

ALASKA LEGISLATURE COMMITTEE FILED, 2000-2000

11722 HOUSE TRANSPORTATION



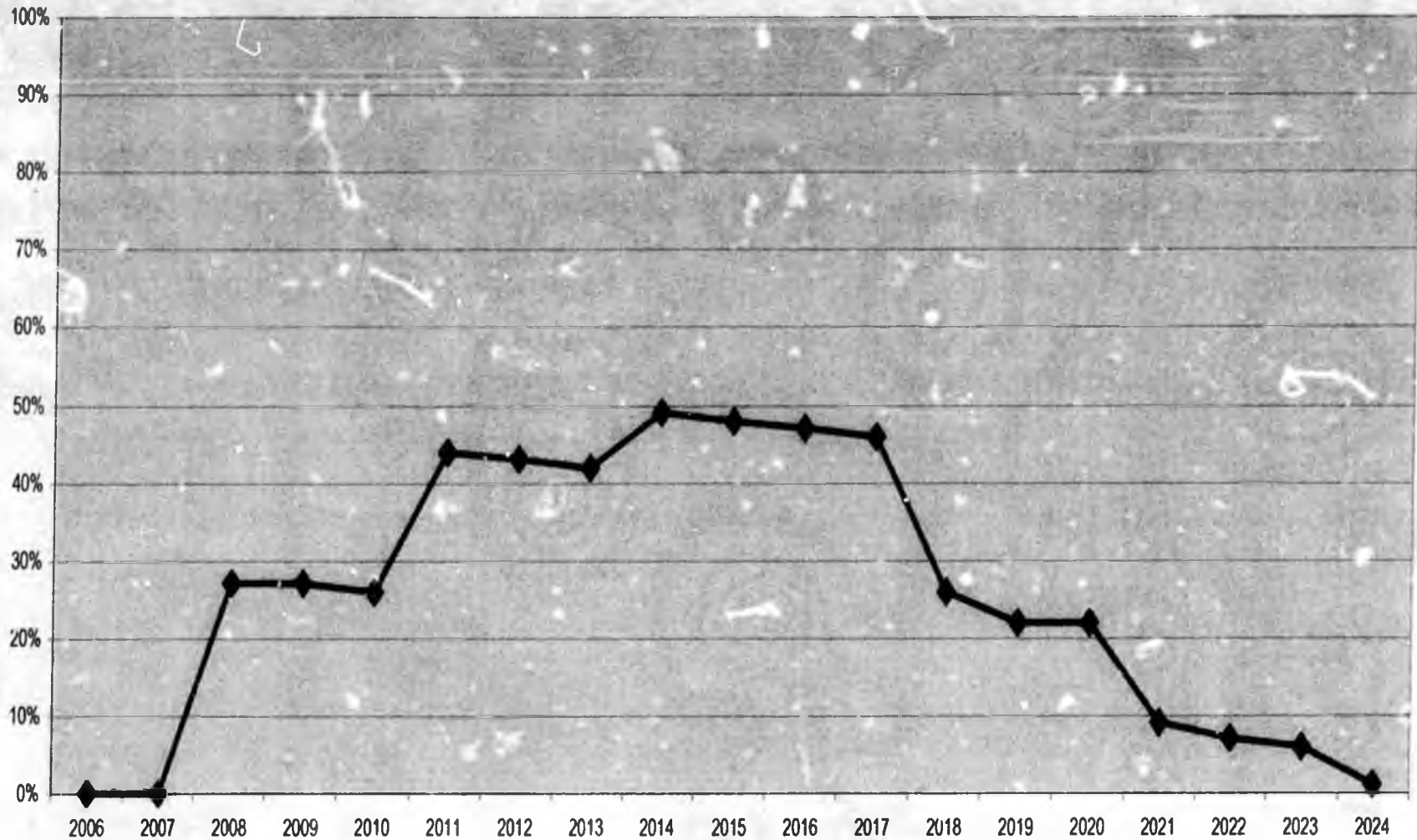
## Proposed Financing

- \$165 million authorization requested
- Currently planning three bond sales over next six years
  - Maximum annual debt service: \$19.1 million or 49% of available FTA/match for year
- ARRC Board approval required for each project and bond sale



# Debt Service as a Percent of Formula Funds/Match

Percent of FTA Formula Funds/Match Used for Debt Svc





## Appendix

- Joint Elimination
- Mainline Traffic Density History
- Joint Elimination Graph
- ARRC Tie Age Distribution Graph



## Joint Elimination Needed

- ARRC has 80,000 joints in need of replacement in the next 5 years
- Pre 1985 Joints (24" 4 hole bars) fail with accumulated tonnage
- Failures begin at about 150 Million Gross Tons (MGT)
- Almost all joints fail by 300 MGT
- Joints are eliminated by welding rail into Continuous Welded Rail (CWR)



