH
Staff Writer

A former Fairbanks lawmaker who fought to open the Dalton Highway to the public, told a forum held Wednesday the U.S. Constitution makes it clear the portion of the road now closed to the public should be open.

"That was my reason, and I can't speak for anybody else, for trying to get it open and open to everyone on the same terms," Charlie Parr told about 60 people who attended a

panel discussion held by the Alaska Outdoor Council.

The Dalton Highway, built in 1974 at a cost of \$307 million so the Trans-Alaska Pipeline could be constructed, stretches from Livengood to Prudhoe Bay, a distance of 415 miles.

Since 1980, two years after the state took over maintenance duties from the Alyeska Pipeline Service Co., the southern half of the highway has been opened to the public. The northern half has been closed, however, with permits available only to people who have a commercial purpose in the area north of Disaster Creek, such as oil production.

Although several people brought up safety issues during the 1½-hour discussion, the prevailing sentiment among people in the audience who spoke was that the road should be open to Prudhoe Bay.

"They're trying to make it something special and I think that's wrong," said Andy Mlscovich, who added that a toll on trucks proposed by Gov. Steve Cowper to raise maintenance funds is sending industry the wrong message.

The state Department of Trans-

portation and Public Facilities spent \$6.5 million for maintenance of the Dalton Highway in fiscal year 1986, a figure that is projected to be \$4.9 million in the 1988 budget, according to Fritz Guenther, DOT maintenance engineer for the Northern Region.

At its peak, the road handled 215 vehicles daily, but that has dropped to around 75 a day during the summer in the past two years, Guenther said. State officials say a toll on truck traffic would bring in about \$5.6 million annually.

He said keeping the road surface intact is a problem, an issue that several people also raised. Another was efforts by the North Slope Borough, oil industry and truckers to keep the northern part of the road closed. DOT maintains a checkpoint three months of the year and gets money from the North Slope Borough to keep it manned an additional two months, which drew objections from several people.

Much of the discussion centered on public access to hunting, an issue towards which the Department of Fish and Game has generally adopted a neutral position, said

Dick Bishop, regional supervisor of the agency's game division.

In theory, the area's wildlife could be effectively managed if the road was open, but the practical end is a different story, he said. "In practical terms, especially considering everybody is short of money, I think it may be very difficult; it has been difficult in any case, to have adequate enforcement of fish and game in that area," Bishop said.

As it stands, there are laws prohibiting all-terrain vehicle use within five miles of either side the road, but it's technically not possible to prosecute violators, Bishop said.

Areas of discrimination related to the road's closure were also aired. Firearms can not be used for hunting in that 10-mile wide corridor, but people can use guns in the pursuit of trapping in that area. Bow and arrow hunters are allowed in the corridor, another area that some found discriminatory. Certain rifles and ATVs can be used near Paxson, but not along the haul road.

"They ought to look at all areas of discrimination," said one man.

CONSTRUCTION AGREEMENT

This Agreement was made and entered into this 11th day of June, 1971, between the STATE OF ALASKA, hereinafter referred to as State, acting by and through its Commissioner of Highways, hereinafter called the Commissioner, and ALYESKA PIPELINE SERVICE COMPANY, a Delaware corporation, its successors and assigns, hereinafter referred to as Contractor.

The State and the Contractor agree that:

1. The Contractor shall perform, or cause to be performed, at the Contractor's sole expense, all the work and labor required to construct a highway for the State of Alaska generally described as follows: (1) from a point on the Livengood to Yukon highway approximately three miles northwest of the Yukon Radio Repeater Tower to the South bank of the Yukon River and (2) from the North bank of the Yukon River to Prudhoe Bay, Alaska. The Contractor shall also construct, at its sole expense, all the said highway and facilities related thereto which Contractor deems necessary or useful to the construction of that highway (both segments together hereinafter referred to as Highway), in accordance with those documents listed and described in Exhibit A, all of which documents are by reference incorporated herein and made a part hereof. All of said construction of the Highway and related facilities shall be substantially in accordance with secondary highway standards for the State of Alaska. At the time this Agreement is executed by the parties hereto, the said documents will describe only that part of

the highway north of the Yukon River; however, as soon thereafter as practicable, the parties hereto shall supplement Exhibit A with a document or documents describing route alignment of that segment of the highway south of the said River. Upon proper application by Contractor, the State shall issue to Contractor a Utility Permit, in State's customary form and subject to all requirements of the law and the State's standard conditions, granting the Contractor authority to lay the trans Alaska pipeline across the said Highway at the locations along the Highway indicated on Exhibit A in its present form and as supplemented by the parties hereto.

