Table 13.
Existing Freight Rates for Iliamna Lake Communities

	MARINE						AIR				
	From Naknek			From Williamsport							
	Petroleum Marine	Petroleum Pound Price Equiv	Other Marine	Petroleum Marine	Petroleum Pound Price Equiv	Other Marine	Petroleum Air	Petroleum Pound Price Equiv	ANC-ILI	ILI-	AIR TOT
	($/gal)	($/lb)	($/lb)	($/gal)	($/lb)	($/lb)	($/gal)	($/lb)			
Igiugig	$0.800	$0.121	$0.765	NA	NA	$0.370	$0.961	$0.146	$0.390	$0.250	$0.640
Iliamna	$0.800	$0.121	$0.765	NA	NA	$0.370	$0.961	$0.146	$0.390	$0.000	$0.390
Kokhanok	$0.800	$0.121	$0.765	NA	NA	$0.370	$0.961	$0.146	$0.390	$0.200	$0.590
Newhalen	$0.800	$0.121	$0.765	NA	NA	$0.370	$0.961	$0.146	$0.390	$0.000	$0.390
Nondalton	$0.800	$0.121	$0.765	NA	NA	$0.370	$0.961	$0.146	$0.390	$0.000	$0.390
Pedro Bay	$0.800	$0.121	$0.765	NA	NA	$0.370	$0.961	$0.146	$0.390	$0.200	$0.590

Marine shipping rates for petroleum via Williamsport are not provided because petroleum is not currently shipped via Cook Inlet, primarily because of the difficulty of meeting hazardous materials regulations (Rick Harkness, Harkness Enterprises, personal communications, November 1999).

Freight Movement to Iliamna Lake Communities

It bears mentioning that waterborne freight reaches the communities of Iliamna Lake via two routes. The primary route, which accounts for some 80% of Iliamna Lake communities' waterborne cargo, is via Naknek, where barges originating in the Seattle-Tacoma area offload onto much smaller barges that navigate the Kvichak River during its brief season of navigability. This season, during which the river is both ice-free and high enough to support even shallow-draft vessels, generally runs from early August to late November (Rick Harkness, personal communications, November 1999). The rate charged to lighter the goods from Naknek to Iliamna Lake communities is approximately 50% over and above the cost of getting the goods from Seattle to Naknek (Coastal Marine). Via Naknek, petroleum shipment runs $0.80 per gallon, while "Other" cargo runs about $0.77 per pound.

Although reliance on air shipment in the region is atypically high, this route is very important to Iliamna Lake communities because it is the only way to bring in particularly heavy and or bulky equipment, which can neither be flown in nor barged-trucked via Williamsport because of that route's width, height, and weight limitations. The fact that heavy equipment can only be transported for a brief period of the year (and some years not at all, if the river remains low) is thought to have expensive repercussions for area construction costs. The reason for this is that contractors realize that they may have to keep an expensive capital asset, a piece of heavy machinery—in the area for months in which it is not in use. For this reason, it is thought that contractors add a substantial margin to their bids on construction projects to cover their costs and asset depreciation.

The other marine route to Iliamna is via Williamsport, which accounts for some 20% by volume of the cargo surface shipped to Iliamna Lake communities (Rick Harkness, Harkness Enterprises, personal communications, November 1999). Despite Williamsport's navigational challenges (it is shallow, muddy, and strewn with boulders), barges operated by Coastal Freight and Salvage call on this port from Homer from June until November. The limiting seasonal factors are both ice on the lake, and the road's passability due to snow. Upon arrival at Williamsport, barges are offloaded onto a truck operated by Ray Williams' outfit, the Iliamna Transportation Company—which has been in existence since 1938. Upon completion of the road trip, at Pile Bay, cargo may be distributed to its ultimate destination in two ways:

- Some consumers sail their own vessels to Pile Bay to pick up shipments.
- A licensed operator on Iliamna Lake picks up the shipments and distributes them among the Iliamna Lake communities in his vessels.

The rate breakdown, according to area operators, is as follows:

Homer to Williamsport (barge)	$0.12/lb
Williamsport to Pile Bay (truck)	$0.10/lb
Pile Bay to Ultimate Destination (barge)	$0.15/lb
TOTAL	**$0.37/lb**

This rate is considerably lower than the $0.77 per pound rate estimated for shipment via Naknek. However, route is arduous, for several reasons, including Williamsport's shortcomings as a port. Shallow water restricts barge deliveries to about two tides per month, each of which lasts about five days (Otto Kilcher, Coastal Freight and Salvage, personal communications, November 1999). Once transferred to the truck, there are other obstacles, including the washed out bridge on the road at Chinkelyes Creek, which requires that the truck ford the stream. This is hard on vehicle transmission and bearings, and on some cargo in particular, such as sheetrock and cement. Moreover, it poses safety hazards for operators (Ray Williams, Iliamna Transportation Company, personal communications, November 1999).

ESTIMATING RATES UNDER PROPOSED ALTERNATIVES

Having established freight shipment rates under existing conditions, the next analytical task was to project freight shipment rates under two separate scenarios related to alternatives proposed as part of this regional transportation planning effort. Two scenarios were explored: implementation of the Trans-Peninsula Roadway as a complete system, and implementation of the Williamsport to Pile Bay Road as a stand-alone project. While projecting rates for the Williamsport to Pile Bay Road was relatively simple, insofar as it had been studied previously (US Army Corps of Engineers, 1995), projecting rates for the larger project, the Trans-Peninsula Road was more complex.

This task required interface with area shippers, most of whom were reluctant to speculate on what they perceived as an extremely remote possibility. Most of those contacted expressed skepticism that the populations and volumes of freight to be served would justify the projects' large capital and maintenance costs. Ultimately, however, they were persuaded that their educated guesses as to the freight cost impacts of the proposed alternatives would be superior to those of anyone without firsthand experience with shipping in Southwest Alaska.

Modal rate estimates for affected communities were developed by breaking the journey from cargo origin to destination into its constituent modal links or elements. Unit costs were used where possible. Three sets of rates were developed:

- Petroleum Rates Assuming that the Trans-Peninsula Roadway System is Implemented;
- "Other" Cargo Rates Assuming that the Trans-Peninsula Roadway System is Implemented;
- "Other" Cargo Rates Assuming that the Williamsport to Pile Bay Road is Implemented as a Stand-Alone element.

For reasons to be discussed, separate petroleum rates under the Williamsport to Pile Bay Roadway as a stand-alone element were not projected.

Estimated Petroleum Movement Rates (Whole Road Built)

To project what it would cost to transport petroleum products to selected communities if the Trans-Peninsula Road were built, estimates for the barge portion of the trip, as well as the trucking portion of the trip, were elicited from Crowley Petroleum and from several trucking companies now operating in Alaska.

While multiple marine shippers have long served the communities, regional-scale trucking operations on the Alaska Peninsula are nonexistent because Southwest Alaska has so little

roadway infrastructure. Several firms that operate on the Alaska roadway network were therefore contacted.

Upon discussions with shippers, it was determined that a logical delivery pattern for petroleum products, under the assumption that the Trans-Peninsula Roadway is built, would be for a barge to make separate stops in both Williamsport and in Chignik. This is due to the fact that the trucking portion of the trip could be accomplished less expensively by choosing a closer port.

Per gallon barge costs were estimated at 12 cents per gallon from Anchorage to Chignik, and at 10 cents per gallon from Anchorage to Williamsport. Trucking costs were estimated at $6.75 per mile. Trucking cost estimates were developed on the basis of input by Carlile and CAT, trucking firms that now operate in Alaska, but outside of Southwest Alaska. Both firms were quick to point out the speculative nature of their estimates. They pointed out that rates would be sensitive to volume, start-up costs (regarding which there is considerable uncertainty), and unusual maintenance and operations costs attributable to Southwest Alaska's remote and challenging natural environment. In providing their estimates, the trucking companies assumed that the road would be paved, maintained, and designed to AASHTO standards. For the purposes of this analysis, a tanker truck with a 7,500 gallon capacity was assumed.

Mileage between each affected community and the ports of Chignik and Williamsport was calculated based on specifications provided in an earlier deliverable, "Southwest Alaska Description of Alternatives Technical Memorandum." Total petroleum shipment rates for each affected community represent the sum of the barge and trucking related costs. Tables 14, 15 and 16 contain the resulting rate estimates. Table 14 calculates rates under the assumption that Williamsport serves as the intermodal transfer point. Table 15 calculates rates assuming that Chignik serves as the intermodal transfer point. Finally, Table 16 lists the lowest rate for each community, based on marine port of call.

Table 14.
Cost Analysis for Petroleum Movement (Williamsport as Transfer Point)

	Existing Conditions	Estimated Rates Assuming that the Trans-Peninsula Roadway is Built				
	Current Price	Price per gal ANC to Williamsport	Road Distance from Williamsport	Trucking Price Total at $6.75/mi	Trucking Price per gal at 7,500 gal/load	Total Price (barge+road)
	($/gal)	($/gal)	(mi)	($)	($/gal)	($/gal)
Chignik	$0.250	$0.10	466	$3,146	$0.419	$0.519
Chignik Lagoon	$0.500	$0.10	462	$3,119	$0.416	$0.516
Chignik Lake	$0.600	$0.10	450	$3,038	$0.405	$0.505
Egegik	$0.500	$0.10	262	$1,769	$0.236	$0.336
Igiugig	$0.800	$0.10	109	$736	$0.098	$0.198
Iliamna	$0.800	$0.10	53	$358	$0.048	$0.148
Ivanof Bay	$0.270	$0.10	516	$3,483	$0.464	$0.564
King Salmon and Naknek	$0.300	$0.10	184	$1,242	$0.166	$0.266
Nondalton	$0.800	$0.10	69	$466	$0.062	$0.162
Pedro Bay	$0.800	$0.10	26	$176	$0.023	$0.123
Perryville	$0.300	$0.10	506	$3,416	$0.455	$0.555
Pile Bay	$0.800	$0.10	15	$101	$0.014	$0.114
Pilot Point	$0.520	$0.10	317	$2,139	$0.285	$0.385
Port Heiden	$0.350	$0.10	404	$2,727	0.364	$0.464

Table 15.
Cost Analysis for Petroleum Movement (Chignik as Transfer Point)

Anchorage to	Current Price ($/gal)	Price per gal ANC to CHIGNIK ($/gal)	Road Distance from Chignik (mi)	Trucking Price Total at $6.75/mi ($)	Trucking Price per gal ($/gal)	Total Price (barge+road) ($/gal)
Chignik	$0.250	$0.12	0	$0	$0.000	$0.120
Chignik Lagoon	$0.500	$0.12	12	$81	$0.011	$0.131
Chignik Lake	$0.600	$0.12	16	$108	$0.014	$0.134
Egegik	$0.500	$0.12	204	$1,377	$0.184	$0.304
Igiugig	$0.800	$0.12	357	$2,410	$0.321	$0.441
Iliamna	$0.800	$0.12	413	$2,788	$0.372	$0.492
Ivanof Bay	$0.270	$0.12	50	$338	$0.045	$0.165
King Salmon and Naknek	$0.300	$0.12	269	$1,816	$0.242	$0.362
Nondalton	$0.800	$0.12	429	$2,896	$0.386	$0.506
Pedro Bay	$0.800	$0.12	440	$2,970	$0.396	$0.516
Perryville	$0.300	$0.12	40	$270	$0.036	$0.156
Pile Bay	$0.800	$0.12	451	$3,044	$0.406	$0.526
Pilot Point	$0.520	$0.12	149	$1,006	$0.134	$0.254
Port Heiden	$0.350	$0.12	62	$419	$0.056	$0.176

Table 16.
Least Cost Petroleum Rates

	Current Price ($/gal)	Assumes Community Served from	Total Price (barge+road) ($/gal)
Chignik	$0.25	Chignik	$0.12
Chignik Lagoon	$0.50	Chignik	$0.13
Chignik Lake	$0.60	Chignik	$0.13
Egegik	$0.50	Chignik	$0.30
Igiugig	$0.80	Williamsport	$0.20
Iliamna	$0.80	Williamsport	$0.15
Ivanof Bay	$0.27	Chignik	$0.17
King Salmon and Naknek	$0.30	Williamsport	$0.27
Nondalton	$0.80	Williamsport	$0.16
Pedro Bay	$0.80	Williamsport	$0.12
Perryville	$0.30	Chignik	$0.17
Pile Bay	$0.80	Williamsport	$0.16
Pilot Point	$0.52	Chignik	$0.25
Port Heiden	$0.35	Chignik	$0.18

Estimated Petroleum Movement Rates (Williamsport Improvements Alone)

Although, as will be seen in subsequent analysis, it is clear that building the Trans-Peninsula Roadway in its entirety would produce significant petroleum movement cost savings, it is not obvious that rehabilitating the Williamsport to Pile Bay Road alone would do so. Part of the reason for this is that fuel is transported relatively cheaply by plane. According to Everts Air Fuel, petroleum can profitably be flown in at a rate of about $0.96 per gallon (personal communications, November 1999). This rate is comparable to the $0.80 per gallon rate that it costs to move petroleum up the Kvichak River from Naknek.

Also detracting from potential cost savings is the fact that two transfers would be required if only the Williamsport to Pile Bay segment of the Trans-Peninsula Roadway were improved. The first transfer would be from Cook Inlet barge to truck; the second would be from truck back to Iliamna Lake vessel. Because of the labor and coordination they require, transfers are costly.

For these reasons, petroleum shipping rates under the assumption of rehabilitating the Williamsport to Pile Bay Road as a stand-alone element were not developed.

Estimated "Other" Cargo Movement Rates (Whole Road Built)

Although rates to move "Other" cargo were projected in much the same way as were petroleum rates, there were a couple of differences in the methodology. First, whereas Alaska has multiple oil refineries, from which point products can be shipped directly to Southwest Alaska, most "Other" cargo originates in the lower 48, specifically, in the ports of Seattle and Tacoma. As

such, the cost projections for the barge portion of the transport of "Other" cargo originate in Seattle rather than Anchorage. This assumption is based on shippers' input indicating that very little of what is shipped to Southwest Alaska originates within the state--for two main reasons. First, manufacturing and agricultural production in Alaska are very limited. Second, Alaska cities' ability to serve as transshipment points is limited by a lack of warehousing and storage facilities (Terry Hart, Sea-Land, Alaska Northbound Marketing Manager, personal communications, October 1999).

Another difference is in the type of truck used to transport the goods along the road. Whereas a 7,500-gallon tanker truck was assumed to be used to deliver petroleum products, a 35-foot van is assumed to deliver "Other" cargo. A 35-foot van can carry about 22,750 pounds of cargo.[21] The same $6.75 per mile rate is assumed for both petroleum and "Other" cargo transport.

As was done for petroleum rate projections, the barge portion of the transport costs for "Other" cargo was simply added to the truck-related costs for a single per-pound total. Again, rates are calculated using both Williamsport and Chignik as the transfer point from marine vessel to truck (Table 17 and Table 18). Meanwhile, Table 19 compiles the lowest rate for each community based on which port of call is used for the intermodal transfer.

[21] To estimate the freight-carrying capacity of a van of a given length, the assumed number of feet (35') was multiplied by 650 for total pounds. This 650-pound figure is based on the suggested equivalency found in *Transportation Research Board, Special Report 223-Providing Access for Large Trucks*, 1989, p. 177.