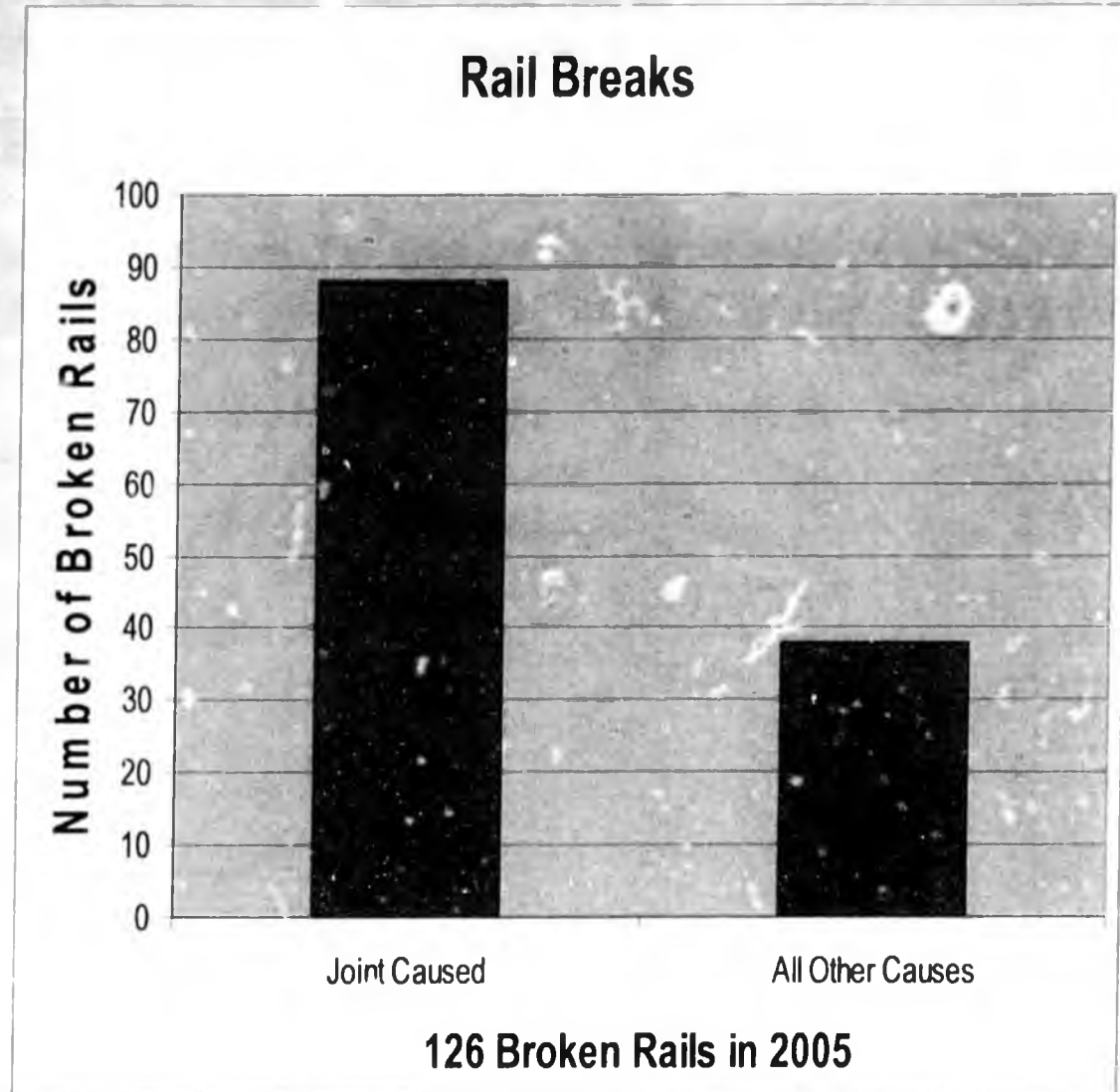
## Mainline Traffic Density History

| <b>Location</b>                   | <b>Annual MGT's<br/>(Million Gross Tons)</b> | <b>Accumulated MGT's<br/>1950-2005</b> |
|-----------------------------------|--|--|
| <b>Portage to Anchorage</b>       | <b>3</b>                                     | <b>110</b>                             |
| <b>Anchorage to<br/>Matanuska</b> | <b>15</b>                                    | <b>325</b>                             |
| <b>Matanuska to Healy</b>         | <b>8.5</b>                                   | <b>187</b>                             |
| <b>Healy to Fairbanks</b>         | <b>8.5</b>                                   | <b>210</b>                             |



