

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5179 HTRA HCR 34 - HJR 6

751

E. Federal-aid primary highway means any highway within that portion of the State Highway System as designated, or as many hereafter be so designated by the State, which has been approved by the Secretary of Transportation pursuant to subsection (b) of Section 103 of Title 23, United States Code.

F. Traveled way means the portion of a roadway for the movement of vehicles exclusive of shoulders.

G. Main-traveled way means the traveled way of a highway on which through traffic is carried. In the case of a divided highway, the traveled way of each of the separated roadways for traffic in opposite directions is a main-traveled way. It does not include such facilities as frontage roads, turning roadways, or parking areas.

H. Sign means any outdoor sign, display, device, figure, painting, drawing message, placard, poster, billboard, or other thing which is designed, intended or used to advertise or inform, any part of the advertising or informative contents of which is visible from any highway.

I. Erect means to construct, build, raise, assemble, place, affix, attach, create, paint, draw, or in any other way bring into being or establish.

J. Safety rest area means an area or site established and maintained with or adjacent to the highway right of way by or under public supervision or control for the convenience of the travelling public.

K. Information center means an area or site established and maintained at a safety rest area for the purpose of informing the public of places of interest within the State and providing such other information as the State may consider desirable.

II. Scope of Agreement

This agreement shall apply to the following area.

All zoned and unzoned commercial and industrial areas within 660 feet of the nearest edge of the right of way of all portions of the Federal-aid primary system within the State of Alaska in which outdoor advertising signs, displays, and devices may be visible from the main traveled way of said system.

III. State Control

The State hereby agrees that, in all areas within the scope of this agreement, the State shall effectively control, or cause to be controlled, the erection and maintenance of outdoor advertising signs, displays, and devices erected subsequent to the effective date of this agreement other than those advertising the sale or lease of the property on which they are located, or activities conducted thereon, in accordance with the following criteria:

A. In all zoned and unzoned commercial and industrial areas, the criteria set forth below shall apply.

SIZE OF SIGNS

1. The maximum area for any one sign shall be 650 square feet with a maximum height of 20 feet and maximum length of 50 feet, inclusive of any border and trim but excluding ornamental base or apron support and other structural members.
2. The area shall be measured by the smallest square, rectangle, triangle, circle or combination thereof which will encompass the entire sign.
3. A sign structure may contain one or two signs per facing and may be placed double-faced, back to back or V-Type, but the total area of any facing may not exceed 650 square feet.
4. Signs which exceed 325 square feet in area may not be double faced (abutting and facing the same direction).

SPACING OF SIGNS

1. Federal-aid Primary Highways
 - a. Signs may not be located in such a manner as to obscure, or otherwise interfere with the effectiveness of an official traffic sign, signal, or device, obstruct or interfere with the driver's view of approaching, merging, or intersection traffic.

2. Controlled Access Highways on the Federal-aid Primary System
 - a. No two structures shall be spaced less than 500 feet apart.
 - b. No structure may be located within 2000 feet of an interchange, or intersection at grade, safety rest area or information center (measured along the freeway from the sign to the nearest point of the beginning or ending of pavement widening at the exit from or entrance to the main traveled way.)
3. Non-Controlled Access Federal-aid Primary Highways
 - a. Outside of Villages and Cities - no two structures shall be spaced less than 300 feet apart.
 - b. Within Villages and Cities - no two structures shall be spaced less than 100 feet apart.
4. Explanatory Notes
 - a. Official and "on premise" signs, as defined in Section 131(c) of Title 23, United States Code, shall not be counted nor shall measurements be made from them for purposes of determining compliance with spacing requirements.
 - b. The minimum distance between signs shall be measured along the nearest edge of the pavement between points directly opposite the signs along each side of the highway.

LIGHTING

Signs may be illuminated, subject to the following restrictions:

1. Signs which contain, include, or are illuminated by any flashing, intermittent, or moving light or lights are prohibited, except those giving public service information such as time, date, temperature, weather, or similar information.
 2. Signs which are not effectively shielded as to prevent beams or rays of light from being directed at any portion of the traveled ways of the Federal-aid primary highway and which are of such intensity or brilliance as to cause glare or to impair the vision of the driver of any motor vehicle, or which otherwise interfere with any driver's operation of a motor vehicle are prohibited.
 3. No sign shall be so illuminated that it interferes with the effectiveness of, or obscures an official traffic sign, device, or signal.
 4. All such lighting shall be subject to any other provisions relating to lighting of signs presently applicable to all highways under the jurisdiction of the State.
- B. The State and local political subdivisions shall have full authority under their own zoning laws to zone areas for commercial or industrial purposes and the action of the State and local political subdivisions in this regard will be accepted for the purposes of this agreement.

IV. Interpretation

The provisions contained herein shall constitute the minimum acceptable standards for effective control of signs, displays, and devices within the scope of this agreement.

Nothing contained herein shall be construed to abrogate or prohibit the State from exercising a greater degree of control of outdoor advertising than that required or contemplated by the Act or from adopting standards which are more restrictive in controlling outdoor advertising than the provisions of this agreement if so authorized by the State Legislature.

In controlling outdoor advertising adjacent to Federal-aid primary highways pursuant to the Highway Beautification Act of 1965 and this agreement, the State shall not be required to remove or cause to be removed any sign advertising any natural wonders or scenic or historical attractions until a reasonable length of time subsequent to the promulgation of national standards for such signs pursuant to Section 131(c) of Title 23, United States Code.

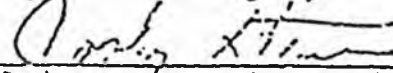
In the event the provisions of the Highway Beautification Act of 1965 are amended by subsequent action of Congress, the parties reserve the right to renegotiate this agreement or to modify it to conform with any amendment.

V. Effective Date

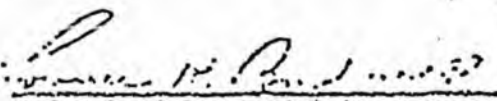
This Agreement shall have an effective date of March 29, 1968, and shall become binding on both parties hereto when the Agreement has been ratified by an appropriate Act of the Alaska State Legislature at the Legislative Session of 1968
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of

March 29, 1968

STATE OF ALASKA
Department of Highways


Cosby Steen, Acting Commissioner

UNITED STATES OF AMERICA


Federal Highway Administrator

§ 1.23

ganizations of the affected railroad companies for railway-highway crossing projects and of the affected utility companies for projects involving utility installations.

(d) *Private engineering organizations.* Private engineering organizations may be utilized on projects in accordance with requirements prescribed by the Administrator.

(e) *Responsibility of the State highway department.* The State highway department is not relieved of its responsibilities under Federal law and the regulations in this part in the event it utilizes the services of any engineering organization under paragraphs (b), (c) or (d) of this section.

§ 1.23 Rights-of-way.

(a) *Interest to be acquired.* The State shall acquire rights-of-way of such nature and extent as are adequate for the construction, operation and maintenance of a project.

(b) *Use for highway purposes.* Except as provided under paragraph (c) of this section, all real property, including air space, within the right-of-way boundaries of a project shall be devoted exclusively to public highway purposes. No project shall be accepted as complete until this requirement has been satisfied. The State highway department shall be responsible for preserving such right-of-way free of all public and private installations, facilities or encroachments, except (1) those approved under paragraph (c) of this section; (2) those which the Administrator approves as constituting a part of a highway or as necessary for its operation, use or maintenance for public highway purposes and (3) informational sites established and maintained in accordance with § 1.35 of the regulations in this part.

(c) *Other use or occupancy.* Subject to 23 U.S.C. 111, the temporary or permanent occupancy or use of right-of-way, including air space, for nonhighway purposes and the reservation of subsurface mineral rights within the boundaries of the rights-of-way of Federal-aid highways, may be approved by the Administrator, if he determines that such occupancy, use or reservation is in the public interest and will not impair the highway or

Title 23—Highways

interfere with the free and safe flow of traffic thereon.

§ 1.27 Maintenance.

The responsibility imposed upon the State highway department, pursuant to 23 U.S.C. 116, for the maintenance of projects shall be carried out in accordance with policies and procedures issued by the Administrator. The State highway department may provide for such maintenance by formal agreement with any adequately equipped county, municipality or other governmental instrumentality, but such an agreement shall not relieve the State highway department of its responsibility for such maintenance.

§ 1.28 Diversion of highway revenues.

(a) *Reduction in apportionment.* If the Secretary shall find that any State has diverted funds contrary to 23 U.S.C. 126, he shall take such action as he may deem necessary to comply with said provision of law by reducing the first Federal-aid apportionment of primary, secondary and urban funds made to the State after the date of such finding. In any such reduction, each of these funds shall be reduced in the same proportion.

(b) *Furnishing of information.* The Administrator may require any State to submit to him such information as he may deem necessary to assist the Secretary in carrying out the provisions of 23 U.S.C. 126 and paragraph (a) of this section.

§ 1.31 Payments.

States may submit requests for payments of Federal funds claimed to be due on account of a project. Such requests shall be in the form of vouchers as prescribed by the Administrator, and shall be certified and accompanied with such supporting data as the Administrator may require. Such vouchers may be submitted from time to time as the work progresses and shall be submitted promptly after completion of the project to which the voucher pertains.

Chapter I—Federal Highway

§ 1.32 Issuance of directives.

(a) The Administrator shall gate and require the observance of policies and procedures, and other action as he deems appropriate or necessary for carrying out the visions and purposes of Federal policies of the Federal Administration, and the regulations in this part.

(b) The Administrator or his designated representative, as appropriate, is authorized to issue the following directives:

(1) Federal Highway Administration Regulations are issued by the Administrator or his delegate, as necessary to implement and carry out the provisions of title 23, United States Code relating to the administration of Federal aid for highways, direct Federal programs and State and local safety programs; and title 49, United States Code, relating to motor vehicle safety; and other applicable Federal programs under his jurisdiction.

(2) Notices are temporary in nature, transmitting one-time or short-term instructions or information which are expected to remain in effect for less than 90 days or for a predetermined period of time normally not to exceed one year.

(3) Orders are directives of long-term volume and contain permanent policy, instructional procedures. FHWA Orders are used primarily as internal directives.

(4) Joint Interagency Orders are used by FHWA and National Highway Traffic Safety Administration (NHTSA) to issue joint policies, procedures, and information relating to the joint administration of the State and Community Highway Safety Program. Where necessary, other joint directives may be issued with other modal administrations within the Department of Transportation.

(5) Manuals are generally developed for use in issuing permanent or long-term detailed policy and procedures. Some of the major manuals required by the FHWA Directives are as follows:

(i) The Federal-Aid Highway Program Manual has been established

§ 19.25.180

HIGHWAYS AND FERRIES

§ 19.25.230

Sec. 19.25.180. Interpretation. Nothing in AS 19.25.080 — 19.25.180 shall be construed to abrogate or affect any law, ordinance, regulation or resolution which is more restrictive than the provisions of AS 19.25.080 — 19.25.180. (§ 5 ch 233 SLA 1968)

Article 4. Encroachments In Highways.

Section	Section
200. Encroachment permits	230. Notice of removal
210. Relocation or removal of encroachment	240. Summary removal
220. Unauthorized encroachments	250. Removal after noncompliance; removal expense

Sec. 19.25.200. Encroachment permits. An encroachment may be constructed, placed, changed or maintained across or along a highway but only in accordance with regulations adopted by the department. No encroachment may be constructed, placed, maintained or changed until it is duly authorized by a written permit issued by the department. (§ 2 ch 64 SLA 1971)

Collateral references.—3 Am. Jur. 2d, Highways, Streets and Bridges, § 283.
Advertising, §§ 5, 13, 14. 40 Am. Jur. 2d, 40 C.J.S., Highways, §§ 217-231.

