

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7719 SENATE TRANSPORTATION

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MEMORANDUM

State of Alaska
Department of Transportation & Public Facilities

TO: John D. Horn, P.E.
Regional Director
Northern Region

DATE: February 4, 1991

FILE NO:

TELEPHONE NO: 451-2294

SUBJECT: FY91 Supplement Request

FROM:  Michael D. Gavin, P.E.
Acting Director
Maintenance & Operations
Interior District

The Interior District, Maintenance & Operations, FY91 operating budget has been heavily impacted by a series of events. Impacts from the vetoes, record-breaking snowfall, and the consequences of the war in the Middle East are described in the Supplemental Request attached. In addition to those, several other events have occurred which have cut into our budget.

The shortfalls for which we are requesting a supplemental appropriation are listed under the attached, FY91 SUPPLEMENTAL REQUEST and itemized shortfall on spreadsheet, ITEMIZED SHORTFALL. Also attached are our PROJECTIONS through the end of the fiscal year.

Without these funds, some full time employees may be laid off, seasonals will not be called back, and there will be virtually no summer work program.

JLW/lf
Attachments

**INTERIOR DISTRICT MAINTENANCE & OPERATIONS
FY91 SUPPLEMENTAL REQUEST**

Category III Roads Maintenance Veto

In response to falling oil revenues, Governor Cowper vetoed \$748.1 of the FY91 Interior District, Category III, Road Maintenance funding. Included in this amount is \$510.0 for the Category III roads reduction and a 238.1 cut in the equipment usage increment.

Category III roads are those roads which serve local traffic needs. Although these roads are less important routes from the perspective of a state highway system, they are often roads which provide critical local access to subdivisions, schools, commercial enterprises, hospitals, and fire stations. The proposal upon which the budget reduction was made provided for the cessation of winter maintenance services on Category III roads within areas of local government.

Early in FY91, given the overall magnitude of the reduction and the projected increase in oil revenue, a decision was made to postpone elimination of maintenance of Category III roads. The plan is to request a supplement to make up the deficit for FY91.

\$748.1 is being requested.

Rural Airports Veto

In response to falling revenues, Governor Cowper also vetoed \$400.0 of the FY91 Interior District rural airports maintenance funding. In addition, \$100.0 of State Equipment Fleet fees relating to airport maintenance was vetoed. As in the Category III roads reduction, a decision has been made to postpone elimination of these funds. We have continued operations at the airports in anticipation of a supplement and are now operating with a deficit.

\$500.0 is being requested.

Above Average Snow and Ice

Weather data for the Interior District is determined from National Weather Service records at Fairbanks International Airport. For the period September 1990 through January 1991, the Interior District has had a record-breaking winter in terms of snowfall. There has been 67.0 inches more snow for this period than for the 30-

year average for the same period. Thus far, it is the fourth highest year on record. The record high is 145.7 inches. The attached graph shows this year's cumulative snowfall compared to the 30-year mean and the four highest snowfalls.

Snowfall data in inches is summarized below:

	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>TOTAL</u>
1990-91	0.5	6.9	37.3	48.6	20.5	113.8
30-Yr Average	0.9	10.9	12.8	12.6	9.6	46.8

Heavy snows throughout the District have driven up the cost of our winter program. Avalanches and wind have closed Atigun Pass approximately 40 times. The Steese Highway was closed 12 times. Snow storage has become a serious problem in the Fairbanks area. High berms have caused sight distance problems at intersections. Snow removal crews are still working to remove berms as well as new snow that is still accumulating.

Extreme snowfall caused the failure of seven major buildings in the Fairbanks area in the first two weeks of January. Since then there have been at least five additional major roof failures. The design snow load of the buildings maintained by Interior District varies from 30 pounds per square foot to 40 pounds per square foot. Snow loads were measured equalling 38.5 pounds per square foot on certain roofs. Snow is continuing to fall in the Fairbanks area necessitating, for the first time in fifteen years and possibly longer, the removal of snow from these roofs.

Also, the impact of heavy snowfalls may be severe this spring, depending on how fast breakup occurs and how much water is absorbed into the ground. Through the end of January, the water content of the snow on the ground is 1.8 times that of the 30-year average.

We are requesting \$859.6 to cover the cost of above-average snow removal to date.

Airport Security

In response to the crisis in the Middle East, the Federal Aviation Administration (FAA) developed a "Domestic Airports Contingency Plan". This plan established five contingency levels predicated on the FAA's determination of terrorist threat to

airports. Each threat level reflects increased security measures and specific functions which the airports must accomplish or comply with.

At all of our certified airports, we reached the threat level which specified that law enforcement officers (LEO's) must be present and patrol ticket counters, baggage make-up areas, and aircraft. The State does not employ airport security officers at our certified airports (Deadhorse, Barrow, and Galena). At Galena the City police are providing the LEO coverage at no charge.

At Deadhorse police coverage by the North Slope Borough is limited to one officer who rotates to and from Barrow and has the responsibility to serve outlying villages. Therefore, LEO support had to be provided as an extra effort by the North Slope Borough, Public Safety Office.

We are required to have police present for 12 hours per day, seven days per week. The agreed-to costs for this LEO support is as follows:

Effective January 28, 1991

\$566.38 per day for salary

\$420.00 airfare every two weeks (Barrow to Deadhorse)

Charges to January 28, 1991 (12 days) = \$7,422.68.

We are requesting \$92.0 for salary and \$5.0 for airfare through June 30, 1991. The total request is \$97.0.

Deadhorse Runway Repairs

During late August and early September of 1989, the Deadhorse runway began to show signs of differential thaw settlement after an uncommonly warm summer. The problem was most noticeable in the first 2000' of Runway 06 where there were numerous longitudinal cracks and crosswise dips up to four inches deep. This created undesirable conditions for aircraft take-offs and landings. In FY90 approximately one-third of the damaged runway was patched temporarily with cold mix until winter forced the repairs to cease. In FY91 another one-third of the runway was repaired at a cost of \$200.0. Without additional repairs, the runway would have had to be closed to all jet traffic and operations limited to the 2500' not

affected. In 1989 there were 40,000 enplanements at this airport not counting daily 727 charter flights. Herc cargo planes and passenger planes, such as the Dash 7, would be the largest planes able to use the airport. We are requesting \$200.0.

Healy Canyon Rock Slide

On September 17, 1990 the hillside in the Healy Canyon at MP 239 on the Parks Highway began to slide down onto the roadway. This area continued to slide through the month of October. Clean-up efforts were ceased on November 8, 1990 after the hillside froze and stabilized.

On September 17, 1990 at MP 239 on the Parks Highway, across from the slide area, the Nenana River eroded away the embankment to the highway which left many guardrail posts fully exposed for a distance of 800'. During the following eight weeks, 9,500 yards of large rip rap were placed along the eroded section on the highway. 250,000 yards of slide material were hauled to the Hornet Creek pad and 2,100 pounds of blasting powder were used to break rock and bring down hazardous sections. This work was accomplished by State maintenance crews and equipment. In addition, five to seven contractors with two large loaders and three to five trucks, were hired to assist.

It is anticipated that in the spring of 1991, as the hillside thaws, the slide will continue. It appears that approximately 130,000 yards of slide material will need to be removed this spring.

Thus far, we have spent \$438.0 on this project. It is estimated that an additional \$220.0 will be spent this spring to complete the clean-up.

We are requesting a total of \$658.0 for Healy Canyon clean-up.

Fuel and Utility Rate Increases

The Middle East oil crisis and the resultant escalated oil prices are affecting those components which must purchase fuel for State Equipment Fleet and non-State Equipment Fleet vehicles, heating fuel, diesel fuel for generator operations, or related utility costs.

February 4, 1991
John D. Horn, P.E.
JLW/H

The Interior District fuel shortfall was based on the estimated usage in FY90 times the cost increase which occurred between December 1989 and December 1990.

The electric utility cost increase is estimated to be:	\$ 40.5
The fuel cost increase is estimated to be:	\$352.4
The SEF fuel cost increase is estimated to be:	\$189.5

We are requesting a total of \$582.4.

Janitorial Contract Increase

This year three of the four janitorial contracts funded in the Facilities Component were re-bid and the costs were substantially higher. These janitorial contracts are as follows:

<u>BUILDINGS</u>	<u>OLD CONTRACT PRICE</u>	<u>NEW CONTRACT PRICE</u>
Fairbanks Parking Garage	\$ 12.5/yr	\$ 22.6/yr
Fairbanks Court & Office	61.5	63.0
DOT&PF Peger Complex	<u>30.0</u>	<u>38.7</u>
TOTAL	\$104.0	\$124.3

This supplement would fund the increase of \$20.3. The new contract bid price is for a continuation of the same level of janitorial services as provided at these locations in FY90.

We are requesting \$20.3.

The total request is:

Category III Roads Maintenance Veto	\$748.1
Rural Airports Veto	500.0
Above Average Snow and Ice	859.6
Airport Security	97.0

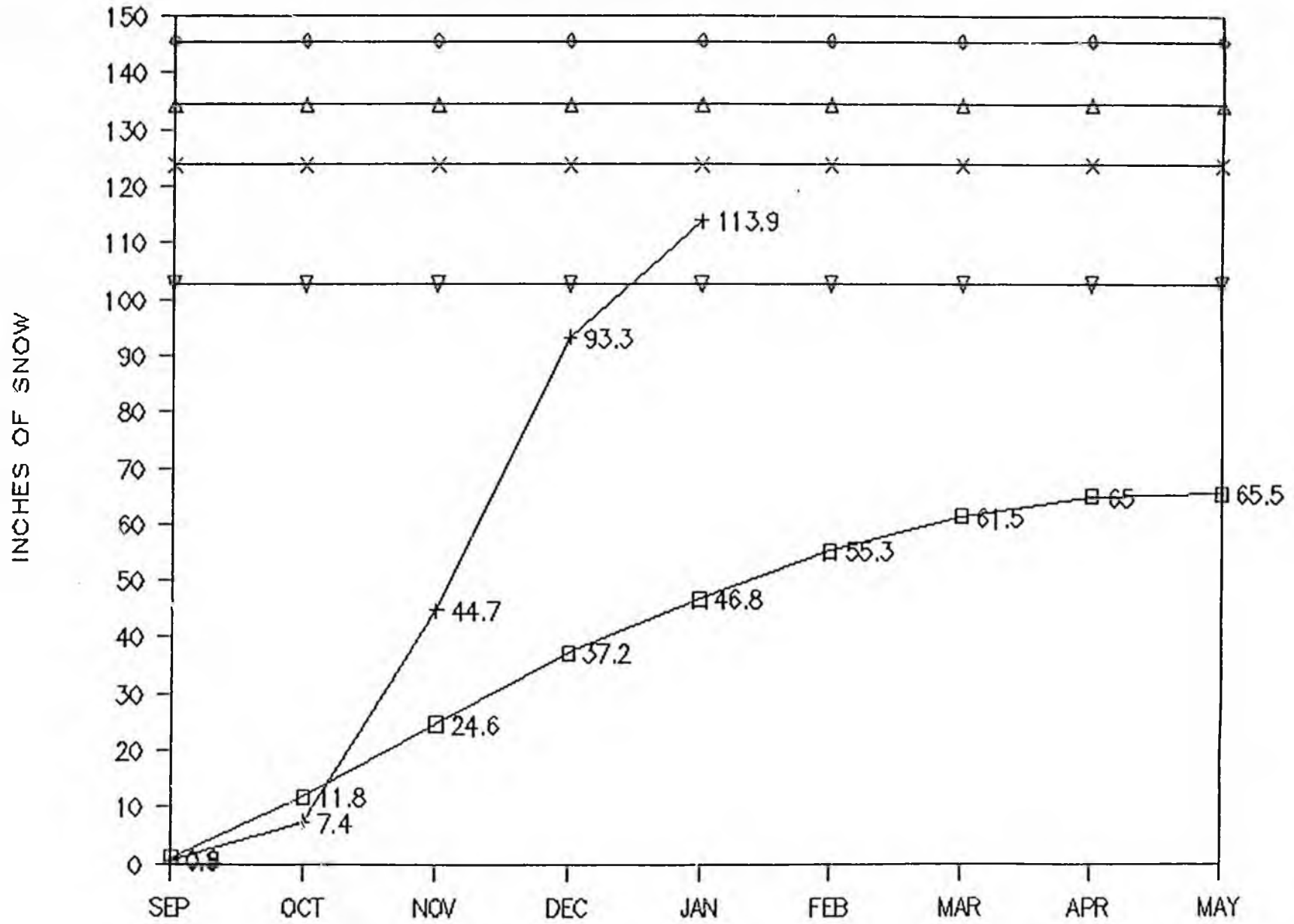
Deadhorse Runway Repairs	200.0
Healy Canyon Rock Slide	658.0
Maintenance Fuel and Utility Rate Increases	392.9
SEF Fuel Increase	189.5
Jaritorial Contract Increase	20.3
TOTAL	3665.4

February 4, 1991
John D. Horn, P.E.
JLW/ff

2/4/91

INTERIOR DISTRICT CUMULATIVE SNOWFALL

FY-91 vs 4 RECORD YEARS & 30 YR MEAN



□ 30 YR MEAN

+ 90-91

◇ 1

△ 2

× 3

▽ 4

Western District 1990

Category III Roads Maintenance Veto

In response to falling oil revenues, Governor Cooper vetoed \$17.3 of the Western District, Category III, Road Maintenance funding. Included in this is \$5.0 for the Category III roads reduction and 30% (\$12.3) of the veto to the equipment usage increment.

The presumption was that these roads, appearing to be of little benefit and seeing minimal maintenance, could be turned over to Municipalities. Although these routes are less important from the perspective of a state highway system, they are often roads which provide critical local access to subdivisions, schools, commercial enterprises, hospitals and fire stations.

Early in FY91, given the overall magnitude of the reduction and the projected increase in oil revenue, a decision was made to postpone the elimination of Maintenance of Category III roads. The plan required that supplemental funding be requested to make up the deficit.

\$17.3 is being requested.

Rural Airports Veto

In response to falling revenues, Governor Cooper also vetoed \$368.4 of the FY91 Western District Rural Airport Maintenance funding. This included 70% (\$28.4) of the veto to the equipment usage increment. As in the Category III roads reduction, a decision was made to postpone elimination of these funds. We have continued operations at the airports in anticipation of a supplement and are now operating with a deficit.

\$368.4 is being requested.

Fuel Increase

The Middle East oil crisis and the resultant escalation in fuel prices has affected all components which purchase fuel.

