

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6506 SENATE RESOURCES

910

DECISION NOTICE
and
FINDING OF NO SIGNIFICANT IMPACT

ENVIRONMENTAL ASSESSMENT
BRADFIELD ELECTRIC TRANSMISSION CORRIDOR

USDA, Forest Service, Tongass National Forest
Stikine Area, Wrangell Ranger District

An environmental assessment that discusses the proposed Bradfield Electric power transmission line is available for public review in the Forest Service, Wrangell Ranger District office in Wrangell, Alaska.

Bradfield Electric, of Wrangell, Alaska, has requested a special use permit to survey, construct, operate and maintain a 69 KV power transmission line across National Forest lands from the Tyee power house to the Canadian border to serve short term mining interests around Johnny Mountain, B.C.

A Forest Service interdisciplinary team analyzed the potential environmental effects of this proposal, as well as the alternatives of using a long span design and buried transmission cable. Alternative routes were not considered because all other routes were either physically, economically, or legislatively undesirable. In addition, an alternative of denying the permit was considered. An environmental analysis document was then prepared.

The analysis indicates that alternative number 3 would provide the most desirable corridor for the powerline ROW because this route would have the least adverse environmental effects; the greatest potential for mitigation; would be acceptable within a LUD II area; and would not significantly interfere with the potential for future development within the corridor.

Based on this evaluation, it is my decision to adopt alternative number 3, a short span power transmission line and to issue the required special use permit to Bradfield Electric, Wrangell, Alaska. This permit will allow for the survey, construction, operation and maintenance of a 69 KV power transmission line across National Forest lands. The approved route is from the Tyee powerhouse to the Canadian border along the North Fork Bradfield and Craig River drainages. All mitigation measures for protection of fish, wildlife, visual and soils resources as listed in the Environmental Assessment are adopted and shall be incorporated in the special use permit. In addition, the powerline will be designed to cross rivers and streams at a low angle of incidence, where physically possible, to help avoid bird strikes.

The proposed action will have no significant effect on subsistence uses or resources in accordance with ANILCA section 810.

I have determined that this action would not significantly affect the quality of the human environment. Therefore an Environmental Impact Statement is not needed.

Since the proposal to plan, construct, operate and maintain a power transmission line on National Forest lands may include wetlands or floodplains, implementation of this project shall not take place until thirty days after the date of this decision notice.

This decision is subject to administrative review pursuant to 36 CFR 211.18. Notice of appeal must be in writing and submitted to Douglas K. Barber, Acting Forest Supervisor, Stikine Area, P.O. Box 309, Petersburg, AK 99833, within 45 days of the date of this decision.

May 6, 1988

Date

/s/ Douglas K. Barber

DOUGLAS K. BARBER

Acting Forest Supervisor

BRADFIELD-CRAIG
ROAD & PORT PROJECT .
SUPPORTING RESOLUTIONS

SOUTHEAST CONFERENCE

P. O. Box 22286

Juneau, Alaska 99802

SOUTHEAST CONFERENCE RESOLUTION #88-09

RELATING TO THE CONSTRUCTION OF A ROAD FROM THE CANADIAN BORDER TO THE SEA VIA THE BRADFIELD-CRAIG RIVER CORRIDOR AND THE CONSTRUCTION OF A DEEP WATER PORT FACILITY ON THE BRADFIELD CANAL

WHEREAS, the Southeast Conference is dedicated to improving the economic stability and quality of life in all Southeast Alaskan communities; and

WHEREAS, efficient transportation systems are the key element for the movement of goods and services and the resulting development of a stable and diverse economic foundation in Southeast Alaska; and

WHEREAS, economic development in Southeast Alaska today is severely handicapped by high tariffs, Jones Act restrictions, market inaccessibility and other barriers directly attributable to inadequate transportation systems; and

WHEREAS, the success of any effort to broaden the economic base in Southeast Alaska is highly dependent upon our ability to develop a hard surface link to the mainland that will provide a viable alternative for accessing new markets in the United States and Canada; and

WHEREAS, the pending United States-Canada Free Trade Agreement affords and opportunity for furthering our economic relationships with Canada if we have access to the Canadian markets; and

WHEREAS, massive natural resource developments in British Columbia have created a legitimate long term demand for access to the sea via a road system through Central Southeast Alaska; and

WHEREAS, the State of Alaska has completed numerous reconnaissance studies in Central Southeast Alaska to determine the most practical road route to access the mainland; and

WHEREAS, a road up the Bradfield-Craig River Corridor and construction for a deep water port on the Bradfield Canal has been adjudged the least sensitive environmentally and the most viable from an engineering standpoint by the Alaska Department of Transportation and Public Facilities (AK DOT/PF); and

WHEREAS, this route lends itself to AK DOT/PF long range transportation plans for expansion of road systems in Central Southeast Alaska; and

WHEREAS, the State of Alaska has nominated land selections for port development on the Bradfield Canal in anticipation of road construction; and

RESOLUTION #88-09, P.2

WHEREAS, the State of Alaska has allocated funds for, and is proceeding with, an economic feasibility study on the Bradfield-Craig Road and Port Project; and

WHEREAS, a utility corridor to supply power to Canadian mining companies has already been established parallel to the proposed Bradfield-Craig road route; and

WHEREAS, the State of Alaska has initiated diplomatic contact with British Columbia to discuss the Bradfield-Craig road and its continuation on the Canadian side of the border to intersect with the British Columbia highway system to complete the intercontinental link from Central Southeast Alaska to Canada and the Continental United States; and

WHEREAS, Canadian resource development interests have given their assurances to the State of Alaska and the Province of British Columbia that they find the proposed Bradfield-Craig Road and Port highly desirable as a route to the sea for export of raw materials, and that they will lend their support to the development of the project; and

WHEREAS, the City and Borough of Juneau, the Ketchikan Gateway Borough, and the Cities of Wrangell and Petersburg have endorsed the project by passing formal resolutions expressing their support for the Bradfield-Craig Road and Port Project.

NOW THEREFORE BE IT RESOLVED that the State of Alaska is urged to expedite construction of a road to Canada via the Bradfield-Craig River Corridor and the construction of a deep water port facility on the Bradfield Canal; and

BE IT FURTHER RESOLVED that because of the importance of this project to the future economic security of all Southeast Alaska, the Southeast Conference places the Bradfield-Craig Road and Port Project as a high priority of the Conference.

Adopted by the Southeast Conference this 24th day of September, 1988.


Ernest Polley, President

KETCHIKAN GATEWAY BOROUGH

Resolution No. 785

A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, URGING THE GOVERNOR AND THE ALASKA LEGISLATURE TO APPROPRIATE FUNDS FOR THE TIMELY CONSTRUCTION OF A ROAD FROM THE CANADIAN BORDER TO THE SEA VIA THE BRADFELD-CRAIG RIVER CORRIDOR AND CONSTRUCTION OF A DEEP WATER PORT FACILITY ON THE BRADFELD CANAL; AND ESTABLISHING AN EFFECTIVE DATE

RECITALS

A. The Ketchikan Gateway Borough Assembly supports construction of a road from Canada through Central Southeast Alaska to access a deep sea port on the Bradfield Canal.

B. The Alaska Department of Transportation and Public Facilities (ADOT/PF) has conducted studies to determine the most practical route for such a road. Of the several corridors identified, designated roadless and wilderness areas selected by the American and Canadian governments hinder road construction on all but the route from the Canadian Border to the Bradfield-Craig River watersheds.

C. Extensive mining activity in British Columbia creates long-term demand for road access to deep water port facilities. Canadian mining and other resource development interests have expressed a preference for a route through the Bradfield-Craig corridor because of its access to the sea.

D. The Canadian mining company involved has a major capital investment in their operations and has assured the City of Wrangell they will actively participate in road construction to link up with the Bradfield-Craig route.

E. Construction of this road now will assure continuing trade relations with our Canadian neighbors.

F. The centralized location of this corridor lends itself to future expansion of transportation systems vital to the diverse economic development of Southeast Alaska. This corridor will promote commerce and industry, provide an alternate land route, and improve national defense.

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, as follows:

Section 1. The Assembly requests Governor Cowper to direct ADOT/PF to determine the construction cost for the Bradfield-Craig River Route Road and deep water port facility on the Bradfield Canal.

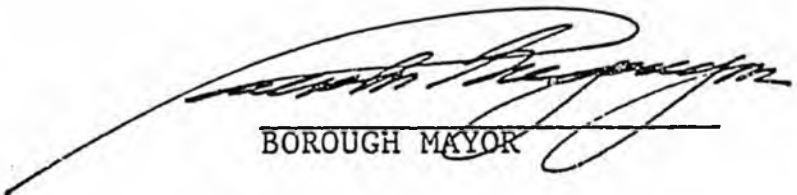
Section 2. Governor Cowper is further requested to join with the Alaska State Legislature to introduce legislation based upon the ADOT/PF cost findings that will enable the Bradfield-Craig Road and Bradfield Deep Water Port Projects to proceed in a timely manner.

Section 3. The Assembly urges all Alaska Legislators to support the development of the road and port project.

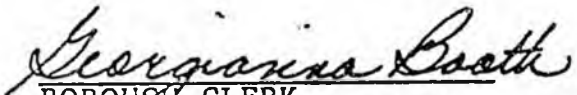
Section 4. The Borough Clerk is directed to send copies of this resolution to Governor Cowper, Commissioner Hickey, Commissioner Brady, Commissioner Smith, Colonel Wilbur T. Gregory Jr., and all members of the Alaska State Legislature.

Section 5. This resolution shall become effective upon adoption.

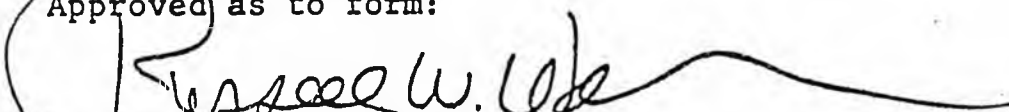
ADOPTED this 20th day of June, 1988.


BOROUGH MAYOR

ATTEST:


BOROUGH CLERK

Approved as to form:


MUNICIPAL ATTORNEY

UNCLASSIFIED

AGENDA

MAY 27 '88

6-14-88

CITY OF WRANGELL
ALASKA

Presented by: The Manager
Introduced: 05/16/88
Drafted by: K.C.R.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1310

A RESOLUTION SUPPORTING THE CONSTRUCTION OF A ROAD FROM THE CANADIAN BORDER TO THE SEA VIA THE BRADFIELD-CRAIG RIVER CORRIDOR AND SUPPORTING THE CONSTRUCTION OF A DEEP WATER PORT FACILITY ON THE BRADFIELD CANAL.

WHEREAS, the City of Wrangell has requested that the City and Borough of Juneau support the proposed Bradfield-Craig road and port project, and

WHEREAS, economic development anywhere in Southeast Alaska is directly or indirectly of benefit to all of the residents of Southeast Alaska, and

WHEREAS, extensive mining in British Columbia fifteen miles from the border crossing of the proposed Bradfield-Craig route has created an immediate and legitimate long-term demand for road access to the sea and deep water port facilities, and

WHEREAS, Canadian mining and other resource development interests have expressed a preference for the route through the Bradfield-Craig area because of its close proximity to the sea, and

WHEREAS, the mining interests already have major capital investment in their operations and have assured city and borough officials that they will actively participate in road construction to link up with the Bradfield-Craig route, and

WHEREAS, construction now of a twenty-six mile segment of road will ensure continuing trade relations with our Canadian neighbors, and

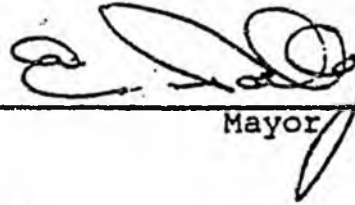
WHEREAS, this international road connection would provide many opportunities to implement the new United States-Canada Free Trade Agreement and thereby foster social, cultural, and economic relationships beneficial to both countries;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the State of Alaska is urged to pursue the construction of a road from Canada down the Bradfield-Craig River Corridor and the construction of a deep water port facility on the Bradfield Canal.

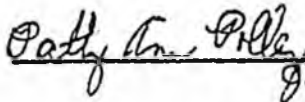
2. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 16th day of May, 1988.



Mayor

Attest:



clerk

RESOLUTION 1139-R

CITY OF PETERSBURG 5-10-88

A RESOLUTION OF THE PETERSBURG CITY COUNCIL URGING THE GOVERNOR AND THE LEGISLATURE OF THE STATE OF ALASKA TO INITIATE LEGISLATION TO APPROPRIATE FUNDS TO ENABLE THE TIMELY CONSTRUCTION OF A ROAD FROM THE CANADIAN BORDER TO THE SEA VIA THE BRADFIELD-CRAIG RIVER CORRIDOR AND CONSTRUCTION OF A DEEP WATER PORT FACILITY ON THE BRADFIELD CANAL.

WHEREAS, for the past three decades the City of Petersburg has supported construction of a road from Canada through Central Southeast Alaska to the sea; and

WHEREAS, these requests have resulted in seemingly interminable reconnaissance studies by the Alaska Department of Transportation and Public Facilities to determine the most practicable route for such a road; and

WHEREAS, the reconnaissance studies have resulted in a number of designated route potentials for a road; and

WHEREAS, legislative actions by the governments of the United States and Canada have now designated roadless and wilderness areas that would discourage road construction on all but one of the routes proposed in the reconnaissance studies; and

WHEREAS, a twenty six mile segment of that one remaining alternate route is from the Canadian Border down the Bradfield-Craig River watersheds and is the shortest route to the sea and deep water port capability; and

WHEREAS, extensive mining activity in British Columbia, fifteen miles from the border crossing of the proposed Bradfield-Craig route, has created an immediate and legitimate long term demand for road access to the sea and deep water port facilities; and

WHEREAS, Canadian mining and other resource development interests have expressed a preference for the route through the Bradfield-Craig area because of its close proximity to the sea; and

WHEREAS, the mining interests already have a major capital investment in their operations and have assured us they will actively participate in road construction to link up with the Bradfield-Craig route; and

WHEREAS, construction of a twenty six mile segment of road now will ensure continuing trade relations with our Canadian neighbors, but to procrastinate will send them the message that we are not interested and force them to go inland with all of their business; and

WHEREAS, construction of twenty six miles of road in this centralized location lends itself to future expansion of hard surface transportation systems vital to the economic diversification and development of all Southeast Alaska; and

WHEREAS, this international road connection would provide the opportunity for maximum utilization of the new United States-Canada Free Trade Agreement and foster social, cultural and economic relationships beneficial to both countries; and

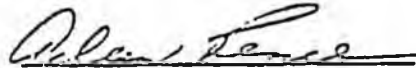
WHEREAS, said international road would increase traffic flow efficiency for commerce and industry, provide a viable alternative land route for the traveler, improve national defense in the event of foreign hostilities and provide an evacuation route in the event of a coastal catastrophe.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PETERSBURG, ALASKA:

1. Governor Cowper is hereby requested to direct the Department of Transportation and Public Facilities to make an accurate determination of construction costs for the Bradfield-Craig River route to the Canadian Border and a deep water port facility on the Bradfield Canal.
2. Governor Cowper is further requested to join with the Alaska State Legislature to introduce legislation based upon the cost finding of AK DOT/PF, that will enable the Bradfield-Craig Road and Bradfield Deep Water Port projects to proceed in a timely and expeditious manner.
3. In the name of prudent economic development and the furtherance of a strong self-supporting economic base in Southeast Alaska, we ask all legislators of the State of Alaska to support the development of this road and port project.
4. The City Clerk is hereby directed to transmit copies of this resolution to:

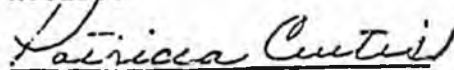
Governor Steve Cowper
Commissioner Mark Hickey, AK DOT/PF
Commissioner Judith Brady, AK DNR
Commissioner Anthony Smith, AK DOC/ED
Colonel Wilber T. Gregory Jr., Army Corps of Engineers
All members of the Alaska State Legislature

PASSED and APPROVED this 2 day of May, 1988.



Mayor

ATTEST:



City Clerk

CITY OF WRANGELL, ALASKA

RESOLUTION NO. 4-88-295

A RESOLUTION OF THE COUNCIL OF THE CITY OF WRANGELL, ALASKA URGING THE GOVERNOR AND THE LEGISLATURE OF THE STATE OF ALASKA TO INITIATE LEGISLATION TO APPROPRIATE FUNDS TO ENABLE THE TIMELY CONSTRUCTION OF A ROAD FROM THE CANADIAN BORDER TO THE SEA VIA THE BRADFIELD-CRAIG RIVER CORRIDOR AND CONSTRUCTION OF A DEEP WATER PORT FACILITY ON THE BRADFIELD CANAL.

WHEREAS, for the past three decades the City of Wrangell has been asking for construction of a road from Canada through Central Southeast Alaska to the sea; and

WHEREAS, these requests have resulted in seemingly interminable reconnaissance studies by the Alaska Department of Transportation and Public Facilities to determine the most practicable route for such a road; and

WHEREAS, the reconnaissance studies have resulted in a number of designated route potentials for a road; and

WHEREAS, legislative actions by the governments of the United States and Canada have now designated roadless and wilderness areas that would discourage road construction on all but one of the routes proposed in the reconnaissance studies; and

WHEREAS, a twenty six mile segment of that one remaining alternate route is from the Canadian Border down the Bradfield-Craig River watersheds and is the shortest route to the sea and deep water port capability; and

WHEREAS, extensive mining activity in British Columbia fifteen miles from the border crossing of the proposed Bradfield-Craig route has created an immediate and legitimate long term demand for road access to the sea and deep water port facilities; and

WHEREAS, Canadian mining and other resource development interests have expressed a preference for the route through the Bradfield-Craig area because of its close proximity to the sea; and

WHEREAS, the mining interests already have a major capital investment in their operations and have assured us they will actively participate in road construction to link up with the Bradfield-Craig route; and

WHEREAS, construction of a twenty six mile segment of road now will ensure continuing trade relations with our Canadian neighbors, but to procrastinate will send them the message that we are not interested and force them to go inland with all of their business; and

WHEREAS, construction of twenty six miles of road in this centralized location lends itself to future expansion of hard surface transportation systems vital to the economic diversification and development of all Southeast Alaska; and

WHEREAS, this intercontinental road connection would provide the opportunity for maximum utilization of the new United States-Canada Free Trade Agreement and foster social, cultural and economic relationships beneficial to both countries; and

WHEREAS, said intercontinental road would increase traffic flow efficiency for commerce and industry, provide a viable alternative land route for the traveler, improve national defense in the event of foreign hostilities and provide an evacuation route in the event of a coastal catastrophe.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WRANGELL, ALASKA:

- Section 1. Governor Cowper is hereby requested to direct the Department of Transportation and Public Facilities to make an accurate determination of construction costs for the Bradfield-Craig River route to the Canadian Border and a deep water port facility on the Bradfield Canal.
- Section 2. Governor Cowper is further requested to join with the Alaska State Legislature to introduce legislation based upon the cost findings of AK DOT/PF, that will enable the Bradfield-Craig Road and Bradfield Deep Water Port projects to proceed in a timely and expeditious manner.
- Section 3. In the name of prudent economic development and the furtherance of a strong self-supporting economic base in Southeast Alaska, we ask all legislators of the State of Alaska to support the development of this road and port project.
- Section 4. The City Clerk is hereby directed to transmit copies of this resolution to:

Governor Steve Cowper
Commissioner Mark Hickey, AK DOT/PF
Commissioner Judith Brady, AK DNR
Commissioner Anthony Smith, AK DOC/ED
Colonel Wilbur T. Gregory Jr., Army Corps of Engineers
All members of the Alaska State Legislature

Section 5. This resolution shall become effective on approval.

PASSED AND APPROVED: April 12, 1988

Fern M. Vincent
Mayor

and correct
copy of the original filed in
my office.

ATTEST: *Franette Vincent*
City Clerk (Acting)

Franette Vincent
City Clerk - Acting
City of Wrangell, Alaska

CHAMBER OF COMMERCE
CITY OF WRANGELL, ALASKA

A RESOLUTION OF THE CHAMBER OF COMMERCE OF THE CITY OF WRANGELL, ALASKA SUPPORTING CONSTRUCTION OF A ROAD FROM CENTRAL SOUTHEAST ALASKA TO BRITISH COLUMBIA VIA THE BRADFIELD-CRAIG RIVER CORRIDOR, AND THE ESTABLISHMENT OF DEEP WATER PORT FACILITIES AT AN ACCEPTABLE SITE. WE REQUEST THAT OUR LOCAL, STATE, AND FEDERAL OFFICIALS TAKE APPROPRIATE MEASURES TO INSTITUTE THE PLANNING, PERMITTING AND FINANCING NECESSARY TO COMPLETE THIS PROJECT IN A TIMELY MANNER.

WHEREAS, the Wrangell Chamber of Commerce has historically supported construction of a road system connecting Central Southeast Alaska with British Columbia; and

WHEREAS, a road between Central Southeast Alaska and British Columbia would generate industrial, commercial and recreational opportunities essential to the economic stability, diversification and future growth of the region; and

WHEREAS, recent mining activity in British Columbia has created a rapidly expanding demand for road access to the sea and deep water port facilities in Central Southeast Alaska; and

WHEREAS, the Alaska Department of Transportation and Public Facilities has conducted a series of reconnaissance studies during the past three decades, to determine the most feasible routes for road access from Central Southeast Alaska to Canada; and

WHEREAS, within the past ten years congressional action and other considerations in Canada and Alaska have created roadless and wilderness areas within the reconnaissance study area; and

WHEREAS, the wilderness and/or roadless designation adversely affects road construction on all routes proposed in the reconnaissance studies with the exception of the route through the Bradfield-Craig River watershed area; and

WHEREAS, the Bradfield-Craig route is geographically the shortest distance to deep water port potential from the mining operations and other proposed renewable resource (timber) harvest areas in British Columbia; and

WHEREAS, Canadian mining firms have expressed a preference for this road route to the sea for shipment of ore concentrates to outside refining facilities; and

WHEREAS, the Canadian timber industry would open new areas and utilize the road for timber shipments to the sea; and

WHEREAS, the route from deep water on the Bradfield Canal to the Canadian border (approx. 25 miles) will accommodate the demand for deep water access at a cost considerably less than heretofore proposed routes; and

WHEREAS, construction of this road will herald the beginnings of long term Canadian-American relationships mutually beneficial to the future growth, economic diversification and overall economic development programs for the citizens of both countries.