Table 17.
Cost Analysis for "Other" Cargo (Williamsport as Transfer Point)

Seattle to	Barge Cost ($/lb)	Road Distance from Wmsport (mi)	Trucking Cost at $6.75/mi ($)	Total Trucking Cost ($/lb)	Total Cost ($/lb)
Chignik	$0.27	466	$3,146	$0.138	$0.408
Chignik Lagoon	$0.27	462	$3,119	$0.137	$0.407
Chignik Lake	$0.27	450	$3,038	$0.133	$0.403
Egegik	$0.27	262	$1,769	$0.078	$0.348
Igiugig	$0.27	109	$736	$0.032	$0.302
Iliamna	$0.27	53	$358	$0.016	$0.286
Ivanof Bay	$0.27	516	$3,483	$0.153	$0.423
King Salmon and Naknek	$0.27	184	$1,242	$0.055	$0.325
Nondalton	$0.27	69	$466	$0.020	$0.290
Pedro Bay	$0.27	26	$176	$0.008	$0.278
Perryville	$0.27	506	$3,416	$0.150	$0.420
Pile Bay	$0.27	15	$101	$0.004	$0.274
Pilot Point	$0.27	317	$2,140	$0.094	$0.364
Port Heiden	$0.27	404	$2,727	$0.120	$0.390

Table 18.
Cost Analysis for "Other" Cargo (Chignik as Transfer Point)

Seattle	Price per # Sea to Chignik	Road Distance from Chignik (mi)	Trucking Price Total at $6.75/mi	Trucking Price per Pound	Total Price (barge+road)
Chignik	$0.22	0	$0	$0.000	$0.220
Chignik Lagoon	$0.22	12	$81	$0.004	$0.224
Chignik Lake	$0.22	16	$108	$0.005	$0.225
Egegik	$0.22	204	$1,377	$0.106	$0.280
Igiugig	$0.22	357	$2,410	$0.122	$0.326
Iliamna	$0.22	413	$2,788	$0.015	$0.342
Ivanof Bay	$0.22	50	$338	$0.080	$0.235
King Salmon and Naknek	$0.22	269	$1,816	$0.127	$0.300
Nondalton	$0.22	429	$2,896	$0.130	$0.347
Pedro Bay	$0.22	440	$2,970	$0.119	$0.350
Perryville	$0.22	40	$270	$0.134	$0.339
Pile Bay	$0.22	451	$3,044	$0.018	$0.34
Port Heiden	$0.22	62	$419	$0.044	$0.238

Table 19.
Least Cost "Other" Rates

Seattle to	Current Price ($/lb)	Assumes Community Served from	Total Price (barge + road) ($/lb)
Chignik	$0.250	Chignik	$0.220
Chignik Lagoon	$0.600	Chignik	$0.224
Chignik Lake	$0.500	Chignik	$0.225
Egegik	$0.510	Chignik	$0.280
Igiugig	$0.765	Williamsport	$0.302
Iliamna	$0.765	Williamsport	$0.286
Ivanof Bay	$0.700	Chignik	$0.235
King Salmon and Naknek	$0.510	Chignik	$0.300
Nondalton	$0.765	Williamsport	$0.290
Pedro Bay	$0.765	Williamsport	$0.278
Perryville	$0.600	Williamsport	$0.339
Pile Bay	$0.765	Williamsport	$0.274
Pilot Point	$0.540	Chignik	$0.264
Port Heiden	$0.510	Chignik	$0.238

Estimated "Other" Cargo Movement Rates (Williamsport Improvements Alone)

To estimate freight movement cost savings that could be achieved by dredging the channel at Williamsport, along the existing road and its bridges, the elements of current freight delivery to the region were considered. Operators of each of the modal links that is now required to move goods from Homer to the communities of Iliamna Lake via Williamsport were contacted and interviewed. Their estimates of the per pound cost for each modal link of this journey are noted below. Current total costs, that is, under existing conditions, are estimated at $0.37 per pound. These shippers, like others contacted in the course of this research, had a difficult time predicting the impact of channel dredging and road reconstruction. They put the savings achievable by making these improvements in the neighborhood of 20%, as did shippers who now operate out of Naknek. However, the US Army Corps of Engineers (USCOE), in its 1995 study, estimated a much larger shipping cost savings under this scenario—in the neighborhood of 56%. In attempt to reconcile this difference, the approach taken in this assessment is more conservative than the USCOE's, but more optimistic than the shippers': A cost savings rate of 35% was applied to the existing rate, as calculated below.

Homer to Williamsport (barge)	$0.12/lb
Williamsport to Pile Bay (truck)	$0.10/lb
Pile Bay to Ultimate Destination (barge)	$0.15/lb
Existing Conditions Total	$0.37/lb
Estimated Cost Savings with Project:	
$0.37 - ($0.37 * 0.35) = $0.24	$0.24/lb

As pointed out by the USCOE and the shippers themselves, freight movement savings can be anticipated stemming from several sources:

- Reduced damage and wear and tear to transport vessels and vehicles, which should reduce shippers' capital and maintenance and operations costs;
- Reduced operating (and possibly capital) costs due to the elimination of the tide-related barge delays that are now frequently experienced;
- Removing the obstacles to freight shipment along this corridor would likely increase volumes of goods shipped, reducing unit costs;
- Insofar as volumes shipped would increase, new operators may be attracted to the area, thus creating competitive price pressure.

PART 4. RESULTS

The final step in the assessment of the freight movement impacts of the proposed alternatives brings together the three analytical elements just described:

- Freight volume forecasts, by study are community
- Modal rate estimates under existing conditions
- Modal rate estimates under specified transportation improvements

To assess the cost savings achievable by making the transportation improvements proposed, one simply multiplies the forecast volume of goods for the 2020 design year by rates under existing conditions and by rates under the proposed alternatives. Put simply, the difference between these totals represents the freight movement savings achievable by implementing the proposed alternatives. Three sets of probable impacts are provided:

1. Petroleum movement impacts assuming that the "whole road" (the Trans-Alaska Roadway) is implemented;[22]

2. "Other" cargo impacts assuming that the whole road is implemented as a coherent system;

3. "Other" cargo movement impacts assuming that the existing Williamsport to Pile Bay Road and its bridges are rehabilitated, and that the Williamsport channel is dredged, as a stand-alone improvement.

ASSUMING THAT THE TRANS-PENINSULA ROADWAY IS BUILT

Petroleum Movement Cost Savings

Substantial savings in petroleum movement costs can be anticipated if the Trans-Peninsula Roadway System is built. Petroleum movement rates are much decreased from communities that are now particularly inaccessible, such as Chignik Lake, where the shipment rate is projected to fall from $0.60 to $0.13 per gallon. Savings are even greater in Iliamna Lake communities, such as Iliamna, where petroleum shipment costs are anticipated to fall from $0.80 to $0.15 per gallon, a greater than a five-fold reduction. The road would have the greatest freight movement cost savings for those communities that are now hardest to reach—i.e., those surrounding Iliamna Lake.

Modest savings, in contrast, are anticipated in Naknek and King Salmon. Naknek is already served directly by relatively frequent barge service, as part of the larger Bristol Bay market, which also includes communities to the north, such as Dillingham. According to this analysis, the cost of petroleum movement to Naknek is projected to fall only a few cents—from $0.30 to $0.27 per gallon.

In all, 2020 cost savings due to petroleum movement alone are estimated at $755,000 per year. Actual savings could be higher or lower, based on factors including deviations from the population base forecast; the extent to which the improvements encourage competition, which

[22] For reasons already discussed, petroleum movement impacts under the third scenario were not analyzed.

could further lower rates; and the extent to which the improvements foster other forms of economic development, such as tourism. Volume increases spurred by such development could further reduce rates. By the same token, rates could be higher than forecast if significant operating costs faced by shippers have not been taken into consideration; if operating conditions on the proposed roadway prove more difficult to manage and maintain than anticipated; and if other economic mainstays in Southwest Alaska falter, reducing both population levels and the demand for goods shipment.

Beyond the shipping cost savings suggested by this analysis, other economic and social benefits would accrue through implementation of the road, in terms of petroleum shipment alone. Currently, according to Lake and Peninsula School District administrator, Dennis Niedermeyer, the higher cost of shipping petroleum in winter months (when it must be flown into inland communities, and to Bristol Bay communities) effectively forces Southwest Alaska residents to "stock up" during the periods when petroleum can be barged in. However, communities are hard pressed to find storage capacity for all of the fuel needs, which can vary significantly by the harshness of a given winter. In his view, overtaxing fuel storage facilities creates problems in and of itself, such as fuel leaks and spills, whose cleanup is costly—both environmentally and financially. Another of the road's advantages would be reduced dependence on air shipment of petroleum products, which has safety drawbacks.

PETROLEUM MOVEMENT COST SAVINGS SUMMARY

Total petroleum freight movement cost savings achievable if the Alaska Peninsula Roadway is built are estimated at $755,200 annually (Table 20).

Table 20.
Estimated Petroleum Movement Cost Savings (Whole Road Built)

	2020 Forecast Consumption(gal)	Current Rate ($/gal)	Estimated Rate with Road* ($/gal)	Assumes Product Shipped through	2020 Cost Estimate Using Existing Rates ($ paid)	2020 Cost Estimate Assuming Road is Built ($ paid)	2020 Savings Achievable ($ saved)
Chignik	82,787	$0.25	$0.12	Chignik	$20,697	$9,934	$10,763
Chignik Lagoon	81,967	$0.50	$0.13	Chignik	$40,984	$10,738	$30,246
Chignik Lake	145,082	$0.60	$0.13	Chignik	$87,049	$19,441	$67,608
Egegik	136,885	$0.50	$0.30	Chignik	$68,442	$41,065	$27,377
Igiugig	55,556	$0.80	$0.20	Williamsport	$44,444	$11,000	$33,444
Iliamna	283,546	$0.80	$0.15	Williamsport	$226,837	$41,965	$184,872
Ivanof Bay	22,465	$0.27	$0.17	Chignik	$6,066	$3,707	$2,359
King Salmon and Naknek	1,124,590	$0.30	$0.27	Williamsport	$337,377	$303,639	$33,738
Newhalen	178,810	$0.80	$0.16	Williamsport	$143,048	$28,985	$114,063
Nondalton	259,563	$0.80	$0.16	Williamsport	$207,650	$42,049	$165,601
Pedro Bay	37,037	$0.80	$0.12	Williamsport	$29,630	$4,556	$25,074
Perryville	95,325	$0.30	$0.17	Chignik	$28,597	$15,964	$12,634
Pilot Point	94,262	$0.52	$0.25	Chignik	$49,016	$23,565	$25,451
Port Heiden	129,508	$0.35	$0.18	Chignik	$45,328	$23,311	$22,017
TOTALS					**$1,335,165**	**$579,919**	**$755,247**

*This cost estimate assumes that a tanker truck with a 7,500-gallon capacity is used.

"Other" Cargo Movement Cost Savings

Cargo movement savings achievable by building the Trans-Peninsula Roadway are anticipated in two major areas. The first, and the primary focus of this assessment, is the savings that can be achieved in moving goods and commodities to communities in Southwest Alaska. The second, has to do with savings achievable by providing the region's gillnet fishers a more viable route between their fishing grounds in Bristol Bay, and Cook Inlet, where many store their vessels during the off-season, and where many have repair and maintenance done. These impacts are explored separately.

COMMODITIES MOVEMENT IMPACTS

Listed in Table 21 is a summary of estimated cost savings in commodities movements based on the rate calculations, and port call assumptions earlier discussed. This analysis suggests that around $5.96 million per year could be saved in freight costs in terms of moving "Other" cargo alone, if the Alaska Peninsula Roadway System were built. Note that cargo shipment mode shifts under the proposed infrastructure improvements had to be taken into account in this analysis. These mode shift assumptions are documented in Table 21. These mode shift assumptions under both existing conditions and under the assumption that the Alaska Peninsula Roadway System is built are based on primary source data and area shippers' input.

A few explanations regarding the Iliamna Lake communities are needed to interpret Table 21. First, a weighted average was used in calculating the marine shipment rate under existing conditions for Iliamna Lake communities. This weighted average takes into account the percentage shipped, and rates paid, for marine freight via Naknek and Williamsport, respectively. In terms of projected rates, this analysis assumes that if the Trans-Peninsula Roadway is built, that most waterborne cargo will be shipped to Iliamna Lake communities via Williamsport.

GILLNET FLEET TRANSPORT IMPACTS

In its 1995 economic assessment, the US Army Corps of Engineers (USCOE) pointed out another area of savings that could be realized if these improvements were made. They point to the many gillnet vessels that each year make the trip from Cook Inlet to the fisheries in Bristol Bay and back. Some vessels are transported because they spend the off-season in Cook Inlet; others make the trip periodically for repairs and maintenance purposed. In all, about 825 gillnet boats are estimated to make the round trip each year.

Of these, the vast majority (about 785) sail around the Alaska Peninsula, a 1,100-mile trip that takes three days, and is estimated to cost $1,800. A small contingent (about 40), however, makes the trip via Williamsport, which is almost a thousand miles shorter and is estimated to cost about $1,233 per vessel. Although this trip is less costly in terms of both time and dollars, it is arduous, risky, and can only be undertaken during narrow time windows. Moreover, many gillnet vessels cannot be transported via this route because they are too wide to pass through existing bridges.

According to the US Army Corps of Engineers' detailed analysis, savings in the neighborhood of $1,082,500 could be achieved on the part of gillnet vessel movement alone if the Williamsport Channel were dredged, and if the existing Williamsport to Pile Bay Road and its bridges were

rehabilitated.[23] Accordingly, these estimated savings are added to the freight movement savings estimated earlier.

"OTHER" CARGO MOVEMENT COST SAVINGS SUMMARY

Total "Other" freight movement cost savings under the assumption that the Alaska Peninsula Roadway is built are estimated at $7,802,300. Of this total, $1,082,500 attributable to gillnet vessel transport savings. To these savings can be added $755,000 in petroleum movement savings, along with $5,964,600 in "Other" commodity movement savings (Table 22).

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[23] According to the USCOE, the number of gillnet vessels taking the Williamsport route would increase from 40 to 747 round trips per year (*Navigation Channel Feasibility Report and Environmental Assessment, Williamsport*, US Army Corps of Engineers, Alaska District, December 1995).

Table 21.
Estimated "Other" Cargo Cost Savings (Whole Road is Built)

	MODE SPLIT AND RATES UNDER EXISTING CONDITIONS					MODE SPLIT AND RATES ASSUMING THE TRANS-PENINSULA ROAD IS BUILT				RESULTS		
	Current Mode Split					Projected Mode Split		Rates				
	Marine	Air	Marine	Air	2020 Freight Volume Estimate	Barge/ Road	Air	Barge/ Road	Air	Freight Costs Paid in 2020 Assuming No Change	Freight Costs Paid in 2020 Assuming Road is Built	Savings Possible due to Road
	%	%	($/lb)	($/lb)	(lbs)	%	%	($/lb)	($/lb)	($)	($)	($)
Chignik	95%	5%	0.250	0.980	818,000	95%	5%	0.220	0.980	$234,357	$211,044	$23,313
Chignik Lake	10%	90%	0.500	0.980	1,434,000	95%	5%	0.225	0.980	$1,336,488	$376,784	$959,705
Chignik Lagoon	60%	40%	0.600	0.980	810,000	95%	5%	0.224	0.980	$609,120	$212,058	$397,062
Egegik	80%	20%	0.500	0.670	1,352,000	90%	10%	0.280	0.670	$721,968	$431,288	$290,680
Igiugig	60%	40%	0.686	0.390	550,000	90%	10%	0.302	0.390	$312,180	$170,940	$141,240
Iliamna	60%	40%	0.686	0.390	1,036,000	85%	15%	0.286	0.390	$588,034	$312,458	$275,576
Ivanof Bay	90%	10%	0.700	1.090	218,000	95%	5%	0.232	1.090	$161,102	$59,928	$101,174
King Salmon and Naknek	85%	15%	0.510	0.420	11,114,000	85%	15%	0.300	0.420	$5,518,101	$3,534,252	$1,983,849
Nondalton	60%	40%	0.686	0.390	2,568,000	85%	15%	0.287	0.390	$1,457,597	$776,692	$680,905
Pedro Bay	60%	40%	0.686	0.390	364,000	90%	10%	0.276	0.390	$206,606	$104,614	$101,993
Perryville	90%	10%	0.600	1.070	940,000	95%	5%	0.230	1.070	$608,180	$255,680	$352,500
Pilot Point	75%	25%	0.520	0.780	932,000	90%	10%	0.264	0.780	$545,220	$294,139	$251,081
Port Heiden	70%	30%	0.510	0.870	1,280,000	90%	10%	0.238	0.870	$791,040	$385,536	$405,504
TOTALS					**23,416,000**					**$13,089,993**	**$7,125,412**	**$5,964,581**

Table 22.
Freight Movement Cost Savings Summary
(Whole Road Built)

Trans-Peninsula Roadway (Whole)	
Petroleum	$755,200
Gillnet Fleet	$1,082,500
Other Cargo	$5,964,600
TOTAL	$7,802,300

RESULTS ASSUMING THAT WILLIAMSPORT IMPROVEMENTS ALONE ARE IMPLEMENTED

By implementing only select elements of the Trans-Peninsula Roadway system, some significant freight movement cost savings could still be achieved. These savings are assumed to be experienced by the communities of Iliamna Lake.[24] To recap, the freight flow under this scenario would be as follows: barged or shipped into Williamsport, where it would be offloaded onto a truck; trucked across a much wider, completely bridged 15.5-mile roadway; then transferred to another vessel at the road's terminus at Pile Bay for final distribution.

If the Williamsport to Pile Bay Road were rehabilitated, in tandem with navigational improvements at Williamsport, it is estimated that most of the Iliamna Lake-bound cargo now barged up the Kvichak River from Naknek would shift to the Williamsport route. In addition, since marine transport under this scenario would be viable from June through November (a much larger portion of the year than is now the case) it is also assumed that a portion of the cargo now flown into Iliamna Lake communities would be barged, trucked, and then shipped again via Williamsport. Whereas the mode split for Iliamna Lake communities is currently estimated to be 48% marine via Naknek, 12% marine via Williamsport, and 40% air; under the proposed element of the alternative, cargo volumes are assumed to shift to 5% marine via Naknek; 65% marine via Williamsport; and 30% air.

It is estimated that these improvements would lower the cost of moving cargo to Iliamna Lake communities (via a surface route) from 37 to 24 cents per pound. When the assumed mode shift and rate values are applied to the cargo forecast volumes for the 2020 design year, savings attributable to the project can be calculated, as shown in Table 23. In all, freight movement savings achievable under this scenario are estimated at $2,170,300 per year. Because these improvements' value would be comparable to that of building the entire Trans-Peninsula Roadway system in terms of allowing gillnet fleet passage across the Alaska Peninsula, the same yearly savings can be assumed for this stand-alone element. Accordingly, $1,082,500 in gillnet fleet savings can be added to the $2,170,300 figure for "Other" cargo, for a grand total cost savings estimate of $3,252,800 per year (Table 24).

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[24] Area shippers do not believe that the benefits of this element would extend as far west as Bristol Bay, for two primary reasons. First, the Kvichak River's navigability for cargo bearing vessels is a limiting factor. In good years, the period in which the River can be navigated by even small barges is limited to the narrow window between August and October. Although the Kvichak by necessity serves traffic from Bristol Bay to Iliamna Lake, its navigational limitations preclude its utility as a route to Bristol Bay. Second, it is relatively cost effective to barge goods to Naknek and other Bristol Bay communities. This is because the population of Bristol Bay communities is large enough to support sizable barge shipments, which lowers unit costs. Moreover, service directly to Bristol Bay communities does not require the extra intermodal transfer that would be required if goods were to shipped by a subsequent, smaller barge down the Kvichak.

