

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6748 SENATE TRANSPORTATION 152

6-0463H ✓  
Chenoweth  
3/20/89

Original sponsor: Transportation Committee

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 20 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska creating a dedi-  
7 cated fund for projects <sup>↑ services</sup> related to  
8 transportation.

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

10 \* Section 1. Article IX, sec. 7, Constitution of the State of Alaska,  
11 is repealed and readopted to read:

12 SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any  
13 State tax or license shall not be dedicated to any special purpose.  
14 This provision shall not prohibit the continuance of any dedication  
15 for special purposes existing on April 24, 1956, and shall not pro-  
16 hibit the dedication of revenue under Sections 15 and 17 of this  
17 article or when required by the federal government for State par-  
18 ticipation in federal programs.

19 \* Sec. 2. Article IX, Constitution of the State of Alaska, is amended  
20 by adding a new section to read:

21 SECTION 17. SPECIAL FUND FOR TRANSPORTATION. Effective July 1,  
22 1991, money derived from State taxes, licenses, and fees related to  
23 registration, operation, or use of vehicles, aircraft, watercraft, and  
24 the Alaska marine highway system, and from taxes on fuel used for the  
25 propulsion of vehicles, aircraft, and watercraft, less refunds and  
26 credits as provided by law, shall be placed in a transportation fund,  
27 the principal and income of which shall be appropriated by the legis-  
28 lature for facilities and operations related to transportation and for  
29 enforcing laws applicable to transportation facilities and services.

1           The provisions of this section do not apply to a tax, license, or fee  
2           levied and collected by the state on behalf of a local government, or  
3           to revenue derived from the operation of a facility constructed with  
4           bond proceeds to the extent that it is necessary to satisfy the debt  
5           obligation or maintain the facility so that the facility continues to  
6           generate revenues for that purpose. The legislature shall implement  
7           this section.

8           \* Sec. 3. The amendments proposed by this resolution shall be placed  
9           before the voters of the state at the next general election in conformity  
10          with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
11          tion laws of the state.

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6-0463H  
Chenoweth  
3/22/89

Original sponsor: Transportation Committee

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

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3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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22 derived from State taxes, licenses, and fees related to registration,  
23 operation, or use of vehicles, aircraft, watercraft, the Alaska marine  
24 highway system, and the use of other State transportation facilities,  
25 and from taxes on fuel used for the propulsion of vehicles, aircraft,  
26 and watercraft, less refunds and credits as provided by law, shall be  
27 placed in a transportation fund, the principal and income of which  
28 shall be appropriated by the legislature for facilities and operations  
29 related to transportation and for enforcing laws applicable to

1 transportation facilities and services. The provisions of this sec-  
2 tion do not apply to a tax, license, or fee levied and collected by  
3 the State on behalf of a local government, or to revenue derived from  
4 the use or operation of a facility constructed with bond proceeds to  
5 the extent that it is necessary to satisfy the debt obligation or to  
6 maintain the facility so that the facility continues to generate  
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8 section.

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12 tion laws of the state.

Original sponsor: Transportation Committee

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 20 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
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22 derived from [State taxes,] licenses, and fees related to registration,  
23 operation, or use of vehicles, aircraft, watercraft, the Alaska marine  
24 highway system, and the use of other State transportation facilities,  
25 and from taxes on fuel used for the propulsion of vehicles, aircraft,  
26 and watercraft, less refunds and credits as provided by law, shall be  
27 placed in a transportation fund, the principal and income of which may  
28 be appropriated by the legislature only for facilities and operations  
29 related to transportation and for enforcing laws applicable to

1 transportation facilities and services. The provisions of this sec-  
2 tion do not apply to a tax, license, or fee levied and collected by  
3 the State on behalf of a local government, or to revenue derived from  
4 the use or operation of a facility constructed with bond proceeds to  
5 the extent that it is necessary to satisfy the debt obligation or to  
6 maintain the facility so that the facility continues to generate  
7 revenues for that purpose. The legislature shall implement this  
8 section.

9 \* Sec. 3. The amendments proposed by this resolution shall be placed  
10 before the voters of the state at the next general election in conformity  
11 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
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Original sponsor: Transportation Committee

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26 and watercraft, less refunds and credits as provided by law, shall be  
27 placed in a transportation fund, the principal and income of which may  
28 be appropriated by the legislature only for facilities and operations  
29 related to transportation and for enforcing laws applicable to

1 transportatic facilities and services. The provisions of this sec-  
2 tion do not apply to a tax, license, or fee levied and collected by  
3 the State on behalf of a local government, to revenue derived by  
4 a public corporation whose revenue must, by federal law, be retained  
5 and managed by the corporation, or to revenue derived from the use or  
6 operation of a facility constructed with bond proceeds to the extent  
7 that it is necessary to satisfy the debt obligation or to maintain the  
8 facility so that the facility continues to generate revenues for that  
9 purpose. The legislature shall implement this section.

10 \* Sec. 3. The amendments proposed by this resolution shall be placed  
11 before the voters of the state at the next general election in conformity  
12 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
13 tion laws of the state.

## Formal Recommendations

### **TASK FORCE RECOMMENDATION # 1**

**Whereas:** This task force was created by the Governor's Administrative Order #105 and under intent language adopted by the 15th Alaska Legislature.

**Whereas:** The charge by the Governor and the Legislature to this task force was to evaluate and examine reasonable and equitable funding sources for expenses related to transportation facilities.

**Whereas:** The charge by the Governor and the Legislature to this task force specifically required a review of motor fuel taxes and other equitable sources of revenue for the expenses related to transportation facilities in Alaska.

**Whereas:** The task force, for the purposes of this recommendation interprets expenses related to transportation facilities to mean expenses for the Alaska transportation systems excluding indirect costs.

**Whereas:** This task force has determined that user fees are the most reasonable source of funding for expenses related to the Alaska transportation systems.

**And Whereas:** This task force has further determined that funding for transportation systems is an important function of government; that the Alaska transportation systems are an investment in current and future economic development and stability; that funding for the Alaska transportation systems requires a predictable and stable source of revenue.

**NOW THEREFORE BE IT RESOLVED,** that it is the recommendation of this task force after careful review of all information put before us, and in response to the charge of the Governor and the Legislature of the State of Alaska, that revenue collected and retained by the State of Alaska for fees directly related to the use of transportation facilities should be dedicated for direct costs related to the transportation system from which the revenue was generated.

*Task force recommendation  
number 1*

## TASK FORCE RECOMMENDATION #2

**Whereas:** This task force was created by the Governor's Administrative Order # 105 and under intent language adopted by the 15th Alaska Legislature.

**Whereas:** The charge by the Governor and the Legislature to this task force was to evaluate and examine reasonable and equitable funding sources for expenses related to transportation facilities.

**Whereas:** The task force, for purposes of this recommendation, interprets expenses related to transportation facilities to mean expenses for the Alaska transportation systems excluding indirect costs.

**Whereas:** This task force has recommended with Task Force Recommendation # 1, that revenue collected and retained by the State of Alaska for fees directly related to use of transportation facilities should be dedicated for direct costs related to the transportation system from which the revenue was generated.

**And Whereas:** It is the determination of this task force that the current status of the dedication of fuel taxes for the Alaska transportation systems found in Article IX, Section 7, of the Alaska Constitution is unclear.

**NOW THEREFORE BE IT RESOLVED,** that it is the recommendation of this task force that the Governor and the Legislature should seek a constitutional amendment which would unequivocally dedicate all directly related fees collected and retained by the State of Alaska to the direct costs associated with the improvement, maintenance and operation of the existing transportation system from which the revenues were generated.

*Task force recommendation  
number 2*

FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: Dedicated Funds From Fuel Taxes

Agency Affected: Revenue  
BRU: Income & Excise Audit

Sponsor: Transportation Committee  
Requestor: \_\_\_\_\_

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel  
Division: Income and Excise Audit

Phone: (907) 465-2320  
Date: February 7, 1989

Approved by Commissioner: Hugh Malone  
Agency: Department of Revenue

Date: February 7, 1989

Distribution (by preparer):

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

page \_\_\_\_ of \_\_\_\_

*Revenue Fiscal note*

ANALYSIS OF SJR 20

=====

	FY 90	ESTIMATES FY 91	FY 92
PROPOSED DEDICATED REVENUES TO AIRPORT FUND	9,100.0	9,100.0	9,100.0
PROPOSED DEDICATED REVENUES TO PORTS AND HARBOR FUND	5,400.0	5,400.0	5,400.0
PROPOSED DEDICATED REVENUES TO HIGHWAY FUND	38,300.0	39,300.0	39,300.0
PROPOSED DEDICATED REVENUES TO ALASKA MARINE HIGHWAY SYSTEM FUND	36,400.0	38,100.0	38,100.0
IMPACT ON GENERAL FUND UNRESTRICTED REVENUES	(89,200.0)	(91,900.0)	(91,900.0)

## The Revenue Picture

In addition to the well publicized decline in state revenue, the task force warns that Alaska must be prepared to face potential declines of unknown magnitude in the current sizeable federal contribution to our capital construction program.

**Caveat:** The following estimates are provided to illustrate the potential revenue problem. Although the task force believes these estimates to be reliable enough for this exercise, readers should be aware that these figures are not provided for any purpose other than to help explain the revenue problem.