NOW THEREFORE, BE IT RESOLVED BY THE CHAMBER OF COMMERCE OF THE CITY OF WRANGELL, ALASKA:

Section 1. The City of Wrangell, The State of Alaska Office of the Governor, Departments of Transportation, Natural Resources, Commerce & Economic Development; The United States Forest Service and the United States Corps of Engineers are hereby requested to jointly and cooperatively take appropriate measures to institute planning, permitting, financing, and diplomatic intercourse with Canada in order to expedite construction of a road from Central Southeast Alaska to British Columbia via the Bradfield-Craig River corridor and to establish a deep water port facility at an appropriate site.

Section 2. The Secretary of the Wrangell Chamber of Commerce is hereby directed to transmit a copy of this resolution to each of the following:

Mayor Fern Neimeyer, City of Wrangell
Paul Meyhoff II, Office of the Governor
Commissioner Mark Hickey, AK DOT/PF
Commissioner Judy Brady, AK DNR
Commissioner Anthony Smith, AK DOC/ED
Walt Sheridan, USFS ANILCA Coordinator
Colonel Wilbur T. Gregory Jr., U.S. Army Engineers,
Alaska District

Senator Ted Stevens
Senator Frank Murkowski
Congressman Donald Young
Lloyd Jones, Alaska State Senator
Robin Taylor, Alaska State Representative
John Sund, Alaska State representative

Section 3. This Resolution shall become effective on approval.

PASSED AND APPROVED: February 13, 1988

Clifford James
President, Wrangell Chamber of Commerce

ATTEST: [Signature]
Secretary

U.S.-CANADA FREE TRADE AGREEMENT
SYNOPSIS

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

January 2, 1988

FACT SHEET

U.S.-CANADA FREE TRADE AGREEMENT

The United States and Canada have entered into a free trade agreement that, if approved and implemented, will take effect on January 1, 1989. The agreement will:

- o Eliminate all tariffs on bilateral goods trade within 10 years of implementation;
- o Reduce nontariff trade barriers;
- o Establish principles for the conduct of bilateral trade in services;
- o Establish rules for the conduct of bilateral investment;
- o Resolve many outstanding bilateral trade issues;
- o Enhance the energy and national security of the two countries;
- o Facilitate business travel; and
- o Establish a timely bilateral dispute settlement mechanism.

Economic Implications

Each year the U.S. and Canada exchange more goods and services than any two countries in the world. Bilateral trade in goods and services exceeded \$150 billion in 1986.

The elimination of tariffs and most other barriers to trade between the two countries will increase economic growth, lower prices, expand employment and enhance the competitiveness of both countries in the world marketplace.

Chronology of the Negotiation

- o In March 1985, President Reagan and Prime Minister Mulroney asked their trade officials to explore ways to reduce and

MORE

eliminate existing barriers to trade between the U.S. and Canada.

- o On September 26, 1985, Prime Minister Mulroney formally requested that the U.S. and Canada examine the potential for negotiating a comprehensive free trade agreement.
- o On December 10, 1985, President Reagan notified the Congress of his intent to enter into bilateral negotiations with Canada using "fast track" procedures.
- o On June 17, 1986, U.S. and Canadian negotiators on the free trade area met for the first time in Ottawa.
- o On October 3, 1987, President Reagan notified Congress of his intent to enter into a free trade agreement with Canada.
- o On December 9, 1987, U.S. and Canadian negotiators initialled a final text of the agreement.
- o On January 2, 1988, President Reagan and Prime Minister Mulroney signed the final text of the agreement.

The Fast Track

Section 102 of the Trade Act of 1974 authorizes the President to enter into bilateral free trade agreements and to have the Congress approve them on a "fast track" basis. Section 102 authority expires at midnight on January 2, 1988.

In order for a bilateral agreement to qualify for fast track consideration, several conditions must be met:

- o The negotiation must be requested by the foreign country;
- o The President must notify the House Ways and Means and Senate Finance Committees of the negotiations, giving them 60 legislative days advance notice;
- o The President must notify the Congress of his intent to enter into an agreement 90 days before doing so.

After entering into an agreement, the President must submit it to Congress, along with a draft implementing bill, a statement of any administrative action proposed to implement the agreement, an explanation of how the bill or statement changes or affects existing law and a statement of reasons why the agreement serves the interests of U.S. commerce and why the bill and proposed action are required and appropriate.

MORE

The implementing bill is introduced in both Houses of Congress on the day it is submitted and is referred to the committees of jurisdiction. House committees have 45 days in which the House is in session to report the bill; they are discharged automatically from further consideration after that period. The House votes within 15 days in session after the measure has been received from the House committees.

After receiving the bill from the House, the Senate committees have 15 days in which the Senate is in session to report the bill; they are discharged automatically from further consideration after that period. The Senate votes within 15 days in session after the measure has been received from the Senate committees.

Amendments to the bill are not in order. A simple majority of each House is required for approval.

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(9) "revenue fund" means the International Airports Revenue Fund created by AS 37.15.430. (§ 1 ch 149 SLA 1972)

Revisor's notes. — Reorganized in 1988 to alphabetize the defined terms.

Article 4. Toll Facilities Revenue Bonds.

Section	Section
610. Bond authorization	690. Bond negotiability
620. Construction fund	700. Refunding
630. Revenue fund	710. Bonds as legal investments
640. Bond redemption fund	720. State toll facilities
650. Bond terms	730. Review of toll facility projects
660. Bond resolution	740. Toll facility charges
670. Enforcement by holder	750. Statutory construction
680. Amounts required for payments	760. Definitions

Sec. 37.15.610. Bond authorization. For the purpose of providing part or all of the money to be used, with or without any grants or other money that may become available, the issuance and sale of revenue bonds of the state in the total principal sum of not to exceed \$500,000,000 is authorized to acquire, construct, equip, and install the additions, improvements, extensions, and facilities authorized in AS 37.15.720 and 37.15.730. The principal of and interest on these bonds are paid out of and secured by the gross revenue derived by the state from the ownership, use, and operation of the toll facilities, and out of any other revenue or money that the state legislature may provide exclusive of any state tax or license. Bonds may not be issued to assist in the acquisition, financing, or operation of projects without prior approval from the legislature. (§ 1 ch 162 SLA 1984)

Sec. 37.15.620. Construction fund. (a) The toll facilities construction fund is established for deposit of proceeds of the sale of the bonds authorized by AS 37.15.610 and any grant or other money that is legally provided for the same purposes for which the bonds are authorized except for any accrued interest paid on the bonds by the purchaser. The money in the construction fund is used to pay the cost of acquiring, constructing, and equipping facilities authorized in AS 37.15.720 and 37.15.730 and costs incidental to those activities, including costs of the authorization, issuance, and sale of the bonds. To the extent allowed in the bond resolution, money in the construction fund may also be used for the payment of interest on the bonds during the time of actual construction, and for any additional time, not exceeding one year after construction is completed. Money in the construction fund may also be transferred to the bond redemption fund, as permitted by the bond resolution, to establish a reserve for the payment of the principal and interest on the bonds.

(b) The bond resolution may provide for the investment of money in the construction fund as the committee determines. The interest earned upon or any profit derived from the sale of the investment is deposited in the construction fund. (§ 1 ch 162 SLA 1984)

Sec. 37.15.630. Revenue fund. (a) The toll facilities revenue fund is established and shall be set apart from all other money of the state. The toll facilities revenue fund is a trust fund for the purposes under AS 37.15.610 — 37.15.760, where all revenue, fees, tolls, charges, and rentals are deposited that are derived by the state from the ownership, lease, use, and operation of the facilities authorized by AS 37.15.720 and 37.15.730. The revenue, fees, tolls, charges, and rentals may not include the proceeds of any state tax or license. The money in the revenue fund may only be used to

(1) pay or secure the payment of the principal of and interest on the toll facilities bonds and principal of and interest on any other revenue bonds issued by authorization of the legislature to provide money to acquire, construct, and equip facilities authorized by AS 37.15.720 and 37.15.730 and to be payable out of the revenue fund;

(2) pay the normal and necessary costs of maintaining and operating the facilities acquired, constructed, or equipped under AS 37.15.610 — 37.15.760;

(3) pay the costs of renewals, replacements, and extraordinary repairs to facilities acquired, constructed, or equipped under AS 37.15.610 — 37.15.760;

(4) redeem before their fixed maturities any and all revenue bonds issued for the purpose of acquiring, constructing, and equipping facilities authorized by AS 37.15.720 and 37.15.730;

(5) provide money to acquire, construct, and equip necessary additions and improvements to facilities authorized by AS 37.15.720 and 37.15.730; and

(6) provide money to pay any and all other costs relating to the ownership, use, and operation of the facilities.

(b) The investment of money in the revenue fund may be made as the committee determines. The interest earned upon or any profits derived from the sale of an investment under this subsection shall be deposited in the revenue fund. (§ 1 ch 162 SLA 1984)

Sec. 37.15.640. Bond redemption fund. The toll facilities revenue bond redemption fund is established for deposit in trust of money for paying and securing the payment of principal of and interest and redemption premium, if any, on bonds and is set apart from all other money of the state. The committee, on behalf of the state, shall obligate the state to set aside and pay into the bond redemption fund from the revenue fund an amount of money sufficient to pay the principal of and interest and redemption premium, if any, on the bonds as the

payments become due and, if the committee considers it necessary, to set aside and maintain a reserve for this purpose. The bond redemption fund is drawn upon for the purpose of paying the principal of and interest and redemption premium, if any, on the bonds, and the bonds do not constitute a general obligation of the state. (§ 1 ch 162 SLA 1984)

Sec. 37.15.650. Bond terms. (a) The toll facilities bonds are sold in the amounts or series and at the time as determined by the committee. Before selling a series of bonds, the committee shall give notice inviting sealed bids. If satisfactory bids are received, the bonds offered for sale are awarded to the highest responsible bidder. If the committee determines that a bid received is not satisfactory as to price or responsibility of the bidder, the committee may reject the bid received. Bonds, or a series of bonds, may not be sold if the effective interest rate over the life of the bonds exceeds 11 percent per year or that rate of interest that is 125 percent of the rate of the Bond Buyer Index of 20 Municipal Bond Average Yields for the week previous to the date of sale of the bonds, whichever is higher. Interest is payable annually or semiannually.

(b) The bonds mature at the time fixed by the committee. The bonds may be subject to redemption before their fixed maturities as determined by the committee and with the premium fixed by the committee, but a bond may not be subject to redemption before its fixed maturity date unless the right to redeem that bond is expressly mentioned on the face of the bond. The bonds

(1) may be in denominations determined by the committee;

(2) may be issued in coupon form or in fully registered form, and may be registrable as to principal or both principal and interest, all under regulations and conditions the committee provides;

(3) are payable as to principal and interest at the place determined by the committee;

(4) shall be signed on behalf of the state by the governor and shall be attested to by the lieutenant governor, both of which signatures may be facsimile signatures, and each of the interest coupons attached to them shall be signed by the facsimile signatures of these officials;

(5) shall have the seal of the state impressed, printed, or lithographed on them; and

(6) shall be issued under and subject to the terms, conditions, and covenants, providing for the payment of the principal of and interest on the bonds and the other terms, conditions, covenants, and protective features safeguarding this payment and relating to the maintenance, operation, and improvement of the toll facilities as found necessary by the committee, which covenants may include a provision requiring the setting aside and maintenance of certain reserves to secure the payment of the principal and interest.

(c) If found reasonably necessary, the committee may select a trustee or trustees for the holders of the bonds or any series of the bonds, for the safeguarding and disbursement of any of the money in any of the funds created by AS 37.15.620, 37.15.630, and 37.15.640, or for the duties for authentication, delivery, and registration of the bonds as the committee may determine. The committee shall also fix the rights, duties, powers, and obligations of the trustee or trustees.

(d) In the committee's determination of all of the matters and questions relating to the issuance and sale of the bonds and the fixing of the maturities, terms, conditions, and covenants of the bonds as provided in (a) — (c) of this section, the decisions of the committee shall be those found to be reasonably necessary for the best interests of the state and its inhabitants, and those that will accomplish the most advantageous sale of the bonds, with due regard, however, (1) to necessary or normal costs of maintenance and operation; (2) to renewals and replacements of and repairs to the toll facilities; (3) to all improvements to toll facilities and property of toll facilities owned, used, operated, or leased in connection with toll facilities; and (4) to the future growth and expansion of all of the facilities and the possibility of additional revenue bond financing for toll facilities purposes. A decision of the committee, as expressed in any bond resolution, is final when any bonds have been issued under the bond resolution.

(e) A bond resolution may provide that the bonds issued contain a recital that they are issued under AS 37.15.610 — 37.15.760, and any bonds containing this recital are conclusively considered to be valid and to have been issued in conformity with AS 37.15.610 — 37.15.760.

(f) The validity of the authorization and issuance of bonds is not affected by any proceeding for the acquisition or construction of the additions, improvements, or facilities for which the bonds have been issued or by any contract in connection with the acquisition or construction. (§ 1 ch 162 SLA 1984)

Sec. 37.15.660. Bond resolution. The committee is authorized and directed to adopt the bond resolution and prepare all other documents and proceedings necessary for the issuance, sale, and delivery of the bonds or any part or series of them. The bond resolution shall fix the principal amount, denomination, date, maturities, place or places of payment, rights of redemption, if any, terms, form, conditions, and covenants of the bonds or each series of them. The committee shall also determine and provide for the date and manner of sale of the bonds, and shall provide whether the notice of sale is to be published elsewhere in addition to the publication required by AS 37.15.650. (§ 1 ch 162 SLA 1984)

Sec. 37.15.670. Enforcement by holder. The holder of any bonds or the trustee for the holders of the bonds or any series of them, may, by appropriate proceedings in the courts of record of the state, compel the transfer, setting aside, and payment of money and the enforcement of all of the terms, conditions, and covenants as required and provided in AS 37.15.610 — 37.15.760 and in the bond resolution. (§ 1 ch 162 SLA 1984)

Sec. 37.15.680. Amounts required for payments. The committee shall, before December 31 of each year, commencing with the year in which the bonds are issued, certify to the commissioner of revenue and the commissioner of transportation and public facilities the amounts required in the next ensuing calendar year by a bond resolution to be paid out of the revenue fund into the bond redemption fund and to be paid into and maintained in any reserve fund or account or any other fund or account created by a bond resolution. The committee shall also certify to the commissioners the last date upon which payments may be made. (§ 1 ch 162 SLA 1984)

Sec. 37.15.690. Bond negotiability. The bonds and the coupons attached to them are fully negotiable instruments under the laws of the state. (§ 1 ch 162 SLA 1984)

Sec. 37.15.700. Refunding. (a) The bonds or any part of them may be refunded at or before their maturity by the issuance of refunding revenue bonds of the state if in the opinion of the committee refunding is advantageous to and in the best interest of the state and its inhabitants.

(b) The issuance of refunding bonds need not be authorized by an act of the legislature, and the committee shall adopt the resolution and prepare all other documents and proceedings necessary for the issuance, exchange or sale, and delivery of the bonds. All provisions of AS 37.15.610 — 37.15.760 applicable to revenue bonds are applicable to the refunding bonds and to the issuance, sale, or exchange of the bonds, except as otherwise provided in this section.

(c) Refunding bonds may be issued in a principal amount sufficient to provide money for the payment of all bonds to be refunded by them, and, in addition, for the payment of all expenses incident to the calling, retiring, or paying of the outstanding bonds, and the issuance of the refunding bonds. These expenses include the difference in amount between the par value of the refunding bonds and any amount less than par for which the refunding bonds are sold, any amount necessary to be made available for the payment of interest on the refunding bonds from the date of sale of them to the date of payment of the bonds to be refunded or to the date upon which the bonds to be refunded will be paid under the call of the bonds or agreement with the holders of

them, and the premium, if any, necessary to be paid in order to call or retire the outstanding bonds and the interest accruing on the outstanding bonds to the date of the call or retirement. (§ 1 ch 162 SLA 1984)

Sec. 37.15.710. Bonds as legal investments. Toll facilities bonds are legal investments for all banks, trust companies, savings banks, savings and loan associations, and other persons carrying on a banking business, all insurance companies and other persons carrying on an insurance business, and all executors, administrators, trustees, and other fiduciaries. The bonds may be accepted as security for deposits of all money of the state and its political subdivisions. (§ 1 ch 162 SLA 1984)

Sec. 37.15.720. State toll facilities. The state is authorized to acquire, construct, equip, and maintain toll bridges, tunnels, highways, roads, crossings, and causeways found to be necessary by the commissioner of transportation and public facilities. (§ 1 ch 162 SLA 1984; am § 2 ch 165 SLA 1988)

Effect of amendments. — The 1988 amendment inserted "tunnels."

Sec. 37.15.730. Review of toll facility projects. A toll facility may be financed under AS 37.15.610 — 37.15.760 if the following conditions are met for that toll facility:

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

(2) if financing in addition to revenue bonds is required to finance the toll facility, the department submits to the governor and legislature a finance plan that includes an estimate of the total cost of the toll facility and a description of the sources of money that will be used to finance the total cost of the toll facility; and

(3) the office of management and budget reviews the feasibility study and the finance plan, if required, and reports its findings and recommendations to the governor and legislature not later than 90 days after the study and plan are received by the office. (§ 1 ch 162 SLA 1984; am § 3 ch 165 SLA 1988)

Effect of amendments. — The 1988 amendment rewrote the catchline, which read "Knik Arm Crossing," rewrote the introductory language, which read "Notwithstanding the provisions of AS 37.15.720 the first state toll facility to be

financed under AS 37.15.610 — 37.15.660 is the Knik Arm Crossing near Anchorage if the following conditions are met," substituted "toll facility" for "crossing" in paragraph (1) and, in paragraph (2), substituted "required to finance the toll facil-

ity" for "anticipated," "that includes" for "to include," and "cost of the toll facility" for "cost of the project" twice.

Sec. 37.15.740. Toll facility charges. The commissioner of transportation and public facilities shall fix and collect the fees, charges, tolls, and rentals derived by the state from the ownership, lease, use, and operation of the facilities authorized by AS 37.15.720 and 37.15.730 and improvements of the facilities as will provide revenue sufficient to comply with all of the covenants of the bond resolution. (§ 1 ch 162 SLA 1984)

Sec. 37.15.750. Statutory construction. AS 37.15.610 — 37.15.760 shall be liberally construed in order to carry out the purposes for which the provisions were enacted, and all existing laws in conflict with AS 37.15.610 — 37.15.760 are superseded as necessary to accomplish the purposes of AS 37.15.610 — 37.15.760. (§ 1 ch 162 SLA 1984)

Sec. 37.15.760. Definitions. In AS 37.15.610 — 37.15.760, unless the context requires otherwise

(1) "bond redemption fund" means the toll facilities revenue bond redemption fund created by AS 37.15.640, including any accounts that are created in that fund after October 4, 1984;

(2) "bond resolution" means the resolution authorizing the issuance of bonds, adopted by the committee under AS 37.15.660;

(3) "bonds" means the toll facilities revenue bonds authorized by AS 37.15.610 — 37.15.760;

(4) "committee" means the state bond committee created by AS 37.15.110, or any other committee, body, department, or officer of the state that or who succeeds to the rights, powers, duties, and obligations of the state bond committee by act of the legislature;

(5) "construction fund" means the toll facilities construction fund created by AS 37.15.620;

(6) "revenue fund" means the toll facilities revenue fund created by AS 37.15.630;

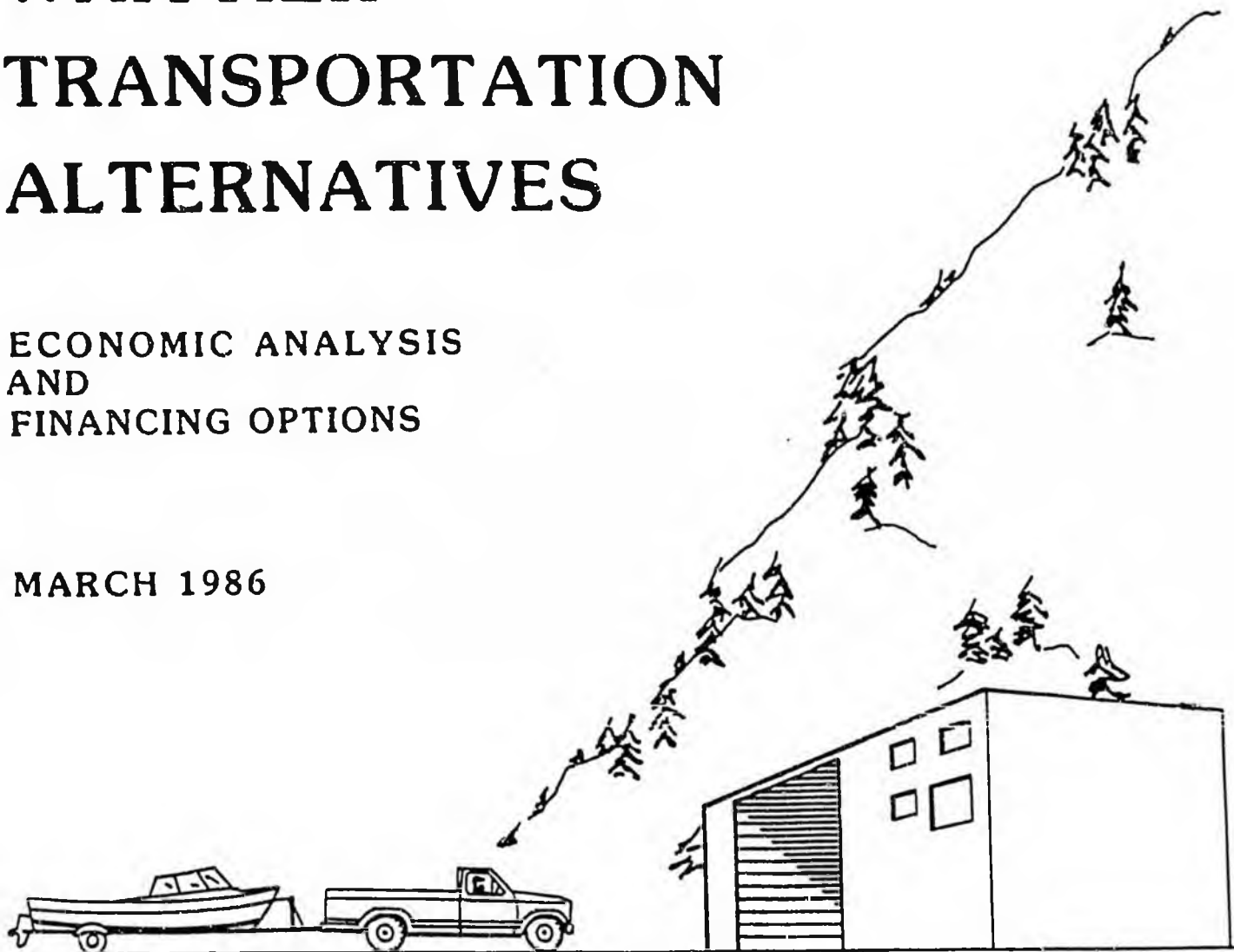
(7) "toll facilities" means highways, roads, bridges, tunnels, crossings, and causeways upon which tolls, charges, rentals, or other user fees are placed by the commissioner of transportation and public facilities. (§ 1 ch 162 SLA 1984; am § 4 ch 165 SLA 1988)

Effect of amendments. — The 1988 amendment inserted "tunnels" in paragraph (7).