2. The State will be responsible for securing, in advance of construction, all rights-of-way across State and Federal lands for the Highway and all facilities related thereto which Contractor deems necessary or useful to the construction of the Highway. The State will also be responsible for obtaining free use of mineral materials from Federal and State of Alaska lands for use in the construction of the Highway. If the State does not, however, secure such rights-of-way and permits, it shall not be liable for damages, if any, resulting therefrom. The State will also acquire all necessary rights-of-way across private lands, and the Contractor agrees to reimburse the State the actual cost of the acquisition thereof, as determined solely by the Commissioner. In order for the State to acquire such right-of-way in an orderly fashion, the Contractor agrees to furnish the State for its use a plat of the right-of-way required across private lands in advance of such right-of-way acquisition.

3. The Highway shall be a State highway and may be used by Contractor, its employees, agents and sub-contractors in a lawful manner for the construction and operation of the trans Alaska pipeline without incurring any State-imposed tolls or costs for such use of the Highway, except for applicable motor vehicle taxes, licenses and fees, such as the Alaska Motor Fuel Oil Tax, and such other fees and costs imposed by law, regulations and customary conditions of its utility permits. During construction of the trans Alaska

pipeline the Contractor shall have the right to traverse the Highway with construction equipment of all kinds as necessary or convenient to Contractor in such construction, provided however that Contractor shall repair damage to said Highway caused by such construction equipment, and provided further that such damage shall not be constituted to include normal wear and tear. Any damages apart from normal wear and tear as determined by the Commissioner will be repaired by the Contractor at its own cost and expense and to the satisfaction of the Commissioner.

4. When the Commissioner determines in writing that there is no danger to the public from hazards associated with construction, the Highway may be opened by the State for use by the public during construction of the trans Alaska pipeline.

5. The Contractor shall perform all work and labor required by this Agreement and shall conform with the plans and specifications listed and described in Exhibit A attached hereto. The Contractor shall carry Workmen's Compensation Insurance in an approved amount. The Contractor will comply with all federal, state and local laws and regulations and all stipulations, covenants, and agreements specified herein and included in Exhibit A, or Exhibit A as it may be amended, by mutual agreement, and in the Environmental Stipulations. "Environmental Stipulations" means the Environmental Stipulations of the Department of the Interior for the Trans Alaska Pipeline System (hereinafter referred to as Environmental Stipulations) insofar as they are applicable to construction of the Highway, and all rights and rights of action which accrue to the United States under the Environmental Stipulations of the Department of the Interior accrue also to the State. The State may revise or amend the applicable Environmental Stipulations if unforeseen conditions arise during construction or maintenance of the Highway. If there is non-compliance with the provisions of this paragraph, the work or

materials shall be removed and replaced or otherwise corrected by and at the expense of the Contractor.

6. Contractor, its agents and employees, are and shall act as independent contractor and not as officers, employees, or agents of the State in the performance of this Agreement.

7. Any dispute concerning a question of fact or a value judgment arising under this contract (which is not disposed of by agreement of the parties) shall be finally decided by the Commissioner.

8. Contractor shall immediately notify the Commissioner of commencement of construction hereunder. Prior to the time such notice is given by Contractor and accepted by the State either party to this Agreement may elect, in writing, to terminate this Agreement and upon termination shall thereafter be relieved of all obligations hereunder; provided that said termination shall not become final until the Contractor has immediately paid to the State the actual costs incurred by the State pursuant to or by reason of this Agreement, thereafter the Contractor shall be relieved of all obligations imposed under this Agreement.

