

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672
5593 STRA HB 481 - HCR 46

LEGISLATIVE REPORTING SERVICE (BILL SUMMARY)

W. Johansen
Expressway
(naming)

HOUSE BILL NO. 481, by the Transportation Committee. Would name the controlled access highway connecting the Geist Road at University Avenue and the Steese Highway interchange in Fairbanks the Woodrow Johansen Expressway. Johansen was a civil engineer, and taught civil engineering at the University of Alaska in Fairbanks. He became head of the department in 1954. He was also head of the Fairbanks district of the Alaska Road Commission, U.S. Bureau of Public Roads, Alaska Department of Highways, and the Alaska Department of Transportation and Public Facilities.

Does not provide an effective date (bill becomes law 90 days after being signed by the governor).

Introduced February 15, 1988 and referred to Transportation.



Alaska State Legislature

REPRESENTATIVE DISTRICT 23 HEINRICH "Henry" SPRINGER

HOME
P.O. Box 372
Nome, AK 99702
907 443-2874

WHILE IN U.S.A.
P.O. Box 3
Fairbanks, AK 99701
907 465-1789-4084

COMMITTEES

CHAIR:

1975-1976

VICE-CHAIR:

1976-1977

MEMBER:

1977-1978

TO: Transportation Committee

SUBJECT: House Bill 481

From 1963 to 1975 I have worked under Mr. Johansen's supervision in various functions with the Department of Highways and from 1975 to 1979 (the time of his retirement) as his colleague when he was District Engineer at Fairbanks and when I was District Engineer at Nome.

There is no other man in Alaska whom I admire more. He has dedicated his whole life to the transportation matters in Alaska. The attached biographical sketch and the data contained in the bill show this very clearly. I have no doubt that it is warranted to honor him in this way.

This bill differs in some aspects from other similar ones:

1. The highway has not been built yet and is in various stages of implementation: the western segment is ready for construction, the eastern end is still in the location - approval - and design stage.
2. The highway will connect with 2 major highways through an urban area and therefore there is no confusion or duplication of designation.
3. I do not know of any controversy over the name of "Woodrow Johansen".

The early designation has three advantages:

- a) the name can be incorporated early enough in planning, design and contract plans and documents and eliminate the possibility of duplication;
- b) the signs and markers can be purchased and installed in the usual process and extra cost is avoided; and

c) name usage is assured from the start, avoiding a problem often experienced with renaming facilities.

I have not encountered any opposition. The bill has the support of the Fairbanks legislators both in House and Senate, DOT/PF and the Governor's Office, City Mayor Bill Wally of Fairbanks, Borough Mayor Juanita Helms Fairbanks North Star Borough and numerous people.

I have also contacted Ms Nancy Lee Baker who expressed reservations on House Bill 437 (Mitchell Expressway; although she thought it may be too early to name the route she had no problem in principal.

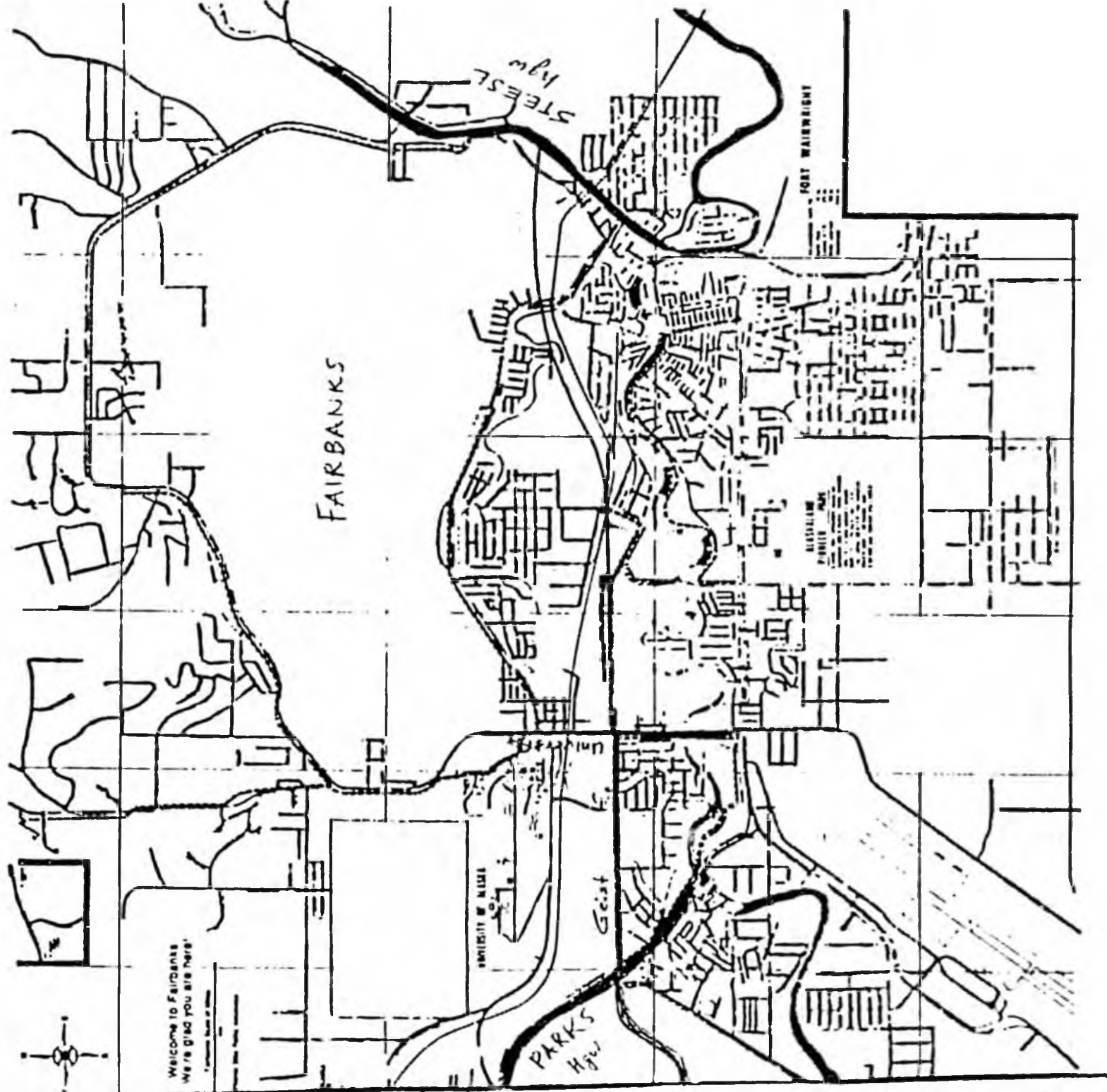
It is appropriate to remember and honor Woodrow Johansen through future generations and I hope this bill moves from Committee and through the legislature this session.

SCHEMATIC

PROPOSED

"WOODROW WILSON EXPRESS WAY"

approximate location, final location to be determined



Married the former Carolyn Haggstrom, also Alaskan born, in 1942. Carolyn graduated from the University of Alaska with a bachelors degree in Business Administration. She also has a bachelors and a masters in Education and taught for many years in the Fairbanks school system. The Johansens have four children.

Throughout his career, Woody Johansen has distinguished himself as an outstanding engineer and administrator. As the Interior District Engineer he headed up the largest highway district in the state for over twenty years.

Under his stewardship, a number of noteworthy highway engineering projects were completed, including:

The northern half of the George Parks Highway, providing a new and shorter route between Anchorage and Fairbanks.

The Dalton Highway, the only overland access to the Prudhoe Bay oil fields.

The Yukon River Bridge, the first bridge to span the Yukon River in the state of Alaska.

The Moody Bridge, which carries the Parks Highway across the Nenana River gorge near Healy.

The Hurricane Gulch Bridge, which provided the final connection between the northern and southern portions of the Parks Highway.

Numerous projects to rebuild, widen, straighten and otherwise upgrade all of the major highways, both urban and rural, in the Interior district.

Took a strong interest in the encouragement and development of engineering students at the University of Alaska. Provided opportunities for summer employment for students to give them exposure to the practical applications of civil engineering knowledge and skills.

Was named the University of Alaska Distinguished Alumnus in 1976.

CORRECTION

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



Alaska State Legislature

REPRESENTATIVE DISTRICT 23 HEINRICH "Henry" SPRINGER

HOME:
P.O. BOX 152
NOME, AK 99702
907-442-2874

WHILE IN SENATE:
P.O. BOX 4
SITKA, AK 99860
907-465-1789-4984

COMMITTEE:

CHAIR:

MEMBER:

VICE-CHAIR:

MEMBER:

MEMBER:

MEMBER:

TO: Transportation Committee

SUBJECT: House Bill 481

From 1963 to 1975 I have worked under Mr. Johansen's supervision in various functions with the Department of Highways and from 1975 to 1979 (the time of his retirement) as his colleague when he was District Engineer at Fairbanks and when I was District Engineer at Nome.

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It is appropriate to remember and honor Woodrow Johansen through future generations and I hope this bill moves from Committee and through the legislature this session.

WOODROW JOHANSEN

Biographical Sketch

Born November 24, 1913 in Eyak, Alaska (near Cordova)

Spent childhood years in the Cordova area. As a young man, worked on construction crew for the Copper River Northwestern Railway. Originally aspired to be an engineer for the railroad.

Graduated from Cordova High School in 1932.

Attended the University of Alaska in Fairbanks under then university president, Dr. Charles Bunnell.

Was listed in "Who's Who Among Students in American Universities and Colleges" in 1939.

Graduated with a B.S. degree in civil engineering in 1940. By this time the Kennicott Copper Mine had ceased operation and the Copper River Northwestern Railroad was shut down.

Went to work for the U.S. Army Corps of Engineers, then joined the University of Alaska engineering faculty in 1942.

Taught at the University of Alaska from 1942 to 1952 as an associate professor of civil engineering.

Earned an M.S. degree in Civil Engineering ^{from} ~~the~~ the University of Illinois in 1949.

Joined Alaska Road Commission in 1951 as assistant district engineer of the Fairbanks district.

Was district engineer with the Valdez district from 1952 to 1954.

Became professor of civil engineering and head of the civil engineering department at the University of Alaska in 1954.

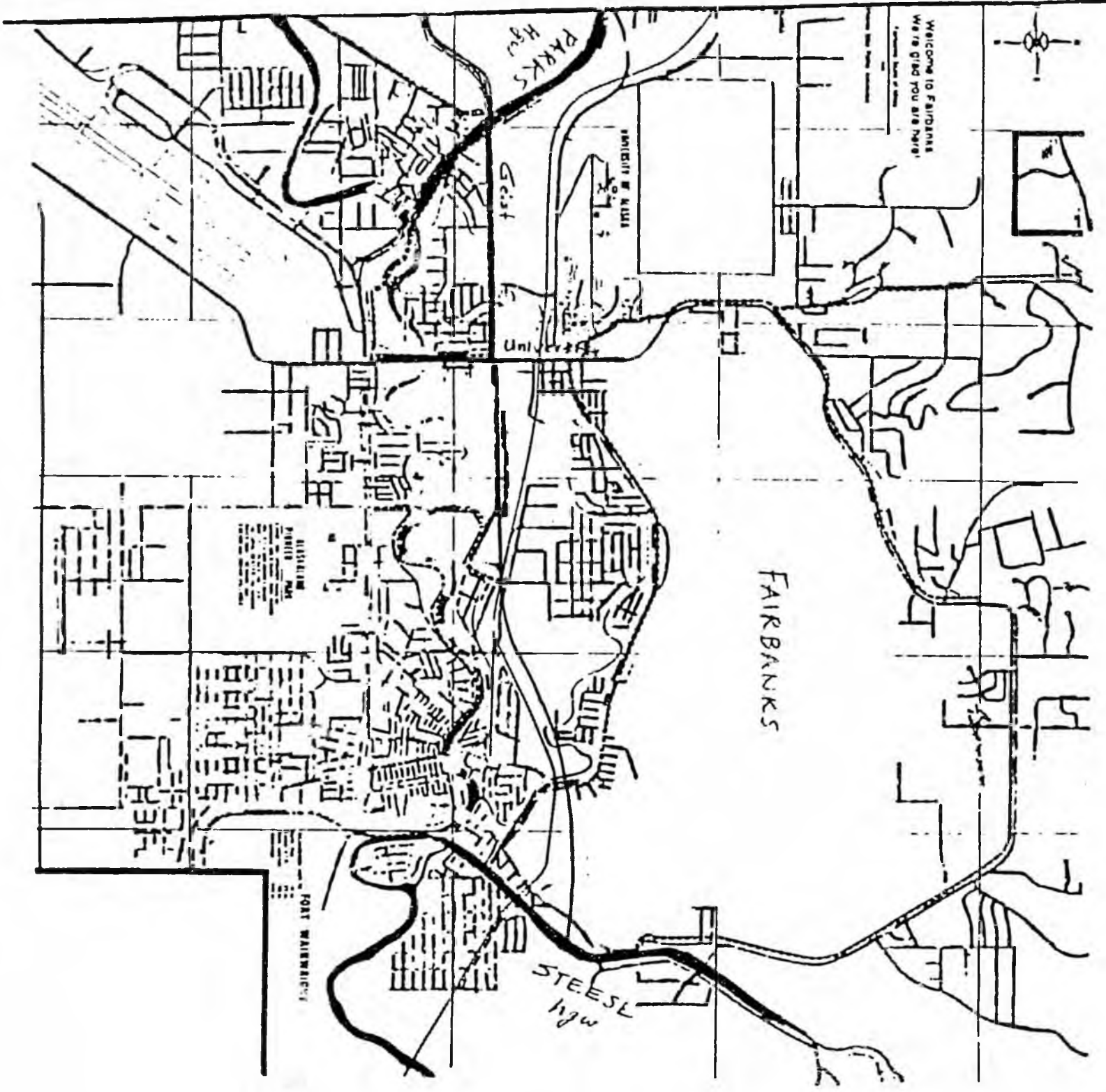
Returned to the Alaska Road Commission as Fairbanks district engineer in 1955. Remained in that position when the A.R.C. became the U.S. Bureau of Public Roads.