Sec. 19.25.210. Relocation or removal of encroachment. If, incidental to the construction or maintenance of a state highway, the department determines and orders that an encroachment previously authorized by written permit must be changed, relocated, or removed, the owner of the encroachment shall change, relocate or remove it at no expense to the state (except as provided in AS 19.25.020), within a reasonable time set by the department. If the owner does not change, relocate or remove an encroachment within the time set by the department, the encroachment shall be considered an unauthorized encroachment and subject to the provisions of AS 19.25.220 — 19.25.250. (§ 2 ch 64 SLA 1971)

Sec. 19.25.220. Unauthorized encroachments. If an unauthorized encroachment exists in, on, under or over a state highway, the department may require the removal of the encroachment in the manner provided in AS 19.25.230 — 19.25.250. (§ 2 ch 64 SLA 1971)

Sec. 19.25.230. Notice of removal. Except as otherwise provided in AS 19.25.200, 19.25.210 and 19.25.240, notice shall be given the owner, occupant or person in possession of the encroachment, or to any other person causing or permitting the encroachment to exist, by serving upon any of them a notice demanding the removal of the encroachment. The notice shall describe the encroachment complained of with reasonable certainty as to its character and location. Service of the notice may be made by certified mail. (§ 2 ch 64 SLA 1971)

a segment of the public; "utility" also includes any corporation, company, individual, or association of individuals, or any lessee, trustee, or court-appointed receiver that owns, operates, manages, or controls any system for furnishing transportation of goods or persons by means of a railway, tramway, cableway, conveyer, flume, canal, tunnel, pipeline, or any other similar means;

(55) "utility locate service" means a service provided by a utility to locate its buried utility facilities;

(56) "utility service connection" means the cable, wire, or pipe that connects the utility distribution line to the premises served;

(57) "wet-boring" means the method or process of boring with the use of jets of water or liquid slurry. (Eff. 5/23/82, Reg. 82)

Authority: AS 19.05.020 AS 19.30.121
AS 19.05.040 AS 19.40.065
AS 19.30.051

CHAPTER 20. MAINTENANCE

Section

- 10. Outdoor advertising
- 20. Closure and restriction
- 30. Transfer of excess equipment
- 40. General

17 AAC 20.010. OUTDOOR ADVERTISING.

It shall be unlawful to place, erect, or maintain any outdoor advertising sign within the right-of-way of any highway or highway lands, nor shall any permit be issued for the placement or erection of the sign. (Eff. 6/25/69, Reg. 30)

Authority: AS 19.05.020

Historical Note: Former 14 AAC 2.391.2.

17 AAC 20.020. CLOSURE AND RESTRICTION. (a) The department may restrict the use of, or close, any highway whenever the department considers such closing or restriction of use necessary

(1) for the protection of the public; or

(2) for the protection of such highway from damage during storms, floods, thawing conditions or during construction or maintenance operations.

(b) The department will provide traffic guidance in case of restriction or provide suitable detour as soon as possible to minimize traffic delay.

(c) To notify the public that a highway is closed, or its use has been restricted, the department may

(1) erect suitable barriers or obstructions at such locations upon the highway as will best serve the purpose;

(2) post warnings or notices of the condition of any such highway;

(3) post signs for the direction of traffic upon it, or to or upon other highway or detour open to public travel;

(4) place warning devices upon such highways;

(5) assign a flagman to warn, detour or direct traffic on such highway.

(d) Nothing within the above shall be construed to create any liability upon the state or any officer, employee, agent, or contractor of the state for failure to provide any or all of the above notices; however, willful failure or neglect to provide the notice shall be the subject of disciplinary action.

(e) Except in sudden emergencies, the department shall notify the nearest state police unit before closing or restricting the use of any highway, or before diverting traffic to any other highway or detour, in the manner provided in the preceding sections; whenever possible, such notice shall be in writing.

(f) Whenever required by sudden emergency, to protect the traveling public or to prevent or mitigate damage to public property, or to prevent or mitigate damage to private property for which the department might be held responsible, the department may, acting by or through its senior officer, or employee actually at the vicinity of the emergency, enter into contracts for the leasing or renting of tools or equipment needed for such highway emergency purposes. Such contracts shall be in writing, but shall be preceded by a memorandum of intent with a brief explanation of the nature of the sudden emergency, labor and equipment required, estimate of time required and the purpose for which labor, tools and equipment are needed. (Eff. 6/25/69, Reg. 30; am 11/16/83, Reg. 88)

Authority: AS 19.05.020
AS 19.10.100

Historical Note: 1. Source of (a) is former 14 AAC 2.399. 2. Source of (c) - (d) is former 14 AAC 2.400. 3. Source of (e) - (f) is former 14 AAC 2.401 - 2.402.

17 AAC 20.030. TRANSFER OF EXCESS EQUIPMENT. (a) The department is responsible for the transfer of excess automotive and construction equipment to political subdivisions of the state for use in maintenance and construction of roads and airports.

(b) The department will circulate a list of such equipment periodically to all political subdivisions requesting to receive such lists.

(c) Political subdivisions must make requests for any desired equipment from the list within 30 days of mailing of the list.

(d) Political subdivisions must state in any request for excess equipment

(1) the need and contemplated use;

(2) ability to provide transportation; and

(3) ability to perform necessary repairs.

(e) The state maintenance engineer will evaluate all requests made for equipment from the excess list and make recommendations to the commissioner as to which items should be transferred and to which requesting political subdivision.

(f) Repealed 11/16/83.
(Eff. 6/25/69, Reg. 30; am 11/16/83, Reg. 88)
Authority: AS 19.05.020
AS 19.05.060

17 AAC 20.040. GENERAL. No road maintenance of any nature shall be performed by the state on a highway which is not part of the Alaska Highway System, except by reimbursable agreement. (Eff. 6/25/69, Reg. 30)

Authority: AS 19.05.020
AS 19.10.030

Historical Note: Former 14 AAC 2.390(c).

Sec. 19.25.240. Summary removal. The department may at any time remove from a state highway or road an encroachment which obstructs or prevents the use of the highway or road by the public. (§ 2 ch 64 SLA 1971)

Sec. 19.25.250. Removal after noncompliance; removal expense. After a failure of the owner of an encroachment to comply with a notice or demand of the department under the provisions of AS 19.25.200, 19.25.210 and 19.25.230, the department may remove, or cause to be removed, the encroachment, and the owner of the encroachment shall pay to the department:

- (1) the expenses of the removal of the encroachment;
- (2) all costs and expenses paid by the state as a result of a claim or claims filed against the state by third parties for damages due to delays because the encroachment was not changed, removed, or relocated according to the order of the department; and
- (3) costs and expenses of suit. (§ 2 ch 64 SLA 1971)

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES POLICY AND PROCEDURES		P & P No. 10-0020	Page 1 OF 2
EFFECTIVE DATE April 1, 1984		SUPERSEDED P & P No. DATED None	
SUBJECT Encroachment Control		APPROVED BY <i>[Signature]</i>	
DIVISION Departmental	SECTION Commissioner's Office	CHAPTER TITLE Policies	

Purpose:

In the interest of safety, convenience and pleasure for highway users, all encroachments on rights of way must be effectively controlled. These procedures are established to provide guidelines for discovery and either removal or placing under agreement all of the encroachments on the right of way of the Alaska highway system.

Policy:

It is the policy of this Department to maintain highway rights of way free and clear of encroachments. Two major purposes of this policy are (1) to protect the best interest of the public when considering non-highway use of right of way, and (2) to maintain a safe driving environment for the highway user.

Distribution:

Policy and Procedure manual holders and Division and Section Supervisors.

Procedure:

For purposes of this procedure Utility Facilities are excluded.

The following procedures will be used to implement this policy:

1. **Discovery.** It is the responsibility of the Regional Director of Maintenance and Operation to maintain encroachment surveillance. During routine maintenance patrol, road and weather condition inspection, or at regular intervals deemed necessary, maintenance personnel shall inspect the right of way for encroachments. When an encroachment is found, a determination will be made as to whether the encroachment is a safety hazard due to physical or visual obstruction of the highway. If the encroachment is considered a safety hazard, it will be summarily removed. Those encroachments judged not to present an immediate safety hazard will be reported to the Regional Chief Right of Way Agent by copy of Encroachment Report Form No. 24 (Revised 6/82) with recommendations as to whether the encroachment should be permitted or removed.
2. **Removal or Permitted.** When an encroachment report is received, the Regional Chief R/W Agent will make a recommendation to the Regional Director, Design and Construction, as to whether the encroachment should be permitted or removed.
 - A. **Removal.** When it is determined by the Regional Director of Design and Construction that the encroachment should be removed, the Regional Chief R/W Agent or representative should personally contact the owner, if possible, to explain the written notice which is concurrently sent demanding the removal of the encroachment within a reasonable time. The notice shall describe the encroachment complained of with reasonable certainty as to its character and location. Service of the notice may be made by certified mail, return receipt requested, and will state that the removal will be at the owner's expense which includes (1) the expenses of removal of the encroachment plus storage, and (2) all costs and expenses paid by the State as a result of a claim or claims filed against the State by third parties for damages due to delays because the encroachment was not changed, removed or relocated, and (3) costs and expenses of suit. A schedule may be adopted to cover these expenses. Such a schedule should reflect hours of labor, storage and transportation costs incurred and should approximate them as closely as possible.

The removed encroachment may be stored in the nearest maintenance yard for thirty days and then destroyed. At any time during the thirty-day period an owner may reclaim his property by paying the amount stated in the notice.

[Handwritten signature]
- ROW
117

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES POLICY AND PROCEDURES		P & P No. 10-0020	Page 2 OF 2
		Effective Date April 1, 1984	
SUBJECT Encroachment Control .		Supersedes P & P No. None	Dated
		APPROVED <i>[Signature]</i>	
DIVISION Departmental	SECTION Commissioner's Office	CHAPTER TITLE Policies	

When the encroachment is summarily removed, the owner should be notified, if possible, where the Department has the property stored and that a redemption fee will be charged if not reclaimed within ten days. The redemption fee should reflect storage and protection costs which are separate from those of removal.

On encroachments such as major structures, where it is impractical to haul and store, other means of removal shall be worked out, taking care not to trespass on private property.

A follow up system is to be established which provides for automatic contact with the resident maintenance foreman to determine whether or not removal has been accomplished within the specified time.

- B. Permitted. When it is determined by the Regional Director of Design and Construction and the Regional Director of Maintenance and Operations that an encroachment will not interfere with the construction, maintenance, free flow of traffic or aesthetics of the highway and will not decrease the safety, convenience or pleasure of the highway user, the encroachment may be permitted with the Federal Highway Administration's concurrence, when required.

The encroachment permit will be processed according to the Right of Way Manual.

In the event the encroachment owner refuses to sign the permit, removal procedures as outlined above will be commenced.

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

H. TRANS. 2-8-88 1:30 p.m.



Official Business

COMMITTEE:

House Transportation Committee

DATE: February 8, 1988

SIGN-IN

Subject of meeting:

- *HCR 34: Relating to tourist-oriented signs
- *HB 401: Rebates for Motor Fuel Taxes
- *HCR 35: Commending the Alaska Marine Highway

NAME Please include title **ADDRESS** Please use full address. Please include zip. **PHONE** **REPRESENTING** **DO YOU WANT TO TESTIFY?**

NAME Please include title	ADDRESS Please use full address. Please include zip.	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Carl Meyer	P.O. Box 5A Juneau	465-2343	Dept. of Revenue	YES HB 401
Dale Lindsay	P.O. Box 389 Sitka	224-3190	North Enterprise	HB 401 YES
DAVIN McCLUNE	2033 SIXTH AVE. #770 ? SEATTLE WA 98121	(206) 448-7588	DEPT. OF REVENUE	NO
KEITH GERKEN	Box 2 JUNEAU	465-3900	DOT + PF	YES
Rep. Ron Larson	Box V Juneau		will be here at 1000 75 finance has a question	HJR 34 yes
Rep. Rubin	Here for 3 more mos			HCR 35

* indicates first public hearing

HCR

35

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HCR 35
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Commending the Alaska Marine Highway System for 25 years of service.
Sponsor: Rep. Taylor
Requestor: Chairman Bette Cato

Agency Affected: DOT/PF
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	\$0	\$0	\$0	\$0	\$0	\$0
CAPITAL	\$0	\$0	\$0	\$0	\$0	\$0
REVENUE	\$0	\$0	\$0	\$0	\$0	\$0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Rep. Bette Cato, Chairman
Division: House Transportation Committee

Phone: 465-4858
Date: 2/8/88

Approved by Commissioner: *Bette Cato*
Agency: Chairman, House Transportation Committee

Date: 2/8/88

Distribution (by preparer):

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

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

NEWS RELEASE

INFORMATION CONTACT: GINGER JOHNSON, INFORMATION OFFICER (907) 465-3900

FOR IMMEDIATE RELEASE

#481/ALASKA MARINE HIGHWAY SYSTEM MARKS 25TH YEAR OF SERVICE

January 22, 1988

Juneau--The Alaska Marine Highway System begins capping off a quarter century of operation this month. The first state ferry, the M/V Malaspina, sailed its maiden voyage 25 years ago on January 23, 1963.

To mark the occasion, Governor Steve Cowper is proclaiming a mid-year observance with May as Alaska Marine Highway Month.