The Western District shortfall is based on the estimated usage in FY90 times the cost increase which occurred between December 1989 and December 1990.

The breakdown by component follows:

State Equipment Fleet	= \$18.4
Facilities	= \$28.7
Highways & Aviation	= <u>\$13.7</u>

\$60.8 is being requested

Airport Security

Due to the hostilities in the Mid East, the Federal Aviation Administration has mandated tighter Security requirements at all Certificated airports. A "Domestic Airports Contingency Plan" has been developed which provides for five threat levels. Each threat level reflects increased security measures and specific functions which the airports must accomplish or comply with. Although there are different areas where increased costs have been felt the most significant are those associated with providing a Law Enforcement Officer at the airport prior to and during the operation of the Air Carrier. The Department of Transportation does not employ security personnel at the certificated airports so must rely on the community for this. Nome, Kotzebue and Unalakleet are subject to this requirement. LEO standby is being provided by the police department of each community. As these communities have small departments, this requires either additional manpower or overtime. Their budgets cannot absorb these costs. The costs, with administrative overhead is being passed on to DOT/PF.

The cost estimate is based on the number of flights per day x the required standby time x rate/hour x the number of days. (January 16/June 30).

Summary of Airport

NOME

January 16 - May 31	=	3 flts. x 1.5 hours x \$80 x 135 days =	\$ 48.6
June	=	4 flts. x 1.5 hours x \$80 x 30 days =	<u>14.4</u>
		Nome Total	\$ 63.0

KOTZEBUE

January 16 - June 30	=	3 flts. x 1.5 hours x \$60 x 165 days =	\$ 44.6
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UNALAKLEET

January 16 - June 30	=	1 flt. x 1.5 hours x \$40 x 143* days =	<u>\$ 8.6</u>
		Total, All Airports	= \$116.2

* five days/week

We are requesting \$116.2 to cover these unbudgeted expenses.

Above Average Snow and Ice

Weather data for the Western District is determined from National Weather Service records at Nome Airport.

Through the end of January the Western District has experienced snowfall approximately 43% above the Record Mean (mean = 33.6"), September - January with 48", September 90 through January of 91 or 14.4" more than normal. The Weather Service expects a near record level of approximately 80" through the end of April.

Snowfall data is summarized below:

	SEPT	OCT	NOV	DEC	JAN	TOTAL
1990-1991	0.0	4.9	17.1	14.2	11.8	48.0
30-Yr.Avg.	0.4	4.6	10.6	8.8	9.2	33.6

The heavier than normal snowfall has resulted in crews working overtime, recall of seasonal equipment operators, the rental of contract equipment along with increased fuel usage at our airports and wet rental costs of SEF equipment. The District's airports have experienced the greatest problems with snow stacked nearly 20' high around the Kotzebue facility.

It is anticipated, based on previous experience, that not only do we have additional costs for snow control but breakup will be a disaster. With a snowfall of 83" in 1989 and a supplemental of over \$500.0 the District's road system was devastated and airports along the major rivers were flooded with subsequent damage from erosion including surfacing removal and runway light destruction.

A supplemental of \$550.0 is required to cover the additional winter costs and costs to open roads and repair roads and airports after breakup.

We are requesting \$550.0 to cover the cost of above average snow removal and breakup repairs.

MEMORANDUM

State of Alaska

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

TO: John Horn, P.E.
Regional Director
Northern Region

DATE: January 31, 1991

FILE NO: 004

TELEPHONE NO: 835-4322

THRU:

SUBJECT: Budget Supplemental

FROM: George Levasseur *GL*
District Manager
Southcentral

The Southcentral District requests three supplementals totaling \$658.7. The primary request is to restore the governor's vetoes for rural airports and category III roads. We are performing maintenance as if these vetoes of \$173.4 are being re-established into the M&O budget.

Due to war in the Middle East, fuel prices have inflated by nearly 30% causing increased costs for equipment operation, building heat and electrical generation. This BRU is requesting \$430.3 to compensate for higher operational costs within the Highway and Aviation, Facilities and State Equipment components.

The Federal Aviation Administration determined increased security measures were necessary at certified airports to thwart the threat of terrorism due to the Persian Gulf war. Since the U.S. and their allies started bombing Iraq, the threat level was upped to Stage IV. This stage requires uniformed Law Enforcement Officer (LEO) patrols at ticket counters, baggage make-up areas and aircraft. The cost to provide this coverage at the Valdez Airport in FY91 is expected to be \$55.0. LEO coverage is provided by contract with the Valdez Police Department. If this supplemental is not approved, routine repairs to airports in the Southcentral District will have to be deferred until a later date. We also risk fines by the FAA when airports are not in compliance with Part 139 certification regulations.

Attached are projections for the BRU showing expenditures, encumbrances, and projections through June 30th.

John Horn, P.E.

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January 31, 1991

If the requested supplementals are not approved, the Highways/Aviation and Facilities components will run out of money by May 1. To avoid this our operations will be reduced starting in March. There will be only minimal summer patching and repair work accomplished prior to July 1.

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Attachements

MEMORANDUM

State of Alaska

Department of Transportation & Public Facilities

TO: Frank G. Turpin
Commissioner
Headquarters

DATE: February 7, 1991

FILE: SAS-0004

THRU: Keith Gerken
Deputy Commissioner, Operations

TELEPHONE NO: 789-6261

FROM: Jonathan W. Scribner *JWS 2/7/91*
Southeast Regional Director

SUBJECT: FY91 Supplementals

As requested in Shelby Stasny's December 19 memorandum, listed below by component is the amount anticipated for FY91 supplementals based on the format provided. We are including capital as well as operating supplemental information. Please note that these figures may be adjusted at a later date due to changes in severity of winter conditions and the anticipated continuance.

OPERATING SUPPLEMENTALS

MAINTENANCE AND OPERATIONS

I. HIGHWAYS AND AVIATION

A. Accounting Information:

- | | |
|-----------------------------------|-----------|
| 1. FY 91 Authorization | \$7,938.3 |
| 2. Expenditures through 1-31-1991 | 4,479.8 |
| 3. Encumbrances as of 1-31-91 | 634.5 |

Encumbrances include Reimbursable Management Agreements to communities for maintaining roads, airports, seaplane floats, and boat harbors. Also included is paint for striping roads this summer, supplies for materials already used this winter (not invoiced yet) and equipment rental from private industry to help with snow and ice control. Other encumbrances are for Reimbursable Service Agreements with other agencies such as Law and

other divisions such as Design and Construction.

- | | | |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 4. | Projected expenditures from 2-1-91 through 6-30-91. Projections are based on having an average winter from February through April and having a normal Spring and Summer maintenance program. | 3,667.1 |
| 5. | DEFICIT
(includes unearned revenue of \$115.3) | (\$958.4) |

B. Analysis Information

1. Snow and Ice

a. Need for Supplemental Funds: Southeast Region requests a \$585.2 supplemental to fund shortfalls created by inadequate appropriation levels and abnormal winter conditions.

The FY91 appropriation for the Highways and Aviation component is based on reduced funding levels set in FY87. An increased cost for labor, materials, and services due to inflationary trends since FY87 has reduced our ability to provide prior year equivalent services. The existing appropriation level is inadequate to ensure safety on our highways and airport runways. Snow and ice control activities are a major cost for this component.

Past years' experience indicates that a five (5) year average snowfall of 62.0 inches has required \$126.1 in supplemental funds to maintain normal operation activities. Winter conditions from October 1990 through January 1991 have resulted in 114 inches of snow fall. That is a 283% increase over the five (5) year average for the October through January time period. Refer to the attached figure labeled FY91 Snowfall. This extreme weather has caused \$459.1 in cost over-runs in personal services, contractual, and supply accounts.

A \$109.6 overrun in cost has been in the personal services premium pay account where maintenance crews have worked on regular days off and after normal hours to clean snow and ice from road and airport runway surfaces. All maintenance stations have exceeded

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their budgets for employee overtime and equipment usage.

A \$99.2 overrun in cost is in equipment usage fees.

Additional funds in the amount of \$44.3 are required to repair down equipment before next winter. Older heavy equipment has been stressed due to increased usage. Many of the older X class graders, snow blowers and loaders purchased in 1977 and later have lost transmissions or have other major deficiencies that prevent them from being used. Our regions State Equipment Fleet (SEF) does not have enough authorization to repair this equipment or enough rental pool vehicles to allow substitution. Heavy equipment such as bull dozers, graders, and loaders are being rented from private contractors to partially offset this problem but it is not adequate to meet all of our road maintenance needs.

There is a \$6.0 cost overrun for emergency blade and chain purchases.

There is \$100.0 overrun due to unusual sand and chemical usage. Frequent weather changes, where snowfall turned to rain followed by freezing conditions, has already required several of our maintenance crews to use their entire winter inventory of sand and chemicals for ice control. Purchases are being made to replenish the diminished inventories and stock piles.

Funds in the amount of \$100.0 are needed to offset budget overruns by local communities, who maintain state facilities under contract. They have been impacted by the weather to the same degree as state maintenance forces.

Aside from the current cost overruns there are serious employee safety concerns on the Skagway Klondike Highway where equipment operators are required to put in excessive overtime to keep the pass open for ore trucks and other traffic 24 hours per day seven days per week. We do not have positions or personal services account funds available to support additional equipment operators to reduce overtime.

b. Impact on the Public: The present authorization balance is not sufficient to provide highway maintenance services for the rest of

February 4, 1991

this fiscal year. At some point there will have to be a reduction in work force or closing of maintenance stations. There will be unsafe driving conditions and liability problems. The residents of Skagway, for example, would be affected by a lack of spring maintenance on the Klondike Highway. Funds would not be available to replace guardrail and signs damaged during winter snow removal operations. Many road pot holes could not be repaired and heavy ore haul trucks would further damage surfaces that deteriorated in winter months. There would be visibility problems caused by dust from sand and chemical materials that were not swept from road surfaces. There would also be rutted road shoulders and poorly graded traffic turn-out lanes.

All southeast highways would have similar problems. Safety hazards are created when sight distances at intersections are reduced from lack of brush control. Eventually, there would be increased cost to the public due to accelerated deterioration and premature failure of highway and bridge facilities from lack of preventive maintenance.

c. Date Supplement Required: April 19, 1991.

This date is based on continuation of normal maintenance levels until April 19. After April 19 activities would cease through June 30. Options to provide minimum levels of service through June 30 requires appropriate reductions in personnel and equipment prior to April 19.

d. Impact of the Supplemental on Personal Services and Positions: The supplemental will provide adequate funds to meet payroll. No changes in positions are anticipated. No additional positions are expected to be filled for spring or summer work programs.

e. Financial History: The existing appropriation for the Highways and Aviation component is based on funding levels that were established in FY87. No increments to this component were requested between FY88 and FY90. This was due to budget restraints in those years and the mild and moderate temperatures of the FY87 and FY88 winters when there were consecutive record low snowfalls. The winter of FY89 has seen Southeast return to temperatures and snowfall closer to the average. The result is maintenance costs that exceed the budgeted amounts.

Another negative impact on the component's operating budget is the

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April 1976 Alaska\Yukon agreement to maintain the Klondike Highway in the winter. The cost and number of personnel needed to safely maintain the Highway have been severely underestimated. Funds from other maintenance programs in Southeast Region have continually been diverted to pay the underestimated portion of the cost for winter maintenance and repair of equipment, guardrail, snow poles and other items damaged from winter operations.

2. Category III Roads

a. Need for Supplemental Funds: Southeast Region requests a \$211.3 supplemental to fund shortfalls created by the FY91 veto of appropriations to provide maintenance on category III roads.

The region has been instructed to provided full road maintenance services on category III roads. The cost for continuing the prior years level of service will effectively eliminate the operating funds available for the highway and airport summer work program that should start this spring. This April through June work program accomplishes annual routine and non-routine maintenance repairs for pavement damage from frost heave, road shoulder, road resurfacing, drainage, sign and guardrail repairs.

b. Impact on the Public: The lack of supplemental funding for category III roads will require us, as a first priority, to discontinue all maintenance on these roads. The public would be affected by rough roads, inadequate signs, reduced sight distances, and unrepaired guardrails on 58.2 miles of roads. The deficiencies will impede safe travel by the public and could increase state liability. The poor road surfaces will increase wear on public and private vehicles. There could be road closures or road deficiencies significant enough to affect other public services. School bus travel and emergency services such as medical evacuation, fire protection, and police protection would be impeded.

c. Date Supplement Required: April 19, 1991

Refer to section (I.B.1.c).

d. Impact of the Supplemental on Personal Services and Positions:

Refer to section (I.B.1.d).

e. Financial History: This portion of our request is only for return of funds that were vetoed last year. This would bring the operating budget back to the FY91 level of funds available to maintain category III roads before the governor's veto.

3. Rural Airports

a. Need for Supplemental Funds: Southeast Region requests a \$ 121.3 supplemental to fund shortfalls created by the FY91 veto action to reduce support for rural airports.

The component is affected by the veto because the division was instructed to provide full rural airport maintenance services. The additional work includes full snow and ice control services and Aircraft Rescue and Fire Fighting (ARFF) services for certified airports. This work is accomplished regardless of the overtime required to meet commercial aircraft. The non-certified rural airports are also provided full maintenance services by maintenance stations personnel and by communities that perform airport maintenance under maintenance contract agreements.

The lack of supplemental funding will require us to reduce services before fiscal year end. The summer work program will also be negatively affected.

b. Impact on the Public: The public will be affected by reduced or eliminated airport operating hours. Large commercial aircraft will be required to make overflights because of lack of (ARFF) services. The traveling public will be inconvenienced. Many communities that rely on commercial aircraft for moving fish produce to market will suffer some loss in revenue. Flight services and private aircraft that use non-certified airports will have to allow for possible runway maintenance deficiencies.

Lack of timely preventive maintenance will accelerate deterioration and premature failure of the airport infrastructure. State government will eventually have to provide more funds than would otherwise be

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necessary to correct the deficiencies if a higher level of service is to be restored.

c. Date Supplement Required: April 19, 1991

(refer to section (I.B.1.c))

d. Impact of the Supplemental on Personal Services and Positions:

(refer to section (I.B.1.d))

e. Financial History: This portion of our request is only for return of funds that were vetoed last year. This would bring the operating budget back to the FY91 level of funds available for airport maintenance before the governor's veto.