Accepted post as Interior District Engineer for the State Department of Highways when that agency took over responsibility for Alaska's highway system in 1960. Remained in the position of Interior Regional Engineer when the Dept. of Highways was incorporated into the Department of Transportation & Public Facilities in 1977.

Retired from state service in 1979.

SCHEMATIC
PROPOSED

"WOODROW JOHANSEN EXPRESS WAY"
approximate location, final location to be determined



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Alaska State Legislature

**REPRESENTATIVE DISTRICT 23
HEINRICH "Henry" SPRINGER**

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Juneau, AK 99811
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COMMITTEES:

CHAIR:
Community and
Regional Affairs

VICE-CHAIR:
Transportation

MEMBER:
Resources

7 April 88

APR 7 1988

To Senator

Lloyd Jones

Chm. Senate Transportation Committee

Dear Lloyd;

*HB 481 - Woodrow Johnson Expressway
has been passed out of the Senate State
Affairs Committee; the next referral
is your committee*

*As discussed earlier this is a non-
controversial bill, honoring a most deserving
life long Alaskan*

*I would appreciate it very much if you
could schedule this bill at your earliest
convenience.*

Thanks

Henry

STATE OF ALASKA 1988 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST 2-18-88

Bill Version: HB 481
Publish Date: HOUSE 2/26/88

Revision Date: _____
Title: Act act relating to naming the
Woodrow Johansen Expressway
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		0				
CAPITAL		0				
REVENUE		0				

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS		0				
OTHER						
TOTAL		0				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: See attached analysis

Prepared by: W. Keith Gerken Phone: 465-3900
Division: Deputy Commissioner, Operations Date: 2/23/88
Approved by Commissioner: Mark S. Hickey Date: 2-23-88
Agency: DOT&PF

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

Fiscal Note (Attachment)
HB 481

The Geist Road Extension will be built under five projects between 1987 and 1995. The first project is now under contract and the second and third projects will be ready for construction in approximately one year. The first project (now under contract) does not include any "Geist Rd" signs.

All signs are eligible for federal highway funding, however, the department is concerned that road signs do not become too large. Letter sizes are set by standards for the type of facility and for this project 8 to 13 inch letters will be common. If all signs must read "Woodrow Johansen Expy," some signs will be very large, require special structures to support, and may be difficult to place at some locations. A compromise of "Johansen Expy" would be appreciated where sign sizes become a problem.

There may also be some community concerns with the discontinuity between the existing Geist Road west of University Avenue and the proposed renaming to the east.

H B

4 8 5

SENATE COMMITTEE REPORT



FURTHER

3/18/88
Mr. President:

DATE TURNED INTO OFFICE 4/26/88

TRANSPORTATION Committee considered CSHB 485 (L&C) am.
amending a provision regarding offers to sell the Alaska Railroad Corporation; efd

and recommended

replace with _____ CS _____) same title
 or adopt _____ CS _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)
 new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature]
Chairman signature and recommendation

Committee Backup attached

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSHB 485 (TRSP)
PUBLISH DATE: HOUSE 2/26/88

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
 Title: An Act amending provisions relating to a solicitation for offers to purchase or operate the Alaska Railroad Corp.
 BRU: Alaska Railroad Corporation
 Sponsor: Cato Components: _____
 Requester: House Transportation Committee

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-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULLTIME	-0-	-0-	-0-	-0-	-0-	-0-
PARTTIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Jim Blasingame, Executive Vice President
 Division: Alaska Railroad Corporation

Phone: 265-2403
 Date: February 24, 1988

Approved by Commissioner: J. Anthony Smith, Commissioner
 Agency: Department of Commerce and Economic Development

Date: February 24, 1988

Distribution (by preparer):

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

ALASKA RAILROAD CORPORATION



Pouch 7-2111 • Anchorage, Alaska 99510-7069

SENATE TRANSPORTATION COMMITTEE

FACT SHEET HOUSE BILL 485

April 26, 1988

GERALD D. VALINSKE

An Act Amending Provisions Relating to a Solicitation for Offers
To Purchase or Operate the Alaska Railroad;
and Providing for An Effective Date.

1. WHAT THIS BILL DOES.

HB 485 deletes [every five years] the second sentence of AS 42.40.260(b) which is part of the 1984 Alaska Railroad Corporation Act ("ARCA"). Although every year the Alaska Railroad Corporation's ("ARRC") annual report would continue to analyze potential sales arrangements to private owners, it would not be required to document at least three offers to sell its assets during the same period of time. This provision of the current law would be repealed.

2. IS THIS LEGISLATION REALLY NECESSARY?

Yes. When the State purchased the Alaska Railroad in January, 1985, it agreed to many sale terms. Those terms included a provision in the Alaska Railroad Transfer Act ("ARTA") which requires the State to turn over any profits of a subsequent sale to the United States, if the sale occurs within the first five years of State ownership. This period ends on January 5, 1990. Despite this onerous penalty, State law presently requires ARRC to make attempts to sell all or part of its assets during the same period of time! Since it is extremely unlikely that the legislature would approve an early sale under these circumstances, the huge and probably unnecessary cost related to researching, preparing, soliciting, and negotiating meaningful sale arrangements should be avoided by repealing this portion of AS 42.40.2650(b).

3. WILL THIS MODIFICATION PREVENT SALE OF THE RAILROAD OR DISCOURAGE ACTIVE SOLICITATION AND CONSIDERATION OF SALES POSSIBILITIES?

No. ARCA's section 940 will remain unchanged. It permits the Governor to sell or lease the Alaska Railroad under certain conditions

at any time. A sale must be approved by the legislature. In addition, the modification will not eliminate the legislature's original desire that ARRC pursue a disposal of its assets. On an annual basis, the corporation will continue to analyze transfer opportunities for the legislature's consideration.

4. IS THE ORIGINAL INTENT OF ARCA STILL PRESERVED?

Yes. The potential sales arrangements should be initiated by market opportunities and State needs. Sales profits should not be needlessly diminished by huge costs related to premature sales preparations. Additionally, in the interest of economy, efficiency, and fairness to those involved, only those offers which will clearly serve State needs and fulfill its expectations should be solicited. Unless HB 485 is passed, the railroad will be required to mechanically solicit disposal offers before the State has had an opportunity to consider what long-term railroad operations and operational alternatives will best serve its disposal process explaining how the railroad will be operated and under what terms and conditions it will be sold. Much time, money, and effort will be expended in the inventory and evaluation of railroad assets and operations, alternatives and terms, identification of acceptable buyers and their qualifications, and negotiation of operating restraints and conditions.

ALASKA RAILROAD CORPORATION



Pouch 7-2111 • Anchorage, Alaska 99510-7069

SENATE TRANSPORTATION COMMITTEE HEARING

HOUSE BILL 485

April 26, 1988

GERALD D. VALINSKE

An Act Amending Provisions Relating to a Solicitation for Offers
To Purchase or Operate the Alaska Railroad;
and Providing for An Effective Date.

When the State of Alaska purchased the Alaska Railroad in January, 1985, it agreed to many sale terms. One of those terms included a requirement that the State turn over any profits of a subsequent sale of the railroad to the United States, if the sale occurs within the first years of State ownership. That period ends on January 5, 1990.

Despite this penalty, present State law requires the Alaska Railroad Corporation to make three attempts to sell its assets during the same period of time! Since it is extremely unlikely that the legislature would approve an early sale under these circumstances, the State-owned railroad is currently on a tract to unnecessarily spend huge sums of money related to preparing, soliciting, and negotiating sale arrangements to comply with AS 42.40.260(b). House Bill Number 485 was introduced to correct this important oversight in the 1984 Alaska Railroad Corporation Act, which is known as "ARCA."

HB 485 deletes every five years and the second sentence of ARCA's section 260(b). With passage of HB 485, now annually the corporation

would continue to analyze potential sales arrangements to private owners, it would not be required to document at least three attempts to sell its assets during the same period of time. This provision of ARCA would be repealed.

It is extremely important to recognize that this modification will not prevent sale of the railroad or discourage active solicitation or consideration of sales possibilities. The original intent of the 1984 legislation will be preserved. First, ARCA's section 940 will remain unchanged. It permits the Governor to sell or lease the Alaska Railroad under certain conditions at any time so long as any sale is approved by the legislature. Secondly, on an annual basis, the railroad must continue to analyze and report sales opportunities for the legislature's consideration.

It is true that the sales penalty existing in the federal law could be avoided by extending the first deadline for solicitation of offers by the railroad beyond January, 1990. However, repeal of the "three offers each five years" formula is preferable to continuing an artificial and wasteful stimulus to meaningful sales efforts. Those efforts should instead be stimulated by market opportunities and State needs. Sales profits should not be needlessly diminished by huge costs related to premature and unnecessary sales preparations.

In the interest of economy, efficiency, and fairness to those third parties and others who will be involved in the sales process, only those offers which will clearly serve our State's needs and

House Bill No. 485
Page 3

fulfill its expectations should be solicited. Ironically, and unless HB 485 is passed, the railroad will be required to mechanically solicit disposal offers before the State has had an opportunity to consider what long-term railroad operations and operational alternatives will best serve its needs. Direction must be given to those involved in the disposal process explaining how the railroad will be operated and under what terms and conditions it will be sold. Until that work is completed, artificially stimulated sales efforts will unnecessarily deplete an important State investment and resource. I ask that House Bill 485 receive your favorable consideration.

Thank you.

HCR

34

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HCR 34
PUBLISH DATE: HOUSE 2/10/88

REQUEST: FISCAL NOTE

Revision Date:
Title: House Concurrent Resolution No. 34

Agency Affected: DOT&PF
BRU: Engineering & Operations Standards

Sponsor: Larson, Menard, Ellis, Brown, Gruenberg and Donley
Requestor: Cato

Components:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	24.0	24.0	24.0	24.0
TRAVEL	0	12.0	0	0	0	0
CONTRACTURAL	0	7.0	0	0	0	0
SUPPLIES	0	2.0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	6.0	0	0	0	0
TOTAL OPERATING	0	27.0	24.0	24.0	24.0	24.0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	24.0	24.0	24.0	24.0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	27.0*	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	24.0	24.0	24.0	24.0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0.5	0.5	0.5	0.5
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

* The department has prepared a detailed position paper which identifies a number of policy options and sub-options. In brief, this fiscal note identifies an initial cost of \$49.0 to establish the TODS signing program of which \$27.0 can not be covered by existing budgets. The \$22.0 not shown above is covered by existing budgeted staff (personal services).

Continued on page 2.

Prepared by: Jeffery C. Outesen, Director
Division: Engineering and Operations Standards

Phone: 465-2951
Date: February 5, 1988

Approved by Commissioner: *[Signature]*
Agency: Department of Transportation and Public Facilities

Date: 2/5/88

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

7. 11/11. Attachment

February 5, 1988

Department of Transportation and Public Facilities

Page 2 of 2

continued from page 1:

Thereafter, the fiscal impact to the state would reflect the policy option selected. Depicted in this fiscal note is the minimum state investment option wherein the cost of establishing the program would be borne by the state but businesses interested in having signs erected would bear all direct and indirect costs of the program. At minimum, this would be a 1/2 time position to monitor and keep records on the program which is reflected in the above analysis.

Higher fiscal impacts and staffing may be required if other policy options are adopted. For example, if the department were to perform all sign erection, removal and maintenance, staffing additions and associated costs would raise the fiscal impact. In principal, we envision a program that utilizes the private sector to the greatest extent possible, and that policy alternative is reflected in this fiscal note.

For additional detail, pp. 9-13 of the department's position paper is attached which describes the fiscal implications of three policy alternatives.



*Please note: following pages will
be numbered 9-13.*

Phase II - Start Up and Continuation (Indefinite)

This phase involves the physical placement of sign standards and business informational signs following the process and methods selected in the regulations and from legislative intent. It is likely that minor adjustments to the program would be pursued based upon the feedback of field experience. The cost to the state during this phase would vary according the policy option selected regarding the degree to which business enterprises should pay for the program. Following is a range of policy options that better define the possible cost ramifications of various policy options.

State Investment Policy

Description

Minimum

State develops program; businesses pay all other costs including staff support for application processing, sign manufacturing, installation, liability insurance, repairs, replacement and removal, as necessary. This approach would require both an application fee and annual administrative fee to support state costs.

Shared

State develops program; businesses pay application cost, and pay for sign manufacturing, installation and on-going maintenance. State covers personal services cost associated with program administration.

Maximum

State develops program; state supplies signs, sign supports, and pays for installation, repair, replacement and removal, as necessary. Businesses pay a portion of these costs through fixed application and annual maintenance fees. (Estimated at \$500 for installation and \$250 for annual M&O and administrative costs).

The total cost of this phase will be affected by the number of participating businesses. The number of participating businesses, will, in part, be determined by the cost burden they must assume. It is likely that with greater state participation in program costs the more businesses that will participate.