Table 23.
Estimated "Other" Cargo Cost Savings (Williamsport Improvements Alone)

	2020	Under Existing Conditions				Assuming that Road and Bridges are Rehabilitated and Channel Dredged				
	Forecast "Other" Cargo (lbs)	Marine via Naknek	Marine via Wmsport	Air	TOTAL Freight Costs Paid	Marine via Naknek	Marine via Wmsport	Air	TOTAL Freight Costs Paid	Savings Attributable to Road
Igiugig										
Mode Split	550,000	48%	12%	40%	$367,180	5%	65%	30%	$212,438	$154,743
Rate		$0.765	$0.370	$0.640		$0.765	$0.240	$0.640		
Iliamna and Newhalen										
Mode Split	2,558,000	48%	12%	40%	$1,707,721	5%	65%	30%	$988,028	$719,693
Rate		$0.765	$0.370	$0.640		$0.765	$0.240	$0.640		
Nondalton										
Mode Split	2,566,000	48%	12%	40%	$1,713,062	5%	65%	30%	$991,118	$721,944
Rate		$0.765	$0.370	$0.640		$0.765	$0.240	$0.640		
Pedro Bay										
Mode Split	364,000	48%	12%	40%	$243,006	5%	65%	30%	$140,595	$102,411
Rate		$0.765	$0.370	$0.640		$0.765	$0.240	$0.640		
Kokhanok										
Mode Split	1,676,000	48%	12%	40%	$1,118,898	5%	65%	30%	$647,355	$471,543
Rate		$0.765	$0.370	$0.640		$0.765	$0.240	$0.640		
						SAVINGS GRAND TOTAL				$2,170,334

Table 24.
Cargo Movement Cost Savings Summary
(Williamsport Improvements Alone)

Williamsport to Pile Bay Road Only	
"Other" Cargo	$2,170,300
Gillnet Fleet	$1,082,500
TOTAL	**$3,252,800**

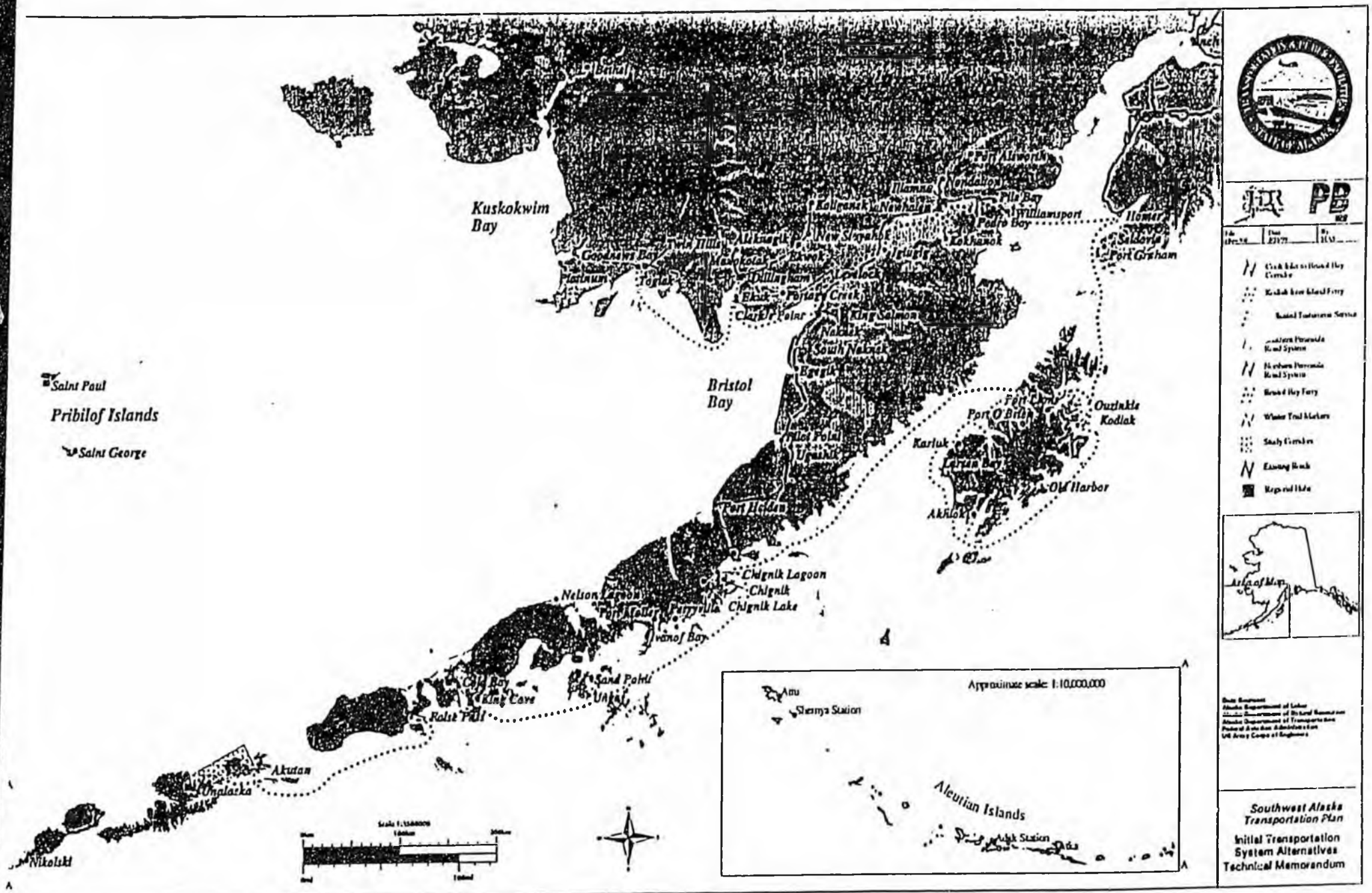
2. COOK INLET TO BRISTOL BAY CORRIDOR ALTERNATIVE, OVERLAND

This alternative would provide a surface transportation link between Cook Inlet and Bristol Bay. In so doing, this alternative would improve mobility and access for many communities in the study area, including Pedro Bay, Nondalton, Iliamna, Newhalen, Igiugig, Levelock, Naknek and King Salmon – providing them for the first time a well developed surface transportation link to the Kenai Peninsula, Anchorage, and the state's primary roadway network. This alternative also has significant potential for improving the efficiency of regional freight movement and economic development.

Explored in this alternative are four separate options for traversing the roughly 250 miles between Homer and Bristol Bay (Table 10). Two of the options provide an uninterrupted set of roadway links – one via King Salmon, the other via Naknek. Meanwhile, the other two options provide a roadway connection until Iliamna, but then traverse the rest of the distance by either a shallow-draft landing vessel, or hovercraft.

Table 10
Cook Inlet to Bristol Bay Corridor Alternative
Four Options

OVERLAND OPTIONS		COMBINATION OVERLAND/MARINE OPTION	
Via King Salmon	Via Naknek	Via Shallow-Draft Landing Vessel	Via Hovercraft
• Homer to Williamsport Marine Service • Williamsport to Pile Bay Roadway Link • Pile Bay to Iliamna Roadway Link • Iliamna to Igiugig Roadway • Igiugig to King Salmon Roadway Link	• Homer to Williamsport Marine Service • Williamsport to Pile Bay Roadway Link • Pile Bay to Iliamna Roadway Link • Iliamna to Igiugig Roadway • Igiugig to Levelock Roadway Link • Igiugig to Naknek Roadway Link	• Homer to Williamsport Marine Service • Williamsport to Pile Bay Roadway Link • Lake Iliamna–Kvichak River Service via Shallow-Draft Landing Vessel	• Homer to Williamsport Marine Service • Williamsport to Pile Bay Roadway Link • Lake Iliamna–Kvichak River Service via Hovercraft


Kuskokwim Bay
Bristol Bay
Saint Paul
Pribilof Islands
Saint George
Nikolski
Akutan
Unalaska
False Pass
King Cove
Cold Bay
Sand Point
Unalga
Nelson Lagoon
Port Heiden
Chignik Lagoon
Chignik
Chignik Lake
Ivanof Bay
Perryville
Ugashik
Pilot Point
Egegik
South Naknek
Naknek
King Salmon
Levelock
Clarks Point
Ekuk
Portage Creek
Dillingham
Aleknagik
New Stuyahok
Koliganek
Nondalton
Iliamna
Newhalen
Pile Bay
Williamsport
Pedro Bay
Kokhanok
Igiugig
Port Alsworth
Homer
Seldovia
Port Graham
Ouzinkie
Kodiak
Port O'Brien
Karluk
Larsen Bay
Old Harbor
Akhiok
Atka
Amu
Shemya Station
Aleutian Islands
Approximate scale: 1:10,000,000
Southwest Alaska Transportation Plan
Initial Transportation System Alternatives Technical Memorandum

This alternative would provide several benefits to the region and to the communities along the proposed corridor, including the following:

- It would open up a shorter, less dangerous, less expensive freight route from Cook Inlet to Bristol Bay. A continuous surface route across the top of the Alaska Peninsula would mean that it would no longer be necessary to transport goods by barge all the way around the Alaska Peninsula.
- By making scenic wilderness areas, businesses, and lodges along the corridor more accessible to visitors, this alternative would support tourism in the region.
- This alternative would provide the communities of interior Southwest Alaska with greater connectivity to one another, which would promote their economic development.
- This alternative would provide communities along the corridor with a modal alternative to reaching major activity centers such as Anchorage and Kodiak by air.
- Insofar as this alternative is based in large part on the existing road from Williamsport to Pile Bay, it provides a cost-effective means of expanding the core highway system because the right-of-way for this link is already established and owned by DOT&PF.
- The project would promote the economic development of Bristol Bay fisheries. Boat repair and storage facilities are limited in Bristol Bay, requiring many boat owners to bring their boats to Homer. The overland route avoids the time-consuming and hazardous open ocean voyage around the Alaska Peninsula, thereby saving money and increasing safety. The route also saves deterioration of fishing boats not designed for extensive open ocean travel.

Baseline

A key baseline improvement programmed within the proposed corridor is completion of the Iliamna–Nondalton Road, a $9.75 million project which will complete the roadway connection between Iliamna and Nondalton by bridging the Newhalen River and constructing three final miles of roadway on the Nondalton side of the river. This baseline improvement would integrate Nondalton, a community with a 2020 base population forecast of 317 into the rest of the proposed corridor. The other baseline improvement relevant to this proposed alternative is DOT&PF's Winter Trail Marking project, which will mark 314 miles of trails – from Goodnews Bay all the way to Levelock and Naknek, communities served directly by the proposed corridor.

Element 1. Homer-Seldovia-Williamsport Marine Service

Proposed in this alternative is new marine service linking Seldovia and Homer, on the Kenai Peninsula, with Williamsport, which lies on the western shores of Cook Inlet, just off Iliamna Bay. This link would provide the first element of a surface transportation corridor linking Alaska's overland transportation system and population concentrations with the communities of the Lake and Peninsula and Bristol Bay Boroughs.

As envisioned, this marine service would not only provide a new link between Williamsport and Homer, but it would also continue to serve the linkage between Homer and Seldovia now provided by current AMHS service. In fact, as configured for planning purposes, it could provide an equal or greater level of service frequency and capacity compared to the current service provided by the *Tustumena*.

THE VESSEL

A separate alternative proposed in this document is a reconfiguration of AMHS service that would result in the dedication of the *Tustumena* to ports in the Southwest Alaska Study Area (along with connections to the Kenai Peninsula). As such, a new vessel was explored to provide the proposed service between Homer, Seldovia, and Williamsport. Given the run across lower Cook Inlet, an area noted for steep seas, strong currents, and winter ice floes, the vessel providing this service would have to be capable of navigating in high winds, seas, spray icing conditions, and sea ice.

For planning purposes, a basis vessel was chosen to illustrate this alternative. The basis vessel selected, the *M/V Nunaiq*, is a 150'-6" long, with a 47' beam, an 8' depth, a 3'-9" to 6'0" draft and a cruising speed of 9 knots. Although the basis vessel and others of this type have extensive operation experience in Alaska waters, some design enhancements, including minimum ice strengthening, expandable passenger capacity, and increased freeboard and bulwark height should be considered. The capital cost of such a vessel is estimated at $2.75 million.

SCHEDULE AND FREQUENCY OF SERVICE

Physical laws regarding the resistance of displacement vessels limit conventional monohull ferries with length on the order of 150' to speeds between 9 and 12 knots. Even at 12 knots, the 152 nautical mile trip between Homer and Williamsport would take more than 12 hours for running time alone (without allowance for port time, startup, or shutdown). Another factor in scheduling this service hinges on the shallow water and dredged channel at Williamsport, which would make it prudent to time trips to match the tide at Williamsport. As such, one round trip between Homer and Williamsport could be scheduled in any 24-hour period, but the timing of departures and arrivals would vary from day-to-day based on tides. Based on a 9-knot service speed (and allowing one half hour for morning startup and one-half hour for evening shutdown) the service day for a Homer–Williamsport round trip would be about 18 hours, which would allow six hours in any 24-hour day to adjust for the tide.

One way, the trip from Homer to Seldovia can be made in two hours, and two round trips per day, during daylight hours, are easily feasible. According to the schedule developed for this planning effort, the vessel could service Williamsport on seven days in a two-week period, and Seldovia on the other seven days.

In a 44-week service year (with ten weeks provided for annual maintenance), the vessel would call at Williamsport and Homer 154 times apiece, and at Seldovia 308 times. The proposed service concept would provide much more frequent service to Homer and Seldovia, which received 58 port calls apiece in 1997, according to the "AMHS 1997 Annual Traffic Volume Report." As configured for planning purposes, the service proposed would provide an annual passenger capacity of 15,092, compared to the *Tustumena's* 12,760.

Table 11
Seldovia Service Comparison

SELDOVIA			
	Tustumena	New Vessel	Historical Demand
Annual Trips	58	308	
Annual Passenger Capacity	12,760	15,092	2,303
Annual Vehicle Capacity	3,132	6,160	878
WILLIAMSPORT			
Annual Trips	NA	154	
Annual Passenger Capacity	NA	7,546	NA
Annual Vehicle Capacity	NA	3,080	NA

Note: Annual capacities and historical demand are stated on a one-way basis. Two-way capacities are exactly twice the one-way capacities. One-way historical demand is the larger of the historical demand values from either the Homer–Seldovia or the Seldovia–Homer trip directions.

Operating costs for the Homer–Williamsport–Seldovia marine service element of this alternative are summarized in Table 12.

Table 12
Homer–Seldovia–Williamsport Ferry Service Operating Costs

	Minimum	Maximum
Shoreside Maintenance	$185,000	$185,000
Hull Maintenance & Pass. Services Maint.	$36,000	$44,000
Machinery Maintenance	$128,000	$156,000
Crew	$698,932	$833,152
Fuel	$159,000	$194,000
Lubricating Oil	$3,600	$4,400
Ports and Terminals O.H.	$223,176	$223,176
Management O.H.	$366,741	$366,741
Shoreside O.H.	$69	$69
Insurance	$19,000	$23,000
TOTAL: (Estimated Annual Operating Cost)	$1,819,518	$1,873,694

OPERATIONAL ISSUES

Williamsport would require substantial navigational improvements in order to accommodate AMHS service. Williamsport is located at the head of tide flats that go dry at low water. In addition, large boulders dot the shoal water approaches to Williamsport. Although shallow-draft vessels could presumably call briefly at high tide, dredging the channel would be required to service other types of vessels, including the basis vessel envisioned to provide the marine service in this alternative.

The U.S. Army Corps of Engineers (COE) completed a study exploring the feasibility of a dredging project at Williamsport in 1995. That report recommended excavation of a 2,700-meter long channel, ending at Williamsport, in Iliamna Bay. The channel bottom would be 30 meters wide at 0.5 below Mean Lower Low Water. The channel would end with a turning basin 5 meters long and 55 meters wide. The turning basin would provide access to a sheet-pile bulkhead dock and an adjacent paved, 8-meter wide launch. Capital costs for the project were estimated at $3,822,000, of which federal funding in the amount of $1,691,400 was identified as available, leaving $2,130,600 to non-federal sources. Annual M&O costs for the project were estimated at $185,000.[5]

The COE study conducted a rigorous benefit-cost analysis for the project, which determined that benefits would exceed costs at a 3.1:1.0 ratio. While the COE study determined that dredging a channel to Williamsport would be a worthwhile project, the lack of a local sponsor terminated further work on the project. However, it was noted that the project could proceed if a local sponsor, such as the State of Alaska, were secured.

Element 2. Williamsport to Pile Bay Roadway Link

Although a roadway currently exists between Williamsport and Pile Bay, it is quite primitive and in poor repair. The existing road is 15.5 miles long, consisting of one graded and drained earthen travel lane with no shoulder. In poor condition, the road is maintained only during the summer when a maintenance contractor is available. Portions of the road do not meet minimum width standards and are too narrow for current use. One of four bridges along the project corridor has washed out, and the others, all of which have sufficiency ratings below 50, are narrow and cannot accommodate oversized traffic. The major limitation restricting boat-haul traffic is the existing metal bridge across the Iliamna River, whose interior dimension of only 12 feet, is too narrow for the typical gillnet boat.