### ALASKA HIGHWAY REVENUE(1)

	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>
FEDERAL HIGHWAY (2) (3) (4)	152	129	135	135	135
FUEL TAX (5)	18	19	19	19	19
VEHICLE FEES (6)	19	19	19	19	19
<b>TOTAL</b>	<b>189</b>	<b>167</b>	<b>173</b>	<b>173</b>	<b>173</b>

### ALASKA HIGHWAY EXPENSES(1)

	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>
MAINTENANCE AND OPERATIONS	44	51	55	60	60
REHABILITATION /IMPROVEMENTS(7)	200	210	220	230	230
<b>TOTAL</b>	<b>244</b>	<b>261</b>	<b>275</b>	<b>290</b>	<b>290</b>

### REVENUE SHORTEALL(1)

	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>
<b>TOTAL</b>	<b>55</b>	<b>94</b>	<b>102</b>	<b>117</b>	<b>117</b>

(1) Dollars in millions. (2) The statute that authorizes federal highway dollars expires in 1991 and it is recognized that the program as it exists today may be terminated. (3) Actual spending level set annually by Congress and has been shrinking in part due to Gramm-Rudman. (4) Spending limit or amount obliterated (1987) - not appropriation. (5) Highway account only - not including the off-highway tax. (6) Collection costs not deducted. (7) Represents an optimal level of expenditures to protect current investments and expand the system, not actual expenditures.

Revenues

ANALYSIS OF SJR 20

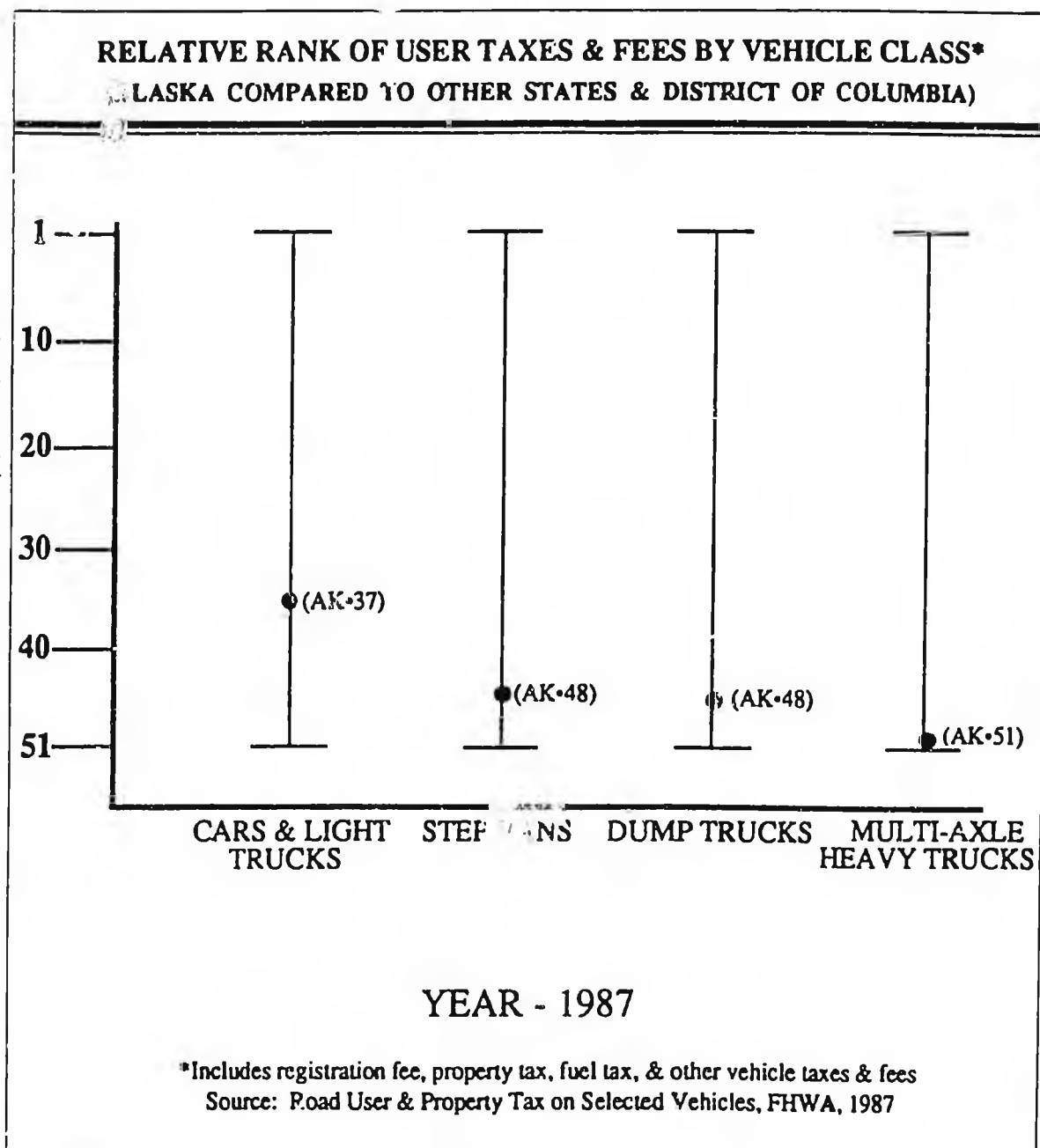
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	FY 90	ESTIMATES FY 91	FY 92
PROPOSED DEDICATED REVENUES TO AIRPORT FUND	9,100.0	9,100.0	9,100.0
PROPOSED DEDICATED REVENUES TO PORTS AND HARBOR FUND	5,400.0	5,400.0	5,400.0
PROPOSED DEDICATED REVENUES TO HIGHWAY FUND	38,300.0	39,300.0	39,300.0
PROPOSED DEDICATED REVENUES TO ALASKA MARINE HIGHWAY SYSTEM FUND	36,400.0	38,100.0	38,100.0
IMPACT ON GENERAL FUND UNRESTRICTED REVENUES	(89,200.0)	(91,900.0)	(91,900.0)

### Paying For Alaska's Transportation Delivery System

The task force finds that the state has no revenue policy for transportation services. Consequently, there is no clear view concerning who should pay for services at what level or what revenue sources should be tapped. Moreover, this results in major differences between the support that government subsidized transportation services provide to some users and the impact that these users have on the system.

It is the opinion of the task force that users will willingly accept additional user fees if they have confidence that the fees will be used to support the infrastructure needs and that the revenue will be strictly accounted for. The task force feels this would be especially true if an organized effort was made to educate the public about the value of transportation facilities toward improving the quality of life.



Who pays?

**S J R**

**25**

FISCAL NOTE

Revision Date:  
Title: Upgrade Resurrecuon Creek Road

Agency Affected: DOT&PF  
BRU: Central Region

Sponsor: Kertula and Szymanski  
Requestor:

Components:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	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	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: William R. Snell, Regional Director  
Division: Central Region

Phone: 266-1440

Date: \_\_\_\_\_

Approved by Commissioner: Mark S. Hickey  
Agency: Department of Transportation and Public Facilities

Date: 3/20/89

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

DOTPF Fiscal Note +  
- Analysis -

Fiscal Note Analysis  
SJR 25

ASSUMPTIONS

The Resurrection Creek Road is not a State owned right-of-way. DOT&PF provides incidental maintenance of the road between the Hope Road and the Hope Airport in order to ensure access to the airport, especially during the winter months. The lands surrounding this section of Resurrection Creek Road have been selected by the Kenai Borough as part of the Borough's entitlement under Alaska Statehood Act. The remaining lands in this area are in private or federal ownership. In light of these facts, we assume that improvement of the road by the U.S. Forest Service or the Kenai Borough will have no impact on the State's operating budget.

PROGRAM SUMMARY

1. Positions: None required.
2. Other Expenditures: None required.
3. Funding: Not applicable.
4. Section Cost Analysis: Not applicable.

COMPUTATIONS

Not applicable.

ECONOMIC IMPACT

None.

IMPACT ON LOCAL GOVERNMENT

It is likely that the Kenai Borough will become responsible for maintaining those portions of the road passing through their entitlement lands once those lands are conveyed.

ATTACHMENTS

1. Map showing the road and adjacent lands.

IN THE SENATE

BY KERTTULA AND SZYMANSKI

SENATE JOINT RESOLUTION NO. 25

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

Requesting the U.S. Forest Service to  
upgrade Resurrection Creek Road in the  
Chugach National Forest.

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

WHEREAS the Resurrection Creek Road provides access to the trailhead  
of the Resurrection Pass Trail; and

WHEREAS the Resurrection Pass Trail traverses the Chugach National  
Forest between Hope and Cooper Landing and is maintained by the United  
States Forest Service; and

WHEREAS the Resurrection Creek Road is receiving ever increasing  
volumes of traffic due to increased use of the Resurrection Pass Trail by  
tourists and recreationists; and

WHEREAS the last portion of the Resurrection Creek Road is passable by  
only one lane of traffic; and

WHEREAS the increased use of the Resurrection Creek Road by tourists  
and recreational users has generated a need to upgrade portions of the road  
to meet appropriate engineering and safety standards;

BE IT RESOLVED by the Alaska State Legislature that the United States  
Forest Service is respectfully requested to upgrade that portion of Resur-  
rection Creek Road that provides access to the Resurrection Pass Trail; and  
be it

FURTHER RESOLVED that the Alaska State Legislature supports the ef-  
forts of the Alaska delegation in Congress to obtain funds for the United  
States Forest Service budget for upgrading the Resurrection Creek Road.