Sign Cost

The signs will cost about \$150 to \$200 per panel, plus \$150 to \$200 for breakaway bases and supports (installed). There can be 1 or 2 sign panels per location for an average cost of \$350 per location if one panel is installed and \$525 per location if two sign panels are installed (\$262 per business). In a typical application each business would have two signs installed, one facing each traffic direction prior to the intersection leading to the business establishment.

We have assumed that the number of one-sign panel and two-sign panel installations will be about equal, thus the average cost per business will be:

$$\frac{(\$350 + \$525)}{2} \cdot 2 \text{ signs per business} = \$875 \text{ per business average}$$

Number of Businesses

For the purpose of an estimate the following assumptions have been made concerning the number of participating businesses: 1) The number of businesses which elect to participate will vary with the degree of state investment. 2) The ultimate number will not be realized in the first 1 or 2 years, but will gradually increase over a 5 year period; thereafter growth will generally follow state economic trends.

Table 1 indicates the estimated number of participating businesses over a 6 year period, for each of the three policy options previously described.

M&O Cost for Signs

Upkeep, repair, replacement and insurance are estimated to cost 25% of the signs installed value annually. While this may appear as a high figure considering that the signs should have a life of 10 to 12 years from the effects of weathering, it is anticipated they will actually experience a much shorter life due to accidents and vandalism (average life of 4 to 6 years is estimated). Some form of insurance coverage is considered a probable requirement.

DOT&PF Administrative Costs

The department will be required to maintain an inventory and status of the business signing program. While this workload will in fact vary in part with the overall size of the program, for the purposes of this estimate it is considered a fixed cost. It is estimated it will require a 1/2 time position to coordinate the program, serve as center for statewide data collection, and remain current with the progress of the program so that policy adjustments, if necessary, may be pursued.

The administrative staff position would require funding in the range of \$24,000 per year (6 mo. @\$4,000). Funding for this cost is covered by participating businesses in the *minimum* policy option; it is covered by the state in the other policy options.

This position is over and above the staff support required to process individual applications for signs at the regional level. The regional utility staffs are considered adequate to undertake this role (with necessary coordination with traffic safety staff), though a fee is proposed, as these staffs are funded entirely from program receipts. A \$200 application fee is contemplated under all of the policy options. This is the cost for evaluating each sign request and processing it through decision (approve or deny) and is estimated to be \$200 (8 hours @ \$25/hr.).

State and Business Costs

From the above data it is possible to derive some general estimates of what costs would be incurred to either the state or an individual business relative to the three policy options.

The *minimum* state investment policy option results in the fewest number of businesses participating with the highest cost per business served. An average initial sign installation cost is estimated at \$1,075, with an annual cost of \$819 in FY 90 (M&O and administrative fee) and a general lowering of the annual cost to \$379 in FY 94 as the total number of businesses increases providing a larger base of firms to share the fixed administrative cost. This option results in a one-time expense to the

state of \$49,000 for program start-up with all other costs borne by participating businesses.

The *shared* state investment policy option would again cost each business the \$1,075 for sign installation. The annual M&O cost to each business is estimated at \$219 with the state assuming the fixed administrative cost. This would result in an on-going expense to the state of \$24,000 annually, with a total state investment of \$169,000.

The *maximum* state investment policy option results in the greatest number of participating businesses as the cost to each is the lowest. Each business is assumed to pay a \$500 initial installation fee which partially covers the cost of the sign and application processing. Thereafter, there would be an annual fee of \$250 covering administration and sign M&O costs. This option results in a very large investment by the state over the 6 year projection; estimated at \$322,000.

Tables 2 - 6 depict the costs for the three policy options and are broken down for the 6 year horizon - FY 89 through FY 94. To reiterate key assumptions used in the analysis they are repeated below:

Number of Businesses per Year:	Varies by option and year, estimated in Table 1
Sign Installation Cost:	\$875 average - 2 signs per business
Application Cost:	\$200
Annual Sign M&O Cost	\$219 average (25% of sign cost)
DOT&PF Administration Cost	\$24,000 annually
Business fees under Maximum Policy	\$500 for sign installation, and \$250 for annual renewal

It is acknowledged that the estimates described herein are just that -- estimates. They are only as good as the assumptions that underlie them. The estimates assist in understanding the implications of various policy options and they provide approximate representations of state and private costs that would be associated with the program. The number of participating businesses and the annual sign M&O cost are probably the weakest "links" in the estimates as there are few data upon which to base them. The M&O cost is an average and, unless "pooled" in some fashion, could cost individual businesses much more than this if their signs are vandalized repeatedly. Likewise installation costs may vary greatly by distance from service centers. In summary, while these estimates are quite useful at this stage of investigation, they must be used with caution given the many judgements incorporated into them.

Private Sector Participation

Though mentioned earlier in this paper, the means by which the private sector could assist in program implementation has not been described during the previous discussion on costs. It has been intentionally omitted because there are myriad methods by which the private sector could be involved, and analysis of each, given the many variables already involved, would make the estimates far more complex.

Sign Cost Calculation

Table 1 - Estimated Number of Businesses Participating							Total Business
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	Years Served
Minimum	0	40	100	125	140	150	555
Shared	0	60	120	150	175	200	705
Maximum	0	75	150	225	300	325	1075

Table 2 - Estimated State Startup and M&O Costs							Aggregate
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	Cost To State
Minimum	\$49,000	\$0	\$0	\$0	\$0	\$0	\$49,000
Shared	\$49,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$169,000
Maximum	\$49,000	\$21,675	\$19,350	\$17,025	\$14,700	\$13,925	\$135,675

Table 3 - Estimated Cost To Business for Annual M&O						
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
Minimum	\$0	\$819	\$459	\$411	\$390	\$379
Shared	\$0	\$219	\$219	\$219	\$219	\$219
Maximum	\$0	\$250	\$250	\$250	\$250	\$250

Table 4 - Estimated Cost to State for Sign Installation							Aggregate
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	Cost To State
Minimum	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Shared	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maximum	\$0	\$43,125	\$43,125	\$43,125	\$43,125	\$14,375	\$186,875

Table 5 - Estimated State Funding Requirements - Annual M&O and Sign Installation							Aggregate	Cost per Business/
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	Cost To State	Year Served
Minimum	\$49,000	\$0	\$0	\$0	\$0	\$0	\$49,000	\$88
Shared	\$49,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$169,000	\$240
Maximum	\$49,000	\$64,800	\$62,475	\$60,150	\$57,825	\$28,300	\$322,550	\$300

Table 6 - Estimated Cost To Business for Sign Pair Installed in FY 90							Aggregate Cost	Average
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	To Business	Cost per Year
Minimum	\$0	\$1,894	\$459	\$411	\$390	\$379	\$3,533	\$707
Shared	\$0	\$1,294	\$219	\$219	\$219	\$219	\$2,170	\$434
Maximum	\$0	\$750	\$250	\$250	\$250	\$250	\$1,750	\$350

This should not suggest the department is disinterested in this approach. Three general options are presented below for consideration. Detailed evaluation is suggested for the task force in analyzing the merits of each option and better defining a course of action.

1. Franchise - Under this concept the program would be almost entirely run by a private firm or firms in franchise fashion. Final decision concerning sign installation and program policies would remain in departmental hands; otherwise individual businesses would make application to the firm(s). The firms would be sanctioned by the department to perform this service and would be responsible for all steps including application processing, sign manufacturing, installation, maintenance, and inventory and status reporting.

2. Installation and M&O Only - Under this concept the state would process each application through decision. The business applicant would have the signs manufactured, installed and maintained to state standards by a firm of their choice.

3. Manufacturing Only - Similar to Option #2, except state highway maintenance crews would install and maintain the signs after they were manufactured for the business and delivered to the appropriate maintenance station. This option allows for greater control of exactly how and where the signs are installed within the ROW and may be less costly to the business when the signs are installed in remote locations.

Technical Issues to be Resolved:

As part of the developmental phase (and with an adjustment period as experience is gained) some technical issues will need to be resolved in more detail than is possible here. Some of these are:

User fee structure	- subsidy from state, equal to cost, or revenue generating.
Insurance requirements or liability potential	- individual policy or pooled coverage.
Conditions of eligibility	- types of businesses, minimum services necessary to qualify, minimum hours of operation, distance from highway.
Allowable number and locations	- sight distance, spacing, etc.
Physical specifications	- size, shape, materials, colors, logos, supports, locations, etc.
Prioritization where demand exceeds available space	- first come, first served? - lottery on a periodic basis? - public necessity?

Alaska State Legislature



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Representative Ronald L. Larson
District 16B

To: Senator Lloyd Jones, Chair
Senate Transportation Committee

From: Representative Ronald L. Larson *R.L.*

Re: HCR 34, Tourist Oriented Directional Signage

Date: April 18, 1988

Your committee has HCR 34 scheduled for Thursday, April 21.

This resolution expresses the support of the Legislature for the Tourist Oriented Directional Sign Program (TODS). The TODS Program allows for standardized signs--citing business name, type of business, and distance to the service. This will assist tourist oriented businesses which are not readily visible from the roadside. Size and color of tourist oriented signs will be determined through a public process.

I would appreciate your committee's suggestions and support.

STEVE COWPER, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

P O BOX 2
JUNEAU, ALASKA 99811-2500
PHONE (907) 465-3900

January 15, 1988

The Honorable Ron Larson
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Larson:

Enclosed is a draft policy paper concerning options for providing for signing of commercial interests within state rights-of-way (R-O-W). In brief, this proposal advocates adoption of a new option that we believe will soon be allowed by the Federal Highway Administration. This new option, termed TODS, provides for tourist-oriented directional signs within the ROW.

The TODS option, while beneficial to many categories of businesses, does not open the door to advertising of all forms within state rights-of-way. The signs are relatively small, allow little more than business name identification, and would not be available to businesses not generally used by tourists. Hopefully, this limitation will negate any concern from those interested in preserving scenic resources. In fact, like most good solutions, TODS is a compromise. It would address the need for provision of information to visitors about various businesses not readily visible from the roadside. We believe it would go a long way toward assisting a large number of businesses that rely upon tourists in whole or in part at a cost acceptable to state government.

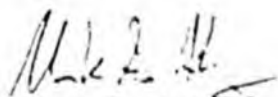
In the October teleconference, Jeff Ottesen mentioned a budget of \$15 to \$20 thousand to prepare the regulations associated with a program of this sort. Our current proposal is for more than this (\$27,000), and I believe it deserves clarification. Upon review, I felt it desirable to use a "task force" to establish the rules by which the TODS program would be governed and to increase the number of public hearing locations (see p. 7 of the position paper). We could lower this cost by \$10,000 by eliminating the task force approach and reducing the number of public hearing locations from 5 to 3. However, I think that because of the many complicated questions posed by the adoption of a TODS program for Alaska, and the need for businesses and the public throughout the state to participate in the drafting of the related regulations, the additional money is an appropriate expenditure.

*Compliments of
Representative
Ron Larson*

The Honorable Ron Larson
Page Two
January 15, 1988

Your patience in awaiting this draft policy is appreciated. We are circulating this policy within the department concurrent with your review. If you would like more information or clarification please let me know.

Sincerely,



Mark S. Hickey
Commissioner

enclosure

cc: Susan Fleischhauer, Legislative Liaison
Barry F. Morehead, Division Administrator, FHWA
Jeff Ottesen, Director, E&OS
Ray Price, Jr., Special Staff Assistant, Office of the Governor

DRAFT

POSITION PAPER:

**INFORMATIONAL AND DIRECTIONAL SIGNING
FOR
COMMERCIAL ESTABLISHMENTS**

Introduction

The Highway Beautification Act of 1965 severely restricted advertising signs apart from on-premises signs. Many States were even more restrictive to protect the aesthetics of their roadways. In 1969, to provide directional information to motorists on limited-access roadways (Interstates and similar), a system of Specific Service Signs ("Logos") in the right-of-way (ROW) at interchanges was allowed for food, gas, lodging and camping when such enterprises were not visible from the limited-access routes. This program was extended in late 1986 to be eligible on conventional roads¹ with federal approval.

However, the Logo sign program leaves many desirable if not necessary businesses with little or no means to inform motorists of their service and location.

Most states have resisted efforts to institute other signing programs because the demonstrated need from the motorist standpoint was not equal to the costs and public safety consequences. (It is generally held that proliferation of roadside signs causes motorists to tend to ignore them, including necessary traffic control devices, dilutes their attention from the vital driving task, and presents another series of roadside obstacles in collisions.)

However, with the rise in tourism and a lagging economy in some areas, the need for better directional signing for business enterprises ~~was perceived~~. The Federal Highway Administration is proposing to add a section to the federal Manual on Uniform Traffic Control Devices (MUTCD) to provide for an official system of Tourist Oriented Directional Signs ("TODS") to meet this need. (Attachment 1)

There has been a growing demand for such directional signing in Alaska. During a recent teleconference including representatives from the Federal Highway Administration (FHWA), the Department of Transportation and Public Facilities (DOT&PF), the Legislature, other State departments, local agencies and the public, it was agreed that Alaska needs to systematically and cooperatively address this growing need.

Purpose:

The purpose of this discussion is to provide information on pertinent aspects of programs to enhance motorist directional signing such as the various public policy issues involved (business enhancement, public safety, cost to public agencies, and

¹ Including all federally funded highways, not just controlled-access expressways and freeways.

roadside beautification), and to recommend a course of action meeting the cooperative needs of all concerned within the limits of our resources.