The project proposed in this link would reconstruct and widen the existing road to design standards applicable to a rural major collector traveled by 250 vehicles or less per day. The road's four bridges would be repaired, replaced, or widened, as appropriate. The road would be maintained year-round.

The road climbs 850 feet through the Chigmit Mountains in the first two miles benched on steep rock slopes. The road through this section is narrow and subject to avalanche hazards. As such, winter maintenance through this stretch would likely be difficult and expensive.

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[5] This maintenance cost includes annual grading of the dock, ramp, and staging area, annual surveys the first 4 years, then every 5 years; maintenance dredging every 5 years; replacement of fender piles, ramp concrete, and sheet-pile cathodic protection every 10 years; and replacement of the sheet pile after 30 years.

Total capital costs for this project are estimated at $14,857,500 for a paved surface, and $12,300,000 for a gravel surface. Annual M&O costs are estimated at $209,250 and $232,500 respectively. Demand as part of the full alternative is estimated at 4,200 person trips per year (Tables 19 and 21).

Element 3. Pile Bay to Iliamna Roadway Link

This roadway would complete a link from Williamsport through to Iliamna, allowing travel from Cook Inlet into the interior of the Lake and Peninsula Borough at least as far as Iliamna. The road would connect as far as Nondalton, given that Iliamna–Nondalton link has been programmed and is part of the baseline. This roadway link would provide Pile Bay and Pedro Bay access to the airport at Iliamna and would allow for a tourism circuit from Cook Inlet and potential access to Lake Clark National Park. The project would also provide the potential for interconnection of the electric power of the Tazimina Hydroelectric project.

This project would build 38 miles of new roadway between Iliamna and Pile Bay, passing through Pedro Bay. Although no road yet exists from Iliamna to Pile Bay, a 46-mile trail from Iliamna to Pedro Bay does exist, as does a 12-mile trail from to Pedro Bay to Pile Bay, denoted by the Alaska Department of Natural Resources as a RS2477 route. A likely corridor would follow the RS2477 trail route, traveling about half a mile inland from the northern shore of Lake Iliamna. As proposed, this road would cross about 15 creeks, which would require culvert placements or short-span bridges at these junctions. Like the other roadway links proposed in this regional plan, the road would be constructed to meet AASHTO design standards for a rural major collector with daily travel of under 250 vehicles per day.

The corridor envisioned consists of relatively easy terrain with numerous stream crossings. Construction would include typical fill construction techniques. No unusual construction or design issues are anticipated. Normal annual maintenance would be required for roadway upkeep. Because the area receives just over 60 inches of snow per year, plowing would probably account for the bulk of annual maintenance costs.

Total capital costs for this project are estimated at $51,870,000 for a paved surface, and $45,600,00 for a gravel surface. Annual M&O costs are estimated at $513,000 and $570,000, respectively. Demand for this roadway link is estimated at 17,900 person trips per year as an independent project and 32,400 person trips per year as a component of the alternative (Tables 19 and 21).

Element 4. Iliamna to Igiugig Roadway Link

The 56-mile road link proposed to connect the communities of Iliamna and Igiugig, which lie along the northern shores of Lake Iliamna, would cross lowlands dotted with many lakes, streams, and rivers. Bridges would be required to cross the Newhalen River, the Kvichak River, and many smaller rivers along the coast of Lake Iliamna. The 56-mile road would be built according to AASHTO design standards for a rural major collector serving 250 vehicle or less per day.

This project's major construction issues pertain to the development of bridges over the Newhalen and Kvichak Rivers. Construction materials would have to be barged in via the Kvichak River, and landings would have to be developed for staging. Permitting and land use concerns would also be an issue given the increase in traffic and the presence of structures

that may affect the fishing industry and other traditional area uses. Normal annual maintenance would be required for the bridge and roadway upkeep. Because total precipitation is 20 inches annually, including 45 inches of snowfall, snow removal would constitute the primary maintenance cost.

Total capital costs for this project have been estimated at $78,940,000 for a paved surface and $69,700,000 for a gravel surface. Annual M&O costs have been estimated at $756,000 and $840,000, respectively. Demand for this roadway link is estimated at 16,100 person trips per year as an independent project, 92,300 person trips per year as a component of the alternative, King Salmon option, and 106,100 person trips per year as a component of the alternative, Naknek Option (Tables 19 and 21).

Element 5a. Igiugig to Naknek Roadway Link

Constructing a 75-mile road between Igiugig and Naknek would provide one means of completing the proposed corridor from the Kenai Peninsula to Bristol Bay. This link would provide interior Southwest Alaska communities with ground access to the regional hub of King Salmon, where many goods and services are available.

The terrain between Igiugig and Naknek consists of coastlands and wetlands, with scattered lakes and ponds. The southwesterly route proposed along the Kvichak River would have to avoid numerous wetlands and lakes. Culverts to provide fish passage would be required at creek crossings, including Pecks Creek and Ole Creek. With the Kvichak River's turn to the south, the road alignment would parallel connecting into Hallersville from the north. The road would then be directed east and around the large mouth of the Wild and Scenic Alagnak River to an easier crossing of the river upstream. The crossing would take place approximately three miles east of Hallersville and then turn southwest toward the Kvichak River mouth. Once reaching Cape Horn, the road alignment would follow the pioneer route[6], which runs along the coast through Kvichak, Koggiung, and Libbyville before ending on the north side of Naknek.

Normal annual maintenance would be required for bridge and roadway upkeep. With total precipitation amounting to 20 inches annually, with 45 inches of snowfall, snow removal would require the bulk of the maintenance expenditure.

Total capital costs for this project have been estimated at $102,375,000 for a paved surface and $90,000,000 for a gravel surface. Annual M&O costs are estimated at $1,012,500 and $1,125,000, respectively.

Demand for this roadway link is estimated at 24,100 person trips per year as an independent project and 110,000 person trips per year as a component of the alternative (Table 21).

Element 5b. Igiugig to King Salmon Roadway Link (Alternative Route)

A 56-mile roadway between Igiugig and King Salmon would provide an alternative route to finish the overland crossing of the Alaska Peninsula connecting the Kenai Peninsula with

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[6] This pioneer route is still used to access setnet sites along the coast.

Bristol Bay. Currently, passengers and freight are moved between Igiugig and King Salmon by aircraft or by boat along the Kvichak River with a transfer by road to King Salmon. The eastern portion of the terrain between these communities is characterized by large mountains and foothills to the north of Naknek Lake. The western portion of the area comprises coastlands and wetlands with scattered inland lakes and ponds.

Beginning in the village of Igiugig, the proposed roadway alignment would travel to the south-southwest, crossing Pecks Creek and Ole Creek along with many other small crossings. Continuing south-southwest, the alignment would require crossing the Alagnak River (a Wild and Scenic River) and would navigate along the foothills of the mountains north of Naknek Lake, outside of Katmai National Park and Preserve. The roadway would be routed to the southwest, crossing many branches of Pauls Creek and take a southerly bearing toward King Salmon Creek. Once the road alignment had crossed King Salmon Creek, it would travel along the banks until it connected into the pioneer road system, built by the U.S. Air Force north of King Salmon. After following the pioneer road southwest, the road would terminate on the northwest side of King Salmon at the Alaska Peninsula Highway.

Large river crossings, each of which would require fish passage culverts, are the primary construction issue for this link. With 20 inches of total precipitation annually, including 45 inches of snowfall, snow removal would account for the bulk of maintenance costs.

Total capital costs for this project have been estimated at $76,440,000 for a paved surface and $67,200,000 for a gravel surface. Annual M&O costs have been estimated at $756,000 and $840,000, respectively. Demand for this roadway link is estimated at 24,100 person trips per year as an independent project and 95,100 person trips per year as a component of the alternative (Table 19).

Element 6. Levelock Link to the Igiugig–Naknek Roadway

Building a connection between Levelock and the Igiugig–Naknek roadway link would integrate Levelock, which lies on the north shore of the Kvichak River, to the rest of the surface transportation corridor proposed in this alternative. This would permit the village of Levelock, (2020 base population forecast = 139) access to the larger communities of King Salmon and Naknek. This link could also serve as the beginning of a future route connecting the southwestern peninsula with communities further west, such as Dillingham.

The proposed 19-mile route, which would stem from the proposed link connecting Igiugig and Naknek, would require a 400-foot bridge across the Kvichak River. In addition, the proposed alignment would encounter several creeks, including Yellow Creek and Levelock Creek.

The terrain to be crossed in this proposed link is relatively flat, with occasional creek crossings that would require accommodation of fish passage. The bridge and roadway would require normal annual maintenance, most of which would be devoted to snow removal, insofar as the area receives about 20 inches of precipitation annual, including 45 inches of snowfall.

Total capital costs for this project have been estimated at $27,435,000 for a paved surface and $24,300,000 for a gravel surface. Annual M&O costs have been estimated at $256,500 and $285,000, respectively.

Demand for this roadway link is estimated at 15,000 person trips per year as an independent project and 39,600 person trips per year as a component of the alternative (Table 21).

Marine Options

Each of the four options for linking the Kenai Peninsula with Bristol Bay is the same as far west as Iliamna, at which point they diverge into two overland and two marine options. Discussed below are the two marine options for completing the stretch from Iliamna to Bristol Bay. Initially, the consultant team explored use of a shallow-draft landing vessel to provide service from Iliamna west to Bristol Bay along Lake Iliamna and the Kvichak River. However, initial analysis revealed that such service would be constrained by two factors: (1) winter ice; and (2) seasonally low water, which, combined, would restrict the navigable season from May to October. For this reason, Hovercraft service, which can negotiate both ice and shallow water, was also explored. The results of both sets of analysis are summarized below.

Element 7. Iliamna to Naknek Via Shallow-Draft Landing Vessel

Private and commercial vessels, including barges, are already in use on this waterway system. This option proposes ferry service along Lake Iliamna and the Kvichak River. Iliamna Lake is navigable between May 1 through October 31. While the lower reaches of the Kvichak River are navigable during the ice-free season, the upper reaches of the river are subject to seasonal low water that could impact navigability for some conventional vessels.

The vessel envisioned to provide this service is a shallow-draft landing vessel about 50 feet long, with a 16-foot beam, and with a running draft of approximately 14 inches. The vessel explored for planning purposes can accommodate two loaded full-sized pickup trucks and up to six passengers. The six-passenger threshold is highly desirable because this capacity would allow, according to USCG regulations, the service to operate with just two crew, each holding a USCG boat operator's license, a relatively easily acquired credential.

It would be possible, given the distances between ports served, to operate this service on a "dayboat" concept, which provides substantial operating cost savings, insofar as operations require no more than a single crew for no more than 12 hours per day of service. This would be feasible, providing that the vessel employed is capable of traveling comfortably in excess of the peak river current by a sufficient margin to make the transit in under 12 hours. For planning purposes, we currently believe that a 15-knot vessel could provide round trip service from the western terminus on a three-day turnaround basis (with two 12-hour layovers enroute). A 25-knot vessel could provide the same service on a two-day turnaround basis (with one 12-hour layover enroute). The schedule proposed for planning purposes would have Naknek, at the route's southern terminus, as its "home" port. Table 13 shows a model high-speed, shallow-draft, landing craft schedule for a typical voyage originating in Naknek and returning to Naknek at the end of the second day. Note that one 12-hour minimum layover is required on Iliamna Lake for crew rest.

Table 13
Model Schedule
High-Speed (25 knot), Shallow-Draft Landing Craft

	Arrival		Departure		Port Time	Sailing Time
	Day	Time	Day	Time	Duration	Duration
Naknek			Monday	6:00		1:16
Levelock	Monday	7:16	Monday	7:46	0:30	4:56
Igiugig	Monday	12:42	Monday	13:12	0:30	1:36
Newhalen	Monday	14:48	Monday	15:18	0:30	0:14
Iliamna	Monday	15:32	Monday	16:02	0:30	0:55
Pedro Bay	Monday	16:57	Monday	17:27	0:30	0:22
Pile Bay	Monday	17:49	Tuesday	5:49	12:00	1:36
Kokhanok	Tuesday	7:25	Tuesday	7:55	0:30	0:41
Newhalen	Tuesday	8:36	Tuesday	9:06	0:30	0:41
Kokhanok	Tuesday	9:47	Tuesday	10:17	0:30	0:41
Newhalen	Tuesday	10:58	Tuesday	11:28	0:30	1:36
Igiugig	Tuesday	13:04	Tuesday	13:34	0:30	1:59
Levelock	Tuesday	15:33	Tuesday	16:03	0:30	1:04
Naknek	Tuesday	17:07				

Although accommodating the vessel envisioned to provide service on this link would not require extensive or particularly expensive shoreside infrastructure, some minor landing area upgrades, such as road extensions and gravel or concrete pads, would be needed. Accordingly, the costs of such improvements have been estimated at $25,000 at each of eight ports proposed for service, for a total of $200,000. In addition, navigation aids needed on the Kvichak River itself have been estimated at a cost of $50,000. Combined M&O costs for all shoreside improvements have been estimated at $6,250 annually.

In addition to the shoreside improvements just mentioned, of course a new vessel would have to be acquired – at an estimated cost of $526,000. Vessel-related M&O costs, which include crew, fuel, insurance and overhead, are estimated at $318,300. The total cost breakdown for this project is provided in Table 14.

Table 14
Capital and M&O Costs for Proposed
Lake Iliamna/Kvichak River Marine Link
(Shallow-Draft Landing Vessel Option)

Vessel Acquisition Cost	$481,000 F.O.B. Seattle $45,000 Delivery by barge	
Subtotal: (Acquisition Cost)	$526,000	
	Minimum	**Maximum**
Hull Maintenance	$1,500	$2,000
Machinery Maintenance	$4,000	$5,500
Crew	$144,000	$223,000
Fuel	$90,000	$110,000
Lubricating Oil	$1,200	$1,400
Berthing	$3,000	$4,000
Insurance	$22,000	$25,000
Subtotal: (Annual Operating Cost)	$265,700	$370,900

Table 15
Capital and M&O Costs
Shoreside Improvements

Landing area upgrades (road extensions, gravel or concrete pads, etc.) at eight (8) communities (Allowance: 8x$25,000)	$200,000	
Aids to navigation on Kvichak River	$50,000	
Subtotal: (Acquisition Cost)	$250,000	
	Minimum	**Maximum**
Annual Maintenance	$5,500	$7,000
Subtotal: (Annual Operating Cost)	$5,500	$7,000

Demand for this service link is estimated at 3,600 person trips per year.

Element 8. Iliamna to Egegik Marine Service via Hovercraft

Hovercraft, which can operate at speeds over 40 knots over land, ice cover, seas with up to four-foot waves, beaches, and shallow water, were also explored as a means of linking the western portion of the Kenai Peninsula to Bristol Bay corridor. Two models of hovercraft with extensive Alaskan operating experience were explored in analyzing this option: the turbine-powered LACV-30 type hovercraft and the conventionally-powered AP.1-88. Of the two, the

AP.1-88 was found to be more suitable for Lake Iliamna–Kvichak River service, due to its smaller size, lower operating costs, and lower noise impacts.[7] Like the shallow-draft landing vessel option described above, crew costs for hovercraft operations would be relatively low. It is possible that the AP.1-88 could be operated with a crew of two: a master, who would have to have a USCG hovercraft endorsement,[8] and a mate to crew the aft compartment.[9]

Using a hovercraft rather than a shallow-draft landing vessel to connect the communities along Lake Iliamna and the Kvichak River would have several advantages over the use of a shallow-draft landing vessel:

- **Longer service period**. Hovercraft operation would offer the advantage of a year-round, as opposed to May through October service season. Unlike a shallow-draft vessel, the Hovercraft would be able to operate over the winter ice of Lake Iliamna, and probably over the Kvichak River's ice. However, the Hovercraft would likely be out of service for about 20 days each for the periods of winter freezeup and spring thaw, which could be scheduled for annual maintenance. In any case, the total service period of the Hovercraft would be approximately 46 weeks compared to 26 weeks for the shallow-draft vessel.
- **Fewer shoreside improvements required**. The AP.1-88 is able to utilize an unimproved or minimally improved loading/unloading facility, unlike a shallow-draft landing vessel, which would require landing pads.
- **Freight-carrying flexibility**. The version of the AP.1-88 currently operating in Alaska is configured for 24 passengers with adjustable interior bulkhead to accommodate freight. The aft superstructure doors are wide enough to pas a full size pallet.

Some disadvantages associated with hovercraft operations have also been identified:

- **Noise**. Although the diesel-powered AP.1-88 is not as noisy as the turbine-powered LACV-30, it is relatively noisy compared to the conventional hull option. In any case, current hovercraft operations in Bethel, Alaska, on behalf of the U.S. Postal Service will provide an opportunity to assess noise impacts firsthand.
- **Limited payload**. Although the AP.1-88's 16,000-pound cargo capacity slightly exceeds that of the shallow-draft landing vessel, its deadweight capacity is modest. However, given early, planning-level demand estimates, it is thought to be sufficient.
- **Relatively high maintenance costs**. Although maintenance costs for Hovercraft are not well established, they are presumed to be higher than those for conventional hull craft, due to two factors: (1) their higher level of mechanical sophistication; and (2) wear and tear on the craft's rubber skirt. In addition, it would be necessary to wash the craft down when operating over brackish water near Naknek in order to prevent salt water damage to the air screws and other machinery.