In addition, there will be special observances through the year affording Alaskans statewide the opportunity to participate, said Commissioner Mark Hickey of the Department of Transportation and Public Facilities, which operates the Alaska Marine Highway System.

It really is a milestone of solid service by a vital public agency when you look back at it," Hickey said. "Along with providing basic transportation, the Marine Highway system is a boon to tourism and a definite plus for other areas of commerce as well.

"And, then, there's the very human side of this. Ferry personnel over the years have assisted in search and rescue efforts,

(More)

Alaska Marine Highway System Marks 25th Year of Service...add one

medical emergencies, and on-board contingencies large and small, including the delivery of babies and collecting donations for passengers in emergency situations. It all adds up to much more than just operating a ferry system."

Alaska Marine Highway System Director George Davidson said the special year "serves to keep us on our toes. We naturally look back with pride at the record of service behind us, but also with recharged determination to the challenges ahead."

Following the M/V Malaspina's maiden voyage in 1963, the M/V Taku and the M/V Matanuska were added to the fleet that same year.

The ferry system opened to Alaskans and visitors a means of regularly scheduled public transportation connecting the highway system at Prince Rupert, B.C. and Haines, to southeast communities not reachable by land routes.

The system before long, added a lower 48 link to Seattle. It now operates nine vessels, serving southeast, Prince William Sound, Aleutian Chain communities, and southcentral Alaska as well. The system serves 3,500 route miles and carries more than 360,000 passengers and 90,000 vehicles annually, along with freight and other goods of Alaskan commerce.

In total, the system has carried six million passengers and one-and one-half million vehicles since 1963.

###

25 years

Ferries sail by silver anniversary

By JUNE ALLEN
Daily News Staff Writer

The inaugural sailing of the Alaska state ferry Malaspina was front page news in Ketchikan long before the new vessel sailed north from the Seattle yards for Alaska.

The date of her first call in Ketchikan was Jan. 23, 1963 — a quarter century ago this weekend.

The Malaspina's prow cut the ribbon on the Alaska Marine Highway System as the first of three sister ships to be built at a cost of \$10,445,000, designed by naval architect Philip F. Spaulding and built by Puget Sound Bridge and Dry Dock Co.

Alaska Gov. William A. Egan headed a list of dignitaries aboard the vessel as it awaited a Seattle departure after a series of short shakedown cruises in Puget Sound. A delay in sailing north was caused by repairs to a crack which developed on an engine supercharger casing.

Capt. Reuben Jacobsen ran what he called his "little luxury liner" at speeds above the 18-knot, cruising range to make up time, but the Malaspina sailed into Ketchikan almost 10 hours late.

She was greeted with what Daily News headlines called "New York-Type Welcome."

Scheduled events included performances by both the Metlakatla and Kayhi bands, a fly-over of small planes (probably canceled since the ferry arrived at night), and a boat parade led by the city's fireboat H.V. Newell, skippered by Bud Beck, crewed by Roy Selfridge, Glare Stigan and Walter Fitzgibbon with engineer Mike Kouni.

Ketchikan Daily News editor Albino Gregory was along for the inaugural sailing, doing a series of stories for the Associated Press in Seattle and taking scores of pictures which were featured on page one well into February.

Richard Downing, commissioner of public works, was photographed barefoot, pant legs rolled up as he scrubbed decks — not enough stewards had yet been hired. Fairbanks entrepreneur Chris Palzer had the contract for food service aboard the Malaspina and was

attired in a uniform which an eyewitness said looked like it had been borrowed from a South American Navy.

The whole concept of being the first Alaska stop on Southeastern's marine highway was being addressed by the Greater Ketchikan Chamber of Commerce. The chamber's banker president, Jack Reekie Jr., was requesting weekly reports from ferry committees. One was investigating ferry refueling stops in the First City; another was encouraging crews to live in Ketchikan; and still another was called the Ferry Arch committee. It was charged with designing and funding a grand, if rustic, laminated arch to rival the downtown All Alaska City arch on Mission Street. The ferry arch would be supported by logs, later to be replaced with totem poles.

The Matanuska and Taku were due to be finished the end of April 1963 and already the Chamber was studying future ferry extensions, supporting a terminal at Tolstoi Bay on Thorne Arm. However, district Ser. W.O. (Bo) Smith said he supported a future terminal at Hollis.

The entire community was caught up in the excitement of the Malaspina's arrival and significance. When she was tied up here, an agent sold tickets for the continuing voyage north from a cigar box in a borrowed trailer.

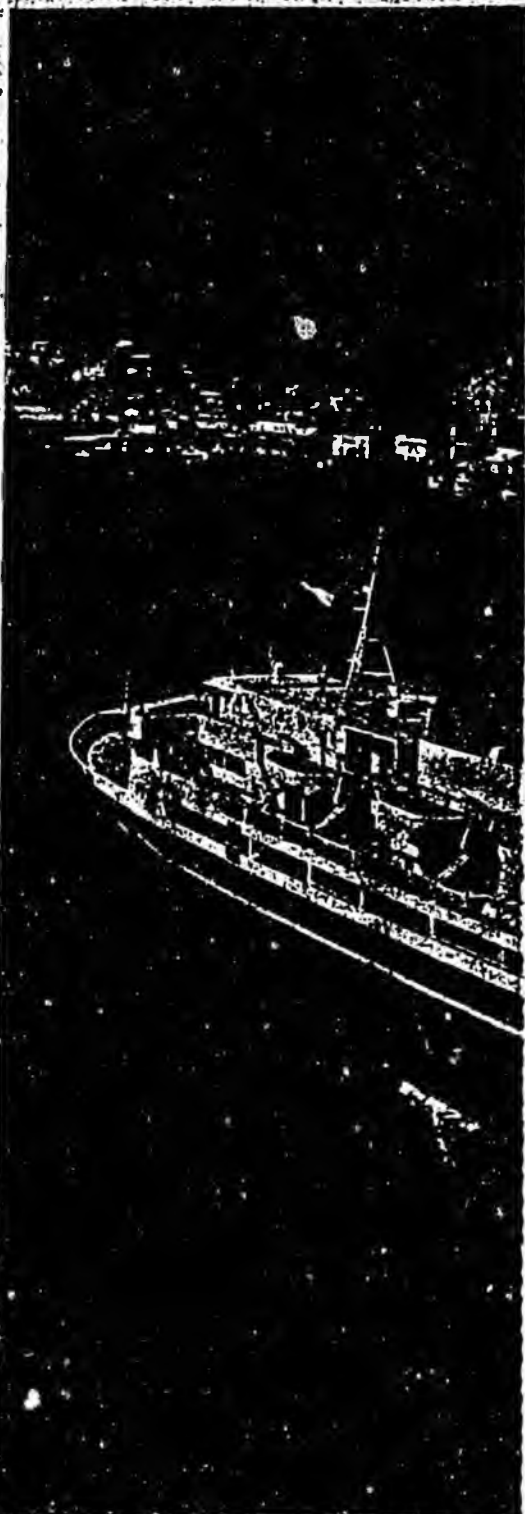
Then the Malaspina sailed north to carry Gov. Egan to his inaugural ceremonies. Along the route each passing fishing boat tooted a greeting which the Malaspina returned with a blast from her whistle.

It was an important event in 1963, the year that was the last for President John F. Kennedy, the year in which people were doing the Twist and Thistle Dew was plotting the death of Dick Tracy's sidekick Junior.

The opening of the marine highway was the culmination of many, many years of planning and preparation.

On the front page of the Jan. 23, 1963, edition of the Ketchikan Daily News was an old 1919 photo of a Fourth of July parade float, built to resemble a ferry. On its side was a sign which said, "Car Ferry No. 1."

It had finally arrived.



This photo was taken 20 years ago. Matanuska and Taku had joined the Malaspina to create the state's mainland ferry system. Photographer Steve McCutcheon captured the scene.

Familiar infant se

Editor's note: Many present and former Ketchikan residents remember the years during which the idea of a marine highway for Southeastern Alaska finally became reality.

Oral Freeman

Oral Freeman was one of Ketchikan's representatives in the first Alaska State Legislature after Statehood in 1959. He says he has no idea who first came up with the concept of a marine highway. It was an old and cherished idea, but during his years in that first Legislature the ferry concept was mostly a dream — there was no money to implement it.

But somehow along the line a study was begun and the idea of

On the bridge

The Malaspina captains:

Capt. Harold Payne has been of 1963. He was among the throng

placing
e U.S.
by the
rough
ay.
ll look
t the
.m. in
lanned
st site
Area.
Pass
ensive
of the
e con-
Island
l.
; De-
second
nission
e Navy
reeable
eration
cement
sphere
ie eco-
are
esday's
ensive
Clover
: area
d uses
ch uses
ourism
lanning
es not
ism and
raction
planner
to the
runs
of the
ment's
eaffirm
com-
alterna-
greatest
project
ds and
unity,"
out
partment
rom car
chorage
ce new
ds to be
\$5,000,
etchikan
vo 1982
lymouth
said the
985, has
miles;

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

H. TRANS.

2-8-88

1:30 p.m.

HOUSE COMMITTEE REPORT

(7)

Date referred: 1/25/88

FURTHER REFERRALS:

DATE: February 8, 1988

The Transportation Committee has considered HCR 35

Commending the Alaska marine highway system for 25 years of service.

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:

[Signature]

[Signature]

[Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature]

Chairman's signature



Official Business

COMMITTEE:

House Transportation Committee

DATE: February 8, 1988

SIGN-IN

Subject of meeting:

- *HCR 34: Relating to tourist-oriented signs
- *HB 401: Rebates for Motor Fuel Taxes
- *HCR 35: Commending the Alaska Marine Highway

NAME Please include **ADDRESS** Please use full address. **PHONE** **REPRESENTING** **DO YOU WANT TO TESTIFY?**
 title Please include zip.

Carl Meyer	P.O. Box 5A Juneau	465-2343	Dept. of Revenue	Yes HB 401
Dale Lindsey	P.O. Box 389 Sitka	224-2190	Marine Enterprises Inc	HB 401 Yes
DAVIN McCLUNE	2033 SIXTH AVE. #770 ? SEATTLE WA 98121	(206) 448-7588	DEPT. OF REVENUE	NO
KEITH GERKEN	Box 2 JUNEAU	465-3900	DOT + PF	YES
Rep. Ron Larson	Box V Juneau		will be in the room as finance has a govt room	HJR 34 Yes
Greg Robin	Hire for 3 more mos			HCR 35

* indicates first public hearing

HCR

46

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

COMMITTEE CALENDAR:

HCR 46: Relating to the Copper River Toll Road.

Confirmation Hearings on Capt. Howard K. Elsensohn and Mr. Mark Foster to the Board of Marine Pilots, and Ms. Marlene Johnson to the Railroad Labor Relations Agency

FOR THIS MEETING, YOU HAVE BEEN GIVEN:

a folder on HCR 46 that includes

- item #1: HCR 46
- #2: background information from an engineering firm
- #3: letters - pro & con

a folder for the confirmation hearings that includes:

- item #1: a letter from Captain Howard K. Elsensohn
- #2: a resume from Mr. Mark A. Foster
- #3: a resume from Ms. Marlene Johnson

1 IN THE HOUSE

BY CATO

2

HOUSE CONCURRENT RESOLUTION NO. 46

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

Relating to a Copper River toll road.

6

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

7

WHEREAS there is currently no road to Cordova; and

8

WHEREAS the residents of Cordova very much want to be connected by

9

road to other points in the state; and

10

WHEREAS a road to Cordova would stimulate economic development and

11

encourage tourism in the area; and

12

WHEREAS the availability of both state and federal funding for road

13

construction has decreased; and

14

WHEREAS the state has authority under AS 37.15.720 to construct and

15

maintain toll roads;

16

BE IT RESOLVED by the Alaska State Legislature that the Governor is

17

respectfully requested to direct the Department of Transportation and

18

Public Facilities to construct ^{under AS.} a toll road along the Copper River via
Chitina to Cordova.



Peratrovich, Nottingham & Drage, Inc.

Engineering Consultants

Telex 090 26436
Telefax (907) 563-4220

1506 West 36th Avenue • Suite 101 • Anchorage, Alaska 99503 • 907-561-1011

January 20, 1988

FEB 11 1988

PN&D K-514

Margy Johnson
Reluctant Fisherman
Box 150
Cordova, Alaska 99574

Re: Copper River Highway

Dear Margy:

As I promised, we are continuing to gather information about the Copper River Highway. Both Roy Peratrovich and I have always thought that this project is of great economic importance to Chitna, Cordova, Valdez and Alaska.