9. The State shall inspect the construction of the Highway and authorized representatives of the State shall be allowed access to all parts of the work and shall be furnished with such information and assistance by the Contractor as is required to make a complete and detailed inspection.

10. Upon written notice from the Contractor of the completion of the construction of the Highway or any segment thereof, the State will make an inspection of the Highway or such segment. If such construction is found completed in accordance with all terms and provisions of this agreement, that inspection shall constitute the final inspection and the State will accept construction of the Highway or the segment or segments found to be so completed and shall notify the Contractor in writing of such acceptance as of the date of the final inspection. Thereafter State shall maintain the portions of the Highway so accepted in accord with standards established by the Commissioner and Contractor shall have no further responsibility or obligation or liability

of any kind under this Agreement with respect to portions of the Highway so accepted, provided that Contractor shall reimburse State its actual, direct, out-of-pocket cost of such maintenance until either (1) State permits public access to any portion of the road except for restricted use which must be jointly approved or (2) the trans Alaska pipeline is commissioned and first oil is transported therein from Prudhoe Bay to Valdez, Alaska, whichever shall first occur. Such cost shall include no overhead or other indirect cost whatever and shall not exceed \$800,000 for any calendar year.

11. Any structure, property, land, stream or wildlife harmed or damaged by the Contractor, its employees or agents, during the construction or maintenance of the Highway shall be reconstructed, repaired, rehabilitated and restored by the Contractor at the direction of the Commissioner, so that the condition thereof, in the judgment of the Commissioner, is at least equal to the conditions thereof immediately prior to such damage or destruction. The Contractor shall further abate at the direction of the Commissioner any condition or conditions existing with respect to the Highway or its related facilities, during construction or maintenance thereof caused by the Contractor, its employees or agents, which may be causing harm or damage to any person, structure, property, land, stream or wildlife.

12. The Contractor shall pay the State for any damage suffered or cost or expense incurred by the State in any way arising from or connected with any operation under this Agreement whenever such damage, cost or expense results from any breach of the Agreement or from any wrongful or negligent act of the Contractor, its employees, agents or subcontractors. Upon the mailing of written notice by the Commissioner to the Contractor of the nature and amount of such damage to, or cost or expense of, the State, the Contractor shall pay the State therefor.

13. The Contractor shall indemnify, defend and hold harmless the State against and from any and all demands, claims or liabilities of every

nature whatsoever, arising directly or indirectly from or in any way connected with any or all of the following: (1) the construction or maintenance by the Contractor, its employees, agents or subcontractors, of the Highway or of any facility or structure used in connection therewith, and (2) the use or occupancy, whether authorized or not, by any person whomsoever of any land owned by the State which is the subject of any permit or right granted to the Contractor, its employees, agents or subcontractors; provided, however, that the Contractor is not responsible for injuries or damages caused by employees of the State.

14. The Contractor is and shall be liable, without regard to negligence, and shall pay the State or other person or entity thereto for any damage or loss occasioned to fish and wildlife and their habitat by construction and operations of the Contractor, its employees, agents or subcontractors, for work done under this Agreement.

15. The construction and maintenance of the Highway pursuant to this Agreement are subject to the employment preference provisions of AS 36.10.010-110 to the extent permitted by Federal Law.

16. In the event the Commissioner determines in writing that the Contractor, its employees, agents and subcontractors have failed or refused to comply with any provision of this Agreement or of the Environmental Stipulations the State may without liability to the Contractor, its employees, agents and subcontractors, suspend or terminate any or all of the activities under this Agreement. Work so suspended or terminated shall not be resumed until the Commissioner gives the Contractor written authorization to do so.

17. In the event of any inconsistency in the provisions of the documents listed below, the following order of preference shall be observed:

- (1) This Construction Agreement;
- (2) Specifications;
- (3) Design Criteria;
- (4) Drawings.