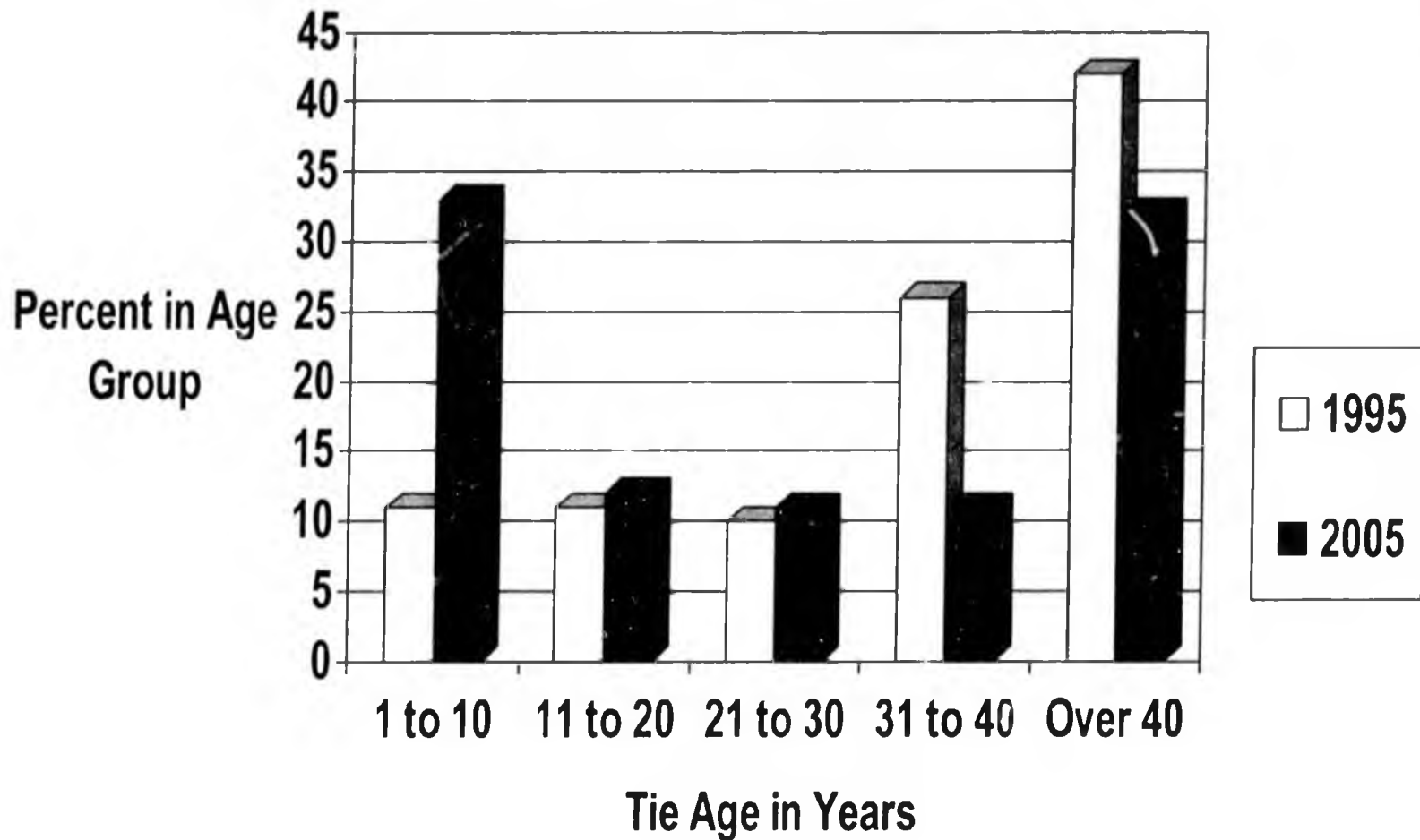
# Joint Elimination Needed

- Joint batter causes broken rail
- ARRC has excessive numbers of joint breaks





# ARRC Tie Age Distribution



# STATE OF ALASKA

## DEPARTMENT OF REVENUE

TREASURY DIVISION

FRANK H. MURKOWSKI, GOVERNOR

333 WILLOUGHBY AVENUE, 11TH FLOOR  
P.O. BOX 110405  
JUNEAU, ALASKA 99811-0405  
PHONE: (907) 465-2350  
FAX: (907) 465-2394

March 14, 2006

Alaska Railroad Corporation  
Bill O'Leary  
VP Finance/Chief Financial Officer  
327 W. Ship Creek Avenue  
Anchorage, AK 99501

Dear Mr. O'Leary:


The Alaska Department of Revenue has reviewed Senate Bill 308 and House Bill 491 and concluded that this legislation's passage will have no impact on the State's credit rating or bonding capacity.

The proposed legislation authorizes the Alaska Railroad Corporation (Corporation) to issue up to \$165 million in revenue bonds of the Corporation. This proposed issuance will be secured by a specific pledge of revenues of the Corporation to investors. There are no State credit enhancements or security features contemplated for the bond issuance. In fact, the proposed legislation includes the statement that "in no event shall the general credit of the Alaska Railroad Corporation or the state be pledged for the repayment of these bonds".

The Alaska Railroad Corporation Act, AS 42.40.500, clearly states that a liability incurred by the corporation shall be satisfied exclusively from the assets or revenue of the Corporation and no creditor or other person has a right of action against the state because of a debt, obligation, or liability of the corporation. AS 42.40.690 also clearly states that the state and its political subdivisions are not liable for the debts of the corporation and that any bonds issued by the Corporation are payable solely from the revenue or assets of the corporation and do not constitute a debt, liability, or obligation of the state or a pledge of the faith and credit of the state.

The existing statute, the proposed legislation, and the intended structure for Senate Bill 308 and House Bill 491 proposed debt, ensure that this bond issuance will not have any effect on the State of Alaska's credit rating or bonding capacity.

Sincerely,



Tomas Boutin  
Deputy Commissioner

# ALASKA RAILROAD CORPORATION

Corporate: P.O. Box 107500, Anchorage, AK 99510- 327 Ship Creek Avenue, Anchorage, AK 99501



February 21, 2006

## Executive Summary

### Long Term Track Rehabilitation

Today our Financial Advisor Team finished the research and calculations that would allow ARRC to propose bonding for up to \$165 million in order to accelerate our remaining priority track rehabilitation needs. It would focus primarily on the Anchorage to Fairbanks corridor. Debt payment would be sourced entirely from FTA formula fund entitlements.

This corridor handles over 30,000 carloads of fuel and other hazardous materials annually. Acceleration of programmed investment in this corridor will substantially remove the classic cause of derailments due to track failure and materially reduce maintenance upkeep.

While the overall corridor has seen considerable investments and improvements since 1995, there is still much to be done to bring it up to ARRC standards. For example, our Railroad is being upgraded through Anchorage to Fairbanks with 100% Continuous Welded Rail (CWR). Concrete ties and new 141# welded rail will go in on all curves over 6°. Wood tie installment will create a tie cycle which would not exceed 10 years. In other words, wood ties will be replaced at a rate of 25% to 30% per each 10-year cycle. Ballast renewal and track surfacing will continue as usual in order to keep slow orders to a minimum and the main track capable of full speed. Bridge maintenance and upgrades to a few major structures will not be compromised and will also continue to be accomplished.

The end result of this program will give us 100% welded rail between Anchorage and Fairbanks (355 miles) by the end of the 2012 season. About 85,000 concrete ties will be installed by the end of 2010, strengthening all 32 miles of our 6° and sharper curves. All remaining wood ties between Anchorage and Fairbanks will receive a replacement tie cycle between 2006 and 2010. In summary, the north corridor initiative as planned will speed up the eventual end result by 7 years or more.

