

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6723 SENATE TRANSPORTATION

127

1 pipeline interties between Haines and Skagway, opening land adjacent to the  
2 new highways to recreation and mineral exploration, and expanding employ-  
3 ment opportunities in both communities;

4 (6) completion of the Lynn Canal Highway Project would material-  
5 ly change existing transportation patterns affecting the communities of  
6 northern Lynn Canal, allowing the Alaska marine highway system to terminate  
7 mainline marine services for Southeast Alaska at its Juneau/Auke Bay  
8 terminal, and permitting the system to reschedule existing vessels in use  
9 on mainline routes to improve service for residents of other communities in  
10 Southeast Alaska;

11 (7) because of the interrelated effects on the communities of  
12 northern Lynn Canal, the proposed transportation links constitute a single  
13 project, and the Lynn Canal Highway Project should be authorized, designed,  
14 and completed as a unit; and

15 (8) because improvement of the public's access to the state  
16 capital is a matter of common interest to the whole state, the Department  
17 of Transportation and Public Facilities should give priority to prompt  
18 construction of the Lynn Canal Highway Project.

19 \* Sec. 2. PURPOSE. It is the purpose of this Act

20 (1) to authorize the Department of Transportation and Public  
21 Facilities to construct the Lynn Canal Highway Project and its related  
22 facilities as described;

23 (2) to give the department specific directions regarding how the  
24 Lynn Canal Highway Project is to be completed; and

25 (3) to provide certain safeguards pertaining to the project's  
26 construction.

27 \* Sec. 3. AS 19.65 is amended by adding a new section to read:

28 ARTICLE 2. VESSEL OPERATIONS.

29 Sec. 19.65.100. SHUTTLE SERVICE ACROSS NORTHERN LYNN CANAL.

1 Notwithstanding the provision in AS 19.60.010 giving the Department of  
2 Transportation and Public Facilities authority to acquire and maintain  
3 ferry terminals at locations it selects, the Department of Transporta-  
4 tion and Public Facilities shall provide cross-canal vessel services  
5 between a ferry terminal located on the east side of Lynn Canal north  
6 of Berner's Bay and a ferry terminal on the west side of Lynn Canal  
7 proximate to the southern end of the Chilkat Peninsula.

8 \* Sec. 4. PROJECT AUTHORIZED. (a) The Department of Transportation and  
9 Public Facilities shall design and construct a highway and related facil-  
10 ities as follows:

11 (1) a highway from the northern end of Alaska Highway 7 (Glacier  
12 Highway) at Echo Cove, north to the vicinity of a point nine miles north of  
13 Comet;

14 (2) a ferry landing in the vicinity of a point nine miles north  
15 of Comet, consisting of a ramp, breakwater, and vehicle staging area;

16 (3) a highway from Haines to a point near the southern end of  
17 the Chilkat Peninsula;

18 (4) a ferry landing near the southern end of the Chilkat Penin-  
19 sula, consisting of a ramp, breakwater, and vehicle staging area;

20 (5) shuttle ferries of a size and capacity sufficient to accom-  
21 modate peak traffic demands between the two ferry landings;

22 (6) a highway connecting the communities of Haines and Skagway,  
23 following a route from the present end of the road in the northern end of  
24 Lutak Inlet, around Sanka Point, north through the Ferebee River valley,  
25 through a tunnel under Halutu Ridge, then north along Taiya Inlet to Dyea.

26 (b) The highways authorized by (a) of this section shall be con-  
27 structed to specifications applicable to the construction of a federal aid  
28 "primary system" highway under 23 U.S.C. 103(b), as those specifications  
29 have been approved by the United States Secretary of Transportation under

1 23 U.S.C. 109.

2 \* Sec. 5. LIMITATIONS. (a) Notwithstanding AS 19.10.170(b), in the  
3 preparation of plans for construction of roads authorized by this Act, the  
4 Department of Transportation and Public Facilities

5 (1) shall prepare the initial design of the Lynn Canal Highway  
6 Project through the use of aerial surveying methods, to the maximum extent  
7 possible;

8 (2) may not contract for surveying, mapping, and engineering and  
9 design services; the department shall perform all work relating to roads  
10 for the Lynn Canal Highway Project prior to their actual construction using  
11 personnel employed by the department.

12 (b) To meet costs of preparation incurred under (a) of this section,  
13 the charges made by the Department of Transportation and Public Facilities  
14 against amounts appropriated for the Lynn Canal Highway Project adminis-  
15 tration may not exceed 15 percent of the estimated actual cost of the  
16 project's construction.

17 (c) The Department of Transportation and Public Facilities shall  
18 include construction of ferry landings, ramps, vehicle staging areas, and  
19 breakwaters as an integral part of the general contract for construction of  
20 the highway. When constructing ferry facilities for the Lynn Canal Highway  
21 Project, the department shall, to the maximum extent possible, use the  
22 design and engineering done for the ferry ramp in Ketchikan for the MV  
23 Chilkat.

24 \* Sec. 6. CLAIMS. In a claim or other legal action against the state  
25 arising from the state's activities in completing the Lynn Canal Highway  
26 Project, if the state is the prevailing party, the party or parties that  
27 brought the claim or maintained the action shall pay or reimburse

28 (1) all costs, including attorney fees, and expenses of prepara-  
29 tion, trial, and appeal incurred by the state in defending against the

1 claim or legal action; and

2 (2) any financial losses that are determined by the person  
3 conducting the administrative hearing or by the court to be directly at-  
4 tributable to construction delays resulting from the assertion of the claim  
5 or commencement of the legal action.

6 \* Sec. 7. Section 6 of this Act has the effect of changing Rules 79 and  
7 82, Alaska Rules of Civil Procedure, by limiting the discretion of the  
8 court and the clerk of court in the award of costs and attorney fees if a  
9 person has commenced an action or proceeding against the state arising from  
10 the state's activities in completing the Lynn Canal Highway Project and the  
11 state, as defendant, prevails.

12 \* Sec. 8. Section 3 of this Act takes effect upon completion of con-  
13 struction of the roads, vessels, and facilities authorized by sec. 4(a)-  
14 (1) - (5) of this Act.

15 \* Sec. 9. Except for sec. 3, this Act takes effect immediately under  
16 AS 01.10.070(c).

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: DOT&PF  
 Title: Authorizing DOT&PF To Construct  
Lynn Canal Highway Project BRU: \_\_\_\_\_  
 Sponsor: Coghill Components: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>						

<b>CAPITAL</b>		500.0	500.0	500.0	5,500.0	30,900.0
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<b>REVENUE</b>						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND		500.0	500.0	500.0	475.7	2,672.8
FEDERAL FUNDS					5,024.3	28,227.2
OTHER						
<b>TOTAL</b>		500.0	500.0	500.0	5,500.0	30,900.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

See attached.

Prepared by: R. T. Meketa, Chief of Planning Phone: 789-6264  
 Division: Southeast Region, DOT&PF Date: 3-24-89

Approved by Commissioner: *M. R. A. H.* Date: 4/4/89  
 Agency: \_\_\_\_\_

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

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Authorizing DOT&PF To Construct  
Lynn Canal Highway Project  
Sponsor: Coghill  
Requestor: \_\_\_\_\_

Agency Affected: DOT&PF  
BRU: \_\_\_\_\_  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89 95	FY 90 96	FY 91 97	FY 92 98	FY 93 99	FY 94 2000
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>					5,150.0	5,150.0
<b>CAPITAL</b>	83,100.0	202,400.0	65,600.0	-0-		
<b>REVENUE</b>				-0-	1,700.0	1,700.0

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	7,188.1	17,507.6	5,674.4			
FEDERAL FUNDS	75,911.9	184,392.4	59,925.6			
OTHER						
<b>TOTAL</b>	83,100.0	202,400.0	65,600.0			

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

See attached.

Prepared by: R. T. Meketa, Chief of Planning  
Division: Southeast Planning, DOT&PF

Phone: 789-6264  
Date: 3-24-89

Approved by Commissioner: M. K. S. N. I.  
Agency: \_\_\_\_\_

Date: 4/4/89

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

## ANALYSIS - SB 124

Senate Bill No. 124 (SB 124) authorizes the Department of Transportation and Public Facilities (DOT&PF) to construct the Lynn Canal Highway Project, consisting of roads, ferry vessels and ferry terminals connecting the communities of Juneau, Haines and Skagway. SB 124 provides specific detail and direction regarding the components of the improvements and the methodology DOT&PF is to use in developing the project. Related legislation (SB 125) appropriates \$8,827,325 from the general fund and \$93,222,675 in federal funds to complete the project.

The Southeast Alaska Transportation Plan, as amended in 1986, evaluated alternative transportation system improvements on a regional and multi-modal scale. The Plan recommended a long-term improvement consisting of the addition of two large-capacity, high-speed ferries to provide supplemental peak season service in the Lynn Canal corridor. The Plan further recommended that the Juneau-Haines-Skagway road link continue to be monitored to ascertain when developments would warrant a re-assessment of the feasibility of the road.

DOT&PF has determined that the construction of road access to Juneau via the Lynn Canal corridor still lacks justification, at this time. However, DOT&PF would support funding for an Environmental Impact Statement since such an effort will provide valuable information to assist in the continued assessment of feasibility.

The accompanying Fiscal Note constitutes DOT&PF's best estimate of the cost to implement SB 124. These estimates assume a one-time appropriation of full funding to complete the total project, by phase (planning, engineering, environmental, design, right-of-way, construction, operation, etc.), within a reasonable time frame. Other approaches, such as incremental funding or staged construction, could alter the costs. Additionally, basic information necessary to make an educated estimate of tunnel costs is not available to DOT&PF at this time. Construction cost estimates for that segment of the project are order-of-magnitude only and could vary considerably depending on several controlling factors.

ANALYSIS - SB 124

DEVELOPMENT SCHEDULE

90 91 92 93 94 95 96 97 98 99 00

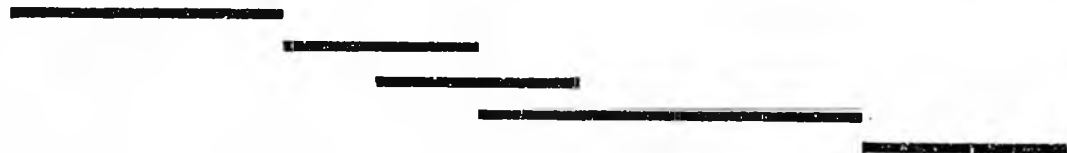
Juneau To East-Side Ferry Terminal

Environmental Impact Statement  
 Preliminary Engineering  
 Design  
 Construction  
 Operation



East-Side Ferry Terminal To Skagway

Environmental Impact Statement  
 Preliminary Engineering  
 Design  
 Construction  
 Operation



Ferry Terminals

Design  
 Construction  
 Operation



Ferries

Design  
 Construction  
 Operation



Senate Transportation Committee  
Public Hearing 1:30 P. M.

ATTENTF

Senator Lloyd Jones:

Sorry I am unable to attend your hearing on a Lynn Canal Highway system.

As Vice President of the Haines Chamber of Commerce, I held a public meeting of the Haines business community to get input on this subject. It was very clear that of the more than thirty persons in attendance, the vast majority support the development of this road to Haines.

Only two of those in attendance were opposed.

Over the years many petitions have shown support for a road up the Lynn Canal to Haines. Only just last August over three hundred fifty Haines residents signed a petition in support of the Haines road when presented by Mr. Red Swansen at the Southeast Alaska State Fair. This road should be built for all Alaskans, not only for persons of Juneau or the Lynn Canal Communities.