While aspects related to advertising outside the right-of-way are discussed, the main thrust is what the DOT&PF can do to enhance directional signing within the right-of-way of state-maintained roads, and in this manner meet the needs of more businesses and motorists.

Review of Statutes, Regulations and Policies on Signing:

FHWA has informed the Department that the "Interstate" routes in Alaska, which were so designated for funding purposes, are not considered as "Interstates" for the purposes of federal statutes and regulations on highway signing. This is of little impact because most of the restrictive federal regulations apply to both Interstate and Primary routes, and Alaska's "Interstates" are Federal Aid Primary routes.

The only areas where we have flexibility absent changes in federal statutes and regulations are outdoor advertising adjacent to state and local roads and secondary Federal Aid routes, and Traffic Control Devices on most roads.

Conventional outdoor advertising possibilities (billboards) are generally limited to locations outside the ROW on Federal Aid Secondary roads, and a proposal is being considered to liberalize the State regulations there to be no more restrictive than the federal regulations.

As explained previously, the most promising avenue for widespread private enterprise identification in the right-of-way is an experimental program (TODS), and this paper will be directed at this more feasible alternative of "official" directional and informational signing.

There are at least three relevant regulatory or statutory areas and at least six documentary authorities regarding signs:

Regulatory Areas:

1. Traffic Control Devices (TCD's)
2. Outdoor Advertising
3. Right-of-Way (ROW) Encroachments

Authority References:

- A. Code of Federal Regulations (CFR)
(backed by enabling legislation.)
- B. Alaska Statutes (AS)
- C. Alaska Administrative Code (AAC)
- D. DOT & PF Policy and Procedures (P&P)

- E. Alaska Traffic Manual (ATM)
- F. Local Laws and Ordinances (not treated here)

Attachment 2 shows which authorities pertain to various roadway classes.

1. TCD's

A. 23CFR655-Subpart F establishes the Manual on Uniform Traffic Control Devices (MUTCD) as the standard on streets, highways, and bicycle trails open to public travel. (Attachment 3)

It allows States to have their own manual or supplements in substantial conformance to the national MUTCD and with the FHWA Regional Administrator's approval of the manual or supplements. The Alaska Traffic Manual (ATM) exercises this option by consisting of the MUTCD with a federally approved "Alaska Supplement".

B. AS28.01.010 requires municipalities to conform as close as practicable to the DOT&PF's ATM. (Attachment 4)

AS19.10.040 requires DOT&PF to conform as far as possible to the national MUTCD. (Attachment 5)

D. P&P 70-7000 defines the ATM as the MUTCD with an Alaska Supplement and establishes the policy that it is the official State manual. (Attachment 6)

E. The MUTCD portion of the ATM (section 1A-3.1) requires that no TCD or its support shall bear any advertising or commercial message, or other message not necessary to traffic control. Furthermore, it requires any unofficial and non-essential signs to be removed as a public nuisance. (Attachment 7)

The ATM allows the State to establish a federally approved program of Specific Services ("Logo") Signs for food, gas, lodging and camping.

[NOTE: It is also likely that a system of Tourist Oriented Directional Signs (TODS) will soon be allowed by the national manual, and would likely be approved under the present statutes and regulations based on precedent in other States. See Attachment 8 for details.]

2. Outdoor Advertising (outside of ROW)

A. 23CFR750 generally prohibits advertising within 660 feet of FA Interstate or Primary routes where visible from the roadway, or

beyond that and intended for visibility from the roadway, except for "on-premise" signs advertising activities on the property or advertising the property for sale. Only the 660 foot border applies in urban areas. Signs consistent with the regulations and authorized by state law which are designed to give information in the specific interest of the traveling public may be permitted in protected areas. Also, signs in bonafide "zoned and unzoned commercial areas" are permissible. (Attachment 9)

B. AS19.25.080-180 is parallel to the federal requirements except it includes the Secondary road system. It also authorizes the DOT&PF to enter into agreements with the U. S. Secretary of Transportation as provided in 23 USC relating to outdoor advertising. (Attachment 10. The original state-federal agreement is Attachment 11.)

3. ROW Encroachments

A. 23CFR1.23 prohibits encroachments on property in the ROW of FA routes except those devoted exclusively to public highway purposes. (Attachment 12)

B. AS19.25.200-250 prohibits encroachments except as permitted by DOT&PF regulations. (Attachment 13)

C. 17AAC20.010-.040 prohibits outdoor advertising signs within the ROW of any highway and forbids the permitting of such. (Attachment 14)

D. P&P 10-0020 requires that in the interest of safety, convenience and pleasure of highway users, encroachments will not be allowed except by permit. (Attachment 15)

E. ATM Section 1A-3.1 prohibits signs in the ROW except for official TCD's. (Attachment 7)

Alternative R.O.W. Programs:

Specific Service Signs (LOGO Signs) -

As discussed in the Introduction, Logo signs for the specific categories of food, gas, lodging and camping are allowed on conventional roads under the Alaska Traffic Manual (The National MUTCD with an Alaska Supplement) provided the State develops a program acceptable to FHWA. These are described in Section 2G-5 of the MUTCD.

These signs are usually placed at interchanges, have rather restrictive applications, and the installation is relatively massive and costly.

Tourist Oriented Directional Signs (TODS) -

This program which is currently experimental in selected states excluding Alaska is expected to be included in the Federal Manual in the near future, and precedents have been set which leads us to believe it can be implemented with minimal statutory or regulatory action.

These signs extend the directional information to more types of business to be determined by the State, and allow for more widespread use.

The signs must follow a prescribed format (white letters and borders on a blue background in keeping with the nationally established system for motorist information signs) and cannot convey an advertising message or other information except the business name and/or logo and directions thereto. It does allow businesses some distance from the highway to be identified, subject to state rulemaking.

Encroachments -

This would consist of allowing certain signs meeting established criteria to be erected within the R.O.W. under a formal permit and agreement. They would require Federal approval on Federal Aid routes and would be expected to have to pass stringent tests as to devotion to "public highway purposes". For example, we are currently requesting approval of state park logo signs to use this approach for approval.

This alternative is not felt to be as satisfactory as the other alternatives, and is probably only feasible on secondary routes and local roads which are outside of DOT&PF's jurisdiction. In many of those cases outdoor advertising adjacent to the R.O.W. is permissible or possible.

Required Changes In Statutes, Regulations, and Polices:

Logo Signs - Little or no need for changes except to establish regulations for permits or fees. The State would have to develop a policy in the Alaska Traffic Manual (ATM) acceptable to the FHWA. (Absent significant state funding subsidies this would be very expensive for most businesses.)

TODS - Similarly, no changes expected except regulations establishing fee structure in the AAC and developing program policy in the ATM acceptable to the FHWA.²

Encroachments - Most encroachments of this nature would probably be difficult or impossible for business utilization on the FA Primary system. Otherwise a change

² While Federal approval of the TODS concept as a nation-wide program rather than experimental has not taken place, we have been informed by the Divisional office of FHWA that Alaska could adopt it as an official addition to the Alaska Traffic Manual.

in the State statute prohibiting outdoor advertising on secondary routes, a change in the AAC which prohibits advertising in the R.O.W., and an AAC revision establishing a fee structure would be required.

Comparison of Pertinent Features:

The following is a subjective comparison of various aspects of the three envisioned alternatives. The most desirable (or least burdensome) alternative is rated 1 with relative rankings of 2 and 3 (except for equals).

<u>Aspect</u>	<u>Alternatives</u>		
	<u>Logos</u>	<u>TODS</u>	<u>Encroachments</u>
Cost of Signs	3	1	2
Cost to Administer	2	1	1
Cost to Businesses	2	1	2
Availability to Business Types	3	2	1
Availability to Businesses remote from the Through Route	2	1	1
Allowable Roadways	2	1	3
Aesthetics	2	1	3
Impact on Safety	3	1	2
TOTALS	19	9	15

Resources Required:

If the Department's recommendations are accepted, the following phases are envisaged. (see estimate details in following section)

1. Program development phase (estimated at 12 months).
2. Start-up and continuation phase (indefinite).

The costs may be broken down into developmental costs (technical personnel, hearings, AG's assistance on regulations), physical costs (signs, supports, installation), and administrative costs (evaluating requests, issuing "permits", record keeping, maintenance activities). These costs, as a policy matter, may be absorbed completely by the State, completely by the users, or anywhere in between. Because the cost of start-up and proper signing is not low, and because Alaskan businesses will receive tangible benefits, it is suggested that the State participate by subsidizing

the setup costs of the program, while the on-going costs be borne by the benefiting businesses.

The total costs after the developmental phase will depend to a great extent on the number of requests for signs and their locations. A subjective estimate is used for planning purposes, but the cost figures for the second phase can be revised later based on the level of response by businesses to the public notices during the developmental phase.

It should be noted that start-up funds alone will not provide the necessary on-going resources in the absence of funding for personnel to conduct this program unless other services are sacrificed (e.g. traffic safety studies, M&O activities).

It is envisaged that sign installation could be done through contractors from the private sector, and this along with the fabrication of signs by Alaskan firms will be a further benefit to the economy. The form of the physical maintenance function, and removal of signs for businesses that close will need further consideration.

Phase I - Developmental (1 Year)

In this phase the Department, through a 7 member Commissioner-appointed task force, would develop proposed policies, procedures and regulations which, after appropriate public hearings, would be implemented to meet the requirements of businesses, motorists, the FHWA, and the department. The task force is proposed to provide a range of opinion, including federal, state, and business toward the job of establishing policy. Task force composition is suggested to include:

DOTPF	1	Commissioner or designee
Legislature	1	To be determined
DOT&PF Regions:	1	Director, Maintenance & Operations
	1	Director, Design & Construction
DC&ED	1	Director, Division of Tourism
AVA	1	Director, Alaska Visitors Association
Business Rep.	1	Appointed by Commissioner, from list of names submitted by State Chamber of Commerce

The task force would meet for a total of three times. Initially to recommend general policy guidelines and help guide draft regulation language. Following the public hearing phase on the regulations the task force would meet again to assist in policy formulation on the final regulation language. Key staff members from the E&OS division would serve as a resource to this task force. A broad brush outline of the task force's involvement in the process is shown as follows:

1. E&OS Staff prepare initial information package and discussion on range of policy options.
2. Commissioner's Task Force Meeting #1: Start-up meeting to assess policy options; output of meeting is a selection of a limited number of policy options to evaluate in more detail.
3. E&OS Staff prepare second information package and discussion of selected policy options.

4. Commissioner's Task Force Meeting #2: Policy definition session. Commissioner's Task Force would be asked to make recommendation to Commissioner on preferred method of providing for outdoor advertising within and along ROW, including basic ground rules, responsibility assignments and means of implementation.
5. E&OS Staff prepare draft regulations from guidance of Commissioner and Task force. Public Notice provided in accordance with AAC requirements.
6. Public Hearings held in five locations: Juneau, Kenai Peninsula Borough, Anchorage, Mat-Su Borough, and Fairbanks.
7. Commissioner's Task Force Meeting #3: Final meeting to evaluate the public hearing testimony and make policy adjustment recommendations.
8. Finalize regulations and publish.
9. Prepare and publish a handbook describing the program and method of securing off-premise advertising along state maintained roads.

Developmental Expenses

<u>Expenses Item</u>	<u>Units</u>	<u>Cost</u>	<u>Funding Needs</u>	<u>Funding Available</u>
E&OS Staff				
Professional Staff	4 mo.	\$5,000		\$20,000
Clerical Staff	1 mo.	\$2,000		\$2,000
Legal Staff	60 hrs.	\$100	\$6,000	
Task Force Travel	16	\$500	\$8,000	
Public Hear. Travel	All	\$4,000	\$4,000	
Public Hear. Transcrip.	5	\$600	\$3,000	
Advertising, Commun.	All	\$2,000	\$2,000	
Graphics & Printing	All	\$4,000	<u>\$4,000</u>	
Totals			<u>\$27,000*</u>	\$22,000
Total Program Development Cost			\$49,000	

(* Note: Only \$27,000 would require legislative appropriation. The personal services required for this effort would be provided for from existing budgets.)

Timing

The time necessary to accomplish program preparation is estimated at one year. This reflects, in part, a desire to schedule the public hearing phase in the winter months in order to avoid conflicts with the very "public" being served by the proposed program -- tourist oriented businesses.

Phase II - Start Up and Continuation (Indefinite)

This phase involves the physical placement of sign standards and business informational signs following the process and methods selected in the regulations and from legislative intent. It is likely that minor adjustments to the program would be pursued based upon the feedback of field experience. The cost to the state during this phase would vary according the policy option selected regarding the degree to which business enterprises should pay for the program. Following is a range of policy options that better define the possible cost ramifications of various policy options.

State Investment Policy
Minimum

Description

State develops program; businesses pay all other costs including staff support for application processing, sign manufacturing, installation, liability insurance, repairs, replacement and removal, as necessary. This approach would require both an application fee and annual administrative fee to support state costs.

Shared

State develops program; businesses pay application cost, and pay for sign manufacturing, installation and on-going maintenance. State covers personal services cost associated with program administration.

Maximum

State develops program; state supplies signs, sign supports, and pays for installation, repair, replacement and removal, as necessary. Businesses pay a portion of these costs through fixed application and annual maintenance fees. (Estimated at \$500 for installation and \$250 for annual M&O and administrative costs).

The total cost of this phase will be affected by the number of participating businesses. The number of participating businesses, will, in part, be determined by the cost burden they must assume. It is likely that with greater state participation in program costs the more businesses that will participate.