The line south of Anchorage to Seward carries only one-tenth as much gross tonnage as the line north of Anchorage, and very little of that is fuel. To fully upgrade the south end to standard of 100% CWR and concrete ties in curves over 6° will cost an additional \$60 million. Therefore full refurbishment of the

## Executive Summary

Page 2

south end is not part of this particular effort because it is not yet warranted by evidence of tonnage wear and tear. We will refurbish the curves as necessary, however, and wood tie gangs will actually meet the Anchorage to Seward wood tie needs by the end of 2012.

This broad track refurbishment strategy, coupled with the Collision Avoidance Program scheduled for full implementation in the Fall of 2007, will enable important velocity and capacity increases that should consistently lower the Anchorage - Fairbanks transit time down to around 10 hours. By lowering the northern corridor transit time we create the potential to cycle more trains, and only use a single crew per trip because they can stay within their hours. We also create the potential for scheduled swapping of crews mid-trip so that they can return home same day within their hours. Considerable savings in labor and lodging expenses are finally coming within reach due to the efficiency created by this plan.

This refurbishment project is the single most important investment the Railroad will make since its purchase by the State of Alaska.

# ALASKA RAILROAD CORPORATION



Corporate Address: P.O. Box 107500, Anchorage, Alaska 99510  
327 West Ship Creek Avenue, Anchorage, Alaska 99501  
www.alaskarailroad.com

Executive Office  
Telephone: 907-265-2403  
Facsimile: 907-265-2312

February 15, 2006

Governor Bill Sheffield  
Chairman, ARRC Board of Directors  
3125 Susitna View Court  
Anchorage, AK 99517

Dear Governor Sheffield,

At the strategic planning session a few months ago management received the okay from the Board to consider alternative uses of debt to accomplish our mission. Using all the financial tools available to a dynamic business like ours just makes good sense, assuming risk is treated with the respect it deserves. We just this week completed an extensive study with our financial advisors on use of debt for capital improvements. There is great utility in what we came up with, but precious little time to act in order to be effective in 2006. And thus this letter.

We began with the premise that the single most fundamental purpose for the use of federal funds has been investment by the Alaska Railroad in the rehabilitation of main line substandard or unsafe track. This has been ARRC's top capital investment priority since 1996.

Since the first \$10 million in 1996, we have put roughly \$220 million into such improvements. Results have dramatically validated our objective. Safety related incidents are at an all time low. What's more, average velocity, a by-product of the recapitalization program, is at a high and growing. As an example, our average operating time between Anchorage and Fairbanks is just under 12 hours, a reduction of 2 hours since 2001. In other words, main line refurbishment has proven to be the overall single most valuable investment we have made.

While we are not yet finished, we are within striking distance of the goal we have been pursuing for nearly 10 years now ... completing the rails, ties, ballast, and bridge programs between Anchorage and Fairbanks. We want to accomplish the remainder of that goal in the shortest time and most efficient way. We want to prepare a way ahead that minimizes risk associated with extended operations on the remaining old track and maximizes the operational utility that comes with new

Governor Bill Sheffield  
February 15, 2006  
Page 2

track. And so we have derived an initiative to accelerate the process which would leverage our recently increased FTA formula funds through a much more robust, focused program of construction.

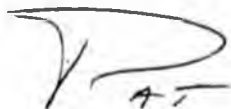
Regular yearly increased formula funding has suggested a financial way forward to us, using a "Garvee bond" approach that avoids risking railroad earnings or assets. This type of capital financing is already being used successfully by other FTA formula funded railroads. The debt service for this bonding proposal would be met through ARRC FTA formula funding and would be apportioned over a program period of 10 years. (The ARRC is guaranteed those funds each year by law. During this period we will renew our efforts to increase the formula basis from the present 60% to 100%.)

I believe the rationale we will present is compelling. I wish to gain Board approval and then get support and bonding approval in Juneau during this 2006 legislative session. Therefore, time is of the absolute essence in order to get going or we lose a year.

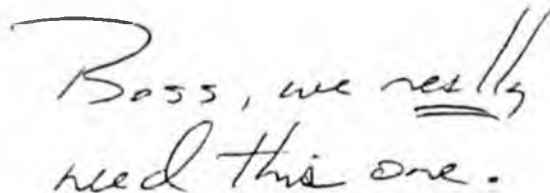
We feel this initiative is a bold but warranted move by the Alaska Railroad to fulfill the promise it made to the State, the railbelt communities, and to our senior Senator who personally has done so much to support our main line safety efforts, and to help us improve the safety of the Alaska Railroad as effectively and as quickly as possible. Shortening the completion of main line refurbishment by some 10 years, this proposal accomplishes our number 1 capital investment priority and gains the attendant safety and efficiency at the soonest possible time.

I respectfully request your support for a Special Board Meeting February 27 or February 28 to hear us out.

Sincerely,



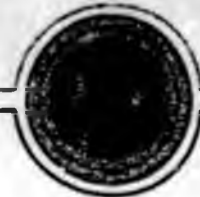
Patrick K. Gamble  
President and Chief Executive Officer



cc: Vice-Chair Joe Ralston

# ALASKA RAILROAD CORPORATION

Corporate Address: P.O. Box 107500, Anchorage, Alaska 99510  
327 Ship Creek Avenue, Anchorage, Alaska 99501



*Finance Division*  
*Telephone (907) 265-2516*  
*Facsimile (907) 265-2517*

Date: February 21, 2006  
To: ARRC Board of Directors  
Through: Pat Gamble, President & CEO  
From: Bill O'Leary, VP Finance & CFO  
Re: Leveraging of Federal Transit Administration Funds

In essence, ARRC management is proposing to solve a timing issue related to when capital funds will be available compared to when the funds are needed. The resolution to this issue is to advance funds through the conservative use of debt – issuing bonds secured solely by cash flows to be received from Federal Transit Administration (FTA) formula funds. In conjunction with other fund sources available to ARRC, the proceeds of these bonds will be used to permit acceleration of track rehabilitation work, granting ARRC the benefits of these efforts in a considerably earlier timeframe than if bonds were not used. Such practice has been followed by numerous other railroads and is accepted by the financial markets and grantor agencies.