18. Before this Agreement becomes effective, pursuant to the provisions of AS 19.40.030, the State in lieu of bonds or individual sureties required by AS 36.25.010, may accept corporate undertakings which include the same essential provisions of the bonds or individual sureties required by AS 36.25.010 and which are satisfactory to the State, from each of the corporations owning an interest in the Alyeska Pipeline Service Company.

19. The Contractor shall furnish to the State all records of geological data, hydrological data, soil core drillings and terrain temperature measurements made during pre-construction investigations, test results, engineering standards, basic data and technical criteria relating to the design and construction of the Highway and other similar information.

20. Exhibit A attached hereto at the execution of this Agreement describes that portion of the Highway crossing Dietrich Pass in the Brooks Range as designed with grades up to 24%. The parties agree that said Exhibit shall be amended to reduce the maximum grade for that portion of the Highway between Station 1155+00 in Segment 4 and Station 159+50 in Segment 5 to grades of approximately 12%; provided, that if State can demonstrate to Contractor that said grade for said portion of the Highway can be reduced to less than 12% (without adding to the difficulty of constructing the pipeline) for a cost not to exceed \$10.4 million, which is the present estimated cost, then Contractor will construct said portion of the Highway to the lesser grade as demonstrated by State; however, in the event Contractor's estimates of unit costs as set forth in Exhibit 3 attached hereto are modified by reason of renegotiation with its subcontractors or otherwise, then said \$10.4 million maximum shall be adjusted accordingly.

21. This Agreement shall be binding upon and inure to the benefit of the parties in this Agreement and their successors and assigns.

IN WITNESS WHEREOF, the parties hereunto have caused this Agreement

to be executed by their authorized officers and their seals to be affixed
as of the day and date first written above.

STATE OF ALASKA

BY: *[Signature]*
Commissioner of Highways

ATTEST

BY: *[Signature]*
Secretary

ALYESKA PIPELINE SERVICE COMPANY

BY: *[Signature]*
Vice President

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU 99811

January 17, 1978

Fran Ulmer, Director
Division of Policy
Development & Planning
Office of the Governor
Pouch AD
Juneau, Alaska 99811

Re: North Slope Haul Road

Dear Ms. Ulmer:

INTRODUCTION

You have asked our opinion on several issues concerning the North Slope Haul Road (hereinafter "Haul Road" or "Road"). While most of these questions were addressed, either directly or indirectly, in a September 7, 1976 Attorney General's Opinion to former director of Policy Development & Planning Robert LeResche, this opinion will supplement and update that previous opinion.

The Haul Road extends north from Livengood, Alaska across the Yukon River and on to Prudhoe Bay, Alaska. The road south of the Yukon River and the bridge across the river are currently open to the public and maintained by the state in the same manner as are all other state highways. This opinion will deal primarily with the approximately 370 miles of road between the Yukon River bridge and Prudhoe Bay

which were constructed for the State by Alyeska Pipeline Service Company (hereinafter "Alyeska") pursuant to a Construction Agreement dated June 21, 1971, as subsequently amended.

The pertinent factual background of the Haul Road was summarized in Part II of the September 7, 1976 opinion. Two important matters which occurred after that earlier opinion are pertinent here. First, on June 17, 1977, an agreement was executed by the State and Alyeska listing remaining work items to be completed by Alyeska on the Haul Road by mid-October, 1978, and providing that control of the Road would be retained by Alyeska until that time. Second, Congress has approved the Alcan route for the gas pipeline from the North Slope. This route parallels the Haul Road from Prudhoe Bay to Fairbanks, and the Road will be necessarily used in the construction of the line.

You have asked us to discuss issues concerning maintenance obligations of the State, means by which access to the Road may be limited, if at all, and possible funding sources for maintenance costs. We will discuss those questions in the order stated.

I. MAINTENANCE

Maintenance of the Haul Road presents unique considerations because of its geographic location, the surrounding terrain, and the extreme climatic conditions to which

the road is exposed. There is also an additional factor which is unique to the Haul Road. Unlike other state highways, the Road is the subject of a contractual maintenance obligation which arises from the June 11, 1971 Construction Agreement between the State and Alyeska. Paragraph 10 of that agreement, as amended, provides in part that after acceptance of the completed Haul Road from the construction contractor (Alyeska), the "State shall maintain the portions of the highway so accepted in accord with standards established by the commissioner . . ." This provision clearly imposes a duty of maintenance on the State, though it also specifically recognizes that the commissioner may set the particular standards for maintenance.