In earlier days, we both worked on route reconnaissance and designed many of the bridges including the large ones at Flag Point.

When work was stopped in the mid 1970's only about 4 miles was left to complete the initial pioneer road stretching from Chitna to the Million Dollar Bridge, according to Bruce Campbell, then Commissioner of Highways. Apparently work crews on both sides of the Tasnuna River were within sight of each other.

The pioneer road was begun at two ends, one near Chitna and the other near the Million Dollar Bridge. Crews pressed forward to around the Tasnuna River.

Photos taken by the late Charles Matlock are enclosed to show typical views of the road along the route. The pioneer road was about 14 feet wide and in condition to allow car passage.

The route crosses a few rivers that need substantial bridges. The Million Dollar Bridge could be repaired, Allen River needs a bridge, Abercrombie Creek, the large Tasnuna crossing would be the most expensive and there could be some lesser crossings of creeks.

Bruce Campbell says that a 14 foot wide gravel road with turnouts every 1/4 mile or so could be readily built in a fairly short time.

The State apparently owns the entire route right-of-way so that should not be a problem.

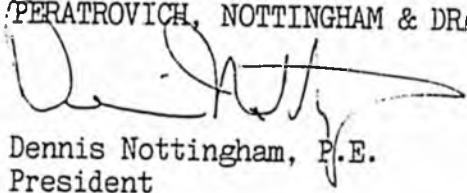
Modern technology involving modular bridges, heavy lift techniques and fast track road construction methods could all be employed on this project.

Margy Johnson
January 20, 1988/K-514
Page 2

We will continue to support your efforts and should you have any questions please call.

Sincerely,

PERATROVICH, NOTTINGHAM & DRAGE, INC.



Dennis Nottingham, P.E.
President

DN/dt/L5

xc: Rep. Bette Cato
Don Moore, Cordova City Manager
w/attachments



THE EYAK CORPORATION

February 16, 1988

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

RE: COPPER RIVER HIGHWAY SUPPORT BY EYAK

Dear Governor Cowper,

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


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

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

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

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

Sincerely,



Lucas Borer
Chief Executive Officer
The Eyak Corporation

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

Betty Lato
Juneau Alaska
99811

FEB 23 1988

The Copper River Highway has long been a dream to most Cordovans. The business community has always supported the completion of our Highway. As you know, we were within 10 miles of completion when the Good Friday earthquake hit. Since then, the project has been a political football.

We ask you to support our legislators in the efforts to secure funding for the Copper River Highway. We are not asking for a deluxe or even paved highway, simply a pioneer access so that our community can be linked to Alaska's road system.

Supporting the development of Alaska's infrastructure through construction of necessary roads is vital to the economic well being of the State of Alaska.

We would be most appreciative of your support.

Sincerely,

David Henry
General Delivery
Cordova Alaska

Governor's Office
Box A, Juneau, 99811-0101
February 19, 1988

FEB 23 1988

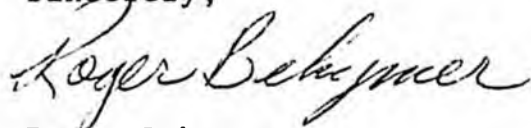
Dear Governor Cowper,

I want you to know I am in complete support of completion of the Copper River Highway to Chitna. I was born, raised, and have lived all my life in Cordova. The road would be a real asset to help with all aspects of life here. The ferry is essential and would remain so, but the way things are now the ferry is nearly impossible for the average guy. When I need service on my new truck I have to take a week to go to Anchorage to get the work done. The ferry schedule has always worked this way, and it seems like just by it's very nature it can not provide all our transportation needs. I believe if we had a highway connection with the rest of the state I probably would not have to go to Anchorage for vehicle service, in the long run.

In addition I do not think a road would ruin our town. We who were born and raised here have always had the history of the Copper River and Northwestern Railroad and regular land transportation to the Interior as part of our being and desires. It is very frustrating to have had a bunch of short timers and summer only users telling us a road would ruin our community. Land transportation made this City. It won't ruin anything to have what we grew up expecting to finally be a reality.

Thanks for listening and please help end this very frustrating situation for my community.

Sincerely,



Roger Behymer

Box 614

Cordova

cc.

Bette Cato

Mike Szymanski

Jay Kertulla

Thank you for your help

FEB 23 1988

Feb 13, 1988

Dean Rep. Cate:

Having recently read of the
renewed interest in the Cooper
River Highway, I would like
to express my approval and
hope you will give your full
support.

Sincerely,

J. D. Cate

Box 74

Clinton AR 99566

FEB 23 1988

Office of the Governor
Box A
Juneau, Alaska, 99811

February 15, 1988

Dear Governor Cowper,

This letter is to show my support for the Copper River Highway which would connect Cordova, Alaska to the rest of the State by means of a road. Not only would the road encourage other Alaskan to visit Cordova, it would make it possible for Cordovans to visit and shop outside of Cordova at less expense.

The local merchants use the "high cost of shipping" excuse to inflate local prices to a ridiculous high and then virtually laugh at their customers because we pay these prices. Example: a gallon of milk cost almost \$5.00; a loaf of bread costs \$2.50, chicken sells for \$2.99 a pound. As there is no competition the merchants can set any price they so desire. If Cordovans were able to drive Anchorage without the need to take a ferry to Valdez, they could afford to bring back a truckload of groceries and still save money.

Please lend your support to the Copper River Highway to connect Cordova to the rest of the State.

Sincerely,

Dixie Lambert

Dixie Lambert

PO Box 614

Cordova, AK 99574

cc: Rep. Betty Cato
Sen. Mike Szymanski
Sen. Jay Kertulla

I'd appreciate your support also Betty!

Govenor Steve Cowper
Juneau, 99811-0101
February 15, 1988

FEB 23 1988

Dear Govenor Cowper,

I would like to see the Copper River ROAD COMPLETED. This would be a very strong unifying point for Cordova. You see the people who oppose the road all admit that sooner or later there will be a road. Once the road is finally completed we will be able to start having a city of agreement and purpose. As it is now many people who want the road keep quiet. They are afraid to lose some of the little business there is. Some such as our newspaper editor have very negative feelings about the road for selfish reasons. They do not want TO SHARE THE COUNTRY with others. They want to have rafting business or tour business all to themselves. Some of these few can make life uncomfortable for any of the many who want the roaddue to their community position. Many collect a salary from government in some form or another. These few have made life hard on some of our most energetic community members and they have left the community. Far too many of our young adults have to leave also creating a brain drain , and further erode our ability to have any sense of community except the small group of elite who managed to cheat Cordova out of the road. I know this is somewhat hard to believe, but for instance one might wonder why there is never anything in the newspaper about positive aspects of the Copper River Road. The editor makes it appear ridiculous. She will edit for space or run contradictory information .

None of these type of things is good for a community. We need to have our history back. The railroad went to Chitna and let people move freely into the interior and be Alaskans. We must regain our identity and take our place amongst other Alaskan cities. We need your help.

Respectfully,

Dennis Marchant
P. O. Box 1625
CORDOVA

cc.

Jay Kerttula

Bette Cato

Mike Szymanski

*PLEASE Be our FAIR & good mother
make our hopes come true*

State Legislature

FEB 23 1988

2-16-88

ch V

see Ak 99811

Rep. Cato.

would appreciate it very much if you could call attention to the other Legislature the importance state funding for this year for a pioneer road Chitina to Cordova. This would greatly help our employment crisis.

is an existing road - no environmental study should be done to this existing route. The state owns the ft road right of way.

As for your support

Sincerely
Adina B. Kautern

FEB 23 1988

Govenor Steve Cowper
Juneau, Alaska
Feb. 16, 1988

Dagmar Davis
Box 192
Cordova, 99574

Dear Govenor Cowper,

I have been a resident of Cordova for forty-three years and have always supported the completion of the Copper River Highway. The town has always been in favor of the road except in the very unfair 1982 vote. They said that it was just another unofficial vote but very unfairly doomed the Million Dollar Bridge on the basis of the vote. To many voters it was just another ho-hum vote for something we all knew was desperately needed and long sought. Advertisemennts in the newspaper made it appear like a yes vote would ruin the hunting and fishing and leave us buried in litter. I don't believe any of these things would happen. I know from living at a turn around spot on Eyak Lake that TOURISTS DON'T LITTER, LOCALS DO.

The ferry system is good but it can not run every day. A road would give us the added dimension of freedom to travel to other Alaskan cities when we need to go. I would be happy to pay a toll to travel at my own convenience and would continue to use the Marine Highway as it fit into my own schedule. I know that the road has been made to appear vey controversial in the past but I do not think this is true. I believe that the '82 vote was generated by a young element who were relatively new to Cordova and wanted it all to themselves. As it is now many of our young people have to move away, and this is not good for our sense of our community.

I hope you will give us strong support in finally finishing the road.
Thank you.

Sincerely,

Dagmar J. Davis
Dagmar Davis

cc.

Bette Cato

Mike Szymanski

Jalmar Kerttula

Thank you for your help

7-20-88

FEB 23 1988

Dear Betty:

Copper River Highway #10 finally has come this far with the help of many of you--Cato, City of Cordova, etc. we now have HCR-46 attached.

I don't need to tell you or stress that NOW IS THE TIME. After 50 years, after 29 years in statehood, and only one highway being built, Cordova's economy, future tourism, and the North Gulf Coast should be opened to some development

I only have two words LET'S BUILD.

Under the toll road option we are not asking for handouts, there can be no more legitimate obstacles. For all Alaska, not just this area, build the highway; let's work together. There can be no other alternative but to support HCR 46.

Marla J. Adkins

Marla J. Adkins
An Alaskan

P.O. Box 461
Cordova, AK 99574

This will so out be
every leg-rollers with some personal
notes
Hope helps!
My
Good Job Lady
lets push pray

Best to everybody

Govenor Steve Cowper
Juneau, 99811-0101
February 15, 1988

Dear Govenor Cowper,

Cordova deserves to be re-connected with the rest of Alaska. The Copper River Route is the easiest way into the interior, and its construction is the history of Cordova. All Americans deserve the chance to travel through the old rail-belt area and see some of the most spectacular scenery on earth. This road has always been a political football. They say copper is the metal people fight the most over. This must be true and have rubbed of on the railroad grade. I hope you can help us rejoin the rest of Alaska.

Sincerely,

Alvin Lander
P.O. Box 1254
Cordova, AK
99574
424-3955

cc.
Betto Cato
Jay Kerttula
Mike Szymanski

Govenor Steve Cowper
Juneau, 99811-0101
February 15, 1988

FEB 19 1988

Dear Govenor Cowper,

Please give your approval to finishing the road up the Copper River to Chitna. It will be important to protect the salmon stock spawning areas that might be adjacent to the road so fish and game can study any effect additional use might have. perhaps some kind of moratorium could be made so as to do no harm. We need the road very badly right now. If you would help us, may be we would not have to wait another fifty years. It seems similar to the question of ANWR, Only it really is not new business, just a return to what we had historically and something that could be managed with very low impact on the enviornment. The Southeastern tourism people have shown quite plainly that the best return from tourism is the independant traveler. I think we can easily double the amount of business the Bartlett Does here, and that would decrease the overall subsidy to the Marine Highway system.

It seems like the kind of proposition where no one can lose. I sincerely hope you can help make the completion of the road a reality in the very near future. Thank you.

Very Truly Yours,

Bruce Lehman
PO 172

cc.

Jay Kerttula
Mike Szymanski
Bette Cato

Copy

Govenor Steve Cowper
Juneau, 99811-0101
February 15, 1988

FEB 19 1988

Dear Govenor Cowper,

Since our only real builder in Cordova has moved over to Valdez to begin a new fish processing plant where there is a road, and the Coast Guard which is ten percent of our winter population will probably be moving out in the fall we need a road into Cordova more than ever.. Please if you can help, help now. Some people say that the army has a plan to put a road into Cordova that would only take one month to complete. Have you ever heard this about a defense road which the Corps of Engineers supposedly has.? This would really be great if it were true. It really doesn't seem like we should have to wait anymore for permits or any of that stuff. After all this road is not new. It was there 75 years ago. It operated as a railroad for 30 years. We have always wanted to still be a part of Alaska, but it isn't easy being isolated without normal transportation.

I have also heard that a toll road might be possible. If this was true then the road could maintain itself and no one could object due to high costs. Then we here in Cordova could share in the beauty that is in the rest of the state, and the rest of the state could come over here to see the Gulf of Alaska. It would be the only place where Alaskans could see the ocean. Amazing, we have more coast than the entire US and this would be the only place to see the Pacific from that you could drive to! I hope you can help all Alaskans share the beauty we have to offer.