We urge your Favorable consideration.

Sincerely,

*Jon D. Halliwill*

Jon D. Halliwill  
Vice President  
Haines Chamber of Commerce

APRIL 11, 1989

SB 124        COGHILL

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AN AUTHORIZING THE CONSTRUCTION OF A HIGHWAY AND FERRY SHUTTLE SYSTEM BETWEEN JUNEAU, HAINES, AND SKAGWAY

DOT/PF DOES NOT SUPPORT THE BILL. HOWEVER, IT DOES SUPPORT AND ENVIRONMENTAL IMPACT STATEMENT TO ASSESS ITS FEASIBILITY.

THE SKAGWAY CHAMBER OF COMMERCE PASSED A RESOLUTION SUPPORTING THE PROJECT.

SENATOR COGHILL FEELS THE BILL WOULD OPEN THIS AREA TO MORE MINING AND RECREATION.

LYNN CANAL HIGHWAY PROJECT

APRIL 1989

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1 IN THE SENATE

BY COGHILL

2

SENATE BILL NO. 124

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act authorizing the Department of Transportation  
7 and Public Facilities to construct the Lynn Canal  
8 Highway Project, consisting of roads and of vessels  
9 and ferry terminals for the Alaska marine highway  
10 system, serving the principal communities of northern  
11 Lynn Canal; relating to the disposition of certain  
12 claims and actions arising from the state's activ-  
13 ities in completing that project; changing Rules 79  
14 and 82, Alaska Rules of Civil Procedure; and provid-  
15 ing for an effective date."

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

17 \* Section 1. FINDINGS. The legislature finds that

18 (1) lack of direct road access between communities in the Rail-  
19 belt and the state capital at Juneau has been a source of unhappiness among  
20 residents of all areas of the state;

21 (2) within the last decade, road connections to ports situated  
22 along northern Lynn Canal have been significantly improved:

23 (A) the state Department of Transportation and Public  
24 Facilities and agencies having similar functions in British Columbia  
25 and Yukon have planned and carried out improvements to the highway  
26 between Haines Junction and the port of Haines; the road remains the  
27 principal access route between the state's population centers in  
28 western Alaska and the state capital;

29 (B) the agencies also have completed construction of the

1 Klondike Highway joining Whitehorse and the Alaska Highway in Canada's  
2 Yukon to the port of Skagway, opening a second means of road access by  
3 Alaskan and residents of Canada to a northern Southeast Alaska port;

4 (3) to accommodate international and intrastate movement of  
5 passengers and goods for the benefit of the residents of the state, there  
6 is a need to construct a highway that would provide a direct link between  
7 the state capital at Juneau and the existing highways at Haines and Skag-  
8 way;

9 (4) recognizing the limitations imposed by topography, the most  
10 reasonable, expeditious, and cost effective plan for construction and  
11 maintenance of the Lynn Canal Highway Project involves a combination of  
12 road, vessel, and ferry terminal construction for the three communities,  
13 including

14 (A) extension of the Haines Highway south from Haines to a  
15 point near the south end of the Chilkat Peninsula on the west side of  
16 Lynn Canal;

17 (B) extension of Alaska Highway 7 (Glacier Highway) from  
18 its terminus at Echo Cove north of Juneau to a point approximately  
19 nine miles north of Comet on the east side of Lynn Canal;

20 (C) construction of ferry terminals at each of the loca-  
21 tions where these highways terminate;

22 (D) construction of at least two shuttle ferries to move  
23 passengers and vehicles between these ferry terminals across Lynn  
24 Canal; and

25 (E) planning and construction of a road on the west side of  
26 Lynn Canal to connect the communities of Haines and Skagway;

27 (5) completion of the Lynn Canal Highway Project would better  
28 integrate and further diversify the economies of the communities of north-  
29 ern Lynn Canal, allowing for construction of power transmission and



1 Notwithstanding the provision in AS 19.60.010 giving the Department of  
2 Transportation and Public Facilities authority to acquire and maintain  
3 ferry terminals at locations it selects, the Department of Transporta-  
4 tion and Public Facilities shall provide cross-canal vessel services  
5 between a ferry terminal located on the east side of Lynn Canal north  
6 of Berner's Bay and a ferry terminal on the west side of Lynn Canal  
7 proximate to the southern end of the Chilkat Peninsula.

8 \* Sec. 4. PROJECT AUTHORIZED. (a) The Department of Transportation and  
9 Public Facilities shall design and construct a highway and related facil-  
10 ities as follows:

11 (1) a highway from the northern end of Alaska Highway 7 (Glacier  
12 Highway) at Echo Cove, north to the vicinity of a point nine miles north of  
13 Comet;

14 (2) a ferry landing in the vicinity of a point nine miles north  
15 of Comet, consisting of a ramp, breakwater, and vehicle staging area;

16 (3) a highway from Haines to a point near the southern end of  
17 the Chilkat Peninsula;

18 (4) a ferry landing near the southern end of the Chilkat Penin-  
19 sula, consisting of a ramp, breakwater, and vehicle staging area;

20 (5) shuttle ferries of a size and capacity sufficient to accom-  
21 modate peak traffic demands between the two ferry landings;

22 (6) a highway connecting the communities of Haines and Skagway,  
23 following a route from the present end of the road in the northern end of  
24 Lutak Inlet, around Sanka Point, north through the Ferebee River valley,  
25 through a tunnel under Halutu Ridge, then north along Taiya Inlet to Dyea.

26 (b) The highways authorized by (a) of this section shall be con-  
27 structed to specifications applicable to the construction of a federal aid  
28 "primary system" highway under 23 U.S.C. 103(b), as those specifications  
29 have been approved by the United States Secretary of Transportation under

1 23 U.S.C. 109.

2 \* Sec. 5. LIMITATIONS. (a) Notwithstanding AS 19.10.170(b), in the  
3 preparation of plans for construction of roads authorized by this Act, the  
4 Department of Transportation and Public Facilities

5 (1) shall prepare the initial design of the Lynn Canal Highway  
6 Project through the use of aerial surveying methods, to the maximum extent  
7 possible;

8 (2) may not contract for surveying, mapping, and engineering and  
9 design services; the department shall perform all work relating to roads  
10 for the Lynn Canal Highway Project prior to their actual construction using  
11 personnel employed by the department.

12 (b) To meet costs of preparation incurred under (a) of this section,  
13 the charges made by the Department of Transportation and Public Facilities  
14 against amounts appropriated for the Lynn Canal Highway Project adminis-  
15 tration may not exceed 15 percent of the estimated actual cost of the  
16 project's construction.

17 (c) The Department of Transportation and Public Facilities shall  
18 include construction of ferry landings, ramps, vehicle staging areas, and  
19 breakwaters as an integral part of the general contract for construction of  
20 the highway. When constructing ferry facilities for the Lynn Canal Highway  
21 Project, the department shall, to the maximum extent possible, use the  
22 design and engineering done for the ferry ramp in Ketchikan for the MV  
23 Chilkat.

24 \* Sec. 6. CLAIMS. In a claim or other legal action against the state  
25 arising from the state's activities in completing the Lynn Canal Highway  
26 Project, if the state is the prevailing party, the party or parties that  
27 brought the claim or maintained the action shall pay or reimburse

28 (1) all costs, including attorney fees, and expenses of prepara-  
29 tion, trial, and appeal incurred by the state in defending against the

1 claim or legal action; and

2 (2) any financial losses that are determined by the person  
3 conducting the administrative hearing or by the court to be directly at-  
4 tributable to construction delays resulting from the assertion of the claim  
5 or commencement of the legal action.

6 \* Sec. 7. Section 6 of this Act has the effect of changing Rules 79 and  
7 82, Alaska Rules of Civil Procedure, by limiting the discretion of the  
8 court and the clerk of court in the award of costs and attorney fees if a  
9 person has commenced an action or proceeding against the state arising from  
10 the state's activities in completing the Lynn Canal Highway Project and the  
11 state, as defendant, prevails.

12 \* Sec. 8. Section 3 of this Act takes effect upon completion of con-  
13 struction of the roads, vessels, and facilities authorized by sec. 4(a)-  
14 (1) - (5) of this Act.

15 \* Sec. 9. Except for sec. 3, this Act takes effect immediately under  
16 AS 01.10.070(c).

<u>Funding Information</u>	
General Fund	\$ 8,827,325
Other Funds	93,222,675
	<u>\$102,050,000</u>

1 IN THE SENATE

BY COGHILL

2

SENATE BILL NO. 125

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation for construc-

7

tion of roads and for construction of vessels and

8

ferry terminals of the Alaska marine highway system

9

for the Lynn Canal Highway Project; and providing for

10

an effective date."

11

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

12

\* Section 1. The sum of \$8,827,325 is appropriated from the general

13

fund and the sum of \$93,222,675 is appropriated from federal funds for

14

construction of roads and for construction of vessels and ferry terminals

15

for the Alaska marine highway system for the Lynn Canal Highway Project, to

16

be allocated as follows:

17

(1) road construction and reconstruction, from present northern

18

end of Alaska Highway 7 (Glacier Highway) at Echo Cove to the vicinity of a

19

point nine miles north of Comet \$41,000,000

20

(2) road construction and reconstruction from Haines to the

21

south end of the Chilkat Peninsula \$ 5,100,000

22

(3) construction of ferry ramps, vehicle staging areas, and

23

breakwaters at a point approximately nine miles north of Comet and near the

24

south end of Chilkat Peninsula \$ 1,200,000

25

(4) construction of two shuttle ferries \$12,000,000

26

(5) road construction and reconstruction from present end of

27

road at north end of Lutak Inlet, around Sanka Point and north via the

28

Ferebee River valley \$16,000,000

29

(6) tunnel construction through Halutu Ridge \$22,750,000



## SECTIONAL ANALYSIS

SB 124 "An Act authorizing the Department of Transportation and Public Facilities to construct the Lynn Canal Highway Project, consisting of roads and of vessels and ferry terminals for the Alaska marine highway system, serving the principal communities of northern Lynn Canal; relating to disposition of certain claims and actions arising from the state's activities in completing that project; changing Rules 79 and 82, Alaska Rules of Civil Procedure; and providing for an effective date."

Sec.1. Provides findings that justify the project:

1. that the lack of access to the capitol is a source of unhappiness for Alaskan residents;
2. that road connections northward out of Haines and Skagway have been greatly improved in the last decade;
3. that linking Juneau to the roads out of Haines and Skagway would accomodate international and intrastate traffic;
4. that the most reasonable, expeditious and cost effective route, given the topography in the Juneau area, is the one proposed by the bill;
5. that the highway would serve to diversify and integrate the economies of the communities it served, would allow power transmission and pipeline interties, would open land along its corridor to recreation and mineral exploration, and would expand employment opportunities;
6. that completion of the highway would allow the marine highway system to terminate in Juneau, thus allowing better service to other communities in the rest of Southeast;
7. that the Lynn Canal Highway Project should be authorized, designed and completed as a single, integrated project;
8. that DOT/PF should give high priority to the project, because it is a matter of common interest to the whole state.

Sec. 2. Explains that the purpose of the Act is to authorize and direct construction of the project, and to provide certain safeguards relating to the project's construction.

Sec. 3. Amends Title 19, Chapter 65 (Alaska Marine Highway System) to direct DOT/PF to provide cross-channel ferry service between the two ferry terminals included in the project. This directive is included because this type of service (a point-to-point, continuously running shuttle as a link in a highway) is different from the type of service currently provided by the marine highway.