COPIES of this resolution shall be sent to the Honorable Dan Quayle,

Vice-President of the United States and President of the U.S. Senate; to the Honorable Clayton Yeutter, Secretary of Agriculture; to the Honorable F. Dale Robertson, Chief of the U.S. Forest Service; to the Honorable Jim Wright, Speaker of the U.S. House of Representatives; to the Honorable Robert C. Byrd, Chairman of the Subcommittee on Interior and Related Agencies of the U.S. Senate Committee on Appropriations; to the Honorable Sydney R. Yates, Chairman of the Subcommittee on Interior and Related Agencies of the U.S. House of Representatives Committee on Appropriations; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

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SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE March 17, 1989  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035  
2/7/89

DATE TURNED INTO OFFICE April 5, 1989

Mr. President:

Transportation Committee considered SJR 25

Requesting the U.S. Forest Service to upgrade Resurrection Crrek  
Road in the Chugach National Forest

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  fiscal impact  
 appropriation no FN attached  Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Zehrenkamp*  
*Paul Fitch*  
*[Signature]*  
*Pat Housheer*  
 \_\_\_\_\_  
 \_\_\_\_\_  
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\_\_\_\_\_  
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*Hynd Jones (No Rec)*  
Chairman signature and recommendation

Committee backup attached

6/881

February 2, 1988

Mr. Dalton Dulac  
Forest Supervisor  
Chugach National Forest  
201 E. 9th Ave, Suite 206  
Anchorage, Ak. 99501

Dear Sir,

This letter concerns a proposed upgrading of the Resurrection Creek Road in Hope, Alaska.

The Hope/Sunrise Advisory Planning Commission was appointed by the mayor of the Kenai Peninsula Borough to advise the borough on land related matters in the Hope and Sunrise area. The KPB currently contracts the maintenance of a large portion of the Resurrection Road. The southern portion is Forest Service land and is not maintained. We have been asked to comment on upgrading this road even though much of the road lies outside KPB selected areas.

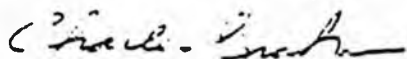
At our meeting of January 6, 1988, we adopted the following resolution:

- (1) that the southern portion of the Resurrection Road, as staked by the USFS in the summer of 1987, be upgraded as staked. This area lies between the Resurrection Valley trailhead (station 69+00) and the Hope Mining Company cabins at the top of the hill (station 33+00). We recommend that the upgrading be limited to this area. We request that this work be expedited.
- (2) that consideration of any further upgrading of the Resurrection Road be included in the current USFS planning process.
- (3) that an inviolable ROW (right-of-way) be secured before further upgrading.
- (4) that historical aspects of the area such as the old tailing piles be recognized, and
- (5) that the question of road maintenance be considered.

This matter was discussed by the community at a town meeting on January 30, 1988, and a resolution was passed recommending an upgrading of the area as described above.

Much appreciation for your interest.

Sincerely,



Charles Graham, Chairman  
Hope/Sunrise Advisory Planning Commission  
POBox 11  
Hope, Ak. 99605

United States  
Department of  
Agriculture

Forest  
Service

Chugach NF

201 E. 9th Ave.  
Suite 206  
Anchorage, AK 99501

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Reply to: 1510 (7720)

Date: March 30, 1989

The Honorable Jalmar Kerttula  
Alaska State Senate  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Kerttula:

In response to the inquiry of your aid Paula Terrel regarding the Resurrection Creek Road, the Chugach National Forest does not have funds identified in its budget for improvement of the road as it is staked. The Forest let a contract in 1988 for brushing and to replace culverts. In addition potholes and soft spots were filled, turnouts constructed and some tailing piles leveled to increase visibility. Spot grading occurred between stations 15+90 to 81+00.

The next phase of our planning process, Management Area Analysis, will begin for four units on the Kenai Peninsula later this year. The Resurrection Creek Road will be included as part of that process.

With regard to the need to secure a right-of-way through the Hope Mining District, we do not feel a right-of-way is necessary because of the Forest Service's legal mandate for management of lands within the forest. The Forest is responsible for maintenance of those portions of the road which cross national forest land and the borough and state are responsible for the remainder of the road. As Jan Deleo mentioned, we are currently maintaining the road through private land owned by Arthur and Lois Melickian because of an error in the patent that conveyed the road from public to private ownership. The Forest Service is attempting to clarify ownership.

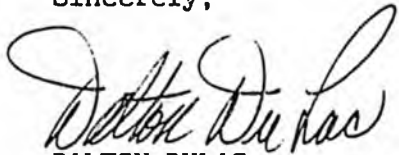
With regard to Senate Bill 25 Forest Service policy does not permit me to take a position on pending legislation without an official policy. In response to Ms Terrel's question I can say that Congress does occasionally appropriate funds for specific purposes. Our normal funding process for construction projects is one of multi-year funding.

Senator Kertulla

page 2

If I can be of further assistance, please feel free to have yo' r staff contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dalton Dulac".

DALTON DULAC  
Forest Supervisor

cc: WO (LA)(7720)  
R-10 (RF)(1500)(PAO - Legis Affairs Coord)  
CNF (1510)(\*RD)  
Sen Stevens & Murkowski, & Cong Young Anchorage & Kenai Offices

Chugach National Forest  
Dalton Du Lac  
Forest Supervisor

Dear Sir:

I have lived in Hope, Alaska since 1980. I drive the Resurrection Creek Road, many times and I feel the road does not meet public safety standards. The road is very bumpy, nasty road.

I would appreciate if you would upgrading this road very soon.

Sincerely Yours,

  
William How

Date: Feb 8, 1988

Forest Supervisor  
Chugach National Forest

Dear Sir,

I have lived in Hope for  
5 years. During this period  
I have driven Resurrection  
Road numerous times, both  
for business and personal  
reasons. This road is B.A.D.  
There are pot holes and  
"ponds" year round. There  
are many places where  
culverts are needed. This  
road is unsafe, and causes  
thousands of dollars in  
damage to many vehicles  
The people in Hope would  
appreciate anything that  
can be done.

Sincerely, Derjick Morgan  
Dane Morgan  
Box 114 Hope 99605

Ray Mc Cormiskey  
POB 142  
HOPE, AK 99605

Forest Supervisor  
Chugach National Forest  
Dear Sir

I would like to see Reclamation Road improved. The road is too narrow in several places. There are countless potholes, rocks and standing water.

This summer & fall has cost me over \$100.00 in repairs due to the condition of the road.

Getting the road condition corrected would save residents & tourist dollars that could be used for better things Ray Mc Cormiskey

Dear Sir,

People who have travelled on Resurrection Creek Rd. have complained quite a bit about the road conditions.

Working at Discovery Cafe - when people ask about the Resurrection Creek Rd. since they want to go to Pay Street I tell them that the road condition is very bad & that going there ~~is~~ in their cars wouldn't be too good.

Improving the road will be greatly appreciated by everyone.

Thank you,

Katy Motyama

NOVEMBER 10, 1987

FOREST SERVICE SUPERVISOR

DEAR SIR;

THE RESURRECTION CREEK  
ROAD IS TOTALLY UNSAFE FOR  
VEHICLE TRAFFIC. IT IS A LONG  
DITCH THAT IS FULL OF POTHOLES,  
BLIND CURVES, VERY NARROW  
PASSAGE. THE ROAD CREATES  
ALOT OF VEHICLE REPAIR PROBLEMS.  
I WOULD APPRECIATE ANY  
MAJOR UPGRADING.

SINCERELY YOURS  
DAVID BROWN

USFS Supervisor Edward R. Cole  
Chugach NF, PO. Box 62  
Hope, AK 99605  
Nov. 10, 1987

Dear Sirs:

I have lived in Hope for the past eight years (since 1979) and have a log house near the Hope airstrip about 1 1/2 miles up Resurrection Creek Road.

The road has deteriorated over the years and, except for very rare grading, no maintenance has been done. The road is badly pitted with potholes year round and becomes quite muddy in spring, requiring 4 wheel drive to travel.

Because of the severe jolting & vibration the rear axle was broken, rear door hatch catch

has had to be replaced, and  
steering column broken on  
my truck which was brand  
new when I came to Hope  
I'm sure that the rough road  
conditions are accelerating  
the wear + tear on it.

lately driving over 10 mph  
has been risky. Since 1979  
population and travel on Resurrection  
Creek Road has multiplied  
many fold. Four households  
lived on the road in 1979-80  
Now close to 18 households  
are occupied year round.  
During this time no material  
has been added to the  
road bed. I strongly urge  
funding improvement of this  
road before it becomes worse.

Sincerely,  
Ed Cole

Forest Supervisor  
Chugach National Forest

Dear Sirs:

I am a resident  
of Hope and travel  
Resurrection Creek Road  
frequently.

This road is in  
need of much necessary  
repairs. The potholes  
just keep getting worse  
and multiplying. The  
road in the spring is  
impassable except with  
a 4 wheel drive because  
it gets so muddy and  
torn up. There are  
places where it is so  
narrow that two cars  
cannot pass each other.

Many families live up Resurrection Creek Road and have problems getting to their homes. Vehicles are being torn up from traveling the road. Many of the repairs are expensive, and depending on the cost people have to leave their vehicles sitting until they can afford to repair them. So the road causes many hardships, since people in our community have to carry their water.