Sign Cost

The signs will cost about \$150 to \$200 per panel, plus \$150 to \$200 for breakaway bases and supports (installed). There can be 1 or 2 sign panels per location for an average cost of \$350 per location if one panel is installed and \$525 per location if two sign panels are installed (\$262 per business). In a typical application each business would have two signs installed, one facing each traffic direction prior to the intersection leading to the business establishment.

We have assumed that the number of one-sign panel and two-sign panel installations will be about equal, thus the average cost per business will be:

$$\frac{(\$350 + \$525)}{2} \cdot 2 \text{ signs per business} = \$875 \text{ per business average}$$

Number of Businesses

For the purpose of an estimate the following assumptions have been made concerning the number of participating businesses: 1) The number of businesses which elect to participate will vary with the degree of state investment. 2) The ultimate number will not be realized in the first 1 or 2 years, but will gradually increase over a 5 year period; thereafter growth will generally follow state economic trends.

Table 1 indicates the estimated number of participating businesses over a 6 year period, for each of the three policy options previously described.

M&O Cost for Signs

Upkeep, repair, replacement and insurance are estimated to cost 25% of the signs installed value annually. While this may appear as a high figure considering that the signs should have a life of 10 to 12 years from the effects of weathering, it is anticipated they will actually experience a much shorter life due to accidents and vandalism (average life of 4 to 6 years is estimated). Some form of insurance coverage is considered a probable requirement.

DOT&PF Administrative Costs

The department will be required to maintain an inventory and status of the business signing program. While this workload will in fact vary in part with the overall size of the program, for the purposes of this estimate it is considered a fixed cost. It is estimated it will require a 1/2 time position to coordinate the program, serve as center for statewide data collection, and remain current with the progress of the program so that policy adjustments, if necessary, may be pursued.

The administrative staff position would require funding in the range of \$24,000 per year (6 mo. @\$4,000). Funding for this cost is covered by participating businesses in the *minimum* policy option; it is covered by the state in the other policy options.

This position is over and above the staff support required to process individual applications for signs at the regional level. The regional utility staffs are considered adequate to undertake this role (with necessary coordination with traffic safety staff), though a fee is proposed, as these staffs are funded entirely from program receipts. A \$200 application fee is contemplated under all of the policy options. This is the cost for evaluating each sign request and processing it through decision (approve or deny) and is estimated to be \$200 (8 hours @ \$25/hr.).

State and Business Costs

From the above data it is possible to derive some general estimates of what costs would be incurred to either the state or an individual business relative to the three policy options.

The *minimum* state investment policy option results in the fewest number of businesses participating with the highest cost per business served. An average initial sign installation cost is estimated at \$1,075, with an annual cost of \$819 in FY 90 (M&O and administrative fee) and a general lowering of the annual cost to \$379 in FY 94 as the total number of businesses increases providing a larger base of firms to share the fixed administrative cost. This option results in a one-time expense to the

state of \$49,000 for program start-up with all other costs borne by participating businesses.

The *shared* state investment policy option would again cost each business the \$1,075 for sign installation. The annual M&O cost to each business is estimated at \$219 with the state assuming the fixed administrative cost. This would result in an on-going expense to the state of \$24,000 annually, with a total state investment of \$169,000.

The *maximum* state investment policy option results in the greatest number of participating businesses as the cost to each is the lowest. Each business is assumed to pay a \$500 initial installation fee which partially covers the cost of the sign and application processing. Thereafter, there would be an annual fee of \$250 covering administration and sign M&O costs. This option results in a very large investment by the state over the 6 year projection; estimated at \$322,000.

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Number of Businesses per Year:	Varies by option and year, estimated in Table 1
Sign Installation Cost:	\$875 average - 2 signs per business
Application Cost:	\$200
Annual Sign M&O Cost	\$219 average (25% of sign cost)
DOT&PF Administration Cost	\$24,000 annually
Business fees under Maximum Policy	\$500 for sign installation, and \$250 for annual renewal

It is acknowledged that the estimates described herein are just that -- estimates. They are only as good as the assumptions they are built on. The estimates assist in understanding the implications of various policy options and they provide approximate representations of state and private costs that would be associated with the program. The number of participating businesses and the annual sign M&O cost are probably the weakest "links" in the estimates as there are few data upon which to base them. The M&O cost is an average and, unless "pooled" in some fashion, could cost individual businesses much more than this if their signs are vandalized repeatedly. Likewise installation costs may vary greatly by distance from service centers. In summary, while these estimates are quite useful at this stage of investigation, they must be used with caution given the many judgements incorporated into them.

Private Sector Participation

Though mentioned earlier in this paper, the means by which the private sector could assist in program implementation has not been described during the previous discussion on costs. It has been intentionally omitted because there are myriad methods by which the private sector could be involved, and analysis of each, given the many variables already involved, would make the estimates far more complex.

Sign Cost Calculation

Table 1 - Estimated Number of Businesses Participating							Total Business
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	Years Served
Minimum	0	40	100	125	140	150	555
Shared	0	60	120	150	175	200	705
Maximum	0	75	150	225	300	325	1075

Table 2 - Estimated State Startup and M&O Costs							Aggregate
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	Cost To State
Minimum	\$49,000	\$0	\$0	\$0	\$0	\$0	\$49,000
Shared	\$49,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$169,000
Maximum	\$49,000	\$21,675	\$19,350	\$17,025	\$14,700	\$13,925	\$135,675

Table 3 - Estimated Cost To Business for Annual M&O						
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
Minimum	\$0	\$819	\$459	\$411	\$390	\$379
Shared	\$0	\$219	\$219	\$219	\$219	\$219
Maximum	\$0	\$250	\$250	\$250	\$250	\$250

Table 4 - Estimated Cost to State for Sign Installation							Aggregate
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	Cost To State
Minimum	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Shared	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maximum	\$0	\$43,125	\$43,125	\$43,125	\$43,125	\$14,375	\$186,875

Table 5 - Estimated State Funding Requirements - Annual M&O and Sign Installation							Aggregate	Cost per Business/
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	Cost To State	Year Served
Minimum	\$49,000	\$0	\$0	\$0	\$0	\$0	\$49,000	\$88
Shared	\$49,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$169,000	\$240
Maximum	\$49,000	\$64,800	\$62,475	\$60,150	\$57,825	\$28,300	\$322,550	\$300

Table 6 - Estimated Cost To Business for Sign Pair Installed In FY 90							Aggregate Cost	Average
Policy Option	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	To Business	Cost per Year
Minimum	\$0	\$1,894	\$459	\$411	\$390	\$379	\$3,533	\$707
Shared	\$0	\$1,294	\$219	\$219	\$219	\$219	\$2,170	\$434
Maximum	\$0	\$750	\$250	\$250	\$250	\$250	\$1,750	\$350

This should not suggest the department is disinterested in this approach. Three general options are presented below for consideration. Detailed evaluation is suggested for the task force in analyzing the merits of each option and better defining a course of action.

1. Franchise - Under this concept the program would be almost entirely run by a private firm or firms in franchise fashion. Final decision concerning sign installation and program policies would remain in departmental hands; otherwise individual businesses would make application to the firm(s). The firms would be sanctioned by the department to perform this service and would be responsible for all steps including application processing, sign manufacturing, installation, maintenance, and inventory and status reporting.

2. Installation and M&O Only - Under this concept the state would process each application through decision. The business applicant would have the signs manufactured, installed and maintained to state standards by a firm of their choice.

3. Manufacturing Only - Similar to Option #2, except state highway maintenance crews would install and maintain the signs after they were manufactured for the business and delivered to the appropriate maintenance station. This option allows for greater control of exactly how and where the signs are installed within the ROW and may be less costly to the business when the signs are installed in remote locations.

Technical Issues to be Resolved:

As part of the developmental phase (and with an adjustment period as experience is gained) some technical issues will need to be resolved in more detail than is possible here. Some of these are:

User fee structure	- subsidy from state, equal to cost, or revenue generating.
Insurance requirements or liability potential	- individual policy or pooled coverage.
Conditions of eligibility	- types of businesses, minimum services necessary to qualify, minimum hours of operation, distance from highway.
Allowable number and locations	- sight distance, spacing, etc.
Physical specifications	- size, shape, materials, colors, logos, supports, locations, etc.
Prioritization where demand exceeds available space	- first come, first served? - lottery on a periodic basis? - public necessity?

Maintenance requirements

- seasonal removal and installation if business costs during part of year.
- cost of vandalism and accident repair
- whom is responsible?
- removal if business becomes ineligible or closes.

Recommendations:

A signing system based on the Tourist Oriented Directional Signing program is recommended for Alaska to meet the identified needs of motorists and businesses catering to motorists for the following reasons:

1. Little or no need for changes to existing Federal and State statutes and regulations is created, and Federal acceptance seems likely for all roadway classes.
2. A broad range of businesses (such as gift shops, gold panning, lodges, guide services, etc.) can be accommodated which cannot with other programs of official highway signing.
3. Costs would be no greater, and sometimes less, than other feasible alternatives.
4. Motorists nationwide expect blue signs with white lettering to contain information in their interest, such signs convey an image of "official signing", and a neat and orderly appearance of our roadside signing can be maintained.
5. The integrity of sound traffic engineering principles can be maintained and the required relationship of the Alaska Traffic Manual to the Federal Manual on Uniform Traffic Control Devices can remain intact.
6. A wealth of solid experience has been gained in other States that we can learn from in developing a program to suit our own particular needs.

It is recommended that signs of other State agencies that seem to be in the best interests of the State (but which do not meet the engineering technical requirements of traffic control devices, and which only extend or replace devices already in official manuals) be accepted on a case by case basis as encroachments in the public interest.³

³The divisional FHWA office has recently informed us of their intent to disallow the Eagle logo sign now being used by the State Division of Parks on some routes. Their decision will require further thought as to how best provide for the special signage requirements of the Alaska Division of Parks.

Conclusion:

The Department believes that the needs of motorist-oriented businesses can be met through a cooperative program of Tourist Oriented Directional Signing complying with Federal standards for use on all roadways which preserves the integrity of sound traffic engineering principles and has minimal impact on Alaska's renowned roadside aesthetics.

ATTACHMENTS

1. FHWA TOD Proposal
2. Laws and Regs. on Signing
3. 23 CFR655-F
4. AS 28.01.010
5. AS 19.10.040
6. P&P 70-7000
7. MUTCD Section 1A-3.1
8. TODS Report (Iowa)
9. 23CFR750
10. AS19.25.080-.180
11. State-federal agreement on control of outdoor advertising
12. 23CFR 1.23
13. AS19.25.200-.250
14. 17AAC20.010-.040
15. P&P 10-0020

COMMITTEE ON STATE HIGHWAY
TRANSPORTATION OFFICIALS



FRANCIS B. FRANCOIS
Executive Director

PC-87-33
May 20, 1987

To the Chief Administrative Officers
of the Member Departments of the
American Association of State
Highway and Transportation Officials

BALLOT ENCLOSED
REPLY REQUESTED BY
JUNE 12, 1987

Dear Members:

Enclosed are recommendations made by the several technical committees of the National Committee on Uniform Traffic Control Devices on thirteen requested changes to the Manual. Also enclosed is a ballot on which it is requested that you indicate your position on each recommendation.

We are unfortunately a little late with this ballot this time and the due date of June 12 allows somewhat less time than usual for your response. The deadline is fixed by the date of the meeting of the National Committee later in June, and your efforts to adhere to the June 12 deadline will be especially appreciated.

Note that one of the options for each recommendation is "concur in part." In such a case, it is requested that you attach a brief explanation as to which of the elements of the recommendation you find acceptable and with which you are not in agreement.

The results of this ballot will be forwarded directly to the National Committee and will also be provided to the AASHTO delegation to that Committee for their guidance in the voting which will take place at their meeting this January.

Very truly yours,

Francis B. Francois
Executive Director

RECEIVED
MAY 26 1987

DOT & PF
Plans, Programs and Budget

RECEIVED
MAY 27 1987

REF:DJH:sh

Enclosure

HCR

46

John Killoran

17767 Sanctuary Drive
Eagle River, Alaska 99577
(907) 694-2216

March 24, 1988

The Hon. Lloyd Jones, Chairman
Senate Committee on Transportation
Post Office Box V
Juneau, Alaska 99811

MAR 28 1988

Dear Senator Jones:

This letter is to express my strong support for approval by your committee, and passage by the Legislature, of the House-approved resolution calling for the Governor to direct the Department of Transportation and Public Facilities to build a toll road linking the existing Copper River Highway to the Edgerton Highway at Chitina.

I am pleased to read, in the Anchorage Times, of your support for opening access over this route. As you probably are aware the Times has taken a forceful editorial position in favor of this project.

Not only will this be a long overdue action to eventually provide an essential road link for the community of Cordova, but it is of interest to many others. Those Alaskans, such as myself, who access this area for pleasure or to visit friends, will applaud your actions. Twice a week ferry service costing hundreds of dollars for a family round trip is hardly "adequate" access for Cordovans or other citizens of this State.

The characteristics of the road described in the newspaper, and the methodology for funding and maintaining the completed road, is adequate and appropriate for the traffic. For too long we have geared our decisions to well-meaning planners and "kill it with kindness" isolationists who spoke of hundred-million dollar projects with high speed expressways. Having driven my motorhome on the existing Copper River Highway, which is gravel surfaced and approximately the width proposed for the remaining link, I believe it is completely adequate for safe travel by those who would use this road.