Sec. 4. (a) Authorizes the project, and directs DOT/PF to build it as described: (1) a road from Echo Cove to about 9 miles north of Comet; (2) a ferry landing at that point; (3) a road from Haines to the southern end of Chilkat Peninsula; (4) a ferry landing at that point; (5) shuttle ferries of a

capacity to handle traffic between the two ferry landings; (6) a highway connecting Haines and Skagway, from Lutak Inlet, around Sanka Point, north up the Ferebee River valley, through a tunnel under Halutu Ridge, and north along Taiya Inlet to Dyea.

Sec. 4. (b) Directs that the road be built to Federal specifications for a "primary system" highway.

Sec. 5. (a) Directs DOT/PF to (1) use aerial surveying as much as possible in the initial design stage, and (2) to perform all work on the project, up to the construction phase, using only department personnel.

Sec. 5. (b) Limits the amount of administrative costs to 15% of the estimated cost of the project's construction.

Sec. 5. (c) Requires DOT/PF to include the construction of the ferry landing facilities as part of the contract for the construction of the road. This section also directs DOT/PF, in building these ferry terminals, to make maximum use of design and engineering done for the MV Chilkat ramp in Ketchikan.

Sec. 6. Requires that any party who sues to stop construction of the project will be held financially responsible for the costs incurred, if the state prevails in the action. This would cover (1) costs of the action, including attorney's fees, as well as (2) any financial losses determined to be attributable to construction delays resulting from the legal action.

Sec. 7. Changes Rules 79 and 82, Alaska Code of Civil Procedure, to reflect the financial responsibility provision of section 6. The court would be limited in its discretion to award costs and attorney fees.

Sec. 8. Provides an effective date for section 3, the operation of the shuttle ferries by the marine highway system. This would become effective only upon completion of the project.

Sec. 9. Provides an immediate effective date for the remainder of the bill.

1 IN THE SENATE

BY COGHILL

2

SENATE JOINT RESOLUTION NO. 36

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

Requesting the Congress to reserve a

6

highway corridor or setback along the

7

east shoreline of Lynn Canal.

8

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

9

WHEREAS, of all the continental states of the United States, Alaska's  
10 capital, Juneau, is the only one that is not connected by highway to the  
11 rest of the state, denying most Alaskans direct land access to the seat of  
12 government; and

13

WHEREAS there is currently pending in the Alaska State Legislature  
14 legislation that would authorize and appropriate money for the construction  
15 of the Lynn Canal Highway Project, consisting of a highway and shuttle  
16 ferry facilities, linking Juneau with Haines and Skagway; and

17

WHEREAS, in addition to improving direct land access to the seat of  
18 government, the Lynn Canal Highway Project is important to the economies of  
19 the communities of Lynn Canal because it would enhance diversity of the  
20 economies of these communities; and

21

WHEREAS the proposed highway would pass through highly mineralized  
22 areas that are currently being developed into operating mines; and

23

WHEREAS it is estimated that opening the Lynn Canal Highway would  
24 precipitate a four-fold increase in visitor traffic between Juneau and the  
25 communities of Upper Lynn Canal; and

26

WHEREAS completion of the Lynn Canal Highway Project would allow the  
27 Alaska Marine Highway System to terminate its mainline ferries at Juneau  
28 and thereby allow for improved ferry services to the remaining communities  
29 served by ferry in Southeastern Alaska; and

1           WHEREAS the proposed Lynn Canal Highway Project would qualify for  
2 federal matching funds for its construction; and

3           WHEREAS the proposed highway route of the Lynn Canal Highway Project  
4 would pass almost entirely through federal and state lands, requiring  
5 almost no purchase of private property; and

6           WHEREAS a federally-designated wilderness area has been proposed for  
7 the headwaters of Berners Bay that, if approved, would incorporate part of  
8 the route of the Lynn Canal Highway Project; and

9           WHEREAS the proposed wilderness area would work an extreme hardship on  
10 the developing hardrock mines in the area, as well as precluding potential  
11 timber, fishery, tourism, and travel activities of the private sector; and

12           WHEREAS, at the time of withdrawal of lands for designation of wilder-  
13 ness area within the Tongass National Forest known as the Endicott River  
14 Wilderness area, Congress established a six-mile corridor or setback along  
15 the west side of Lynn Canal for future economic and access needs; and

16           WHEREAS, because the Lynn Canal Highway Project proposes a highway on  
17 the east side of Lynn Canal, the west side corridor is not appropriate for  
18 the needs of the project; and

19           WHEREAS a similar corridor or setback along the east side of Lynn  
20 Canal would assist development of the Lynn Canal Highway Project;

21           BE IT RESOLVED that the Alaska State Legislature asks the United  
22 States Congress, in its deliberations relating to the Tongass National  
23 Forest, to set aside a two-mile corridor or setback along the shoreline of  
24 the east side of Lynn Canal, to be reserved specifically for a highway,  
25 utility right-of-way, and related facilities, and to promote private sector  
26 economic development activities.

27           COPIES of this resolution shall be sent to the Honorable George Bush,  
28 President of the United States; the Honorable Dan Quayle, Vice-President of  
29 the United States and President of the U.S. Senate; the Honorable Jim

1 Wright, Speaker of the U.S. House of Representatives; the Honorable George  
2 J. Mitchell, Majority Leader of the U.S. Senate; the Honorable Samuel K.  
3 Skinner, U.S. Secretary of Transportation; the Honorable Robert A.  
4 Mosbacher, U.S. Secretary of Commerce; the Honorable Clayton K. Yeutter,  
5 U.S. Secretary of Agriculture; and the Honorable Manuel Lujan, Jr., U.S.  
6 Secretary of the Interior; and to the Honorable Ted Stevens and the Honor-  
7 able Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S.  
8 Representative, members of the Alaska delegation in Congress.

## INFORMATION SHEET

- 1) TOP PRIORITY IS TO PROVIDE ACCESS TO THE CAPITOL.
- 2) Of all the continental states of the United States, Alaska's capital, Juneau, is the only one that is not connected by highway to the rest of the state, denying most Alaskans direct land access to the seat of government.
- 3) Connects Juneau with two year-round transportation routes through both Haines and Skagway.
- 4) Provides a very broad spectrum of increased recreation opportunities.
- 5) Would accommodate and encourage future growth in the tourist industry.
- 6) Provides opportunities for businessmen and entrepreneurs.
- 7) The highway passes through highly mineralized areas.
- 8) The land is primarily federally and state owned.
- 9) Provides daily service by truck or bus to both Skagway and Haines.
- 10) By using the federal matching funds, construction could begin in 2 years upon completion of the Economic Impact Statement. Actual construction time of the job itself would be approximately 3 years.
- 11) The highway and it's right of way between Juneau, Haines, and Skagway will provide a corridor for pipelines and hydro-electric transmission lines.
- 12) The road would enable Alaska Marine Highways to turn the ferries around at Juneau/Auke Bay, thus allowing an approximate 20% increase in ferry service to the rest of Southeast Alaska.
- 13) Due to greater convenience and the decreased cost of travelling, traffic on the Lynn Canal Highway is estimated to increase a minimum of 400% over current ferry travel.

## JUNEAU ACCESS CORRIDORS

ROUTE DESCRIPTION	COST IN MILLIONS
A. Continue Existing System	\$ 68.7*
B. Eastside Road/Chilkoot Inlet Bridge	337.7
C. Eastside Road/Haines-Skagway Road	291.2
D. Westside Road via St. James Bay	222.5
E. Westside Road via WM. Henry Bay	172.4
F. Shuttle to Sullivan Is./Road to Haines	141.6
G. Eastside Road to Katzehin R./Shuttle Haines/Sgy	223.7
H. Eastside Road to Skagway/Shuttle to Haines	236.7
I. High Speed Ferries	104.6
J. Taku Inlet Route with Bridge	202.5
K. Taku Inlet Route with Ferry	143.0
L. S.B. 124 Route with Ferry to Chilkat Penninsula, and road connecting Haines and Skagway	102.1

\*Figures taken from Southeast Alaska Transportation Plan, Evaluation of Corridor Alternatives, Juneau Access (Lynn/Taku Corridors), page 3-7.

ESTIMATED ANNUAL MAINTENANCE COSTS

District 4 - 32 miles new construction

District 2 - 33 miles new construction  
14 miles re-construction

A total of 8 maintenance personnel would be required. The cost of this personnell is included in the figure below.

Total estimated annual road maintenance cost is: \$1,200,000

SHUTTLE FERRY INFORMATION

COST: \$ 6,000,000 per shuttle ferry  
\$ 25,000 annual maintenance per shuttle ferry

DIMENSIONS: 200 ft. x 50 ft.

SPEED: 12 m.p.h.

ENGINE: Diesel power

WEIGHT: Maximum gross capacity 100 tons

EMPLOYMENT BREAKDOWN FROM MINING IN BERNERS BAY

	<u>Kensington</u>	<u>Jualin</u>
Management	29	14
Maintenance	11	6
Engineers	8	4
Geologists	4	2
Underground	71	35
Mechanics	50	25
Electricians	10	5
Samplers	3	1
Surveyors	6	3
Clerks	5	3
Metallurgist	3	1
Environmental Tech.	2	1
Assayer	7	3
Laborer	8	4
Bucker	2	1
Refiner	4	2
Secretaries	5	3
Security	4	2
Safety	2	1
Nurse	2	1
Cooks	16	8
Janitorial	4	2
Plumber	2	1
Carpenter	2	1
Accounting	8	4
Personnel	2	1
Purchasing	2	1
Operators	48	24
<b>TOTAL</b>	<b>320</b>	<b>159</b>

ESTIMATED RETURNS FROM MINING INDUSTRY IN BERNERS BAY AREA

Kensington (Echo Bay).....\$17,000,000 Goods & Services  
10,000,000 Payroll

Estimated annual wages & services \$ 27,000,000  
Estimated 10 year wages & services \$270,000,000

---

Jualin (Curator American).....\$ 5,000,000 Goods & Services  
\$ 6,500,000 Payroll

Estimated annual wages & services \$ 11,500,000  
Estimated 10 year wages & services \$115,000,000

---

Difficult access (No road access currently available).

SHUTTLE FERRY ANNUAL OPERATING AND REVENUE PROJECTIONS

2 Captains	18(26.49)	=	\$476.82
2 Engineers	18(24.64)	=	443.52
4 Deck Hands	36(16.24)	=	584.64

TOTAL PER DAY	\$	1504.98
TOTAL PER YEAR	\$549,317.70	

Fuel cost estimates based on \$1.40 per gallon  
 18 hours at 65 gallons per hour = 1170 gallons per day.

TOTAL PER DAY	\$	1638.00
TOTAL PER YEAR	\$597,870.00	

WAGES	\$549,317.70
FUEL	597,870.00
MAINTENANCE	25,000.00

TOTAL ANNUAL OPERATING	\$1,172,187.70
ANNUAL OPERATING FOR 2 FERRIES	\$2,344,375.40

TOTAL VEHICLE PROJECTIONS 172,300  
 75% = 129,225 19 ft. vehicles at \$ 9.08 = \$1,173,363  
 25% = 43,075 30 ft. vehicles at \$20.72 = 892,514

3 people per vehicle = 516,900 at \$4.38 = \$2,264,022

TOTAL REVENUE PROJECTIONS	\$4,329,899
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Less operating costs	(2,344,375)
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NET PROFIT	\$1,985,524
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Province of  
British Columbia

Ministry of  
Transportation  
and Highways

940 Blanshard Street  
Victoria  
British Columbia  
V8W 3E6  
Phone: 387-3280

OFFICE OF THE  
DEPUTY MINISTER

YOUR FILE: .....