In advance of the public Board meeting scheduled for March 1<sup>st</sup>, I am enclosing draft materials related to the proposed financing for your review. Included within this packet are the following:

1. A high-level summary of the two scenarios we will be discussing at the meeting
2. Two spreadsheets detailing these scenarios, differing only in whether Federal Railroad Administration monies are included as a source of funds for 2007 – 2010
3. A detail listing of capital projects proposed for the 2006 – 2024 timeframe

We look forward to presenting details to you at the Board meeting. Please contact me at (907) 265-2516 if you have any questions.

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 491  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title: Alaska Railroad Revenue Bonds RDU: \_\_\_\_\_  
 Sponsor: Transportation Component: Alaska Railroad Corporation  
 Requester: Transportation Component No.: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

| OPERATING EXPENDITURES                | FY 2007    | FY 2008    | FY 2009    | FY 2010    | FY 2011    | FY 2012    |
|---------------------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services                     |            |            |            |            |            |            |
| Travel                                |            |            |            |            |            |            |
| Contractual                           |            |            |            |            |            |            |
| Supplies                              |            |            |            |            |            |            |
| Equipment                             |            |            |            |            |            |            |
| Land & Structures                     |            |            |            |            |            |            |
| Grants & Claims                       |            |            |            |            |            |            |
| Debt Service (Principal and Interest) |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b>                | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |            |            |            |            |            |            |
|-------------------------------|------------|------------|------------|------------|------------|------------|
| <b>CHANGE IN REVENUES ( )</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |
|-------------------------------|------------|------------|------------|------------|------------|------------|

**FUND SOURCE** (Thousands of Dollars)

|                                 |            |            |            |            |            |            |
|---------------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts           |            |            |            |            |            |            |
| 1003 GF Match                   |            |            |            |            |            |            |
| 1004 GF                         |            |            |            |            |            |            |
| 1005 GF/Program Receipts        |            |            |            |            |            |            |
| 1037 GF/Mental Health           |            |            |            |            |            |            |
| 1156 Receipt Supported Services |            |            |            |            |            |            |
| <b>TOTAL</b>                    | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2006) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

The Alaska Railroad Corporation (ARRC) is a public corporation supported by revenues generated through its freight, passenger and real estate services. ARRC does not receive state subsidies for operations or capital improvements.

This legislation authorizes the Alaska Railroad Corporation to issue revenue bonds to finance rail transportation projects that qualify for federal financial participation, and provides for an effective date.

ARRC will issue up to \$165 million in tax-exempt revenue bonds supported by Federal Transit Administration (FTA) formula funds to finance FTA-eligible rail transportation projects focused on accelerating the Railroad's main line track and bridge rehabilitation program. Debt service for the bonds would come from a portion (currently estimated between 30% - 50%) of ARRC's annual FTA formula funds. All costs related to issuing the bonds will be paid from the bond proceeds and are included in the \$165 million authorization.

Prepared by: Bill O'Leary, VP Finance and Chief Financial Officer Phone 907-265-2516  
 Division: Alaska Railroad Corporation Date/Time 3/13/06 5:48 PM  
 Approved by: William C. Noll, Commissioner Date 3/13/2006  
 Agency: Commerce, Community, and Economic Development

# Alaska State Legislature



House of Representatives  
House Transportation Committee

## SPONSOR STATEMENT

HOUSE BILL 491

"AN ACT AUTHORIZING THE ALASKA RAILROAD CORPORATION TO ISSUE REVENUE BONDS TO FINANCE RAIL TRANSPORTATION PROJECTS WHICH QUALIFY FOR FEDERAL FINANCIAL PARTICIPATION; AND PROVIDING FOR AN EFFECTIVE DATE."

House Bill 491 will authorize the Alaska Railroad to issue up to \$165,000,000 in tax exempt bonds backed by Federal Transit Administration (FTA) formula funds received annually by the Railroad. Bond proceeds will be used to finance FTA-eligible rail transportation projects focused on accelerating the Railroad's mainline track and bridge rehabilitation program by as much as ten years.

The Alaska Railroad corridor between Anchorage and Fairbanks handles more than 600 passenger trains per year and over 30,000 carloads of fuel and other hazardous materials annually. Accelerating the Railroad's track and bridge rehabilitation program in this corridor is important for the following reasons:

- Greatly enhances safety. Investment in this corridor will substantially reduce derailments caused by track failure.
- Increases capacity and speed important to meet growing passenger demand.
- Enhancing passenger capacity and safety allows the railroad to better support gas pipeline construction and other freight services.
- Reduces maintenance upkeep and operating cost
- Consistent with the Railroad's #1 corporate priority to improve safety through track and bridge rehabilitation
- Provides for stability, clarity and capital budget discipline

Specifically, in the Anchorage to Fairbanks corridor, the program will result in 100% continuous welded rail to reduce "joint batter" which can lead to broken rail that causes derailments. Concrete ties and new 141 pound welded rail will be placed on all curves over six degrees to increase stability. Wood tie installment will create a tie replacement cycle which would not exceed 10 years (allowing for a replacement rate of 25% to 30% per year each 10 years).