Please use your influence to pass this resolution, and the accompanying measure authorizing the DOT&PF to issue revenue bonds for the project, without further delay so that it can become law in this session. The time has come for action to complete this essential road link for Alaska. Thank you.

Sincerely,


John P. Killoran

enclosure

Lawmakers 3-22-88 urge road to Cordova

By John Quinley
Times Writer

Members of the legislature want the Cowper administration to build a narrow gravel road to Cordova along the Copper River.

The House last week unanimously passed a resolution calling for the governor to direct the Department of Transportation to build a toll road linking the existing Copper River Highway to the Edgerton Highway at Chitina.

The resolution is being considered in the Senate, and is not binding on the administration. Also awaiting passage is a measure authorizing the department to issue revenue bonds to finance the \$18.4 million project.

Road access to Cordova has been controversial in the Prince William Sound community. It's a topic of long winter debates between those who like Cordova's roadless isolation and those who'd like a road bringing in tourists and economic development. The wisdom of a road is also being debated in Chitina and other communities along the proposed route.

Rep. Bette Cato, D-Valdez, the resolution's sponsor, says communities in the area support the idea but, "As always, there are some people who don't want their lifestyle to change."

The idea of a toll road is "a trial balloon," Cato said. "If we're going to diversify ways of getting development, and stay away from state and federal funding, we're going to have to be innovative."

The Department of Transportation will release a study of road routes, costs and possible use of the highway on April 1, according to Keith Gerken, deputy commissioner.

To build an 18-foot-wide gravel road for all-year use would cost \$18.4 million, the Department of Transportation has estimated. The state would sell revenue bonds to cover the cost of construction, and the bonds would be paid off through tolls.

The roundtrip toll would cost \$16.90, which would retire the bond debt and pay the annual maintenance, said Wendy Mulder, a Cato aide.

While land access to Cordova is seen as a boon to tourism, the diminutive road would be a tight squeeze for some tourists.

A standard Winnebago measures eight feet across, leaving only a yard between passing vehicles. The road would also be open to longer and heavier com-

See Cordova, page B-2

Cordova

Continued from page B-1

mercial trucks.

Still, the department estimates that 135,000 people would pay the toll to drive to Cordova, Mulder said.

The resolution will be considered in the Senate this session, first by the transportation committee. Chairman Lloyd Jones, R-Ketchikan, said he generally supports the idea of opening access and would hold hearings on the measure, but none have been scheduled.

If the House resolution passes the Senate, the department will conduct more detailed studies, Gerken said.

Cato said the road would carry considerable commercial traffic as well as tourists. Construction of the road could also set the stage for a spur road to the Katella coal and oil fields.

Cordova is currently served by the state Marine Highway System twice a week in the winter.

The road out of Cordova ends 49 miles to the east at the Million Dollar Bridge, which crosses the Copper River.



DR. LARRY M. HOGAN

CORDOVA CHIROPRACTIC CLINIC

Box 579 Cordova, Alaska 99574
105 W. Council Ave. (907) 424-5298

APR 20 1988

Mr. MARK HICKEY, COMMISSIONER
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
Box Z, JUNEAU, ALASKA, 99811-2500
APRIL 18, 1988

DEAR COMMISSIONER HICKEY:

I AM WRITING TO INFORM YOU THAT I HAVE RECEIVED THE DRAFT "SPECIAL RECONNAISSANCE REPORT" AND THE "COMPENDIUM REPORT" ON THE COPPER RIVER HIGHWAY AS PREPARED BY THE STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, ENVIRONMENTAL SECTION, NORTHERN REGION, DATED SPRING 1988, AS PER MY FORMAL REQUEST OF 4/8/88. THANK YOU FOR YOUR PROMPT RESPONSE.

HAVING CONDUCTED INDEPENDENT, COLLATERAL RESEARCH ON THIS TOPIC FOR MOST OF THE PAST YEAR, I FEEL QUALIFIED TO ENTER THE FOLLOWING COMMENTS:

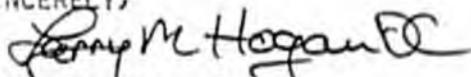
THE COMPENDIUM REPORT IS COMPLETE, FAIR, AND APPARENTLY FREE OF BIAS.

THE HISTORICAL ACCURACY IS EXCELLENT, AND THE REPORT IS, ON A WHOLE, VERY THOROUGH.

THE DEPARTMENT DESERVES CONGRATULATIONS ON A JOB WELL AND SPEEDILY DONE.

THE CONCLUSIONS FOR ALASKA REGARDING THE COPPER RIVER HIGHWAY ARE CLEAR. THE RELATIVELY SMALL AMOUNT OF 15 MILLION NEEDED TO CONSTRUCT A PIONEER ACCESS ROAD WOULD BE 91.7% REIMBURSABLE UPON FUTURE FHWA UPGRADE. THE PIONEER TYPE ROAD IS A NECESSARY PART OF COST CONTROL FOR ANY FUTURE UPGRADE. A TOLL SYSTEM COULD PAY FOR MAINTENANCE AND UPGRADING WHILE THE PROJECT TOOK IT'S PLACE IN THE LONG LINE OF JOBS COMPETING FOR THE DWINDLING SUPPLY OF FHWA DOLLARS. THE CHOICE FOR ALASKA THUS IS TO BUILD A PIONEER ACCESS ROAD OR ADOPT A NO-BUILD ALTERNATIVE. HOPEFULLY, GIVEN THE STRONG SUPPORT SHOWN BY THE COMMUNITIES, NATIVE CORPORATIONS, AND GROUPS INVOLVED, THE LEGISLATURE WILL TAKE IMMEDIATE POSITIVE ACTION AND FIND THE RELATIVELY SMALL AMOUNT OF MONEY NECESSARY TO BEGIN CONSTRUCTION OF THE LONG SOUGHT RETURN OF A RESOURCE ROUTE TO THE NORTH GULF COAST FOR THE BENEFIT OF ALL ALASKA.

SINCERELY,


LARRY M. HOGAN D.C.

CC.

MR. LYNN HARNISCH P.E.

MR. RAY PRICE SSA

MR. DAVE PLASKETT, INV.

HONORABLE BETTE CATO

HONORABLE MIKE SZYMANSKI

HONORABLE JAY KERTTULA

HONORABLE JAN FAIKS

HONORABLE BEN GRUSSENDORF

HONORABLE LLOYD JONES

HONORABLE JACK COGHILL

HONORABLE DON YOUNG

HONORABLE TED STEVENS

HONORABLE FRANK MURKOWSKI

APR 5 1988

3/31/88

Hey Gang,

I don't know who wrote this article but I am obviously not alone in my thinking about what has transpired over the past fifty years.

Don't you think its time for you (the legislature) to prove this SUSPICION wrong? It is something in the minds of many Alaskans and does not only apply to the Copper River Highway #10...but to many other issues as well.

Let's take a POSITIVE STEP on CRH#10 and actually COMPLETE it.

Cheers,

Marla Jean Adkins, an Alaskan
Cordova

CRH#10:
GOOD SENSE,
COMMON SENSE,
DOLLARS & CENTS.

Scott Novak
Cordova

Monday, March 23, 1968, The Anchorage Times

Robert W. Atwood
President and Publisher

Elaine Atwood
Assistant Publisher

William J. Tobin
Vice-President, Editor-in-Chief

By road to Cordova

THE SUSPICION is that the legislature (this year will do nothing — again — about providing the state with a road linking Cordova to the rest of Alaska.

A ton of money will be spent on a lot of other projects — as it has been for a quarter of a century — and the prospect of completing the Copper River highway to the coastal town of Cordova will be no more a reality than a midsummer day dream.

It's one of the mysteries of the universe. We'll come up with answers to UFOs before a Cordova road is built. The common cold probably will be a thing of the past before any Alaskan can drive a pickup or a sports car to Cordova, from Anchorage, or Fairbanks, or Palmer or Kenai or North Pole. In fact, we may drive to the real north pole, before we'll be able to bundle up the kiddies and go for a weekend drive to Cordova.

But, more than a holiday excursion, is at stake here. Commerce, and trade, and communications, are the heart of the issue — that, and an ability to bring some people of the state closer to other Alaskans.

IT WILL BE a long time — if ever — before there is a road to Juneau. Not in several lifetimes is it likely there will be surface transportation to Nome and Kotzebue and Barrow — barring the eventual extension of the allroad into one or more of the western and northern regions of Alaska.

But reaching Cordova isn't that big a deal.

We're a golf ball shot away now — and have been for years.

There's no insurmountable geographic problem. No Mount McKinley stands in the way. No Cook Inlet bars the access.

The cost isn't even that great, given the fact that we talk all too often in Alaska in terms of multi-multi-million dollar projects.

In this case, the Department of Transportation and Public Facilities says a gravel road of nominal width (18 feet, it suggests) could be built for \$18.4 million.

THERE'S that much money sloshing around in various legislative slush funds.

A little belt tightening here and there in Juneau's governmental operation and the construction funds could be had without pinching much of anything.

What's the reason for not moving ahead? Why should there be further delay?

Certainly not because a majority of Cordova residents are opposed to whatever lifestyle changes might occur if a road were constructed. There are still some holdouts, to be sure.

But from what we hear, most Cordova residents have long ago come to the conclusion that the positives outweigh the negatives.

The only answer, then, is that most of the legislators don't care.

They have other designs on \$18.4 million. Money not spent in Cordova is money they can get a piece of to put into some other pet project in their home districts. So what if it doesn't serve a statewide purpose, as would a road linking Cordova to the rest of the state.

The Copper River Toll Road enabling legislation has been passed by the Alaska State House of Representatives. This is a pioneer bill from a pioneer people. If passed by the State Senate and signed by the Governor, it would allow the first toll-road in Alaska. Alaska's income has fallen with the decline in the price of oil, and state budgets do not have enough money for maintenance, much less new work. The spirit of the people who built the Copper River & Northwestern Railroad into the rugged interior to mine the rich copper veins has led these pioneer spirits onward toward a road connection with the state highway system. The road, while nearing completion of conversion from railroad to vehicular access road was nearly completely destroyed by the great Alaskan earthquake of 1964. Later, in the early 1970s, it ran afoul of the Alaska Native Claims Settlement Act. It was particularly difficult for the Native community to deal with not being able to have a road because the government was giving them the ground that they had always used as a trade route to the interior and thought of as theirs, and yet they could not complete the road because they and the National Park system had to divvy up their ground. They saw the ground through different eyes.

The National Environmental Policy Act of 1969-70 was used by special interest groups to stop reconstruction of the highway and it was not completed before the dread environmental impact statement first halted, and then severely handicapped all life in Alaska. As former Cordova Mayor Richard Davis puts it "The Federal Government has always been obliged to tell Alaskans when to squat, they seem to think."

The issue of whether the road should or should not be built has been the subject of many bureaus, commissions, and agencies. The concept has had more official reviews than a naval station; as many studies as many South American countries have had governments. Every study over the fifty year history of the road has come back with a BUILD report. There is little environmental impact (it's mighty rough country), the fishery question can be easily treated with moratorium (for study), and the City has asked for the road repeatedly since 1938. The history of the United States was rewritten by the things that happened here. There is barely a foot-note in history for the Cordova "tea party" when Cordovans emptied a imported coal shipment into the Bay. They were in open rebellion at Theodore Roosevelt's unprecedent denial of due process. They wanted to secede from any association with the country that would pull such a stunt. Daniel Guggenheim, who supplied the capital for the railroad stated, "if I had done what I've done (opened up the rugged frontier) in any other country, I would have been knighted. Instead I am indicted." All of the North Gulf Coast and the interior of Alaska stands today under the shadow of that same indictment.

This is an issue for all Americans. The history, the tremendous human accomplishments, the engineering feats, and their remains are a monument to an America that changed radically with the treatment of this region. In many ways all of America stands under the same indictment. We must save the monuments and have the ability to view with wonder this region of spectacular views, astonishing accomplishments, and some of the worst weather imaginable.

The Copper River Highway, Alaska State Route #10, The Copper River toll-road, the LaFevre Toll-road, the Copper River Road, - This road has as many names as it has had forms of Government deciding its fate. The people of Alaska should have the right to drive somewhere to see the North Pacific, They have more coastline than any other state, but it is hard to see the ocean. We respectfully request your help with Alaska State House of Representatives bill 46 this session. Cordova wants to throw off the mantel of indictment and take her place as a full equal amongst Alaskan cities; to greet her neighbors in the friendly spirit that exists throughout the great land.

CRH #10: The time is now.

Lanny Hogan
Cordova.

CORRECTION

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

APR 5 1988

3/31/88

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DOLLARS & CENTS.

Scott Novak
Cordova

B-1 Monday, March 28, 1988, The Anchorage Times

Robert D. Atwood
President and Publisher

Elaine Atwood
Assistant Publisher

William J. Tobin
Vice-President, Editor-in-Chief

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See Cordova, page B-2

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Continued from page B-1

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Cato said the road would carry considerable commercial traffic as well as tourists. Construction of the road could also set the stage for a spur road to the Katella coal and oil fields.

Cordova is currently served by the state Marine Highway System twice a week in the winter.

The road out of Cordova ends 49 miles to the east at the Million Dollar Bridge, which crosses the Copper River.