OUR FILE 53-20-00 .....

October 20, 1988

Mr. Leslie E. Swanson  
113 West 5th Street  
Juneau, Alaska  
U.S.A., 99801

Dear Mr. Swanson:

Reference is made to your telephone conversation with Mr. P. J. Bonser, Acting Director, Traffic and Design, on Friday October 7, 1988, concerning a road connection between Atlin, British Columbia and Juneau, Alaska via the Taku Valley.

I advise you that this Ministry has no plans at this time to make this connection and has not carried out any preliminary studies or design.

Yours truly,

M. V. Collins  
Acting Deputy Minister

PUBLIC SUPPORT

Signatures on petitions: More than 6000.

Capital City Weekly Poll results: In favor - 74%  
Opposed - 26%

Representative Ulmers Survey results: "Four times as many  
residents in favor as opposed. Pro = 90 Con = 20.

THIS PROJECT WOULD BE AUTHORIZED BY SB 124  
AND FUNDED UNDER SB 125 - SPONSORED BY SENATOR JACK COGHILL

FUNDING AND CONSTRUCTION WOULD TAKE PLACE  
OVER A FIVE YEAR PERIOD

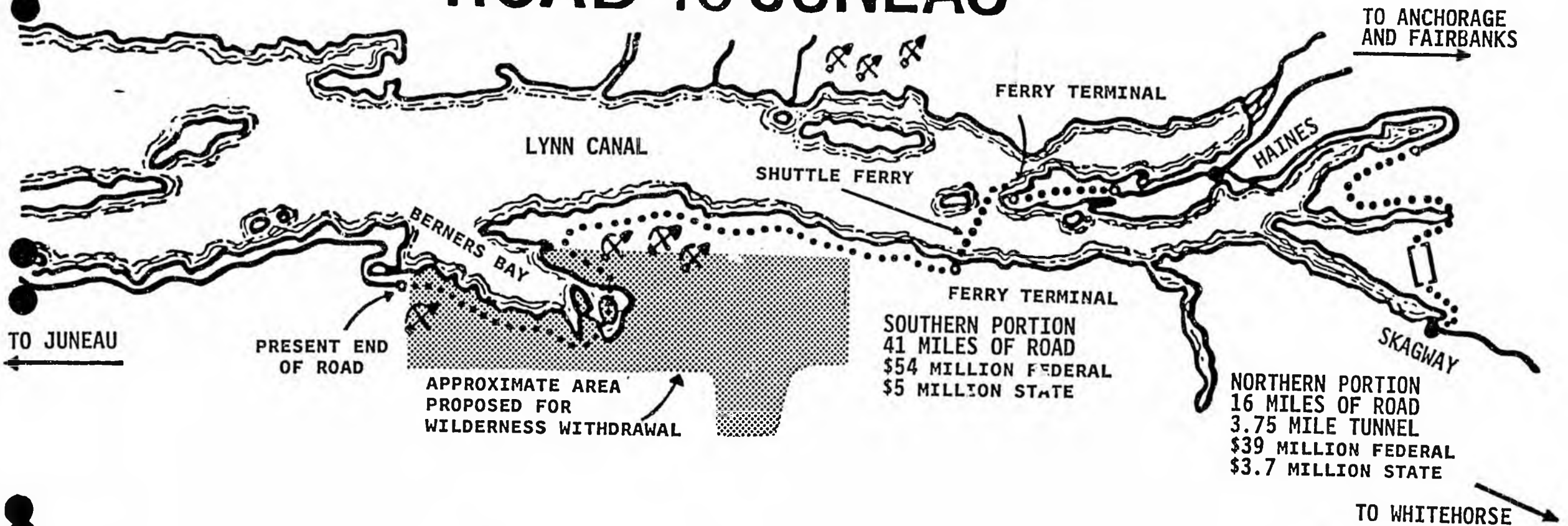
TOTAL ESTIMATED COST OF CONSTRUCTION = \$102,050,000

FEDERAL SHARE = \$ 93,222,675

STATE SHARE = \$ 8,827,325

### LYNN CANAL HIGHWAY PROJECT

# "ROAD TO JUNEAU"



## LIST OF KEY BACKGROUND REPORTS

- 1) A Delphi Forecast of Alaska's Development to the Year 2000 & Beyond, Alaska Department of Commerce & Economic Development, June 1983.
- 2) Alaska Economic Trends, Turbulent Times in Alaska's Financial Industry. November 1988.
- 3) Alaska Economic Trends, Winter Tourism is Alaska - Not an Anomaly, Alaska Department of Labor, December 1988.
- 4) Alaska Marine Highway Draft System Plan, November 1986.
- 5) Alaska Marine Highway System - The Community Perspective, Ayers & Associates, April 1987.
- 6) Alaska's Mineral Industry 1987, Division of Geological & Geophysical Surveys Special Report 41.
- 7) Alaska Transportation Recap 1988, The Alaska Public Affairs Journal, Fall 1988.
- 8) Alaska Visitors Statistics Program, Alaska Visitor Arrivals Fall/Winter/Spring 1987-1988, Dept of Commerce & Economic Development Division of Tourism.
- 9) Annual Traffic Volume Report, Alaska Marine Highways System, 1977 - 1987.
- 10) Echo Bay Mines Annual Report 1987, Echo Bay Mines.
- 11) Evaluation of Corridor Alternatives - Juneau Access (Lynn/Taku Corridors), Acres International Corporation, March 1986.
- 12) Gold - Copper Mineralization of the Chilkat Peninsula & Islands, United States Dept. of the Interior.
- 13) Jualin Mine Access, Exploration, & Bulk Sampling, Revised 3/29/88. Environmental Assessment Juneau Ranger District Tongass National Forest Alaska Region.
- 14) Population Estimates and Projections for Alaska 1980 - 1991, Alaska Department of Labor.
- 15) Record of Community Response, Acres International Corporation, June 1986.

- 16) Report by the Alaska Legislative Economic Recovery Team, Republican House of Representatives, February 1983.
- 17) Report of Investigation 88-8, Preliminary Geology of the Northern Chilkat Range, Southeastern AK, W.G. Gilbert.
- 18) Southeast Alaska Transmission Intertie, Alaska Power Authority, August 1987.
- 19) Southeast Alaska Transportation Plan, Acres International Corporation, April 1986.
- 20) Southeast Alaska Transportation Plan, Acres International Corporation, June 1986.
- 21) Technology Evaluation, Acres International Corporation, September 1985.
- 22) Tourism in Alaska, A Report by the House Finance Subcommittee on the Department of Commerce and Economic Development Division of Tourism, January 1986.
- 23) Transportation Requirements for the Growth of Northwest North America, 87th Congress, 1st Session House Document No. 176, Volume 3 May 25, 1961.



Official Business

# Alaska State Legislature

## Senate

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

### MEMORANDUM

To: Senator Lloyd Jones

From: Senator Jack Coghill

Re: SB 124 and SB 125

Date: March 16, 1989

I would appreciate if you would schedule SB 124 and SB 125 for a Senate Transportation Committee hearing as soon as possible.

SB 124 authorizes the Department of Transportation to construct a highway and shuttle ferry facilities between Juneau, Haines and Skagway. Construction would consist of 61 miles of highway, two ferry terminals, two shuttle ferries and 3 3/4 miles of tunnel.

The proposed route in SB 124 would extend the existing highway north along the east shore of Lynn Canal to a point opposite the southern tip of the Chilkat Peninsula. A shuttle ferry would transfer traffic to the Peninsula and the road would continue north to Haines. Between Haines and Skagway, the road would be extended north along the shoreline from the end of Lutak Inlet and following the Ferebee River. It would enter a tunnel, passing through Halutu Ridge, extending on the northside and following Taiya Inlet into Dyea, a gold rush ghost town, and from there on into Skagway.

Because the road passes through highly mineralized areas of upper Lynn Canal, it would help to make mining there more economically feasible. The road also provides greater access to recreational opportunities.

SB 125 makes a special appropriation in the amount of \$102,050,000 for construction of roads and for vessels and ferry terminals of the Alaska Marine Highway System for the Lynn Canal highway project. SB 125 is the companion bill that goes along with SB 124.

## SECTIONAL ANALYSIS

SB 124 "An Act authorizing the Department of Transportation and Public Facilities to construct the Lynn Canal Highway Project, consisting of roads and of vessels and ferry terminals for the Alaska marine highway system, serving the principal communities of northern Lynn Canal; relating to disposition of certain claims and actions arising from the state's activities in completing that project; changing Rules 79 and 82, Alaska Rules of Civil Procedure; and providing for an effective date."

Sec.1. Provides findings that justify the project:

1. that the lack of access to the capitol is a source of unhappiness for Alaskan residents;
2. that road connections northward out of Haines and Skagway have been greatly improved in the last decade;
3. that linking Juneau to the roads out of Haines and Skagway would accomodate international and intrastate traffic;
4. that the most reasonable, expeditious and cost effective route, given the topography in the Juneau area, is the one proposed by the bill;
5. that the highway would serve to diversify and integrate the economies of the communities it served, would allow power transmission and pipeline interties, would open land along its corridor to recreation and mineral exploration, and would expand employment opportunities;
6. that completion of the highway would allow the marine highway system to terminate in Juneau, thus allowing better service to other communities in the rest of Southeast;
7. that the Lynn Canal Highway Project should be authorized, designed and completed as a single, integrated project;
8. that DOT/PF should give high priority to the project, because it is a matter of common interest to the whole state.

Sec. 2. Explains that the purpose of the Act is to authorize and direct construction of the project, and to provide certain safeguards relating to the project's construction.

Sec. 3. Amends Title 19, Chapter 65 (Alaska Marine Highway System) to direct DOT/PF to provide cross-channel ferry service between the two ferry terminals included in the project. This directive is included because this type of service (a point-to-point, continuously running shuttle as a link in a highway) is different from the type of service currently provided by the marine highway.

Sec. 4. (a) Authorizes the project, and directs DOT/PF to build it as described: (1) a road from Echo Cove to about 9 miles north of Comet; (2) a ferry landing at that point; (3) a road from Haines to the southern end of Chilkat Peninsula; (4) a ferry landing at that point; (5) shuttle ferries of a

capacity to handle traffic between the two ferry landings; (6) a highway connecting Haines and Skagway, from Lutak Inlet, around Sanka Point, north up the Ferebee River valley, through a tunnel under Halutu Ridge, and north along Taiya Inlet to Dyea.

Sec. 4. (b) Directs that the road be built to Federal specifications for a "primary system" highway.

Sec. 5. (a) Directs DOT/PF to (1) use aerial surveying as much as possible in the initial design stage, and (2) to perform all work on the project, up to the construction phase, using only department personnel.

Sec. 5. (b) Limits the amount of administrative costs to 15% of the estimated cost of the project's construction.

Sec. 5. (c) Requires DOT/PF to include the construction of the ferry landing facilities as part of the contract for the construction of the road. This section also directs DOT/PF, in building these ferry terminals, to make maximum use of design and engineering done for the MV Chilkat ramp in Ketchikan.

Sec. 6. Requires that any party who sues to stop construction of the project will be held financially responsible for the costs incurred, if the state prevails in the action. This would cover (1) costs of the action, including attorney's fees, as well as (2) any financial losses determined to be attributable to construction delays resulting from the legal action.