# Alaska State Legislature



## House of Representatives House Transportation Committee

In no event will the general credit of the state or Railroad be pledged for the repayment of these bonds. AS.42.40 requires that all liabilities incurred by the Alaska Railroad shall be satisfied "exclusively" from the assets or revenue of the Alaska Railroad and not the State.

Debt payment for the bonds will come from a portion (between 30% to 50%) of the FTA formula funds which are statutorily mandated by Federal law and received annually by the Railroad. Issuing debt backed by FTA formula funds is authorized through FTA regulation and has already been used by other rail transit authorities in the lower 48 states.

While the Alaska Railroad will have the flexibility to issue the bonds in a single issuance or in several issuances, the current plan is to issue bonds in 2006, 2009 and 2012 with each issuance having a 12-year payoff schedule. The Alaska Railroad Board of Directors is required to approve each bond issuance and associated projects.

While mainline track and bridge refurbishment is the main project identified for this program, a portion of the bond proceeds will also be used for FTA-eligible technology upgrades and passenger equipment.

HCR

38

ALASKA STATE LEGISLATURE  
HOUSE TRANSPORTATION COMMITTEE



Representative Jim Elkins  
Co-Chair  
Phone: (907) 465-3424  
Fax: (907) 465-3793

Representative Carl Gotto  
Co-Chair  
Phone: (907) 465-3743  
Fax: (907) 465-2381

State Capitol, Juneau, Alaska 99801  
Sponsor Statement  
House Concurrent Resolution No. 38

*“Urging the Department of transportation and Public Facilities to use the Alaska marine highway system fast ferries efficiently by deploying the fast ferries in northern Lynn Canal and Prince William Sound beginning in the summer of 2006, and to provide data regularly to the affected communities to enable the communities to evaluate the service effectively.”*

Frustration is being felt by the coastal communities in northern Lynn Canal and Prince William Sound, who, for years, have been promised reliable scheduling and deployment of the fast vehicle ferries. They feel they have yet to see this promise fulfilled.

In late 2004 and early 2005, a marketing group including residents of Cordova, Whittier, Valdez and Anchorage, held meetings with Alaska Airlines, the Alaska Railroad and others businesses to develop strategies to successfully incorporate the new fast ferry transportation system into the Prince William Sound area. Unfortunately, they were told at the last minute that the *M/V Chenega* wouldn't be operating in that area because, among other reasons, the labor negotiations had not been concluded in time to begin operations.

Earlier this winter, again with little warning, the *M/V Fairweather* was pulled from her regular schedule between Juneau, Haines, Skagway and Sitka and was deployed, along with the *M/V Chenega*, on “experimental” runs in southern Southeast. Those runs transported very few passengers and generated very little revenue. This was no surprise to those Alaskans who use the ferries year-round, but the communities were never consulted prior to the schedule change.

Because of the SOA and DOT's deficiency in long term planning, coastal communities who previously relied upon the ferries and their regular service, realize that it may no longer be a viable option. Also, no contingency plans are currently in place, which is disappointing due to status of the fleet, which is composed of so many old vessels. HCR 38 urges the DOT to revert back to its original plan and operate the *M/V Fairweather* on a year-round basis in northern Lynn Canal and the *M/V Chenega* on a year-round basis in Prince William Sound so that the state can determine the true demand and economic feasibility of these vessels in the areas for which they were designed. It also asks that a 2-year schedule be developed, and that quarterly updates be given to the mayors of the affected communities so they may also evaluate the performance of these vessels in many areas. The AMHS needs to become more reliable for those communities who depend on its service. The House Transportation Committee asks for your support on this resolution.

**HOUSE CONCURRENT RESOLUTION NO. 38**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FOURTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE TRANSPORTATION COMMITTEE**

**Introduced: 3/29/06**

**Referred: Transportation, Finance**

**A RESOLUTION**

1 **Urging the Department of Transportation and Public Facilities to use the Alaska marine**  
2 **highway system fast ferries efficiently by deploying the fast ferries in northern Lynn**  
3 **Canal and Prince William Sound beginning in the summer of 2006, and to provide data**  
4 **regularly to the affected communities to enable the communities to evaluate the service**  
5 **effectively.**

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

7 **WHEREAS** the Southeast Alaska region is coastal in nature, and the economies have  
8 evolved around and depend on reliable and predictable patterns of marine transportation; and

9 **WHEREAS** state ferries deliver people, food, health care, supplies, and equipment to  
10 coastal communities throughout the state, with economic effects far beyond the area in which  
11 they operate; and

12 **WHEREAS** failure to establish and publish baseline schedules at least two years in  
13 advance for all Alaska marine highway system routes reduces ridership and complicates  
14 connections within the system and with other modes of transportation; and

15 **WHEREAS** inconsistent planning and sudden changes to schedules have caused

1 negative economic effects on communities and their businesses; and

2 WHEREAS fast vehicle ferries were designed and deployed to upgrade the aging  
3 Alaska marine highway system fleet and to supplement the level of service by providing fast,  
4 efficient, and reliable transportation on point-to-point service runs to better meet local  
5 demand; and

6 WHEREAS local communities best understand their transportation needs and have a  
7 vested interest in developing local control over long-range strategies;

8 BE IT RESOLVED that the Alaska State Legislature urges the Department of  
9 Transportation and Public Facilities to

10 (1) commit, on a year-round basis, a fast vehicle ferry to northern Lynn Canal  
11 servicing Juneau, Haines, Skagway, and Sitka;

12 (2) return, on a year-round basis, a fast vehicle ferry to Prince William Sound  
13 servicing Cordova, Valdez, and Whittier;

14 (3) effective October 2006, develop a schedule for these vessels that remains  
15 unchanged for two years, to determine the true demand and economic feasibility of the fast  
16 ferries in those respective regions; and

17 (4) provide mayors of the affected communities with relevant data on a  
18 quarterly basis to assist the communities with evaluation of the following:

- 19 (A) optimum scheduling and route selection;
- 20 (B) revenue maximization and operating costs;
- 21 (C) passenger satisfaction;
- 22 (D) overall profitability and efficiency of moving people and goods;

23 and

24 (E) feasibility of development of local ferry authorities.