I donot feel that it is unreasonable to ask that this repairs be made. It is not only hard on the vehicles of the people in our community, but also the hikers and weekend miners that

## Forest Supervisor

use the road. It is not uncommon to have a tourist looking for someone to repair a tire after they have traveled the road.

In the winter many people have to change their plans and not go up the trail because parts of the road glaciate over and make it either hazardous or just too much of an inconvenience to continue up the road. This is a problem that the families are facing every year.

Anything that can be done to repair this road and make it

more safe and reliable.  
It needs to be widened  
in places and have the  
potholes fixed, with more  
top grade gravel put  
where it gets so muddy  
and impassable. After  
this is done we ask that  
it be maintained so  
that we don't have these  
problems in the future.

Thank you

Dwaine Logan  
P.O. Box 93  
Hope, AK 99605

Dear Sirs.

I have been living  
up Resurrection Rd. for 372  
years. And I feel that the  
amount of activity on  
the road that it could  
use a great improvement.  
Not only would I personally  
like to see the road improved,  
but see our towns thrive on  
Tourist business, the road  
discourages alot of people

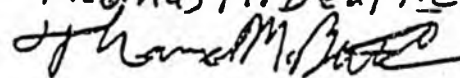
Joe Kruszal  
General Delivery  
Hope Alaska

11-1-87

To The  
Forest Supervisor  
Chugach National Forest

Please fix the Resurrection  
creek Road for it is the  
"Pit". This Road is badly  
in need of Repair.

I Drive this Road for Business  
and pleasure. also this  
Road does not meet Public  
safety standards according  
to your own reports  
The People of Hope would  
appreciate anything that  
can be done.

Sincerely  
Thomas M. Beattie  


DISCOVERY GATE  
HOPE, ALASKA  
10-29-87

FOREST SUPERVISOR  
CHUGACH NATIONAL FOREST

DEAR SIR;

ENOUGH TRAVELERS HAVE STOP HERE  
AND ASKED ME ABOUT THE CONDITION OF THE  
RESURRECTION ROAD TO THE TRAIL HEAD.

SOME DID COMPLAIN ABOUT THE STATE IT  
WAS DURING DIFFERENT TIME OF THE YEAR.

I NOTICED SOME UP GRADING HAS BEEN  
DONE RECENTLY, BUT MORE SHOULD BE DONE  
TO THE ROAD TO MEET SAFETY NEEDS.  
ESPECIALLY THAT SECTION AFTER THE LOG  
CABIN ON THE HOPE MINING COMPANY.

Sincerely,

J. Kagimoto

P. O. Box 109  
Hope, Alaska 99605  
October 23, 1987

Chugach Forest Supervisor  
Anchorage, Alaska

Dear Sirs:

As a resident I'm writing to express support of the upgrading of Resurrection Creek Road in Hope, Alaska.

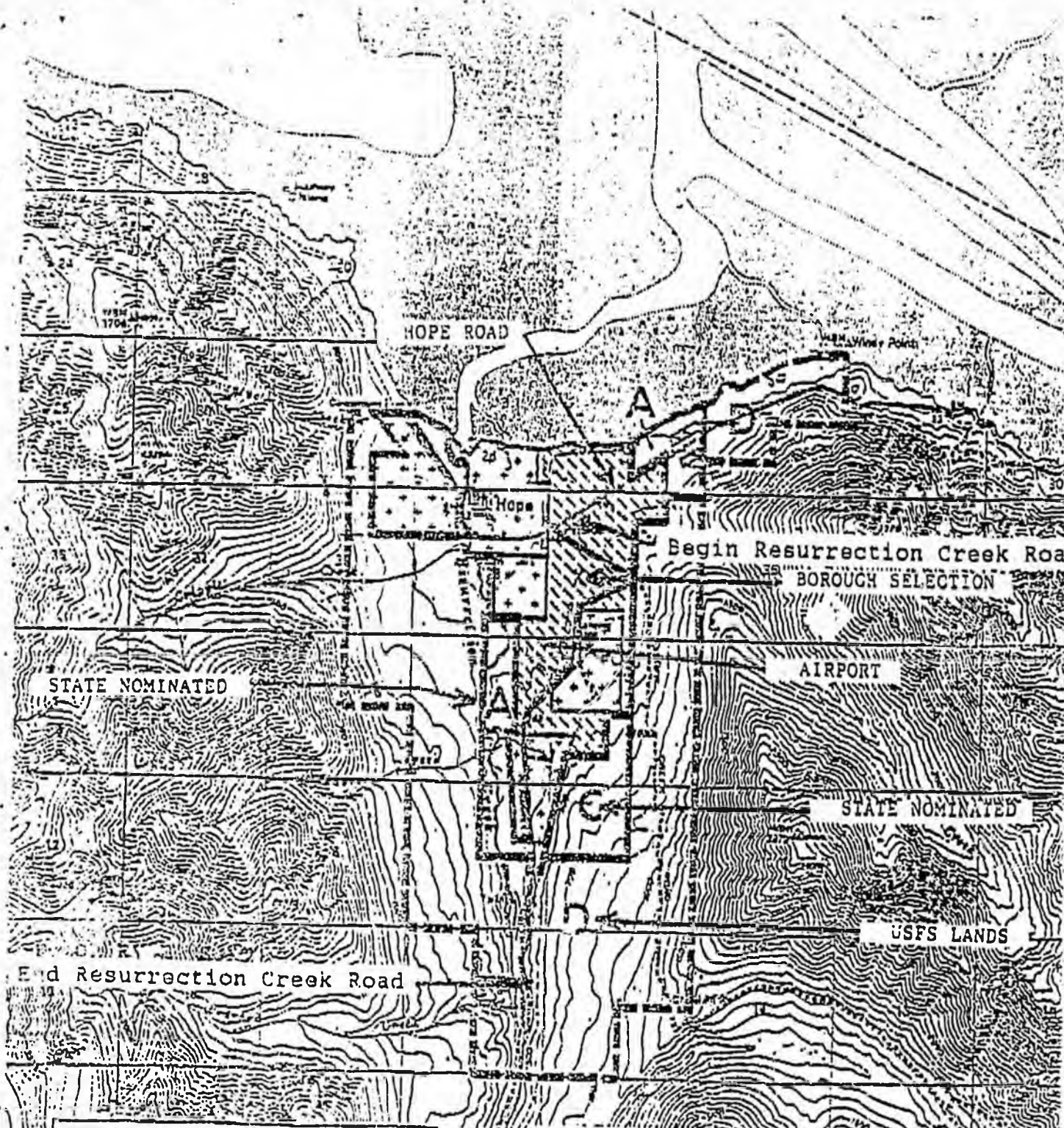
The road is in sad shape. It needs more than a grader smoothing it over now and then. Like a cut that won't heal it needs some skin over it. We are wasting time and money trying to maintain a road that needs the once over. In the long run it is cost effective to resurface Resurrection Creek Road.

Local residents as well as visitors will benefit with less wear and tear on cars, less road maintenance expense, and a safer journey.


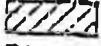



Sincerely,



Dru E. Walker  
Hope Gold




**LEGEND**

-  State owned
-  Existing state selection
-  Private (including Native owned)
-  Boundary of selection
-  Boundary of area not recommended for selection

0 3 6 miles

scale 1:63,360



**NFCG NOMINATION FOR SELECTION**

**HOPE ADDITIONS**  
740 Acres

SEWARD D-7, D-8  
T.9 & 10N., R.2W., S.M.

Chugach National Forest

Location Map

Introduced by: Skogstad  
Date: December 15, 1987  
Action: Adopted  
Vote: Unanimous

KENAI PENINSULA BOROUGH

RESOLUTION 87-121

SUPPORTING THE ALASKA CONGRESSIONAL DELEGATION EFFORTS TO OBTAIN NECESSARY FUNDS FOR THE UPGRADING OF RESURRECTION CREEK ROAD IN HOPE, ALASKA

WHEREAS, ~~the~~ Resurrection Creek Road is receiving larger volumes of traffic yearly to the trailhead of Resurrection Trail; and

WHEREAS, the last portion of Resurrection Creek Road is passible by one lane traffic only; and

WHEREAS, due to the increase in tourism a need exists to upgrade the necessary portions of Resurrection Creek Road to insure suitable safety standards;

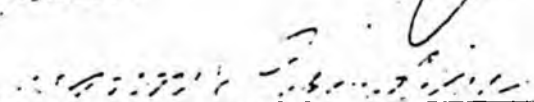
NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

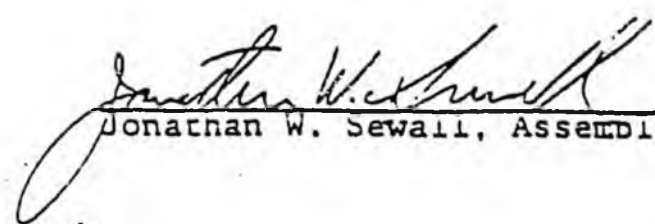
Section 1. That the Kenai Peninsula Borough Assembly supports all efforts by the Alaska Congressional Delegation to obtain the funds necessary into the Dept. of Agriculture's budget for the upgrading of a portion of Resurrection Creek Road.

Section 2. That this resolution be sent to Senators Ted Stevens and Frank Murkowski, Representative Don Young, Senator Robert Bird, Chairman of the Senate Appropriations Committee, Subcommittee on the Interior and related agencies and Representative Sydney Yates, Chairman of the House Appropriations Committee, Subcommittee on the Interior and related agencies.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 15th DAY OF December, 1987.