Sec. 7. Changes Rules 79 and 82, Alaska Code of Civil Procedure, to reflect the financial responsibility provision of section 6. The court would be limited in its discretion to award costs and attorney fees.

Sec. 8. Provides an effective date for section 3, the operation of the shuttle ferries by the marine highway system. This would become effective only upon completion of the project.

Sec. 9. Provides an immediate effective date for the remainder of the bill.

**Sec. 19.45.015. Highway construction near airports.** (a) A person may not construct, reconstruct, relocate, or extend a federal-aid highway within two miles of an airport, airstrip, or private air facility without first obtaining the written approval of the commissioner, as provided by regulation.

(b) The commissioner may not approve the construction, reconstruction, relocation, or extension of a highway under this section if the construction would constitute a hazard to the traveling public or if the construction would otherwise not be in the public interest.

(c) The commissioner shall adopt regulations to implement the purpose of this section that are consistent with standards established by participating federal agencies. (§ 2 ch 90 SLA 1966)

*Revisor's notes.* — Formerly AS 19.20.090. Renumbered in 1981.

### Chapter 60. Ferry Terminal Facilities.

<b>Section</b>	<b>Section</b>
10. Acquisition and maintenance of ferry terminal facilities	50. Approval of department required for construction
20. Connection of facilities to highways	60. Existing facilities not affected
30. Regulations	70. Definitions
40. Private enterprise not affected	

**Sec. 19.60.010. Acquisition and maintenance of ferry terminal facilities.** The department shall construct, purchase, or lease ferry terminal facilities at locations it selects for the loading and unloading of passengers and vehicles under their own power, on and off ferries. The department shall repair and maintain these facilities. Construction and purchasing under this section are governed by AS 36.30 (State Procurement Code). (§ 3 ch 189 SLA 1959; am § 19 ch 106 SLA 1986)

*Effect of amendments.* — The 1986 amendment added the last sentence.

*Opinions of attorney general.* — For discussion of police jurisdiction on the Alaska State Ferry System, see 1964 Op. Att'y Gen., No. 5.

*Collateral references.* — 35 Am. Jur. 2d, Ferries, §§ 1-5, 24-30.

36A C.J.S., Ferries, §§ 3-21.

Carrier's certificate of convenience and necessity, franchise, or permit as subject to transfer or encumbrance. 15 ALR2d 883.

Duty and liability as regards motor vehicles and occupants thereof. 69 ALR2d 1008.

**Sec. 19.60.020. Connection of facilities to highways.** The department may connect ferry terminal facilities with local highway systems. (§ 3 ch 189 SLA 1959)

**Sec. 19.60.030. Regulations.** The department may adopt regulations governing the use of ferry terminal facilities by the public that it considers necessary and proper in the public interest. (§ 3 ch 189 SLA 1959)

**Sec. 19.60.040. Private enterprise not affected.** A person may construct a ferry terminal facility upon obtaining the approval of the department as to its location. A ferry terminal facility constructed by a person other than the department is subject to reasonable regulations governing its use that the department considers necessary and proper in the public interest. (§ 3 ch 189 SLA 1959)

**Sec. 19.60.050. Approval of department required for construction.** A ferry terminal facility may not be constructed without the approval of the department. (§ 3 ch 189 SLA 1959)

**Sec. 19.60.060. Existing facilities not affected.** A ferry terminal facility in existence and serving the public on January 1, 1959, is not affected by this chapter. (§ 3 ch 189 SLA 1959)

**Sec. 19.60.070. Definitions.** In this chapter

(1) "department" means the Department of Transportation and Public Facilities;

(2) "ferry" means a vessel used in the common carriage of passengers and self-propelled vehicles in intrastate commerce. (§ 2 ch 189 SLA 1959)

#### NOTES TO DECISIONS

Applied in *Cole v. State, Dep't of Transp. & Pub. Facilities*, 621 F. Supp. 3 (D. Alaska 1984).

### Chapter 65. Alaska Marine Highway System.

#### Section

##### 20. Naming of vessel or facility

*Sec. 19.65.010. Duty station or port change for employees of the Alaska marine highway system. [Repealed, § 52 ch 59 SLA 1982.]*

**Sec. 19.65.020. Naming of vessel or facility.** (a) A vessel or facility of the Alaska marine highway system constructed or acquired by the Department of Transportation and Public Facilities under AS 19.60 — AS 19.65 may be given a name only by law.

(b) A maritime vessel shall bear the name of an Alaska glacier.

§ 19.65.020

ALASKA STATUTES

§ 19.65.020

(c) A vessel used principally on the inland waterways of the state shall bear the name of a historical vessel which used the rivers of the state. (§ 2 ch 4 SLA 1981)

## ADVANTAGES OF THE UPPER LYNN CANAL HIGHWAY

- 1) All Alaskans will have year round access to the capitol that is less costly to them and more convenient as well.
- 2) By turning the ferries around in Juneau/Auke Bay, ferry service will increase approximately 20% for the rest of SE Alaska. This is a plus for all travelers in Southeast, including school children who would have less time out of school due to ferry schedules. They could be taken to the Juneau terminal for much greater convenience.
- 3) The highway will pass through highly-mineralized areas which would increase employment opportunities and further diversify the economy of the region. Two mines at Echo Cove alone estimate a total payroll of \$16,500,000 and goods and services purchases of \$23,000,000.
- 4) The highway will become one of the most scenic highways in the transportation system. The road will provide access for all persons, including sportsmen, fish and game managers, tourists, and other recreationalists, as well as those less mobile.
- 5) Daily access will be available to and from Juneau for trucks, busses, RV's, and people out for a "Sunday drive."
- 6) As a primary highway system, the Upper Lynn Canal highway qualifies for the Federal Highway match program of 91.35% - 8.65%.

7) The highway and its right-of-way between Juneau, Haines, and Skagway will provide a corridor for pipelines and hydro-electric transmission lines for the Lynn Canal region.

8) The Lynn Canal highway will help achieve a balanced economy within the region through the development of natural resources and the private sector.

## JUNEAU - HAINES - SKAGWAY ROAD

1. Connects Juneau to two of the Alaska Highway systems.
2. Connects Juneau to two year-round transportation routes through both Haines and Skagway.
3. Increases ferry service in other areas of Southeastern and the State.
4. Opens up more new areas for multiple uses.
5. Provides a very broad spectrum of recreation opportunities.
6. Provides excellent locations for rafting or barge loading of logs from National Forest Timber sales.
7. Takes a tremendous step in the right direction in the tourist industry.
8. Would release much of the single spot pressures on hunting and fishing.
9. For the tourist or leisure traveler the area opened by the road system brings to them some of the most scenic areas of Southeastern Alaska.
10. Opens up several opportunities for small businessmen along the route.
11. Makes access to already established mining areas.
12. Provides daily service by truck or bus to both Skagway and Haines.
13. Eliminates the waiting time for either Ferry Service or flying, due to weather conditions.
14. By using the federal matching funds, construction could begin in 2 years. Actual construction time of the job itself would be approximately 3 years.

## JUNEAU - HAINES - SKAGWAY ROAD

1. Top priority is to provide access to the capitol.
2. An estimated savings of \$1260 would be realized by four people driving to the capitol from Anchorage as opposed to flying.
3. Driving time to Skagway is 2.5 hours compared with 6.5 hours travelling on the ferry, thus realizing a time savings of four hours.
4. The land is primarily federally and state owned. There is a small portion that crosses mining claims and privately owned land.
5. Vehicles travelling the Lynn Canal Highway is estimated to increase a minimum of 400% over vehicles travelling on the ferry.
6. The highway and it's right of way between Juneau, Haines, and Skagway will provide a corridor for pipelines and hydro-electric transmission lines.
7. The highway will provide access to the many mining claims on the route. Two mines currently in the permitting process estimate contributing a total of \$38,500,000 annually into the local economies for a total of \$385,000,000 over a ten year period. The bottom line on the mines thus far is that there is no access currently available.
8. The road would enable Alaska Marine Highways to turn the ferries around at Juneau/Auke Bay, thus allowing an approximate 20% increase in service to the rest of Southeast Alaska.

SKAGWAY CHAMBER OF COMMERCE  
RESOLUTION 89-1

A RESOLUTION OF THE SKAGWAY CHAMBER OF COMMERCE SUPPORTING A  
SKAGWAY-JUNEAU TRANSPORTATION LINK.

WHEREAS, the economy of Skagway is directly connected to  
transportation, and

WHEREAS, any routes proposed should include a first phase  
Skagway Link or it will seriously effect the economy  
and life-style of Skagway, and

WHEREAS, the most favorable route connects Juneau to Skagway  
along the east side of Lynn Canal, and

WHEREAS, any road construction connecting the Lynn Canal  
communities will take a number of years, and

WHEREAS, the Alaska Marine Highway and proposed high-speed  
shuttle will serve these communities in an efficient  
manner, therefore

BE IT RESOLVED, that the Skagway Chamber of Commerce  
supports the design and purchase of high-speed  
ferries to serve the communities of Lynn Canal until  
such time as a road is completed to connect them.

Signed:

  
Suzanne Mullen

President

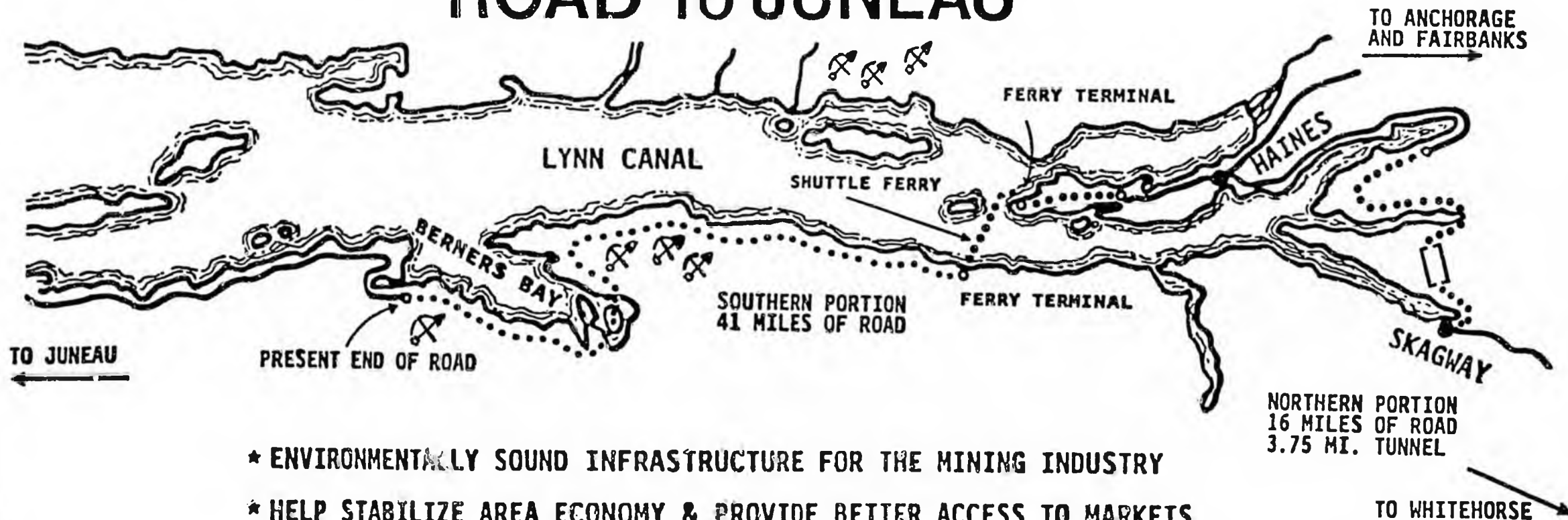
Skagway Chamber of Commerce

THIS PROJECT WOULD BE AUTHORIZED UNDER SB 124  
AND FUNDED UNDER SB 125

Sponsor. SENATOR Coqhll

LYNN CANAL HIGHWAY PROJECT

# "ROAD TO JUNEAU"



PROJECT MAP

- ★ ENVIRONMENTALLY SOUND INFRASTRUCTURE FOR THE MINING INDUSTRY
- ★ HELP STABILIZE AREA ECONOMY & PROVIDE BETTER ACCESS TO MARKETS
- ★ INCREASE TOURISM OPPORTUNITIES IN A SPORTSMEN'S PARADISE

TOTAL ESTIMATED COST OF CONSTRUCTION = \$102,050,000

FEDERAL SHARE = \$ 93,222,675

STATE SHARE = \$ 8,827,325

.....  
NEW CONSTRUCTION

THIS PROJECT WOULD BE FUNDED  
AND CONSTRUCTED OVER A 5 YEAR TERM.