The Copper River Toll Road enabling legislation has been passed by the Alaska State House of Representatives. This is a pioneer bill from a pioneer people. If passed by the State Senate and signed by the Governor, it would allow the first toll-road in Alaska. Alaska's income has fallen with the decline in the price of oil, and state budgets do not have enough money for maintenance, much less new work. The spirit of the people who built the Copper River & Northwestern Railroad into the rugged interior to mine the rich copper veins has led these pioneer spirits onward toward a road connection with the state highway system. The road, while nearing completion of conversion from railroad to vehicular access road was nearly completely destroyed by the great Alaskan earthquake of 1964. Later, in the early 1970s, it ran afoul of the Alaska Native Claims Settlement Act. It was particularly difficult for the Native community to deal with not being able to have a road because the government was giving them the ground that they had always used as a trade route to the interior and thought of as theirs, and yet they could not complete the road because they and the National Park system had to divvy up their ground. They saw the ground through different eyes.

The National Environmental Policy Act of 1969-70 was used by special interest groups to stop reconstruction of the highway and it was not completed before the created environmental impact statement first halted, and then severely handicapped all life in Alaska. As former Cordova Mayor Richard Davis puts it "The Federal Government has always been obliged to tell Alaskans when to squat, they seem to think."

The issue of whether the road should or should not be built has been the subject of many bureaus, commissions, and agencies. The concept has had more official reviews than a naval station; as many studies as many South American countries have had governments. Every study over the fifty year history of the road has come back with a BUILD report. There is little environmental impact (it's mighty rough country), the fishery question can be easily treated with moratorium (for study), and the City has asked for the road repeatedly since 1938. The history of the United States was rewritten by the things that happened here. There is barely a foot-note in history for the Cordova "tea party" when Cordovans emptied a imported coal shipment into the Bay. They were in open rebellion at Theodore Roosevelt's unprecedent denial of due process. They wanted to secede from any association with the country that would pull such a stunt. Daniel Guggenheim, who supplied the capital for the railroad stated, "if I had done what I've done (opened up the rugged frontier) in any other country, I would have been knighted. Instead I am indicted." All of the North Gulf Coast and the interior of Alaska stands today under the shadow of that same indictment.

This is an issue for all Americans. The history, the tremendous human accomplishments, the engineering feats, and their remains are a monument to an America that changed radically with the treatment of this region. In many ways all of America stands under the same indictment. We must save the monuments and have the ability to view with wonder this region of spectacular views, astonishing accomplishments, and some of the worst weather imaginable.

The Copper River Highway, Alaska State Route #10, The Copper River toll-road, the LaFevre Toll-road, the Copper River Road, - This road has as many names as it has had forms of Government deciding its fate. The people of Alaska should have the right to drive somewhere to see the North Pacific, They have more coastline than any other state, but it is hard to see the ocean. We respectfully request your help with Alaska State House of Representatives bill 46 this session. Cordova wants to throw off the mantle of indictment and take her place as a full equal amongst Alaskan cities; to greet her neighbors in the friendly spirit that exists throughout the great land.

CRH #10: The time is now.

Lanny Hogan
Cordova

Cordova Chamber of Commerce

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



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

March 30, 1988

Dear Governor Cowper:

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

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

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

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

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

Sincerely,
Connie Taylor
Connie Taylor
President

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

Marla Jean Adkins

P.O. Box 461

Cordova, Alaska 99574

(907) 424-7311

4-8-88

SUMMARY OUTLINE

CRH #10 has been partially completed since 1938 when its History begin. Millions of Dollars, many studys, stacks of support. No follow up.

1948, per DOT Map Inset....The Seward nor Parks Hwy were even on the Map. Only the CRH was on the drawing board and planned to be constructed. Cordova business men had even done fund raising to complete the RR Spur to Chitina and then the road from Chitina to Fairbanks. This route was a historical route used for Trade and Commerce by the Alaska Natives. 1910 10,000 people. Cordova was the largest City N of Ketchikan at this time. The "new people not wanting development came much later". History was already established and development in place. Today Cordova only has some 2500 people.

ISSUE: 50 years of meetings over and over which have been used AGAINST the road often....repeated lack of definite direction, no follow up and POLITICS....Pass the plate but not the buck....use Cordovas share of \$ elsewhere in Urban Alaska left this area in DECLINE.

ISSUE: Govt leaders on local and State level....pvt sector...business sector, Statewide have REPEATEDLY SUPPORTED CRH #10. Only our ~~legis~~ *legis & retail* have turned a deaf ear. Locals predominately always FOR. NOTHING AND NO ONE IS EVER AGAINST....soooo Itinerants and Environs are naturally against the completion or any development, growth. Many are not even landowners or pay taxes. The rest of Alaska would like to drive to Cordova. FISHERMENS VIEWS HAVE EVEN SOFTENED.

ECONOMIC GAIN. Juneau Politicians come and tell us to DIVERSIFY OUR ECONOMY....then help us to. A Hwy with land transportation opens up tourism, cheaper power, we can develop our area resources with mgt and support our new and LARGEST NATIONAL PARK IN THE NATION...Wrangle/St Elias.

FISHERIES SHIPPING WESTWARD///CANNERIES (3) sprouted up overnight Valdez. 2 of ours threatened to pull out 2 years ago at CoFC meeting. Sewilawik seafoods was ~~2nd~~ 3rd in volume of Fresh Fish trucked to States per a recent report and Processors now pull into Communities that offer surface/land/ transportation. They can offer cheaper rates and more facilities.

WATER PARK....Wrangle/St Elias....13,277,000 acres in size. 5 :: larger than Yos and 6 :: than Yellowstone.

INCREASED AUTO TRAFFIC ON RISE. Per Alaska Business Journal, April Issue... 62% up from 1981 to 1986 vs Aviation 25% and Ferry 9%.

FERRIES PROGRAM started in 1960's....soon need replacing at millions and billions. Ferrys on a good day dont compete with Land/Surface Transp. A highway partially done, sitting waiting is GOOD CENTS, COMMON CENTS, & LAND CENTS.

ROAD HIGHWAY PROGRAM: It is time to begin a Major road Program. 29 years since statehood, only one highway (Parks) built...it is time to put our Highway Development back on the High Burner.. To complete CRH #10 is ~~the~~ beginning. Our existing roads also need maintenance and maintenance Staff does need new equipment.

LADIES AND GENTLEMEN: We have shown you how you can give us a Pioneer Access Toll Road that would pay for itself without taking any dollars out of your Districts. You can see CRH #10 is completed at long last for the **BENEFIT OF ALL ALASKANS**. For years we shared our \$ with you. We are not asking for your dollars....only your support/time and space. We are not asking for handouts with the Toll Road Concept. **BUT IF WE WERE.....**wouldnt you say that after 50 years it would not be out of line in all fairness.

You will always have some negative input. You will always have problems to overcome...Carpetbaggers in anything you do. There comes a time when you must end a **DO NOTHING STAND** and **MOVE FORWARD INTO THE FUTURE**. **THAT TIME IS NOW** WHERE CRH #10 and other Highway Programs are concerned.

In completing this outline, I can only tell you....**WE WILL NOT GIVE UP THE FIGHT**. I will buy a house and move in next to you all and the Capitol if it becomes necessary.....so if you dont want to put up with the **WICKID WITCH OF THE NORTH** ON A DAILY BASIS WHERE CRH #10 is concerned....take a positive step. I carry a message for you from Mr. Novak, a local business man.....hes going to write the USSR leader Gorbachev (sorry on spelling) and offer him to **BUILD CRH #10**. Our City Agr wont leave until he can drive out and your very own Rep and Chairman of the Transp in the House says she wont quit until **SHE CAN DRIVE TO CORDOVA**.

Marla Jean Adkins
Marla Jean Adkins
Alaskan
Cordova, Ak.

CORRECTION

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

Marla Jean Adkins

P.O. Box 461

Cordova, Alaska 99574

(907) 424-7311

4-8-88

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Marla Jean Adkins
Marla Jean Adkins
Alaskan
Cordova, Ak.

Interior Dept. ponders Kennicott purchase

by Ellen Lockyer

The Dept. of the Interior is considering a proposal to buy the mining town of Kennicott so that the historic area can be added to the Wrangell-St. Elias National Park. Currently, the 11 remaining buildings are owned by the Great Kennecott Land Company, an Anchorage firm.

The National Park Service has already conducted an inspection of the buildings and their deteriorating conditions last September. It is estimated that the cost of buying the buildings and some 3,000 acres of surrounding land, plus the cost of upgrading some of the buildings to make them safe for visitors would be \$6 million.

The Park Service was approached with the offer by the Great Kennecott Land Company, owner of the major buildings in the remote mining town. Current owners are afraid of the liability if a visitor is injured, said James Harrower, an Anchorage dentist and one of the property owners in Kennicott. Harrower said "The time has come to make the buildings safe or to start razing the more dilapidated buildings."

Historians for the Park Service believe that the life expectancy of the buildings is not very long, due to heavy snow loads each winter.

Kennicott flourished between 1910 and 1938 as

a copper mining town served by the Copper River and Northwestern Rail Road. The ore played out in 1938, resulting in the shut down of the railroad and a hasty exodus by residents of Kennicott and nearby McCarthy.

Dick Martin, with the Wrangell-St. Elias National Park Service in Copper Center, was involved in the September study. He helped compile the report which was under the

See GHOST page 2.

Ghost Town (cont.)

direction of NPS historian Bob Spude.

"It's impossible to speculate," said Martin. "Nothing's definite. The study was done at the request of the landowners. We're assessing it from a park management standpoint. Our recommendation is that it (Kennicott) is a great resource and an outstanding visitor attraction. We would work with local people to make it available for public use. The locals feel it would be a positive step. They don't want it closed to the public. Acquisition by the Park Service would mean long-term preservation and access."

Martin said there are still many factors involved, such as how much land is in question, the mineral rights and the financial angle. As far as liability goes, Martin said "The federal government is self-insured, and has ways of mitigating hazards. We could manage Kennicott as a ghost town, interpreting the buildings from the outside, as the Park Service does in Bode, Nevada."

The plan must be submitted to Congress for funding approval, if the Dept. of the Interior decides to go ahead with the purchase. The final decision rests with Secretary of the Interior, Donald Hodel.

PUBLIC OPINION MESSAGE

DEAR: SENATOR JONES

NAME: DICK STRUTZ

TITLE:

ADDRESS: 9220 STRUTZ AVE

CITY: ANCHORAGE

PHONE: 346-1770

ZIP: 99507

BILL NO:

SUBJECT: DOE REGULATION 4AAC06.065

MESSAGE: I STRONGLY RECOMMEND YOU DO ALL IN YOUR POWER TO PREVENT DOE FROM ADOPTING THE ABOVE REGULATION ON CORPORAL PUNISHMENT IN ALL STATE SCHOOLS. ADOPTING THIS REGULATION CAN ONLY FURTHER DETERIORATE OUR SCHOOLS IN THE STATE. LEAVE THIS TYPE OF REGULATION TO THE LOCAL SCHOOL BOARDS.

POMID: 03095506

DATE: 04/08/88

TIME: 09:55:06

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JOSEPHSON
MENARD	HILLER	KELLY
NAVARRE	PEARCE	KERTTULA
PETTYJOHN	PHILLIPS	RODEY
POURCHOT	RIEGER	STURGULEWSKI
SHULTZ	SPRINGER	SZYMANSKI
SUND	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR JONES

NAME: ROBERT SULLIVAN

TITLE:

ADDRESS: P O BOX 83

CITY: CORDOVA

PHONE: N/R-

ZIP: 99574

BILL NO:

SUBJECT: PROPOSED CHITINA-CORDOVA TOLL ROAD

MESSAGE: WHEN THE STATE IS TRYING TO BALANCE ITS' ECONOMY, THIS IS AN INCREDIBLE WASTE OF MONEY. AN ALTERNATIVE SUGGESTION WOULD BE TO IMPROVE THE EXISTING FERRY SYSTEM AND OFFER REDUCED RATES TO CORDOVA RESIDENTS. IN CONSIDERING THE PLANS FOR THE ROAD, FISH MANAGEMENT ALONG THIS ROUTE MUST BE GIVEN SPECIAL CONSIDERATION. SINCE WE DO NOT AS YET HAVE A FISH MANAGEMENT PLAN, THE ROAD SHOULD NOT BE CONSIDERED UNTIL ONE IS FORMULATED.

POMID: 14100857

DATE: 04/08/88

TIME: 10:08:57

LIONAME: MAT-SU LIO

COPIES: SENATORS

ABOOD
BINKLEY
COGHILL
DUNCAN
ELIASON
FAHRENKAMP
FAIKS
FANNING
FISCHER
HALFORD
HENSLEY
JOSEPHSON
KELLY
KERTTULA
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

*Against
The
Highway*

PUBLIC OPINION MESSAGE

DEAR: SENATOR JONES

NAME: JEFF DAILEY
 TITLE:
 ADDRESS: POB 875
 CITY: CORDOVA
 PHONE: 424-7750
 ZIP: 99574
 BILL NO:
 SUBJECT: PROPOSITION FOR COPPER RIVER HIGHWAY
 MESSAGE: URGENT! URGENT! PROPOSED COPPER RIVER HIGHWAY IS UNDER 40' OF
 SNOW. FLOODING EXPECTED SOON WITH BREAK-UP. IN YEARS PAST, THE TRAIN
 TOOK 3 WEEKS TO GET TO CHITNA. A TOLL ROAD TO CORDOVA IS PREPOSTEROUS.
 ALTERNATIVES: BETTER FERRY SYSTEM WITH REDUCED RATES FOR RESIDENTS;
 HYDROFOIL, NEW FERRY, ETC.