ATTEST:

  
Borough Clerk

  
Jonathan W. Sewall, Assembly President

Resolutions + Letters of  
Support

Date: January 30, 1988  
Action: Unanimous Do Pass

Resolution of Hope Inc./ Hope Village Council

Supporting the upgrading of a portion of Resurrection Road

Whereas, the portion of Resurrection Road running South from the Hope Mining Company cabins has been in need of upgrade for many years; and

Whereas, with a minimum of improvements the safety of this portion of Resurrection Road would greatly increase:

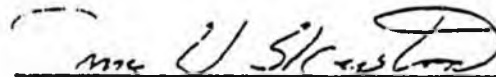
NOW THEREFORE, BE IT RESOLVED BY THE HOPEINC./HOPE VILLAGE COUNCIL:

Section 1. That the community of Hope hereby endorses and supports adequate funding to upgrade a portion of Resurrection Road beginning at Hope Mining Company and ending at the trailhead for Resurrection Trail.

Section 2. The work endorsed in this resolution should follow the Chugach National Forest Service report titled FDR902.

Section 3. That this resolution takes effect immediately upon adoption.

Adopted by members of Hope Inc./Hope village Council on January 30, 1988.

  
James W. Skogstad/ President Hope Inc.

FOREST SUPERVISOR,

DEAR SIR,

I HAVE JUST RECENTLY ARRIVED  
IN HOPE, ALASKA. I HAVE EXPRESSED  
A DESIRE TO MY DAUGHTER-IN-LAW,  
WHO HAS LIVED IN HOPE, SOME NINE  
YEARS, THAT I WOULD LIKE TO BE  
TAKEN FOR A RIDE, UP THE  
RESTRICTION CREEK ROAD. SHE  
INFORMED ME THAT SHE CONSIDERS  
THE ROAD IS TOO DANGEROUS.

SINCERELY YOURS

W. J. [unclear]

NOV 11, 1987

FOREST SUPERVISOR

Resurrection creek  
road is not fit  
for mules

David Wheeler

P.O. Box 85  
Hope, AK. 99605  
October 26, 1987

Re: Resurrection Creek  
Road

Chugach Forest Supervisor  
Anchorage Alaska

Dear Sir,

I would like to be on record as supporting improved maintenance of the Resurrection Creek Road, Hope Alaska. Currently this road begins as a 24ft. top, changing to a 12 ft. top at mile 3, and finally a 9 ft. top at mile 4 of the 4.5 mile road. This road was built by bulldozer upon native soil or mining spoils and accross soft areas with corduroy.

This road is subject to heavy summer traffic as the only route to a public recreational mining area and to the trail head for the popular Resurrection Trail. With increased summer traffic, many times vehicles must back up when meeting other vehicles. The dust is often so thick that headlights must be on.

These inadequacies are more than an inconvenience but instead pose a safety hazard that must be corrected immediately.

Sincerely,  
  
John Sorenson P.E.

1000 v 01  
Steve Simmons  
P.O. Box 30  
Hope, AK. 99605

To whom it may concern...

Dear Sirs,

I would like to bring to someones' attention  
the condition of Resurrection Creek road  
in hope Alaska.

the road is in very poor condition!  
the potholes and washouts are to extreme  
proportions. the road is very hazardous  
and needs much work to bring it to  
a safe standard.

I would appreciate someone taking  
some action to get resurrection Creek  
road upgraded/improved and or rebuilt

Thank you

Steve Simmons

October 18, 1987

Supervisor  
Chugach National Forest

Dear Sir:

This letter is in regard to the poor condition of Resurrection Creek Road near Slope, Alaska.

My two daughters and I live on this road and daily travel is becoming increasingly difficult. The road is full of "chick holes", has water running across the surface in several places and because there isn't any gravel on the road it's slick & muddy now. It's impossible to go more than 15-20 m.p.h. without getting the vehicle and passengers "clunked up".

Hundreds of cars drove Resurrection Road this last summer going to the parking lot where Resurrection Pass trailhead starts and to Faystake - a replica of an old mining town. Most of the cars were from out of state. Many made comments to me and other residents in Slope about the appalling condition of Resurrection Road.

Several people stopped at my house  
inquiring as to how the rest of the  
road was. (I live about three miles  
on Resurrection from Hope Rd.)

It seems that funds should be  
available to grade and gravel Resurrection  
Creek Road. Especially with the increase  
of popularity that Resurrection Pass  
Trail is gaining and, also, Fairbanks.

Thank-you

Sincerely,

Marcus DeBuck

Box 66

Hope, AK 99605

**S J R**

**27**

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SJR 27  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Essential air service for the  
City of Valdez  
Sponsor: Senator Kerttula  
Requestor: \_\_\_\_\_

Agency Affected: none  
BRU: \_\_\_\_\_  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) This is a federal issue and as such would have no impact upon state government finances.

Prepared by: Terry Otness, Committee Assistant  
Division: Senate Transportation Committee

Phone: 465-4921  
Date: March 3, 1989

Approved by ~~Committee~~ Senator Jones, Chairman  
Agency: Senate Transportation Committee

Date: March 3, 1989

Distribution (by preparer):

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

1 IN THE SENATE

BY KERTTULA AND SZYMANSKI

2 SENATE JOINT RESOLUTION NO. 27

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to an essential air service  
6 subsidy for the City of Valdez.

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

8 WHEREAS the City of Valdez is a community with a population of 3,700  
9 persons and is about 300 road miles and 150 air miles from Anchorage, the  
10 nearest urban area; and

11 WHEREAS the current level of scheduled air service to the City of  
12 Valdez adversely affects the safety and comfort of the residents of the  
13 city and prevents quick access to Valdez in the event of an emergency  
14 involving the Trans-Alaska Pipeline System oil terminal; and

15 WHEREAS the City of Valdez is unable to further develop its tourist  
16 industry and to fully utilize its civic center facilities without adequate  
17 scheduled air transportation services; and

18 WHEREAS Valdez is subjected to inclement weather during much of the  
19 year, with a high proportion of overcast and rainy days during the summer  
20 and overcast and snowy days during the winter; and

21 WHEREAS the only aircraft that can provide the City of Valdez with  
22 reliable scheduled air service is the DeHavilland DASH-7, which is a four  
23 engine aircraft with short take off and landing capabilities and is  
24 equipped with microwave equipment that is compatible with the microwave  
25 landing system at the Valdez airport; and

26 WHEREAS the DeHavilland DASH-7 aircraft can operate during periods of  
27 inclement weather that are frequent in Valdez and has in the past provided  
28 Valdez with a scheduled flight success rate of 90 percent; and

29 S WHEREAS at least two commercial air carriers have expressed interest

1 in providing scheduled air service to Valdez with the DeHavilland DASP-7  
2 aircraft, if an essential air service subsidy is available; and

3 WHEREAS the City of Valdez is eligible for an essential air service  
4 subsidy, but a shortage of federal funds has prevented the city from re-  
5 ceiving the subsidy;

6 BE IT RESOLVED that the Alaska State Legislature supports the request  
7 of the City of Valdez for an essential air service subsidy; and be it

8 FURTHER RESOLVED that the Alaska State Legislature respectfully re-  
9 quests the U.S. Department of Transportation to approve the request of the  
10 City of Valdez for an essential air service subsidy; and be it

11 FURTHER RESOLVED that the Alaska State Legislature respectfully re-  
12 quests the Congress to increase funding for the essential air service  
13 subsidy program in order that the City of Valdez may receive a subsidy for  
14 sorely needed reliable, year-round scheduled air service.

15 COPIES of this resolution shall be sent to the Honorable Dan Quayle,  
16 Vice-President of the United States and President of the U.S. Senate; the  
17 Honorable Jim Wright, Speaker of the U.S. House of Representative; the  
18 Honorable Frank R. Lautenberg, Chairman of the Subcommittee on Transporta-  
19 tion and Related Agencies of the U.S. Senate Committee on Appropriations;  
20 the Honorable William Lehmen, Chairman of the Subcommittee on Transporta-  
21 tion and Related Agencies of the U.S. House Committee on Appropriations;  
22 the Honorable Samuel K. Skinner, U.S. Secretary of Transportation; and to  
23 the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators,  
24 and the Honorable Don Young, U.S. Representative, members of the Alaska  
25 delegation in Congress.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE Mar 2, 1989  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035  
2/9/89

DATE TURNED INTO OFFICE Mar 7, 1989

Mr. President:

TRANSPORTATION Committee considered SJR 27

essential air service subsidy for the City of Valdez

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  fiscal impact  
 appropriation no FN attached  Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS  
[Signature] No Rec  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chairman signature and recommendation

Committee backup attached

**STATE OF ALASKA**  
**1989 LEGISLATIVE SESSION**

BILL VERSION: SJR 27  
 PUBLISH DATE: 2/9/89

**FISCAL NOTE**

Revision Date: 2/9/89  
 Title: Relating to an essential air service  
 subsidy for the City of Valdez

Agency Affected: DOT&PF  
 BRU:

Sponsor: Kertula and Szymanski  
 Requestor: Transportation Committee

Components:

**EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)**

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	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	0	0	0	0	0	0
---------	---	---	---	---	---	---

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

**FUNDING: (THOUSANDS OF DOLLARS)**

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

**POSITIONS:**

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

ANALYSIS: In response to this resolution, the department is currently developing a position on Valdez's application which will be submitted to U. S. Department of Transportation. It should be noted that under the new Federal legislation, the community will be required to contribute 50% of the required subsidy.