The contractual obligation of the State to maintain the Haul Road requires no greater commitment ^{than} that the general duty of the State to maintain all public highways. This duty of maintenance is one of the primary characteristics that defines a public highway. Prillaman v. Commonwealth, 100 S.E. 2d 4 (Va. 1957).*/ The general duty of maintenance has been delegated by the legislature to the Department of Highways (AS 19.05.010 and .030(1)) and transferred to the new Department of Transportation and Public Facilities (DOTPF) by Executive Order No. 39 (1977) as of

*/ The State also has the same obligation to maintain all highways constructed with Federal highway funds under § 12 of the Project Agreement granting such funds.

July 1, 1977. Pursuant to both general powers and the specific contractual obligations present in this case, the commissioner of DOTPF, in his discretion, may determine reasonable standards for maintenance of the Haul Road. That discretion includes the power to close the Road seasonally, or otherwise to prevent damage, or danger to traffic. (AS 19.05.100 and AS 28.05.010(4)). No obligation exists to maintain the Haul Road or any other highway year-round or to particular standards other than that set generally by AS 19.05.130(9) which provides:

"maintenance" means the preservation of each type of highway, roadside structure and facility as nearly as possible in its original condition as constructed, or as subsequently improved, and the operation of highway facilities and services to provide satisfactory and safe highways.

Despite the broad nature of the Commissioner's discretion in the area of highway maintenance, it is conceivable that some actions might constitute a breach of that obligation. For example, the maintenance standards established by the Commissioner of DOTPF might be unreasonable or actual maintenance might fall short of reasonable standards established. If the State were to somehow breach its obligation to Alyeska to maintain the Haul Road, it could possibly be liable to Alyeska for damages. These damages would probably be measured by estimating the difference between the value to Alyeska of use of the Road maintained according

to reasonable standards and the value to Alyeska of use of the Road as actually maintained. Because Alyeska's use of the Haul Road for maintenance and operation of the oil pipeline is expected to be much less than its use of the Road during construction of the pipeline, and because other transportation options available to Alyeska may not be much more costly than use of the Road, it is unlikely that such damages would be substantial. However, any breach of the State's obligation to Alyeska to maintain the Road would probably also constitute a breach of the State's obligation to maintain the Road under paragraph 12 of its Project Agreements with the Federal Highway Administration (FHWA) and 23 U.S.C. § 116. That would not open the State to damages, but it could nonetheless, have serious legal consequences including possible vulnerability to an action for specific performance and possible loss of future Federal Aid Highway funds.

The obligation of the State to maintain the Haul Road will not become operative until the State accepts the Haul Road from Alyeska. (¶10 of June 11, 1971 Construction Agreement as amended.) According to a recent agreement between the State and Alyeska, this will be in the first half of October, 1978, assuming Alyeska completes the ten work items listed therein according to Federal secondary road standards. (¶12 of June 17, 1977 Agreement.) When

the State accepts the Road, it will be a completed public highway under the State's control and subject to the State's obligation of maintenance. Alyeska will no longer be subject to any duty to maintain the Road or any part of it.

Even after the Haul Road is accepted by the State, Alyeska may wish to voluntarily assume responsibility for some maintenance on all or part of the Road. If the reasonable maintenance standards set by the commissioner of DOTPF do not reach the level or duration of maintenance desired by Alyeska, nothing would prevent Alyeska from entering an arrangement with the State whereby Alyeska would perform or pay for extraordinary maintenance above that otherwise performed by the State. For example, Alyeska may wish to maintain all or part of the Road during seasonal periods when the State may choose not to maintain the Road at all. Likewise, Alyeska may wish to maintain parts of the Road which they plan to use more heavily than other parts to a higher level than that provided by the State.