ESTIMATED ANNUAL MAINTENANCE COSTS

District 4 - 32 miles new construction

District 2 - 33 miles new construction  
14 miles re-construction

A total of 8 maintenance personnel would be required. The cost of this personnell is included in the figure below.

Total estimated annual road maintenance cost is: \$1,200,000

SHUTTLE FERRY ANNUAL OPERATING AND REVENUE PROJECTIONS

2 Captains	18(26.49)	=	476.82
2 Engineers	18(24.64)	=	443.52
4 Deck Hands	36(16.24)	=	584.64

TOTAL PER DAY	\$	1504.98
TOTAL PER YEAR	\$549,317.70	

Fuel cost estimates based on \$1.40 per gallon  
 18 hours at 65 gallons per hour = 1170 gallons per day

TOTAL PER DAY	\$	1638.00
TOTAL PER YEAR	\$597,870.00	

WAGES	\$	549,317.70
FUEL		597,870.00
MAINTENANCE		25,000.00

TOTAL ANNUAL OPERATING	\$1,172,187.70
TWO SHUTTLE FERRY COSTS	\$2,344,375.40

TOTAL VEHICLE PROJECTIONS	172,300	
75% = 129,225	19 ft. vehicles at \$ 9.08	= \$1,173,363
25% = 43,075	30 ft. vehicles at \$20.72	= 892,514
	TOTAL	\$2,065,877

3 people per vehicle/ 516,900 at \$4.38	\$2,264,022
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TOTAL REVENUE PROJECTIONS	\$4,329,899
---------------------------	-------------

Less operating costs	(2,344,375)
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NET PROFIT	\$1,985,524
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NUMBER OF MINING CLAIMS PER SECTION

East Side Lynn Canal (Federal Land)

41 S	61 E.....	5
34 S	62 E.....	182
35 S	62 E.....	1006
36 S	62 E.....	16
42 S	62 E.....	22
35 S	63 E.....	1
41 S	63 E.....	2
48 S	63 E.....	1
37 S	64 E.....	15
38 S	64 E.....	4

TOTAL 1254

West Side Lynn Canal (Federal Land)

49 S	58 E.....	26
33 S	59 E.....	8
33 S	60 E.....	282
34 S	60 E.....	295
35 S	61 E.....	14
36 S	61 E.....	10

TOTAL 635

ESTIMATED RETURNS FROM MINING INDUSTRY IN BERNERS BAY AREA

Kensington (Echo Bay).....\$17,000,000 Goods & Services  
10,000,000 Payroll

Estimated annual wages & services \$ 27,000,000  
Estimated 10 year wages & services \$270,000,000

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Jualin (Curator American).....\$ 5,000,000 Goods & Services  
\$ 6,500,000 Payroll

Estimated annual wages & services \$ 11,500,000  
Estimated 10 year wages & services \$115,000,000

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Difficult access (No road access currently available).

EMPLOYMENT BREAKDOWN FROM MINING IN BERNERS BAY

	<u>Kensington</u>	<u>Jualin</u>
Management	29	14
Maintenance	11	6
Engineers	8	4
Geologists	4	2
Underground	71	35
Mechanics	50	25
Electricians	10	5
Samplers	3	1
Surveyors	6	3
Clerks	5	3
Metallurgist	3	1
Environmental Tech.	2	1
Assayer	7	3
Laborer	8	4
Bucker	2	1
Refiner	4	2
Secretaries	5	3
Security	4	2
Safety	2	1
Nurse	2	1
Cooks	16	8
Janitorial	4	2
Plumber	2	1
Carpenter	2	1
Accounting	8	4
Personnel	2	1
Purchasing	2	1
Operators	18	24
 TOTAL	 320	 159

**S B**

**125**

APRIL 11, 1989

SB 125                    COGHILL

-----

AN ACT APPROPRIATING MONEY FOR THE LYNN CANAL HIGHWAY  
PROJECT.

GENERAL FUNDS    \$    8,827,325

FEDERAL FUNDS    \$ 93,222.675

Funding Information

General Fund	\$ 8,827,325
Other Funds	93,222,675
	<u>\$102,050,000</u>

1 IN THE SENATE

BY COGHILL

2 SENATE BILL NO. 125

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for construc-  
7 tion of roads and for construction of vessels and  
8 ferry terminals of the Alaska marine highway system  
9 for the Lynn Canal Highway Project; and providing for  
10 an effective date."

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

12 \* Section 1. The sum of \$8,827,325 is appropriated from the general  
13 fund and the sum of \$93,222,675 is appropriated from federal funds for  
14 construction of roads and for construction of vessels and ferry terminals  
15 for the Alaska marine highway system for the Lynn Canal Highway Project, to  
16 be allocated as follows:

17 (1) road construction and reconstruction, from present northern  
18 end of Alaska Highway 7 (Glacier Highway) at Echo Cove to the vicinity of a  
19 point nine miles north of Comet \$41,000,000

20 (2) road construction and reconstruction from Haines to the  
21 south end of the Chilkat Peninsula \$ 5,100,000

22 (3) construction of ferry ramps, vehicle staging areas, and  
23 breakwaters at a point approximately nine miles north of Comet and near the  
24 south end of Chilkat Peninsula \$ 1,200,000

25 (4) construction of two shuttle ferries \$12,000,000

26 (5) road construction and reconstruction from present end of  
27 road at north end of Lutak Inlet, around Sanka Point and north via the  
28 Ferebee River valley \$16,000,000

29 (6) tunnel construction through Halutu Ridge \$22,750,000

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1 (7) road construction and reconstruction north from Halutu Ridge  
2 along Taiya Inlet to Dyea \$ 4,000,000

3 \* Sec. 2. The appropriation made by this Act is for a capital project  
4 and is subject to AS 37.25.020.

5 \* Sec. 3. This Act takes effect on the effective date of the section of  
6 an Act enacted by the Sixteenth Alaska State Legislature that authorizes  
7 the Department of Transportation and Public Facilities to construct the  
8 Lynn Canal Highway Project.

**S B**

**144**

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 144

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to relocation assistance for  
7 federally assisted projects and programs; and provid-  
8 ing for an effective date."

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

10 \* Section 1. AS 34.60.040 is amended to read:

11 Sec. 34.60.040. RELOCATION PAYMENTS. (a) When the acquisition  
12 of real property for a federally assisted program or project under-  
13 taken by a state agency will result in the displacement of a person  
14 [ON OR AFTER JANUARY 2, 1971], the state agency responsible for the  
15 program or project shall make payment to the displaced person, upon  
16 proper application as approved by the state agency, for

17 (1) actual reasonable expenses in moving a person, the  
18 person's family, business, farm operation, or other personal property;

19 (2) actual direct losses of tangible personal property as a  
20 result of moving or discontinuing a business or farm operation, but  
21 not to exceed an amount equal to the reasonable expenses that would  
22 have been required to relocate the property as determined by the state  
23 agency; and

24 (3) actual reasonable expenses in searching for a replace-  
25 ment business or farm.

26 (b) A displaced person eligible for payments under (a) of this  
27 section who is displaced from a dwelling and who elects to accept the  
28 payments authorized by this subsection in place of payments authorized  
29 by (a) of this section may receive a moving expense allowance,  
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1 determined according to a schedule established by the state agency[,  
2 NOT TO EXCEED \$300 AND A DISLOCATION ALLOWANCE OF \$200].

3 (c) A displaced person eligible for payments under (a) of this  
4 section who is displaced from a place of business or from a farm  
5 operation and who elects to accept the payment authorized by this  
6 subsection in place of the payment authorized by (a) of this section,  
7 may receive a fixed payment in an amount equal to the average annual  
8 net earnings of the business or farm operation, except that this pay-  
9 ment shall not be less than \$1,000 [\$2,500] or more than \$20,000. For  
10 purposes of this subsection, "average annual net earnings" means  
11 one-half of the net earnings of the business or farm operation, before  
12 federal and state income taxes, during the two taxable years immedi-  
13 ately preceding the taxable year in which the business or farm opera-  
14 tion moves from the real property acquired for the project, or during  
15 any other period the state agency determines to be more equitable for  
16 establishing the earnings, and includes any compensation paid by the  
17 business or farm operation to the owner, spouse, or dependents during  
18 the applicable period [\$10,000]. In the case of a business, a payment  
19 may not be made under this subsection unless the state agency is  
20 satisfied that the business

21 (1) cannot be relocated without a substantial loss of its  
22 existing patronage; [AND]

23 (2) is not a part of a commercial enterprise having at  
24 least one other establishment not being acquired by the state agency  
25 or by the United States, which is engaged in the same or similar  
26 business; and

27 (3) is not an enterprise whose sole business on the real  
28 property acquired is the rental of the real property to others.

29 (d) In addition to the moving expenses allowed under this

1 section, a displaced farm or business may receive a payment, not to  
2 exceed \$10,000, for the actual reasonable expenses necessary to rees-  
3 tablish the operation at a new site [FOR PURPOSES OF THIS SUBSECTION,  
4 "AVERAGE ANNUAL NET EARNINGS" MEANS ONE-HALF OF THE NET EARNINGS OF  
5 THE BUSINESS OR FARM OPERATION, BEFORE FEDERAL AND STATE INCOME TAXES,  
6 DURING THE TWO TAXABLE YEARS IMMEDIATELY PRECEDING THE TAXABLE YEAR IN  
7 WHICH THE BUSINESS OR FARM OPERATION MOVES FROM THE REAL PROPERTY  
8 ACQUIRED FOR THE PROJECT, OR DURING ANY OTHER PERIOD THE STATE AGENCY  
9 DETERMINES TO BE MORE EQUITABLE FOR ESTABLISHING THE EARNINGS, AND  
10 INCLUDES ANY COMPENSATION PAID BY THE BUSINESS OR FARM OPERATION TO  
11 THE OWNER, SPOUSE, OR DEPENDENTS DURING THE APPLICABLE PERIOD].