Wave height 6-8 ft.  
18 ft. 12 ft. too high

\$1.4M down from operating costs.  
4 1/2 years since a 2 yr. schedule.

Dean Williams

*Reducing fare*

HCR 38

# STATE OF ALASKA

**DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES  
OFFICE OF THE COMMISSIONER**

**FRANK H. MURKOWSKI, GOVERNOR**

3132 CHANNEL DRIVE  
PO Box 112500  
JUNEAU, ALASKA 99811-2500

FAX: (907) 586-8395  
PHONE: (907) 465-3800

March 8, 2006

The Honorable Gary Wilken, Co-Chair  
The Honorable Lyda Green, Co-Chair  
Senate Finance Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

The Honorable Mike Chenault, Co-Chair  
The Honorable Kevin Meyer, Co-Chair  
House Finance Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

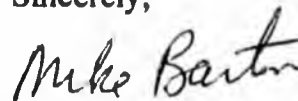
Dear Senator Wilken:

I want to be sure you are aware of the urgent need to augment the Alaska Marine Highway System (AMHS) funds. This need results from unanticipated and sharply increased fuel costs. Quite frankly, without prompt passage of the much needed AMHS supplemental that was originally submitted in the Governor's Energy Supplemental bill the system will not be able to cover the second payroll in March or pay our vendors. As my staff has testified in committee hearings, these funds are necessary to meet the System's cash flow needs.

After the posting of today's marine union bi-weekly payroll, we anticipate there will be only \$4.2 million left in the Marine Highway Fund. This is not enough to cover the on-going bills of the System and the payroll which is due to process on March 22. By looking at the numbers, you can see my concern.

Your assistance in this situation would be greatly appreciated.

Sincerely,



Mike Barton  
Commissioner

cc: Senator Ben Stevens, Senate President  
Representative John Harris, Speaker of the House  
Senator Charlie Huggins, Chair of the Senate Transportation Committee  
Representative Jim Elkins, Co-Chair of the House Transportation Committee  
Representative Carl Gatto, Co-Chair of the House Transportation Committee  
Cheryl Frasca, Director, Office of Management and Budget  
Kevin Jardell, Legislative Liaison, Office of the Governor  
Robin Taylor, Deputy Commissioner / Director of Marine Operations, DOT&PF  
Nancy J. Slagle, Director, Division of Administrative Services, DOT&PF

*"Providing for the movement of people and goods and the delivery of state services."*

# CITY OF CORDOVA



April 3, 2006

Representative Bill Thomas, Jr.  
State Capitol Rm. 428  
Juneau, AK 99801-1182

Re: HCR 38

Dear Representative Thomas:

On behalf of the City of Cordova, I would like to express our support for HCR 38, relating to the deployment of the fast ferries in Prince William Sound and northern Lynn Canal year-round.

As you are aware, Cordova has been promised for years, beginning with the original Prince William Sound/Copper River Transportation Plan, that the second Fast Vehicle Ferry, the *M/V Chenega*, would begin operating in 2005 in Prince William Sound (PWS) between Valdez, Cordova and Whittier on a year-round schedule. In 2005, the ferry offered passenger service for only two weekends in our area, which certainly doesn't allow for any in-depth analysis of the potential economics regarding the operations of the vessel.

The residents of the Sound were also adversely impacted last summer when the re-scheduling from the fast ferry to the *M/V Aurora* was made with no advance warning. New bookings to our area were allowed only after the reservation system had been closed down for several weeks.

Our community has had only minor input on any of the recent decisions regarding scheduling, which is a normal courtesy and was standard operating procedure in the past. Schedule changes occur so often that it is nearly impossible to rely on schedule information, and this has only been exacerbated by the constant re-shuffling of the vessels.

HCR 38 will go a long way towards helping with these problems by re-deploying the fast ferries year-round in the areas for which they were built. By providing a 2 year baseline schedule, residents, visitors and business alike can have reliable information when making travel plans and business decisions. I understand that the Marine Transportation Advisory Board has also recommended that this baseline schedule be developed and implemented. With the valuable information provided by the Department on a quarterly basis, all of us can better help maximize the use of these vessels. It will also provide the data to help us determine the feasibility of the development of authorities to oversee the management of these fast ferries locally, not unlike the current Inter-Island Ferry Authority operating in southern Southeast Alaska.

Thank you for your work on marine transportation issues for our coastal communities. Please let me know if there is anything else we can do to help with the passage of HCR 38.

Sincerely,

Timothy L. Joyce, Mayor

TLJ:lk

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HCR 38  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT & PF  
 Title Fast Ferries RDU Marine Highway System  
 Component Marine Vessel Operations  
 Sponsor H. Trans  
 Requester H. Trans Component No. 2604

**Expenditures/Revenues** (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2007        | FY 2008        | FY 2009    | FY 2010    | FY 2011    | FY 2012    |
|------------------------|----------------|----------------|------------|------------|------------|------------|
| Personal Services      | 2,398.2        | 2,398.2        |            |            |            |            |
| Travel                 | (20.7)         | (20.7)         |            |            |            |            |
| Contractual            | 60.6           | 60.6           |            |            |            |            |
| Supplies               | 963.8          | 963.8          |            |            |            |            |
| Equipment              |                |                |            |            |            |            |
| Land & Structures      |                |                |            |            |            |            |
| Grants & Claims        |                |                |            |            |            |            |
| Miscellaneous          |                |                |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>3,401.9</b> | <b>3,401.9</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                                    |                |  |  |  |  |  |
|------------------------------------|----------------|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( 1076 )</b> | <b>1,076.8</b> |  |  |  |  |  |
|------------------------------------|----------------|--|--|--|--|--|