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[7] Although other hovercraft are commercially available, most are much smaller and would not meet the projects freight and passenger load requirements envisioned in this option. In addition, two existing AP.1-88 vessels, although built in Canada, have unrestricted Jones Act waivers allowing their use in the United States.

[8] A hovercraft endorsement from the USCG can be earned upon completion of 36 hours of classroom study and 36 hours of operating time.

[9] Although the mate need not be fully qualified, he or she must have a radar rating.

MODEL SCHEDULE

The AP.1-88 hovercraft is fast enough that the highly desirable result of 12-hour dayboat operation would be achievable. In fact, Table 17 shows a model schedule based on the following operating speeds: 40 knots per hour on the lower Kvichak River, 30 knots on the upper Kvichak River, and 50 knots on Lake Iliamna. In order to maintain 12-hour service days, port calls are limited to 20 minutes. This model schedule accomplishes the daily round trip in 11 hours, allowing a half hour in the morning for startup and a half hour in the evening for shutdown. For the purposes of illustrating this schedule, Naknek serves as homeport.

The acquisition cost for an AP.1-88 hovercraft is estimated in the range of $5 to $6 million, depending on classification and regulatory requirements, outfitting, delivery costs, and acquisition scheme. A summary of estimated Hovercraft operating costs is provided in Table 18.

Table 16
AP.1-88 Hovercraft

Annual Operating Costs	
Maintenance	$1,408,000
Crew	237,250
Fuel	14,608
Lubricating oil	2,282
Subtotal	$1,662,140
Miscellaneous (4%)	66,460
Total	**$1,728,600**

The operating cost summary contained in Table 18 assumes that hovercraft service is provided five days a week except during break-up and freeze-up, for which 20 days apiece are allocated and assumed to be used for annual maintenance.

Demand for this service link is estimated at 6,900 passenger trips.

Table 17
Model Schedule
(40 kt lower river; 30 kt upper river; 50 kt lake)

	Arrival		Departure		Port Time	Sailing Time
	Day	Time	Day	Time	Duration	Duration
Naknek			Same Day	6:30		0:45
Levelock	Same Day	7:15	Same Day	7:35	0:20	1:30
Igiugig	Same Day	9:05	Same Day	9:25	0:20	0:50
Newhalen	Same Day	10:15	Same Day	10:35	0:20	0:10
Iliamna	Same Day	10:45	Same Day	11:05	0:20	0:30
Pedro Bay	Same Day	11:35	Same Day	11:55	0:20	0:15
Pile Bay	Same Day	12:10	Same Day	12:30	0:20	0:50
Kokhanok	Same Day	13:20	Same Day	13:40	0:20	0:50
Igiugig	Same Day	14:30	Same Day	14:50	0:20	1:30
Levelock	Same Day	16:20	Same Day	16:40	0:20	0:45
Naknek	Same Day	17:25				

Table 18
Cost Synopsis
Cook Inlet to Bristol Bay Overland
King Salmon Option

	Annual O&M Cost	Total Capital Cost	Annualized Cap Cost @ 7% Interest	Annualized Capital plus O&M costs
Marine Elements				
Homer–Williamsport–Seldovia Marine	$1,846,606	$2,750,000	$259,581	$1,921,187
Homer–W–S shoreside	$185,000	$3,822,000	$360,770	$545,770
Roadway Elements				
Williamsport to Pile Bay				
Paved	$209,250	$14,857,500	$1,402,443	$1,611,693
Unpaved	$232,500	$12,300,000	$1,161,033	$1,393,533
Pedro Bay to Pile Bay to Iliamna				
Paved	$513,000	$51,870,000	$4,896,161	$5,409,161
Unpaved	$570,000	$45,600,000	$4,304,317	$4,874,317
Iliamna to Igiugig				
Paved	$756,000	$78,940,000	$7,451,378	$8,207,378
Unpaved	$840,000	$69,700,000	$6,579,187	$7,419,187
Igiugig to King Salmon				
Paved	$756,000	$76,440,000	$7,215,395	$7,971,395
Unpaved	$840,000	$67,200,000	$6,343,205	$7,183,205
TOTAL				
Paved Option	$4,778,856	$228,679,500	$21,585,727	$25,666,583
Unpaved Option	$5,084,106	$201,372,000	$19,008,092	$23,337,198

Table 19
2020 Annual Travel Demand Estimate
Cook Inlet to Bristol Bay Overland
King Salmon Option

	Independent*	Alternative**	System***
Marine Elements			
Homer–Seldovia		4,000	
Homer–Williamsport		4,200	
Roadway Elements			
Williamsport to Pile Bay to Pedro Bay		4,200	
Pedro Bay to Iliamna	17,900	32,400	33,700
Iliamna to Igiugig	16,100	92,300	101,300
Igiugig to King Salmon	24,100	95,100	108,300

* Demand on the link as an independent element.

** Demand on the link as part of the alternative.

*** Demand on the link assuming implementation of a Cook Inlet to Bristol Bay to Alaska Peninsula roadway system.

Table 20
Cost Synopsis
Cook Inlet to Bristol Bay, Overland
Naknek Option

	Annual O&M Cost	Total Capital Cost	Annualized Cap Cost @ 7% Interest	Annualized cap cost plus O&M Cost
Marine Elements				
Homer–Williamsport–Seldovia	$1,846,606	$2,750,000	$259,581	$1,921,187
Homer–W–S Shoreside	$185,000	$3,822,000	$360,770	$545,770
Roadway Elements				
Williamsport–Pile Bay				
Paved	$209,250	$14,857,500	$1,402,443	$1,611,693
Unpaved	$232,500	$12,300,000	$1,161,033	$1,393,533
Iliamna–Pedro Bay–Pile Bay				
Paved	$513,000	$51,870,000	$4,896,161	$5,409,161
Unpaved	$570,000	$45,600,000	$4,304,317	$4,874,317
Iliamna to Igiugig				
Paved	$756,000	$78,940,000	$7,451,378	$8,207,378
Unpaved	$840,000	$69,700,000	$6,579,187	$7,419,187
Igiugig to Naknek				
Paved	$1,012,500	$102,375,000	$9,663,476	$10,675,976
Unpaved	$1,125,000	$90,000,000	$8,495,363	$9,620,363
Igiugig to Levelock				
Paved	$256,500	$27,435,000	$2,589,670	$2,846,170
Unpaved	$285,000	$24,300,000	$2,293,748	$2,578,748
TOTAL				
Paved Option	$4,778,856	$282,049,500	$26,623,478	$31,217,334
Unpaved Option	$5,084,106	$248,472,000	$23,453,999	$28,353,105

Table 21
2020 Annual Travel Demand Estimate
Cook Inlet to Bristol Bay Overland
Naknek Option

	Independent*	Alternative**	System***
Marine Elements			
Homer–Seldovia		4,000	
Homer–Williamsport		4,200	
Roadway Elements			
Williamsport to Pile Bay		4,200	
Pile Bay to Pedro Bay to Iliamna	17,900	32,400	33,700
Iliamna to Igiugig	16,100	106,100	115,100
Igiugig to Naknek	24,100	110,000	123,200
Igiugig to Levelock	15,000	39,600	43,800

* Demand on the link as an independent element.

** Demand on the link as part of the alternative.

*** Demand on the link assuming implementation of a Cook Inlet to Bristol Bay to Alaska Peninsula roadway system.

Table 22
Cost Synopsis
Cook Inlet to Bristol Bay Marine
Hovercraft Option

	Annual O&M Cost	Total Capital Cost	Annualized Capital Cost @ 7% Interest	Annual Capital plus O&M costs
Marine Elements				
Homer–Williamsport-Seldovia	$1,846,606	$2,750,000	$259,581	$1,921,187
Homer–Williamsport Shoreside	$185,000	$3,822,000	$360,770	$545,770
Lake Iliamna (Hovercraft)	$1,728,600	$5,500,000	$519,161	$2,247,761
Roadway Elements				
Williamsport–Pile Bay				
Paved	$209,250	$14,857,500	$1,402,443	$1,611,693
Unpaved	$232,500	$12,300,000	$1,161,033	$1,393,533
TOTAL				
Paved Option	$3,969,456	$26,929,500	$2,541,954	$6,326,410
Unpaved Option	$3,992,706	$24,372,000	$2,300,544	$6,108,250

Table 23
2020 Annual Travel Demand Estimate
Cook Inlet to Bristol Bay Marine
Hovercraft Option

	Travel Demand
Marine Elements	
Homer–Seldovia	4,000
Homer–Williamsport	4,200
Lake Iliamna Hovercraft Service	6,900
Roadway Elements	
Williamsport to Pedro Bay	4,200
Pedro Bay to Iliamna	22,100

Table 24
Cost Synopsis
Cook Inlet to Bristol Bay Marine
Shallow-Draft Landing Vessel Option

	Annual O&M Cost	Total Capital Cost	Annualized Capital Cost @7% Interest	Annual Capital plus O&M costs
Marine Elements				
Homer–Williamsport–Seldovia*	$1,846,606	$2,750,000	$259,581	$1,921,187
Homer, Williamsport Shoreside	$185,000	$3,822,000	$360,770	$545,770
Lake Iliamna (Shallow-Draft Vessel)**	$318,300	$526,000	$49,651	$367,951
Lake Iliamna Shoreside	$6,250	$250,000	$23,598	$29,848
Roadway Elements				
Williamsport–Pile Bay				
Paved	$209,250	$14,857,500	$1,402,443	$1,611,693
Unpaved	$232,500	$12,300,000	$1,161,033	$1,393,533
TOTAL				
Paved Option	$2,565,406	$22,205,500	$2,096,042	$4,476,448
Unpaved Option	$2,588,656	$19,648,000	$1,854,632	$4,258,288

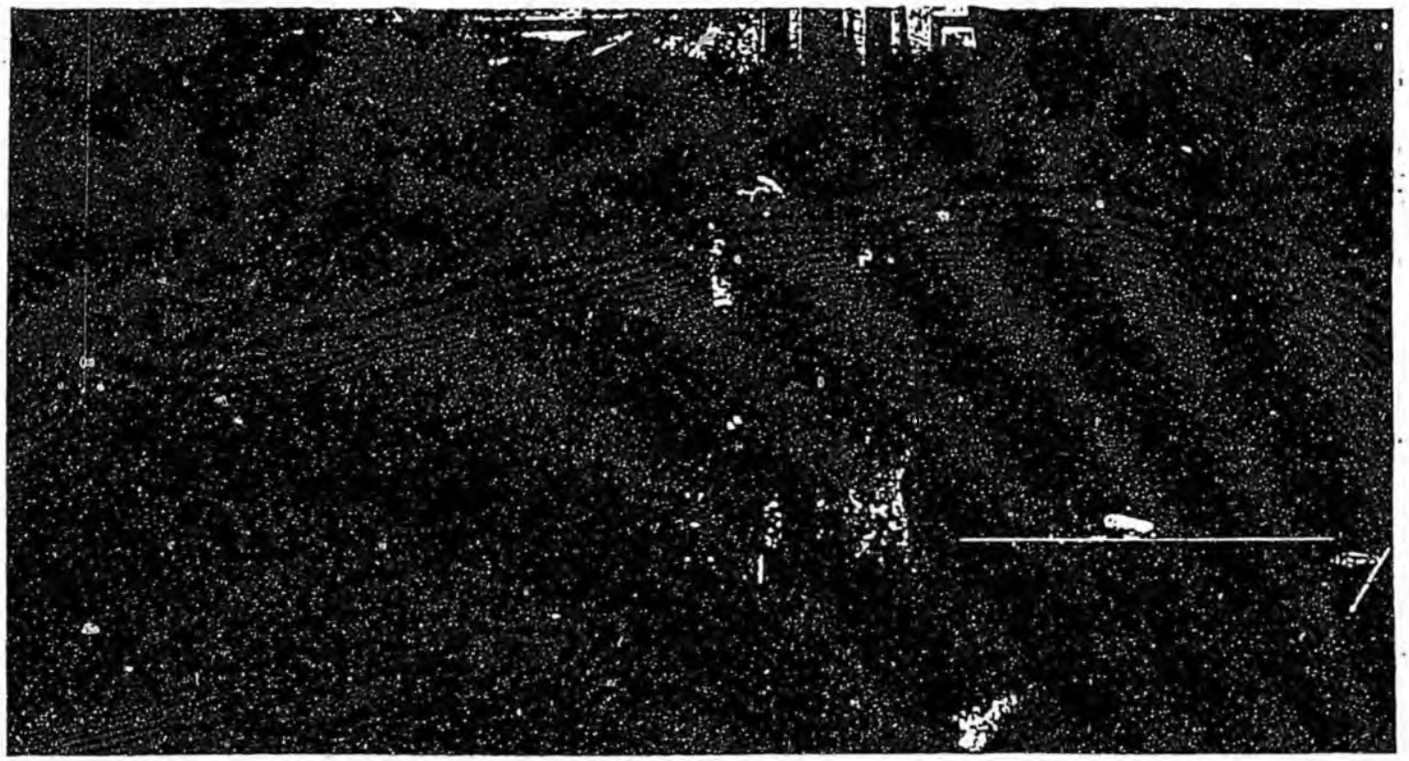
*Vehicle demand for this element of the alternative was estimated at 2,800 vehicles/year.
**Vehicle demand for this element of the alternative was estimated at 770 vehicles/year.

Table 25
2020 Annual Travel Demand Estimate
Cook Inlet to Bristol Bay
Shallow-Draft Landing Vessel Option

	Travel Demand
Marine Elements	
Homer–Seldovia	4,000
Homer–Williamsport	4,200
Lake Iliamna Marine Service (S.D.)	3,600
Roadway Elements	
Williamsport to Pedro Bay	4,200
Pedro Bay to Iliamna	22,100

The Pogo Land Rush

Among the largest of land rushes in Alaska's rich and varied mining history, it seems that the Pogo area play has been appropriately nicknamed the "Goldpaster," even though that name was first coined as a typographical mistake in a newspaper headline.



Patricia Jones

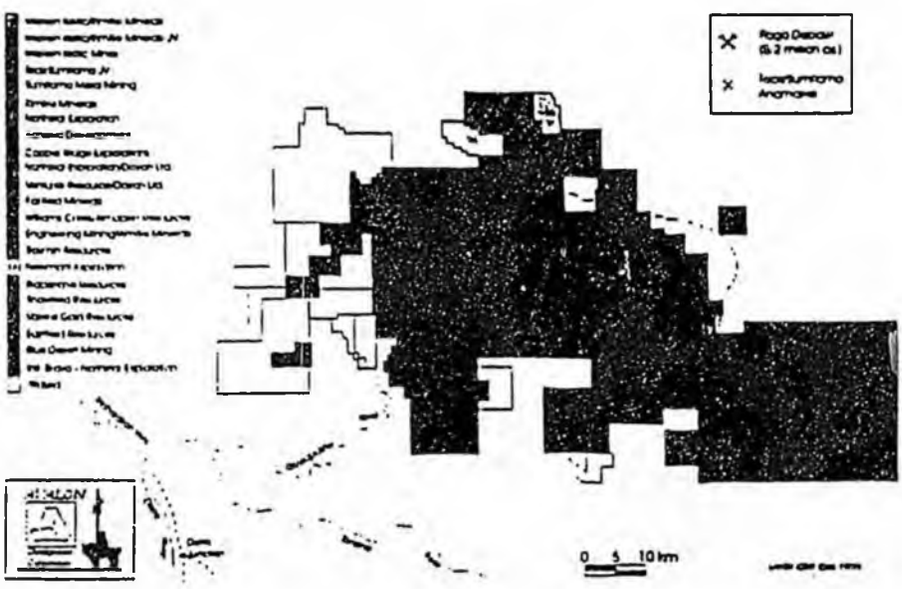
Tom Howard, left, and Ron Hanson, drillers working for Tonto Drilling, take diamond core samples in July 1998 at the Badlands hole at the Pogo prospect. Such drilling work helped spark a land rush in the upper Goodpaster River Valley.

BY PATRICIA JONES

Less than three years ago, the upper Goodpaster River valley was considered mineral-poor moose pasture by most gold prospectors. Only a handful of old-timers working placer claims and a Japanese-financed hard-rock exploration team considered the area as a prospective mining district.

But one single discovery–a 5 million ounce-plus gold deposit called Pogo–has dramatically changed geological opinion of the rolling, spruce-covered hills and river valley located about 40 miles northeast of Delta Junction in Alaska's Interior.

Now, it's the hottest place in Alaska to prospect for gold and interest in the area has sparked a virtual land rush. More than a half million acres of state



LAND STATUS OF THE GOODPASTER MINING DISTRICT

land was staked the last 18 months by prospectors hoping to find another Pogo, according to Erik Hansen, a land status consultant based in Fairbanks.

"Some Canadian junior mining companies decided to go in and stake all around Pogo," Hansen said. "That caused other people to wake up and smell the coffee."

Sumitomo Metal Mining Co., which holds the claims to the 72-square-mile claim block called Pogo, also has some surrounding and nearby land staked, compiling a considerable property package. And North Star Exploration, which signed an exploration property deal to work on Doyon Ltd. land in the area, also staked a sizeable position in the Goodpaster area.

In all, more than 700,000 acres–equal to about 1,100 square miles of land in the Goodpaster area–has been claimed for mineral exploration and development by gold prospectors.

"They've pretty much saturated the whole country with claims, so the Pogo land rush is coming to an end," Hansen said. "Next will be to see who keeps the claims and who drops them."