WHITTIER TRANSPORTATION ALTERNATIVES

ECONOMIC ANALYSIS
AND
FINANCING OPTIONS

MARCH 1986



STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

TAMS

TIPPETTS-ABBETT-McCARTHY-STRATTON ■ ENGINEERS
A PROFESSIONAL CORPORATION
ALASKA

Alternative 2 - Single Lane Joint Use Tunnel, Bear Valley to
Whittier

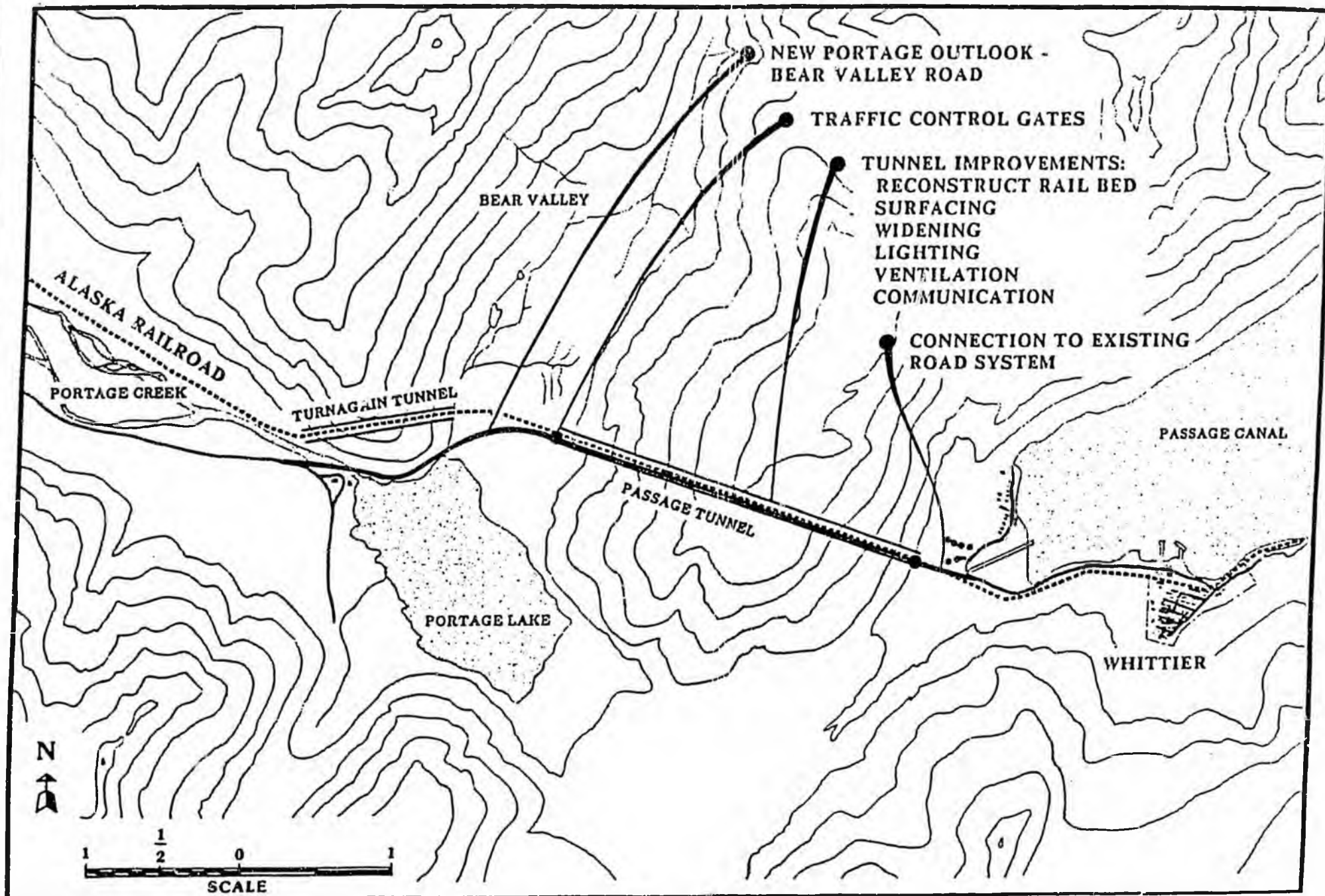
As illustrated in Figure 2-2, this alternative would provide direct vehicular access to Whittier through the construction of a road to Bear Valley and by improving the existing Passage rail tunnel. All passenger/vehicle movements would be carried out using automobiles and motorcoaches. Rail activity would be limited to freight transport.

Direct access via a joint use one lane tunnel has been evaluated several times in the past, most recently in the 1985 "Whittier Access Road Tunnel Feasibility Study" (ref. 22).

Major system elements required for this alternative include:

1. Construction of a roadway from Portage to Bear Valley.
2. Construction of a roadway within the Portage tunnel to accommodate over tired vehicles.

* Cost estimates provided by the Alaska Railroad.



ALTERNATIVE 2
One - Way Joint Use of Passage Tunnel,
New Road to Bear Valley

3. Excavation of the Passage tunnel to accommodate necessary ventilation equipment and emergency turnout lanes.
4. Additional safety features such as lighting, signing, traffic signals and barriers, fire alarm and protection equipment, and emergency phones.
5. Grouting, lining, and insulating the tunnel to prevent water leakage and ice build-up during the winter months.

Road to Bear Valley. The Bear Valley road would extend vehicular access to Bear Valley from the current road serving the Portage Glacier Visitors Center. Several alignments were evaluated in the 1983 "Whittier Access Road Location Study Report" (ref. 2), traversing a route from approximately 3,600 feet west of the Portage Glacier Visitors Center to a new parking/staging area about 1,900 feet southwest of Portal Door No. 2 (the west portal of the Passage tunnel).

All alignments included crossings of both Portage and Placer creeks. The route segment between the creek crossings was the same for all alternatives evaluated, and included an alignment which parallels the shore of Portage Lake. Extensive rock cuts (up to a maximum of about 150 feet) would be required along that segment, which traverses a steep rock slope.

Tunnel Improvements. A roadway must be built within the tunnel to allow passage of rubber-tired vehicles. Two basic tunnel configurations have been identified for development of the joint use facility. The least costly would be to leave the tunnel width essentially unchanged (14 1/2 feet), and to provide emergency turnouts at regular intervals (ref. 14). To further decrease the risk of tunnel blockage and to provide emergency

access a second option would be to enlarge the width of the tunnel to include a full width shoulder (ref. 22). Both options would require increasing the height of the tunnel to install ventilation equipment while at the same time providing the minimum clearances needed for train cargo.

Widening the tunnel to provide a continuous shoulder will add significantly to the initial construction cost. Prior to final selection of an alternative careful consideration must be given to the operational requirements and emergency response characteristics needed to ensure public safety.

The tunnel may require grouting and insulation to prevent potential groundwater and icing problems.

Safety items such as ventilation, lighting, and traffic control systems would be needed to ensure passenger comfort and safety, and to provide for smooth traffic flow within the tunnel system.

Potential negative impacts may include:

- Significant delays arising from disabled vehicles in the restricted-width tunnel.
- Hazardous situation due to one lane roadway and fire potential.
- Increased owner/operator liability when compared to other alternatives that do not incorporate single lane reversing traffic operations or joint rail/vehicle tunnel use.
- Train traffic would be disrupted or stopped during construction.
- Disruption of traffic flow for train movements.

Capital Costs. Alternative route alignments considered for the Portage-Bear Valley road range in cost from \$10.6 to \$17.8 million (August 1983 dollars, ref. 2). Cost differentials in the alignments considered were due primarily to the selection of location and type of bridge crossings over Portage and Placer creeks. All alignments provide essentially the same level of service, with only relatively minor differences in environmental impact. Consequently, for this analysis the least-cost alternative has been assumed to be acceptable.

As indicated above, substantial modifications to the tunnel will be required to provide for joint vehicle/rail use. The cost of tunnel improvements which included widening only for periodic turnouts, as previously described, were estimated in 1981 to be \$20,000,000 (ref. 14). A more recent analysis (1985) recommended full-length widening of the tunnel, resulting in an estimated cost of \$102.7 million (ref. 22).

An evaluation of the public safety considerations inherent in each of the design alternatives is beyond the scope of this study. Consequently, the range of development costs is presented, with the upper and lower figures representing the options as described above.

Another issue that has been recently discussed is the potential for using the existing pipeline tunnel as a plenum for the tunnel ventilation system. The pipeline tunnel parallels the rail tunnel, and it has been suggested that significant cost savings could be realized by eliminating the excavation needed to provide ventilation space in the rail tunnel. Since a detailed engineering analysis of the pipeline tunnel proposal would be required to ensure that it would provide a safe and effective means of ventilation, this study includes the cost of enlarging the rail tunnel and installing ventilation equipment as previously proposed.

Estimated construction costs for the system elements are summarized in Table 2-1.

TABLE 2-1
Estimated construction Costs, Alternative 2

<u>Item</u>	<u>Estimated Cost (\$)*</u>	<u>Source</u>	<u>Date</u>	<u>Updated Cost (\$)</u>
Low-cost tunnel improvement alternative:				
Portage-Bear Valley Rd.	\$ 10,600,000	ref.2	Aug '83	\$ 10,800,000
Tunnel improvements	\$ 20,000,000	ref.14	Mar '81	\$ 24,800,000
			TOTAL	\$ 35,600,000
Full-length tunnel widening alternative:				
Portage-Bear Valley Rd.	\$ 10,600,000	ref.2	Aug '83	\$ 10,800,000
Tunnel improvements	\$102,700,000	ref.22	July '81	\$102,700,000
			TOTAL	\$133,500,000

* Estimates include engineering, administration, and construction costs

Source: TAMS Engineers

Operating and Maintenance Costs. Operation of the joint use tunnel will require significant annual outlays for staffing, energy use, equipment maintenance, and spare parts and materials. Total annual costs are estimated at \$1,450,000 (1985 dollars, ref. 22). Some additional expense will be required to maintain the Portage-Bear Valley road; this cost will be minimal in relation to the tunnel operating costs, and is neglected for this analysis.

CHAPTER 3
HISTORICAL AND PROJECTED TRAFFIC

CURRENT TRAFFIC

The Alaska Railroad keeps historical records of passenger and auto traffic between Portage and Whittier. As illustrated in Table 3-1, traffic counts between 1979 and 1985 have increased each year. The most drastic changes in passenger and auto ridership were in 1983 and 1985. The underlying cause of the recent jump in recorded ridership was that prior to 1985, cruise ship passengers were transferred from Whittier to Anchorage by chartered train service, and thus were not recorded with the shuttle service between Portage and Whittier.

TABLE 3-1
Portage to Whittier Shuttle Traffic
Historical Data

	Passengers	Annual % Change	Total Vehicles	Annual % Change	Total* Passengers	Annual % Change
1979	68,691		16,039		84,730	
1980	71,131	3.55%	16,226	1.17%	87,357	3.10%
1981	75,519	6.17%	17,879	10.19%	93,398	6.92%
1982	77,665	2.84%	17,784	-0.53%	95,449	2.20%
1983	98,224	26.47%	19,516	9.74%	117,571	23.18%
1984	100,351	2.17%	19,779	1.35%	120,130	2.18%
1985**	125,250	24.81%	21,878	10.61%	147,128	22.47%
Average Annual Traffic						
Growth '80-'85		11.98%		6.16%		10.99%

* Total Passengers means passengers plus vehicles. Vehicle drivers are not counted with passengers.

** Estimated. December 1984 ridership was used to calculate total 1985 ridership.

Source: Data: Alaska Railroad
Table: TAMS Engineers

FACTORS INFLUENCING FUTURE TRAFFIC

Future traffic levels to and from Whittier will be influenced by several factors including: community development plans by the City of Whittier; the possible construction of a new harbor facility at Shotgun Cove; a growing population base; increases in tourism and cruise ship activity; and the completion of the Begich, Boggs Visitor Center at Portage Lake. Each of these factors is discussed in more detail below.

Land Ownership Trends

Over the past 15 years, patterns of land ownership in Whittier have changed from a single landholding by the U.S. government to several major landowners. With the prospect of a number of land grants and a City land disposal program, land ownership trends can be expected to dramatically change in the years to come.

State of Alaska. The State of Alaska is presently the major landowner in Whittier. The federal government transferred title to 5,205 acres of land to the State through provisions of a 1983 National Forest Community Grant Selection. Most of this land is located in the Shotgun Cove area. One hundred acres of this land grant will be transferred to Chugach Alaska Corporation, and another unspecified amount will be transferred to the City of Whittier. With the January 1985 transfer of the Alaska Railroad from the Federal Government to the State of Alaska, the valuable railroad lands concentrated in the Whittier core area and the West Camp Delta also came under State ownership.

Chugach Alaska Corporation. In December 1982, Chugach Alaska Corporation received titlement lands through the Alaska Native Claims Settlement Act and became the third largest landowner in Whittier. The corporation made two selections, one for 400 acres at the east of the Whittier core area, and one for 100 acres near the site of the proposed Shotgun Cove Harbor.

City of Whittier. The City of Whittier has always been a minor landowner in Whittier. Currently, the only land the City has title to is a few small parcels in the Whittier cove area which were purchased when the U.S. Army deactivated its Whittier operations. Most of the federal land originally purchased by the city was subsequently sold following its incorporation in 1971, in an effort to raise revenues and encourage residential development.

In 1984, state legislation was enacted to transfer 600 acres of the lands received from the federal land grant to the City of Whittier. Consequently, the City of Whittier will receive 200 acres of land in the Whittier subdivision, and 400 acres from the Shotgun Cove area. A provision of the legislation is that lands not needed for public purposes must be disposed of by the City within ten years.

Private Landholdings. A total of 250 acres of land in Whittier are owned by private landholders, excluding Chugach Alaska Corporation. Most of these lands are located in the West Camp Delta, the Whittier Cove area, and near the Shotgun Cove area.

Although the City's lands at the Shotgun Cove harbor site will be used for public service use, much of the land from the 600-acre State land grant will probably not be retained for public use. The City is in the process of developing a land disposal program, and has developed general guidelines for the disposal of lands in the Whittier and Shotgun Cove Subdivisions. It is expected that a significant amount of these lands will become available for purchase by private owners for residential development.

Goals and Policies for Future Development

The City's general goals for community growth are to encourage a limited rate of growth that maintains and enhances Whittier's small-town, marine-oriented character, and to protect and enhance the natural features, environment, and scenic beauty of the community (ref. 11). The City also plans to encourage the expansion of marine/onshore recreation opportunities, the commercial fishing industry, tourism, commercial business, locally-preferred industries, residential development, and to work with state and federal agencies, and the Chugach Alaska Corporation to encourage community development.

Shotgun Cove Harbor Development Plans

One of the primary attractions of Whittier is its access to Passage Canal and Prince William Sound. Whittier has one small boat harbor which is predominantly used by recreational boaters. Currently, all existing slips at the harbor are permanently assigned to boat owners and there is an extensive waiting list.

The City has issued a funding request to the Alaska State Legislature for development of a small boat harbor at Shotgun Cove, and completion of the Shotgun Cove Road to provide access to the harbor site. The City regards construction of the harbor and access road as key to Whittier's economic future, and has made this project its highest-priority funding request.

The U.S. Army Corps of Engineers (COE) is currently examining alternative sites in Shotgun Cove for the proposed boat harbor. Projections of future demand for harbor facilities are summarized as follows:

Existing Harbor Demand. The existing Whittier Small Boat Harbor has a total of 332 permanent berthing slips. Essentially all

available harbor slips are rented to year-round berth holders, most of whom own private recreational craft, while a smaller portion own commercial fishing or charter vessels. Over 90 percent of the permanent berth holders reside within the boundaries of the Municipality of Anchorage, while the remaining 10 percent live in Palmer, Whittier, Soldotna, and various other locations.

There are currently 210 vessel owners on the waiting list for permanent harbor moorage space at the Whittier Small Boat Harbor. More than 85 percent of these wait-listed vessels are recreational boats, while the remaining 15 percent are commercial vessels.

An estimated waiting time of 5 to 7 years for permanent moorage space has served as a strong disincentive for prospective wait-listed boats. For this reason, the COE has estimated the actual number of vessel owners desiring moorage space at the harbor as 350 rather than the 210 on the wait-list.

The harbor is designed to accommodate 20 to 30 transient vessels, depending on size. However, as many as 250 vessels have been recorded at one time at the transient float.

In 1984, a total of 506 transient vessels were recorded to have used Whittier harbor facilities. Most of this use occurred from May to September during the summer recreational and salmon fishing season. Approximately 60 percent of the transient vessels were commercial fishing boats, while the remaining 40 percent were recreational boats.

Future Recreational Vessel Demand. The primary factor influencing future regional demand for recreational moorage was determined to be population growth in the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough. Population projections for these areas are summarized in Appendix A.

Preliminary COE studies of the proposed Shotgun Cove Boat Harbor indicate that only two harbors in the Anchorage-Kenai Peninsula area (Homer and Seward) compete with Whittier facilities. Using projected regional population growth, driving distances, and current or planned moorage at Homer, Seward, and Whittier, the COE study concluded that 672 new vessel slips would be needed in Whittier by the year 2000.

Because the Shotgun Cove Harbor site provides ample opportunity for future expansion, the COE recommendation is that only 50 percent of the long-term future demand (336 spaces) be considered for present near term development planning.

The fleet composition of future vessels and geographic distribution of owner's residences is assumed to be similar to present users of the Whittier Small Boat Harbor.

Charter and Commercial Fishing Vessel Demand. In addition to recreational vessel use, there are currently 18 marine charter boats and 18 commercial fishing vessels using the Whittier Small Boat Harbor. The COE study indicated that approximately 15 new charter boats would be expected to commence operation at the new harbor during its first year of operation, with another 10 vessels commencing operation during the following five-year period. Furthermore, approximately 25 additional commercial fishing vessels are expected to use harbor facilities if additional space becomes available.

Estimates of all existing and future vessel moorage demands in Whittier are summarized in Table 3-2.

Preliminary plans by the Corps for initial harbor design considerations thus are based on projected requirements for 326 new slips (the difference between the aggregate moorage demand of 1,158 and total existing moorage space of 332). The anticipated slip demand through the year 2010 includes an additional 336 slips for a total of 1,162 new slips.

TABLE 3-2
 Summary of Vessel Moorage Demands
 For Initial Phase of Shotgun Cove Harbor Development
 1985-2010

	Recreational	Commercial	Charter	Total
Existing Full-Time	296	18	18	332
Existing Wait-Listed	302	48	--	350
Existing Transient	40	60	10	100
Future	336*	25	15	376
Total	974	141	43	1,158

* Figure shown is 50 percent of the total estimated recreational demand to be served in Whittier.

Source: U.S. Army Corps of Engineers

Population Needs

Whittier's population as of 1984 was 273 (ref. 11). Historically the resident population has fluctuated widely, mostly reflecting the extent of military involvement in the community. As is illustrated in Table 3-3, the community was established in the early 1940's and has fluctuated in population from 130 to 809 between census recording periods.

TABLE 3-3
 Historical Whittier Population

<u>Year</u>	<u>Population</u>	
1939	0	
1950	627	
1960	809	
1970	130	
1980	198	
1982	211*	
1983	263*	24.6%
1984	273*	3.8%

* revenue sharing estimates

Source: City of Whittier Community Comprehensive Plan, Draft, Nov. 1984 with updated editing.

Currently, Whittier residents are primarily dependent upon access to Anchorage for groceries, medical care, and other consumer products and services. Although Whittier has some consumer service businesses including two hotels, two restaurants, seasonal eateries, and two small general stores, trips to Anchorage are required for major purchases of consumer goods.

Population projections for the community, shown in Table 3-4, have been recently prepared by the Alaska Department of Community and Regional Affairs. The projections are based on an assumed annual net growth rate of 7.5 percent.

TABLE 3-4
Projected population, City of Whittier

<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>
1986	363	1997	806
1987	390	1998	866
1988	419	1999	931
1989	450	2000	1,001
1990	484	2001	1,076
1991	520	2002	1,157
1992	559	2003	1,244
1993	601	2004	1,337
1994	649	2005	1,437
1995	698	2006	1,544
1996	750	2007	1,660

Source: State of Alaska, Department of Community & Regional Affairs, January 1986.

Projected Tourism Increases

Results of the Alaska Traveler Survey and Visitor Industry Analysis 1983, conducted by the State Division of Tourism, indicated that 649,960 visitors came to Alaska between October 1982 and September 1983. Two-thirds of these visitors spent some time in Anchorage.

The Division of Tourism estimates that the number of people visiting the state since the 1983 study has increased by 7 percent annually to approximately 691,200 in 1984 and 740,000 in 1985. Similarly, a 5 to 7 percent increase in the number of statewide visitors has been projected for 1986.

According to the Anchorage Convention and Visitor's Bureau (ACVB), the number of non-Anchorage residents visiting Anchorage increased by 5.5 percent from 787,400 in 1983 to 830,700 in 1984. A similar increase has been estimated by ACVB for 1985. The 1984 Anchorage Visitors Study conducted by ACVB indicated that 44 percent of the summer 1984 visitors went to Portage Glacier during their visit, and 32 percent visited the Kenai Peninsula area. However, only 9 percent of the summertime visitors went to Prince William Sound, an indication of Whittier's current role as a transfer point rather than a stopover destination for most visitors.