The State might make similar agreements for special maintenance with Alcan Pipeline Company (Alcan). If the Alcan gas line construction schedule requires use of the Haul Road during seasonal periods when the State chooses not to maintain the Road, Alcan may wish to assume maintenance responsibility for those periods. Similarly, if Alcan's gas pipeline construction activity requires a higher level

of maintenance of the Haul Road than is required by the reasonable maintenance standards set by the commissioner of DOTPF, Alcan may wish to enter into an agreement with the State to perform or pay for extraordinary maintenance above that otherwise performed by the State.

By assuming responsibility to maintain the Haul Road, above the reasonable standards set by the State, both Alyeska and Alcan could make possible more intensive use of the Road and/or use of the Road during seasonal suspension of state maintenance. Also, weight restrictions which might otherwise necessarily be imposed by the commissioner of DOTPF under AS 19.10.060(1), AS 28.05.020(3), and 17 AAC 25.100(a) could be avoided or minimized.*/

In conclusion, the State will have the responsibility of maintaining the Haul Road to reasonable minimum

*/ It has been suggested that the commissioner of the Department of Natural Resources may insert a provision in the Alcan right-of-way lease requiring Alcan to assume all or part of the State's obligations to maintain the Haul Road. The lease will be granted under the Right-of-Way Leasing Act, AS 38.15. Under AS 38.315.120(c), the commissioner may insert only "reasonable provisions that he determines the public interest requires." We have some doubt whether such a provision, requiring an activity outside the right-of-way to be leased, could be considered reasonable and valid. The Haul Road will not be part of the Alcan "pipeline" as defined in AS 38.35.250(12). In contrast, access roads between the Haul Road and the Alcan right-of-way will clearly be part of the Alcan "pipeline" and Alcan can validly be required to maintain those roads in the lease. Likewise, Haul Road maintenance can not properly be viewed as part of the consideration or rental for the lease because AS 38.35.140 limits the price of a pipeline right-of-way lease to the fair market value of the land leased.

standards after acceptance of the Road from Alyeska. Either Alyeska or Alcan can assume part of this responsibility or the responsibility to maintain the Road to higher standards or during seasonal periods of no state maintenance.

II. LIMITS ON ACCESS

The second primary attribute of the Haul Road once it is accepted as a public highway is the public's right of access to and use of the Road. This right is subject to reasonable restrictions and regulations calculated to secure the best practical benefit and enjoyment of the public.

(Part III A., p. 16 of the September 7, 1976 opinion and authority cited therein.) Such restrictions and regulations must be directed toward the protection of the public health, safety, and general welfare in exercise of the State's police power. This power is exceptionally broad and need only be exercised in a manner that is reasonable and not arbitrary. (See Part III. B., pp. 22-3 of the September 7, 1976 opinion and cases cited therein.) Distinctions may be made according to classifications of types of potential users as long as the classifications bear a fair and substantial relation to the purpose of the regulations. Isakson v. Rickey, 550 P.2d 359, 363 (Ak. 1976).

The broad power of the State to regulate and restrict access to public highways, including the Haul Road, has been delegated by the legislature to the commissioner of

DOTPF. Under AS 19.05.040, the Department (of Transportation and Public Facilities) may:

- (4) control access to highways;
- (5) regulate roadside development; (and)
- (6) preserve and maintain the scenic beauty along state highways.

Under AS 19.10.100, the department may close a highway "when it is necessary to exclude traffic from any portion of a highway." Under AS 28.05.010:

The commissioner of (DOTPF) has the power and duty:

- (4) to order a public road or highway, or portion of it, closed entirely or closed as to certain classes of vehicles when for any reason the use or continued use of it would cause damage or be dangerous to traffic, or when it is being maintained in such a manner as to require restriction of traffic . . .

Finally, under AS 28.105.020(3)

The commissioner of (DOTPF) may adopt rules and regulations . . . governing the size, weight, and load limits of all vehicles operating upon public roads, highways, or bridges . . .