Prepared by: M. Clyde Stoltzfus, Special Assistant to the Commissioner  
 Division: Commissioner Office

Phone: 465-3900  
 Date: 2/28/89

Approved by Commissioner: Mark S. Hickey  
 Agency: Department of Transportation and Public Facilities

Date: 2/28/89

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor



Official Business

# Alaska State Legislature

## Senate

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

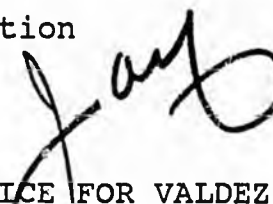
FEB 15 1989

February 13, 1989

TO: Senator Lloyd Jones  
Chairman, Senate Transportation  
Committee

FROM: Senator Jay Kerttula

SUBJECT: SJR 27 - ESSENTIAL AIR SERVICE FOR VALDEZ



Attached please find some background information on SJR 27, relating to an essential air service subsidy for the City of Valdez.

Inasmuch as this is a resolution addressed to the federal government, there is no fiscal impact on the State.

I would appreciate your scheduling a committee hearing on this resolution at your earliest convenience.

Thank you for your consideration of this request.

JK:pt

January 19, 1989



The Honorable Jay Kerttula  
Alaska State Legislature  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Kerttula:

I very much appreciate your offer to help us with our problem regarding the air service to Valdez. As you are aware we have been attempting to secure an essential air service subsidy for the past two years.

My most recent meeting in Washington, D.C., regarding the essential air service subsidy resulted in both good news and bad news. Our most recent proposal, which I have attached to this letter, was evaluated as being technically correct making us eligible for an essential air service subsidy; however, Congress had reduced the funding for the program thus leaving inadequate funding for our program. One item that John Coleman of the Essential Air Service Program has requested is a letter from Mark Hickey, Commissioner of the Department of Transportation, indicating that Valdez has a unique situation. We have attempted to indicate that our needs are unique based on our weather conditions, our geographic conditions and the economic conditions which would include 25 percent of the nation's crude oil coming from our port.

When we began the action needed to secure an air service subsidy, we were faced with a moderate problem of providing reliable air service to Valdez. This problem was considerably worse during our winter months when our successful flights decreased by approximately 40 percent. Recently the FAA canceled all night flights in and out of Valdez based on the characteristics of the aircraft serving Valdez. FAA also has increased the minimums, thus decreasing the number of daytime successful flights. We are now averaging less than one flight per day, and actually only had 14 flights in the entire month of November. It is my understanding that during the month of December we successfully completed approximately 30 percent of our flights, and neither the November nor December statistics include the cancellation of the night flights nor the increased daytime limits.

We are quite convinced, and this is supported by statements from experts in the aviation industry, that the only aircraft that could provide the City of Valdez with reliable air service is the DeHavilland DASH-7. This aircraft is unique in that it is a Stohl aircraft having four engines. FAA recognizes the uniqueness of this aircraft, and the DeHavilland DASH-7 combined with the microwave landing system installed by the City of Valdez gives us

- City of Valdez letter

The Honorable Jay Kerttula  
Janaury 19, 1989  
Page 2

minimums which allow successful flights in even our most serious months to be in the high 90 percents. Valdez did have a DeHavilland DASH-7 during a full year's service and recognized a significant improvement in our air service.

If we are able to secure an air service subsidy, it would be utilized to subsidize a carrier in providing DeHavilland DASH-7 service to Valdez. As it now stands, we are unable to utilize the fine Civic Center facilities for conventions and other meetings. We feel there is a true concern regarding the reliability of air service to Valdez in the event of any emergency related to the Alyeska terminal. We also recognize that our tourist industry cannot develop further without a reliable means of air transportation. In addition to all that I have mentioned, there is the matter of our citizens comfort and safety when air transportation is reduced to the point we are now experiencing.

Again, I wish to thank you for your willingness to help. If a resolution can be developed by the Alaska State Legislature in support of our problem, we would certainly appreciate that. If you need additional information with regard to this resolution, please feel free to contact me.

Sincerely,



John Devens, Ph.D.  
Mayor

JD:jd

Enclosure

cc: Valdez City Council  
Doug Griffin, City Manager  
Kim Hutchinson

CITY OF VALDEZ  
P. O. Box 307  
Valdez, Alaska 99686

(907) 835-4313

November 17, 1988

Mr. Kevin Adams  
U.S. Department of Transportation  
Room 5100  
Office of Aviation Analysis  
P-54  
400 - 7th Street, S.W.  
Washington, D.C. 20590

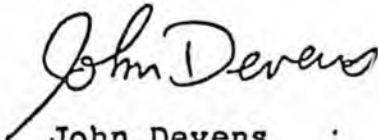
Dear Mr. Adams:

Attached please find a "Request for Essential Air Service Grant to the City of Valdez, Alaska," which you recently discussed with our consultants.

You will note that we are making our request for assistance under the existing EAS Program, given that the City is not currently receiving even the old CAB-adopted air service levels.

We appreciate your consideration of these materials, and if you have any questions, please do not hesitate to contact us.

Sincerely,



John Devens  
Mayor

DG/mjw  
0625g

Attachments

- Valdez Essential Air Service  
Request Application -

REQUEST FOR AN ESSENTIAL AIR SERVICE GRANT  
TO THE CITY OF VALDEZ, ALASKA

PRESENTED TO THE OFFICE OF ESSENTIAL AIR SERVICE  
FEDERAL AVIATION ADMINISTRATION  
U.S. DEPARTMENT OF TRANSPORTATION, WASHINGTON, D.C.

PRESENTED BY  
THE CITY OF VALDEZ

NOVEMBER 1988

## SUMMARY

The City of Valdez lacks an essential level of air service. This deficiency is due primarily to weather-related unreliability of existing scheduled service. To correct this problem aircraft with micro-wave landing system capability should be employed to serve the community on the existing schedule. To obtain service from a carrier employing micro-wave equipped aircraft, the City recommends that the FAA issue a "Request for Proposals" from interested carriers. Should the FAA find that some level of service other than the existing level should be employed in the RFP, then the City and the FAA should jointly develop the RFP service guidelines to which the carriers respond. Funding to pay the successful proposer should come from the FAA Essential Air Service (EAS) Program.

## COMMUNITY DESCRIPTION

**Overview:** Valdez is a critical link in America's national security. The community of Valdez is situated at the terminus of the Trans-Alaska Pipeline System (TAPS). Each day 2 million barrels of crude oil arrive in Valdez from the North Slope oil fields. The oil is transshipped to the continental United States where it accounts for between 18% and 20% of daily U.S. consumption.

But, as shown below, Valdez is also an isolated community, located some 300 road miles and 150 air miles from Anchorage, the nearest urban area. Additionally Valdez is subject to inclement weather much of the year. Summers in the area have a high percentage of overcast and rainy days. In winter Valdez has a disproportionate percentage of overcast and snowy days, with an average annual snowfall of 290 inches. The winter of 1986-87 set a new record with 388 inches of snow.

**Organization, Population and Location:** Valdez is a Home Rule Municipality organized under Alaska law. The population is approximately 3,700. The community is located on a fjord on Prince William Sound, on the southcentral coast of Alaska. Prince William Sound is itself located on the Gulf of Alaska, in the North Pacific Ocean. The community is approximately 150 air miles and 300 road miles from Anchorage, 400 air miles from Juneau and 1,200 air miles from Seattle.

**Climate:** The Valdez climate is maritime, with heavy year round precipitation and temperatures ranging from eight degrees (F) during the summer to zero degrees (F) in the winter. Major climatic influences are the northern latitude (sixty-one degrees), the proximity of the Japanese current and the adjacent coastal mountain range. The Japanese Current continuously funnels large volumes of warm water and warm moist air to the Valdez area. Here the warm air and water strike the Chugach mountain range, with peaks ranging up to 6,000 feet, rising directly behind the City. When combined with the naturally cold air associated with the community's latitudinal location, the result is, of course, heavy condensation and precipitation, as noted in the "Summary" above.

**Economy:** The Valdez economy is composed of oil transshipment operations, fishing, government, retail trade, tourism, construction and national defense. TAPS-related activity, including pipeline activity and an average of 3.5 tankers per day, is not only important to the local economy, it is vital to the energy independence of the entire United States.

Recently the U.S. Department of Defense decided to locate a minesweeper in Valdez, and support for this operation will form a growing part of the economy in the coming months and years.

**Transportation:** Valdez is connected with other communities by air, road and water transportation links.

**Valdez Airport:** The Valdez Airport is owned and operated by the Alaska Department of Transportation and Public Facilities (DOTPF), Northern Region. The City of Valdez owns and operates the airport terminal. Other permanent structures on the airport grounds include an ERA Alaska hanger, a Valdez Aero Service building, a DOTPF Maintenance station and a CFR station.

The airport has one east-west runway, designated 6/24, which is 150 wide and 6,500 feet in length. The runway has a parallel taxiway and four cross taxiways. The runway and taxiway are lighted. The airport is also equipped with a Bendix micro-wave landing system (MLS).

**Richardson Highway:** Road links are via the Richardson Highway, through the Thompson Pass, to Glennallen, a distance of approximately 120 miles. During the winter months the Thompson Pass is often unusable owing to snow accumulation. From Glennallen to Anchorage and Fairbanks the road distance is approximately 180 miles and 240 miles respectively.