Thanks for reading,

Donnita H. Burch

cc.
Mike Szymanski
Jay Kerttula
Bette Cato

STATE OF ALASKA 1988 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HCR 46
Publish Date: _____

REQUEST

Revision Date: _____
Title: House Concurrent Resolution 44
Relating to a Copper River Toll Road
Sponsor: Cato
Requestor: Cato

Agency Affected: DOT&PF
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		*	*	*	*	*
CAPITAL		*	*	*	*	*
REVENUE		*	*	*	*	*

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		*	*	*	*	*

POSITIONS:

FULL-TIME		*	*	*	*	*
PART-TIME		*	*	*	*	*
TEMPORARY						

ANALYSIS: The use of a toll authority is not established procedure in the department. The assumptions expressed in this analysis represent the department's initial reactions to this concept and may need modification to more accurately reflect the opportunity costs of money, the pay back terms and other financial assumptions. In addition, federal aid funds for construction may have to be re-paid prior to establishing a toll.

* See attached page, typewritten analysis dated 2-26-88.

Prepared by: David W. Truax/Lynn J. Harnisch Phone: 474-2431/451-2210
Division: DOT&PF Regional Director, Northern Region Date: 2-25-88

Approved by Commissioner: Mark S. Hickey *MSH* Date: 2-29-88
Agency: DOT&PF

Distribution (by preparer):

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

ASSUMPTIONS

A) Toll Checkpoint

- 1) One toll checkpoint would be needed to collect tolls.
- 2) Checkpoint costs were based on similar costs for a checkpoint on the Dalton Highway.
- 3) A checkpoint for year round occupancy would be more expensive as it would require additional insulation, permanent utilities systems, larger living quarters, etc.

B) Pioneer Road

- 1) Would be 18ft. wide, screened gravel surface and have trestle type bridges. The cost for this work assumes that 18ft. wide road could be constructed so that it was safe and maintainable and that only minimal reconstruction on the existing railbed would be necessary. Should any of these parameters be forced to change, during the course of actual design, the cost could increase substantially. Cost increases would depend on the type of changes that were necessary.

C) Federal Aid Secondary

- 1) Would be 28ft. wide, crushed gravel surface and have standard bridges. The cost is based on current construction costs for typical gravel surface Federal Aid secondary roads. Assumes construction of access road from the Million Dollar Bridge, Mile Post 49, to Chitina.

D) Copper River Bridge

- 1) To keep per vehicle tolls to a minimum, it was assumed that the estimated \$7,500,000 to construct a bridge across the Copper River, adjacent to the Million Dollar Bridge, would be done with Federal discretionary bridge funds. Therefore, this particular cost does not appear in the overall capital costs. If discretionary funding cannot be obtained the \$7,500,000 construction cost would have to be added to the total capital costs of the project. This would increase the per vehicle toll for capital costs payoff by \$7.00 for seasonal and \$4.00 for year-round.

E) Maintenance Station

- 1) In order to distribute the added mileage evenly, one additional station would be needed in the Tasnuna River area and additional equipment would be needed at the Chitina Station.
- 2) Facilities requirements to meet seasonal needs.
2,400 sq. ft. shop
Generator Bldg. w/two generators
4 each trailer pads for 14X70 trailers.
Utilities and water/well system.
- 3) Facilities requirements to meet year round needs (in addition to above building needs).
2 Trailer pads for 14X70 trailers.
Utilities and water system.
Sand shed 2,000 sq. ft.

2,000 sq. ft. work store building.

F) Maintenance Equipment

- 1) Seasonal (either type road)
 - a) New Tasnuna Station
 - Motor graders CAT 14 Type (2)
 - Dump Truck 8 Yd.
 - Loader 4 yd. type (1)
 - Dozer D-8 type
 - 2 4WD 3/4 ton pickups
 - Low tractor trailer
 - b) The mileage this road would add to the existing system would be slightly more than a new station should handle. Therefore, some additional equipment would be needed at the existing Chitina Station to cover the extra northernmost portion of the additional mileage. This additional equipment would also be used on other state-maintained roads in the Chitina area.
 - c) Chitina Station (additional equipment)
 - Motor grader CAT 14 type (1)
 - Loader 4yd. type (1)
 - Dump Truck 8 yd. type (1)
- 2) Year-round (in addition to season equipment needs) [either type road]
 - a) Tasnuna Station
 - Truck type Rotary snowblower 2 each 2200 tph
 - 4x4 Oshkosh with V-nose plow, belly blade and wing, 2 each
 - Sander

G) Building and equipment needs are based on:

- 1) Historical information from old railroad records, which show that a substantial maintenance effort was required to keep the alignment open and in good repair at all times of the year.
- 2) Personal on-site observations of substantial slide and erosion activity by DOT&PF maintenance staff and other individuals at various times of the year.
- 3) If the Pioneer Road is built, it will be heavily used. The one-lane road will not be able to handle the volume of traffic very long. By building and staffing an adequate camp, maintenance forces can make many of the upgrades that will be required by the traffic volume.

H) Maintenance Costs - Manpower Needs

- 1) Seasonal
 - a) Tasnuna Station (New Positions)
 - i) 1 WG 52 Foreman
 - ii) 2 WG 53 Operations
 - iii) 1 WG 53 Operator/Mechanic
 - b) Chitina Station
 - i) 2 WG 53 Operators
- 2) Year Round
 - a) Tasnuna Station
 - i) above 4 Positions @ Full-time
 - ii) Plus 1 additional WG 53 Operator and 1 additional WG 54 Operator

I) Toll Program Administration

- 1) Based on estimates of manpower needs for similar checkpoint program on Dalton Highway at \$7,000 per month for a staff of 3.
- 2) Accounting support assumes accounting clerk, range 9, part-time.

J) Average Annual Traffic

- 1) Based on historical traffic generating data for similar sized communities, future growth patterns as demonstrated in the draft Cordova Comprehensive Plan and the area's location relative to major population centers and recreational/resource opportunities. This resulted in an average daily traffic count forecast of 375 vehicles a day, or 11,250 a month based on a 30-day month.
- 2) The average monthly traffic count for a year round rate will be less than a seasonal route. This is because the year round average takes in a 7-month period where historic traffic declines by approximately 60% from the five-month summer period.

K) Capital Costs

- 1) Capital costs for check point construction, maintenance equipment, maintenance station construction, and Pioneer Road would all have to be funded initially from General Funds.
- 2) Capital costs for constructing the Federal Aid Secondary Road would be split 91.35% Federal and 8.65% State General Fund match.
- 3) Costs for Pioneer Road construction could be recovered from the FHWA upon upgrade of this road to Federal Highway Secondary standards. However this recovered cost would come from federal obligation authority which could otherwise be used on other projects.

- L) Toll charges for private vehicles may be able to be lessened by charging on the basis of vehicle gross weight. This would increase the cost to truck traffic, but assumably increase shipping costs as well. Because we have no way to determine gross weight at this time, such a charge schedule would have to wait until traffic data could be collected on the road, so that a determination could be made as to whether or not actual truck traffic was substantial enough to invoke such a schedule. An annual reassessment of toll charges could be done if changes in traffic level, maintenance costs, and/or toll program costs change.

- M) Analysis does not include "cost of money."

FISCAL NOTE ANALYSIS OF

HCR 46-COPPER RIVER HIGHWAY TOLL ROAD

COSTS	SEASONAL		YEAR-ROUND	
	PIONEER RD	FED. AID RD.	PIONEER RD.	FED. AID RD
Capital (Total)	\$16,925,000	\$92,255,000	\$18,405,000	\$93,405,000
Toll Check Pt.	50,000	50,000	150,000	150,000
Rd. Construction	15,000,000	90,000,000	15,000,000	90,000,000
Maint. Station	730,000	730,000	1,120,000	1,120,000
Maint. Equipment	1,145,000	1,475,000	2,135,000	2,135,000
Maintenance (Total)	600,000	800,000	1,200,000	1,600,000
Toll Prog. Admin. (Total)	50,000	50,000	120,000	120,000

REVENUES	CAPITAL COSTS		MAINTENANCE COSTS		TOLL PROG. COSTS	
	SEASONAL	YEAR-ROUND	SEASONAL	YEAR-ROUND	SEASONAL	YEAR-ROUND
Pioneer Road	\$16,925,000	\$18,405,000	\$ 600,000	\$ 1,200,000	\$50,000	\$120,000
Pay Back Basis	20 yrs.	20 yrs.	Annually	Annually	Annually	Annually
Annual Pay Back	846,250	920,250	600,000	1,200,000	50,000	120,000
Average Annual Traffic	56,250	135,000	56,250	135,000	56,250	135,000
Per Vehicle Toll	\$15.00	\$7.00	\$11.00	\$9.00	\$.90	\$.90
Federal Aid Road	\$92,255,000	\$93,405,000	\$ 800,000	\$ 1,600,000	\$50,000	\$120,000
Pay Back Basis	20 yrs.	20 yrs.	Annually	Annually	Annually	Annually
Annual Pay Back	4,612,750	4,670,250	800,000	1,600,000	50,000	120,000
Average Annual Traffic	56,250	135,000	56,250	135,000	56,250	135,000
Per Vehicle Toll	\$82.00	\$35.00	\$14.00	\$12.00	\$.90	\$.90

FISCAL NOTE

REQUEST

Revision Date: _____
Title: "Relating to a Copper River Toll Road"
Sponsor: Rep. Cato
Requestor: House Finance

Agency Affected: Public Safety
BRU: Alaska State Troopers
Components: Detachments

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES					72.6	72.6
TRAVEL					2.0	2.0
CONTRACTUAL					8.5	8.5
SUPPLIES					3.3	3.3
EQUIPMENT					22.3	
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	108.7	86.4

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUNDS					108.7	86.4
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	108.7	86.4

POSITIONS:

FULL-TIME	0	0	0	0	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See attached page.

Prepared by: Francis C. Allan
Division: Alaska State Troopers

Phone: 269-5691
Date: 3/9/88

Approved by Commissioner: *Arthur E. ...*
Agency: Public Safety

Date: 3-9-88

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

HCR 46
Fiscal Analysis

In order to provide emergency response and regular road patrol, one commissioned State Trooper position would be required. The current Alaska State Trooper staffing level does not allow for the picking up of these additional responsibilities. Presumptions made in preparing this fiscal note are that actual construction would not begin until July 1, 1991. No inflation is accounted for and the equipment requirement will exist in the first year only.

1.	POSITION TITLE State Trooper				RANGE/STEP 76 / A	BARG. UNIT PSEA	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Cordova (DWA)	ELECTION DISTRICT 6	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION:					
4.	TYPE OF EXPENDITURE			AMOUNT	<p>A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation, and Search and Rescue along the Copper River Toll Road. This Trooper position would require a 4x4 vehicle (A152P) in order to be able to patrol the road during wet conditions. All other costs are average Trooper costs and are based upon experience.</p>					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	48,517								
6.	Benefits	19,568								
7.	Supplemental Benefits	4,478								
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES	01	72.6							
10.	Travel	02	2.0							
11.	Contractual	03	8.5							
12.	Commodities	04	3.3							
13.	Equipment	05	22.3							
14.	Other									
15.	TOTAL COST		108.7							
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		108.7						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
KEY NUMBER										

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety

BRU Alaska State Troopers

COMPONENT Detachments

FY92

Page 1 of 1
Revised Date

GOOD MORNING - I AM THE SPONSOR OF HCR 46. I AM VERY PROUD OF THIS RESOLUTION AS I FEEL IT IS A STEP IN THE RIGHT DIRECTION. WITH DECLINNING FEDERAL HIGHWAY DOLLARS AND, REDUCED STATE MONIES WE NEED TO BE MORE INNOVATIVE. WE CAN NO LONGER LOOK TO THE STATE AND FEDERAL GOVERNMENTS TO CONTINUE TO PROVIDE US WITH OUR HIGHWAYS AND ROADS. THE AMOUNT OF FEDERAL MONIES FOR THE UPCOMING FISCAL YEAR HAS BEEN REDUCED FROM 148 MILLION TO AN EXPECTED \$128 MILLION FOR THE FY 89. IN ORDER TO CONTINUE TO EXPAND AND DIVERSIFY IN THIS STATE, WE NEED TO LOOK TO NEW AND CREATIVE METHODS OF FINANCING THE INFRASTRUCTURE WITHIN THE STATE.