4. Security for Mid East War:

a. Need for Supplemental Funds: Southeast Region requests a \$ 40.6 supplemental to fund the unanticipated requirement for increased airport security through June 30. The Civil Aviation Field Security Office has required all certified airports to strengthen airport security procedures as a precaution to the threat of terrorism as a result of the middle east war.

b. Impact on the Public: The lack of supplemental funding for airport security will reduce or eliminate our capacity to keep our certified airports open to large commercial airline traffic through fiscal year end and to perform summer work activities. As the Federal Aviation Agency has mandated the additional security there is little that can be done to reduce costs. To not fund this requirement will result in a closure of the airports for use by large commercial flight activities.

c. Date Supplement Required: April 19, 1991

Refer to section (I.B.1.c)

d. Impact of the Supplemental on Personal Services and Positions:
There is no impact on personal services.

e. Financial History: The Civil Aviation Field Security Office first required these additional services on Dec. 27, 1990.

I. FACILITIES

A. Accounting Information:

1. FY 91 Current Authorization	\$3,736.9
2. Expenditures through 1-31-91 (includes \$84.8 in unpaid fuel oil invoices)	2,028.3
3. Encumbrances as of 1-31-91	441.2

Includes \$7.5 for architectural/engineering services; \$7.7 Centrex fixed charges; \$152.0 for contractual services for building repairs and maintenance; \$245.3 for janitorial services; \$26.1 for estimated State share of maintenance and operating expense for Sitka Court and Office Building; \$2.6 for maintenance parts/materials)

4. Projected expenditures from 2-1-91 through 6-30-91. Assumes that current untitled positions remain so; fuel oil prices remain at current level and expenditures for snow removal at facilities continue through 3-3-1-91 at current rate; preventive maintenance and routine repairs continue at current level.	1,996.1
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5. DEFICIT	(287.5)
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B. Analysis Information

1. Increased Fuel Costs:

a. Need for supplemental funds: Southeast Region requests \$242.5 to cover the increased cost of heating fuel for buildings maintained

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and operated by the component.

The unsettled political conditions in the Middle East sharply drove up the cost of heating fuel beginning in August, 1991. In FY90, heating fuel cost an average of \$0.811 per gallon. Based on FY 90 consumption, at current prices (\$1.15 per gallon), the increased cost of heating fuel is \$210.7. The remaining \$31.8 is attributable to increased consumption in FY91 because of colder than usual weather experiences so far during the 1991-91 winter.

b. Effect of not approving supplemental: Not approving the supplemental will have a serious adverse impact on the buildings maintenance and operation program. Virtually all contractual maintenance planned for the remainder of FY91 will have to be eliminated, adding to the already large deferred maintenance backlog. It is not feasible to lower temperatures in the buildings to reduced fuel oil consumption, since electric heaters will proliferate, at an even greater cost per BTU of heat furnished. Night and weekend temperature setbacks are already in effect and have been for many years. About the only way long-term energy consumption can be reduced is with capital expenditures to improve the efficiency of building heating, ventilating and air-conditioning systems. Such funding has not been forthcoming.

c. Date by which supplemental must be approved: May 1, 1991.

Refer to section (I.B.1.c) for other options.

d. Impact of the supplemental on personal services and positions: No appreciable impact on personal services is expected; the current number of filled positions will continue through the remainder of the fiscal year.

e. Financial history: In recent years, cost allocations for heating fuel have been force-fitted to remain within mandated budget ceilings. For the past few years, weather has been warmer than normal, and fuel prices have been moderate, due to plentiful supplies. However, in FY91, the Middle East political situation has caused the unit price of all petroleum products to increase greatly, and colder than normal weather in Southeast Alaska have combined to create a budget shortfall for this critical commodity.

2. Ice and Snow

a. Need for supplemental funds: Southeast Region requests \$45.0 to make up a shortfall in personal services and contractual services for snow and ice control at Juneau building and parking facilities.

From October, 1990 through January, 1991, the 114 inches of snowfall at Juneau has been 283 percent of the five-year average for the same period. This unusually heavy snowfall has required substantial extra personal service costs for snow and ice removal at eleven Juneau buildings and for contractual snow plowing, loading and removal at various parking facilities. Despite efficiencies gained by employing seasonal on-call labor for snow shoveling, and a favorable price for the snow plowing contract, expenses have substantially exceeded those of normal years.

b. Effect of not approving supplemental: If the supplemental is not approved, the shortfall for snow and ice control will have to come out of the preventive maintenance program (which would be false economy, leading to more frequent equipment breakdowns and increased maintenance costs) and building repairs (which would add to the already large maintenance backlog at Southeast Region buildings). If it is necessary to reduce the level of service for snow and ice control, the State's liability for potential personal injuries from slips and falls would increase and the number of parking spaces available would substantially decrease if snow were not hauled away promptly.

c. Date by which supplemental must be approved: May 1, 1991.

Refer to section (I.B.1.c) for other options.

d. Impact of the supplemental on personal services and positions: The requested supplemental will provide adequate funding to pay seasonal on-call labor for the number of hours needed. This assumes normal snow and ice conditions for the remainder of the winter. No change in number of filled positions is anticipated for the remainder of FY 91.

e. Financial history: For FY 91, it is estimated that \$132.0 will be spent on snow and ice control, assuming normal snow and ice conditions

FY91 SUPPLEMENTAL REQUEST

February 4, 1991

for the remainder of the winter, or \$45.0 more than the average cost for the past five years.

II. STATE EQUIPMENT FLEET

A. Accounting Information:

1. FY91 Current Authorization	\$1,759.9
2. Expenditures through 1-31-91	995.0
3. Encumbrances as of 1-31-91	1.5
4. Projected expenditures through 6-30-91. Assumes that current unfilled positions remain so; and fuel prices remain at current level.	821.7
5. DEFICIT	(\$56.8)

B. Analysis Information:

1. Increased Fuel Costs:

a. Need for Supplemental Funds: This supplemental is for fuel needed to offset the increased cost of motor fuel costs caused by the Middle East political conditions.

b. Impact on the Public: Without this supplemental fuel rationing would need to be implemented by March 1 which would affect all state agencies ability to carry out their responsibilities such as Public Safety Troopers and Department of Transportation and Public Facilities, Maintenance and Operations.

c. Date Supplemental Required: April 1, 1991.

d. Financial History: Supplemental does not impact personal services or position count.

e. Financial History: The State Equipment Fleet is responsible for

FY 91 SUPPLEMENTAL

FEBRUARY 4, 1991

providing fuel for all wet rental equipment and vehicles. These vehicles/equipment are used to maintain state highways, for Troopers to respond to complaints and accidents.

CAPITAL SUPPLEMENTALS

Southeast Final Judgement Condemnation \$275.0
Attached is documentation for supplemental request.

cc: Ron Lind, Director, Plans, Programs and Budget, Headquarters
Cindy Schlaffman, Administrative Officer, Southeast Region
D. Barry Lybarger, Technical Engineer, Maintenance and Operations, Southeast
Dale Mazzei, Superintendent, Equipment Fleet, Southeast Region
George McCurry, P.E., Buildings Maintenance Manager, Southeast Region
Jim Merrill, P.E., Highways and Aviation Manager, Southeast Region

Listed below are snowfall amounts and mean averages for the last five years. This information was obtained using a publication prepared by the National Oceanic and Atmospheric Administration and the data is for Juneau International Airport.

Month	Average	<u>SNOWFALL</u> (inches)					
		<i>FY</i> 91	<i>FY</i> 90	<i>FY</i> 89	<i>FY</i> 88	<i>FY</i> 87	<i>FY</i> 86
October	0.3	.0	0.6	.0	T	T	0.8
November	14.8	49.2	32.5	4.8	4.6	22.1	10.1
December	5.6	33.2	6.4	11.3	6.8	1.4	2.0
January	19.7	31.8	36.5	44.7	3.5	3.3	10.3
February	11.3		39.4	0.2	8.0	1.4	7.4
March	9.9		0.6	10.0	1.0	7.3	30.4
April	0.4		.0	.0	0.5	T	4.4
Total	62.0		116.0	71.0	24.4	35.5	65.4
Percent Average	100%		187%	115%	39%	57%	105%
Supplementals			\$305.6	\$145.0	0	0	0

Using FY89 snowfall as a target winter, the snowfall was 115 percent of the average five-year snowfall and a \$145.0 supplemental was received. Dividing \$145.0 by 115 percent will determine the additional funding required for an average year. $\$145.0 \div 1.15 = \126.1

TOTAL snowfall for period between October 1990 through January 31, 1991 equals 114.2 inches.

AGENCY: Department of Transportation & Public Facilities
 BRU: Southeast Region Maintenance & Operations
 COMPONENT: Highways and Aviation

[See Planning files for backup]

MEMORANDUM

State of Alaska

Department of Transportation & Public Facilities

TO: W. Keith Gerken
Deputy Commissioner of Operations
Headquarters

DATE: December 21, 1990

FILE NO:

TELEPHONE NO: 789-6261

FROM: Jonathan W. Scribner
Southeast Regional Director

SUBJECT: Supplemental Budget Request

JS 12/24/90

I would like to request that a supplemental item be added to the Southeast Region's General Fund Budget package for Fiscal Year 1992. This item will provide additional funding for the "Siting Juneau State Facilities" appropriation in response to a recently issued FINAL JUDGEMENT OF CONDEMNATION from the State Superior Court. On the basis of this FINAL JUDGEMENT OF CONDEMNATION the Attorney's General office, in early November of this year, settled the final condemnation valuation lawsuit stemming from the Telephone Hill/Government Center complex project initiated in 1984.

I have attached a completed CP-1 form for this request, as well as a copy of the FINAL JUDGEMENT OF CONDEMNATION which spells out the derivation of the amount requested and the interest penalty that will prevail until the judgement is paid.

Attachments

cc: Mike McKinnon, Chief of Planning, Southeast Region
Ron D. Lind, Director, Plans Programs & Budget, Headquarters

CJG

MEMORANDUM

file - Telephone Hill
State of Alaska *ju 12/27*
Department of Law

TO: Jonathan W. Scribner *12/26*
Southeast Region
Department of Transportation
and Public Facilities

DATE: December 21, 1990
FILE NO.: 223-84-0155
TEL. NO.: 465-3603
SUBJECT: Appropriation for Powers
case

FROM: *[Signature]*
Joseph W. Geldhof
Assistant Attorney General
Transportation Section-Juneau

In early November, 1990, the final condemnation valuation lawsuit stemming from the Telephone Hill/Government Center complex project initiated in 1984 was settled. The decision to settle was based on the findings of the Superior Court Master attached as Appendix A.

The terms of the settlement require the state to pay an additional \$235,744.82 to the defendant. In addition, the defendant must receive interest at 10.5 percent on the principle from October 1, 1990 until the judgment is satisfied.

The basis for the settlement amount is described in some detail in the report of the Master. I can well appreciate that the Legislature will not be thrilled with this judgment. The amount, while apparently large, reflects the real estate conditions characteristic of Juneau during the hyper-active real estate market just after the capital relocation vote failed in 1982.

I would be happy to explain any aspect of this appropriation request to you, your staff, or members of the Legislature.

JWG:ae

cc: John Jordan, Dept. of Transportation and Public Facilities

FY Use in program funds for settlement.

DDO	<i>[initials]</i>	LLS	RAE	GUM	DBL
WKG	SOUTH & PE SOUTHEAST REGIONAL DIRECTOR				JRM
JWS	DEC 20 1990				JLP
PLJ	JONATHAN W. SCRIBNER				
COPY	FVI	ROUTE	POST	FILE	

[Handwritten initials]

MEMORANDUM

State of Alaska
DOT & PF

Alaska International Airport System

TO: Frank Turpin
Commissioner

DATE: February 4, 1991

THRU: ~~Kenney Gerken~~
Deputy Commissioner

TELEPHONE: 266-2525

FROM: Gina Marie Lindsey
Director

SUBJECT: FY 91 Supplementals

Anchorage International Airport (AIA) is again submitting a FY 91 supplemental budget request for \$65,200 to cover the increased cost of fuel. Attached are schedules showing how these amounts were derived and a memo containing the information requested in Shelby Stastny's December 19, 1990 memo which clearly show that this shortfall cannot be covered by reallocating funds within the components.

At this time, the airports are not requesting a supplemental budget request for the increased security costs being incurred as a result of the Gulf Crisis. Presently AIA is incurring \$35,000 per week and FIA is incurring \$20,000 per week for these increased security costs. It is anticipated that both airports should be able to cover these additional security costs within their present budgets through March 31, 1991. If this level of security is required past that date, a supplemental request will be prepared at that time for the remaining thirteen weeks in FY 91. At the present level of spending, we estimate AIA will need an additional \$455,000 and FIA an additional \$260,000 to fund this heightened level of security through June 30, 1991.

If you require any additional information, please do not hesitate to contact me.

Attachments

cc: Ron Lind
Lisa Emerson

MEMORANDUM

State of Alaska

Department of Transportation and Public Facilities
Anchorage International Airport

TO: Lisa Emerson, Program Budget Analyst
DOT - Central Region

DATE: Feb. 4, 1991

THRU: John Ungar, Controller ⁷⁸⁴
Alaska International Airport System

FILE NO.:

THRU: Ken Burdette, Airport Manager ^{AKSAS}
Anchorage International Airport

TELEPHONE NO.: 266-2404

FROM: Linda MacMillan, Accounting Supervisor
Anchorage International Airport

SUBJECT: FY 91 Supplemental
for Equip. Maintenance

Attached is the additional information requested pursuant to the memo from J. Shelby Stastny, OMB dated December 19, 1990. Attachment I provides the information requested under "A. Accounting Information" items 1, 2, 4, and 5 and under "B. Analysis Information" item 5. Attachments II and III provides the information requested under part A, item 3. Attachment IV is a screen print of YTD and January, 91 expenditures per AKSAS.

The following is the information requested under "B. Analysis Information" of the above mentioned memo.

1. Equipment maintenance provides all repairs and fuel required to keep all Anchorage International Airport (AIA) equipment operational and in addition supplies fuel for the heating of the terminal facilities. Due to the significant increase in fuel prices during the current fiscal year this component requires and has requested a supplemental appropriation of \$65,200.00 to cover this increase in costs. The amount requested is based on the number of gallons of fuel used in FY90 times the net increase in per gallon fuel prices between FY90 and the current fiscal year.