Although Whittier's existing facilities lack the capacity for much increased use, tourism is viewed as a major sector of the local economy. The City of Whittier has adopted policies to encourage increased tourism by: 1) having Whittier recognized as a short-term and overnight stopover point for cruise ship, ferry and railroad tourist passengers, and 2) expanding marine-oriented recreational opportunities through the construction of Shotgun Cove Harbor, the development of Decision Point as a Marine Park, and increasing the number of charter boat services.

Future tourism increases at Whittier, generated by the expansion of cruise ship activity and the completion of the Begich, Boggs Visitor Center at Portage, are discussed in the following sections.

Cruise Ship Activity

In June 1983, Whittier became the northern termination point for the Tour Alaska cruise ship, Cunard Princess. The cruise ship docks at Whittier following its voyage north from Seattle through southeast Alaska's inside passage. After disembarking in Whittier, passengers board the Alaska Railroad to tour Anchorage and make optional trips to Portage, Turnagain Arm, Mount McKinley, and Fairbanks. Since the Cunard Princess' first 9 landings in 1983, two new cruise ship lines have begun landing their ships in Whittier: French Pacquet's Rhapsody, and World Explorer Cruise's Universe, for a total of 26 cruise ship calls to Whittier in 1985 (a 188.8 percent increase over 1983). Each ship's ridership during 1985 is discussed in more detail below:

S/S Rhapsody. Discussion with marine operation personnel at Pacquet French Cruises, Inc. indicated that the Rhapsody's presence in the 1985 season generated a total of 9000 one way trips between Anchorage and Whittier. The company expects to be carrying 25 percent more passengers, generating approximately 11,200 one way trips between Anchorage and Whittier in 1986. The expected increase in passengers translates into 85 percent capacity ridership for the Rhapsody.

M/V Cunard Princess. During the 1985 summer season, the Cunard Princess generated roughly 1000 one-way transfers between Anchorage and Whittier per call, according to the Alaskan Maritime Agency in Whittier. In addition, it was noted that the M/V Cunard Princess was often near capacity (700 passengers with 800 capacity), but that on average 500 passengers left the boat and that roughly the same number of new passengers arrived from Anchorage.

S/S Universe. Marketing personnel with World Explorer Cruises indicated that 3,411 passengers from the Universe rode the Alaska Railroad between Portage and Whittier in 1985, indicating

that the Universe was operating on average at 88 percent capacity. Most Universe passengers ride the train to Anchorage with no stop over in Portage, although the cruise line does provide that option for passengers.

Regency. Traffic in 1986 will also be augmented by the addition of a new ship, the Regency, calling in Whittier. The Regency is a 708 passenger luxury liner that is expected to call in Whittier 9 times in the 1986 summer season. As with the M/V Cunard Princess and the S/S Rhapsody, Whittier will serve as a turnaround point, so that the Regency will be unloading 9 sets of passengers who will travel to Anchorage to fly home, and will be picking up 9 sets of passengers in Whittier to begin their trip. Transfers of these passengers between Whittier and Anchorage will be by the train to Portage and then by bus to Anchorage.

Begich, Boggs Visitor Center

Construction of the new Begich, Boggs Visitor Center in the Portage Glacier Recreation Area started in 1984 and is scheduled for completion in 1986. The 13,600 square foot center, which will accommodate up to 400 people at one time, is expected to attract a significant increase in visitors at Portage, with its 200-seat theater and enclosed observation platform facing the glacier. As the Visitor Center is in close proximity to all of the alternative access routes to Whittier, some carryover traffic to Whittier can be expected.

Currently, the Portage Glacier Recreation Area is considered the most frequently visited site of its kind in Alaska. Only 50 miles southeast of Anchorage via Seward Highway, the site provides easy, inexpensive access to Portage Glacier and nearby attractions. Visitation has increased steadily since the Portage Valley access road was constructed in 1954. Between

1966 and 1981, the number of people visiting the glacier more than tripled from 110,000 to 340,000. Visitation to the Portage Center for 1985 was estimated at 400,000.

The U.S. Forest Service projects annual increases of 17 percent in non-resident visitors and 10 percent in resident visitors to Portage until the first year of operation of the new visitor center in 1986. A 15 percent increase is projected for both non-resident and resident visitation during the center's first year of operation. Thereafter, annual increases of 13 percent in non-resident visitation and 10 percent in resident visitation are expected until a maximum capacity of 2,300,000 total visitors (1,771,800 non-resident and 529,000 resident) is reached in 1997 (ref. 21).

TRAFFIC FORECASTS 1986-2007

Methodology

Traffic projections were prepared by estimating the number of trips generated annually by each of the user groups described in the preceding sections. The assumptions used in developing high, medium and low forecasts were based on current practices and anticipated community changes. It was also assumed that access improvements under each of the transportation alternatives would be operational beginning in 1988.

High Forecast Assumptions

Local Population. As previously described Whittier's population is expected to increase 7.5 percent annually. For the high forecast scenario it was assumed that 26 percent of the Whittier population, representing 40 percent of the working age

population would commute to work in Anchorage.* Each of the commuters was assumed to generate 500 one-way trips per year.

It was also assumed that the non-commuting balance of the Whittier community would still make trips for recreational, shopping, and medical purposes. Trips generated by the remaining 74 percent of the Whittier population were derived by assuming that on average each individual would generate trips according to the following schedule:

Prior to improved access

1 trip per month, September - May.
9 trips per month, June, July, August.
Total annual one-way trips per person: 72

With improved access

1 trip per month, October - April.
2 trips per month, September, May.
9 trips per month, June, July, August.
Total annual one-way trips per person: 76

The trip generation assumptions were based on the local resident survey prepared for the Whittier Transportation Options Study, March 1981 (ref. 14).

* The percentage of working age adults, age 20 to 64, in the Whittier community was assumed to remain the same as determined by the 1980 census data as recorded in the City of Whittier Master Plan (ref. 11).

According to the Mat-Su Borough Planning Dept. approximately 40 percent of the working age adults living in the borough work in Anchorage. As travel time from Whittier to Anchorage would be comparable, the same proportion was used.

Population projections for the surrounding areas, including the Municipality of Anchorage, the Mat-Su Borough, and the Kenai Peninsula Borough are incorporated into traffic projections by their effect on moorage demand and charter boat usage in Whittier, as described in subsequent sections.

Cruise ships. Cruise ship activity for the high forecast scenario was assumed to grow at an annual average rate of approximately 7 percent, equivalent to the upper bound of non-resident tourist growth anticipated for the state as indicated by the Alaska State Division of Tourism.* This rate of growth would require the addition of a new cruise ship at intervals of 3 years beginning in 1988. In accordance with current practices each new ship would call approximately 9 times per season.

The maximum capacity of the new ships was assumed to be 720 (the average size of the ships presently calling in Whittier). It was also assumed that the new vessels would operate at 85 percent of passenger capacity, since the ships now serving the area are operating at about this level.

Total trips generated were derived assuming that Whittier would be used as a turn around point and thus would service 18 sets of passengers, as is typically the case with existing cruise ship service.

According to these assumptions each additional cruise ship can be expected to generate approximately 11,000 annual one-way trips between Whittier and Portage.

* Alaska State Division of Tourism, Telephone conversation with personnel in the Marketing Research Department, Dec. 18, 1985. The expected annual growth in non-resident tourism in southcentral Alaska is between 3 and 7 percent.

Chartered boats. The high forecast for chartered boat usage assumes that the proposed Shotgun Cove harbor will begin operating in 1991. According to the current harbor development study by the Corps of Engineers, the 18 chartered craft currently operating will be supplemented by 15 new craft the first year of the new harbor's operation and 10 additional boats by 1995. These vessels typically offer half day to several day excursions. The high forecast assumes an average of one excursion offered daily by each vessel, and that each charter vessel operates at approximately 85 percent capacity for the May to September season. Each vessel is assumed to carry an average of 5 passengers per excursion, and each passenger is expected to generate two, one-way trips.

Boat Owners. Recreational boat owners with permanently assigned slips typically make one round trip per month during September to May, and two round trips per week during the summer months, resulting in an average for non-Whittier residents of 72 one-way trips annually (ref. 14). For the high forecast improved access was assumed to increase the annual total to approximately 100 one-way trips per year.

It was also assumed that on average each trip generated by a boat owner would generate at least one additional passenger trip.

As with the forecasts for charter boat traffic, it was assumed that the harbor at Shotgun Cove would be completed and operating in 1991. Under current planning by the Corps of Engineers 678 slips are projected to be used for recreational purposes. The equivalent of approximately 40 slips will be demanded for transient use (ref. 8).

Currently, approximately 97 percent of recreational and chartered boat owners who permanently moor their boats in

Whittier's small boat harbor live outside of Whittier, and it was assumed that this percentage would remain the same following development of the new harbor.

As discussed previously, initial harbor development at Shotgun Cove is assumed to be 50 percent of the anticipated recreational moorage demand for the year 2010 (ref. 8). For the high forecast scenario it was assumed that harbor expansion to meet the remaining demand (336 slips) would be completed by the year 2000.

Currently there are 18 commercial vessels moored in the Whittier small boat harbor, and approximately 70 percent of these vessels' owners reside outside of Whittier (ref. 8). By the year 2000, 141 total commercial moorage slips will be required in Whittier. Sixty of these slips are projected to be demanded by transient vessels (ref. 8). Of the 63 total commercial vessels owners expecting to demand permanent moorage space, approximately 92 percent will reside outside of Whittier. The decline in the proportion of Whittier-based commercial vessel owners is derived from the residential composition of commercial boat owners currently on the waiting list for permanent moorage space (ref. 8). It was assumed that commercial boat owners would generate travel demands at the same rate as recreational boat operators.

It was also assumed that available transient slips would generate trips to and from Whittier on an equivalent basis to permanent slips. In addition, transient boat owner traffic was estimated to increase at a rate proportional to the projected growth in Anchorage area population.

Ferry Traffic. It is a goal of the City of Whittier to pursue increased ferry service to Whittier (ref. 11). For this analysis, it was assumed that Alaska Marine Highway ferry access

to and from Whittier would be extended to year round service by 1990. Currently the M/V Bartlett, which services Whittier from mid-May through mid-September, transports 22,000 passengers and 4,500 vehicles on average each year, operating near capacity (ref. 11). It was assumed that when service is extended throughout the year that the system on average would operate at 80 percent capacity. Total traffic to and from Whittier generated by 12 month ferry service was estimated to be 52,800 passengers and 10,800 vehicles annually.

The Glacier Queen was estimated to generate 6,800 trips to and from Whittier based on a 17 week summer season, making 4 calls a week to Whittier, and servicing 100 passengers each call.

Begich, Boggs Visitor Center. As a major tourist attraction for both residents and non-residents, the Begich, Boggs Visitor Center can be expected to generate some additional traffic to Whittier. With improved access to Whittier travelers who are in the vicinity may decide to take the additional trip. As currently 1.5 percent of the visitors complete a trip to Whittier, the high forecast assumes that with improved access five percent of the net visitors to the visitor center (e.g., those who would not otherwise be expected to travel to Whittier) would be induced to take the additional trip to Whittier.

Traffic projections based on the high forecast scenario assumptions are summarized in Table 3-5.

TABLE 3-5

FORECASTED TRIPS GENERATED BETWEEN PORTAGE AND WHITTIER
BY SOURCE
HIGH

	RESIDENTIAL POPULATION	CRUISE SHIP TOURIST	CHARTERED BOATS	RECREATIONAL BOAT OWNERS	CHARTER BOAT OWNERS	COMMERCIAL BOAT OWNERS	FERRY	BEGICH-BOGGS VISITOR'S CENTER	HIGH FORECAST TOTAL	HIGH FORECAST AVERAGE DAILY TRAFFIC
								5804	176,062	482
1986	26,136	39,772	27,540	41,345	1,257	907	33,300	6639	178,948	490
1987	28,080	39,772	27,540	41,453	1,257	907	33,300	24703	274,191	751
*1988	78,035	50,788	27,540	56,850	1,729	1,247	33,300	28210	283,620	777
1989	83,808	50,788	27,540	56,998	1,729	1,247	33,300	30294	329,283	902
1990	90,140	50,788	27,540	57,146	1,729	1,247	70,400	34166	507,793	1,391
1991	96,845	61,804	50,490	186,912	3,169	4,008	70,400	39133	526,130	1,441
1992	104,108	61,804	53,550	187,398	3,361	6,376	70,400	44713	545,639	1,495
1993	111,930	61,804	56,610	187,885	3,553	8,744	70,400	50431	577,421	1,582
1994	120,870	72,820	59,670	188,374	3,745	11,112	70,400	57474	599,973	1,644
1995	129,996	72,820	62,730	188,863	3,937	13,753	70,400	65388	621,315	1,702
1996	139,680	72,820	65,790	189,355	4,129	13,753	70,400	73732	651,597	1,785
1997	150,109	83,836	65,790	189,847	4,129	13,753	70,400	83729	673,262	1,845
1998	161,284	83,836	65,790	190,340	4,129	13,753	70,400	94967	697,100	1,910
1999	173,389	83,836	65,790	190,835	4,129	13,753	70,400	106737	793,548	2,174
2000	186,426	94,852	65,790	251,460	4,129	13,753	70,400	106737	808,170	2,214
2001	200,394	94,852	65,790	252,114	4,129	13,753	70,400	106737	823,911	2,257
2002	215,480	94,852	65,790	252,769	4,129	13,753	70,400	106187	851,236	2,332
2003	231,683	105,868	65,790	253,426	4,129	13,753	70,400	106187	869,215	2,381
2004	249,003	105,868	65,790	254,085	4,129	13,753	70,400	106187	888,500	2,434
2005	267,627	105,868	65,790	254,746	4,129	13,753	70,400	105636	919,555	2,519
2006	287,555	116,884	65,790	255,408	4,129	13,753	70,400	105636	941,823	2,580
2007	309,158	116,884	65,790	256,072	4,129	13,753	70,400	105636		

SOURCE: TAMS ENGINEERS

Note: *1988 - first year of new service

assumption, the high, medium and low forecasts incorporate an 8.8 percent, 7.0 percent, and 3.4 percent average annual growth rate, respectively.

Sharp increases in traffic for the medium and high scenarios are projected to occur in 1991 and 2000, due to the assumption that the first phase of the Shotgun Cove small boat harbor development will be completed in 1991, and that additional recreational harbor space will be completed by 2000.

Alternative 2

Under this development scenario all passenger traffic will be transported by private vehicles or motorcoaches. It was assumed that on average each vehicle would transport 2.5 passengers, as this was considered to be a representative number of occupants per vehicle for the primary groups traveling to and from Whittier (e.g., private residents, boat owners, charter boat users, and ferry passengers) (ref.14).

Alternative 2a

Alternative 2a assumes both direct vehicular traffic and Budd car shuttle access to Whittier. To estimate a split between rail and drive-through traffic it was assumed that the Budd car shuttle would be given priority use of the tunnel during peak (daytime) traffic hours. Consequently tour operators would to a large extent utilize the train service options for transportation between Portage and Whittier, to avoid the travel restrictions applied to motorists.

Recreational boaters, on the other hand, are expected to drive directly through to Whittier because of the convenience of hauling recreational gear and availability of access in the early morning and evening hours.

Charter boat users and ferry riders were assumed to use both forms of access to Whittier. These categories of travelers include both regional residents and out-of-state tourists, indicating that a significant proportions of each group will demand access by private vehicle as well as by public transport.

Local population traffic to and from Whittier was also assumed to be split between the two transportation options, with the largest proportion assumed to travel by private vehicle.

Table 3-8 summarizes the percentages of each traffic category assumed to travel by train and by vehicles.

TABLE 3-8

<u>Transport Mode</u>	<u>Percent of category</u>
Autos/Buses:	60% of local population traffic 90% of recreational boating 40% of charter boating 20% of Begich, Boggs incidental 50% of ferry traffic 20% of cruise ship passengers
Trains:	40% of local population traffic 10% of recreational boating 60% of charter boating 80% of Begich, Boggs incidental 50% of ferry traffic 80% of cruise ship passengers

Source: TAMS Engineers

TABLE 3-10

ALTERNATIVES 2, 3, 4, and 5

ANNUAL AVERAGE DAILY TRAFFIC

	HIGH		MEDIUM		LOW	
	TOTAL PASSENGERS	TOTAL VEHICLES	TOTAL PASSENGERS	TOTAL VEHICLES	TOTAL PASSENGERS	TOTAL VEHICLES
1985	403	60	403	60	403	60
1986	482	72	467	69	451	67
1987	490	73	475	71	457	68
*1988	751	300	568	227	533	213
1989	777	311	580	232	542	217
1990	902	361	635	254	551	220
1991	1,391	556	1,064	425	560	224
1992	1,441	577	1,093	437	571	228
1993	1,495	598	1,125	450	612	245
1994	1,582	633	1,160	464	624	250
1995	1,644	658	1,227	491	638	255
1996	1,702	681	1,258	503	653	261
1997	1,785	714	1,286	514	669	268
1998	1,845	738	1,316	526	716	286
1999	1,910	764	1,379	552	735	294
2000	2,174	870	1,564	626	756	303
2001	2,214	886	1,582	633	764	306
2002	2,257	903	1,600	640	772	309
2003	2,332	933	1,650	660	810	324
2004	2,381	953	1,670	668	819	328
2005	2,434	974	1,693	677	828	331
2006	2,519	1,008	1,716	687	838	335
2007	2,580	1,032	1,772	709	848	339
Average Annual Growth	8.80%	*6.72%	6.96%	*6.18%	3.44%	*2.48%

Source: TAMS Engineers

Note: *1988 - first year of new service.

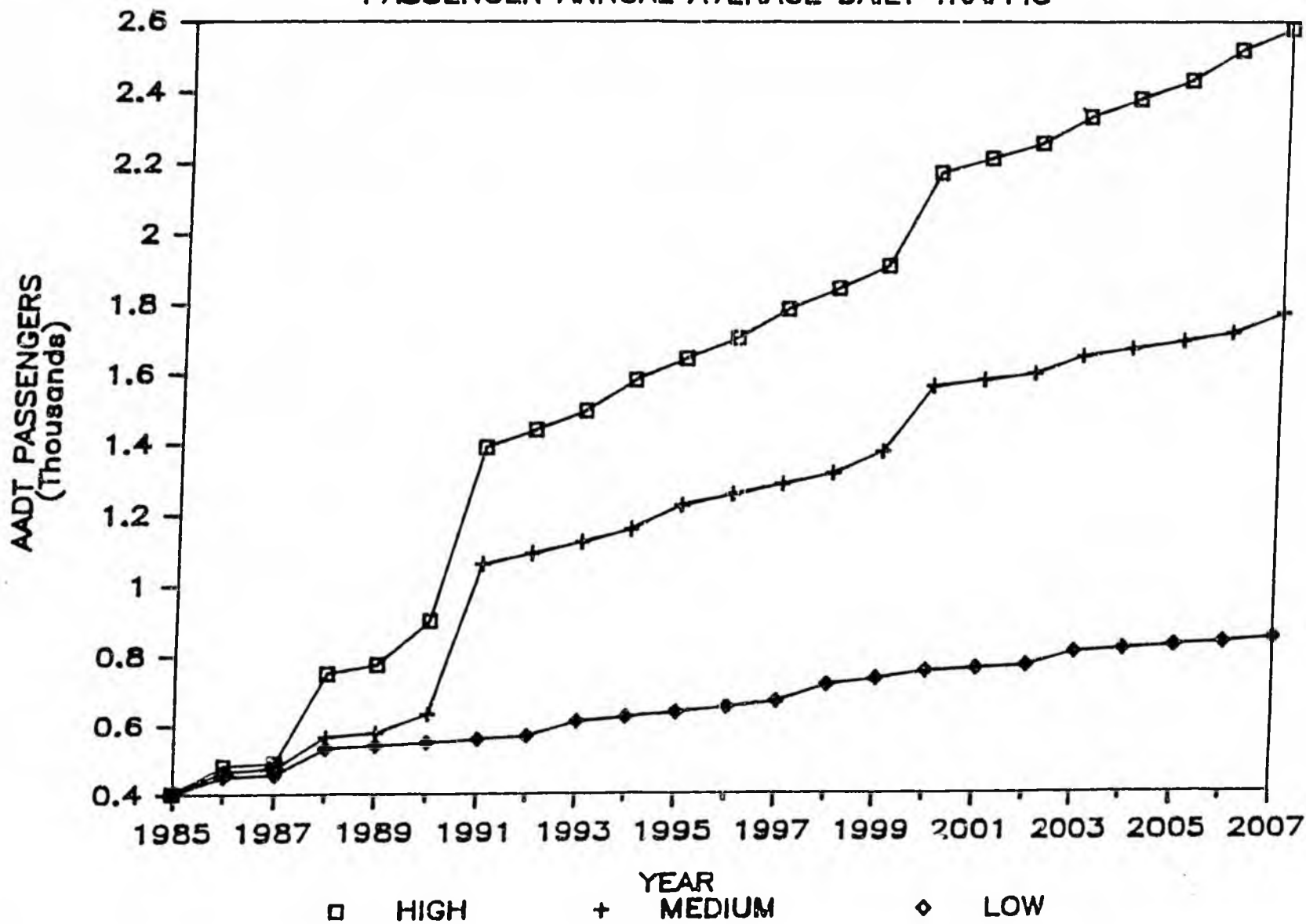
1986 and 1987 figures are based on current service.

Percentage growth is derived with base year 1986.