INITIALLY, I WAS VERY FRUSTRATED AT THE LACK OF FUNDING FOR CONSTRUCTION OF THIS ROAD. AFTER SEVERAL MEETINGS WITH THE DEPARTMENT OF TRANSPORTATION, IT BECAME VERY CLEAR TO ME THAT WE HAD BECOME VERY ACUSTOMED TO ASKING FOR FEDERAL AND STATE DOLLARS AND RECEIVING THEM. I REALIZED THEN, WE NEED TO CHANGE OUR WAY OF THINKING, OTHER AREAS THROUGHOUT THE COUNTRY HAVE BEEN VERY SUCCESSFUL IN THIS AREA, WE MUST ALSO BEGIN TO LOOK IN OTHER DIRECTIONS. I CONTACTED NUMEROUS OTHER STATES AND SPOKE WITH MANY TRANSPORTATION REPRESENTATIVES, THIS RESOLUTION OFFERS WHAT I CONSIDER TO BE THE BEST CREATIVE FINANCING METHOD AVAILABLE TO US.

IT IS A STAND ALONG PROJECT, NO CAPITAL ON MAINTENANCE COSTS WILL BE INCURRED BY THE STATE. NO FEDERAL DOLLARS WILL BE ASSOCIATION INITIALLY WITH THIS PROJECT. THIS IS CERTAINLY A CHANGE FROM THE METHODS WE ARE ACUSTOMED TO FOR FINANCING ROAD

HCR 46

I HAVE INTRODUCED HCR 46 - A RESOLUTION RELATING TO THE COPPER RIVER TOLL ROAD. THIS RESOLUTION RESPECTFULLY REQUESTS THE GOVERNOR TO DIRECT THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES TO CONSTRUCT A TOLL ROAD ALONG THE COPPER RIVER VIA CHITINA TO CORDOVA.

THIS TOLL ROAD WOULD BE CONSTRUCTED UNDER AUTHORITY GRANTED UNDER AS.73.15.720. THIS PROVIDES THE STATE WITH THE AUTHORITY TO ACQUIRE, CONSTRUCT, EQUIP AND MAINTAIN TOLL BRIDGES, HIGHWAYS, ROADS, CROSSINGS, AND CAUSEWAYS FOUND TO BE NECESSARY BY THE COMMISSIONER OF TRANSPORTATION AND PUBLIC FACILITIES.

AS. 37.15.730 SETS DOWN CRITERIA TO BE MET IN ORDER FOR THE TOLL FACILITY TO BE FINANCED. THIS CRITERIA INCLUDES:

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 IS FINANCED.
2. IF FINANCING IN ADDITION TO REVENUE BONDS IS ANTICIPATED, THE DEPARTMENT SUBMITS TO THE GOVERNOR AND LEGISLATURE A FINANCE PLAN TO INCLUDED AN ESTIMATE OF THE TOTOAL COST OF THE PROJECT AND A DESCRIPTION OF THE SOURCES OF MONEY THAT WILL BE USED TO FINANCE THE TOTAL COST OF THE PROJECT.

THE DEPARTMENT OF TRANSPORTATION HAS PROVIDED A FISCAL NOT WHICH SHOWS THE COST TO CONSTRUCT A PIONEER ACCESS ROAD AND A FEDERAL AIDE HIGHWAY. THE INFORMATION ALSO SHOWS THE COST TO MAINTAIN AND OPERATE THIS ROAD ON A YEAR ROUND BASIS. WITH DECLINING FEDERAL AND STATE DOLLARS WE NEED TO FIND NEW AND INNOVATE WAYS TO FINANCE VITAL PROJECTS IN OUR STATE. I FEEL THIS METHOD OFFERS A VERY GOOD ALTERNATE FOR THE STATE TO FINANCE CONSTRUCTION OF ROADS AND HIGHWAYS WITHOUT THE USE OF STATE AND FEDERAL FUNDS.

IN THE CASE OF CORDOVA, THE PIONEER ACCESS ROAD WOULD BE CONSTRUCTED AT A COST OF \$18,405,000, THIS AMOUNT WOULD BE REPAID OVER 20 YEARS. THE YEARLY M & O COSTS ARE ESTIMATED TO BE \$1,200,000 AND THE TOLL PROGRAM COSTS TOTAL \$120,000 YEARLY. THE TOTAL PER VEHICLE TOLL CHARGE TO REPAY THE CONSTRUCTION COST AND OFFSET THE EXPENSES INCURRED WOULD BE \$16.90. THIS AMOUNT IS CONSIDERABLY LESS THAN LOCAL RESIDENTS CURRENTLY PAY TO TRAVEL TO OR FROM CORDOVA, AND THE ROAD PROVIDES THEM WITH THE FREEDOM TO TRAVEL AT THEIR OWN CONVENIENCE.

I ASK YOUR SUPPORT FOR HCR46 - I FEEL THIS IS AN EXCELLENT RESOLUTION AND PROVIDES THE STATE WITH A NEW AND INNOVATIVE FINANCING CONCEPT THAT WILL NO IMPACT THE GENERAL FUND BUT STILL ALLOW THE STATE TO CONTINUE TO GROW AND DIVERSIFY.

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.

I FEEL THE ABOVE CRITERIA PROVIDE ADEQUATE OVERSIGHT AND REVIEW TO ENSURE THAT ANY PROJECTS FINANCED UNDER AS.37.15.720 DO NOT PLACE THE STATE AT RISK.

I WOULD LIKE TO INFORM YOU ABOUT THE PROJECT ITSELF. THERE IS CURRENTLY NO ACCESS TO CORDOVA OTHER THAN PLANE OR FERRY. CORDOVA RESIDENTS AND LOCAL CITY OFFICIALS WOULD LIKE TO SEE THEIR COMMUNITY DIVERSIFY AND GROW HOWEVER, WITHOUT ROAD ACCESSIBILITY IT IS VERY DIFFICULT TO ATTRACT NEW INDUSTRY TO THE COMMUNITY AS MANY OF THE EVERYDAY TRANSPORTATION COSTS ARE VERY HIGH. CORDOVA HAS A LOT TO OFFER, A LARGE PORT AND DOCKING FACILITY, BEAUTIFUL SCENERY, TREMENDOUS FISHING WATERS, AN ABUNDANCE OF BUILDABLE LAND AND A COMMUNITY ATTITUDE THAT IS VERY SUPPORTIVE OF NEW INDUSTRY. REGARDLESS, WITHOUT ROAD ACCESS MANY OF THE PROJECTS LOOKED INTO ARE NOT FEASIBLE WITHOUT ROAD TRANSPORTATION.

THE ROAD PROPOSED IS VIA THE COMMUNITY OF CHITNA 130 MILES TOTAL SOME OF THE ROAD BED ALREADY EXISTS, IN FACT THE COPPER RIVER ROAD CURRENTLY EXISTS TO THE MILLION DOLLARS BRIDGE, 49 MILES FROM CORDOVA. THIS SECTION OF THE ROAD IS IN GOOD REPAIR AND IS USED TODAY. FROM 49 MILE TO 72 MILE IS DRIVABLE WITH A TWO OR FOUR WHEEL DRIVE. 72 MILE TO MILE 105 WOULD NEED TO BE CONSTRUCTED WITH THE REMAINING 25 MILES IN NEED OF OVERLAY OF EXISTING ROADWAY.

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

H. TRANS.

2-26-88

1:30 p.m.

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

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

February 12, 1988

The Honorable Ted Stevens
United States Senate
522 Hart Building
Washington, D.C. 20510-6025

Dear Senator Stevens:

Thank you for your letter of January 19, 1988 and Marla Jean Adkins' letter of November 21, 1987 concerning the Copper River Highway. A copy of my November 12, 1987 letter to Ms. Adkins is enclosed. I believe it will give you our perspective of the past and present problems facing the Copper River Highway. Following are some comments on Ms. Adkins' letter and an update on our Copper River Highway work.

In Ms. Adkins' November 21 letter she states that the department's estimated cost of \$177 to \$200 million to construct the highway to federal secondary standards is too high compared to the \$50 to \$60 million quoted by private engineering firms.

We advised Ms. Adkins some time ago that the information base for these estimates is over 14 years old and that these costs were updated to reflect a more inflationary period in time (1984). We agree that these estimates do need to be re-evaluated and they will be as part of our current reconnaissance study.

Ms. Adkins' November 21 letter also refers to an FHWA comparison data sheet which shows FHWA recommending \$3.6 million for 1988 urban projects and State DOT allotting \$51.4 million. I am not aware of the existence of such a comparison data sheet, nor do I know how the figures were derived.

We are currently preparing a scope of work and cost estimate for the option of a pioneer access type road as one element of our reconnaissance study for the Copper River Highway. Our preliminary estimate includes \$1 million for permits and preconstruction work, plus at least \$9.5 million for actual construction. We have included various trestle bridges along the route, but no additional costs for reconstruction of the "Million Dollar Bridge" near Cordova. A pioneer access approach assumes that a road would be constructed along the old rail bed from Cordova to Chitina. A state-owned right-of-way exists along that route.

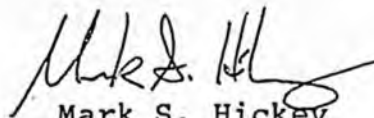
February 12, 1988

If a pioneer access road were constructed, it would be a very basic road similar to the present road from Chitina to McCarthy. The road would be 18-20 feet wide and would have, at best, a screened gravel surface. Minimal summer only maintenance would cost approximately \$600,000 each year.

Before proceeding with any funding for any route for the Copper River Highway, a systematic analysis must be made to support a decision as to whether or not a highway between Cordova and the existing highway system should be built. We are proceeding with the reconnaissance study for the Copper River Highway in order to make this decision and to preserve the option of a federally funded route.

If we can be of any further assistance regarding this issue, please contact me.

Sincerely,



Mark S. Hickey
Commissioner

cc: The Honorable Frank Murkowski, U.S. Senator
720 Hart Bldg., Washington, D.C., 20510
The Honorable Don Young, U.S. Congress
2331 Rayburn House Office Bldg., Wash. D.C., 20515
Lynn J. Harnisch, P.E., Regional Director, Northern Region
Marla Jean Adkins, Box 461, Cordova, Alaska 99574
Don Moore, Cordova City Manager, Cordova, Alaska 99574
Representative Bette Cato, P.O. Box V, Juneau, Alaska 99811
Senator Jalmar Kerttula, P.O. Box V, Juneau, Alaska 99811
Senator Mike Szymanski, P.O. Box V, Juneau, Alaska 99811

November 12, 1987

Ms. Marla Jean Adkins
Box 461
Cordova, AK 99574

Dear Ms. Adkins:

I am in receipt of your letter dated October 23, which supports completing the Copper River Highway through Chitina to the Interior highway system.

In your letter you point out that other small communities have road access, and that Department of Transportation and Public Facilities construction funds are going to other road projects while the community of Cordova has been waiting for a road for many years.

Your frustrations with all this are understandable, but a few things might help to put this into proper context. Unlike the other roads you mentioned, the road to Cordova is a victim of history. One only needs to look at the many obstacles that have delayed this road over the years: (1) the 1964 earthquake; (2) a stop-work court injunction in 1972; (3) the resolution of land ownership through the Alaska Native Claims Settlement Act and Alaska National Interest Land Conservation Act, which did not occur until 1980; and (4) the need to complete the Prince William Sound Transportation Study to satisfy DOT&PF's out-of-court settlement of the 1972 stop-work injunction, which was not completed until 1982. If not for these problems, it is likely there would now be a road to Cordova.

By the time all these problems had been settled, the state was facing a downturn in revenues, while needs on the existing road system and in the fast-growing urban areas were increasing. This led to yet another obstacle to working on the road to Cordova: the lack of state financial resources. This has put us into the current position of being able to only program major projects that could qualify for federal funds. Because the road to Cordova is eligible for federal funds, the decision was made to seek funding from the Federal Highway Administration (FHWA). The FHWA in turn has required that we, update our reconnaissance study work before any more federal funds can be forthcoming.

If state funds were made available for construction of a road to Cordova, some non-construction work would still need to be done in order to satisfy mandatory permit requirements, such as Army Corps of Engineers wetland permits. Although 100% state funded construction would allow the road to be built with less total

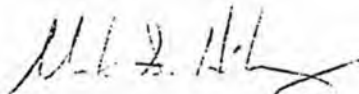
...unding because federal standards would not apply, it would still need to be built to safe standards, which means that construction would still be many millions of dollars.

In your October 23 letter you also requested the amount of construction contracts let over the last 2-3 years, per area. We are working on this now and will have these figures to you shortly. I did not want to hold up this response to wait for the data to be collected.