2. If this supplemental is not approved there exists the potential that Equipment Maintenance will not be able to pay all fuel bills. If AIA falls behind in paying its fuel bills, AIA will not be able to replenish the current inventory of fuel. Equipment maintenance has a projected shortfall in all lines of its FY91 appropriation, but with the exception of fuel costs, it is expected that other shortfalls can be covered through transfer of funds via the RP process from other appropriations of AIA. But we do not think that in view of the increased costs AIA is experiencing to maintain the higher security level at the airport required by FAA (approx. \$5000.00 per day) due to the Mideast War, we do not think there will be sufficient funds to also cover the increase in fuel costs.

3. AIA will need the supplemental by early March, 91. That is the projected month that the current appropriation will be exhausted.

4. As mentioned under item 2 without adequate fuel supplies AIA cannot operate the airport facilities. The other 6 appropriations that along with Equipment Maintenance funds operation of AIA all would be negatively impacted if there is a shortfall of funds to pay fuel costs.

Page 2
Feb. 4, 1991

5. Further information regarding the projection of the shortfall is provided in Attachment I.

Please contact me if there is other information you require with respect to this supplemental appropriation request.

MEMORANDUM

State of Alaska

TO: Ron B. Lind
Director
Plans, Programs, and Budgets

DATE: December 28, 1990

FILE NO:

TELEPHONE NO: 266-2440

THRU: John Ungar *JU*
Controller AIAS

SUBJECT: Fuel Supplementals

FROM: Lawrence W. Michou *LW*
Operations Officer
Anchorage International Airport

Reference Ron B. Lind's memorandum of December 19, 1990 concerning the FY91 fuel supplementals.

I believe we should go in for a fuel supplemental.

Based on the standard methodology, Anchorage International would need \$65,200. This is based on the following calculations:

Gallons used in FY 90

Diesel 136,600
Unleaded 77,700

December 1989 Price per Gallon

Diesel .892
Unleaded .873

December 1990 Price per Gallon

Diesel 1.178
Unleaded 1.208

Cost of fuel FY 91 vs. FY90 using December Prices

Diesel FY 90 136,600 x .892 = 121,800
Diesel FY 91 136,600 x 1.178 = 160,900

Difference in Diesel Cost 39,100

Unleaded FY90 77,700 x .873 = 67,800
Unleaded FY91 77,700 x 1.208 = 93,900

Difference in Unleaded Cost = 26,100

RECEIVED
JAN 02 1991

D.O.T. & P.F.
Plans, Programs and Budget

MEMORANDUM

State of Alaska

Department of Transportation and Public Facilities

TO: Frank G. Turpin
Commissioner

THRU: W. Keith Gerken
Deputy Commissioner

FROM: James R. Ayers
System Director
Alaska Marine Highway System

DATE: February 6, 1991

FILE NO: SD-125 & 207

TELEPHONE: (907) 465-3959

SUBJECT: FY 91 Supplemental
Analysis

The Alaska Marine Highway System prepared an operating plan for FY 91 which has six substantial problems. First the legislature did not adequately fund the PERS increases for FY 91. Secondly, the Governor was forced to veto \$2.8 million dollars of the Alaska Marine Highway System budget due to the drop in oil prices. Thirdly, we now have sufficient information to address the question of costs for providing M/V TUSTUMENA service after she undergoes major refurbishment during the year. Fourth, the mideast political crisis has caused a precipitous rise in fuel prices causing a projected shortfall of approximately \$1.9 million at current prices. Fifth, administrative action taken by the Department of Administration has increased per diem rates by 40-44% for vessel employees. Sixth, the M/V MALASPINA was originally scheduled for major refurbishment during five weeks of peak revenue season.

Following is a review of each issue:

a. PERS/Benefits Increase

In FY 91 the cost of PERS increased by 4.21%. Only 2.03% of this increase in the Alaska Marine Highway System, vessel operations, was funded. PERS will increase by another 2.28% and an increment for a portion of this increase has been included in our FY 92 budget. It is not possible to fund or absorb the PERS or other benefit increases through vacancy rates in vessel operations because under Coast Guard regulations and contract rules we do not have vacancies in vessel operations. Based on our year to date actual personal services expenditures we estimate a \$921,007 deficit.

b. Governor's Veto

The Governor's veto of \$2.8 million causes the reduction in service of two primary vessels within the Marine Highway System -- the M/V COLUMBIA and the M/V LeCONTE. The M/V COLUMBIA is a

mainline vessel serving the Puget Sound area out of Bellingham with service to communities throughout Southeast Alaska. In addition, the M/V COLUMBIA provides, particularly in the May through September time period, substantial tourist traffic as well as service to Alaskan travelers. This vessel is the primary revenue generator for the Alaska Marine Highway System. The Southeast communities, Anchorage and Fairbanks will be significantly impacted by the reduced tourism traffic.

The M/V LeCONTE is a feeder vessel that services primarily the northern Lynn Canal except it runs the "tramper" route when the M/V AURORA is in overhaul or out of service. The communities of Juneau, Haines, Skagway, Hoonah, Angoon, Tenakee and Sitka will be significantly impacted by the lay-up of the M/V LeCONTE. Southern Southeast ports would receive less service since the M/V AURORA would have to make weekly "tramper" runs up to the north to provide some service.

The countervailing force here is the revenues generated by the operation of the vessels. These two vessels, if they were to come back on line as originally scheduled, will generate approximately \$2.7 million, practically the entire cost of providing the service.

A decision to not sail these two vessels as scheduled saves nothing. Arguably, the revenues lost by not sailing will exceed any potential savings. This is best seen in light of the fact that the effect on the general fund is essentially the same whether we provide service to the communities or lay up the two vessels. They will pay for themselves during the time period in question. Expending the G.F. during this fiscal year (FY 91) will make more than that amount available in FY 92.

c. M/V TUSTUMENA Service

The M/V TUSTUMENA is undergoing major overhaul and refurbishment this year. The M/V TUSTUMENA is now scheduled to return to service a month earlier. The cost associated with the month of service is \$342,857.

d. Fuel Prices

The Iraqi invasion of Kuwait has had serious repercussions for the Alaska Marine Highway System with regard to fuel and fuel prices. Fuel costs budgeted for FY 91 were based on a weighted average of \$.67 per gallon and the current weighted average is \$.81 per gallon. The increase in fuel will cost an additional \$1,918,275 compared to the original FY 91 operating plan estimate.

e. Per diem

The Department of Administration implemented administrative changes to per diem rates effective June 15, 1990. These increases apply to all three maritime unions. Per diem expenses

are incurred because vessel employees often are required to travel to meet vessels at ports other than their homeports. Also, during annual overhaul periods vessels undergo overhaul at ports which require the crew to be away from home. Crews are usually provided with meals at the expense of the employer and are paid a per diem allowance for the lodging portion of their expenses. The increase in these rates will cost an additional \$303,000.

f. M/V MALASPINA

In the original 1990-91 Operating Plan the M/V MALASPINA was scheduled to undergo refurbishment of its galley and purser's area. Due to the length of the project the vessel was not to return to service until approximately June 27, 1991. Upon evaluating late spring 1990 traffic it became clear this schedule would mean a loss of \$761,600. The ship needs to be available by mid-May to meet demand and maximize revenues. In order to accomplish this objective AMHS worked with the Federal Highway Administration to obligate the necessary federal funds in fiscal year 1990, but defer actual construction until Fall 1991. The vessel is now scheduled to return to service on May 23. The maximum estimated cost of these additional five weeks of service is \$675,000 and revenues generated are estimated at \$761,600.

g. Prior Year Obligations

The AMHS successfully closed the fiscal year on August 31. This was accomplished without breaking any appropriation and, in fact, left a balance. We have approximately \$165,422 FY 90 outstanding obligations and a lapse balance of approximately \$256,457. If these obligations are paid out of lapse balance, a supplemental appropriation is required specifically for these items.

Summary

In summary, the Alaska Marine Highway System operating plan for FY 91 is incapable of accomplishing the schedules unless the issue of funding is resolved. The current operating plan without this supplemental would take a severe reduction in the operation of the M/V COLUMBIA, TUSTUMENA and LeCONTE. Operating plans at various funding levels are available upon request. The recommendations are:

- 1) Request supplemental G.F. authority of \$921,007 for PERS/Benefits costs to insure full operation of the current plan.
- 2) Schedule the M/V COLUMBIA and the M/V LeCONTE to come back into service as originally planned on May 3, 1991 and March 13, 1991 respectively. Request G.F. supplemental of \$2.8 million to cover cost.

- 3) Proceed with an additional month of service for the M/V TUSTUMENA. Request \$342,857 G.F. supplemental to cover cost.
- 4) Fuel prices have caused a drastic increase in schedule cost. Request G.F. supplemental of \$1,918,275 to cover cost.
- 5) Per diem rates have been increased by the Department of Administration causing a serious impact on AMHS travel and overhaul budget. Request G.F. supplemental of \$303,000 to cover cost.
- 6) Schedule the M/V MALASPINA to return to service on May 23. Delay actual refurbishment until next year's layup during winter. Request G.F. supplemental of \$675,000 to cover cost.

PROPOSED/SUPPLEMENTAL REQUEST-FY 91

PERS/Benefits	\$ 921,007
Restore M/V COLUMBIA/M/V LeCONTE	2,800,000
Replacement for M/V TUSTUMENA added costs	342,857
Fuel Price Increase	1,918,275
Per Diem	303,000
M/V MALASPINA Service	<u>675,000</u>
TOTAL SUPPLEMENTAL REQUEST	\$6,960,139

In addition, we are requesting additional authority and appropriation of \$165,422 to pay FY 90 bills that have been received after fiscal year ended.

cc: Ron B. Lind, Director
Plans, Programs and Budget

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 41 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$66,661,536
	Other Funds	<u>(1,967,000)</u>
		\$64,694,536

Sponsor(s): SENATORS KERTTULA, Sturgulewski, Menard

A BILL

FOR AN ACT ENTITLED

1 "An Act making supplemental appropriations to the Department of Transportation and
 2 Public Facilities for maintenance of class 3 roads and other purposes; amending certain
 3 appropriations; making appropriations; and providing for an effective date."

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

5 * Section 1. Section 35, ch. 209, SLA 1990, page 26, lines 10 - 15, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
8 Assistance Payments		<u>108,427,700</u>	<u>64,888,200</u>	<u>43,539,500</u>
9		[100,280,800]	[59,345,600]	[40,935,800]
10 Aid to Families with	<u>78,570,700</u>			
11 Dependent Children	[72,208,700]			
12 General Relief	<u>1,350,400</u>			
13 Assistance	[800,400]			
14 Adult Public Assistance	<u>23,434,700</u>			

1 [22,486,400]
 2 Old Age Assistance-
 3 Alaska Longevity Bonus 4,321,900
 4 (ALB) - Hold Harmless
 5 Post Mortem 750,000
 6 Examinations [463,400]

7 * Sec. 2. (a) Section 35, ch. 209, SLA 1990, page 26, lines 18 - 19 is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
10 Medical Assistance		<u>196,243,100</u>	<u>93,475,500</u>	<u>102,767,600</u>
		[213,210,900]	[101,990,400]	[111,220,500]
12 Medicaid Non-Facility	<u>71,931,700</u>			
	[69,765,800]			

14 (b) Section 35, ch. 209, SLA 1990, page 26, line 23, to page 27, line 8, is amended to read:

	ALLOCATIONS
16 Medicaid-Facilities	<u>98,216,800</u>
	[115,212,000]
18 Indian Health Service	<u>11,066,900</u>
	[12,651,000]
20 Medicaid Permanent Fund	<u>1,800,000</u>
21 Dividend Hold Harmless	[1,007,800]
22 Alaska Longevity Bonus	<u>1,236,000</u>
23 Hold Harmless	[1,479,100]
24 General Relief Medical	<u>7,057,700</u>
	[7,672,300]
26 Medicaid State Programs	<u>4,934,000</u>
	[5,422,900]

28 * Sec. 3. (a) Section 35, ch. 209, SLA 1990, page 27, line 21, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
31 Purchased Services	<u>26,331,300</u>	<u>24,115,000</u>	<u>2,216,300</u>

WORK DRAFT

WORK DRAFT

WORK DRAFT

1 [25,927,000] [23,860,700] [2,066,300]

2 (b) Section 35, ch. 209, SLA 1990, page 28, line 4, is amended to read:

3 ALLOCATIONS

4 Foster Care 11,610,400

5 [11,206,100]

6 * Sec. 4. Section 35, ch. 209, SLA 1990, page 28, lines 14 - 19, is amended to read:

7 APPROPRIATION GENERAL OTHER

8 ALLOCATIONS ITEMS FUND FUNDS

9 Youth Services 17,778,500 16,984,700

10 [17,393,300] [16,599,500] 793,800

11 McLaughlin Youth Center 7,151,900

12 (125 Positions) [6,997,700]

13 Fairbanks Youth Facility 2,571,000

14 (36 positions) [2,481,300]

15 Nome Youth Facility 981,500

16 (11 positions) [964,100]

17 Johnson Youth Center 919,500

18 (14 positions) [898,900]

19 Bethel Youth Facility 1,648,200

20 (22 positions) [1,544,900]

21 * Sec. 5. (a) Section 35, ch. 209, SLA 1990, page 28, line 21, is amended to read:

22 APPROPRIATION GENERAL OTHER

23 ITEMS FUND FUNDS

24 Maniilaq 3,910,800 3,825,200

25 [3,764,400] [3,678,800] 85,600

26 (b) Section 35, ch. 209, SLA 1990, page 29, line 7, is amended to read:

27 ALLOCATIONS

28 Maniilaq Senior Center 1,014,700

29 [868,300]

30 * Sec. 6. (a) Section 35, ch. 209, SLA 1990, page 33, line 22, is amended to read:

31 APPROPRIATION GENERAL OTHER

1		ITEMS	FUND	FUNDS
2	Institutions and	<u>27,792,400</u>	<u>23,347,300</u>	
3	Administration	[27,232,400]	[22,787,300]	4,445,100

4 (b) Section 35, ch. 209, SLA 1990, page 34, line 17, is amended to read:

5 ALLOCATIONS

6	Alaska Psychiatric Institute	<u>15,262,100</u>
7	(304 positions)	[14,702,100]

8 * Sec. 7. Section 139, ch. 208, SLA 1990, page 52, line 6, is amended to read:

9		APPROPRIATION	GENERAL
10		ITEMS	FUND
11	Information Systems Expansion	<u>853,500</u>	<u>853,500</u>
12	and Upgrade (ED 19)	[353,500]	[353,500]

13 * Sec. 8. The sum of \$30,000 is appropriated from the mental health trust fund to the Department
14 of Health and Social Services for purchase of the Matanuska-Susitna Counseling Center quarters.