Prospectors are now looking at potential sites both to the northwest and the southeast of Pogo, he said. On a weekly basis, Hansen tracks claim filings and has produced a land status map of the Goodpaster mining district.

Staking the Goodpaster

During the Pogo area play, prospectors used both existing geologic data for the Goodpaster as well as the theory of closeness to make their land selections.

"It was a combination," Hansen said. "Anything in proximity of Pogo is fair game for the staking, but a lot of companies used existing public geological data to delineate targets for their staking."

Copper Ridge Explorations Inc., a recently formed junior exploration company, used both theories to select its 24,000-acre claim block located just north of the Pogo deposit, according to company president Gerald Carlson.

"By the time we decided to look for ground in the area, most of the prospective ground on the east-west trend had been taken up," he said.

Prior geological surveys conducted by the U.S. Geological Survey and

recent stream sedimentation samples that produced trends similar to Pogo-style mineralization caused the company to select its property, called Ogopogo, he said.

"I think it is also quite significant that we were able to acquire this ground within only a few miles of the Fogo deposit itself–the 'closeology' factor," Carlson said.

Most agree that news about Pogo created this land rush. But the relatively unexplored land of the Goodpaster also made the district attractive, said Curt Freeman, a Fairbanks-based consulting geologist.

"Part of it was the fact that Pogo was unknown ... in a district that had absolutely nothing else going for it during the last 100 years. It was a dope-slap for geologists, telling us that we really don't understand what we think we do," said Freeman.

The land rush, which peaked about a year ago, was so great that junior-sized exploration firms were looking to hire claim-stakers to work on Christmas Day. Freeman was one who turned down such holiday pay.

"I don't think I could have hired a (helicopter) pilot then," he said. "The first real bunch of claim-staking started in June and July last year; then it ramped up to complete madness."

Because of the rough terrain and lack of road access, most of the land rush occurred with the help of helicopters, which were used to drop off claim-staking crews. That increased the initial land acquisition costs, as well as the first stage of exploration work conducted this past summer

Exploration Spending

Two years ago, only Sumitomo and Teck Exploration (Sumitomo's joint venture partner on the Pogo project), were spending time and money in the Goodpaster area.

Now, about 20 companies are actively exploring the area, according to Richard Swainbank, the state's mineral development specialist headquartered in Fairbanks.

"There's a lot of interest around Pogo, but not a lot of money," Swainbank said. "If the price of gold was in the $330 to $380 (per ounce) range, the amount of activity in the Pogo area would

be double or triple. It's very, very hard to fund exploration programs right now."

When gold prices dropped to the $250 per ounce range this summer, exploration crews found that funding also decreased. No matter what prospectors turned up on their properties, exploration firms couldn't seem to escape the financial drag of the slumping gold market.

"The fall in the price of gold couldn't have come at a worse time for the state of Alaska," Swainbank said. (Note: Gold prices rose in late September.)

Freeman, who has several clients holding claims in the Goodpaster area, estimates that $3 million to $5 million was spent during the 1999 summer season by prospectors working around Pogo.

That number does not include about $15 million in developmental expenses incurred by Teck Exploration to start construction of a mile-long tunnel that will access the Pogo deposit.

"If you would have asked me in March how much would be spent in the area, I would have estimated two to three times that which was spent," said Freeman. "With the drop off in interest in gold, money for the high-risk stuff has been that much harder to come."

There's one small consolation for such tight exploration funding, Swainbank said. Less money means that prospecting work has been more carefully planned and paced, rather than a willy-nilly process that can often accompany the start of such an exciting exploration area.

"Claims will get looked at more generally, instead of bringing in drill rigs prematurely," Swainbank said. "Nothing can kill a project quicker than a dry drill hole."

"Goldpaster" District's Future

Most in the industry expect to see in upcoming months some changes in land status surrounding Pogo. Temporary prospecting sites will be converted into more tangible mining claims while less prospective land will be dropped.

"A whole bunch (of prospecting sites) are being converted and some land has been windrowed out," Freeman said. "There's a sifting process going on right now and by the end of the year, the Hansen map will look different with checkerboard holes where land has been dropped."

In addition to land changes, Swainbank expects to see continued partnerships and consolidation of efforts between junior exploration firms and major mining companies that have money to invest in prospecting and development.

"Major companies that have cash on hand will be shopping in the bargain basement because even the cost of maintaining the claim rent on those properties has to be a pretty good-sized burden on some of the juniors," he said.

Finally, some companies are pressing on with exploration on their properties after a successful start with their ground exploration efforts earlier this summer.

"We will be soil sampling and prospecting in the area of the anomalous gold results to try to localize the bedrock source of the gold," Carlson said in early September, about his company's Ogopogo property. "We are very excited by the results of the program so far."

Teck begins tunnel work on Pogo Ridge gold deposit near Delta

By Tim Bradner
Journal Reporter

MINING

Teck Resources crews are busy digging into Pogo Ridge at the company's big Pogo gold prospect 35 miles northeast of Delta.

The company also has initiated prefeasibility studies of development of a mine that, if positive, will be followed by environmental studies and the start of a long permitting process, Karl Hanneman, Teck's Alaska Regional Manager, told the Resource Development Council May 5.

More than 50 feet of a planned 5,500-feet underground exploration access tunnel is completed, he said. Tunnel work will pause 200 feet into the mountain to allow installation of a treatment facility to process drainage water and then resume, he said.

Teck received final clearance on permits from state agencies March 1 and federal agencies March 4. Work on a 2,000 foot road began the same day from the present camp near the Goodpaster River, 200 feet up the side of Pogo Ridge to the portal, or entrance, to the tunnel.

Tunnel work began after heavy equipment was moved up the road. The tunnel is being built at a 15-degree downslope and upslope to come up under the ore body.

Configuration of the tunnel allows water to drain to the low point in the tunnel for treatment, with no chance of draining out with a risk of contamination of the Goodpaster River.

Teck now has about 45 people at work on the project, Hanneman said. About 30 will be employed over the next 12 to 18 months on the tunnel and test work.

Teck also plans an additional 50 test holes drilled from the surface in 1999 and a similar number in 2000 and 2001. These are mainly "in fill" holes to obtain ore samples between the holes drilled earlier, which are at 50-foot intervals.

Once the tunnel is completed, drilling also will be done from underground to test suspected ore deposits that are too deep to reach from the surface.

> Teck has about 45 people at work on the project. About 30 will be employed over the next 12 to 18 months.

Pogo has an identified gold resource of 5.5 million ounces in 10 million tons of ore grading an average of 0.5 ounce per ton, Hanneman told the RDC.

By way of comparison, Hanneman said, at this early stage of exploration, the Fort Knox Mine near Fairbanks had about 4 million ounces of identified gold resource in a lower-grade ore body.

Pogo is a higher-grade gold deposit and will be mined with a smaller, more compact underground project than the type of larger, open-pit mine used at Fort Knox, he said.

Over the next 12 to 18 months Teck will do additional exploration drilling, both from surface and from the underground tunnel, to further define the ore body.

The company will also carry out tests on strength of the rock, gain information on potential water drainage problems, and mine bulk ore samples to test underground mining methods and procedures to extract gold from the ore.

The flat-lying orientation of the gold deposit poses a serious engineering challenge to the mining — how to "hold up the roof" — and the tests of rock strength are particularly important. About 30 people will be employed through this phase of exploration, Hanneman said.

The presence of the Pogo gold deposit was first detected in 1981 during a regional mineral reconnaissance. It wasn't until 1991 that Sumitomo Metal Mining Arizona Inc., a subsidiary of Japanese-owned Sumitomo Metals, staked claims on state lands in the area and began serious exploration.

Teck, a long-established U.S. minerals company, bought 40 percent of the project and became its operator. The discovery was announced in 1997.

Teck has become active in Alaska in recent years, but the company owns 35 percent of Cominco, which operates the big Red Dog Mine in Northwest Alaska, and 15 percent of Abacus Minerals, which is exploring, with Teck as a partner, the Niblack base metals prospect in Southeast Alaska.

Teck, which operates mines in the U.S., Canada, Chile and Australia, had $713 million in revenues and $193 million in profits last year. Sumitomo Metals is a subsidiary of Japan's Sumitomo Corp., a 300-year-old company that, among all subsidiaries, had $95 billion in revenues last year.

Daily News-Miner

BUSINESS

Al Slavin, Business Editor; 459-7593 Sunday, October 17, 1999

Teck weighs Pogo Mine route options

By AL SLAVIN
Business Editor

One route is by air.

Another combines a little flying and a winter trail.

A third scenario involves building an all-season road in the Goodpaster River valley. All three lead to a remote parcel of land that is about to become Pogo Mine, a lucrative gold deposit located 40 miles from Delta Junction.

The choice is one of the more delicate ones from both a financial and environmental standpoint. It will define the permanent access through a relatively undeveloped section of wilderness to a deposit containing 5.2 million ounces of gold.

"We've got to come to grips with what's best for the project, what's best for the community and what we can get permitted," said Karl Hanneman, the project manager for the joint venture between Teck Resources and Sumitomo Metal Mining.

Hanneman spelled out the options last week to the Greater Fairbanks Chamber of Commerce's transportation committee. Some consideration is being given to a fly-in operation, which would leave the smallest footprint but bring a noise problem.

Equipment and supplies could be flown to the mine from a staging area at Fort Greely's airstrip, Hanneman said. But the flight path for the eight to 10 daily flights by DC-6s would be over Delta Junction.

The cost of a fly-in operation—$8 million to bolster the on-site airstrip and $13 million to $14 million in annual operating expenses—could also prove too much, Hanneman said.

A second option has fewer flights by adding a winter road. That option has three scenarios, one of which involves using the existing winter trail that crosses 11 streams.

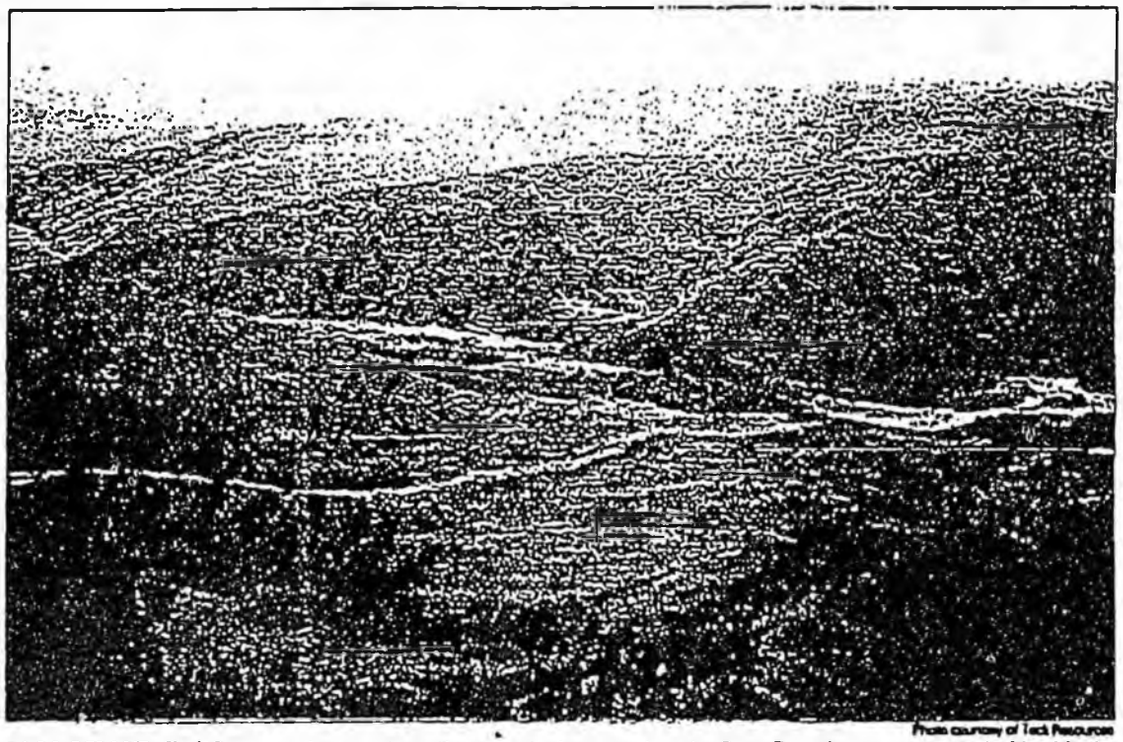


Photo courtesy of Teck Resources

POGO DEPOSIT—Teck Resources is currently mulling over the best way into the Pogo Deposit, a remote parcel of land in the Goodpaster River Valley containing 5.2 million ounces of gold. The possible scenarios include a fly-in operation, building a new winter trail or constructing an all-season road.

Two other trail routes have been identified, traversing the north or south border of the Shaw Creek Flats, Hanneman said. This would take the burden off a winter trail that already receives substantial recreational use.

A new trail would cost an estimated $15 million to build and $8 million to $9 million each year to operate and maintain.

The final option involves building a $25 million all-season road. Annual operating and maintenance costs could reach $6 million. An additional $3 million would be needed to remove the road at end of the mine's life, estimated at 10 to 12 years.

While the scenarios differ in approach, they all share one common thread: Each is certain to leave someone unhappy.

The promise of a $250 million construction project and 300 year-round jobs is certain to rally support from the business sector. But it won't be enough to stave off environmentalists and property owners who fear that the Goodpaster River valley may get trampled along the way to development.

"A big project like that is going to include a lot of change and a lot of impact," said Sylvia Ward, executive director of the Northern Alaska Environmental Center. "There's some concerns. Everybody is going to keep an eye on protecting the Goodpaster River from contamination."

"That's an absolute," she said. "The river's got to be protected."

She also worries that an all-season road will harm the Fortymile Caribou Herd.

"We'll be doing all we can to stop an all-season road," Ward said.

Hanneman has spelled out one option that may appease everyone, including environmentalists like Ward. It requires running a power line to the remote project. This would reduce the amount of fuel needed on site, reducing the amount of traffic on the selected path. It would also eliminate regulations concerning air emissions.

"It's a great example of doing something for the environment that turns out to be the right thing for the business sector as well," Ward said.

Whether a power line will be cost effective is unclear. Golden Valley Electric Association has informed Teck Resources that it would cost $18 million to upgrade GVEA's power system between North Pole and Eielson Air Force Base.

There would also be $15 million in expenses to run power from that point back to the project. Both of those costs, which are subject to negotiation, would fall to the project's developers if GVEA cannot find a wider customer base in the area.

Hanneman is still gathering information and hopes to complete this feasibility study within 24 months. The analysis of underground exploration work is under way along with the environmental assessment.

This information will be used as a basis for a future permit application. But Hanneman is still awaiting one more component: comment from trappers, loggers, fish and game officers and anyone familiar with the section of backcountry.

"We want to tap into the knowledge of the community to help us make a good decision," Hanneman said.

SHELTER COVE ROAD EXTENSION:

The Shelter Cove Road extension has been identified by the USFS and the Ketchikan Gateway Borough as the future prospect of increased economic development and roaded recreation in the community of Ketchikan.

In 1998, the Chamber of Commerce assisted in drafting the Federal Roads program application for the extension that was signed by the USFS and the Ketchikan Gateway Borough (KGB). The application was placed into the process of hearings and discovery that included multiple Tri-Agency hearings lasting through the next two years. Noted in the discovery was:

- Increased access to possible mineral development
- Increased tourism and recreation opportunities
- Access to Mental Health Trust lands
- Increased access for other landowners in the project area

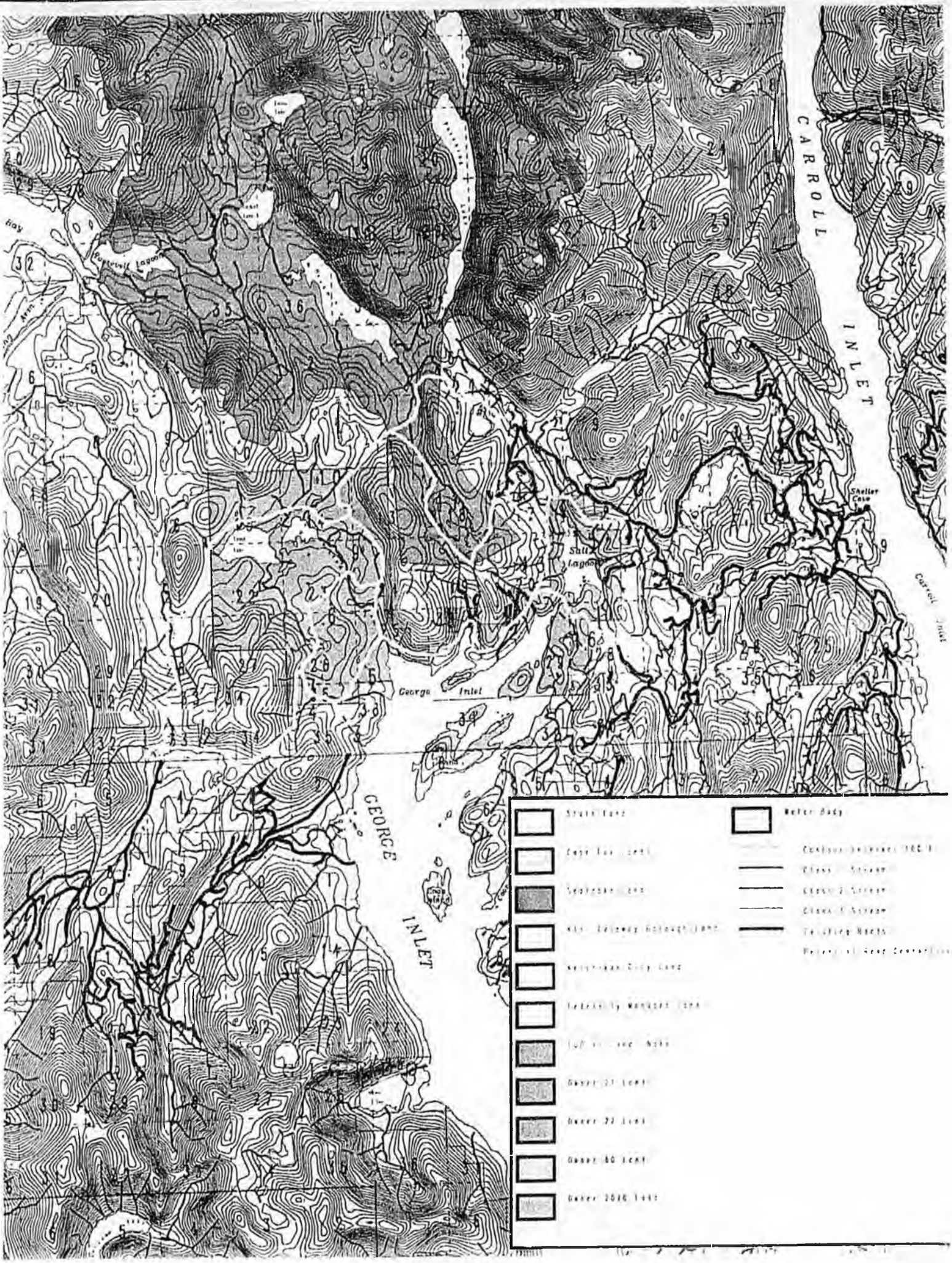
Agreed to at the time was a single lane dirt road with turnouts that would tie into the existing Shelter Cove road system between George and Carroll Inlet. The existing Shelter Cove road system is an old logging road built for access of historic sales by the Forest Service. It offers significant roaded mileage on California Head in the form of a shot rock, single lane road with turnouts.