How completion of the Copper River Highway using federal funds will compete with the ever increasing demand for our every decreasing amount of federal funds is another matter. To complete this road under federal standards will cost a considerable sum of money. Additionally, without funding support for maintenance, DOT&PF would be hard pressed to assume the additional responsibility. We are barely able to keep up with current duties. This is the reality I face in trying to manage the department and will influence the advice I give the Governor and Legislature regarding this project.

The one assurance I will give you is to deal with the issue on the merits and make myself as knowledgeable as I can be about the trade-offs and the desires of the people of Cordova. In that regard, I intend to visit Cordova at some point between now and next summer, and would like to meet you to discuss this further.

Sincerely,



Mark S. Hickey
Commissioner

- cc: Lynn J. Harnisch, P.E., Regional Director, Northern Region
- W. Keith Gerken, Deputy Commissioner, Operations
- Ray Price, Special Staff Assistant, Office of the Governor
- Bob Evans, Legislative Liaison, Office of the Governor
- Don Moore, Cordova City Manager, Cordova, Alaska 99574
- Frank Murkowski, United States Senate, 720 Hart Bldg., Wash. D.C., 20510
- Ted Stevens, United States Senate, 522 Hart Bldg., Wash. D.C., 20510



THE CITY OF HAINES, ALASKA

P.O. BOX 5761049
HAINES, ALASKA 99827
(907) 766-2231

FEB 24 1988

In Repl:
Refer To:

February 22, 1988

Senator Bette Cato
Alaska State Legislature
Pouch V (MS 3100)
Juneau, AK 99811

Re: House Concurrent Resolution #46

Dear Ms. Cato:

The repair of the bridge and the extension of the road to Cordova would create a much needed link in the State highway system. Please support HCR #46.

A toll bridge would set a dangerous precedent and I would recommend instead that general fund monies or other general tax funds be used.

Sincerely,

A handwritten signature in cursive script, appearing to read "Walter Wilcox".

Walter Wilcox
City Administrator
CITY OF HAINES

WW/svj

P.O. Box 516
CORDOVA, ALASKA 99574

Phone: (907) 424-3562

February 20, 1988

FEB 24 1988

Governor Steve Cowper
Governor's Office
Box A
Juneau, Ak. 99811

Dear Governor,

In less than a year - Jan. 1989- We Alaskans will be celebrating 30 years of Statehood.

We are once again reminded that one of the main reasons for gaining statehood was to share in Federal Funds for the building of roads. And to put an end to isolationism. THIRTY YEARS! WHERE ARE OUR ROADS?


An Alaskan road map today looks much the same as it did 22 years ago when I arrived in Cordova to work on the building of the Copper River Highway.

Frankly we are stunned at the lack of progress on this worthy project that would benefit the entire state.

We would urge you and the legislature to make highway transportation the priority as it was set forth in the statehood act.

We request your full support of Resultion N. 46 (By Bette Cato) relating to a Copper River Toll Road.

Sincerely,



Glenn S. Criner

cc:

B. Cato
J. Kerttula
M. Szymanski
J. Paiks

HJR

6

Alaska State Legislature



House of Representatives

Committee on Transportation

Rep. Pette Cato, Chairman

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

February 4, 1987

FOR TODAY'S MEETING YOU HAVE:

A FILE ON HJR 8 WHICH INCLUDES:

- a copy of HJR 8
- a current status report on HJR 8
- a fiscal note on HJR 8

A FILE ON HJR 6 WHICH INCLUDES:

- a copy of HJR 6
- ~~- a current status report on HJR 6~~
- a fiscal note on HJR 6
- an excerpt from the Jones Act
- a report by Alaska Marine Lines to the Canadian Minister of Revenue
- a letter from the Governor of Alaska to the Canadian Minister of Revenue
- misc letters supporting an extension of a waiver to the Canadian Shipping Act
- a resolution from the City of Skagway supporting an extension of the waiver

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: 1-30-87

Bill Version: HJR 6
Publish Date: _____

Revision Date: _____
Title: Reciprocal Competition in
Marine Transportation Services
Sponsor: Cato
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						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal impact to the Department of Transportation and Public Facilities

Prepared by: Mark S. Hickey, Deputy Commissioner,
Division: Office of the Commissioner

Phone: 465-3900
Date: 1-30-87

Approved by Commissioner: *Mark S. Hickey*
Agency: _____

Date: 2/4/87

Distribution (by preparer):

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

TITLE 46
SHIPPING
("JONES ACT")

§ 853. Transportation of merchandise between points in United States in other than domestic-built or rebuilt and documented vessels

No merchandise shall be transported by water, or by land and water, on penalty of forfeiture of the merchandise (or a monetary amount up to the value thereof as determined by the Secretary of the Treasury to be recovered from any consignor, seller, owner, importer, consignee, agent, or other person or persons so transporting or causing said merchandise to be transported), between points in the United States, including Districts, Territories, and possessions thereof embraced within the coastwise laws, either directly or via a foreign port, or for any part of the transportation, in any other vessel than a vessel built in and documented under the laws of the United States and owned by persons who are citizens of the United States, or vessels to which the privilege of engaging in the coastwise trade is extended by section 13 or 808 of this title: *Provided*, That no vessel having at any time acquired the lawful right to engage in the coastwise trade, either by virtue of having been built in, or documented under the laws of the United States, and later sold foreign in whole or in part, or placed under foreign registry, shall hereafter acquire the right to engage in the coastwise trade: *Provided further*, That no vessel of more than five hundred gross tons which has acquired the lawful right to engage in the coastwise trade, by virtue of having been built in or documented under the laws of the United States, and which has later been rebuilt, shall have the right thereafter to engage in the coastwise trade, unless the entire rebuilding, including the construction of any major components of the hull or superstructure of the vessel, is effected within the United States, its Territories (not including trust territories), or its possessions: *Provided further*, That this section shall not apply to merchandise transported between points within the continental United States, including Alaska, over through routes heretofore or hereafter recognized by the Interstate Commerce Commission for which routes rate tariffs have been or shall hereafter be filed with said Commission when such routes are in part over Canadian rail lines and their own or other connecting water facilities: *Provided further*, That this section shall not become effective upon the Yukon River until the Alaska Railroad shall be completed and the Secretary of Transportation shall find that proper facilities will be furnished for transportation by persons citizens of the United States for properly handling the traffic: *Provided further*, That this section shall not apply to the transportation of merchandise loaded on railroad cars or to motor vehicles with or without trailers, and with their passengers or contents when accompanied by the operator thereof, when such railroad cars or motor vehicles are transported in any railroad car ferry operated between fixed termini on the Great Lakes as a part of a rail route, if such car ferry is owned by a common carrier by water and operated as part of a rail route with the approval of the Interstate Commerce Commission, and if the stock of such common carrier by water, or its predecessor, was owned or controlled by a common carrier by rail prior to June 5, 1920, and if the stock of the common carrier owning such car ferry is, with the approval of the Interstate Commerce Commission, now owned or controlled by any common carrier by rail and if such car ferry is built in and documented under the laws of the United States: *Provided further*, That upon such terms and conditions as the Secretary of the Treasury by regulation may prescribe, and, if the transporting vessel is of foreign registry, upon a finding by the Secretary of the Treasury, pursuant to information obtained and furnished by the Secretary of State, that the government of the nation of registry extends reciprocal privileges to vessels of the United States, this section shall not apply to the transportation by vessels of the United States not qualified to engage in the coastwise trade, or by vessels of foreign registry, of (a) empty cargo vans, empty lift vans, and empty shipping tanks, (b) equipment for use with cargo vans, lift vans, or shipping tanks, (c) empty barges specifically designed for carriage aboard a vessel and equipment, excluding propulsion equipment, for use with such barges, and (d) any empty instrument for international traffic exempted from application of the customs laws by the Secretary of the Treasury pursuant to the provisions of section 1322(a) of Title 19, if the articles described in clauses (a) through (d) are owned or leased by the owner or operator of the transporting vessel and are transported for his use in handling his cargo in foreign trade; and (e) stevedoring equipment and material, if such equipment and material is owned or leased by the owner or operator of the transporting vessel, or is owned or leased by the stevedoring company contracting for the lading or unlading of that vessel, and is transported without charge for use in the handling of cargo in foreign trade: *Provided further*, That upon such terms and conditions as the Secretary of the Treasury by regulation may prescribe, and, if the transporting vessel is of foreign registry, upon his finding, pursuant to information furnished by the Secretary of State, that the government of the nation of registry extends reciprocal privileges to vessels of the United States, the Secretary of the Treasury may suspend the application of this section to the transportation of merchandise between points in the United States (excluding transportation between the continental United States and noncontiguous states, districts, territories, and possessions embraced within the coastwise laws) which, while moving in the foreign trade of the United States, is transferred from a non-self-propelled barge certified by the owner or operator to be specifically designed for carriage aboard a vessel and regularly carried aboard a vessel in foreign trade to another such barge owned or leased by the same owner or operator, without regard to whether any such barge is under foreign registry or qualified to engage in the coastwise trade: *Provided further*, That until April 1, 1984, and notwithstanding any other provisions of this

INTRODUCTION

1. On April 2, 1986, Alaska Marine Lines, Inc. (A.M.L.) applied to the Minister of Revenue and the Water Transport Committee for a renewal of the one-year waiver granted to it commencing May 3, 1985, to enable it to continue to move Canadian goods between British Columbia and the Yukon Territory on its weekly water-bridge service between Seattle, Washington and Haines and Skagway, Alaska. (Attachment 1).
2. Three Canadian operators have objected to the application by A.M.L. on grounds that they have suitable Canadian vessels available for the proposed service. The Canadian operators who have objected to the A.M.L. application are Rivtow Straits Ltd., Seaspan International Limited, and Whitepass and Yukon Transportation Company. A.M.L. responded to the offer of vessels by these operators in its Reply to Vessel Offers, submitted to the Water Transport Committee on April 22, 1986. (Attachment 2).
3. A.M.L. wishes to make the following additional submissions to the Minister of Revenue in support of its application to renew its waiver.

REQUIREMENT FOR THE ALASKA MARINE LINES SERVICE

4. Over the past year, Alaska Marine Lines (A.M.L.) has provided a dependable weekly scheduled service to the Yukon. The flexibility that the A.M.L. water-bridge service offers to Canadian shippers and truckers operating in British Columbia and the Yukon has earned the A.M.L. service public acceptance among northern shippers in the Yukon over the past year. A.M.L. wishes to confirm its commitment of service to Yukoners on a continuing basis.
5. The benefits provided by the A.M.L. service to Canadian shippers are confirmed by the acceptance of the water-bridge service by the Yukon Liquor Corporation. After a year of using the A.M.L. waterbridge for its shipments, the Yukon Liquor Corporation has made it a requirement in its call for trucking tenders on the contract for deliveries of liquor that a rate be quoted based on a water-bridge route via either Skagway or Haines, Alaska. Use of the water-bridge service offered by A.M.L. has thus resulted in lower shipping costs for Yukoners, along with the flexibility offered by a guarantee of weekly scheduled deliveries.

CORRECTION

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

MINISTER OF NATIONAL REVENUE

IN THE MATTER OF PART XV OF THE CANADA SHIPPING ACT
R.S.C. 1970, c.S-9, AS AMENDED, AND IN THE MATTER
OF THE COASTING TRADE EXEMPTION ORDER (1986-87)

SUBMISSIONS TO THE MINISTER
OF NATIONAL REVENUE BY
ALASKA MARINE LINES

OSLER, HOSKIN & HARCOURT
Barristers & Solicitors
50 O'Connor Street
Suite 1400
Ottawa, Ontario
K1P 6L2

Ronald G. Belfoi
Patricia J. Wilson

INTRODUCTION

1. On April 2, 1986, Alaska Marine Lines, Inc. (A.M.L.) applied to the Minister of Revenue and the Water Transport Committee for a renewal of the one-year waiver granted to it commencing May 3, 1985, to enable it to continue to move Canadian goods between British Columbia and the Yukon Territory on its weekly water-bridge service between Seattle, Washington and Haines and Skagway, Alaska. (Attachment 1).

2. Three Canadian operators have objected to the application by A.M.L. on grounds that they have suitable Canadian vessels available for the proposed service. The Canadian operators who have objected to the A.M.L. application are Rivtow Straits Ltd., Seaspan International Limited, and Whitepass and Yukon Transportation Company. A.M.L. responded to the offer of vessels by these operators in its Reply to Vessel Offers, submitted to the Water Transport Committee on April 22, 1986. (Attachment 2).