15 * Sec. 9. The sum of \$110,000 is appropriated from the mental health trust fund to the Department
16 of Health and Social Services to purchase community housing for the Anchorage Association of Retarded
17 Citizens.

18 * Sec. 10. (a) The sum of \$1,092,200 is appropriated from the general fund to the Department of
19 Health and Social Services, permanent fund dividend hold harmless program, for increased program
20 costs.

21 (b) The sum of \$1,092,200 is appropriated from the permanent fund dividend fund to the general
22 fund to reimburse the general fund for the appropriation made in (a) of this section.

23 * Sec. 11. The sum of \$216,000 is appropriated from the general fund to the Department of Health
24 and Social Services, Fairbanks social services block grant, for the Fairbanks block grant program.

25 * Sec. 12. The sum of \$984,000 is appropriated from the general fund to the Department of Health
26 and Social Services, Anchorage social services block grant, for the Anchorage block grant program.

27 * Sec. 13. The sum of \$1,032,000 is appropriated from the general fund to the Department of
28 Administration, pioneers' homes, for increased operating costs.

29 * Sec. 14. The sum of \$782,900 is appropriated from the general fund to the Department of
30 Administration, office of public advocacy, for increased operating costs.

31 * Sec. 15. The sum of \$7,612,200 is appropriated from the general fund to the Department of Law

EXHIBIT

1 to pay continuing costs associated with litigation relating to the Exxon Valdez oil spill.

2 * Sec. 16. The sum of \$12,000,000 is appropriated to the Department of Law to pay continuing costs
3 for legal proceedings involving oil and gas revenue due or paid to the state or state title to oil and gas
4 land from the following sources:

STATE VS NANCYAN HESS

- 5 General Fund \$10,000,000
- 6 Permanent Fund Earnings Reserve Account 2,000,000

7 * Sec. 17. The sum of \$500,000 is appropriated from the mental health trust income account
8 (AS 37.14.011) in the general fund to the Department of Law for increased costs associated with Weiss
9 v. State.

10 * Sec. 18. The sum of \$720,000 is appropriated from the general fund to the Department of Public
11 Safety for increased contract jail costs.

CONTRACT JAILS

12 * Sec. 19. The sum of \$46,000 is appropriated from the general fund to the Department of Public
13 Safety, Civil Air Patrol, for increased program costs.

REVENUE

14 * Sec. 20. The sum of \$2,908,100 is appropriated from the general fund to the Department of
15 Transportation and Public Facilities for maintenance of class 3 roads.

LOWER FUNDING

16 * Sec. 21. The sum of \$2,800,000 is appropriated from the general fund to the Department of
17 Transportation and Public Facilities for marine vessel operations and overhaul.

18 * Sec. 22. The sum of \$2,200,000 is appropriated from the general fund to the Department of
19 Transportation and Public Facilities for maintenance of rural airports.

20 * Sec. 23. The sum of \$4,160,139 is appropriated from the general fund to the Department of
21 Transportation and Public Facilities, Alaska marine highway system, for the following purposes:

22 PURPOSE	23 ALLOCATION
24 Fuel price increases	\$1,918,275
25 Per diem increases	303,000
26 Increase to employee benefits and retirement contributions	921,007
27 Tustumena service operation	342,857
28 Malaspina service operation	675,000

29 * Sec. 24. The sum of \$1,914,600 is appropriated from the general fund to the Department of
30 Transportation and Public Facilities for fuel price increases.

31 * Sec. 25. The sum of \$658,800 is appropriated from the general fund to the Department of
Transportation and Public Facilities for airport security cost increases.

1 * Sec. 26. The sum of \$2,131,900 is appropriated from the general fund to the Department of
2 Transportation and Public Facilities for removal of snow and ice and repair of storm damage.

3 * Sec. 27. The sum of \$300,000 is appropriated from the general fund to the Department of
4 Community and Regional Affairs, organizational grants, for the first-year organizational grant for the
5 Denali Borough as authorized by AS 29.05.190.

6 * Sec. 28. The sum of \$50,000 is appropriated from the general fund to the Department of
7 Community and Regional Affairs, organizational grants, for the first-year organizational grant for the
8 City of False Pass as authorized by AS 29.05.180.

9 * Sec. 29. The unexpended and unobligated balance of the appropriation made in sec. 27, ch. 116,
10 SLA 1989, page 84, line 9 (child assistance) lapses into the funds from which appropriated June 30,
11 1991.

12 * Sec. 30. The sum of \$2,234,600 is appropriated from the general fund to the Department of
13 Community and Regional Affairs to maintain the day care assistance program at grant levels in effect
14 in February 1991, and to increase the participation of persons from the waiting list.

15 * Sec. 31. The sum of \$469,900 is appropriated from the general fund to the Department of
16 Corrections, major medical, for personal services costs.

17 * Sec. 32. The sum of \$1,870,400 is appropriated from the general fund to the Department of
18 Corrections, major medical, for operating costs.

19 * Sec. 33. The sum of \$442,100 is appropriated from the general fund to the University of Alaska
20 for increased fuel and utility costs and is allocated in the following amounts:

21	PURPOSE	ALLOCATION
22	Kodiak College	13,000
23	Prince William Sound Community College	16,300
24	University of Alaska Anchorage	76,000
25	Chukchi Campus	14,000
26	Kuskokwim Campus	3,500
27	Northwest Campus	5,400
28	Organized Research	17,200
29	Rural College	36,200
30	School of Fisheries and Ocean Sciences	10,300
31	University of Alaska Fairbanks	194,900

WORK DRAFT

WORK DRAFT

WORK DRAFT

1	University of Alaska Southeast	34,000
2	Ketchikan Campus	5,200
3	Matanuska-Susitna Community College	13,500
4	Sitka Campus	2,600

5 * Sec. 34. The sum of \$222,100 is appropriated from the general fund to the University of Alaska
6 Fairbanks for increased costs associated with snow removal.

7 * Sec. 35. The sum of \$20,000 is appropriated from the general fund to the University of Alaska,
8 Anchorage, Institute of Circumpolar Health for expenses of the 1990-1991 medical expedition and
9 translation and publication of reports of the expedition.

10 * Sec. 36. The sum of \$179,900 is appropriated from the general fund to the Office of the Governor,
11 division of elections, for increased operating costs associated with elections in 1990.

12 * Sec. 37. The sum of \$42,600 is appropriated from the general fund to the Department of Commerce
13 and Economic Development, division of measurements and standards, to provide for weigh station
14 operations and the device inspection program.

15 * Sec. 38. The sum of \$1,979,600 is appropriated from the general fund to the Alaska Energy
16 Authority to pay the costs of the power cost equalization program (AS 44.83.162).

17 * Sec. 39. The sum of \$2,000,000 is appropriated from the general fund to the Department of
18 Commerce and Economic Development, division of tourism, for domestic tourism marketing.

19 * Sec. 40. The sum of \$21,042,000 is appropriated from the general fund to the Department of
20 Education for the public school foundation program (AS 14.17).

21 * Sec. 41. The appropriations made in secs. 8 and 9 of this Act are for capital projects and lapse
22 under AS 37.25.020.

23 * Sec. 42. The appropriations made in sec. 10 of this Act do not lapse.

24 * Sec. 43. The appropriations made in secs. 11 - 28 and 30 - 40 of this Act lapse into the funds from
25 which they were appropriated June 30, 1991.

26 * Sec. 44. Section 10(b) of this Act takes effect July 1, 1991.

27 * Sec. 45. Except as provided in sec. 44 of this Act, this Act takes effect immediately under
28 AS 01.10.070(c).

7-LS0306G

Cramer

1/31/91

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 41 (TRANSPORTATION)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$7,908,100
	Other Funds	<u>-0-</u>
		\$7,908,100

Sponsor(s): SENATORS KERTTULA, Sturgulewski

A BILL

FOR AN ACT ENTITLED

1 "An Act making supplemental appropriations to the Department of Transportation and
2 Public Facilities for maintenance of class 3 roads, marine vessel operations and overhaul,
3 and rural airport maintenance; and providing for an effective date."

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

5 * Section 1. The sum of \$2,908,100 is appropriated from the general fund to the Department of
6 Transportation and Public Facilities for maintenance of class 3 roads.

7 * Sec. 2. The sum of \$2,800,000 is appropriated from the general fund to the Department of
8 Transportation and Public Facilities for marine vessel operations and overhaul.

9 * Sec. 3. The sum of \$2,200,000 is appropriated from the general fund to the Department of
10 Transportation and Public Facilities for maintenance of rural airports.

11 * Sec. 4. The appropriations made by this Act lapse into the general fund June 30, 1991.

12 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).



Official Business

Alaska State Legislature

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

MEMORANDUM

TO: Senator Curt Menard, Chairman
Senate Transportation Committee

FROM: Senator Jay Kerttula

SUBJ: Senate Bill 41 --
Supplemental for Class 3 roads,
rural airports and marine
transportation

DATE: January 29, 1991

A handwritten signature in black ink, appearing to read "Jay Kerttula".

I would appreciate your scheduling Senate Bill 41, providing a supplemental appropriation to the Department of Transportation for maintenance of class 3 roads, rural airports and marine transportation. These funds would reinstate Governor Cowper's vetoes in these areas. Unless these funds are appropriated, it appears that maintenance of class 3 roads and rural airports will stop in early spring. It is possible that other road maintenance activities may also be impacted. Marine transportation service will also be severely impacted by mid spring.

For your information, I have attached a resolution from the Matanuska-Susitna Borough requesting continuation of maintenance for class 3 roads.

I appreciate your consideration of this request.

JK:kh

MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 90-158AM

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH REQUESTING THE STATE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES TO CONTINUE FUNDING AND MAINTENANCE OF STATE CATEGORY III ROADS.

WHEREAS, the State of Alaska Department of Transportation has proposed eliminating the funding for maintenance and capital improvements for Category III state roads; and

WHEREAS, good roads are one of the highest priorities of the Borough; and

WHEREAS, these roads serve all residents of Alaska and the State of Alaska has always maintained and improved these roads; and

WHEREAS, the safety of the driving public will be greatly reduced if the Department of Transportation and Public Facilities eliminates the maintenance and improvements of Category III roads; and

WHEREAS, State revenues are adequate to maintain and improve state roads; and

WHEREAS, the Matanuska-Susitna Borough lacks the administrative capacity, equipment, manpower and monetary resources to upgrade, construct and maintain Category III state roads; and

WHEREAS, it is the responsibility of the State of Alaska to provide basic services for public safety; and

WHEREAS, the Local Road Service Area Advisory Board passed and approved Resolution Serial No. 90-011 recommending the Borough Assembly request the Commissioner of the Department of Transportation and Public Facilities, the Governor and the Legislature to continue funding maintenance and capital improvements of Category III state roads and recommending the Borough Assembly not take any responsibility for Category III state roads.

NOW THEREFORE, BE IT RESOLVED by the Assembly of the Matanuska-Susitna Borough that the Commissioner of the Department of Transportation and Public Facilities, the Governor and the Legislature continue the funding for the maintenance and capital improvements of Category III state roads.

Adopted by the Assembly of the Matanuska-Susitna Borough this 18th day of December, 1990.

Dorothy A. Jones
Dorothy A. Jones, Borough Mayor

ATTEST:

Linda A. Dahl
Linda A. Dahl, Borough Clerk

(SEAL)

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
P.O. BOX WF
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

Date: February 1, 1991

To: Senator Jay Kerttula, Co-Chairman
Senate Finance Committee

From: Roger LaVine, Fiscal Analyst *RL 2/1/91*
Legislative Finance

Subject: DOT/PF Supplemental for Class 3 Roads, Rural Airports &
Marine Transportation.

You ask us to comment on the need for a early supplemental for DOT/PF due to Governor's FY91 vetoes of funds for Class 3 Roads, Rural Airports, and Marine Transportation.

Class 3 Roads

The Governor vetoed \$2,908,100 appropriated to maintain Class 3 Roads. The department FY91 budget allocated \$8.5 million for the maintenance of Class 3 Roads. The result of this veto is to reduce funding for Class 3 Roads by over 1/3. Given this reduction, the department will run out of funding to maintain Class 3 Roads by early March, if not sooner. The department also will need an additional supplemental for maintenance of all roads, because of increased fuel cost and above normal snowfall in some regions of the state. The department is in the process of determining the amount needed for the additional supplemental. The numbers should be available in the next few days. The department has indicated that the amount needed probably will be between \$10 and \$15 million.

Rural Airports

The Governor vetoed \$2.2 million out of about \$16 million allocated to maintain rural airports in FY9. This resulted in a 15% cut to rural airport maintenance. Given this reduction, the department will be forced to curtail service at rural airports sometime in the spring. The FAA has increased security requirements at certificated airports due to the Gulf War. The cost of this additional security will require a supplemental at a later date in an amount yet to be determined.

Marine Transportation

The governor vetoed \$2.8 million out of the Marine Transportation appropriation. Unless this funding is restored, plus an additional supplemental for increased fuel cost and unfunded PERS in the amount of \$3.1 million, the department will have to curtail service in the spring. For example, the MV Columbia would not resume service until July 1, 1991 a lose of 8 weeks of service. Also, other vessels would have to be tied up or not resume planned service until a later date.

I will continue to monitor DOT supplemental requests and keep you informed.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR JONES

TO: SSSB 41

Page 1, after line 8:

Insert a new bill section to read:

"* Sec. 3. The sum of \$4,160,139 is appropriated from the general fund to the Department of Transportation and Public Facilities, Alaska marine highway system, for the following purposes:

PURPOSE	ALLOCATION
Fuel price increases	\$1,918,275
Per diem increases	303,000
Increase to employee benefits & retirement contributions	921,007
Tustumena service operation	342,857
Malaspina service operation	675,000"

Adjust funding information accordingly.

Renumber the following bill sections accordingly.

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 41
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR KERTTULA

Introduced:	1/23/91
Referred:	Transportation and Finance
Funding Information:	General Fund \$7,608,100
	Other Funds <u>-0-</u>
	\$7,608,100

A BILL

FOR AN ACT ENTITLED

1 "An Act making supplemental appropriations to the Department of Transportation and
 2 Public Facilities for maintenance of class 3 roads, marine vessel operations and overhaul,
 3 and rural airport maintenance; and providing for an effective date."

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

5 * Section 1. The sum of \$2,908,100 is appropriated from the general fund to the Department of
 6 Transportation and Public Facilities for maintenance of class 3 roads.