FIGURE 3-3

ALTERNATIVES 2, 3, 4, and 5

PASSENGER ANNUAL AVERAGE DAILY TRAFFIC

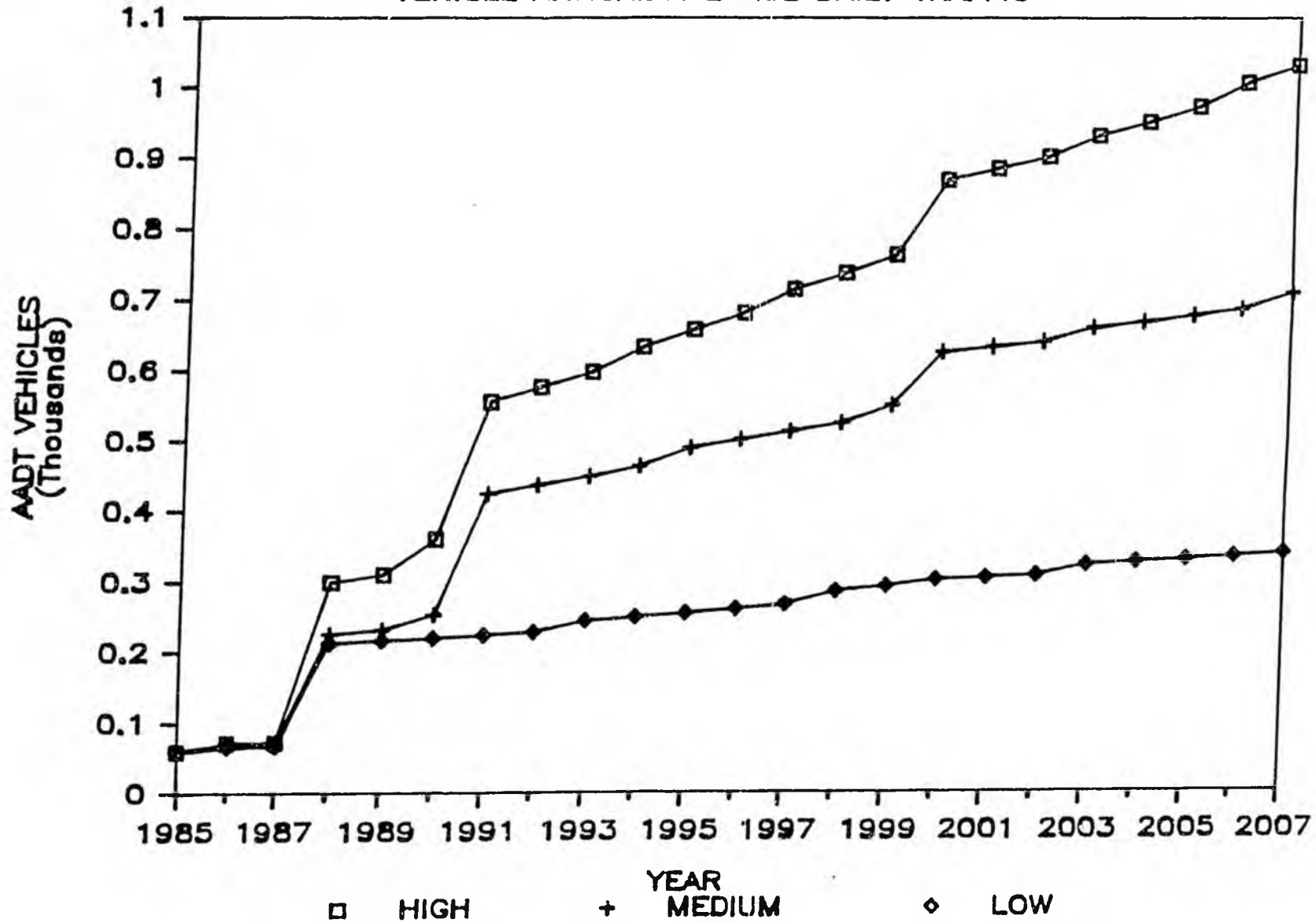


SOURCE: TAMS Engineers

FIGURE 3-4

ALTERNATIVES 2, 3, 4, and 5

VEHICLE ANNUAL AVERAGE DAILY TRAFFIC



SOURCE: TAMS Engineers

CHAPTER 4
FINANCING ALTERNATIVES

The use of local revenues to fund capital as well as operating and maintenance costs will be critical to the economic viability of improving access to Whittier. This chapter presents an analysis of a number of local financing options, including the use of revenues derived from access tolls; local taxes; and potential revenues derived from transporting by truck a portion of the rail freight projected to be shipped through Whittier.

CONSTRUCTION FINANCING USING NET REVENUES

A central element of this study effort is to determine the proportion of construction costs for transportation access improvements that could be financed through annual net revenues (the balance of gross toll receipts less operating and maintenance costs). In this section annual operating and maintenance (O&M) costs are determined using previously described cost components and projected traffic volumes. Based on a review of appropriate tariff levels, gross and net annual revenues are estimated, leading to estimates of potential revenue bonding capacity for each alternative.

Key assumptions used in determining the bonding capacity of each alternative include:

- Passenger and vehicle tolls, as well as O & M expenses, are assumed to increase at the rate of inflation, taken for this analysis to be 5 percent per annum.

- Revenue bonds are based on the net revenues of the project. Typically, a debt service coverage factor of at least 1.35 is required to satisfy the financial safety requirements of potential bond buyers. This factor implies that for every \$1.00 borrowed in the form of revenue bonds \$1.35 must be available to repay the debt from net revenues.
- The Bond Buyer's Index of Municipal Bond Interest Rates, which is an indicator of bond interest trends for the United States published by the Daily Bond Buyer, indicated a range of interest rates from 8.85 to 10.31 percent for revenue bond issues nationwide in 1985. Bond rates in Alaska are generally on the high end of the scale, due to the relatively volatile nature of the state economy. For this analysis revenue bonds are assumed to be issued at a tax free market interest rate of 10 percent per annum.
- Revenue bonds are typically issued for a period of twenty to thirty years following completion of capital construction. For this analysis a twenty year period has been used.
- Eighty five percent of projected bonding capacity was assumed to be available to pay for the costs of construction, including outlays for engineering design and construction administration. The remaining 15 percent was assumed to be required to offset bond sales costs, reserve requirements, and other up-front expenses.
- Bonding capacities were based on the net revenue streams for the period 1988 to 2007. For each alternative, the net present value of the revenue streams was deflated to represent 1986 dollars.

Potential Tolls

To identify a reasonable range of potential tolls for passenger/vehicle access to Whittier, comparable tolls at facilities in the state and elsewhere (both planned and currently operating) were reviewed.

Alaska Railroad Portage-Whittier Fares. The current toll structure for the Alaskan Railroad shuttle service between Portage and Whittier has eleven fare categories, as shown in Table 4-1. The railroad also offers commuter, multi-trip tickets for passengers and vehicles traveling between Portage and Whittier at a thirty percent discount.

TABLE 4-1

Current Alaska Railroad Fares: Portage - Whittier

<u>User Class</u>	<u>Toll (One-way)</u>
Adult vehicle occupants, other than driver.....	\$ 6.00
Foot passengers.....	\$ 6.00
Children, 5 - 11 years old (on foot or in vehicles).....	\$ 3.00
Kayaks or canoes	\$ 5.00
Motorcycles.....	\$13.00
Motorcycles with one trailer, not > 5 feet in length ...	\$18.00
Vehicles or vehicles with trailers, not > 24 feet	\$29.00
Vehicles or vehicles with trailers, > 24 ft. and < 32 ft	\$38.00
Vehicles or vehicles with trailers, > 32 ft. and < 40 ft	\$48.00
Vehicles or vehicles with trailers, > 40 ft. (by special arrangement).....	\$48.00
Tour buses (includes fare of driver only).....	\$58.00

Source: Alaska Railroad, Anchorage-Portage-Whittier 1985-1986
Fall-Winter Schedule (Nov. 1 - April 1).

Proposed Knik Arm Crossing. The Knik Arm Crossing Economic Feasibility Report examined a potential range of tolls ranging from \$1.00 to \$3.00 per vehicle-trip in 1983, and assumed that tolls would increase at a rate of 5 percent annually up to \$4.00 to \$12.00 by the year 2010 (ref. 3).

The study indicated that a \$2.00 per direction toll (1983 dollars) to cross the proposed bridge was the optimum toll that would maximize "revenue generation without sacrificing significant benefit".

Tongass Narrows Crossing Cost Benefit Study. Access to Gravina Island (where the Ketchikan airport is located, as well as a significant amount of the potentially developable land) is a major issue for Ketchikan residents. A recent study of access alternatives, including several bridge alignments and potential ferry service improvements, indicated that a reasonable upper limit for current fares would be approximately \$1.75 per passenger, and \$3.50 per automobile for a one-way crossing of Tongass Narrows (ref. 20).

Hood Canal Bridge. The Hood Canal Bridge in the Puget Sound region of Washington state serves as a direct link between the recreational opportunities of the Olympic Peninsula (including the Olympic National Park) and the Seattle metropolitan area. Although a recent court action has eliminated all tolls to cross the bridge, prior to that action typical tariffs were on the order of \$2.50 per trip for a conventional passenger vehicle.

Suggested Tolls For Revenue Analysis. As can be seen from the above examples, the unique nature of the existing and potential demand for access to Whittier makes direct comparisons difficult. Most of the facilities cited serve (or are intended to serve) relatively large traffic volumes when compared to the projected Whittier access demand, and involve a significant proportion of daily commuter activity.

Most services must also be priced to be competitive with alternative access options. The proposed Knik Arm Crossing, and the Hood Canal Bridge, for example, compete with drive-around alternatives. There is no convenient or practical alternative for vehicle or passenger access to Whittier from the Anchorage area.

As described previously, the most significant components of existing and projected demand for access to Whittier are tourism and recreational boating opportunities in Prince William Sound. Development as a bedroom community, with the resulting daily Anchorage-Whittier traffic, is not in conformance with long range development plans by the city (ref. 11). For this analysis daily commuter traffic has been assumed to occur at a significant level only for the high range traffic forecast.

Users will typically have to pay the toll at a frequency ranging from one time only (for tourists) up to 2 - 3 round trips per week for local residents and boaters during the summer. Consequently user-acceptable toll levels will be somewhat higher than for the above examples.

The amount of traffic traveling to or from Whittier will, of course, be influenced by the level of fares adopted. Given the projected types of demand for access, current Alaska Railroad fares are assumed to be the upper limit of acceptable fares for the improved access alternatives. At the same time, it is a desirable goal in improving access to the community to reduce the cost to the user, as well as providing an improved level of service.

For the analysis of potential revenues an average realized vehicle fare (assuming a mix of trailered- and non-trailered vehicles, buses, commercial trucks, and frequent user discounts) is therefore set at \$20.00 per one-way trip. Passenger car tolls would be somewhat lower than the average, while fares for buses and commercial trucks would be significantly higher. An average realized fare of \$4.00 per one-way trip is assumed for passengers (both walk-ons and vehicle occupants).

under the high projections for

ALTERNATIVES 2 AND 5

Under these alternatives direct vehicle access would be provided by extending the road from Portage Outlook to Bear Valley and by providing a single lane tunnel through Maynard Mountain. For Alternative 2 the existing rail tunnel would be upgraded to accommodate joint rail and vehicle travel; under Alternative 5 a separate highway tunnel would be constructed.

Preliminary traffic data obtained from the Alaska Railroad indicates a peak to average daily traffic ratio of 5 to 1 for 1985 traffic. For this analysis it is assumed that future movements will have a similar ratio of peak to average daily traffic.

As illustrated in Table 3-10, projected vehicle traffic increases steadily to a projected range of 339 to 1,032 annual average daily trips by the year 2007. With a peak to average traffic ratio of 5:1, peak daily traffic is estimated at a range of 1,695 to 5,160 vehicles requiring access to or from Whittier.

Assuming one cycle per hour the practical daily capacity of a one-lane tunnel has been estimated at 4,800 vehicles per day, assuming the tunnel would be available 24 hours each day (ref. 14). For Alternative 2 the estimated capacity would be reduced to 4,400 vehicles per day, allowing two hours per day to clear the tunnel and to pass a daily freight train.

Both alternatives would therefore not be able to meet the peak day projected traffic under the high growth scenario. The practical result would be that demand would be deferred to non-peak days, and that congestion and delays would be common.

Operating and Maintenance Costs. Initial annual costs to operate and maintain a single lane tunnel have been estimated at \$1,450,000 per year (ref 22). Costs for each year thereafter are assumed to increase at a 5 percent annual rate of inflation.

Alternative 2 Construction Financing. Gross revenues, annual O & M expenses, and revenue bonding capacity for Alternatives 2 and 5 are illustrated in Table 4-5. Internal construction financing capacity estimates include \$8.2 million for the low forecast, \$23.1 million for the medium forecast, and \$35.8 million for the high traffic scenario.

Two estimates of initial construction cost have been included, which vary primarily in assumptions regarding the amount of tunnel widening needed for safe vehicular passage. Costs range from \$35.6 million for the least expensive estimate, up to \$133.5 million for an estimate which includes the provision of a full width shoulder the length of the Passage tunnel.

TABLE 4-5

ALTERNATIVES 2 AND 5

PROJECTED NET REVENUES AND BONDING CAPACITY

	ANNUAL O&M COSTS	NET REVENUES		
		HIGH FORECAST	MEDIUM FORECAST	LOW FORECAST
1988	\$1,598,625	\$1,691,666	\$887,446	\$737,440
1989	\$1,678,556	\$1,895,051	\$989,714	\$812,835
1990	\$1,762,484	\$2,593,935	\$1,302,007	\$896,210
1991	\$1,850,608	\$5,203,396	\$3,541,873	\$990,699
1992	\$1,943,139	\$5,731,030	\$3,876,952	\$1,096,688
1993	\$2,040,296	\$6,316,374	\$4,250,882	\$1,381,061
1994	\$2,142,310	\$7,143,284	\$4,666,509	\$1,523,180
1995	\$2,249,426	\$7,881,245	\$5,312,424	\$1,682,579
1996	\$2,361,897	\$8,653,690	\$5,780,856	\$1,862,990
1997	\$2,479,992	\$9,650,093	\$6,256,808	\$2,065,954
1998	\$2,603,992	\$10,556,079	\$6,784,799	\$2,505,692
1999	\$2,734,191	\$11,573,139	\$7,599,141	\$2,774,419
2000	\$2,870,901	\$14,230,278	\$9,433,648	\$3,078,017
2001	\$3,014,446	\$15,272,651	\$10,047,758	\$3,295,244
2002	\$3,165,168	\$16,410,275	\$10,710,565	\$3,530,119
2003	\$3,323,427	\$17,912,476	\$11,700,766	\$4,053,366
2004	\$3,489,598	\$19,279,057	\$12,477,981	\$4,341,316
2005	\$3,664,078	\$20,773,418	\$13,327,431	\$4,652,119
2006	\$3,847,282	\$22,708,946	\$14,246,039	\$4,987,548
2007	\$4,039,646	\$24,519,632	\$15,578,020	\$5,349,510
NET PRESENT VALUE (1988-2005, 10%)				
		\$56,801,591	\$36,665,031	\$13,108,230
BONDING CAPACITY (NPV/1.35, ROUNDED TO NEAREST 0.1 MILLION)				
		\$42,100,000	\$27,200,000	\$9,700,000
AMOUNT AVAILABLE FOR CONSTRUCTION				
		\$35,785,000	\$23,120,000	\$8,245,000

ASSUMPTIONS:

AVERAGE REALIZED REVENUES, INITIAL YEAR -

\$20.00 PER VEHICLE

\$4.00 PER PASSENGER

TARIFFS AND EXPENSES ESCALATED AT 5 PERCENT PER YEAR

CONSTRUCTION FUNDING CAPACITY EQUAL TO 85% OF BONDING CAPACITY

SOURCE: TAMS ENGINEERS

OF 87 PERCENT OF THE ...

Direct Access Options (Alternatives 2, 4, and 5)

Alternatives 2, 4 and 5 each provide for direct drive-through access to Whittier. As Alternative 5 includes the construction of a new tunnel through Maynard Mountain and consequently does not have to share time with freight trains, it provides slightly greater daily traffic capacity than Alternatives 2 and 4. Similarly, as the transit length is longest for Alternative 4, the dual-tunnel scheme provides the least daily capacity of the three direct-access options.

Total estimated construction costs, and projected bonding capacity, are summarized as follows for each of the three alternatives:

	<u>Capital Cost</u> <u>(\$ millions)</u>	<u>Bonding Capacity</u> <u>(\$ millions)</u>
Alternative 2	\$35.6 - \$133.5	\$8.2 - \$35.8
Alternative 4	\$47.6 - \$159.7	\$7.1 - \$34.6
Alternative 5	\$121.0	\$8.2 - \$35.8

None of the direct access alternatives offer a strong potential for financing a large proportion of the estimated construction costs through revenue bonds. Only for Alternative 2 under the high traffic and revenue forecasts would internal financing be sufficient, and then only if construction costs can be held to the lower end of the projected range.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: State Bond Committee
 Title: \$49,300,000 Revenue Bonds for Portage BRU: _____
to Whittier and Bradfield River Roads
 Sponsor: Senate Transportation Components: _____
 Requestor: Senate Transportation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	4,798.7	4,798.7
TOTAL OPERATING	0	0	0	0	4,798.7	4,798.7
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	0	0	0	0	0	0
OTHER	0	0	0	0	4,798.7	4,798.7
TOTAL	0	0	0	0	4,798.7	4,798.7

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 for analysis.

\$2,628,100 annual debt service for Portage to Whittier Road and \$2,170,600 annual debt service for Bradfield River Road on \$27 million and \$22.3 million revenue bonds respectively. 30 year maturities and 9 percent interest estimated on bonds. Fund source is Toll Facilities Construction Fund for FY 92-93 and Toll Facilities Revenue Fund thereafter. Construction assumed to begin FY 92.

Prepared By: Milt Barker *MB*
 Division: Treasury

Phone: 465-2350
 Date: _____

Approved by Commissioner: Walter B. Barker Sr.
 Agency: Department of Revenue

Date: _____

Distribution (by preparer):

Legislative Finance
 Legislative Sponsor

Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Original sponsor: Jones

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR SENATE BILL NO. 313 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act approving the issuance of revenue bonds for
7 construction of the Bradfield River resource road and
8 of a road from Portage to Whittier; and providing for
9 an effective date."

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

11 * Section 1. In accordance with AS 37.15.610, the issuance of revenue
12 bonds in an amount up to \$22,300,000 for the construction of the Bradfield
13 River resource road by the Department of Transportation and Public Facil-
14 ities under AS 37.15.610 - 37.15.760 is approved.

15 * Sec. 2. In accordance with AS 37.15.610, the issuance of revenue
16 bonds in an amount up to \$27,000,000 for the construction of a road from
17 Portage to Whittier by the Department of Transportation and Public Facili-
18 ties under AS 37.15.610 - 37.15.760 is approved.

19 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).
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FILE 1

Southeast

Legislative Chronicles

Vol.1 No. 14

Sixteenth Legislature, Session Two, Week April 22-28

Loggers, fishermen, environmentalists like it!

Forest Practices Act to bring 'peace to the forest'

by Bob Tkacz

Supporters of the Alaska Forest Practices Act from both the logging industry and environmentalist community admit the bill is a weird duck.

They explain that its unusual nature and, to date in Alaska, the lengthy and unique process used to write the bill, warranted in a distinctive product. Moreover, they claim success in achieving the goal of "peace and predictability in the forest."

The bill passed the House, April 21, on a party line vote after reconsideration and defeat of an amendment which, proponents say, would have gutted the bill.

The amendment, first passed during an April 20 House debate, would have changed the word "shall" to "may" in the section of the bill requiring timber operators to file detailed plans of operation with the state forester before beginning work.

As finally approved by the House, the 33-page bill requires the adoption of site-specific forest land use plans for any stands of timber before they can be sold. It requires inclusion of any proposed sale on two five year sale schedules before execution of the sale.

While the wording may seem to say the bill

delays any timber sales for ten years or more, other provisions declare that five year sales are to be prepared annually and that the inclusion clause does not apply until one year after the first five-year schedule is prepared. Effectively that means timber can be sold one year after the act is signed into law.

The Act involves the Departments of Natural Resources, Fish & Game and Environmental Conservation in regulation of logging, requiring the Board of Forestry to work not only with these state departments, but "other affected agencies and parties, and the forest-dependent industries."

All the department have an effective "veto" authority over questions dealing with their area of regulation.

The bill requires that the DNR commissioner give "due deference" to each agency in its area of expertise, but can override their recommendations with a written explanation.

While commonly used in coastal zone management planning and other areas of law, the term "due deference" is new to forest management legislation. It is defined in the bill to mean "that deference that is appropriate in the context of the agency's expertise and area of responsibility and all the evidence available

to support a factual assertion.

"Where due deference is given," the definition continues, "if the commissioner does not agree with a commenting agency, the commissioner shall prepare a written statement of the reasons for the disagreement."

If the disagreement continues procedure calls for higher level re-evaluation within the disputing agencies. A hallmark of the bill is repeated review among disputing agencies before a final decision is made.

The bill won the support of fisheries interests, in large part, because of its protections for salmon streams.

Buffer zones along fish-bearing running through both public and private land can be 50, 66 or 100 ft wide, depending on how the stream is categorized on the basis of the volume of fish it carries, the slope of the terrain running toward it and other factors.

Finally, though loggers can face criminal charges as well as civil penalties for violation of the statute, they also have the opportunity to overcome the arguments of any state agency and convince the commissioner of DNR that they can, for example, log near a stream without damaging it. They still face penalties if they fail to do so, but at least have the opportunity to make their own case.

To questions over the unusual aspects of the bill both environmental and timber industry supports agree "the system is unique."

"We think it's a great piece of legislation and it ought to be passed immediately," said Rick Harris, Sealaska vice president for resource planning and administration. He estimated that owners of 90% of the privately held timber in

Forest, continued page 4

Fish farming fight reaches Sen. Resources

Legislation which would ban finfish farming in Alaska is about to face its final challenge of the 1990 legislative session after being moved to the Senate Resources Committee, April 18.

At the same time a new version of a bill, dormant since the 1989 session, which would permit finfish farming first was scheduled for a hearing before the Senate Resources Committee, on April 27, then was removed from its agenda.

The Resources Committee is chaired by Bettye Fahrenkamp, a Fairbanks Democrat who has consistently declared that a fish farming ban bill will never pass out of her committee. Sen. Dick Eliason's farming ban bill has been growing moss in Fahrenkamp's committee since it arrived there Jan. 19.

Eliason's bill is the companion to Rep. Ben Grussendorf's HB 432, newly arrived in Fahrenkamp's committee after House passage and a hearing before Eliason's Senate labor & Commerce Committee. It would prohibit "any growth or cultivation of finfish in captivity," except that conducted by state or private

nonprofit corporations for fisheries enhancement purposes.

The Resources Committee schedule for the week of April 22-28 does not include HB 432, but did have a spot for SB 195. During the April 21 Senate floor session Fahrenkamp announced that her bill was removed from the committee's schedule. She explained later that, as a courtesy to Rep. Grussendorf, whose bill was referred to her committee first, this session, she cancelled the hearing on SB 195.

The move could be an indication of some compromise or agreement between Fahrenkamp and Grussendorf. But when the senator was asked if HB 432 would be scheduled for a hearing she responded, "I don't know."