3. A.M.L. wishes to make the following additional submissions to the Minister of Revenue in support of its application to renew its waiver.

REQUIREMENT FOR THE ALASKA MARINE LINES SERVICE

4. Over the past year, Alaska Marine Lines (A.M.L.) has provided a dependable weekly scheduled service to the Yukon. The flexibility that the A.M.L. water-bridge service offers to Canadian shippers and truckers operating in British Columbia and the Yukon has earned the A.M.L. service public acceptance among northern shippers in the Yukon over the past year. A.M.L. wishes to confirm its commitment of service to Yukoners on a continuing basis.

5. The benefits provided by the A.M.L. service to Canadian shippers are confirmed by the acceptance of the water-bridge service by the Yukon Liquor Corporation. After a year of using the A.M.L. waterbridge for its shipments, the Yukon Liquor Corporation has made it a requirement in its call for trucking tenders on the contract for deliveries of liquor that a rate be quoted based on a water-bridge route via either Skagway or Haines, Alaska. Use of the water-bridge service offered by A.M.L. has thus resulted in lower shipping costs for Yukoners, along with the flexibility offered by a guarantee of weekly scheduled deliveries.

6. It is respectfully submitted that the continuation of the weekly service offered by A.M.L. will provide benefits to Yukon shippers in the form of a flexible, lower-cost shipping alternative suitable to their needs.

ECONOMIC VIABILITY OF THE ALASKA MARINE LINES SERVICE

7. Alaska Marine Lines has sufficient American base traffic on its weekly scheduled service to ensure the commercial viability of its offer of service to Canadian shippers. The existence of this base traffic is crucial to the ability of any operator to offer shipping services to the Yukon at a reasonable cost to the shipper. This is because the expected volumes of traffic destined for the Yukon, including Canadian traffic expected to be generated as a result of the re-opening of the mine at Faro, do not justify the higher cost to the shipper of chartering a barge. For this reason, it is respectfully submitted that the "offer" of barges by two Canadian operators, Rivtow Straits Ltd. and Seaspan International Limited, to move Canadian goods to the Yukon on a weekly basis, is not commercially feasible.

BENEFITS TO YUKON SHIPPERS FROM COMPETITION

8. Whitepass and Yukon Corporation has objected to the application for a renewal of its waiver by Alaska Marine Lines on the grounds that it is planning to start a scheduled service from Vancouver to Skagway, using one of the ships it kept in drydock after it withdrew its previous service in January, 1983.

9. A.M.L. responded to the objection to its waiver application by Whitepass in paragraph 10 of its Reply (pp.7 et seq., Attachment 2). After reviewing the submissions by Whitepass to the Water Transport Committee dated April 24, 1986, it is further noted that Whitepass is confident it has sufficient base traffic to justify the operation of a scheduled service to the Yukon. This base traffic consists of existing fuel deliveries, for which Whitepass currently uses a barge provided by Seaspan, and an export program consisting of traffic bound for Southeast Alaska. It is therefore submitted that the continuation of the A.M.L. offer of service to Canadian shippers will not result in the withdrawal by Whitepass of its proposed scheduled service.

10. It is respectfully submitted that the existence of two shipping services into the Yukon will result in competition in the market which will benefit Yukon shippers and businesses. Competition between two operators will ensure that cost competitive rates are maintained and that service remains dependable on a year round basis.

11. It is submitted that the existence of competitive shipping services are crucial for Yukon shippers, particularly as the Yukon economy recovers from its recent severe recession. In this context, it is respectfully submitted that the interests of Yukon shippers should be the primary consideration in determining whether a waiver should be granted to Alaska Marine Lines.

12. At the same time, there has been no indication by Whitepass to the Water Transport Committee as to what its rates will be, other than the broad assertion that they will be competitive. Whitepass has also been asked by Curragh Resources to quote a rate to them for movement of their general freight in and out of the mine at Faro, and to date has not provided such a quotation.

13. It is respectfully submitted that Whitepass is avoiding the requirements and intent of the Coasting Trade Exemption Order by failing to provide its rates and other terms on which it is willing to offer its service. It is submitted that the intent of the coasting trade protection in the Canada Shipping Act and the Exemption Order is to reserve the coastal trade to Canadian traffic where Canadian ships are available to perform the requested shipping movement in a competitive fashion. It is respectfully submitted that in these circumstances, Whitepass cannot be allowed to circumvent the regulatory process designed to administer this policy by failing to respond to shippers in the Yukon until and in the hope that potential competition by A.M.L. will be eliminated by denial of the waiver application.

14. The denial of the A.M.L. waiver application will leave Yukon shippers with only one shipping alternative over water, with the concomitant risks to shippers of higher rates unrestrained by competitive pressures and loss of service. It is respectfully submitted that granting the application by A.M.L. for a renewal of its waiver, on the other hand, will ensure that needed shipping alternatives will be provided to Yukoners.

15. Alaska Marine Lines wishes to emphasize that it has no desire to prevent or preclude Canadians from operating ship or barge water-bridge service to the Yukon. The interest of Alaska Marine Lines in this application is to be allowed an opportunity to continue the service it has offered to Yukon shippers over the past year in a competitive market environment. Alaska Marine Lines submits that, in its anticipation, the continued availability of its service in the Yukon, in competition with Canadian operators, can only be to the benefit of Yukon shippers.

SUPPORT BY YUKON TERRITORIAL GOVERNMENT

16. The Yukon Territorial Government has recognized the necessity of ensuring the continuation of dependable scheduled year round service at competitive rates for shippers and businesses in the Territory. For this reason, the Minister of Community Services and Transportation in the Yukon Territorial Government has supported the A.M.L. application. In the Minister's letter to the Water Transport Committee, a copy of which is attached to these submissions, the interest of the Yukon Government in ensuring the lowest possible transportation costs in order to encourage recovery of the Yukon economy are set out:

As you are no doubt aware, Yukon's economy is an extremely fragile one and is presently getting back on its feet after a devastating downturn in the mining industry over the last three or four years. It is apparent from this experience that the economy is extremely dependant upon the ability of businesses to obtain goods and to ship goods to market at the lowest transportation costs possible. In the view of the Yukon Government, the Yukon economy requires access to frequent, reliable year around and cost competitive marine shipping service. Alaska Marine Lines has demonstrated the ability to provide such service on a weekly basis since last May.

I appreciate that the Committee must examine the potential for Canadian ships and companies to carry out shipping operations between Canadian points. However, the existence of a dependable and cost effective transportation alternative to highway trucking routes is so critical to Yukon's efforts

for increased economic development that unless the Whitepass and Yukon Corporation Ltd. can guarantee frequent, reliable, year around service on a long term basis at rates similar to those currently available, we would feel compelled to support Alaska Marine Lines' request for a further one year waiver under the Canada Shipping Act. I would impress upon you that we must hold this view because of the importance of such service to the Yukon economy as a whole.

17. It is therefore respectfully submitted that granting the A.M.L. application would be in the public interest in the Yukon and would be consistent with the objectives of encouraging the recovery and development of Yukon's economy.

RECIPROCITY WITH THE UNITED STATES - JONES ACT

18. Canadian ship operators now enjoy an exemption from the provisions of the United States Jones Act, under what is known as the "Third Proviso", whereby Canadian vessel operators may ship U.S. goods to Alaska without the need for a waiver from U.S. authorities if the goods involved are delivered, in part, over Canadian rail lines. A copy of the Jones Act with the "Third Proviso" underlined, is attached to these submissions. To our knowledge, Canadian operators now ship U.S. goods to Whittier, Alaska under this provision via Prince Rupert, British Columbia (Canadian National); and to Kaktovik and Prudoe Bay, on the north slope of Alaska via Hay River and the MacKenzie River in the Northwest Territories (Northern Transportation). The volumes involved in these movements are significantly greater than those contemplated by Alaska Marine Lines to be moved to the Yukon Territory under a Canadian waiver.

19. The movement proposed by Alaska Marine Lines parallels Canadian-Alaska operations such as those described above in that Canadian goods transported by Alaska Marine Lines are trucked, by Canadian truckers, to and from U.S. points serviced by the waterbridge portion of the movement. Similarly, other Canadian operators wishing to ship U.S. traffic to southeast Alaska via the Canadian west coast waterway could do so, for example, by transporting U.S. goods to Vancouver by rail. The "Third Proviso" in the Jones Act

was enacted, and has resulted, in increased competition among all operators in Alaska, to the benefit of Alaskan shippers. It is submitted that similar benefits will arise for Yukon shippers should Alaska Marine Lines be afforded a reciprocal opportunity to carry Canadian goods on its scheduled tug and barge service.

20. It is respectfully submitted that a decision to grant the application by A.M.L. for a renewal of its waiver would be consistent, from the standpoint of reciprocity, with the administration by the United States of its coasting trade legislation.

CONCLUSION

21. It is respectfully requested that, for all of the reasons submitted above, the application by Alaska Marine Lines for a waiver of Part XV of the Canada Shipping Act in respect of Canadian goods carried on its weekly scheduled tug and barge service be granted.

OSLER, HOSKIN & HARCOURT
Barristers & Solicitors
50 O'Connor Street
Suite 1400
Ottawa, Ontario
K1P 6L2

Solicitors for Alaska Marine Lines.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 17, 1986

The Honorable Elmer MacKay
Minister, Revenue Canada
House of Commons
707 Confederation Building
Ottawa K1A 0A6
CANADA

Dear Mr. Minister:

I am writing in support of the recent application from Alaska Marine Lines, Inc., for a one-year continuance of their waiver of the Canadian Shipping Act. This will allow continued movement of Canadian products through Haines and Skagway, Alaska, at a cost savings for the citizens of Yukon.

Alaska Marine Lines' regular barge service for Yukon has been in operation for one year, with favorable results for Whitehorse merchants and Yukon citizens. A continuation of these arrangements will benefit Yukon and southeast Alaska, since the additional volume from Canadian products means lower overall unit costs.

As you may know, the State of Alaska and the Government of Yukon have recently agreed to provide year-round maintenance of the Klondike Highway between Skagway and Whitehorse, Yukon. This decision should enhance the transportation system serving both regions and improve the delivery of services by Alaska Marine Lines.

Additionally, an important component of the road agreement is our desire to foster a free trade environment, whereby U.S. and Canadian firms alike can compete side by side for transportation business. Favorable action on the waiver request would be viewed as an affirmation of your government's support for that aspect of the agreement.

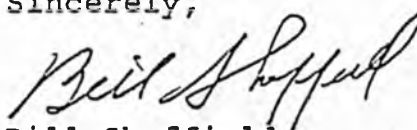
The Hon. Elmer MacKay

-2-

April 17, 1986

Your support and approval of the waiver application by Alaska Marine Lines would be greatly appreciated.

Sincerely,



Bill Sheffield
Governor

cc: Senator Ted Stevens
Senator Frank Murkowski
Representative Don Young

The Honorable Tony Penikett
Government Leader, Yukon

R. J. Knapp, Commissioner
Department of Transportation
and Public Facilities

Loren L. Lounsbury, Commissioner
Department of Commerce and
Economic Development

John Katz, Special Counsel
State/Federal Relations,
Office of the Governor

Jim Jansen, President and
Chief Executive Officer
Lynden Incorporated



Office of the Minister
Box 2703, Whitehorse, Yukon Y1A 2C6
(403) 667-5811 Telex 036-8-260

Our File CTS 4615-2
Your File

1986 04 24

Anne-Marie Trahan, Q.C.
Chairman
Water Transport Committee
Canadian Transport Commission
Jules Leger Building
15 Eddy Street
Ottawa, Ontario
K1A 09N

Dear Ms Trahan:

Re: Alaska Marine Lines Application for Renewal of Waiver under
the Canada Shipping Act

As you are no doubt aware, Yukon's economy is an extremely fragile one and is presently getting back on its feet after a devastating downturn in the mining industry over the last three or four years. It is apparent from this experience that the economy is extremely dependant upon the ability of businesses to obtain goods and to ship goods to market at the lowest transportation costs possible. In the view of the Yukon Government, the Yukon economy requires access to frequent, reliable, year around and cost competitive marine shipping service. Alaska Marine Lines has demonstrated the ability to provide such service on a weekly basis since last May.

I appreciate that the Committee must examine the potential for Canadian ships and companies to carry out shipping operations between Canadian points. However, the existance of a dependable and cost effective transportation alternative to highway trucking routes is so critical to Yukon's efforts for increased economic development that unless the White Pass and Yukon Corporation Ltd. can guarantee frequent, reliable, year around service on a long term basis at rates similar to those currently available, we would feel compelled to support Alaska Marine Lines' request for