12 \* Sec. 2. AS 34.60.050(a) is amended to read:

13 (a) In addition to payments otherwise authorized by this chap-  
14 ter, the state agency shall make an additional payment not to exceed  
15 \$22,500 [IN EXCESS OF \$15,000], to a displaced person who is displaced  
16 from a dwelling actually owned and occupied by the person for not less  
17 than 180 days before the initiation of negotiations for the acquisi-  
18 tion of the property. This additional payment shall include the  
19 following elements:

20 (1) the amount, if any, which, when added to the acquisi-  
21 tion cost of the dwelling acquired by the state agency, equals the  
22 reasonable cost of a comparable replacement dwelling which is a de-  
23 cent, safe and sanitary dwelling adequate to accommodate the displaced  
24 person, is reasonably accessible to public services and places of  
25 employment and is available on the private market; all determinations  
26 required to carry out this paragraph shall be made in accordance with  
27 standards established by the state agency making the additional pay-  
28 ment;

1 (2) the amount, if any, which will compensate the displaced  
2 person for any increased interest costs which the displaced person is  
3 required to pay for financing the acquisition of the comparable re-  
4 placement dwelling; this amount may be paid only if the dwelling  
5 acquired by the state agency was encumbered by a bona fide mortgage  
6 which was a valid lien on the dwelling for not less than 180 days  
7 before the initiation of negotiations for the acquisition of the  
8 dwelling; and [THIS AMOUNT SHALL BE EQUAL TO THE EXCESS IN THE AGGRE-  
9 GATE INTEREST AND OTHER DEBT SERVICE COSTS OF THAT AMOUNT OF THE  
10 PRINCIPAL OF THE MORTGAGE ON THE REPLACEMENT DWELLING WHICH IS EQUAL  
11 TO THE UNPAID BALANCE OF THE MORTGAGE ON THE ACQUIRED DWELLING, OVER  
12 THE REMAINDER TERM OF THE MORTGAGE ON THE ACQUIRED DWELLING, REDUCED  
13 TO DISCOUNTED PRESENT VALUE; THE DISCOUNT RATE SHALL BE THE PREVAILING  
14 INTEREST RATE PAID ON SAVINGS DEPOSITS BY COMMERCIAL BANKS IN THE  
15 GENERAL AREA IN WHICH THE REPLACEMENT DWELLING IS LOCATED;]

16 (3) reasonable expenses incurred by the displaced person  
17 for evidence of title, recording fees, and other closing costs inci-  
18 dent to the purchase of the replacement dwelling, but not including  
19 prepaid expenses.

20 \* Sec. 3. AS 34.60.060 is amended to read:

21 Sec. 34.60.060. REPLACEMENT HOUSING FOR TENANTS AND OTHERS. In  
22 addition to amounts otherwise authorized by this chapter, the state  
23 agency shall make a payment to or for a displaced person displaced  
24 from a dwelling, who is not eligible to receive a payment under  
25 AS 34.60.050, if the [WHICH] dwelling was actually and lawfully oc-  
26 cupied by the displaced person for not less than 90 days before the  
27 initiation of negotiations for acquisition of the dwelling. The  
28 payment shall be either

29 (1) the amount necessary to enable the displaced person to

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lease or rent for a period not to exceed three [FOUR] years and six months, a decent, safe, and sanitary dwelling of standards adequate to accommodate the displaced person in areas not generally less desirable in regard to public utilities and public and commercial facilities, and reasonably accessible to the person's place of employment, but not to exceed \$5,250 [\$4,000]; or

(2) the amount necessary to enable the displaced person to make a down payment, including incidental expenses described in AS 34.60.050(a)(3), on the purchase of a decent, safe, and sanitary dwelling of standards adequate to accommodate the displaced person in areas not generally less desirable in regard to public utilities and public and commercial facilities, but not to exceed \$5,250 [\$4,000, EXCEPT THAT IF THIS AMOUNT EXCEEDS \$2,000, THE DISPLACED PERSON MUST EQUALLY MATCH ANY AMOUNT IN EXCESS OF \$2,000 IN MAKING THE DOWN PAYMENT].

\* Sec. 4. AS 34.60.140 is amended to read:

Sec. 34.60.140. REGULATIONS. State agencies are authorized to adopt regulations to implement this chapter. These regulations [REGULATION] shall include provisions relating to

(1) a moving expense allowance for displaced persons who move from a dwelling, determined according to a schedule[, NOT TO EXCEED \$300];

(2) procedures for an aggrieved person to have a determination of eligibility or amount of payment reviewed by the state agency;

(3) eligibility of a displaced person for relocation assistance payment, the procedure for displaced persons to claim the payments, amount of the payments; and

(4) other regulations necessary to implement the provisions of this chapter.

1 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).  
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SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE Feb 9, 1989  
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 Feb 14, 1989

2/3/89

Mr. President:

TRSP

Committee considered

SB 144

relocation assistance for federally assisted projects and programs; efd

and recommended:

replace with CS \_\_\_\_\_  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

Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

[Handwritten Signatures]

OTHER RECOMMENDATIONS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Handwritten Signature]  
Chairman Signature and recommendation

Committee backup attached

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 27, 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 that amends various portions of AS 34.60, which provides for relocation assistance. Due to recent changes in federal law, the bill is necessary to bring the Alaska relocation assistance program into conformance with federal law regarding federally aided or assisted public works projects.

The state's relocation assistance program has been in operation for nearly 20 years. Aid to persons displaced by public works projects was first required in 1968 under congressional authority relating to federal-aid highways. Two years later Congress passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4601 -- 4655, expanding the requirement to all federally assisted or aided public works projects. Alaska enacted AS 34.60.010 -- 34.60.150 the next year (sec. 1, ch. 41, SLA 1971). That chapter has not been amended since it was enacted.

The provisions in the bill will apply only to a public works project or land acquisition project that receives federal money. Consequently, the fiscal impact of the bill, due to increases in relocation assistance limits, will be slight because any payments made will be reimbursed, to the extent of the federal matching money, under the particular federal aid program as a normal incident of a project.

Section 1 of the bill makes a number of amendments to AS 34.60.040, including a "housekeeping" amendment to delete an obsolete date from AS 34.60.040(a).

AS 34.60.040(b) presently provides that persons displaced from their residences may elect to receive their moving expenses up to a maximum of \$300, based upon a schedule, plus a \$200 "dislocation allowance." Under the proposed amendment of AS 34.60.040(b) the ceiling is removed. In sec. 4 of the bill, reference to that ceiling is also deleted from AS 34.60.140(1).

Section 1 also amends AS 34.60.040(c), which authorizes payments for displaced businesses and farms. Under the existing language, a displaced businessman or farmer who cannot be relocated without a significant loss of patronage and is not part of a chain, may receive a payment in place of moving expenses, based upon the person's average annual net earnings over the previous two years. The payment currently allowed is a minimum of \$2,500 to a maximum of \$10,000. Under the amendments, as required by federal law, the minimum payment is reduced to \$1,000 but the maximum is raised to \$20,000. Subsection (c) is also amended by relocating, unchanged, the definition of "average annual net earnings." This language is currently inappropriately located in para. (2) of that subsection. The final amendment to AS 34.60.040(c) is the addition of new language, found in para. (3), which denies payments under subsec. (c) to landlords.

The last amendment to AS 34.60.040 is the addition of new language as subsec. (d). The new language will allow the payment of the actual reasonable expenses, to a maximum of \$10,000, of re-establishing a farm or business at a new location. This category of reimbursement is in addition to moving expenses allowed under AS 34.60.040, and addresses situations where building code upgrades or public utility service improvements are necessary to re-establish the business.

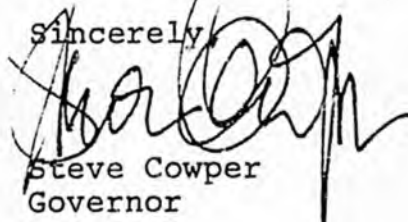
Under the current provisions of AS 34.60.050(a), a residential owner occupying the premises at least 180 days before the initiation of negotiations may receive a replacement housing supplement of up to \$15,000 to ensure the purchase of equivalent replacement housing that is decent, safe, and sanitary. Section 2 of the bill amends AS 34.60.050(a) by raising the maximum payment to \$22,500. It also amends AS 34.60.050(a)(2) to remove obsolete language that does not conform to federal law or practice.

Under the current provisions of AS 34.60.060, residential owners and tenants occupying premises for at least 90 days before the initiation of negotiations may receive a payment of \$4,000 to enable them to rent decent, safe, and sanitary housing for a period of four years. Alternatively, the person may receive up to \$4,000 as a down payment on the

purchase of decent, safe, and sanitary housing (but the person must match any payment in excess of \$2,000). Under the amendments in sec. 3, the time period that the replacement housing supplement is to cover is reduced to three years and six months, but the maximum amount of the payment is increased to \$5,250. In addition, the matching requirement under the down payment option is eliminated.

I urge the passage of this bill to ensure that the state's relocation assistance program conforms to federal requirements. That action will ensure that Alaska will receive all of the federal aid to which it is entitled for construction projects.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the word "Sincerely,".

Steve Cowper  
Governor

# MEMORANDUM

# State of Alaska

Department of Transportation & Public Facilities

TO: Bob Evans, Legislative Liaison  
Office of the Governor

DATE: September 26, 1988

FILE NO:

TELEPHONE NO: 465-3900

SUBJECT: Legislative Proposal  
Relocation Assistance

FROM: Mark S. Hickey *MSH*  
Commissioner

Based upon our meeting of September 8, we were to gather comments from other state agencies and municipal representatives on the lead agency concept of the legislative proposal for relocation assistance. Upon further review of the optional concept of a state-designated lead agency we would recommend that this provision not be included in the proposed legislation. The basis for this recommendation is our new understanding of initial and on-going costs associated with the role of the lead agency. While we continue to believe there are procedural advantages relative to a lead agency, it appears that these same advantages can be achieved without the formal designation and cost.

Currently the statute addressing relocation is not detailed in state regulation. To our knowledge the only detailed guidance within state government is a chapter within DOT&PF's Right-of-Way manual. This chapter is very detailed and comprehensive; it is about 100 pages long. According to our right-of-way staff, the rules surrounding relocation make it one of the most complicated arenas in right-of-way management, both because of the complexity of relocation and because of the dynamic nature of the federal requirements.

Under a lead agency designation, the department's procedures concerning relocation would have to be promulgated into regulations. This has been verified with Department of Law. Further, the regulations would have to be comprehensive and could not simply reference the department Right-of-Way manual. Even assuming the subject chapter could be greatly simplified it would still be a large body of regulations (40 - 60 pp.). From our experience there is a significant cost for both DOT&PF and the Department of Law related to adopting such regulations. Because of the dynamic nature of the relocation requirements, these costs could conceivably become an annual budget requirement.

However, we feel the benefits of a lead agency can be sustained without the designation. The department, of necessity, due to on-going highway and airport construction, will continue to seek Federal Highway Administration (FHWA) approval concerning the Relocation procedures chapter. We are currently staffed to write and update these procedures. Other agencies, whether state or municipal, could seek out this "approved" guidance and use it to their advantage. While it would not have the effect of law, nor be mandatory, it would be a matter of practice for other agencies or municipalities to rely upon our manual. The cost and time for writing custom procedures and getting FHWA approval would effectively force our procedures to be

followed. In effect, we would be the lead agency, though the associated costs of regulation promulgation would not be borne by the department. The FHWA, having considerable influence over the flow of funding, would undoubtedly direct other agencies within the state to use our procedures as well.

In summary, we believe the benefits of a lead agency can be achieved without actually designating one. If a lead agency is designated there will be a significant and recurring cost. This cost is not off-set by any corresponding savings given the likelihood that the natural leadership of the Department of Transportation and Public Facilities on the relocation issue will be available to other agencies of government with or without the designated lead agency status.