Introduced last year by Sen. Fahrenkamp, SB 195 would allow finfish farming in marine waters with a permit issued by the Dept. of Fish & Game. Permit conditions and criteria for finfish farming would be similar to those

Finfish, continued page 4

Quote of the week

'I think he's got reality well in hand, but this is a legislative body and I don't think that's practical.'

—Sen. Jan Faiks during Senate debate of the spending limit on an amendment proposed by Sen. John Binkley.

Sen. subcommittee nixes extra bucks for Columbia winter sailing

The Senate Finance Subcommittee with oversight on the Alaska Marine Highway System (AMHS) budget has excluded a request for a \$1 million increase in operating funds from the Blue Canoe spending plan.

Despite the arguments of Sen. Lloyd Jones, and Jim Duncan, of Juneau, both subcommittee members, the panel at an April 21 meeting, denied \$1,078,400 in funding in increases, termed increments in legislative parlance, to the ferry system as part of its rejection of \$2.3 million in increment rejections for the entire Dept. of Transportation.

Specifically, the rejected AMHS requests break down to \$420,000 for two weeks additional operating time for the M/V Columbia and \$407,800 for Southeast and \$250,600 for vessel increased overhaul and fuel costs increments.

In practical terms the unavailable operating funds could result in cancellation of a plan to operate the M/V Columbia in place of the M/V

Malaspina between October, 1990 and January, 1991. The proposal for that replacement is projected to earn a \$250,000 profit beyond the \$1 million Columbia operating costs.

In total the subcommittee approved \$1.9 million in increments for the Marine Highway System of \$3 million in requests. Those include \$1.79 million to maintain the funding base of the Southeast ferry system at its fiscal 1988 level, \$86,900 for the Southwest system at the FY '88 level, and \$80,000 for federally mandated drug test for system employees.

The case for approval of the \$1 million increment is not totally lost as the entire legislative process becomes more and more fluid as the session runs through its final days.

Showing some frustration with the subcommittee's penny-wise thinking, Sen. Jones emphasized that the extra million bucks would not cost the state a dime, but earn a quarter-million dollars profit. He also pointed out that the projected income for fiscal 1991 of

\$37.1 million would not be realized if the system doesn't invest the necessary monies in operating funds.

"I can't see not letting provide that service as long as they're paying for it. Every bit of it is covered," Jones declared. He also warned that without the extra operating funds the system may not earn the \$37.1 million it is projected to next fiscal year.

"You're not saving money by not authorizing it," Sen. Duncan added with his own emphasis on the point that ferry vessels tied to the dock still stack up maintenance costs, they just don't earn any revenue.

"It's like selling hotdogs. You don't get the money unless you sell the hotdogs," Duncan said.

Despite the setback, the prospects for including the increment in the AMHS budget are not at all hopeless. Finance Committee Cochairman Rick Uehling (R-Anch.) did not entirely write off the request saying during the hearing, "We'll take a look at this again."

Significantly, Sen. Steve Frank (R-Fairbanks) seemed to have been unaware before the subcommittee meeting that the \$1 million investment would actually be repaid with a profit.

Frank's position is notable because Sen. Uehling said the \$1 million proposal would be run past his highly influential, cochairman, Sen. John Binkley (R-Bethel), before a final decision was taken. Reached by the *Chronicles* late that afternoon, Binkley said he wanted to hear the basic arguments on the question as well as recommendations from Sens. Uehling and Frank on the question.

Binkley also said the issue would probably be decided, within the Senate at least, by April 24 when the DOT budget would be closed out by the Finance Committee. The entire question still remains fluid in that the House has been writing different budget amounts than those from the Senate and the two bodies will send delegates to conference committees to work out final budget plans.

Jones, Duncan disagree on effects of spending cap on AMHS earnings

Southeast Senators Lloyd Jones and Jim Duncan came down on opposite sides of the fence, last week, on the effects the state spending limit approved by the Senate, will have on the Alaska Marine Highway System.

Duncan warned that the measure will limit the newly-legislated ability of the ferry system to use any increased revenue it earns, known as program receipts, to improve or expand its operations.

Jones said the resolution will have no effect on the ferry system unless it earns 100% of its operating expenses. Since Alaska's income will probably be falling in the next few years the question of breaking a spending limit is irrelevant anyway, he added.

The spending cap, SJR 5 was approved by a 15-5 vote, April 18, after a lengthy debate which included proposal of 15 amendments and several attempts to rescind, or reconsider, the defeat or passage of many of those.

Jones, and Sitka Sen. Dick Eliason, both Republicans, were cosponsors of the resolution and backed its passage. Sen. Duncan and fellow Democrats Bettye Fahrenkamp, Jay Kerttula, Pat Pourchot and Fred Zharoff cast the only "nay" votes on final passage consideration. However, the vote was not strictly along party lines with Democrats Pat Rodey, Mike Szymanski and Al Adams voting for passage.

If the measure is passed by the House it will go before the voters in the November election.

As approved by the Senate, SJR 5, would automatically be repealed in 1996. Its primary goals, Jones said, is to move the state through the expected transition period of decreasing income gradually and avoid the prospect of massive state budget cuts in one year.

It would set a spending limit of \$2.3 billion for fiscal 1992 (July 1, 1991 to June 30, 1992).

In the next four years state spending would be limited to five percent less than the previous year's spending amount. The formula would set a spending cap for FY 1993 \$115 million less than that for FY 1992. By 1996 maximum state spending would be \$1.8 billion, but the cut is not as much as it would seem.

Exempted from consideration as part of total state spending are any appropriations into the Permanent Fund or for Permanent Fund dividends; for relief of disasters or emergencies declared by the governor; to the budget reserve; for payment of principal and interest on state-issued general obligation or revenue bonds; for participation in federally mandated aid programs for low income persons; and, from general obligation or revenue bond income.

In addition, the spending limit can be exceeded at any time with a two-thirds vote of both houses of the legislature.

Many of the amendments proposed in the Senate debate were attempts to add still other exemptions.

As introduced by Sen. Jan Faiks (R-Anch.), the annual reduction was set at one percent of the previous year's spending. Bethel Republican John Binkley moved the increase to a five percent cut, explaining that one percent would do little to bring state spending down to affordable limits.

Binkley's amendment was defeated on its first consideration on a 10-10 vote when Republicans Faiks, Steve Frank, Rick Halford, Tim Kelly, Arliss Sturgulevski and Rick Uehling joined Duncan, Fahrenkamp, Pourchot and Zharoff in opposing it.

Later in the day, however, Faiks and Halford switched positions on a vote to reconsider the defeat of Binkley's amendment. Sen. Rodey

Spending, continued page 3

Southeast Legislative Chronicles

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Hoffman amendment casts subsistence issue as states' rights question, not rural v. urban

The House Resources Committee has responded to the troublingly vague section of the Alaska National Interest Land Conservation Act (ANILCA) with a general proposal designed to solve the state's subsistence law problem.

Passed, April 21, the amended version of HJR 74 does not specify a subsistence preference for Natives, rural residents or any identified group. Instead, it casts the constitutional question in a states rights light rather than that of a Native vs. non-Native, or rural vs. urban debate.

The original version of HJR 74, introduced by Rep. George Jacko (D-Pedro Bay) would have granted subsistence priority based on local residency, customary and traditional use or dependence on resources for food and other purposes.

Prepared by Rep. Lyman Hoffman (D-Bethel), the amendment which was adopted declares, "Nothing in this constitution prohibits the legislature from enacting laws relating to subsistence uses of fish and wildlife and other wild renewable natural resources that are consistent with valid federal laws in order to retain management authority over those resources by the state."

The problem the legislature faces began last December when the Alaska Supreme Court declared the preference for rural residents in the existing subsistence law was unconstitutional discrimination against urban communities. The court gave the state until

July 1 to change its law by staying its decision until that date.

At that time, if no change in the law is made, federal authorities would take over management of fish and game resources in Alaska under provisions of ANILCA.

Gov. Cowper and various legislators have introduced various proposals for a constitutional amendment which give preference in resource allocation to Natives, rural or local residents. Any proposal which is passed by the legislature would still go before the voters in this November's state election, but the possibility exists that the high court would extend the stay of its decision until the election in recognition of the attempt to resolve the dilemma.

The problem faced by everyone proposing a solution is that ANILCA requires a subsistence preference for rural residents but does not provide a definition of "rural," leaving state agencies stuck between the federal law and equal protection requirements of the state constitution.

Representatives of sportsmen's groups and others opposed to any natural resource preference for anyone continue to call for legislative or court action to amend ANILCA, but the state congressional delegation, and most Native groups are opposed to such an attempt.

Rep. Ramona Barnes (R-Anch.) has introduced a bill which would make subsistence use of resources the top priority

among all consumptive uses and direct the Boards of Fish & Game to adopt hunting and fishing regulations giving preference based on "customary and direct dependence" on the resources, local residency and availability of alternate resources. Her proposal has received no action this session.

Hoffman aid Mike Smith explained to the Resources Committee that the primary intention of the amendment is to allow the state to retain management authority over fish and game resources.

"This is not a subsistence preference issue. It is a statehood and states rights issued," Smith said.

Any resolution which is passed by the legislature will go before the voters in November. Supporters of a Native preference have expressed fears of a divisive election campaign, which they could lose, if the question is characterized as urban against rural or Native against non-Native.

The key to the Hoffman amendment is that it gives the legislature constitutional latitude to respond to ANILCA as it is currently written, or any future version if it or other federal laws are amended, but does not require the lawmakers to act.

Gov. Steve Cowper supports the Hoffman amendment, according to Molly McCammon, special assistant to the commissioner of fish & game. She said the governor will issue a formal statement on the amendment during its hearing by the House Judiciary Committee which now has the proposal.

The Hoffman amendment is also supported by the statewide Alaska Native community, Alaska Federation of Natives Pres. Julie Kitka told the Resources Committee in an April 20 hearing.

Also testifying that day were representative of the Territorial Sportsmen of Juneau, the Alaska Outdoor Council and Cook Inlet Professional Sportsfishing Association, all urging the legislature to challenge ANILCA.

Sterling Eide, representing the Cook Inlet group, told the committee that the lives of fishing guides and bed & breakfast owners are "threatened" by subsistence preferences for any particular group.

The Resources Committee moved the amended HJR 74 with three "Do Pass" recommendations, from Chairman Cliff Davidson (D-Kodiak), and Reps. Richard Foster (D-Nome) and George Jacko. Giving the proposal no recommendation were Reps. Bert Sharp (R-Fairbanks), Curt Mendard (D-Wasilla) and Bill Hudson (R-Juneau.)

Hudson explained later that his recommendation was based on uncertainty that the amendment gives the legislature the legal authority which its proponents say. He raised the question during committee discussion, but Davidson suggested it would best be debated in the Judiciary Committee.

Southeast senators split on spending

—continued from page 2

also reversed his stance, but the motion to rescind the previous action passed 11-9.

On the vote to reconsider the amendment Sen. Pres. Kelly joined the majority to pass Binkley's amendment 12-8.

Sen. Duncan called the amendment "ridiculous," both because it would make the resolution more difficult to pass in the House and because an annual cut of the prescribed amount in state spending would be difficult to achieve.

Sen. Kertula, before changing his position, also opposed the amendment on grounds that when the projected inflation rate of 4.7% was coupled with the 5% cut, the reductions mandated would be "impossible."

Speaking against the entire resolution, Duncan emphasized that innovations to ferry system management, such as the program receipts spending plan introduced this session, would be rendered useless.

"Even if the Alaska Marine Highway System generates more revenue it won't be able to use them," Duncan declared. He added that, when state income is low the resolution would pit the marine highway system against education, social service and other programs generally given higher budget priorities.

Sen. Bettye Fahrenkaup joined Duncan's argument declaring that the Juneau senator was correct, according to Jim Ayers, marine highway system director.

Jones was unswayed, observing that the resolution "is just facing reality. To say a 'No' vote spells the Alaska Marine Highway System's doom, I object to that.

In an interview following the Senate debate, Jones said the bottom line is that Alaska will not have the money to spend regardless of where the limit is set.

He also noted that, if the state's financial fortunes improve the legislation can be repealed before 1996 and, in any year, a two-thirds vote can exempt programs from the spending cap.

Asked if all of the ways around the cap make it a sham, Jones said its central purpose is to plan for the projected income drops.

"It forces us to plan to keep the budget in balance with revenues forecast for the next four or five years and that's only good fiscal planning. We're not trying to take program receipts away from the ferry system. I'm going to predict we're going to make sure the ferry system gets its program receipts one way or the other."

Forest Act may bring peace, continued from page 1

Alaska support HB 331.

And while maintaining that "the old Forest Practices Act was not critically flawed," Harris said the new bill, if passed, will bring "peace to the forest."

Negotiations on the bill began almost two years ago, the result of feelings on the part of both loggers and environmentalists that there must be a better way of settling forestry-related disputes than the constant legal warfare of the past years, and the successful example set by Washington state's solution to the same problems.

The results of that state's negotiations, Harris said, was "almost a lovefest. You had guys from Weyerhaeuser standing there with their arms around guys from Audubon."

The amity resulted from negotiations conducted under two rules: 1) attempts must be made to see the other side's side; and, 2) no party could quit negotiating without explaining why.

In November 1988 Sealaska invited all native corporations with timber interests to a conference, Harris said.

The Southeast Native corporation explained,

Harris said, "If we don't take a pro-active role we're going to get something jammed down our throats much like we saw happening in the Tongass National Forest in Congress." He conceded that environmentalists' gains in the Tongass debate and in Lower 48 national forests, and their tactic of tying up logging activities with lengthy court actions carved the writing on the logging industry's wall.

The Cooperative Fishery/Forestry Working Group, including representatives of those industries, the governor's office and environmentalists began negotiations which lasted until last year.

When the drafting process was completed, he added, "out of it there's been a level of mutual respect developed between interests who have traditionally been antagonists."

Now, both sides are working to make sure the legislature does not tamper with funding for the bill which averages \$252,000 per year for DEC and ranges from \$392,000 to \$508,000 per year for DNR. Most of the funds would be used to put agency staff in the forests to assure loggers use proper procedures or to attest to their proper forest practices,

depending on one's point of view.

At a House Finance Committee session Alaska Environmental Lobby, Inc. spokesman Bill Glude summarized the new allies' position: "If you're favoring the timber industry you need to have field people. If you're concerned with the timber industry you need field people."

Rep. Ramona Bame (R-Anch.) spoke at length against HB 331 during the Finance hearing calling it, "probably the most convoluted bill I've ever seen." In a later interview, she said she was representing no constituency and declared repeatedly that "no one" had spoken to her about the bill.

On the House floor Rep. Robin Taylor introduced a dozen of the amendments which were considered in his attempt to fight passage.

Harris said complaints voiced by both legislators would, in some instances, have hurt the timber industry and could not suggest why the Republicans opposed the bill so avidly. Without specifying he termed the opposition "A small group philosophically opposed to the process we went through."

"There's some other things going on and we call that politics," Harris said.

Finfish showdown likely in Sen. Resources, continued from page 1

now in use for shellfish and aquatic plant farming, according to the current version of the bill. Before the bill's hearing was cancelled, Fahrenkamp aid Tom Moyer said a committee substitute for SB 195 was to be discussed at the April 27 meeting. The new version of the bill was not being released by the senator's office as of April 21.

Grussendorf, on April 19, said he planned to visit the senator to discuss the finfish farming issue with her. The Sitka Democrat has made no secret of his plans to hold Fahrenkamp's bills in his House Rules Committee if she refuses to let a ban bill out of her committee.

The Rules Committee of both houses is the body which schedules bills for their final floor votes. As chairman of House Rules, Grussendorf, technically, can prevent any bill from receiving a final passage vote.

Before the Resources Committee schedule was published Grussendorf said HB 432 would not be heard the week of April 22, but also declared, "There's plenty of time" to pass the ban bill.

Fahrenkamp, and fish farming supporters, have been saying throughout the legislative session that they are willing to compromise, but HB 432 could not become the vehicle for compromise because its title declares that its purpose is to ban finfish farming.

A bill's title must accurately reflect its contents and cannot be changed by the second body hearing the bill without the concurrence of the originating body, according to legislative rules of operation.

Fahrenkamp's SB 195 could be amended to restrict finfish farming to a degree which may give it a chance at passage, although opponents of fish farming have steadily maintained a no-compromise stance.

Fahrenkamp has written legislation which she showed to members of the United Fishermen of Alaska and the Alaska Mariculture Association for comment, but has not yet released publicly. A hint at what the mystery bill contains may have been given at the April 18 Labor & Commerce Committee hearing.

"It's time to make some political compromises," AMA Pres. Roger Painter testified during the hearing. "We have run up the white flag on net pen rearing of salmon, but we do believe there are opportunities in some other areas."

Painter proposed four concepts "designed to respond to concerns raised by commercial fishermen" including:

—"provide farmers with only limited property rights to brood stock by continued common property ownership of the gene pool.

—"provide Alaska Dept. of Fish & Game authority to require wastewater discharge treatments and other broad regulatory controls over disease and genetics.

—"prohibit importation of non-indigenous salmon stocks.

—"limit brood stock access to surplus stocks."

Labor & Commerce Chairman Dick Eliason said, after the hearing, that he wasn't very impressed by Painter's proposals, the last three of which are already part of state law.

Aside from Painter's testimony and that of David Daisy, an Anchorage member of the AMA, 21 of 22 others spoke in support of the ban bill. The 22nd person, a Department of Fish & Game representative, did not take a position.

Representatives of nine fishermen's and environmentalist groups declared their support for the ban bill.

Richard Hellard, of the Alaska Wildlife Alliance warned that "a lot" of herbicide and insecticide is used in finfish farming which could affect wild fish stocks and other species. Like Sierra Club spokeswoman Emily Barnet, he also warned that fish farms would attract bears or other predators which then would likely be killed to protect the penned fish.

Many fisheries group speakers declared that Alaska must protect and promote its wild salmon stocks as the best means of competing in a market glutted with farmed salmon.

UFA Mariculture Committee cochairwoman Sonia Corazza said Alaska has 43% of the world's remaining wild salmon stocks, adding that they should be viewed as "a national trust" as well as a marketing opportunity.

She also noted that permitting fish farming would be a substantial state policy change in that farming is a private industry in which eggs, smolt and fish are privately owned. Commercial fishing is permitted only as controlled access to a public resource.

"Private ownership of fish is incompatible with our ideals," said Larry Irving, one of three Fairbanks residents who testified in favor of HB 432.

"Alaska is one large fish farm that God made. Leave it that way," said Dan McLean, also from Fairbanks. He later added, "This is the age of AIDS and it looks to me and sounds to me like fish have AIDS somewhere in the world. Let's keep our fish clean."

Following the teleconference hearing, HB 421 received "Do Pass" recommendations from committee Eliason, Jack Coghill (R-Nenana), Pat Rodey (D-Anchorage) and Jay Kertnula (D-Palmer). Committee member Jan Faiks (R-Anchorage) gave the bill no recommendation.

timber talk

March,
1990

Timber Talk
is the official newsletter of the



Alognak Native Corporation
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Alaska Loggers Association
Alaska Pulp Corporation
Atikon Forest Products
Besco, Inc.
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Timber Trading Company
Tongass Trading, Co., Inc.
West Coast Stevedoring

For information about joining
the Forest Alliance contact:

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Progress made on FPA revisions

After nearly a year and a half of negotiations, representatives of Alaska's major timber, fishing and environmental organizations have reached a consensus on a major revision of the state's Forest Practices Act.

"Private timber owners made substantial concessions to reach this agreement," said Bob Loiselle, executive director of the Forest Alliance. "We believe this bill can establish a new framework for environmentally sound development of Alaska's forested lands."

The heart of the bill is a system classifying streams into nine categories and establishing buffers along high value fishery production streams and rivers. For the first time, buffer requirements would be established for timber harvest operations on private lands. On privately owned lands, 66-foot no-cut buffers would be required along most high value fishery waters.

To reach consensus, the timber industry agreed to abandon provisions in the existing draft of legislation which proposed a more complex buffer scheme but one which capped the amount of timber required to be left in a given operating area at 5 percent. As a trade off for imposing mandatory no-cut buffers on private land and eliminating the 5 percent cap, the bill directs the Commissioner of the Department of Natural Resources to adopt specific regulations for granting a variance to buffer requirement for streams of lower fishery value.

"Trees should be left where they will do the most good for fishery protection, and everyone at the table agreed that leaving 66 feet of trees on both sides of small streams was not always necessary," Loiselle said.

Buffers required for harvests on public lands would be larger. On state land north of the Alaska Range, 100-foot special harvest zones would be required near streams. Harvest would be allowed consistent with the protection of fishery and wildlife habitat. On state lands south of the range, there would be a 100-foot no-cut buffer near streams followed by an additional 200-foot special harvest zone in which timber could be taken.

To achieve consensus on the bill, the timber industry also agreed to accept more restrictive buffers for harvests which would take place on municipal, University and other public lands.

Please see CONSENSUS, Back page

Foresters to cut firebreaks among beetle-killed spruce



John Sturgeon

The U.S. Forest Service plans to cut firebreaks in a portion of the insect-ravaged Chugach National Forest to reduce the threat of fires this summer in popular recreation areas. The spruce bark beetle has killed virtually all of the forest near the Cooper Landing area on the Kenai Peninsula creating 27,000 acres of dead white spruce trees and major fire hazards.

Former state forester John Sturgeon, a member of the Forest Alliance, says the spruce beetle infestation and fire hazard is an example of what happens when proper forest management does not take place.

Please see BEETLES, Back page

Natives angered by attorney's racist comments

Leaders of several timber owning Native corporations recently expressed outrage at statements made by an attorney contending that Native Alaskans would be better off leading a subsistence lifestyle than earning cash from harvesting timber.

In an *Anchorage Times* article about planned logging on Montague Island, attorney Patti Saunders, representing the Sierra Club, Wilderness Society, Alaska Center for the Environment, Alaska Wildlife Alliance and several individuals, was quoted as saying she didn't see the merit of getting Natives in the region "addicted to a paycheck." The environmental groups are suing to block development of a logging road on the island.

"I am truly disappointed," said Michael Chittick, president of Chugach Alaska Corporation, the Native regional corporation whose shareholders come from the Prince William Sound region and which owns a sawmill in Seward to which the timber would be shipped. "It's appalling to suggest that Natives, unlike other Alaskans, shouldn't be allowed to earn a paycheck."