Average daily traffic (ADT) on the Richardson Highway in the immediate Valdez vicinity is shown in the chart below.

Richardson Highway Traffic At Valdez  
(1987 Figures by DOTPF)

Location	Daily Traffic
Ferry Terminal Downtown	1525
Central Business District	4875
Maintenance Station at two mile, (December)	2318
Maintenance Station at two mile, (July)	4419
Airport at three mile	2900
Seven mile Richardson Highway	2525

The ADT show the Richardson Highway to have moderate utilization for a secondary highway. In addition the approximate 50% drop in traffic at two mile between summer and winter is attributable to both a greater demand for travel in the summer and to inclement conditions in the winter, when travel on the Richardson Highway is risky and the likelihood of the road being closed is sometimes high.

Alaska Marine Highway System (AMHS): The AMHS is owned and operated by the DOTPF. This system provides Valdez with water transportation for passengers and vehicles. The AMHS system is also an source of freight shipments for the Valdez community.

Two vessels, the M.V. Bartlett and the M.V. Tustemena serve Valdez, docking at the DOTPF-owned ferry terminal in the downtown. The M.V. Bartlett carries approximately 170 passengers and thirty-three vehicles, while the M.V. Tustemena carries approximately 200 passengers and forty-three vehicles. Between these two vessels, Valdez receives daily service in the summer and service about four times per week during the remainder of the year.

Service is provided to Whittier and Seward on the Kenai Peninsula, where there are road and railroad connections to Anchorage. Sailing time to Whittier is about seven hours and to Seward about twelve hours. Connections can also be made infrequently to Juneau and other communities in Southeast Alaska, as well as to Canada and Washington State.

During 1987 total passenger traffic (embarking and disembarking) at Valdez was about 33,350 and total vehicle traffic was about 8,450. No figures are available on AMHS-carried freight shipments other than vehicles.

## RECENT HISTORY OF VALDEZ AIR SERVICES

**Civil Aeronautics Board (CAB) Essential Air Service Findings:** The CAB found in its 1976 review that at least fifty-eight weekly flights, with a capacity of about 475 passengers, comprised an essential level of air service at Valdez. The essential air service level determined by the CAB was comprised of numerous flights by small capacity aircraft, and the total number of passenger seats available during a given week was therefore not substantially affected by the cancellation of a single flight or even two or three flights.

It is therefore seen that, if the aircraft serving Valdez were larger and the likelihood of cancellation constant, then the total number of seats available by larger aircraft to meet this same level of service would have to be substantially larger.

**Aircraft and Carriers:** In fact the number of weekly Valdez flights and their seating capacity has changed substantially since the 1976 CAB determination. In the early 1980s ERA Alaska began using Dash-7 DeHavillands, with a seating capacity of fifty people. At the same time the frequency of flights was changed from eight or nine a day to three per day in the summer and two per day for the remainder of the year.

The Dash-7s were equipped with micro-wave equipment and could meet FAA minimums for the airport. These aircraft could therefore operate during inclement weather and enjoyed a scheduled flight success rate of over 90%. In simple terms the Dash-7 aircraft successfully provided a year round average of about 700 weekly passenger seats to Valdez and a non-summer average of about 675 weekly seats. Given the larger seating capacity-considerations described above and the high rate of success in meeting the schedules, this service perhaps met the CAB-determined minimums for essential air service.

However ERA Alaska found that, owing to financing considerations, use of the Dash-7s in the Valdez market was uneconomical. In early 1986 ERA Alaska retired the Dash-7s and began employing Convair 580s on the same service schedule. These aircraft also have seating capacities of fifty persons. But, unlike the Dash-7s, they are not micro-wave equipped. Consequently the success rate for meeting the schedule has declined substantially.

In fact, when micro-wave equipped aircraft ceased Valdez operations in 1986, the winter reliability of scheduled flights fell from 96% to 64% or by about one-third. The resulting 64% reliability brings air service in the community substantially below CAB minimum guidelines.

Moreover the reduced reliability is not limited to winter operations. During the period September through October 1985, ERA Alaska completed 113 of 125 scheduled flights to Valdez, for a success rate of over 90%. But, after micro-wave equipped aircraft were discontinued in March of 1986, during summer weather conditions in July and August of 1986, ERA was able to complete only 118 of 152 scheduled flights, for a success rate of just under 78%.

Air-borne freight shipments are also affected, as 62,164 pounds were shipped by ERA in July of 1985 and only 42,753 in July of 1986, a decline of about one-third.

Attachment 1 shows more complete data regarding air service operations at Valdez between 1984 and 1987.

#### RECOMMENDED FAA ACTIONS

The City of Valdez desires that existing schedules and seating capacities be maintained and that service reliability be improved to 1986 levels. This improved reliability can be accomplished by utilizing micro-wave landing system (MLS) equipped aircraft on the existing schedule.

At present only the Dash-7 DeHavilland is capable of meeting the FAA micro-wave minimum in Valdez. Both ERA Alaska and Mark Air have expressed interest in providing MLS equipped service to Valdez.

The City therefore recommends that the FAA issue an RFP to at least Markair and ERA Alaska to provide MLS equipped service to Valdez, at or above the existing scheduled service level. If the FAA finds that these service guidelines cannot be incorporated into the RFP, then the City requests that any alternative service levels be developed jointly by the City and the FAA.

The City further requests that representatives from the City sit on the team responsible for review, selection and negotiations with the proposers.

ATTACHMENT 1

FIGURE 1  
ERA-ALASKA FLIGHT PASSENGER DATA 1984-1987  
(Valdez-Anchorage)

Year/Months	Passengers	Flights Scheduled	Flights Completed	Success Percentage
1984 May-Aug	5,338	411	395	96.1%
1984 Sept-Dec	4,821	239	237	99.2%
1985 Jan-April	4,061	240	220	91.6%
1985 May-Aug	6,132	269	269	100.0%
1985 Sept-Dec	3,628	250	232	92.8%
1986 Jan-April	2,995	243	230	94.7%*
1986 May-Aug	6,076	272	237	87.1%
1986 Sept-Dec	2,605	241	194	80.5%
1987 Jan-April	2,093	238	185	77.7%

FIGURE 2  
ERA-ALASKA FLIGHT PASSENGER DATA 1984-1987  
(Anchorage-Valdez)

Year/Months	Passengers	Flights Scheduled	Flights Completed	Success Percentage
1984 May-Aug	5,403	411	395	96.1%
1984 Sept-Dec	4,782	239	237	99.2%
1985 Jan-April	3,973	240	220	91.6%
1985 May-Aug	5,162	269	269	100.0%
1985 Sept-Dec	3,422	250	232	92.8%
1986 Jan-April	3,032	243	230	94.7%*
1986 May-Aug	4,478	272	237	87.1%
1986 Sept-Dec	2,605	241	194	80.5%
1987 Jan-April	2,093	238	185	77.7%

\*Note: Micro-wave equipped aircraft ceased operations in March 1986.

ATTACHMENT 1  
(Continued)

FIGURE 3  
ERA-ALASKA FLIGHT CARGO DATA  
(Anchorage-Valdez and Valdez-Anchorage)

<u>Year</u>	<u>Pounds of Cargo</u>
<u>Valdez-Anchorage</u>	
1984 (8 mos.).....	165,488
1985 (12 mos.).....	160,171
1986 (12 mos.).....	81,738
1987 (4 mos.).....	16,439
<u>Anchorage-Valdez</u>	
1984 (8 mos.).....	251,247
1985 (12 mos.).....	281,823
1986 (12 mos.).....	260,743
1987 (4 mos.).....	16,439

**S J R**

**36**

FISCAL NOTE

Revision Date: 3-16-89  
Title: Requesting Congress to Reserve a  
Highway Corridor for Lynn Canal Road

Agency Affected: DOT&PF  
BRU:

Sponsor: Coghill  
Requestor: Senate Transportation

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
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	0	0	0	0	0	0
---------	---	---	---	---	---	---

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

FUNDING: (THOUSANDS OF DOLLARS)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

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

Phone: 789-6264

Date: 4-7-89

Approved by Commissioner: Mark S. Hickey *MSH*  
Agency: Department of Transportation and Public Facilities

Date: 4/10/89

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

- Fiscal note -

ANALYSIS - SJR 36

Senate Joint Resolution 36 (SJR 36) requests the Congress to reserve a two-mile wide highway corridor along the east side of Lynn Canal for the purpose of accommodating a future Juneau-Haines-Skagway road connection.

No detailed planning, environmental, or engineering studies have been completed that would allow the department to identify a specific preferred road alignment or other design criteria. Therefore, neither the location nor width of the needed corridor can be positively determined at this time.

There is no fiscal impact from the Resolve.

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 Barners 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.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE April 6, 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 April 26, 1989

3/16/89  
Mr. President:

TRSP Committee considered SJR 36

Congress to reserve a highway corridor or setback along the east shoreline of Lynn Canal

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

OTHER RECOMMENDATIONS

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Fat Faint No Rec

Schunberg No Rec

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
Chairman signature and recommendation

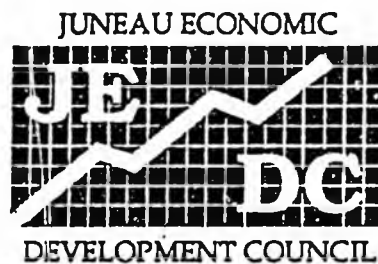
Committee backup attached

# JUNEAU ROAD ACCESS IMPROVEMENTS

Prepared for:

Senator James Duncan

Prepared by:



March 8, 1989

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## SECTION I

### PURPOSE OF REPORT

In late September 1988, Juneau Senator James Duncan requested the assistance of the Juneau Economic Development Council in investigating the pursuit of improved road access to and from Juneau. Specifically, he requested the JEDC to attempt two tasks:

- o First, review recommended road development options proposed and studied to date and determine which is the most timely and cost effective to pursue from this point forward; and
- o Second, determine if there is any consensus within the community and region for that or any other road development option.