The proposed extension would be a partnership of multiple land owners (USFS, Cape Fox Corporation, State of Alaska, Mental Health, Ketchikan Gateway Borough and other Private land owners), all of who have shown significant interest in this road extension. Options for the road, as shown on the adjoining map, are:

- Beach access which would start using the existing Cape Fox White River road and
- Harriet Hunt ridge access which goes two different directions from the end of the existing Harriet Hunt road.

Both options were viewed as viable by the Tri-Agency committee and the project was made number two on the priority list behind the Coffman Cove road reconstruction on Prince of Wales Island.

Distributed by Rep. Williams


CARROLL INLET
George Inlet
GEORGE INLET
Shelter Cove
Shell Lagoon
Bay
Portage Lagoon
Water Body

HB

44

Committees:

Transportation
Chair

Resources
Vice Chair

Economic Development,
Trade & Tourism

Alaska State Legislature

Representative Beverly Masek

During Interim: (June-Dec.)
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During Session: (Jan.-May)
State Capitol
Juneau, AK 99801-1182
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1-800-505-2678

MEMORANDUM

Dt: February 5, 2001

To: Senator John Cowdery

Fr: Representative Beverly Masek

Re: HB 44 – Joe Redington, Sr. Memorial Trail

I would appreciate your consideration in scheduling HB 44 at your earliest convenience. This legislation is intended to recognize a truly great Alaskan for his achievements and contributions to our State. Joe Redington, Sr. is widely recognized as the "Father of the Iditarod" and rightly so. His tireless efforts firmly established the Last Great Race as a premier sporting event of worldwide prominence.

I look forward to working with you in establishing this tribute to Joe and if there are any additional items you would need before hearing this legislation, please let me know.

Committees:

Transportation
Chair

Resources
Vice Chair

Economic Development,
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Sponsor Statement for HB 44

Joe Redington, Sr. Memorial Trail

Joe Redington, Sr. was a true Alaskan hero. Because of his determination and singular purpose of mind, an event that inspires the imagination of people from all over the globe has brought Alaska and Alaskans worldwide recognition. The Iditarod Sled Dog Race is an uniquely Alaskan event that has served many purposes that should inspire pride in all Alaskans. Joe Redington, Sr. is widely recognized as the "Father of the Iditarod" and has had many accolades attributed to him since his passing.

The Iditarod Race headquarters is on the Knik-Goose Bay Road. A little farther out on the same highway is the Redington Homestead where for many years Joe raised and trained his dog teams. It was from his home in Knik that Mr. Redington began the effort to establish the Iditarod Sled Dog Race. I believe that it would be appropriate to add to all the other efforts recognizing Joe to name the road the passes by his old homestead and the Iditarod Race Headquarters after him.

Committees:

Transportation
Chair

Resources
Vice Chair

Economic Development,
Trade & Tourism

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ALASKA STATE LEGISLATURE
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John J. Cowdery
Senate Transportation Committee, Chair
World Trade and State & Federal Relations
LEGISLATIVE COUNCIL, RULES, JUDICIARY

February 8, 2001

Committee Meeting Agenda

1:30 p.m. – Butrovich Room

#1. CS for House Bill No. 44 (TRA)

Attachments:

Request for Hearing
Sponsor Statement

#2. Senate Bill 3

Attachments:

Proposed Committee Substitute
Request for Hearing
Sponsor Statement
14 Resolutions of Support

HB

68

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSSHB 68(JUD)
(H) Publish Date: 1/22/02

Revision Date/Time (Note if correction):
Dept. Affected: Law
Title "An Act relating to accidents involving the vehicle of a person under the influence of an alcoholic ..."
BRU Civil Division
Component Special Litigation
Sponsor Representative Rokeberg
Requester House Judiciary Committee
Component No. 2213

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

CSSS HB 68 (JUD) prevents anyone from bringing a civil action for personal injury, death, or property damage against the driver when the driver holds a taxicab or limousine permit, or is the owner or other employee of a taxicab or limousine company, and is involved in a motor vehicle accident while driving an intoxicated owner's vehicle to the owner's residence from a licensed premises at the request of the owner or a law enforcement officer. The immunity from civil liablity does not extend to cases of gross negligence or reckless or intentional misconduct.

Passage of this legislation will have no fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson
Phone (907) 465-5370
Division Attorney General's Office
Date/Time 1/17/02 10:57 AM
Approved by: *Bob Meiners* for Bruce M. Botelho, Attorney General
Date 1/17/2002
Agency Department of Law

(Revised 9/2001 OMB)

COMMITTEE COPY

ALASKA STATE LEGISLATURE
House of Representatives

COMMITTEE ASSIGNMENTS:

JUDICIARY COMMITTEE, CHAIRMAN
LABOR & COMMERCE COMMITTEE, MEMBER
LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT & TOURISM, MEMBER

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PHONE: (907) 465-4968
FAX: (907) 465-2040

Representative Norman Rokeberg

e-mail: Representative_Norman_Rokeberg@legis.state.ak.us

MEMORANDUM

TO: The Honorable John Cowdery, Chairman
Senate Transportation Committee

FROM: Rep. Norman Rokeberg

DATE: January 30, 2002

RE: HB 68

I would request that HB 68 be scheduled for a hearing before your committee.

Attached are the following:

1. CSSSHB 68 (JUD)(efd am)
2. Sponsor Statement which covers the intent of the legislation
3. Sectional Analysis
4. Fiscal Note
5. Support documents

If you have any questions, please do not hesitate to contact my office.

Thank you for your consideration of this request.

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 68(JUD)(efd am)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Amended: 1/22/02
Offered: 4/20/01

Sponsor(s): REPRESENTATIVE ROKEBERG

A BILL

FOR AN ACT ENTITLED

"An Act relating to accidents involving the vehicle of a person under the influence of an alcoholic beverage; and providing for an effective date."

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

* **Section 1.** AS 09.65 is amended by adding a new section to read:

Sec. 09.65.280. Damages resulting from driving the vehicle of a person under the influence of an alcoholic beverage. (a) A person is not liable for personal injury, death, or property damage resulting from a motor vehicle accident if the person was driving a vehicle involved in the accident and

(1) before the accident, started driving the vehicle involved in the accident from or near licensed premises;

(2) is, at the time of the accident, a person employed to or under contract to drive a taxicab or limousine, a taxicab or limousine owner, a holder of a taxicab or limousine permit issued by a municipality, or an owner or employee of a company that dispatches taxicabs or limousines;

(3) was not under the influence of an alcoholic beverage at the time of the accident;

(4) was driving the vehicle to the motor vehicle owner's residence at the request of the motor vehicle owner or a law enforcement officer; and

(5) was driving the vehicle because the motor vehicle owner or operator was under the influence of an alcoholic beverage or reasonably believed to be under the influence of an alcoholic beverage.

(b) A person licensed under AS 04.11.080 - 04.11.250, or an agent or employee of the person, is not liable for personal injury, death, or property damage resulting from a motor vehicle accident described under (a) of this section.

(c) This section does not preclude liability for civil damages as a result of gross negligence or reckless or intentional misconduct.

(d) A motor vehicle owner is considered to have given consent to another person to drive the owner's motor vehicle if the other person is involved in an accident and the provisions of (a) of this section apply to the other person.

(e) In this section, "licensed premises" has the meaning given in AS 04.21.080.

*** Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. This Act applies to a civil action that accrues on or after the effective date of this Act.

*** Sec. 3.** This Act takes effect July 1, 2002.

ALASKA STATE LEGISLATURE
House of Representatives

COMMITTEE ASSIGNMENTS

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LABOR & COMMERCE COMMITTEE, MEMBER
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Representative Norman Rokeberg

e-mail: Representative_Norman_Rokeberg@legis.state.ak.us

SPONSOR STATEMENT
CSSSHB 68 (JUD)(efd am)

An Act relating to accidents involving the vehicle of a person under the influence of an alcoholic beverage; and providing for an effective date.

CSSSHB 68 (JUD) (efd am) is a "Good Samaritan" bill. It provides protection for taxicab and limousine drivers or owners, holders of taxicab or limousine permit, or owners or employees of a company dispatching taxicabs or limousines who, at the request of a motor vehicle owner or law enforcement officer, drive the motor vehicle of a person under the influence. Additionally the owner, agent or employee of licensed premises would not be liable for an accident arising from this activity. A person engaging in this activity would not be civilly liable for damages unless gross negligence or reckless or intentional misconduct was involved.

The legislation also states that a motor vehicle owner is considered to have given consent to drive the owner's motor vehicle.

One of the problems facing Alaskans is when they are out drinking; they want to drive home even when they shouldn't. Additionally, these persons are worried about leaving a vehicle parked in a location other than their home. This legislation would allow the person under the influence and his or her vehicle to get home safely without the taxicab or limousine operator fearing liability from this activity.

Your support would be appreciated.

ED 4:02/01/02

ALASKA STATE LEGISLATURE
House of Representatives

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Representative Norman Rokeberg

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SECTIONAL ANALYSIS
CSSSHB 68 (JUD)(efd am)

An Act relating to accidents involving the vehicle of a person under the influence of an alcoholic beverage.

Section 1: **Adds new section to 09.65. Under certain specific circumstances, a taxicab or limousine operator, taxicab or limousine driver or permit holder, owner or employee of a company dispatching taxicabs or limousines, or the licensee, agent or employee of a licensed premises would not be civilly liable for personal injury or death while driving the motor vehicle of a person who is under the influence to that person's residence unless gross negligence or reckless or intentional misconduct was involved. Provides that the motor vehicle owner is considered to have given consent for his or her vehicle to be driven.**

Section 2: **Applicability section.**

Section 3: **Effective date: July 1, 2002**

ED 4:02/01/02

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

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Miscellaneous						
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

CSSS HB 68 (JUD) prevents anyone from bringing a civil action for personal injury, death, or property damage against the driver when the driver holds a taxicab or limousine permit, or is the owner or other employee of a taxicab or limousine company, and is involved in a motor vehicle accident while driving an intoxicated owner's vehicle to the owner's residence from a licensed premises at the request of the owner or a law enforcement officer. The immunity from civil liablity does not extend to cases of gross negligence or reckless or intentional misconduct.

Passage of this legislation will have no fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson
Phone (907) 465-5370
Division Attorney General's Office
Date/Time 1/17/02 10:57 AM
Approved by: *Bob Meiners* for Bruce M. Botelho, Attorney General
Date 1/17/2002
Agency Department of Law

(Revised 9/2001 OMB)

Alaska Cabaret, Hotel,
Restaurant & Retailers Association

1111 East 80th Ave., Suite 3 • Anchorage, Alaska 99518
(907) 274-8133 • Fax (907) 274-8640
Toll Free In Alaska: (800) 478-2427

April 20, 2001

Representative Rokeberg,

CHARR and the industry thank you and Janet for submitting and following through with the important legislation in HB 68. With the passage of this bill, it will make our new program possible.

The Downtown Partnership, the Downtown Licensed Beverage Association, the Taxi companies and CHARR have been working for two years putting in place our "Off the Road" program. The program started in Anchorage. Because of the parking situation in downtown, you can not leave your car overnight without being towed. It seemed if we could get the drivers and their cars home this would alleviate many of the drunk drivers from Anchorage's roads. After investigating the situation with CHARR's affiliates throughout the state, it seemed this would enable the industry to add another tool to stopping drunk driving on Alaska's roads.

HB 68 will exempt the Taxi personnel from liability while driving the customer's car home and the insurance would go with the car as is the law in Alaska. It is necessary, for the success of our program, to protect the Taxis that are helping with this community service program.

I have enclosed some information and statements about the "Off the Road Program". If I can be of more assistance, please let me know.

Best regards,

Kacie McDowell

Kac'e McDowell
Executive Director Alaska CHARR

ANCHORAGE AGAINST DRINKING & DRUNK (A.A.D.D.)

OUR VISION:

To increase cleanliness, occupancy rates, investment values, and lease income. To decrease crime, to generally stimulate economic development, and Improve the overall quality of life in the downtown area of Anchorage.

OUR MISSION:

The Anchorage Downtown Partnership is a Non-Profit organization dedicated to providing supplemental "Clean and Safe Services" to All the Business Improvement District and Contributing to the Vitality of the Anchorage Community.

"We Solve Problems encountered in a Positive, Non-Violent, & Compassionate Way"

OUR CONCERNS:

Unintentional acts created by patron drivers of vehicles under the influence that may be harmful to other members of the community. This may occur when:

- A patron has need for their vehicle the following morning and does not want the inconvenience of collecting the vehicle
- Vehicles can be towed for a number of reasons thus incurring unwanted costs
- There is also the possibility the vehicle could be vandalized and/or burglarized
- Simply the patron does not choose to pay or can not pay the cost of a taxi

"These are reasons some patrons may justify Drinking & Driving"

OUR SOLUTION:

To Provide a Safe mode of transportation for Both the patron and his/her vehicle. This service can be requested by the patron or by determination of the establishment in order to limit liabilities and to protect the general public.This accompaniment program would be provided by Municipally licensed chauffeurs.(Taxi Cab Drivers)

- Transportation provided from the establishment to patrons home
- Patron and vehicle arrive home safe and sound together
- Limited or no cost to patron for this service
- Educate establishment staff and public of the availability of this program and the benefits that it provides

LET US ALL A.A.D.D. SAFETY TO OUR COMMUNITY
TOGETHER WE CAN MAKE ANCHORAGE A SAFER PLACE TO LIVE

Downtown Licensed Beverage Association

721 West 4th Avenue Anchorage AK 99501
907-277-2660 office / 907-277-2670 fax

Re: AADD Program

In order for this program to be successful the cab companies and the liquor establishments must work and communicate closely together. To help facilitate this, the establishments will implement the following strategies and policies:

1. Place signs near pay phones, direct line cab phones and in other conspicuous areas of the establishment such as rest rooms and near the exits where signs can be easily read.
2. Train all establishment staff members of the availability of this program, how to inform patrons of it and how to implement the procedures agreed upon by program officials.
3. Make public service announcements on in-house sound systems (if establishment is equipped) from time to time and at closing time to help influence patron decisions to use program.
4. Pay a portion of the cab fare cost agreed upon by establishments and program officials.
5. Promote program from time to time in conjunction with other advertising and promotions. Make program informational hand outs available to establishment patrons.
6. Track program usage (in conjunction with the cab companies) to assess effectiveness and demographics and to provide informational statistics for program officials to use in promoting and or improving this program.

The Downtown Licensed Beverage Association feels that these strategies and policies that the establishments will implement will help assure the success of this exciting and new collaboration.

John G. Pattee
Downtown Lounge and Restaurant Association

ALASKA DISPATCH DBA. CHECKER CAB COMPANY
3215 MT.VIEW DRIVE
ANCHORAGE, ALASKA. 99501
OFFICE (907) 274-3333 FAX (907) 258-7775 24 Hr. Disp (907) 276-1234

REGARDING; A.A.D.D. Program

In order for this program to work and be successful the Restraunt's, Lounge's and Taxicab Companies MUST work together and communicate closely with each other. To help facilitate this, Checker Cab Company will implement the following procedure and policies:

1. We will have a minimum of six (6) designated drivers on duty every night to be available for this program.

2. We will set a flat fee of $40.00 per car deliveries made from a Downtown Anchorage Establishments to one (1) destination in the Anchorage Area, for Both the patron and his/her vehicle.