Chittick was joined by the Alaska Federation of Natives, Koncor Forest Products and Cook Inlet Region, Inc. in an open letter sent to the environmental organizations.

"Apparently you don't like the idea of Natives working through our corporations to better themselves, to create good jobs and healthy payrolls and to improve our own standard of living," the letter stated.

"Alaskan Natives have worked hard to be independent of government assistance and to provide a better life for ourselves and our children. When profit-making Native corporations were established, our principal assets were the natural resources on our lands," they said. "Yet from day one we have had to fight you for the right to realize economic benefits from these resources."

"The statement of your attorney makes it clear that what we're dealing with is not simply an issue of environmental protection but one of race. We've gotten a glimpse of your true motivation, and we don't like what we see," the letter concluded.

Chittick said Chugach would prefer to work with the environmental community to make sure that timber harvesting on Montague Island and other areas of Prince William Sound proceeds with the least possible environmental impacts.

Alliance donation helps feed the moose

The Forest Alliance recently made a \$1000 contribution to a help protect moose in the Mat-Su valley which are being slaughtered in car and railroad accidents. The funds were donated to the effort being coordinated by Representative Ramona Barnes, R-Anchorage.

Barnes has raised about \$20,000 in private contributions which has been used primarily to plow trails to direct moose away from the highway and railroad tracks and toward browse upon which the moose can feed.

"We're pleased to be making this donation," said Alliance executive director Bob Loiselle. "What's happening because of the harsh winter is a tragedy but one which could have been substantially reduced if timber harvests had been allowed in the area. The browse upon which moose depend for food is a natural result of logging activity."

"While we're pleased to help the moose now, in the future we would prefer to see responsible logging practices allowed so that the issue of starving moose is prevented in the first place rather than dealt with after the fact," he said.

Mission Statement

The Forest Alliance is a broad-based coalition of organizations, businesses, Alaska forest land owners and individuals dedicated to the responsible management and use of Alaska's forest resources and to environmentally sound development of those resources to provide economic opportunities to the citizens of the state.

We believe that development of Alaska's forest resources can take place while, at the same time, protecting and enhancing co-existing natural resources. The Alliance is dedicated to the principle that wise management of Alaska's forest lands today will guarantee that this renewable resource will be able to meet the needs of Alaskans for generations to come.

Toward that goal, the Alliance mission is to increase the public understanding of and appreciation for the management of Alaska's renewable forest resources and the forest products industry through dissemination of accurate, timely information.

Our goal is to promote environmentally sound development of Alaska's forested lands in a manner which will achieve protection of water quality, fish and wildlife and other uses while allowing operation of a viable forest products industry.

Forest Facts

- Timber exports have skyrocketed in recent years, both in volume and in value. Fiscal 1989 saw \$613 million in exports, a 29% increase over the prior year and a 300% increase over the last 4 years. (U.S. Forest Service)

- 90% of Alaska timber exports goes to Japan. Other shipments go primarily to Korea and China.

- In 1986, 1987 and 1988 the timber industry posted double digit percentage employment gains. The U.S. Forest Service, using an extremely conservative multiplier, estimates that for every 3 jobs in the timber industry, 1 additional job is created.



Last year Koncor Forest Products distributed white spruce to many first grade students in Anchorage. Alaska Pulp Corporation distributed seedlings of Alaska's state tree, Sitka spruce, to 7,000 students in Juneau, Haines and Sitka. (Photo courtesy Koncor Forest Products)

Reforestation update

Lawmakers introduce bills to plant more trees

Bills have been introduced in both the state House and Senate seeking funds for the state land reforestation fund. HB 495, introduced by Representative Curt Menard and 4 co-sponsors asks for \$800,000. Meanwhile, Senate bill 511 by the Senate Resources committee seeks just over \$2.3 million.

Under the Senate bill, \$1,052,000 would be given to the Division of Forestry for capital expenses involved in reforestation. The money would be used largely to upgrade the state's tree nursery in Eagle River. \$1,271,731 would be given to the Division for operating expenses. The nursery has been operating with one paid staffer and labor supplied from nearby prisons. The Forest Alliance strongly supports legislative efforts to fund reforestation activity.

"The passage of this funding would demonstrate a sound financial commitment to one of Alaska's most important renewable resources," said Bob Loiselle.

Foresters have estimated there are between 8,000 and 14,000 thousand acres needing replanting, most of it in Southcentral and Interior forests. The Southcentral backlog lies primarily near Tyonek across Cook Inlet from Anchorage, where a salvage sale harvested beetle-killed spruce. Most of the Interior's tracts are scattered where fires, insects and past harvests have left areas treeless or inadequately stocked with trees.

The legislation was referred to both the Resources and Finance committees of both the House and Senate.

Valley rec bill stalls in Juneau

Legislation to set aside 2 million acres in a remote Susitna Valley recreation area in which commercial timber harvests would be banned appears dead on arrival in the legislature.

The bill was recently the subject of a Senate Community and Regional Affairs committee hearing. Senator Mike Szymanski, a committee member, said the legislation does not have the votes needed for passage at least as it currently is proposed.

The only timber cutting allowed by the bill would be for personal use for firewood or to build a cabin or lodge. The legislation is opposed by both the Departments of Natural Resources and Fish and Game.



House Resources committee co-chairmen Rep. Curt Menard and Rep. Cliff Davidson confer during a hearing on the Forest Practices Act.

Compromise Tongass bill headed for showdown on U.S. Senate floor

The U.S. Senate is expected to vote soon on legislation which would rewrite 50-year contracts for timber harvests in the Tongass National Forest.

The Senate Energy and Natural Resources Committee passed the bill to the floor earlier this month on a 19-0 vote after approving an amendment by U.S. Senator Frank Murkowski which would allow harvest near trout streams but would retain buffers near salmon streams.

The Senate version calls for rewriting the timber contracts as opposed to House-passed legislation last year which would cancel the long term agreements with the Sitka and Ketchikan pulp mills.

The Senate bill eliminates the automatic appropriation of the U.S. Forest Service for the Tongass and directs that harvest levels "seek to meet market demand for timber."

The Tongass forest covers 17 million acres of which 1.7 million are designated for timber harvest. 5.4 million are designated wilderness. The Senate bill would set an additional 673,000 off-limits to harvesting while the House bill designates 1.8 million acres of current forest land as wilderness.

Differences between the two versions are expected to be worked out in a conference committee.

Juneau lawyer Jim Clark, who represents the timber industry in Washington, D.C., called the Senate bill a good compromise. "It is a very balanced approach," he said.

Busy summer ahead for Chugach, Klukwan & Timber Trading Co.

Klukwan Forest Products' logging operation near Ninilchik is in full swing providing economic benefits to Homer. Monthly payments of \$15,000-\$20,000 per month, depending on production, are made to the city for rent of log storage space on the Homer Spit. \$87,000 had been paid through mid-February.

Klukwan's operation is taking place on land owned by the Ninilchik Native Corporation. As part of the harvesting agreement, Klukwan is leaving buffer strips of trees standing to protect important fish and wildlife habitat.

State officials have agreed to allow timber harvest activities along the Gulf of Alaska coastline near Icy Bay. The action by the Department of Natural Resources resulted from a 4-year old court settlement in which state officials promised access to new forests to a logging company.

Chugach Alaska Corporation, the Native regional corporation for Prince William Sound, has been given the green light to harvest as much as 20 million board feet of spruce and hemlock beginning this year. The operation will help supply timber for Chugach's new \$20 million sawmill in Seward.

Department of Natural Resources officials maintain the area in which logging will occur is large enough to support both the harvest and other land uses. The new sale represents only 600 acres of about 6,000 in the region.

"We're pretty happy with the units as they've been laid out," said Rick Reed, a Fish and Game regional supervisor.

Timber harvests should begin in a few months now that plans to build a log transfer facility and floating dock 14 miles east of Port Graham have been approved by the state. Chugach Forest Products estimates it will harvest 100 million board feet of timber from the area near Windy Bay in the next five years.

The state approved the plans after ensuring the log transfer facility and camp complied with provisions of the Alaska Coastal management Program. Approval was contingent upon Chugach's commitment to remove the dock after the harvest is completed.

Chugach's Timber Division Manager Paul Tweiten said construction and harvest would begin this spring. Tweiten added that Chugach will voluntarily leave buffer strips of trees along streams to protect fish habitat.

Klukwan Forest Products has been awarded the bid to log 11.7 million board feet of round log timber valued at about \$4 million. The harvest will occur on the Jacquot allotments in the Chilkat Valley. Klukwan has the next two winters to remove the timber from the allotments but isn't likely to start the project this year due to an April 15 deadline.

The Bureau of Indian Affairs recently rebid the four allotment sale for harvest of spruce and hemlock. KFP matched the high bid. A company official said the harvest would help the Native firm round out log ships and provide a different grain of wood to Pacific markets.

As a deadline approached, state negotiators hammered out an agreement to buy more than 24,000 acres of private land holdings within Kachemak Bay State Park. Rights to harvest timber on the land, though, had been previously sold, and the state must still strike a deal with Timber Trading Company which owns the rights.

The agreement between the Department of Natural Resources and the Seldovia Native Association calls for the state to pay \$15.49 million in cash. The state has negotiated for more than 15 years to trade land for the park acreage.

The Seldovia Native Association had planned to harvest timber from at least 4,435 acres of the land, located across Kachemak Bay from Homer. SNA sold the timber rights to Timber Trading Company leaving the state with the task of negotiating a deal with TTC. The company is asking \$8 million for the timber while the state has been offering half the amount.

The major unresolved question on the land purchase now is whether the legislature will appropriate the funds to pay for the land deal.

Alaska Pulp gets high marks for safety

Alaska Pulp Corporation has improved its occupational injury rate and its safety standing compared to most other pulp mills in the West according to information compiled by the Pacific Coast Association of Pulp and Paper Manufacturers.

Of the 45 mills rated, Alaska Pulp ranked 14th, one place above the 1988 ranking. APC's injury incidence rate dropped 15 percent in 1989 from the previous year. 6.27 incidences per 200,000 employee hours were reported last year compared to 7.34 in 1988.

During 1989, APC workers totalled 860,969 man-hours and 27 recordable cases of injury. APC was below the industry average in both years and well below the average rate for Washington, Oregon and California mills where the majority of western U.S. pulp mills operate.

"We work on safety," said APC Executive Vice-President Frank Roppel. "If we can't provide a safe workplace for our employees, then we have no business being in business."

Member Profiles

The Forest Alliance is comprised of many diverse companies and organizations. Each month in this space we will profile a few.

Cook Inlet Region, Inc.

The Anchorage-based Native regional corporation established under terms of the 1971 Alaska Native Claims Settlement Act owns approximately 700,000 acres of surface estate and 1.7 million acres of subsurface estate in Alaska. Some 100,000 acres of CIRI's surface estate have the potential for commercial timber development, with most of those lands located in the Kenai Peninsula and Matanuska-Susitna boroughs. CIRI recently completed its first-ever sale of timber harvest rights covering approximately 32,000 acres on the Kenai Peninsula near Ninilchik.

Ketchikan Pulp Company

A wholly owned subsidiary of Louisiana-Pacific Corporation, KPC is located in Southeast Alaska and employs 950 people. KPC has a 210,000 ton-per-year sulfite dissolving pulp mill in Ward Cove. Its Annette Hemlock Mill located at Metlakatla produces 40 million board feet of sawn cants a year. Ketchikan Sawmill, a new facility at Ward Cove, has an annual capacity of 60 million board feet of dimensional lumber. Logging camps and sort yards furnish logs under a long term contract with the U.S. Forest Service from the Tongass National Forest. KPC also purchases logs from private timber sources.

Koniag, Inc.

The Kodiak-based Native regional corporation owns just over 41% of an Afognak joint venture established under terms of the 1980 Alaska National Interest Lands Conservation Act. The Afognak joint venture, which originally encompassed some 250,000 acres on that island near Kodiak, was established to consolidate Kodiak-area Native land entitlements and provide a vehicle for joint timber operations.



From
the
Executive
Director

Bob
Loiselle

On what we hope and believe to be the eve of passage of a major revision to the state's forest practices act, there is no joy in the offices and logging camps of timber owners and operators.

Landowners in particular have given a great deal to achieve consensus on this measure. Doubts tend to linger, particularly for some of those who have not been close to the process. Can we be certain that we have done the right thing? Absolutely not.

The process and issues are far too complex for certainty. What we can be certain of, however, is that, collectively, landowners and industry people have worked very hard on this process and, in every instance, have done what they sincerely believed to be right. Right for an industry that stretches from the Tongass to the Tanana and beyond. Right for federal timber operators and right for timber owning village corporations in the Interior and a lot of folks in between.

One of the major roadblocks to getting agreement with all the varied interests represented on the steering committee was a fundamental lack of trust among the groups. Through this process we have come to know each other, and I think we closed the credibility gap to a certain extent. We will still have significant disagreements, but we are now better equipped to deal with our differences.

We have also learned to work better together as an industry, especially considering how diverse we are. The Forest Alliance represents a new and formidable force for the advancement of good forestry and a viable forest industry in Alaska. It has been very gratifying to see our members pull together to get a deal that all could live with. To the extent that we have failed in achieving this, it has not been for lack of sincere effort.

No one should underestimate the degree of sacrifice required of the timber owner by this new act. It will literally cost our members millions of dollars in foregone timber. Those who might contemplate further "donations" in the way of taxes, additional timber or costly regulations should be forewarned that any such proposals will be met with vigorous opposition.

Now that we can see the light at the end of the tunnel on this process, we are anxious to get on with the critical task of insuring Alaska develops its timber resources to their full potential, consistent, of course, with the protection of other important resources.

Finally, on behalf of the Alliance, I would like to thank Diane Mayer of the Department of Commerce and Economic Development for mediating the final agreement. Her expertise, credibility, intelligence and patience were instrumental in bringing the negotiations to near consensus. Through her efforts, the legislature now has before it a package that should be relatively easy and straightforward to deal with.

Alliance booth planned for Sportsman show

The Forest Alliance will be on display when it sponsors a booth at the Great Alaska Sportsman show April 5-8 at the Sullivan Arena in Anchorage. The Alliance will distribute literature about how proper forest management benefits wildlife populations and fishery production and how timber harvests can exist in concert with recreational use of Alaska's lands. "This is an excellent opportunity to demonstrate how our industry actually produces many benefits upon which sportsmen depend," said Bob Loiselle, executive director of the Alliance.

CONSENSUS: Timber, fishing, environmental groups see eye to eye

continued from Page 1

The original bill, introduced last session, would have allowed harvesting within 100 feet of streams. The new agreement calls for 100-foot no-cut buffers on those lands.

Mat-Su Borough assemblyman Ted Smith, a member of the Alliance, could not agree to that provision and said he will argue his point directly to the legislature. Smith contends that grant lands, such as those conveyed to the university for revenue producing purposes, should be treated as private lands. He proposed that buffers on university and municipal lands have the same 66-foot no cut buffer required for private lands south of the Alaska Range. Fishermen and environmental groups refused to negotiate for anything less than a 100-foot no-cut buffer.

The committee also agreed to language outlining how the act would apply to federal lands, a key issue which remained unresolved after the 1989 legislative session.

The panel also agreed that the Act, if passed by the legislature this session, would apply to timber harvests this summer. However, for plans already submitted to the state for approval, if habitat protection is substantially equivalent to what the new law requires, timber operators will not be required to submit a new plan.

The Senate Resources committee approved the compromise and passed the bill out of committee to Senate Finance on March 21. An identical version of the legislation

was being reviewed in the House Resources committee as this newsletter was going to press.

"We went into this process in a spirit of cooperation and compromise," Loiselle said. "Everyone who has been involved in this process deserves a lot of credit. We're hopeful for quick legislative approval of this balanced approach."

BEETLES: USFS plans to cut firebreaks

continued from page 1

"In a managed forest those trees would have been harvested or, if in a natural ecosystem, fire would have destroyed those trees and a new crop would have been in there by now," he said in a recent speech. "The trees killed by bark beetles are no good for lumber within two years, and they now present a serious fire hazard."

Crews plan to begin clearing 200 to 500-foot wide paths in April north of the Sterling highway. The longest of the firebreaks will run about two miles in a northerly direction from a point west of the Resurrection Pass Trailhead. A shorter cleared area will start at the Kenai River east of Juneau Creek and continue north for about a mile.



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Forest bill sprouts life of its own

The state Department of Natural Resources is in the midst of a lengthy exercise to re-write its forest management law, and nobody seems to know why it's being done or how to go about it.

Last year Gov. Steve Cowper formed the Alaska Forest Practices Review Steering Committee, a 13-member group representing the timber industry, private timber landholders, fishermen and environmentalists.

The committee came up with a fragile compromise behind a 30-page bill that Cowper introduced in the Legislature last spring. The Legislature didn't act on the bill, and the steering



Fred Pratt

Free-lance journalist Fred Pratt has been covering Alaska business and politics for the past 18 years.

committee's support unraveled after the legislative session ended.

Now DNR is pressing ahead, hoping the bill might still pass next year. DNR is even writing regulations as though the bill were already law, hoping that when it does pass, the state can adopt the regulations and put them into effect immediately.

That's a rather backward way of going about things. Last Tuesday, the state Board of Forestry reviewed progress in a meeting here. DNR's staff told the board they had already scrapped a key part of the bill and drafted regulations going in another direction.

The legislative resource committees held a statewide teleconference on forest bills Thursday, so DNR could tell them how it's writing regulations for a bill that hasn't even passed its first committee yet. In addition, the Alaska Loggers Association offered to tailor its members' harvests this year to the standards in the bill.

One wonders why we need the bill at all, since we're already pretending it's law.

The steering committee's bill sets "riparian standards" specifying how much timber must be left by loggers along the banks of streams and lakes. These are the most sensitive and productive wildlife habitats, not only for fisheries but for animals as well. They are also where you find a lot of the biggest trees.

Private landholders are covered by these standards as well, along with municipal government and University of Alaska forest lands.

This sounds easier in policy than it is in practice. The bill specifies different riparian standards for nine types of waterways on private land alone.

The riparian standard would be based on "basal area," the cross-sectional area of a tree measured 4½ feet above the ground. The idea is that loggers would leave a lot of small trees to protect the riparian zone and cut larger, more valuable trees.

But it confused even the Forestry Board members meeting here. A DNR official writing the new regulations said the agency staff already decided the basal-area standard won't work, and they're going in a different direction.

Timber sales and oversight cutting are revised in a plan similar to what the state does with oil and gas. Sales are scheduled five years in advance after being aired for public comments.

Criminal penalties are added for violating timber cutting agreements. Current law provides for only civil penalties.

A new system covers annual timber cutting plans submitted by loggers for review by the government and the public. DNR could issue "stop work orders" in places where it sees an imminent and significant threat to the environment.

The Board of Forestry would be cut from its present 13 members to seven, with each seat designated for a representative of a special interest group. Among those excluded would be miners, (See FOREST, Page D-2)

FOREST BILL

(Continued from Page D-1)

recreational users or private cabin inholders on state forest lands.

The scope of this project can be seen in the page-long list of things DNR is supposed to consider in writing its regulations.

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United States
Department of
Agriculture

Forest
Service

Alaska Region

Reply to: 2600

Date: August 2, 1988

Subject: NMFS Riparian Management Policy

To: Forest Supervisors

Enclosed for your information is a copy of the 1988 National Marine Fisheries Service Policy for riparian habitat protection in Alaska. It appears the policy is more restrictive than the provisions in our Regional Aquatic Habitat Management Handbook even though our Handbook is designed to ensure maintenance of fish habitat. Our handbook was reviewed by members of the Working Group on Cooperative Forestry/Fisheries Research and judged acceptable guidance in maintaining fish habitats. We will be requesting the Working Group to review the present research interpretations related to streamside management.

Please continue to use the principles and provisions of the Region's Handbook. If you have any immediate questions, please contact Dave Gibbons at 586-7918.

PHIL J. JANIK
Director of Wildlife and
Fisheries

Enclosure

cc:

RF/DRF
Staff Directors- TM, E&M, RN, & LMW
Alaska Working Group Members
National Marine Fisheries Service

070788 1145 wlf 2600 dg



Caring for the Land and Serving People

FS-6200-28(7-82)

Forest Service rejects buffer guidelines

by SEACC STAFF

A new policy advocating stream buffer protection for all anadromous fish streams and their tributaries in Alaska was adopted by the National Marine Fisheries Service (NMFS) last year. The new NMFS policy strengthens earlier guidelines by calling for a minimum 30 meter-wide (100 foot) buffer zone of "natural/existing undisturbed forest" to be maintained on each side of anadromous fish streams in areas subject to logging, roading, or associated development.

According to NMFS Alaska Region Director Robert W. McVey, the policy revision was necessary because new information and experience showed continuous degradation of fisheries habitat by logging activities. The earlier policy allowed flexibility in establishing width of buffers and in selectively harvesting within the buffer zones based on topography, resource values, and stream conditions.

Shortly after NMFS announced

the new policy, the U.S. Forest Service rejected it. In a memo to the supervisors of the Tongass and Chugach National Forests, Phil Janik, Director of Wildlife and Fisheries for the Alaska Region of the Forest Service, told them to ignore the NMFS policy recommendation and continue to use current Forest Service streamside management practices. Those practices allow many important fish streams and tributaries in Alaska to be jeopardized by clearcutting down to the stream banks, by leaving inadequate buffers, or by allowing logging within designated buffers which may violate their integrity and diminish their value to fisheries.

Although NMFS is the agency of the National Oceanic and Atmospheric Administration in the federal Department of Commerce charged with fisheries research and management, it does not have the authority to implement or enforce land management policies which would require stream buffers. Its policies are

only recommendations to federal land managers such as the Forest Service.

SEACC's Bart Koehler praised the new NMFS policy. "We think this is an important policy statement and the Forest Service and others should implement it immediately on all anadromous fish streams and their tributaries," he said.