Senator Duncan indicated in his request that the JEDC study effort would have to proceed without monetary support. He further indicated that the study's findings and recommendations would be needed by his office no later than early March 1989 to allow him to propose and advance through the state legislature the allocation of resources necessary to initiate a sustained effort aimed at implementing the recommendations advanced by this report.

The study effort culminating in this report required the expenditure of approximately \$3,000 of JEDC funds in out-of-pocket expenses. In addition, the community of local civil engineers contributed the equivalent of approximately \$25,000 - \$30,000 of billable professional services to this effort.

## SECTION II

### METHODOLOGY

#### Access Options

Since 1921 a wide range of options have been proposed and studied for the development of improved road access to and from Juneau (see appendix A). While many were similar in scope or configuration, differences existed in the form of specific variations of routing, construction parameters and design.

To create some manageable parameters to this study effort, six options were identified around which the many variations could be identified. These options, however, were postulated as "generic" and the study fully recognizes that variations exist.

This generic approach made it possible to develop cost estimates whose value rested as much in their comparative value as providing target estimates around which specific design and construction could be initiated. The ability to compare one option to another was a critical demand of this study's design from the beginning. In spite of significant resources spent on various investigations in the past, this ability to reasonably compare one option to another based on a single set of standards and design parameters did not exist at the outset of this study.

The six generic access options identified for purposes of executing a comparative review and analysis are:

#### A. Taku River:

This option would require road construction to begin at road's end south of Juneau and proceed up the Taku River Valley, connecting to the existing road system in British Columbia south of the community of Atlin.

#### B. Juneau-Haines East:

This option would require road construction to begin at road's end just south of Berner's Bay and proceed northward along the Lynn Canal shoreline to a point almost due east of Haines. A shuttle ferry would link the road to Haines and a second shuttle would link Haines with Skagway.

C. Juneau-Haines-Skagway:

This option would differ from Option B by replacing the Haines/Skagway ferry link with a hard surface road.

D. Juneau-Haines West:

This option would require shuttle ferry service east-west across Lynn Canal from the current road's end to a point in the vicinity of William Henry Bay. Road surface would be constructed northward along the west shoreline of Lynn Canal with bridging to the existing road system on the Chilkat Peninsula, connecting at a point just north of the Haines airport. A shuttle ferry would provide access between Haines and Skagway.

E. Ferry Service:

This option would simply continue the existing ferry service between Juneau, Haines and Skagway in its present form. This option provides a baseline scenario against which to compare the other options studied.

F. High Speed Shuttle Ferry:

This last option would provide high speed shuttle ferry service between Juneau, Haines and Skagway utilizing two high speed vessels each capable of providing 2-3 round-trips per day within a 16-18 hour period. While this option is defined here as departing from a point near current road's end on the east side of Lynn Canal north of Juneau, the same scenario is possible operating out of the existing Auke Bay Ferry Terminal. A point of departure from the northern end of the existing road system only becomes critical when running time saved by the shorter distance is sufficient to provide increased frequency within the proposed 16-18 hour time period.

Construction Cost Estimates

Construction cost estimates were calculated based on the following base assumption.

First, Federal Secondary Highway standards were adopted for base design.

Second, a project study period of 25 years was established for purposes of calculating operation and maintenance costs for each option.

Third, revenues from shuttle and mainline ferry service were estimated across the same 25 year project study period and credited against ferry system operation and maintenance expenses in calculating total project costs.

All cost estimates were generated in terms of 1989 dollars. A 10% rate of return was built into the calculations across the 25 year project study period to keep cost estimates tied to 1989 dollar values.

Design and engineering services and contract administration costs were calculated at 10% and 12% respectively. Contract administration costs are normally calculated at a rate of 15%, however, given potential economy of scale savings, a reduced rate of 12% was used for calculations. In addition, a contingency factor of 5-10% was included in construction cost estimates. Normally, contingency, design services and contract administration are usually calculated at a combined rate of up to 40%. The combined rate of 30% used in this study effort represents minimum estimates.

Costs for the construction and maintenance of O&M facilities were included as project lengths were considered too excessive to service from existing facilities.

Customs facility costs were calculated for the Taku River option only, as they already exist on the road systems running north out of Haines and Skagway.

Avalanche shed costs were calculated based on the assumption that the respective options were to be kept open at all times.

Generating cost estimates for each of the proposed road options was a difficult task at best. The difficulty was compounded by the fact that several options did not have associated ground surveys and other field data normally available upon which to base detailed estimating. To offset some of this disadvantage, selected representatives from the volunteer engineering community who worked on this project, including a member of the JEDC board, visually surveyed the proposed routes by air. This reconnaissance provided significant verification for much of the judgement decisions made by the group during the course of their work.

#### Other Considerations

In addition to design, construction and operation and maintenance costs, other factors were evaluated across each option. These factors were assigned a value on a scale from 1 to 5, with 5 representing the most positive or highest benefit. These factors were then weighted to recognize that, in a comparative matrix, some were more significant than others. Maximum weighting was a multiplier of 30.

The only factor assigned a weighting value of 30 was that associated with environmental sensitivity. This factor could have been split into many more factors with a more specific focus as was done with the socio-economic

variables considered. To prevent socio-economic considerations from completely dominating this review of other considerations, environmental sensitivity was assigned a weighting factor which approximates the total weighting across the various socio-economic variables.

This study assumed that the significant environmental problems associated with each proposed road alternative could be mitigated. However, only a full EIS and design can verify that assumption.

For purposes of comparison, a final overall "relative factor" was calculated to compare the cumulative impact of these other factors from one option to the other. For purposes of establishing a baseline for comparison, the existing ferry system option was assigned an overall factor of 1. By dividing the total values of all factors considered for each option by the total generated for the existing ferry system option, the overall relative factor was determined.

Other factors considered include:

1. Environmental Sensitivity: (Weighted 30x)  
A value of 5 (weighted 30x = 150) indicates minimum environmental sensitivity.
2. Geotechnical Complexities: (Weighted 3x)  
A value of 5 (weighted 3x = 15) indicates minimum complexity in encountering weak/unstable/seismically-sensitive soils.
3. All-weather Reliability: (Weighted 5x)  
A value of 5 (weighted 5x = 25) indicates minimal potential for route closures due to climatic conditions other than avalanches, e.g. high winds, heavy snowfall, icing, high water, etc.
4. Alternate Funding Potential: (Weighted 5x)  
A value of 5 (weighted 5x = 25) indicates maximum potential for economic subsidy as a result of resource development or other funding, e.g. foreign participation, resource development such as mining/forest products/fisheries/tourism, and other one-time federal sources.
5. Regional Factors: (Weighted 5x)  
A value of 5 (weighted 5x = 25) indicates maximum benefits enhancing the socio-economic and political integration of Juneau, Haines and Skagway.
6. Utility Joint Use Corridors: (Weighted 10x)  
A value of 5 (weighted 10x = 50) indicates maximum potential use of the access option corridor for expansion of utilities, e.g. electrical distribution, pipelines, etc.
7. Travel/Distance Time Factor: (Weighted 10x)  
A value of 5 (weighted 10x = 50) indicates

maximum benefits realized in reducing travel distance and travel time between major communities within the region and to other major highways serving the rest of the state, Canada and the lower 48 states.

8. Staged Construction Feasibility: (Weighted 10x)  
A value of 5 (weighted 10x = 50) indicates maximum potential for realizing significant user benefits as a result of staged construction.
9. Induced Traffic: (Weighted 10x)  
A value of 5 (weighted 10x = 50) indicates maximum potential for generating new and additional travel patterns to, from and within the region.
10. International Factors: (Weighted 3x)  
A value of 5 (weighted 3x = 15) indicates maximum benefits to Juneau and the region enhancing the socio-economic and political relationships with Canada and, potentially, with Pacific Rim countries due to enhanced trade and visitation.
11. Socio-Economic Impact - Haines: (Weighted 5x)  
A value of 5 (weighted 5x = 25) indicates maximum benefit to Haines socially and economically with the least amount of negative impacts.
12. Socio-Economic Impact - Skagway: (Weighted 5x)  
A value of 5 (weighted 5x = 25) indicates maximum benefit to Skagway socially and economically with the least amount of negative impacts.
13. Socio-Economic Impact - Juneau: (Weighted 5x)  
A value of 5 (weighted 5x = 25) indicates maximum benefit to Juneau socially and economically with the least amount of negative impacts.

The ratings assigned within each category for each option are subjective in nature. A more complete and objective approach would have necessitated a level of effort, at a minimum, normally expended for an environmental assessment. The approach adopted within this study is comparative in its structure. Ratings were assigned to delineate relative differences between options, thus, allowing a gross level of overall discrimination between them. The inherent limitations imposed by this comparative approach cannot be overemphasized.

A more complete iteration of the rationale driving the comparative ratings assigned for these "other considerations" can be found in Section VI of this report.