3. Every car delivery that we do will be logged into a log book in the Dispatch office as it comes in, so it will be easy to track our progress with this program and how well it is working to benefit the community.

4. Train All taxicab drivers and dispatch employees with our company about the program, incase designated drivers are not available they will be able to cover the car delivery safely.

5. Promote, with the drivers help, how this program is available to our customers headed to a downtown establishment or any other destinations in the Anchorage area, a safe and convenient way to enjoy the downtown establishments and not have to worry about retrieving their vehicle the next day.

Checker Cab Company feels that this program will work to help solve some of the Drinking and Driving problems that exists here in the Anchorage area and will make the community a much safer place to live.

Nancy R Brockway
Asst. Office Manager, Checker Cab

2002

MUNICIPALITY OF ANCHORAGE

LEGISLATIVE PROGRAM

George P. Wuerch
Mayor

The Municipality supports legislation that would revise the interaction between the Alaska Railroad and affected municipalities through modification of the blanket indemnification provisions.

Utility Liens Against Property
The Municipality supports statutory authority for unpaid utility bills to be used as liens against property.

Business Improvement Districts
The Municipality supports legislation allowing the State of Alaska to participate as a voting and paying member of business improvement districts such as the Anchorage Downtown BID in order to reimburse the district for supplemental services provided to State owned or leased facilities in the District.

Good Samaritan Program
The Municipality supports enactment of legislation that limits liability of impaired drivers who voluntarily turn over car keys to licensed chauffeurs (taxicab drivers) to drive their vehicles home.

Natural Gas Pipeline
As plans progress toward approving the construction of a pipeline to bring North Slope natural gas to market, the State should ensure there is an adequate supply of natural gas for Southcentral Alaska.

Deferred Maintenance
The Municipality supports continued funding for on-going state and local deferred maintenance of roads, schools, and other public improvements.

Knik Arm Crossing
The Municipality encourages the Legislature to express their support for continued progress on the Knik Arm Crossing.

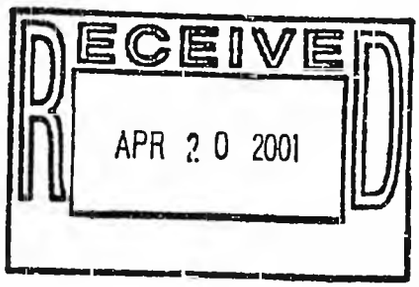
Driving with License Suspended/No Motor Vehicle Insurance
As another tool to deal with repeat motor vehicle offenders, the Municipality requests a legislative change to allow local government to confiscate vehicles when the owners have been cited for driving with their license suspended or with no insurance.

Mobile Home Eviction Notices
The Municipality supports legislation such as Senate Bill 6 that extends the eviction notification period for tenants and mobile home owners and provides for reasonable relocation expense reimbursement in the event of a shorter notice period.

Municipal Fees for Certain Police Protection Services
The Municipality supports legislation, such as HB 135, that allows local government the ability to impose a fee on the owner of residential property if the police department responds to the property an excessive number of times.

Subject: in support of HB 68
Date: Fri, 20 Apr 2001 18:30:05 EDT
From: NCINAK@aol.com
To: Janet_Seitz@legis.state.ak.us

HELLO,
I JUST WANTED EVERY ONE TO KNOW THAT I AM IN SUPPORT OF HOUSE BILL #68 BECAUSE THIS IS A VERY GOOD WAY TO SHOW THAT WE ALL CARE ABOUT DRUNK DRIVERS
STAYING OFF OF THE ROAD WAYS AND KEEPING EVERYONE ON THE ROADWAYS SAFE. THIS IS A VERY IMPORTANT THING FOR EVERY ONE TO SUPPORT THIS HOUSE BILL TO MAKE A DIFFERENCE IN ALL OUR LIVES.
PLEASE DO ALL THAT YOU CAN TO GET THIS HOUSE BILL PASSED AS SOON AS POSSIBLE SO THAT WE ALL CAN ENJOY OUR ROADWAYS SAFER.
THANK YOU FOR LISTENING TO US ALL.
NANCY R BROCKWAY.



POM for Representative Rokeberg

H

From: Mr J Harold Michal
PO Box 3549

Valdez, AK 99686 NON Constituent

Telephone: -

Registered Voter: V

Email:

Bill: HB 68 Title: NO CIVIL LIAB FOR TAXI TRANSPORTING DRUNK
Message:

Please support this bill

Entered in VAL on 3/02/01 POMID:99387

Distribution: 60

Main Menu . Store All . Store This One . Prev POM . Next POM

Message 1 out of 1.

ANCHORAGE DAILY NEWS
SATURDAY
19 AUGUST 2000

Taxi plan would get drinkers' cars home

Insurance liability described as hurdle

By JULIE WESTFALL
Daily News reporter

An idea to get drunken drivers off the road in Anchorage is almost as simple as free cab rides home, but with a twist — an intoxicated person would not only get a free cab ride home from a bar, but another taxi driver would also take his car home.

"The best way to get drunks off the road is to get them home and to get their car home," said John Pattee, owner of two downtown bars, Gaslight Lounge and The Avenue.

It has been dubbed the Off-the-Road program. Organizers say it is not an impossibility; even after being two years in the making it still needs to address liability issues that

See Back Page, CABBIES

CABBIES: Plan covers drinkers, vehicles

Continued from Page A-1

might be fixed with a law that has not been written yet.

"It's doable, but it's taking us a lot longer than we anticipated," said Rod Pfleiger, executive director of the Anchorage Downtown Partnership and the man spearheading the program along with several bar owners and cab companies.

Unfortunately for the program, car insurance in Alaska goes with the vehicle and the taxi drivers must assume that the car they are taking home is insured. Nancy R. Brockway, office manager for Anchorage Checker Cab, said her cab service has occasionally picked up intoxicated bar patrons and driven their cars home when they show proof of insurance. They also charge four times the regular rate.

"We can't advertise because of the fact that we don't have insurance," Brockway said.

She said to run the program right now, the taxi drivers themselves would have to be insured to drive any private vehicle. But insurance companies they have talked to would charge more than $1,000 per driver a month, she said. Brockway said the problem might be fixed with a state law either exempting the program's drivers from liability if they were in an accident or requiring insurance to cover the program.

"It's doable, but it's taking us a lot longer than we anticipated."

— Rod Pfleiger, executive director of the Anchorage Downtown Partnership

■ **TASK FORCE MEETING:** The DUI Prevention Task Force will have a public hearing from 4 to 7 p.m. Monday in the Assembly Chambers at Loussac Library. It is open to anyone who wants to offer suggestions on the problem of drunken drivers. You can e-mail your comments at dui@ci.anchorage.ak.us.

No one knows how long that could take, but state Rep. Norm Rokeberg said he would support a bill next session that would eliminate insurance worries.

"This seems to have some merit, so I'd be more than happy to look into that," said Rokeberg, chairman of the Labor and Commerce Committee, which oversees insurance matters.

Pfleiger said they have gathered support from cab companies, police, bar owners and the city. The recent public spotlight on drunken driving might provide the impetus needed to overcome the logistical issues for the program. A slew of drunken driving legislation is expected to be discussed when the Legislature convenes in January, Rokeberg said.

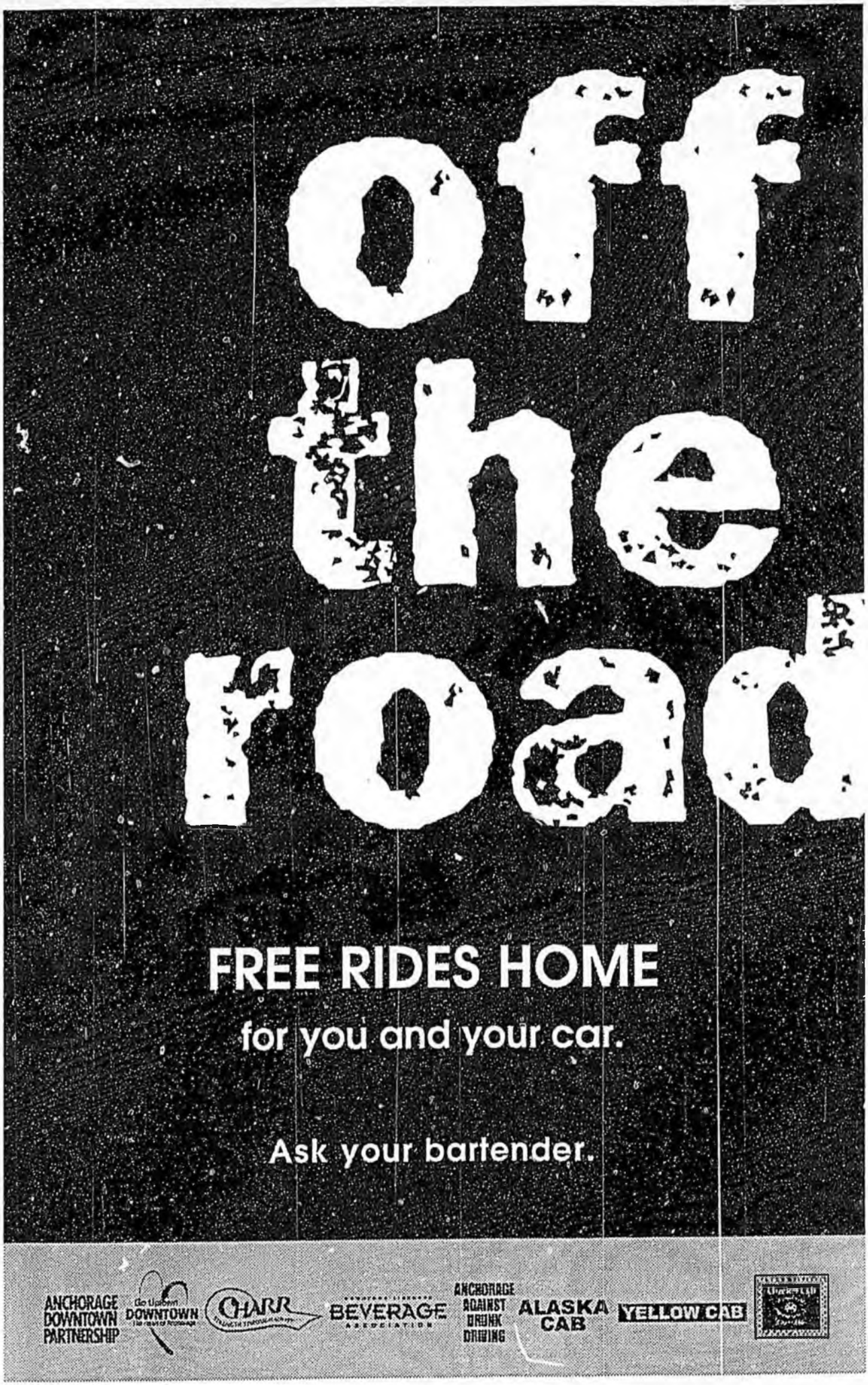
Police Chief Duane Udland said that he likes the idea but that the insurance issue might be tough to get through the Legislature.

"I think they're going to really have to make their case, that would be my guess," Udland said.

According to Pattee, they are exploring different funding sources, including Mothers Against Drunk Driving and liquor industry cash. The program is tentatively planned to handle about 30 customers a month and cost about $200,000 to $250,000 a year.

"The industry is partnering with the city to come up with lots of ideas like this. This is one of the ideas," said Karen Rogina, executive vice president of the Alaska Restaurant and Beverage Association. "It's rather in a state of infancy."

□ Reporter Julie Westfall can be reached at jwestfall@adn.com.


off
the
road
FREE RIDES HOME
for you and your car.
Ask your bartender.
ANCHORAGE DOWNTOWN PARTNERSHIP
Go Uptown DOWNTOWN
CHARR
BEVERAGE ASSOCIATION
ANCHORAGE AGAINST DRUNK DRIVING
ALASKA CAB
YELLOW CAB

I-CHARR

Interior Cabaret, Hotel, Restaurant & Retailers Association, Inc.
1316 Bedrock
Fairbanks, Alaska 99709

President Jim O'Connor 488-0335 Vice President Gary Shirley 479-6241 Secretary/Treasurer Larry Hackenmiller 457-1327
FAX 907-457-1327

February 6, 2002

The Honorable Norman Rokeberg
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Rokeberg,

I thank you for your sponsorship and support of HB 68, the bill that allows no civil liability for Taxi Transporting Drunk Drivers.

I-CHARR in Fairbanks has an interest in developing a similar program and we were somewhat concerned when the Anchorage program was halted due to prohibitive insurance costs. We will reinstate our efforts for a Fairbanks "Off the Road" program if your bill passes. Funding for programs like this require a dedicated effort by industry and non-industry community members. No state or local tax dollars are needed if our respective communities feel there is a need and a desire to keep our roads safe.

I do have a problem with the way this HB 68 is presented to the public by our local newspapers. I suppose because the title "No Civil Liability for Taxi Transporting **DRUNK DRIVERS**" implies all individuals using the program are drunk the newspapers capitalized on the misconception that any body that has a drink is a drunk driver.

In reality the people using the "Off the Road" program are responsible drinkers who are community minded enough to keep their roads safe and to get their vehicle out of harms way. To say that everyone who has a drink and drives is a drunk driver is like saying every politician is a crook. Such implications are unwarranted.

I ask that you consider using the term "responsible drinkers" in your future efforts to get your welcomed legislation through the legislative process. I-CHARR will be available to assist you in your efforts should the need arise.

Sincerely,

Jim O'Connor
President, I-CHARR

cc: CHARR

Municipality of Anchorage

P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 343-4431
Fax: (907) 343-4499
http://www.ci.anchorage.ak.us

George P. Wuerch, Mayor

OFFICE OF THE MAYOR

January 30, 2002

FEB 6 2002

Representative Norman Rokeberg
Alaska State Legislature
State Capitol
Juneau, AK 99801

Re: House Bill 68

Dear Norm:

The purpose of this letter is to express our support for HB 68, the "Tipsy Taxi" bill.

As you know, finding ways to reduce the occurrence of drunk driving has been a priority for the Municipality of Anchorage for over a year. We formed a DUI Task Force to recommend ways to deal with the problem and have challenged its members to think outside the box and come up with creative solutions.

I believe HB 68 represents one of those creative solutions. By providing an easy means for someone who has become alcohol impaired to get their vehicle off the streets and home will help keep some drunk drivers off the road.

We applaud your efforts through this bill as well as other legislation you have introduced to address the problem of drunk driving.

Sincerely,

George P. Wuerch
Mayor

Subject: HB 68
Date: Fri, 08 Feb 2002 18:29:48 -0500
From: "Louise Stutes" <stutes@ptialaska.net>
To: "The Honorable Norman Rokeberg" <Representative_Norman_Rokeberg@legis.state.ak.us>

Louise Stutes
Box 170
Kodiak, AK 99615

February 8, 2002

The Honorable Norman Rokeberg
House of Representatives
Juneau, AK 99801-1182

FEB 9 2002

Dear Rep. Rokeberg:

My name is Louise Stutes, I am the President of Kodiak Liquor Association, as well as a state board member of CHARR. In Kodiak we presently have a "safe-driving program" in place for New Years Eve, and passage of HB 68 would enable us to extend this to a year 'round program much more smoothly and with much more ease. It's very difficult here in Kodiak with the decline in the fishing industry and consequent decrease in the ecomony to promote anything that increases costs or liabilities to any of our business, even though the safety of our citizens may be at stake. Please, we need help by passage of HB 68.

Respectfully,

Louise Stutes, President
Kodiak Liquor Assoc.

Sincerely,

Louise Stutes

Subject: HB65
Date: Fri, 08 Feb 2002 18:52:07 -0500
From: "Judy McDonald" <jamnbl5@gci.net>
To: "The Honorable Norman Rokeberg" <Representative_Norman_Rokeberg@legis.state.ak.us>

Judy McDonald
2811 Peters Lane
Juneau, AK 99801

February 8, 2002

The Honorable Norman Rokeberg
House of Representatives
Juneau, AK 99801-1182

FEB 9 2002

Dear Rep. Rokeberg:

This is to inform you that Juneau CHARR is in full support of HB65, the taxi liability issue.

Sincerely,

Judy McDonald, Sec., Juneau CHARR

Subject: Re: Fiscal Notes for 6 Bills
Date: Thu, 07 Feb 2002 11:49:39 -0900
From: Shari Kochman <shari_kochman@gov.state.ak.us>
Organization: Alaska Office of the Governor
To: Donald Smith <Donald_Smith@legis.state.ak.us>
CC: Ryan C Peterson <ryan_peterson@gov.state.ak.us>

will put in requests for senate bills.
you should already have the fiscal note for hb 68 in your bill packet.
it's a zero from law

Donald Smith wrote:

> *I would like to request Fiscal Notes for the following bills that will*
> *be considered by the Senate Transportation Committee next week.*
>
> *For Tuesday 2/12/02 - 1:30 PM*
>
> *SB 226 Highway Design & Construction*
> *SB 206 Disabled Parking & Registration Plates*
> *SB 222 Require Slow Drivers To Pull Over*
>
> *For Thursday 2/14/02 - 1:30 PM*
>
> *HB 68 Immunity: Cabbie Driving Drunk's Car Home*
> *SB 265 Physician Assistants/Nurse Practitioners*
> *SB 260 Historic/Antique Motor Vehicles*
>
> *Thank you very much.*
>
> *Don Smith*
> *Senate Transportation Committee*