Various possible options for valid restrictions on access to the Haul Road in exercise of the commissioner's broad police power based authority were discussed at pages 23 to 30 of the September, 1976 opinion. In the interest of brevity, we will summarize those options here:

- 1) Delay opening Road to the general public for a reasonable but finite period. The commissioner may delay opening the Haul Road for a reasonable period. Such a delay

clearly could be justified by the need for completion and implementation of a comprehensive land use plan for the vast fragile newly roaded area adjacent to the Haul Road, coupled with the need for adequate facilities and services to protect the public safety and welfare, such as Trooper and Fish & Wildlife Protection patrols and stations. An additional justification for a delayed opening to the general public is the expected volume of traffic related to construction of the Alcan gas pipeline, especially considering the nature of the traffic which will likely be predominately large trucks and heavy equipment and involve a number of crossings and entrances and exits. Such heavy industrial traffic on a secondary road could very likely pose problems to the safety of the average citizen driving the Haul Road in a private vehicle which could be avoided by restricting access.

2) Interim Distinction between Industrial and Non-Industrial Users. As suggested above, a temporary delay in opening the Road to the general public would most likely be accompanied by allowance of access to industrial users during the interim. Under Paragraph 3 of the June 11, 1971 Construction Agreement between the State and Alyeska, Alyeska and its employees, agents and sub-contractors must be allowed to use the Haul Road for operation of the oil pipeline. Also, the state and national interest in fast, efficient, economical construction of the gas pipeline seems to require

special consideration and access to traffic related to Alcan's gas line construction. Likewise, it may well be in the state's and nation's best interest to grant similar special consideration and access to other industrial traffic, especially that related to operation and maintenance of the oil pipeline and to oil, gas, and mineral exploration, development, and production, both along the Haul Road right-of-way and at P. adhoe Bay.

The classification of potential Haul Road users into industrial and non-industrial users would, in our opinion, satisfy the equal protection test enunciated by the Alaska Supreme Court in Isakson v. Rickey, supra. Non-industrial users (general public, private vehicle traffic) would pose the greatest threat of degradation to the heretofore isolated environs of the Haul Road in the absence of the completion and implementation of a land use plan. Unlimited public use would generate a far greater necessity for Trooper and Fish & Wildlife Protection presence and for other private sector services and facilities such as gas, food, lodging, campgrounds, trails, emergency auto maintenance and repairs.*/ A distinction then, between industrial

*/ There is no obligation on the part of the State to provide any such services and facilities along the Haul Road which it is not obligated to provide on any other highway. Nonetheless, the absence of such private commercial presence along the Haul Road is part of the justification for police power restriction of general public access to protect the public health, safety, and welfare. If the option of temporarily restricting general access to private vehicles is chosen, however, the state should provide any assistance it can in the planning and provision of such facilities for the time when they will be needed.

and private use would be reasonable, even under the intensive scrutiny prescribed by Isakson. (See pp. 28-29 of September, 1976 opinion.)

3) Limiting Public Access to Mass Transit.

There is a strong possibility that the commissioner of DOTPF may validly exercise his broad power to control access to highways by prohibiting the use of private vehicles on the Haul Road altogether and confining public access to the Road to mass transit vehicles such as buses. Although there is no case authority directly in point, cases upholding bus and carpool lanes and ramps seem to provide by analogy, a rational basis for such a restriction. These cases are discussed at pages 25-27 of our 1976 Opinion. A contrary ruling would mean that the right of public access to highways is the same as the right to use private motor vehicles on the highway, regardless of a alternative means provided for access. We do not believe such a holding would be warranted in the case of the Haul Road where the use of private vehicles would cause environmental and safety problems which can be avoided by provision of mass transportation.

Restriction of general public access to the Haul Road to utilization of mass transit is more than an interim option - it is an option for permanent use of the road as well. However, if it is chosen as a permanent measure, legislation would be desirable to clarify the commissioner's

authority in this area, although this limitation may well be within the commissioner's already existing authority.

The options mentioned below are also equally valid as either interim or permanent measures.

4) Seasonal Denial of Access. The commissioner may validly deny access to the general public or to all potential Haul Road users on a seasonal basis.