7 * Sec. 2. The sum of \$2,500,000 is appropriated from the general fund to the Department of
 8 Transportation and Public Facilities for marine vessel operations and overhaul.

9 * Sec. 3. The sum of \$2,200,000 is appropriated from the general fund to the Department of
 10 Transportation and Public Facilities for maintenance of rural airports.

11 * Sec. 4. The appropriations made by this Act lapse into the general fund June 30, 1991.

12 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

MEMORANDUM

State of Alaska

Department of Transportation and Public Facilities

TO: Frank G. Turpin
Commissioner

DATE: February 6, 1991

FILE NO: SD-125 & 207

THRU: W. Keith Gerken
Deputy Commissioner

TELEPHONE: (907) 465-3959

FROM: James R. Ayers
System Director
Alaska Marine Highway System

SUBJECT: FY 91 Supplemental
Analysis

The Alaska Marine Highway System prepared an operating plan for FY 91 which has six substantial problems. First the legislature did not adequately fund the PERS increases for FY 91. Secondly, the Governor was forced to veto \$2.8 million dollars of the Alaska Marine Highway System budget due to the drop in oil prices. Thirdly, we now have sufficient information to address the question of costs for providing M/V TUSTUMENA service after she undergoes major refurbishment during the year. Fourth, the mideast political crisis has caused a precipitous rise in fuel prices causing a projected shortfall of approximately \$1.9 million at current prices. Fifth, administrative action taken by the Department of Administration has increased per diem rates by 40-44% for vessel employees. Sixth, the M/V MALASPINA was originally scheduled for major refurbishment during five weeks of peak revenue season.

Following is a review of each issue:

- a. PERS/Benefits Increase
In FY 91 the cost of PERS increased by 4.21%. Only 2.03% of this increase in the Alaska Marine Highway System, vessel operations, was funded. PERS will increase by another 2.28% and an increment for a portion of this increase has been included in our FY 92 budget. It is not possible to fund or absorb the PERS or other benefit increases through vacancy rates in vessel operations because under Coast Guard regulations and contract rules we do not have vacancies in vessel operations. Based on our year to date actual personal services expenditures we estimate a \$921,007 deficit.
- b. Governor's Veto
The Governor's veto of \$2.8 million causes the reduction in service of two primary vessels within the Marine Highway System -- the M/V COLUMBIA and the M/V LeCONTE. The M/V COLUMBIA is a

mainline vessel serving the Puget Sound area out of Bellingham with service to communities throughout Southeast Alaska. In addition, the M/V COLUMBIA provides, particularly in the May through September time period, substantial tourist traffic as well as service to Alaskan travelers. This vessel is the primary revenue generator for the Alaska Marine Highway System. The Southeast communities, Anchorage and Fairbanks will be significantly impacted by the reduced tourism traffic.

The M/V LeCONTE is a feeder vessel that services primarily the northern Lynn Canal except it runs the "tramper" route when the M/V AURORA is in overhaul or out of service. The communities of Juneau, Haines, Skagway, Hoonah, Angoon, Tenakee and Sitka will be significantly impacted by the lay-up of the M/V LeCONTE. Southern Southeast ports would receive less service since the M/V AURORA would have to make weekly "tramper" runs up to the north to provide some service.

The countervailing force here is the revenues generated by the operation of the vessels. These two vessels, if they were to come back on line as originally scheduled, will generate approximately \$2.7 million, practically the entire cost of providing the service.

A decision to not sail these two vessels as scheduled saves nothing. Arguably, the revenues lost by not sailing will exceed any potential savings. This is best seen in light of the fact that the effect on the general fund is essentially the same whether we provide service to the communities or lay up the two vessels. They will pay for themselves during the time period in question. Expending the G.F. during this fiscal year (FY 91) will make more than that amount available in FY 92.

c. M/V TUSTUMENA Service

The M/V TUSTUMENA is undergoing major overhaul and refurbishment this year. The M/V TUSTUMENA is now scheduled to return to service a month earlier. The cost associated with the month of service is \$342,857.

d. Fuel Prices

The Iraqi invasion of Kuwait has had serious repercussions for the Alaska Marine Highway System with regard to fuel and fuel prices. Fuel costs budgeted for FY 91 were based on a weighted average of \$.67 per gallon and the current weighted average is \$.81 per gallon. The increase in fuel will cost an additional \$1,918,275 compared to the original FY 91 operating plan estimate.

e. Per diem

The Department of Administration implemented administrative changes to per diem rates effective June 15, 1990. These increases apply to all three maritime unions. Per diem expenses

are incurred because vessel employees often are required to travel to meet vessels at ports other than their homeports. Also, during annual overhaul periods vessels undergo overhaul at ports which require the crew to be away from home. Crews are usually provided with meals at the expense of the employer and are paid a per diem allowance for the lodging portion of their expenses. The increase in these rates will cost an additional \$303,000.

f. M/V MALASPINA

In the original 1990-91 Operating Plan the M/V MALASPINA was scheduled to undergo refurbishment of its galley and purser's area. Due to the length of the project the vessel was not to return to service until approximately June 27, 1991. Upon evaluating late spring 1990 traffic it became clear this schedule would mean a loss of \$761,600. The ship needs to be available by mid-May to meet demand and maximize revenues. In order to accomplish this objective AMHS worked with the Federal Highway Administration to obligate the necessary federal funds in fiscal year 1990, but defer actual construction until Fall 1991. The vessel is now scheduled to return to service on May 23. The maximum estimated cost of these additional five weeks of service is \$675,000 and revenues generated are estimated at \$761,600.

Summary

In summary, the Alaska Marine Highway System operating plan for FY 91 is incapable of accomplishing the schedules unless the issue of funding is resolved. The current operating plan without this supplemental would take a severe reduction in the operation of the M/V COLUMBIA, TUSTUMENA and LeCONTE. Operating plans at various funding levels are available upon request. The recommendations are:

- 1) Request supplemental G.F. authority of \$921,007 for PERS/Benefits costs to insure full operation of the current plan.
- 2) Schedule the M/V COLUMBIA and the M/V LeCONTE to come back into service as originally planned on May 3, 1991 and March 13, 1991 respectively. Request G.F. supplemental of \$2.8 million to cover cost.
- 3) Proceed with an additional month of service for the M/V TUSTUMENA. Request \$342,857 G.F. supplemental to cover cost.
- 4) Fuel prices have caused a drastic increase in schedule cost. Request G.F. supplemental of \$1,918,275 to cover cost.
- 5) Per diem rates have been increased by the Department of Administration causing a serious impact on AMHS travel

February 6, 1991

and overhaul budget. Request G.F. supplemental of \$303,000 to cover cost.

- 6) Schedule the M/V MALASPINA to return to service on May 23. Delay actual refurbishment until next year's layup during winter. Request G.F. supplemental of \$675,000 to cover cost.

PROPOSED/SUPPLEMENTAL REQUEST-FY 91

PERS/Benefits	\$ 921,007
Restore M/V COLUMBIA/M/V LeCONTE	2,800,000
Replacement for M/V TUSTUMENA added costs	342,857
Fuel Price Increase	1,918,275
Per Diem	303,000
M/V MALASPINA Service	<u>675,000</u>

TOTAL SUPPLEMENTAL REQUEST \$6,960,139

cc: Ron B. Lind, Director
Plans, Programs and Budget

KEITH GOAKIN
STATE OF ALASKA

THE LEGISLATURE
BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
P.O. BOX WF
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

Date: February 1, 1991

To: Senator Jay Kerttula, Co-Chairman
Senate Finance Committee

From: Roger LaVine, Fiscal Analyst *RL 2/1/91*
Legislative Finance

Subject: DOT/PF Supplemental for Class 3 Roads, Rural Airports &
Marine Transportation.

7.9 M)
ADDITIONAL

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Class 3 Roads

The Governor vetoed \$2,908,100 appropriated to maintain Class 3 Roads. The department FY91 budget allocated \$8.5 million for the maintenance of Class 3 Roads. The result of this veto is to reduce funding for Class 3 Roads by over 1/3. Given this reduction, the department will run out of funding to maintain Class 3 Roads by early March, if not sooner. The department also will need an additional supplemental for maintenance of all roads, because of increased fuel cost and above normal snowfall in some regions of the state. The department is in the process of determining the amount needed for the additional supplemental. The numbers should be available in the next few days. The department has indicated that the amount needed probably will be between \$10 and \$15 million.

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I will continue to monitor DOT supplemental requests and keep you informed.

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State of Alaska

Department of Transportation and Public Facilities

TO: Frank G. Turpin
Commissioner

DATE: February 6, 1991

THRU: W. Keith Gerken
Deputy Commissioner

FILE NO: SD-125 & 207

FROM: James R. Ayers
System Director
Alaska Marine Highway System

TELEPHONE: (907) 465-3959

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The countervailing force here is the revenues generated by the operation of the vessels. These two vessels, if they were to come back on line as originally scheduled, will generate approximately \$2.7 million, practically the entire cost of providing the service.

A decision to not sail these two vessels as scheduled saves nothing. Arguably, the revenues lost by not sailing will exceed any potential savings. This is best seen in light of the fact that the effect on the general fund is essentially the same whether we provide service to the communities or lay up the two vessels. They will pay for themselves during the time period in question. Expending the G.F. during this fiscal year (FY 91) will make more than that amount available in FY 92.

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are incurred because vessel employees often are required to travel to meet vessels at ports other than their homeports. Also, during annual overhaul periods vessels undergo overhaul at ports which require the crew to be away from home. Crews are usually provided with meals at the expense of the employer and are paid a per diem allowance for the lodging portion of their expenses. The increase in these rates will cost an additional \$303,000.

f. M/V MALASPINA

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- 4) Fuel prices have caused a drastic increase in schedule cost. Request G.F. supplemental of \$1,918,275 to cover cost.
- 5) Per diem rates have been increased by the Department of Administration causing a serious impact on AMHS travel

February 6, 1991

and overhaul budget. Request G.F. supplemental of \$303,000 to cover cost.

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PROPOSED/SUPPLEMENTAL REQUEST-FY 91

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Restore M/V COLUMBIA/M/V LeCONTE	2,800,000
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M/V MALASPINA Service	<u>675,000</u>

TOTAL SUPPLEMENTAL REQUEST \$6,960,139

cc: Ron B. Lind, Director
Plans, Programs and Budget

S B

5 6

STEVE FRANK
DISTRICT K
SEAT A

119 N. Cushman, Rm. 213
Fairbanks, Alaska 99701

While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3709
Capitol Rm. 514

Alaska State Legislature



Senate

MEMBER
Finance Committee
Resources Committee
Legislative Council
Special Committee on Banking &
Economic Development

VICE-CHAIR
Community & Regional
Affairs Committee

Memorandum

TO: Senator Curt Menard, Chairman

FROM: Transportation Committee

RE: SB 56 - "An Act Relating to the Dalton Highway"

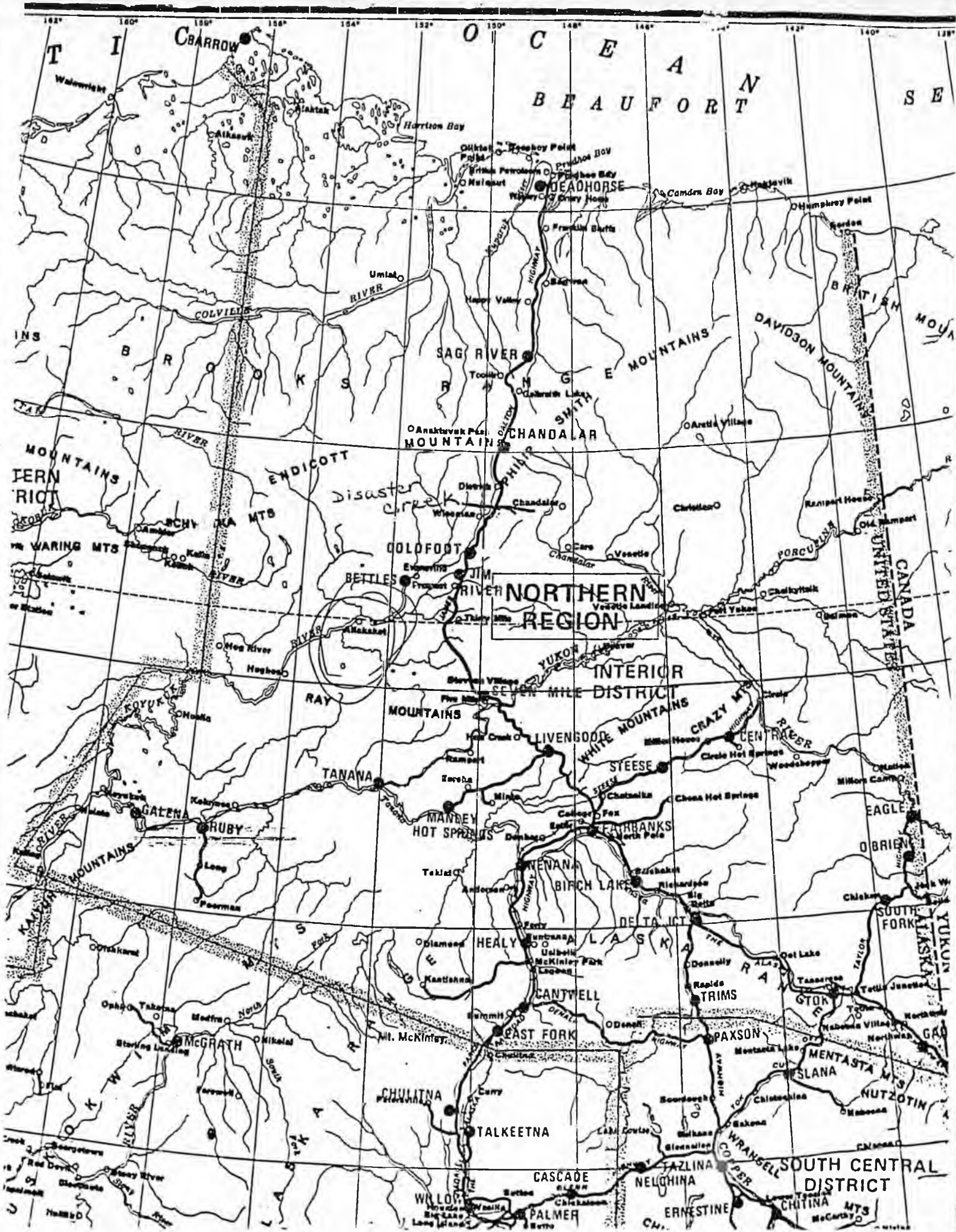
DATE: January 24, 1991

I am writing to request a hearing on SB 56 at your earliest convenience.