POMID: 14164424
 DATE: 04/07/88
 TIME: 16:44:24
 LIONAME: MAT-SU LIO

COPIES: SENATORS

ABOOD
 BINKLEY
 COGHILL
 DUNCAN
 ELIASON
 FAHRENKAMP
 FAIKS
 FANNING
 FISCHER
 HALFORD
 HENSLEY
 JOSEPHSON
 KELLY
 KERTTULA
 RODEY
 STURGULEWSKI
 SZYMANSKI
 UEHLING
 ZHAROFF

*Against
 The
 Highway*

PUBLIC OPINION MESSAGE

DEAR: SENATOR JONES

NAME: ED WALSH
 TITLE:
 ADDRESS: PO BOX 91684
 CITY: ANCHORAGE
 PHONE: 248-3830
 ZIP: 99509
 BILL NO: SB 322
 SUBJECT: REVISION OF WORKER'S COMP LAWS
 MESSAGE: PLEASE SUPPORT THE POSITION OF THE ADHOC LABOR-MANAGEMENT COMMITTEE
 ON THE WORKERS COMP. REFORM LEGISLATION. PASSAGE OF SB 322 IS VERY IMPORTANT
 TO ALL ALASKAN EMPLOYERS AND EMPLOYEES.

POMID: 03081038
 DATE: 04/08/88
 TIME: 08:10:38
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMAIN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JOSEPHSON
MENARD	MILLER	KELLY
NAVARRÉ	PEARCE	KERTTULA
PETTYJOHN	PHILLIPS	RODEY
POURCHOT	RIEGER	STURGULEWSKI
SHULTZ	SPRINGER	SZYMANSKI
SUND	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR JONES

NAME: LORRAINE STONE
 TITLE:
 ADDRESS: P O BOX 83
 CITY: CORDOVA
 PHONE: N/R-

ZIP: 99574

BILL NO:
 SUBJECT: PROPOSED CHITINA-CORDOVA TOLL ROAD
 MESSAGE: THIS IS AN INCREDIBLE WASTE OF MONEY WHEN THE STATE IS TRYING TO KEEP OUR ECONOMY IN BALANCE. IMPROVED FERRY SYSTEM WITH REDUCED RATES FOR CORDOVANS WOULD BE ONE POSSIBILITY FOR AN ALTERNATIVE. SPECIAL ATTENTION SHOULD BE GIVEN TO FISH MANAGEMENT PLANS ALONG THE ROAD SINCE WE DON'T HAVE A PLAN FOR THAT. WE SHOULDN'T BE CONSIDERING A ROAD WITHOUT A PLAN.

POHID: 14085033
 DATE: 04/08/88
 TIME: 08:50:33
 LIONAME: MAT-SU LIO

COPIES: SENATORS

ABOOD
 BINKLEY
 COGHILL
 DUNCAN
 ELIASON
 FAHRENKAMP
 FAIKS
 FANNING
 FISCHER
 HALFORD
 HENSLEY
 JOSEPHSON
 KELLY
 KERTTULA
 RODEY
 STURGULEWSKI
 SZYMANSKI
 UEHLING
 ZHAROFF

*Against
 the
 Highway*

PUBLIC OPINION MESSAGE

DEAR: SENATOR JONES

NAME: LEON KING
 TITLE:
 ADDRESS: 10000 LAKE OTIS PARKWAY
 CITY: ANCHORAGE
 PHONE: 344-6750

ZIP: 99516

BILL NO:
 SUBJECT: DOE CHANGE OF CORPORAL PUNISHMENT
 MESSAGE: I STRONGLY OPPOSE THE DEPARTMENT OF EDUCATIONS ATTEMPT TO BAN CORPORAL PUNISHMENT IN PRIVATE SCHOOLS. THIS CHANGE SEVERELY INFRINGES RIGHTS OF PARENTS TO PUT CHILDREN IN PRIVATE SCHOOLS WHERE BIBLICAL PRINCIPALS OF DISCIPLINE ARE HELD. PLEASE USE YOUR INFLUENCE TO STOP COMMISSIONER DEMHERT FROM MAKING THIS CHANGE.

POHID: 03094206
 DATE: 04/08/88
 TIME: 09:42:06
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
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SHULTZ	SPRINGER	SZYMANSKI
SUND	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAHACKI	

FISCAL NOTE

REQUEST:

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

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	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Representative Al Adams, Chairman *AGA* Phone: 465-3706
Division: House Finance Committee Date: 3/11/88

Approved by Commissioner: _____ Date: _____
Agency: _____

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

ASSUMPTIONS

No. 2

CSHCR 46
HOUSE 3/14/88

- 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.

No. 2

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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

Copper River Highway

DEAD-END STREET

THERE IS good reason to question the methods employed by the state Department of Highways in reaching an out-of-court settlement on the Cordova highway dispute.

There is good reason to make inquiries into the agreement itself, reached between Highway Commissioner Walter Parker and an environmental combination of the Sierra Club and the Alaska Conservation Society, which jointly brought suit to block construction of a road link connecting Cordova with the rest of the state.

It is a matter which should command the attention of Gov. Jay Hammond, who is open to some criticism himself for permitting the matter to be resolved in the manner it was. The problem focuses on the role Mr. Parker played in the whole affair, through what only can be described as an astonishing set of circumstances.

THE DIFFICULTY is that Mr. Parker was on both sides of the issue. In a rather key role both times.

At the outset, he was involved individually as a participant in filing the suit against the state on behalf of the Sierra Club and the conservation society.

As a former president of the society, he was instrumental in preparing the action asking the U.S. District Court to prevent the state from proceeding with work to restore, rebuild and extend the Copper River Highway from Cordova to a linkup with the Richardson Highway.

The argument was that the highway would go through an area that represents a potential selection under the national park system, and that a highway would not be compatible with such a scenic reserve.

As a result of that suit, road work had been effectively blocked.

Meanwhile, however, Mr. Hammond was elected governor. He appointed Mr. Parker as commissioner of highways. Since the Department of Highways and the

state were contesting the suit, Mr. Parker automatically became part of the team fighting the legal action which he had helped file.

INSTEAD OF declaring a conflict of interest and removing himself from any participation in the matter, Mr. Parker set out to negotiate an out-of-court settlement.

The predictable results were announced Wednesday. Cordova City Manager Mark Kazazeen said the Sierra Club and the Alaska Conservation Society "got all that they wanted and then some." The state, he said, got a "multi-million dollar dead-end road."

The people of Cordova are burned up about the deal. "I think the Hammond administration has sold us down the street," said Mayor Jim Poor. After 35 years of fighting for a road, and the majority wanting it, I think the people are just disgusted.

Under the agreement, 49 miles of the road out of Cordova will be rebuilt, but the open road will stop just short of the so-called Million Dollar Bridge over the Copper River. The rest of the road, some 65 miles which would provide a connection to the Richardson Highway, won't be touched for at least three years — and then only after a whole new environmental battle.

THAT ISN'T settlement. It's capitulation.

In no way can such an agreement be justified in the minds of the people of Cordova, who had every right to expect the state government to stand up and fight for their desires to be linked by highway with the existing road system.

If Mayor Poor's charge of a sell-out seems extreme to some, his irritation is nonetheless understandable.

An investigation of the highest order is called for and should be demanded of the governor.

And the chief investigator should not be the commissioner of highways.

ROBERT B. ATWOOD
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Managing Editor

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Monday, August 4, 1975

Cordova Road Settlement CONFLICT OF INTEREST

THE SETTLEMENT of the Cordova road litigation has three implications deserving of special study by all Alaskans.

First, it looks like an outright sellout by public officials who have misused the powers of their offices.

We base that conclusion on the fact that the commissioner of highways who handled the settlement was an active member of the plaintiffs who brought court action to kill the road project.

The highway commissioner was open and frank as a leader of the conservation groups that challenged the road.

There seems little room for doubt that he had a conflict of interest. How can a key man who initiates a court action as a plaintiff turn around and be the key man to settle it in behalf of the defendant?

THE SECOND implication of the settlement is that the Hammond administration is going to sacrifice Alaskan interests whenever they conflict with those of conservation groups.

In this case, the completion of the Cordova highway is to be delayed until the federal government decides whether to create a big park, monument or other reservation along the proposed right of way.

If such a decision is made, the state stands little chance of ever getting the road completed. This is a reversal of the policy of the previous state administration. Indeed, it was the previous administration that the conservationists, including the highway commissioner, sought to curb.

THE THIRD implication of the settlement is that, under its terms, an incorporated community is being told that it may be doomed to isolation from the state's road system forever.

Cordova has only one chance to become a part of the overland transportation system of the state. It is the road that is now cast into limbo by the highway commissioner's sellout.

Where else in the nation has such a thing ever occurred? Where in Alaska is there a community which has been told by political leaders it cannot have a road connecting it to the rest of the state?

Physical barriers remain to be conquered in some places in Alaska, but now we are getting political barriers that can be fatal. And those political barriers are being created by special interest groups who use them for their selfish goals.

Cordova, Alaska
September 6, 1938

In view of the fact that all mining operations at Kennecott will be abandoned about October 15, 1938, the Copper River & Northwestern Railway desires to announce to the public and to its employees that its operations between Cordova and Kennecott and way stations will terminate some time in the period October 15 to November 1, 1938, and formal proceedings for permanent abandonment are about to be instituted before the Interstate Commerce Commission.

COPPER RIVER & NORTHWESTERN
RAILWAY COMPANY

By E. T. Stannard,
Vice President

CDT

Eight Pages

TESTIMONY GIVEN AT ICC HEARING

Cordova, Chitina, Transportation Union Present Arguments Against Closing

(Alaska Weekly)

SEATTLE—The hearing to determine whether there should be issued to the C. R. & N. W. railroad company a certificate of public convenience and necessity, permitting them to abandon the railroad between Cordova and Chitina; McCarthy and Kennecott, was held at the Olympic hotel in Seattle on January 16 before Thomas F. Sullivan, examiner for the interstate commerce commission, of Washington, D. C.

The problem of the committee is to determine if there are sufficient transportation facilities to justify continuance of operation. There were three principal parties who have filed formal protests, the Transportation Workers Union, the Cordova chamber of commerce and the town of Chitina. The railroad applicants were represented by Bogie, Bogie & Gates of Seattle and Thomas M. Innis of Cordova; the union was represented by Attorney Bryce Little of Seattle, and Walter H. Hodge represented the Cordova chamber of commerce. The room was filled with former Cordova residents and those interested in activities of this section.

Railroad Proves Operating Deficit

The railroad company, through Superintendent F. A. Hansen, presented exhaustive documents and proofs of the operating deficit of the railroad and of the tonnage developed by sources other than the Kennecott mines, which have been closed, showing that approximately 56 per cent of their tonnage came from such other sources and showing that it would not be possible for them to operate the road without the Kennecott ore.

Witnesses were called to show the transportation needs of the mining areas served by the railroad, including Charles H. Grainer, Asa Baldwin and John E. Harrel. Other testimony was introduced showing the mineral resources of the area affected, but the commission ruled that only those mining properties which were already developed and had an assurance of producing railroad tonnage would be considered. George Neill testified for the union, pointing out the losses to be sustained by railroad employees. Mrs. Frank Shippe from Chitina testified as to the losses sustained by the town of

Chitina. Walter Hodge produced evidence of losses to be sustained in trade and commerce by the town of Chitina and commerce by the town of McCarthy. **Will Submit To Washington**

At the conclusion of the hearing the examiner announced that an opinion would be given by the commission at Washington, D. C., and

2/1/39

an opportunity given to each party to file briefs before the final decision was made. It is apparent, however, that the certificate will be issued.

Each of the protesting parties pointed out the need of a highway to serve the district if the road be finally abandoned with the purpose of directing the attention of governmental agencies to the need for such a highway. It is confidently hoped that some highway facilities will be provided to take the place of the railroad. Letters of protest were placed on file from the Planners of Alaska and other organizations in the north.

Most of the witnesses testified that a highway would serve their needs as well as a railroad but that some transportation facilities were necessary for the development of the country.

Cordova Wants Highway

The Cordova chamber of commerce for the past year has been petitioning the authorities to provide a highway in the event of the abandonment of the railroad by converting the railroad grade into a highway between Cordova and Chitina and also between Chitina and McCarthy. This matter has been taken up with the Alaska Planning Council, the territorial legislature and Dr. Ernest H. Gruening, director of territories and insular possessions of the department of the interior, who visited the road last summer for this purpose.

R. J. Shepard of the Alaska Road Commission testified at the hearing that plans were already laid to provide a speedier service by the road commission between Chitina and McCarthy until such time as the highway can be constructed, using the rails of the railroad and an aerial tram across the Copper river at Chitina.

It was pointed out during the hearing that the Copper river valley provides practically a water grade from seaborne into the vast interior of Alaska and is the only outlet from the interior to the coast, except the Alaska Railroad, and that some transportation facilities connecting this area with the coast are essential to the development of the territory. There is still available, of course, highway transportation from Valdez to Chitina and to Fairbanks, but there will be no communication between Chitina and Cordova except by air.

COPPER RIVER ROAD REQUESTS ABANDONMENT

Kennecott Subsidiary Seeks ICC Permit Affecting 195-Mile Railway

WASHINGTON, Sept. 14—The Copper River & Northwestern railway applied to the Interstate Commerce Commission yesterday for permission to abandon the 195-mile line of its Alaska railroad, which is wholly owned by a subsidiary of the Kennecott Copper Corporation and was used primarily to serve the Kennecott mines.

Officials of the road said these mines will be closed about November 1 because of lack of ore. The adjoining mines of the other Local Coalitions have been closed on July 23, the application said.