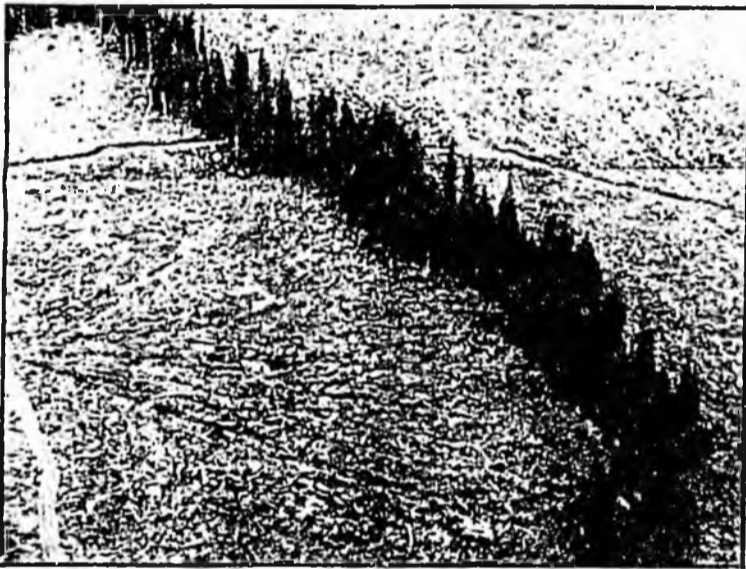
"But," cautioned Koehler, "this policy should not be used as a substitute for protecting the natural condition of entire critical fishery watersheds that are on the chopping block, such as Kadashan, Lisianski, Nutkwa, Chuck, and Karta rivers, Shipley Lake, and rivers of the Yakutat Forelands."

NMFS emphasized that its call for 30 meter wide inviolate buffer zones was an absolute minimum for fisheries protection, and that in some cases a wider zone is necessary. NMFS research has shown that clearcutting without retaining adequate buffer zones can affect important fish producing habitat on both a short- and long-term basis.

Short-term impacts (up to 20 years) include increased sedimentation, changes in stream temperature and flow, and reduced quantities of large, woody debris, important for nutrients and rearing habitat.

Long-term impacts (20-100 years) include shading out of the stream by second-growth canopy, reduction in large woody debris, continued sedimentation from bank erosion, landslides and roads, and changes in the stream channel itself.

SEACC is dismayed, but not surprised, that the Forest Service has specifically chosen to ignore these new recommendations based on current scientific research. With 85% of the agency's budget fueling its giant timber program, is it any wonder that timber mining always comes first?



Forest Service "buffer strip" on northeast Chichagof Island.
(Bart Koehler)

State forest law undergoes review

by SEACC STAFF

Responding to concerns that Alaska's 11-year-old Forest Practices Act is failing to protect the state's fish and wildlife resources, Governor Cowper last summer appointed a committee to review the law. The act, which directs the way timber is harvested on state, municipal, and private lands is plagued with difficulties that stem from vague wording, lack of protection for fisheries and other nontimber resources, lax enforcement, and inadequate funding.

The 13-member steering committee is charged with developing legislative amendments to

strengthen the Forest Practices Act-amendments that all interest groups must agree to. Included on the committee are representatives from state agencies, private timber companies, municipalities that own timber, commercial and sport fishing groups, and environmental organizations (including SEACC). Outside mediators are attempting to help the various interest groups reach a consensus by March 1, 1989.

Issues being discussed include: the management of riparian (stream buffer strips) and wildlife habitat, water quality, enforcement, monitoring, permitting, public involvement and planning processes on forested

private and public lands, and the composition and role of the Board of Forestry. As the discussions proceed, all agreements on individual issues are considered tentative until final consensus on a package of amendments is reached.

At the last round of meetings in January the group agreed to design a stream classification system for public and private lands. Under this system, riparian (streamside) lands would be afforded protection based on scientific evidence for what is needed to ensure healthy fish populations.

Discussions of wildlife habitat Review continued on p. 12

IN MEMORIAM:

Frances
"Bunny"
Mathisen

by KAY GREENOUGH

It is painful to accept that a dear friend is gone. Frances Roundtree Mathisen, known as Bunny to her family and friends, died in Petersburg on January 2, 1989.

I first met Bunny in the winter of 1979. I'll never forget her stunning beauty, her sense of dignity, and most of all, her bravery in speaking out as a conservationist during the heat of the Alaska Lands Act battle.

At a large hearing in Juneau, I remember Bunny walking up to the front of the room to speak, setting the tone for each conservationist who spoke after her, all coming to the front, too, rather than standing where they sat. Another time she calmly asked Alaska Senator Ted Stevens, a bitter opponent of the Alaska Lands Act, to stop yelling at her so she could explain to him why he should support protecting Southeast Alaska's valuable fisheries and wildlife habitat. It was Bunny who, through one of her many connections, managed to get a meeting with Senator "Scoop" Jackson, then chairman of the powerful Energy and Natural Resources Committee. By the end of the meeting she had convinced him to include Petersburg Creek on Mitkof Island as a Wilderness area in the final version of the legislation.

Bunny's perspective on environmental issues in the Tongass was unique. She grew up in Southeast Alaska in a family that had worked in logging. Many of her friends in Petersburg, like the Reids, were loggers. She did, however, clearly understand what was happening to the old-growth forest as a result of the Forest Service's pandering to the two large pulp mills.

Whenever I mused that she was an extraordinary person, Bunny would chide me for being silly, saying that she was a very ordinary woman. But there truly was nothing ordinary about Bunny Mathisen. Her exceptional convictions and style made a difference, in the history of the Tongass.

Kay Greenough was executive director of SEACC during the fight for passage of the Alaska Lands Act.

Will clearcutting Tongass old-growth forests help reverse the worldwide greenhouse effect?

Scientific studies indicate no

by SEACC STAFF

During the last Congress some effort was devoted to including Tongass Timber Reform language into a Senate bill relating to the greenhouse effect. While the bill never passed, a new debate was stimulated, along with a new wave of disinformation from the timber industry and Alaska Senator Frank Murkowski.

Last year the timber industry and Murkowski claimed that clearcutting would help reverse the greenhouse effect. Their argument is that since trees absorb carbon from the atmosphere to grow new wood, fast growing second-growth forests would take more carbon pollution from the atmosphere than "decadent" old-growth, thus leading to a cleaner atmosphere around the globe. If only the world's environmental problems were so simple!

As usual, the industry and Murkowski are looking at only one small element of the problem without understanding how it relates to the big picture. To see what is wrong with their reasoning, one needs to know how trees and logging really fit into the big picture of the greenhouse effect.

The greenhouse effect simply stated is the world wide warming of the atmosphere caused by pollution trapping heat that would otherwise escape to outer space. Carbon dioxide (CO₂) is one of the primary gases in the atmosphere contributing to the greenhouse effect. The burning of fossil fuels, scientists say, is overwhelmingly the main cause of the greenhouse effect because it releases so much carbon into the atmosphere.

Plants, especially trees, could be a positive influence on global carbon since every molecule of sugar manufactured by plants through the process of photosynthesis requires six molecules of carbon from the atmosphere. This sugar is the chemical energy that all plants use to grow new tissue (like wood). So the more plants there are, or the more they grow, the more carbon they theoretically take out of the atmosphere.

But, just like animals, plants also release carbon to the atmosphere. When living plants use their energy stores to maintain their tissues or to grow new tissue, they respire--releasing carbon to the atmosphere. When plants die, they slowly release carbon to the atmosphere as they

rot away; and, when their tissues are burned carbon is released to the atmosphere.

Therefore, what really matters is the net result of any change in the carbon cycle: how much carbon will go into the atmosphere and how much will be absorbed or stored by plants or animals?

Forests can indeed decrease global carbon in the atmosphere if:

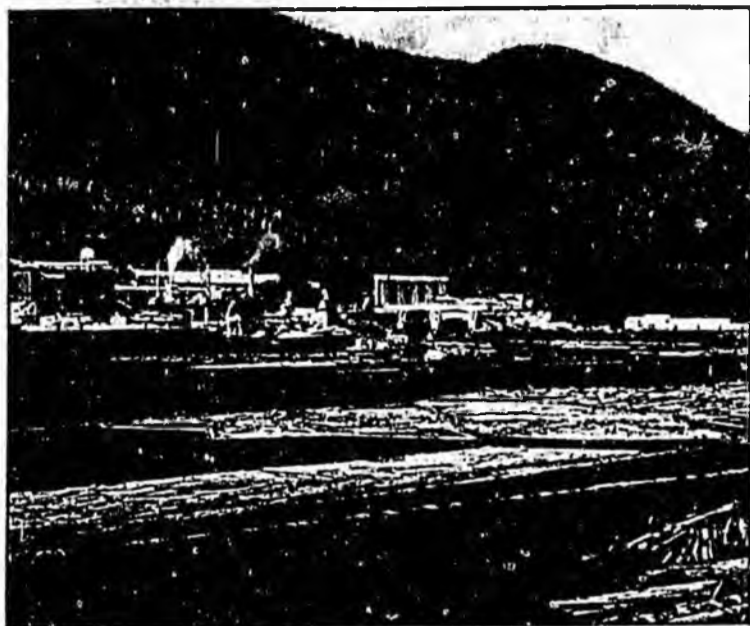
- 1) There is a high density and size of trees (at least 10-30 years old over a large portion of the globe;
- 2) A high total ecosystem growth rate is maintained over long periods of time; and last, but not least;
- 3) The rate of carbon release to the atmosphere is not altered by burning or otherwise processing wood accumulated by the trees (e.g. If the wood is not used for paper, pulp, or chemical products which are short lived and are usually burned when disposed of).

Of course, the last point is one which the industry and Senator Murkowski have somehow overlooked.

So how does all of this relate to logging on the Tongass?

There are two possible net outcomes to the global carbon cycle if a substantial proportion of the old-growth rain forests on the Tongass are logged and replaced by fast growing second-growth forests: 1) no change; or 2) an increase in global carbon. The most likely outcome is probably a slight increase in atmospheric carbon, not a decrease as Murkowski and the industry contend. The increase would be slight because of the short growing season, small amount of land (globally), and relatively slow tree growth rate (compared to the tropics).

The reason for the increase is that in the old-growth forests, carbon accumulates in wood for 200 to as many as 1000 years before being slowly released through rot and decay. Managed second-growth forests on the Tongass, however, would accumulate carbon in their wood for only 80-120 years, the length of one rotation period. After cutting, most of the carbon would be returned to the atmosphere when the wood was converted to pulp, paper, or other chemicals that quickly rot or are disposed of by burning.



As long as Tongass timber (whether old growth or second growth) is processed into pulp and other products, the greenhouse effect is exacerbated. Carbon is released to the atmosphere by the processing itself and by disposal of the products through burning or rotting. (Julie Koehler)

So, converting large tracts of the Tongass to second growth will not reverse the greenhouse effect but exacerbate it.

Maybe somebody should thank Senator Murkowski for his interest in the survival of mankind through combating the greenhouse effect. But, if he really wants to help solve the problem through forest practices he should convince the Forest Service and the timber industry that, as their contribution to this serious global dilemma, they should stop clearcutting old growth, and they should manage

cutover lands on a long rotation (or as old growth) and refrain from utilizing wood products from these forests until the world decreases its burning of fossil fuels.

The above conclusions are clearly supported in the U.S. Dept. of Energy report, "The prospect of solving the CO₂ problem through global reforestation." Gregg Marland, February 1988. Environmental Sciences Division, Oak Ridge National Laboratory, P.O. Box X, Oak Ridge, TN 37831-6038. 66 pp.



THE TONGASS: Alaska's Vanishing Rain Forest

Photographs by Robert Glenn Ketchum,
Text by Robert Glenn Ketchum & Carey D. Ketchum
Introduction by Roderick Nash

Robert Glenn Ketchum, a well-known landscape photographer, has created a vivid document of the Tongass, one of America's rarest national treasures. Environmental and industrial policies have turned the area into a battleground, and this remarkable book serves as an invaluable record of events that could affect public policy forever. 58 full color photographs, 11 1/2 x 10 1/2, 112 pp., \$30.00

To purchase a copy of this book send \$30 plus \$3 shipping and handling to: SEACC, P.O. Box 021692, Juneau, Alaska 99802. A portion of the proceeds will benefit SEACC.

Also available at fine bookstores.

Published by Aperture, 20 East 23rd Street, New York, New York 10010.

Subsistence hearings called inadequate by residents

USFS agrees to revise process

by NEVETTE BOWEN

The Forest Service is revising its hearing process for evaluating potential logging and other development impacts on subsistence uses because of objections to previous hearings. Subsistence users and the Southeast Regional Fish and Game Advisory Council objected to the hearing procedures used for Ketchikan Pulp Company's (KPC) 1989-94 timber operating plan for Prince of Wales Island.

The hearings were intended to inform the public of potential development plans and to provide the Forest Service with the opportunity to work with subsistence users in reducing the impacts on subsistence caused by those plans on the island.

Under Section 810 of ANILCA the Forest Service is required to hold these hearings whenever logging and roading may "significantly restrict subsistence uses." ANILCA then requires the Forest Service to make a formal determination after the hearings as to whether restricting subsistence uses will be necessary in order to provide timber--in this case, timber for KPC.

The Forest Service failed to comply with the letter and spirit of the law.

Not only did the agency never explain Section 810, it never even mentioned it. The agency presented no information explaining the cumulative and projected long-term effects that logging under KPC's 50-year contract will have on subsistence patterns on the island. The Forest Service refused to answer questions or allow any discussion--it simply recorded oral testimony.

Responding to his constituents' concerns, Rep. Peter Goll, whose

district includes all of Prince of Wales Island, met with Forest Service officials to iron out a solution to the problem. The meeting resulted in the agency agreeing that from now on all Section 810 hearings will be preceded by an informal Forest Service presentation with the hearing to follow. The agency also agreed to re-conduct hearings if enough people request them.

Under the agreement with Rep. Goll, hearings will also include a presentation of maps showing proposed cut areas, possible future cutting areas, and comparisons to maps of community subsistence areas. The Forest Service will also discuss the possible effects and cumulative effects on subsistence resources over a 50-year period. Following the presentation, the agency will answer questions and encourage people



High-volume, old-growth timber stands are essential to the survival of the Sitka black-tailed deer, a key resource to subsistence users. At the end of the first 100-year rotation, half of the now important available deer winter habitat will be lost forever. (Scott Foster)

to identify logging alternatives which will have the least impact on subsistence patterns when they testify.

The deadline for written comments by those who rely on

Prince of Wales for subsistence is March 10th. Those who think another hearing is necessary should contact Mike Lunn, Forest Supervisor, Ketchikan Area, and request one (225-3101).

Subsistence lawsuit temporarily resolved, logging deferred on NE Chichagof Is.

by JULIE KOEHLER

The first lawsuit ever filed about the impact of logging and road building on subsistence has been temporarily resolved. The decision is important to all residents depending on the subsistence resources of the Tongass.

On January 25, 1989, the federal government and plaintiffs in *Hanlon v. Barton* agreed in federal court to an injunction deferring many areas around Hoonah from timber development pending the Forest Service's evaluation of the effects of that development on subsistence and the environment. As a result, the

Forest Service has agreed to hold subsistence hearings in Hoonah this spring and to make findings about the impact of its timber development plans on subsistence.

The injunction followed a federal district court opinion in November 1988, which found that the Forest Service's current 5-year operating plan for the Alaska Pulp Corporation failed to comply with the requirements of Section 810 of the Alaska Lands Act (ANILCA) in protecting subsistence and of the National Environmental Policy Act (NEPA) in protecting the environment.

The plaintiffs, subsistence-

dependent residents of Hoonah, sued the Forest Service in July 1988, charging that the scale of logging on northeast Chichagof Island will reduce wildlife habitat dramatically and that the agency is ignoring the impacts caused by roading the area.

Last fall, the Alaska Dept. of Fish and Game ordered an emergency closure of northeast Chichagof Island to brown bear hunting and the Board of Game cut the bag limit of deer for nonsubsistence hunters in half, from 6 deer to 3. Need for the closure and restrictions was caused by extensive logging and roading of the area.


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Volunteers needed for beach cleanup in May

NANCY HOLGUIN and IOAQLIN ESTUS, Alaska Division of Governmental Coordination, kindly wrote this article at the request of SEACC.

We need you to help clean up Southeast Alaska's beaches! Governor Cowper is proclaiming May 1989 as "Marine Litter Cleanup Month." This year's cleanup expands successful projects begun in 1988 when volunteers collected thousands of pounds of garbage along Alaska's beaches from Ketchikan to Prince William Sound.

Trash in the ocean has become an increasingly serious problem in recent years, even in remote areas of Alaska. Every year, thousands of marine mammals, waterfowl, and fish are killed when they eat or get trapped in marine debris.

The problem is particularly acute here in Southeast because so many Alaskans depend on the sea and its resources for their livelihood—for commercial fishing, tourism, and for food. The problem is also complex; primarily because many of Alaska's coastal communities have inadequate facilities for handling their own solid waste, often being overwhelmed when increased amounts of garbage are brought in by ships.

Fortunately, people are working on solutions at all levels of government, in the private and nonprofit sectors, and as individuals.

At the federal level, the United States ratified an amendment to the Marpol (Marine Pollution) International Treaty in 1987. The amendment,



Volunteers collected thousands of pounds of garbage in last year's beach cleanup. (Nancy Holguin)

known as Annex V, prohibits ships from disposing of plastics or other synthetic materials anywhere in the ocean.

The U.S. Plastic Pollution Research and Control Act, which took effect on December 31, 1988, implements the Marpol Annex V requirements in the U.S. The Act expands the restrictions on ocean dumping in U.S. waters beyond the requirements of Annex V. It prohibits ships from dumping any garbage within three miles of the coastline, and restricts the disposal of non-plastic garbage between three and 25 miles offshore. The Act also requires U.S. ports to provide, or ensure the availability of, adequate reception facilities for garbage brought by ships transacting business at the port. Coast

Guard regulations to carry out these requirements are due to take effect in mid-February.

The National Marine Fisheries Service is funding projects to help port communities cope with the additional garbage. One is a model port project being done by the Pacific Marine Fisheries Commission. The other project focuses on port communities in Southwest Alaska, but the results will be useful for other coastal communities affected by the new Marpol requirements.

Education and disposal programs will be established at Homer and Petersburg, and at two model ports in each of the other Pacific coastal states (Washington, Oregon, and California). Information from the model ports will be made avail-

able to all west coast ports.

The Southwest Alaska Municipal Conference is identifying solutions to the impending solid waste disposal problem in their region. They're investigating various possible solutions, including ship-board incinerators or compactors, back-hauling (vessels that have just unloaded cargo pick up and transport garbage to a solid waste treatment facility), and using regional barges to transport solid waste from small communities to those that have adequate treatment facilities.

Beach cleanups were started in Southeast Alaska last year. A joint federal-state-local task force led by the Forest Service used beach cleanups to focus attention on marine debris and its effects on wildlife. Beach cleanups were held in Juneau, Ketchikan, and Petersburg. Independent of the task force, cleanups were also held for Admiralty Island Nat'l Monument, Glacier Bay Nat'l Park, Prince William Sound, and Seward.

Ordinary citizens, as individuals and in groups, are making a difference in the battle against marine litter. But Southeast Alaska has many miles of coastline, much of it remote from larger communities. People from all over Southeast are needed to make this effort a regionwide success.

Won't you join in this year's cleanup? If you can participate, or help organize a cleanup in your area, please contact us (Nancy Holguin or Joaqlin Estus) at the Division of Governmental Coordination, Alaska Coastal Management Program, Box AW, Juneau 99811, or phone 465-3562.

Tenakee continues fight against Forest Service tyranny

by **DIANE ZIEL**

Thanks to the generous contributions of Tenakee Springs' many supporters, over \$1800 has been raised for the Indian River Right-of-Way Legal Defense Fund, buying the community many hours of excellent legal work.

In December, Anchorage-based public interest attorney Eric Smith filed an answer to the Forest Service's suit that attempts to gain title of Tenakee's property over which the right-of-way runs. The answer to the Forest Service's condemnation proceedings was filed in late January.

The contradictions of the Forest Service claiming to own the land and filing a suit to gain title, while at the same time acknowledging that the city owns the land so that they must condemn, underlines the Forest Service's determination to control

Tenakee's land, the road access, and ultimately, the community's way of life.

People have been sending the city inspirational comments along with their contributions. Words of encouragement have included: "We are among the many people of Southeast Alaska who support your courageous stand against the heavy hand of Forest Service 'land management' tyranny." "I wish my community had never connected by road to the outside. The peaceful, hospitable fishing town I grew up in is gone forever." "I've had it with the Forest Service's development bent and poor stewardship of the Tongass...You must defend your way of life." "A developed Tenakee with road access is a Tenakee diminished." "Fight them, I'm with you and behind you."

The time and money donated are greatly appreciated as Tenakee could not afford to carry on

this fight alone any longer. However, just as important, perhaps even more important, is the moral support that accompanies every note. Thank you.

Diane Ziel, Tenakee resident and former mayor, has spent nearly 4

years fighting to keep Tenakee unconnected to the Forest Service's NE Chichagof Island road system. Donations to Tenakee's fight can be made out to Indian River Legal Defense Fund, c/o Box 44, Tenakee Springs, AK 99841.



FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 3-15-90
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

FIN

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 3-22-90

5/3/89

Mr. President:

RES

Committee considered SB 317

forest resources and practices and to the management of forest lands; efd

and recommended:

- replace with CS SB 317 (Res) same title
- attached amendment(s) and new title
- _____ letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact ^{FTG DHR DEC}
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

Curtis J. Impehok

Rick Halford

Drum

OTHER RECOMMENDATIONS

J. K. ... No Rec

Paul J. Hancock No Rec

Chair signature and recommendation

Committee backup attached



317

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 3, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to forest resources and practices and to the management of forest land. This bill would make substantial changes in the Alaska Forest Practices Act to meet the needs of a growing and viable timber industry in Alaska while ensuring the protection of public forest resources, including fish habitat and water quality.

Last year, I directed the state resource agencies to conduct a public review of the Forest Practices Act and to make recommendations for improvement in the Act, its regulations, and implementation. In order to facilitate an objective and balanced review, a steering committee was formed including representatives of timber land owners and operators, state agencies, and users of public resources that are affected by forest practices. Because I felt that it would be possible to review the state's forest practices program and meet both the needs of the state's growing timber industry while achieving appropriate protection for public forest resources, the committee attempted to operate by unanimous consent. This approach ensured that the committee's decisions respected all interests.

The bill provides for a streamside management program that strikes a fair balance between the needs of the timber industry and those of fish habitat and water quality protection. It provides for significant timber harvest while providing appropriate protection for public resources. Riparian standards for timber harvest differ depending upon land ownership, stream type, and region. For example, on private land in southeast Alaska, streamside areas of up to 30 meters will be managed for the protection of water quality and fish habitat, although timber operators will not be required to leave more than five percent of their timber volume for this purpose. In this way, strong resource protection exists without requiring any one private