This bill would open the Dalton Highway for public travel all the way to Pruhdoe Bay. Currently, the road is closed past Disaster Creek to vehicles other than those with a "commercial" purpose. The Dalton is the only publicly maintained road in Alaska closed to public travel and we think it is time to open it to the travelling public.

Thank you for your consideration.

Open to all public traffic



JAMES DALTON HIGHWAY

CONSTRUCTION

BUILDER: Alyeska Pipeline Service Company Contractors

DATES: April 29, 1974 - September 29, 1974 = 154 days

LENGTH: 415 Miles = Livengood to Deadhorse

MATERIAL: 32,000,000 cubic yards - free use, mostly BLM

MANPOWER: 3,000,000 plus man hours

COST: \$370,000,000 - State has engineering dollars only
in project

YUKON RIVER BRIDGE: Completed 1975 - \$26,000,000; \$3,000,000 State funds

MAINTENANCE

ALYESKA: September 1974 - October 15, 1978

STATE OF ALASKA: October 15, 1978

PERSONNEL

<u>Location</u>	<u>PFT</u>	<u>PPT</u>	<u>PFT Buildings</u>	
7-Mile	4	0	2	
Jim River	4	0	2	
Coldfoot	4	1	1	
Chandalar	8	1	2]
Sag River	6	1	2] Rotation
Deadhorse	8	1] Stations
<hr/>				
	34	4	9	= 47 Positions

MILEAGE FOR ELLIOTT & DALTON HIGHWAYS

LOCATION	FROM FAIRBANKS	FROM HP 0 DALTON	FROM YUKON RIVER	BETWEEN POINTS
FOX	11.5	73.5	130.7	
LIVENGOOD	80.8	4.2	61.4	69.3
0 MILE TAPS	85.0	0.0	57.2	4.2
PUMP STATION 6	140.0	55.0	2.2	55.0
YUKON RIVER	142.2	57.2	0.0	2.2
5 MILE AIRPORT	146.4	61.4	4.2	4.2
7 MILE CAMP	148.0	63.0	5.8	1.6
FINGER MOUNTAIN	185.3	100.3	43.1	37.3
OLD MAN	194.5	109.5	52.3	9.2
BEAVER SLIDE	196.4	111.4	54.2	1.9
ARCTIC CIRCLE	202.0	116.0	60.0	5.8
GOBBLERS KNOW	220.1	135.1	77.9	17.9
PUMP STATION 6	225.4	140.4	83.2	5.3
JIM RIVER MAINTENANCE	226.4	141.4	84.2	1.0
KOYUKUK	245.0	160.0	102.8	18.6
COLDFOOT	264.3	179.3	122.1	19.3
WISEMAN TURNOFF	278.2	193.2	136.0	13.9
ETRICH	300.4	215.4	158.2	22.2
SHANDALAR	333.0	248.0	190.8	32.6
ATIGUN SUMMIT	337.6	252.6	195.4	4.6
ATIGUN CAMP	342.5	257.5	200.3	4.9
PUMP STATION 4	361.9	276.9	219.7	19.4
GALBRAITH TURNOFF	367.9	282.9	225.7	6.0
TOOLIK	377.7	292.7	235.5	9.8
MS 117-1	384.0	299.0	241.8	6.3
SAG RIVER MAINTENANCE	399.6	314.6	257.4	15.6
PUMP STATION 3	406.0	321.0	263.8	6.4
ICE CUT	419.8	334.8	277.6	13.8
HAPPY VALLEY	429.8	344.4	287.6	10.0
PUMP STATION 2	455.4	370.4	313.2	25.6
FRANKLIN BLUFFS	474.7	389.7	332.5	19.3
END OF DALTON HIGHWAY	511.9	426.9	369.7	37.2
DEADHORSE AIRPORT	515.9	430.9	373.7	4.0

11/9/88

DALTON HIGHWAY CHECK POINT

AVERAGE DAILY TRAFFIC
VEHICLE COUNT
1976 - 1988

MONTH YEAR	76	77	78	79	80	81	82	83	84*	85	86	87	88
January		98	89	73	68	122	164	105					
February		262	96	49	68	122	131	122					
March		465	112	59	76	215	181	156					
April		433	98	68	75	206	169	113					
May		251	96	69	83	149	145	95					
June		240	157	75	105	112	174	81					
July	402	222	119	81	125	122	151	100	79	109	88	57	72
August	381	210	142	89	154	139	137	104		76	91	67	80
September	349	203	81	84	136	159	150	98		36	69	64	85
October	231	142	62	73	130	136	122	94			63	55	64
November	166	131	71	69	115	140	97	96			58	48	
December	119	120	69	59	100	134	103	71					
ANNUAL AVERAGE	275	231	99	71	103	146	144	103	79	74	74	58	77
LOCATION	YUKON RIVER							DISASTER CREEK			CHANDALAR SHELF		

* 1984 figures are from DOT&PF traffic counter at Atigun River

Chapter 35. Relocation Assistance.

[Repealed, § 2 ch 41 SLA 1971.]

Chapter 40. James Dalton Highway.

Section

- 10. Declaration of policy
- 15. Highway named
- 20. Contractual authority
- 30. Undertakings of contractors
- 40. Exemption
- 50. Highway width
- 60. Conditions to be met
- 65. Regulations and penalties
- 70. Conflict with other laws

Section

- 100. Use of the highway by industrial or commercial traffic
- 110. Public use of a portion of the highway
- 120. Closure of the highway to traffic
- 200. Disposal of land or materials
- 210. Prohibition of off-road vehicles
- 290. Definitions

Opinions of attorney general. — It is within the power of the Department of Transportation and Public Facilities un-

der AS 19.05.040(11) to charge a toll for use of the James Dalton Highway. February 20, 1987 Op. Att'y Gen.

Sec. 19.40.010. Declaration of policy. (a) The legislature finds and declares that there is an immediate need for a public highway from the Yukon River to the Arctic Ocean and that this public highway should be constructed by the State of Alaska at this time because

(1) it will assist in the fulfillment of art. VIII, § 1, Constitution of the State of Alaska, in which it is provided that it is the policy of the state to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest;

(2) it will provide the first year-round, overland route from north of the Yukon River to the Arctic Ocean, and will consequently result in the completion of a highway from the Pacific Ocean to the Arctic Ocean;

(3) it is in conformity with the policy of 23 U.S.C. 101(b) (Federal-Aid Highway Act of 1956), in which it is declared to be in the national interest to accelerate the construction of certain highways which are of primary importance to the national defense;

(4) it will benefit local and interstate commerce because the area north of the Yukon River is rich in natural resources but is inaccessible at the present time because of the lack of roads and this inaccessibility prohibits the successful use of the natural resources of this area;

(5) it is consonant with art. VIII, § 2, Constitution of the State of Alaska, in which it is provided that the legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the state, including land and water, for the maximum

STEVE COWPER, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

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

January 29, 1988

The Honorable Al Adams
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Representative Adams:

In response to your recent request, the following is an analysis of how opening the entire Dalton Highway to public use would affect Department of Transportation and Public Facilities (DOT&PF) responsibilities.

Elimination of the checkpoint and the need for processing permits would save the cost of checkpoint operation (currently \$20,000 per year), would save the time and cost involved with administering the system and issuing permits, and would save highway users the bother and expense of obtaining permits. It would also end the constant public involvement effort necessary to explain the current policy to people who feel they have a right to travel the route. Opening the remainder of the Dalton Highway to public use would represent a standardized policy for operation and management of all rural state access routes. Though some of them are open only seasonally, all other state highways are open to the public.

To date there has been no federal participation in road improvement projects north of the Yukon River Bridge even though the entire Dalton Highway is on the federal-aid system. This is due to the requirement that federally funded highway projects be open to the public. The limited ability of the public to travel parts of the highway has clouded the issue of federal participation. Recently, the Federal Highway Administration (FHWA) declined to include a Barrow to Prudhoe Bay corridor on the federal-aid system, in part because the Dalton Highway is not open to the public. In the future, this would preclude our ability to utilize federal funding for construction of a Nuiqsut to Prudhoe Bay Road.

Opening the remainder of the Dalton Highway to the public would necessitate some additional traveler services. Private facilities providing vehicular services and lodging are available at the Yukon Crossing, Coldfoot and Deadhorse. It would probably prove necessary for someone to develop additional private facilities between Coldfoot and Deadhorse. We see the need for two additional public wayside/campsite facilities, with vault toilets and litter barrels (like what we have now at the Arctic Circle and at Marion Creek) along the northern section of the road. Some signing and additional litter barrels would also be required. We estimate the development cost for these facilities to be \$60,000. We expect they would cost approximately \$20,000 per year to maintain. That maintenance cost would be offset by the savings which would be realized by closing the existing checkpoint, thereby resulting in a neutral operating budget impact for DOT&PF. Enclosed is a new fiscal note detailing these expenses.

There may also be a need to extend the Dalton Highway to the terminal area of the Deadhorse Airport. Currently, the Dalton Highway ends approximately 2 miles short of the terminal area. The remaining segment of road, though on airport property, was built and is maintained by the oil companies. We do not see a problem reaching a reasonable accommodation, so we have not included a cost estimate for this on the attached fiscal note.

Another problem and additional cost may occur since the current road stops several miles short of the Arctic Ocean. If the Legislature desires access as far as the Arctic Ocean, as currently suggested in HB 115 and SB 132, there may be additional costs for inclusion. Arrangements would have to be made with the oil companies to achieve this goal.

Summer and fall traffic volumes would increase as a result of opening the remainder of road. However, as indicated by past limited openings of the route, we would not expect a large volume of additional traffic. The long distances involved, the cost of services and repairs, and the lack of pavement would tend to hold the number of pleasure vehicles down. Since we already maintain the route for truck traffic, we do not anticipate an appreciable increase in maintenance costs resulting from the additional traffic. The smaller public vehicles would have little effect on the road surface relative to the commercial trucks.

The capacity of the road would also not be a limiting factor. Again, where improvement is needed, it is already needed for the existing truck traffic and is needed to improve the level of service provided by the facility rather than to increase the capacity. The geometric standards of the Dalton Highway are already superior to those of several other rural routes in the state which are open to public use and are subject to higher traffic volumes.

While there may be some concern that public traffic would interfere with possible gasline construction, we do not feel that this is a significant negative consideration. Just as with oil pipeline construction activity, gasline construction activity would share hundreds of miles of highway such as the Steese, Elliott and Richardson Highways with substantially higher traffic volumes than would occur on the Dalton Highway. Construction activity itself may deter some people from using the route. If it becomes necessary during gasline construction to temporarily close a portion of the highway to public use, this could be done under A.S. 19.10.100.

As it pertains to DOT&PF, the opening of the entire Dalton Highway would require minimal additional state facilities, would relieve us of the troublesome task of administering the existing user permitting program, would not require appreciable additional maintenance, and would not tax the traffic volume capacity of the existing facility. For us, the positive effects of opening the entire highway to public use outweigh the possible negative effects.

There are a number of other issues, that while not direct DOT&PF concerns, I believe would need attention to implement this decision properly. The following is a list of key concerns.

January 29, 1988

A. Traffic Safety/Fish and Wildlife Enforcement

Opening the entire Dalton to general public access, particularly on a year-round basis, could significantly affect Public Safety's ability to perform these responsibilities.

B. Environmental/Fish And Game Impact

A range of environmental and fish and game impacts could occur due to an opening decision. This could include detrimental impacts from off-road vehicle and hunting violations, and other negative impacts associated with off-road activities along the currently restricted road portions.

C. Facility Development Needs

Year-round access will necessitate additional development of commercial service facilities (i.e., auto services; food; lodging) at one or two new locations north of Coldfoot. Some effort will be needed to ensure the opportunity is available for private sector development.

D. Land Selection Status

State efforts are continuing in terms of state selections within the Bureau of Land Management (BLM) Utility Corridor. I would recommend contacting DNR to ascertain any possible problems that might be posed by this proposal. (See Mike Penfold)

E. Partial Opening

It may be wise, at least at first, to limit general access to eight months, thereby avoiding public safety risks during the dead of winter. You might want to contact DPS on this question.

Since this question does impact a number of other areas, I have taken the liberty of copying affected agencies for their information. You may also want to contact Bob Evans so the administration can work with you in a more coordinated manner.

Sincerely,



Mark S. Hickey
Commissioner

Enclosure

cc: J. Anthony Smith, Commissioner, Department of Commerce and Economic Development
Dennis D. Kelso, Commissioner, Department of Environmental Conservation
Don W. Collingsworth, Commissioner, Department of Fish and Game
Arthur A. English, Commissioner, Department of Public Safety
Mary Halloran, Associate Director, Office of Management and Budget
Bob Evans, Legislative Liaison, Office of the Governor

STEVE COWPER, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 465-4100

February 18, 1988

The Honorable Steve Frank
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Frank:

Circumstances relating to caribou hunting near the Dalton Highway north of the Yukon River have been somewhat confusing for a number of years. Some background may help put the matter in perspective.

As you know, public access has been constrained by statute (AS 19.40.100 and 19.40.110), and use of off-road vehicles within five miles on each side of the Dalton Highway right-of-way is prohibited except for access to mining claims (AS 19.40.210). However, because no penalty provision was included in the latter section, the prohibition on off-road or all-terrain vehicles (ORV/ATV) could not be enforced. Although these laws were in place, people were able to gain access to the northern portion of the Dalton Highway. Also because the ORV/ATV restriction was ineffective, a convention of use of these vehicles developed among people who were able to gain access to the northern Dalton Highway. Thus, public use of the highway and of ORV/ATVs for hunting purposes was only partly constrained.

This situation contributed to a rapid increase in caribou harvest from along the highway between 1982 and 1986. Seasons and bag limits for the Central Arctic Caribou Herd (CAH) during that period were designed to provide ample opportunity for use of caribou for food by local residents of Game Management Unit 26B (GMU 26B), and presumed that restrictions of Dalton Highway and ATV use effectively moderated hunting pressure from elsewhere. That was not the case, and in 1986 the department recommended and the Board of Game adopted a regulation reducing from five to two the number of caribou that could be transported out of GMU 26B. That regulation was in effect in 1986-87. Also, the administration in 1986 introduced a bill containing a

February 18, 1988

penalty provision for off-road use of ATVs so that the law would be enforceable, but it did not pass.