5) Vehicle Quota: The commissioner may validly impose a maximum on the number of vehicles allowed on the Haul Road at one time or during a specific period. The maximum may apply either to all vehicles or only to non-industrial vehicles.

6) Regulation of Manner of Vehicle Use. The commissioner may also control the way in which vehicles are used on the Haul Road such as by allowing stopping or turning off only at designated points.

In addition to these listed options which were discussed in the 1976 Opinion, several other valid access restriction options are worthy of mention. One of these is restricting access to the Haul Road only to private vehicles which have certain required equipment. Examples of equipment which might be required are 4-wheel drive, snow tires, chains, tow chain, survival gear, and food and water for a specified number of Days. Under AS 28.05.030(a):

The commissioner of public safety may adopt regulations governing . . .

(3) the required equipment to be carried

Although all of the existing regulations adopted under this authority apply to vehicles on all state highways (See e.g. 13 AAC 04), there is no apparent reason why special requirements may not be imposed on vehicles used on a special highway such as the Haul Road.

Whatever options (interim or permanent) are finally adopted, we believe it follows that the State may establish a system for the issuance of permits for Haul Road use which reflects the restrictions imposed. Such a permit system could probably be established through regulations adopted by the commissioner of DOTPF under his existing broad authority. However, as with the option of limiting general public access to mass transit vehicles, specific legislation would strengthen and clarify this approach. The permit system could incorporate criteria which would give preference to industrial users over non-industrial users or criteria which would give preference to some industrial users over others. It could allow for some limited access to private non-industrial vehicles. Alternatively, it could limit non-industrial permit issuance to mass transit vehicles such as buses.

The options listed may be combined with each other in a variety of ways and they may be applied to all or only a part of the Road. The options are available as either permanent or interim controls. Any option imposed as either

a temporary or permanent restriction on access, however, must be a valid exercise of the police power.

III. FUNDING

The final general subject area addressed by this opinion is that of financing the maintenance of the Haul Road. Because of the uniqueness of the Road, its maintenance may require expenditure far above that required for other state highways. As discussed in Part I above, part of the cost of maintaining the Road may be shifted from the State to industrial users such as Alcan and/or Alyeska by agreement. Essentially, the costs which may be shifted by agreement are those generated by maintenance above the reasonable standards to which the state would otherwise maintain the Road or by maintenance during periods the state would not otherwise maintain it.

There is little that may be validly done presently to pass on the cost of maintaining the Haul Road directly to the users of the road. One limited possibility is through the use of the permit system option previously mentioned. A fee could be required for issuance of the permits, and this fee could generate a slight amount of revenue over and above the cost of administering the permit program. However, such a permit fee must be primarily based upon an estimate of the cost of administering the permit program, and if it were established at a level much higher than a reasonable estimate of that cost, it would be invalid for reasons which

will appear shortly.

The status of the Haul Road as part of the Federal Aid Highway System is the major obstacle blocking the passage of maintenance costs through to users of the Road. The Haul Road is part of Federal Aid Secondary (FAS) Route 681 which extends from Livengood to Prudhoe Bay. As such, the State received funds for environmental surveillance of its construction pursuant to a "Project Agreement" dated May 23, 1974 from the Federal Highway Administration (FHWA). The Project Agreement authorized expenditure by the State of nearly \$3 million Federal funds, but indications are that only approximately half or \$1.5 million of these funds have been or will be expended by the State. Placement of the Haul Road on the FAS system, execution of the Project Agreement, and State receipt and expenditure of FHWA funds bring the Road under the provisions of Title 23 of the United States Code and of the Code of Federal Regulations.

23 U.S.C. § 301 provides that, (with an exception not applicable to the Haul Road), "all highways constructed under this Title shall be free from tolls of all kinds." Because of this prohibition, the State is unable to impose tolls, or any special user fee on Haul Road users, as long as the Road remains on the FAS system. (See pp. 29-34 of September, 1976 Opinion.) The only way tolls or user fees may be imposed on the Haul Road is by removing the Road from the Federal Aid System. Such a removal would require the