If there are any further questions concerning this recommendation I encourage you to call Jeffery C. Ottesen, Director, Engineering & Operations Standards.

cc: W. Keith Gerken, Deputy Commissioner  
Susan Fleischauer, Legislative Liaison, DOT&PF  
Jeffery C. Ottesen, Director, Engineering & Operations Standards,  
DOT&PF



**Dept. of Transportation & Public Facilities**

# POSITION PAPER

**BILL NO:**

**TITLE:** An Act relating to Relocation  
Assistance for Federal Assisted Programs

**APPROVED:** Mark S. Hickey  
Commissioner

**DATE:** January 4, 1989

---

The Department of Transportation and Public Facilities supports this bill.

The Surface Transportation and Uniform Relocation Act of 1987, Public Law 100-7, Statute 132 mandates that the revised relocation benefits contained therein, will be available to relocatees on Federal-aid projects and federally funded projects on or before April 2, 1989, or Federal participation will be withheld on all new Federal-aid funded capital improvement projects that involve relocation.

The purpose of this bill is to change the Alaska Statutes, Title 34, Chapter 60, Section 34.60.10 - 34.60.150 so as to bring them into conformity with the 1987 amendment.

These changes to the Statutes would be a "housecleaning" issue as the department has authority under A.S.19.15.020 and 02.15.020 to do all things necessary to comply with Federal law in the construction of highways and airports. The department, however, will have to give the Federal Highway Administration and Federal Aviation Administration assurance that the relocation of any displacees entailing any use of Federal funds is in accordance with the provision of the 1987 amendment.

While this bill is not absolutely necessary to assure departmental projects, without it federal funds in support of other departments or municipalities capital projects, when involving relocation, would be jeopardized.

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF LAW

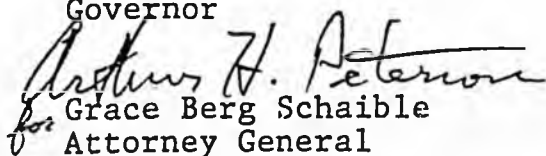
OFFICE OF THE ATTORNEY GENERAL

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600

December 27, 1988

### MEMORANDUM

TO: Honorable Steve Cowper  
Governor

FROM:   
for Grace Berg Schaible  
Attorney General

RE: Attached draft bill relating  
to relocation assistance  
Our file: 773-89-0076

Attached is a draft bill that amends various sections of AS 34.60 to bring Alaska law into compliance with federal law regarding relocation assistance payments to persons displaced by federally assisted or aided projects. This bill was requested by the Department of Transportation and Public Facilities (DOT/PF). The request was approved by Legislative Liaison Bob Evans at the second-round DOT/PF legislative proposal screening meeting on November 7, 1988.

While the bulk of the displacements of persons from their residences, farms, businesses, or non-profit organizations occurs as an incident of the department's federally assisted highway program, the requirements to provide relocation assistance payments and services attach whenever federal money is provided to the state and its political subdivisions for construction of public works or merely for land acquisition.

Although the state has been complying with the new federal requirements by virtue of the provisions of AS 35.05.050, sec. 5 of the bill provides an immediate effective date so that the AS 34.60 provisions will be consistent with federal law as soon as possible.

Also attached is a transmittal letter to the legislature, which explains the bill in more detail.

When you have approved this draft, please let us know, and we will prepare the bill for introduction. Into which house would you prefer to have it introduced?

GBS:WFC:bap

Minimum Distribution by Governor's Office:

Hon. Mark S. Hickey, Commissioner, DOT/PF  
Alison Elgee, Director, Division of Budget Review  
Mary Halloran, Director, Division of Policy  
Office of Management & Budget

D R A F T

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that amends various portions of AS 34.60, which provides for relocation assistance. Due to recent changes in federal law, the bill is necessary to bring the Alaska relocation assistance program into conformance with federal law regarding federally aided or assisted public works projects.

The state's relocation assistance program has been in operation for nearly 20 years. Aid to persons displaced by public works projects was first required in 1968 under congressional authority relating to federal-aid highways. Two years later Congress passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4601 -- 4655, expanding the requirement to all federally assisted or aided public works projects. Alaska enacted AS 34.60.010 -- 34.60.150 the next year (sec. 1, ch. 41, SLA 1971). That chapter has not been amended since it was enacted.

The provisions in the bill will apply only to a public works project or land acquisition project that receives federal money. Consequently, the fiscal impact of the bill, due to increases in relocation assistance limits, will be slight because any payments made will be reimbursed, to the extent of the federal matching money, under the particular federal aid program as a normal incident of a project.

Section 1 of the bill makes a number of amendments to AS 34.60.040, including a "housekeeping" amendment to delete an obsolete date from AS 34.60.040(a).

AS 34.60.040(b) presently provides that persons displaced from their residences may elect to receive their moving expenses up to a maximum of \$300, based upon a schedule, plus a \$200 "dislocation allowance." Under the proposed amendment of AS 34.60.040(b) the ceiling is removed. In sec. 4 of the bill, reference to that ceiling is also deleted from AS 34.60.140(1).

Section 1 also amends AS 34.60.040(c), which authorizes payments for displaced businesses and farms. Under the existing language, a displaced businessman or farmer who cannot be relocated without a significant loss of patronage and is not part of a chain, may receive a payment in place of moving expenses, based upon the person's average annual net earnings over the previous two years. The payment currently allowed is a minimum of \$2,500 to a maximum of \$10,000. Under the amendments, as required by federal law, the minimum payment is reduced to \$1,000 but the maximum is raised to \$20,000. Subsection (c) is also amended by relocating, unchanged, the definition of "average annual net earnings." This language is currently inappropriately located in para. (2) of that subsection. The final amendment to AS 34.60.040(c) is the addition of new language, found in para. (3), which denies payments under subsec. (c) to landlords.

The last amendment to AS 34.60.040 is the addition of new language as subsec. (d). The new language will allow the payment of the actual reasonable expenses, to a maximum of \$10,000, of re-establishing a farm or business at a new location. This category of reimbursement is in addition to moving expenses allowed under AS 34.60.040, and addresses situations where building code upgrades or public utility service improvements are necessary to re-establish the business.

Under the current provisions of AS 34.60.050(a), a residential owner occupying the premises at least 180 days before the initiation of negotiations may receive a replacement housing supplement of up to \$15,000 to ensure the purchase of equivalent replacement housing that is decent, safe, and sanitary. Section 2 of the bill amends AS 34.60.050(a) by raising the maximum payment to \$22,500. It also amends AS 34.60.050(a)(2) to remove obsolete language that does not conform to federal law or practice.

Under the current provisions of AS 34.60.060, residential owners and tenants occupying premises for at least 90 days before the initiation of negotiations may receive a payment of \$4,000 to enable them to rent decent, safe, and sanitary housing for a period of four years. Alternatively, the person may receive up to \$4,000 as a down payment on the purchase of decent, safe, and sanitary housing (but the person must match any payment in excess of \$2,000). Under the amendments in sec. 3, the time period that the replacement housing supplement is to cover is reduced to

three years and six months, but the maximum amount of the payment is increased to \$5,250. In addition, the matching requirement under the down payment option is eliminated.

I urge the passage of this bill to ensure that the state's relocation assistance program conforms to federal requirements. That action will ensure that Alaska will receive all of the federal aid to which it is entitled for construction projects.

Sincerely,

Steve Cowper  
Governor

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: An Act relating to the Relocation Assistance for Federal Assisted Programs.  
Sponsor: DOT&PF  
Requestor: \_\_\_\_\_

Agency Affected: Transportation & Public Facilities  
BRU: Relocation Assistance  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
Relocation Assistance	50	50	50	50	50	50
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>						
<b>CAPITAL</b>	50	50	50	50	50	50
<b>REVENUE</b>	0	0	0	0	0	0

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	3	3	3	5	3	3
FEDERAL FUNDS	47	47	47	47	47	47
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	50	50	50	50	50	50

**POSITIONS:**

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

**ANALYSIS : (Attach a separate page if necessary)**

Businesses are now eligible under federal law to receive up to \$10,000. as a reestablishment payment. Historically there are five businesses relocated per year that would be eligible for the maximum reestablishment payment under the program.

Prepared by: Milton H. Lentz  
Division: Department of Transportation & Public Facilities

Phone: 465-2985  
Date: 12/29/88

Approved by Commissioner: [Signature]  
Agency: \_\_\_\_\_

Date: 1/5/89

**Distribution (by preparer):**

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



## Department of Transportation & Public Facilities

# POSITION PAPER

**BILL NO:**

An Act Relating to the Relocation Assistance

**APPROVED:****TITLE:**

Assistance for Federal Assisted Programs

**DATE:**February 13, 1989 *M&H*

The Department of Transportation and Public Facilities supports this bill.

The Surface Transportation and Uniform Relocation Act of 1987, Public Law 100-17, Stat. 132 mandates that the revised relocation benefits contained therein, will be available to relocatees on Federal-aid projects and federally funded projects on or before April 2, 1989, or federal participation will be withheld on all new Federal-aid funded capital improvement projects that involve relocation.

The purpose of this bill is to change the Alaska Statutes, Title 34, Chapter 60, Section 34.60.10 - 34.60.150 so as to bring them into conformity with the 1987 amendment.

The changes are necessary if federal funding for a wide variety of programs flowing to non-profit organizations, municipalities and the state is to continue. Technically, these changes must be in place by April 2, 1989 or federal funds will be withheld. However, both highway and airport projects conducted by the DOT&PF are not in jeopardy due to statutory authority authorizing the department to "do all things necessary" to assent to federal aid. Other federal funds such as HUD housing programs and EPA wastewater treatment programs could be withheld pending changes in state law.

Technically, the bill adjusts the payment schedules which control the minimum and maximum payments (using federal funds) when families or businesses must relocate or seek replacement housing due to a public project. The net cost of these new payment schedules is thought to be nominal (about \$50,000 per year). These costs would be in the form of higher payments to individuals or business owners from project funds. No additional administrative or staff costs are anticipated.

Aside from the short timeframe, the potentially most controversial aspect of the legislative change is the concept of a lead agency. Under the federal law, the Federal Highway Administration (FHWA) is defined as the federal agency responsible for establishing the rules and procedures concerning relocation. The FHWA is recommending, but not mandating, that each state designate a lead agency. FHWA desires that there be a lead agency so that there is a single body of regulation and procedure concerning relocation.

The DOT&PF has historically been the agency most involved with relocation because of the aviation and highway programs. Further, under AS 36.30, the DOT&PF is empowered with all procurement authority for construction which typically involves acquisition of property for capital projects. Hence, there is a leadership role for the DOT&PF to play with or without the lead agency designation.

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION:  
PUBLISH DATE:

REQUEST: FISCAL NOTE

Revision Date: Agency Affected: DOT&PF  
Title: An Act relating to the Relocation Assistance BRU: Engineering & Operations Standards  
for Federal Assisted Programs  
Sponsor: DOT&PF Components:  
Requestor:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	50	50	50	50	50	50
REVENUE	0	0	0	0	0	0

FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	3	3	3	3	3	3
FEDERAL FUNDS	47	47	47	47	47	47
OTHER	0	0	0	0	0	0
TOTAL	50	50	50	50	50	50

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: (See attached Position Paper.)

Prepared by: Jeffery C. Ottesen  
Division: Engineering and Operations Standards

Phone: 465-2951  
Date: February 13, 1989

Approved by Commissioner: *M. A. Hill*  
Agency: Department of Transportation and Public Facilities

Date: *2/13/89*

Distribution (by preparer):  
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