In March 1987, the Department of Fish and Game proposed a regulation establishing a bag limit of five caribou for subsistence hunters, and one caribou for other hunters. This proposed regulation also expanded the area affected to include all of the principal range of the CAH. The Board of Game adopted this proposal as regulation, which became effective July 1, 1987. In addition, the board promulgated a regulation prohibiting the use of motorized vehicles, (except for licensed highway vehicles, aircraft, and motor boats) for hunting purposes within the Dalton Highway corridor. The net effect was to prohibit use of ORV/ATVs for hunting purposes.

These changes have affected total harvests of caribou as shown below.

Reported Harvest of Central Arctic Caribou Herd

<u>Year</u>	<u>Total</u>
1982-83	81
1983-84	170
1984-85	364
1985-86	662
1986-87	345
1987-88 (through 2/5/88)	181

We anticipate that the total harvest in 1987-88 will be below that of 1986-87. Although even at the highest harvest level, in 1985-86, there was no danger to the CAH's well-being, the trend was of concern, since a continued rapid increase in harvest levels could have stopped or reversed growth of the herd.

Under the present regulatory regime, hunting will not limit growth of the CAH. However, the more conservative seasons and bag limits and the enforceable regulation on use of ATVs in the Dalton Highway corridor for hunting, have reduced public hunting opportunities. Further experience with the current regulations may indicate in the future that some relaxation of restrictions may be warranted. Because the herd's welfare is also being studied in relation to oilfield development, it is important that hunting not constrain herd growth.

Some other difficulties with management of the CAH remain unresolved. First, Wiseman, located within the utility corridor, is a recognized subsistence community under federal law and is classified as rural under state law.

February 18, 1988

Because of the prohibition on the use of firearms and ATVs, its residents are at a disadvantage in hunting in or near the corridor. Other residents of the corridor are also considered rural. This disadvantage is aggravated by the fact that nonlocals and nonresidents can hunt there with bows and arrows.

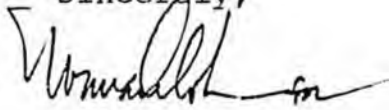
Second, because of the history of ATV use during the several years when an ATV use prohibition existed but was widely known as being unenforceable, a number of local people and other state residents now feel that they have been treated unfairly by the imposition of the regulation prohibiting ATV use for hunting in the corridor.

Public use of the entire Dalton Highway as an access route to northern hunting areas remains a subject of contention.

Given the current regulatory regime, the presence of Fish and Wildlife Protection staff and of our own staff in the area, and the apparent cooperation by most of the public with current regulations, we are confident of being able to ensure the well-being of the Central Arctic Caribou Herd and of other wildlife in the Dalton Highway area.

I will be glad to be of further assistance in any way that I can.

Sincerely,



Don W. Collinsworth
Commissioner

cc: L. Pamplin
D. Bishop

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE COMMISSIONER

P.O. BOX N
JUNEAU, ALASKA 99811-1200
PHONE: 465-4322

February 10, 1988

The Honorable Steve Frank
Alaska State Legislature
F.O. Box V
Juneau, AK 99811

Dear Representative Frank:

During our last hearing, concern was expressed for the Fish and Wildlife Protection activities along the Dalton Highway. The following information was obtained from the Fish and Wildlife Protection Division relating to violations which occurred from January, 1987 to the present within the Dalton Highway corridor.

- | | |
|-------------------------------------|----|
| 1. Carcasses found: | 5 |
| 2. No hunting/fishing license: | 2 |
| 3. Trapping: | 2 |
| 4. Guiding: | 1 |
| 5. Use of firearms within corridor: | 9 |
| 6. Highway permits: | 15 |

As you can see, our caseload for the corridor is quite low. The Coldfoot trooper, however, now has the added responsibility of covering Bettles, as well as other area villages. Since this is a remote post, the Fish and Wildlife Protection Trooper's duties also include the "blue shirt" activities.

With the closing of our Bettles post and transferring the aircraft and officer to Coldfoot, we now have the ability to conduct aircraft patrol throughout the area with either a Supercub or a Cessna 185. In those instances where it appears off-the-road violations have occurred, we will have the ability to better cover the area by using our aircraft. This does give us limited enforcement profile, however, it also increases the area that we can cover with limited manpower.

As I mentioned during our meeting, if the Dalton Highway were to open, it would be necessary for us to station two

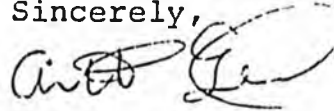
The Honorable Steve Frank

-2-

February 10, 1988

additional employees at Prudhoe Bay, an AST "blue shirt," and another FWP "brown shirt." In addition, we will add another "blue shirt" to the Coldfoot post. With these personnel, our enforcement effort would be enhanced; however, we would still have a limited impact on the area.

Sincerely,

A handwritten signature in cursive script, appearing to read "Arthur English".

Arthur English
Commissioner



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ALASKA STATE OFFICE
222 W. 7th Avenue, #13
ANCHORAGE, ALASKA 99513-7599



3344 (930)

JAN 29 1990

Senator Pat Pouchot
Pouch V
Capitol Building Room 504
Juneau, Alaska 99811

Dear Senator Pouchot:

As you requested, I am pleased to offer comments on the potential impact of Senate Bill 366 (opening of the Dalton Highway north of Disaster Creek) on Bureau of Land Management activities in the Utility Corridor. We have no specific objections to the opening of the Dalton Highway north of Disaster Creek to the general public.

In September 1989, we issued the Utility Corridor Proposed Resource Management Plan and Final Environmental Impact Statement. None of the proposed actions in the plan will become final until a Record of Decision is issued sometime in the near future. Copies of the proposed plan were widely distributed. Additional copies are available from my office.

The proposed plan recognizes the portions of the Dalton that are already open, as well as the potential for future openings north of Disaster Creek.

Aside from the primary purpose of the corridor remaining as a energy minerals transportation route, we anticipate that recreation and tourism will rapidly become the major land use within the corridor. Because of that potential becoming reality in a few short years, we are accelerating our recreation planning for the corridor. To this end, we anticipate having the Dalton Highway Recreation Area Management Plan substantially completed by the beginning of 1991.

Within the recreation strategy for the BLM lands in the corridor, the recreation plan will investigate site specific opportunities for facilities such as campgrounds, cabins, concessions and lodges, information/interpretive sites, trails and trailheads, ORV use, scenic viewpoints, and etc. This planning will involve close coordination with the State of Alaska to identify needs and priorities. Even with today's level of traffic on the highway, we are concerned about the general lack of facilities to meet the needs of the motoring public. We are also concerned about the interim protection of prehistoric and historic cultural sites until we have funding for proper management of the sites.

In light of the year 1992 being a celebration year of the 50th anniversary of the Alcan Highway opening, and the 125th anniversary of the purchase of Alaska from Russia, there will certainly be an influx of recreational vehicles and bus tours during 1991-1993. Our limited funding inhibits our ability to do basic planning and survey and design, let alone construction, in such a relatively short time. We are, however, entering into efforts with the State of Alaska to

seek alternatives for temporary facilities to accommodate the increased traffic. Of primary concern to us are sites for overnight parking, water, and sanitary facilities. Close coordination will be necessary to assure Off-Road Vehicle (ORV), subsistence, and public safety issues will be addressed.

I look forward to an outstanding partnership with the State of Alaska in the future management of the Utility Corridor and the Dalton Highway for the benefit of the citizens of Alaska and the nation. Please feel free to contact me if you have any questions.

Sincerely,

Lester K. Rosenkrance



Resource Development Council

for Alaska, Inc.

807 "G" Street, Suite 200, Anchorage, Alaska 99501-3448
 Box 100516, Anchorage, Alaska 99510-0516 - 907/276-8700

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EX-OFFICIO MEMBERS
 Senator Ted Stevens
 Senator Frank Murkowski
 Congressman Don Young

March 5, 1987

Representative Steve Frank
 Alaska State Legislature
 Pouch V
 Juneau, AK 99811

re: HB 115 and SB 132

Dear Steve:

The Resource Development Council is pleased to support HB 115 and SB 132, Acts relating to public use of the Dalton Highway. Our Executive Committee's action in this regard was unanimous.

We agree that these bills will allow the state to further develop the industries that rely on access to Northern Alaska. We need to encourage development and use of this key element in the state's road system if we are to foster development of valuable resources.

Please call on RDC if we can be of assistance to your office on this issue.

Sincerely,

RESOURCE DEVELOPMENT COUNCIL
 for Alaska, Inc.

Paula P. Easley
 Executive Director

cc: Senator Jack Coghill
 Mayor Juanita Helms
 Mayor Bill Walley



Greater Fairbanks

Chamber

of Commerce

First National Center

P O Box 74446

100 Cushman Street

(907) 452-1105

Fairbanks, Alaska 99707

RESOLUTION 3-0287

A RESOLUTION TO OPEN THE DALTON HIGHWAY TO THE GENERAL PUBLIC

WHEREAS, there is no justifiable reason that the general public should not have access to a public highway; and

WHEREAS, public funds are used to maintain this road, and

WHEREAS, the denial of the public to use the Dalton Highway as any other highway in Alaska, as stated in A.S. 19.40.120, is discriminatory, and

WHEREAS, there are existing state and federal regulations which provide for management of public use of land and resources adjoining public highways, and

WHEREAS, the opening of the Dalton Highway has been part of the program of work as stated in the Interior Transportation Needs Study developed by the Greater Fairbanks Chamber of Commerce;

NOW, THEREFORE, be it resolved, that the Greater Fairbanks Chamber of Commerce recommends that the Legislature pass HB 115 without further restrictions.

Be it further resolved that this resolution be sent to the following:

Governor Cowper
The Interior Delegation
The Congressional Delegation
The Commissioner of Transportation

DATED THIS

23rd

DAY OF

February

, 1987

BY

James Dodson
James Dodson, Chairman of the Board

BY

Althea St. Martin
Althea St. Martin, Acting President

Editorial Opinion and Comment of

FAIRBANKS

Daily News - Miner

"Independent in All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

Dalton daffiness

We continue to be mystified by state officials who don't think their constituents should be allowed to drive the Dalton Highway.

At a recent hearing on the subject, an official of the Alaska Department of Public Safety delivered a masterpiece of bureaucratic circle-think.

The road is unsafe, he said, because traffic is sparse and there are few facilities. As even he acknowledged, the reason is obvious: The state keeps the road closed to the public.

A state senator, meanwhile, said the road shouldn't be opened because truckers and the Alyeska Pipeline Service Company might get stuck caring for stranded motorists.

"There's some places the public shouldn't go, for their own safety," he said.

Maybe we're wrong, but we have the idea that Alaskans don't want or need to be protected from themselves. In fact, we suspect there are a good many who came here to get away from the smothering embrace of bureaucrats and politicians who see it as their duty to protect people from themselves.

These are the same tired arguments we've heard for years against opening the Dalton, and they make less sense than ever.

The "sparse traffic, few facilities" reasoning collapses of its own weight, so we'll not devote further attention to it here, except to reiterate our serene confidence that the free enterprise system is able and willing to provide such facilities as are needed; certainly that has happened on the lower portion of the road that is open to the public.

As for the senator's tender concern for the burden that will be placed on Alyeska or truckers on the highway, we have no doubt that the development of facilities will speedily remedy that problem, if it ever arises. In addition, travelers on the road should be advised of its hazards and warned that they travel at their own risk.

Finally, let's remember that the state pays to maintain this road, but the oil industry is about the only user. If the public is going to pay for the upkeep of the Dalton Highway, the public should be allowed to drive it.

1455 Skopline Dr

Fairbanks AK 99712

457-5602

Rep. Steve Frank

P.O. Box 5

Juneau, AK. 99811

This letter is to clarify my public affairs message of yesterday, and to add further emphasis for my support to the legislation to allow public use of the highway to its terminus.

I feel that because of the regulations already in place regarding hunting and fishing along the highway, and because to the south of Wiseman there is a distance of about 50 miles East and west to any native village, and to the north, the distance is greater to the only two villages Nigmesit, to the west and Kablovik to the east, the highway should be opened to the public.

Further emphasis is added by the fact that
 four busses are presently allowed to
 travel the road to its terminus. Only
 the common citizen is prevented from exercising
 his rights of free travel on public roads.

I regard the road as a restricted public
 highway by virtue of the fact that state and
 Federal funds are being expended to maintain
 and repair the highway.

I feel that justice will be served
 by the passage of HB 115.

As chief of the village of Wiseman, the only
 community on the haul road, which has
 been requested since 1970, to do otherwise
 is a travesty of justice.

Sincerely,
 Vern Thiller, Chief, Wiseman



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MILE 176 JAMES DALTON HWY
COLDFOOT, ALASKA

Mailing Address
COLDFOOT SERVICES
COLDFOOT, ALASKA 99701-9998

February 23, 1987

Dear Mrs. Cato,

I should like to express my views concerning HB# 115 related to the Dalton Highway.

In April 1981 the legislature opened the Dalton Highway to the public. Then Governor Hammond, by decree, allowed the highway north of the Yukon River to Disaster Creek be opened only for the months of June, July and August.

The State at the same time decreed that someone provide a service facility at Coldfoot for the traveling public. That someone ended up being myself.

When Gov. Sheffield arrived on the scene, I approached him with the fact that we were here in Coldfoot year around, yet the road was opened to the general public only three months. He immediately, by Governor's decree, opened the road for the entire year, yet still only to Disaster Creek. This policy continues today.

There are several facilities opened to the public at Deadhorse, motels, restaurants, service stations and of course, the state airport facilities.

I can't see why the Dalton Highway should be divided, south or north of the Yukon River or south or north of Dietrich.

1. It's a state maintained road, using public funds.
2. Facilities are available year around.
3. Tourist traffic exceeds commerical traffic for five months of each year.
4. The state spends millions encouraging tourism.
5. Tour buses run the Dalton Highway fully realizing the attraction of:
 1. Yukon River
 2. Driving north of the Arctic Circle.
 3. The allure of the Brooks Range.
 4. The interest of Prudhoe Bay area.

The State D.O.T. maintains the checkpoint is a saftey checkpoint when we realize in fact, it's a political matter.

If in fact, it's a saftey checkpoint, then you should arrive, state you have extra tires and gasoline and continue on your way.

If it's a political matter, consider that no tourist is upsetting the lifestyle of any North Slope Borough resident as none live along the highway, that no corporation lands border the highway. That the D.O.T. when it does issue a permit, issues that permit for the vehicle, irregardless of the number of passengers. Why should one receive a permit to take a vehicle over a given section of highway right-of-way, and others be denied?!