**FUND SOURCE** (Thousands of Dollars)

|                                  |                |                |            |            |            |            |
|----------------------------------|----------------|----------------|------------|------------|------------|------------|
| 1002 Federal Receipts            |                |                |            |            |            |            |
| 1003 GF Match                    |                |                |            |            |            |            |
| 1004 GF                          | 2,325.1        | 2,325.1        |            |            |            |            |
| 1005 GF/Program Receipts         |                |                |            |            |            |            |
| 1037 GF/Mental Health            |                |                |            |            |            |            |
| Other (1076 Marine Highway Fund) | 1,076.8        | 1,076.8        |            |            |            |            |
| <b>TOTAL</b>                     | <b>3,401.9</b> | <b>3,401.9</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

This bill adds operation of the fast vehicle ferries in the winter (Oct. 1 through April 30) resulting in 23 weeks of additional service in Lynn Canal and 25.2 in Prince William Sound. The M/V *Chenega* will operate 4 days per week in Prince William Sound and the M/V *Fairweather* will operate 7 days/week in North Lynn Canal and Sitka. The Governor's amended budget provides for service in these areas during the summer time only. Providing this service reduces travel costs as it was anticipated that the boats would winter in the Pacific Northwest where there are appropriate facilities and travel was needed to fly crews back and forth. No new positions are added as there are positions currently operating the vessels. Operating the vessels in the winter is anticipated to generate \$1,076.8 for the Marine Hwy Fund.

This bill requires analysis of the true demand and economic feasibility of operating these boats after two years at which point the fiscal impacts for FY09, FY10, FY11, FY 12 will be determined.

Prepared by: Mary Siroky Phone (907) 228-7274  
 Division: Commissioner's Office Date/Time 4/03/2006 11:00AM  
 Approved by: Mike Barton Date 4/3/2006  
 Agency: Mike Barton, DOT&PF

8255 Aspen Avenue  
Juneau, AK 99801

April 11, 2006

The Honorable Representative Jim Elkins, Co-Chair  
The Honorable Representative Carl Gatto, Co-Chair  
House Transportation Committee  
State Capitol Room 17  
Juneau, AK 99801

Dear Representatives Elkins and Gatto, and members of the House Transportation Committee,

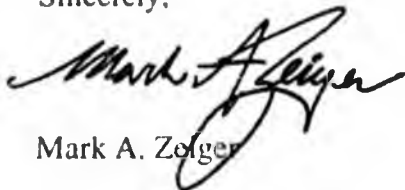
I support the Honorable Representative Bill Thomas's Resolution, HCR 38, urging the Department of Transportation and Public Facilities to use the Alaska Marine Highway System efficiently and predictably.

It seems pretty clear that the ferry system is being manipulated to lower ridership and turn public opinion against it in favor of the proposed road to the Katzechin River, the *new* "preferred alternative," that DOT&PF is trying to convince us was the best choice all along. The department's relentless pursuit of a road is against the wishes of most Southeast Alaskans, and contrary to the best interests of most Alaskans. While a small percentage of our population will use the road, every one of us will pay for its support and upkeep, as well as lose the benefit of transportation funds that should go toward maintaining and improving existing transportation infrastructure around the state.

Even if the Transportation Committee supports construction of a road, completion of such an ambitious project is years away. Now, and until a road is opened, Alaskans need their ferry system. That need will not go away until the first private vehicles are allowed to use the road. Until then, the ferry system, particularly the fast ferries, should be used as they were originally intended rather than being shunted around at the whim of DOT&PF.

The Alaska Marine Highway requires upgrading, maintenance and improvement, just as any transportation system. It also needs to be managed efficiently and reliably to benefit Alaskans and those who visit our great state. It should not be used as a pawn in a political game. Please support Representative Thomas's resolution.

Sincerely,



Mark A. Zelger

April 11, 2006

Members of the House Transportation Committee:

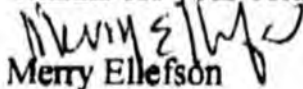
My name is Merry Ellefson and I live at 8170 N. Douglas in Juneau. I'm here to ask for your support of HCR 38.

The fast ferries are likely to succeed when placed in high volume areas such as the Lynn Canal and Prince William Sound. It's my understanding that in operating only six months, the Fairweather carried the third highest number of passengers in the AMHS fleet for the entire year of 2004. Further, if given the chance to serve Northern SE, I think the Fairweather will prove to be a vital link in our quest to efficiently access Juneau, if schedules and rates are properly managed.

Many of us living here could have advised Mr. Taylor, before he made the half of a million dollar decision to pull the Chenega from the Sound and send it south, that the low volume and log infested Juneau-Petersburg, and Petersburg- Ketchikan fast ferry links were doomed for failure.

Please, I ask you to give the fast ferries the chance to help many Alaskans overcome the transportation challenges here and support HCR 38.

Thanks for your consideration.

  
Merry Ellefson

merryellefson@aol.com



Co-Chair Representative Carl Gatto  
Co-Chair Representative Jim Elkins  
Representative Vic Kohring  
Representative Mark Neuman  
Representative Bill Thomas  
Representative Mary Kapsner  
Representative Woodie Salmon

April 11, 2006

To the Members of the House Transportation Committee,

I am writing on behalf of the Alaska Transportation Priorities Project in support of House Concurrent Resolution 38, sponsored by Representative Bill Thomas. ATPP is a statewide watchdog organization advocating for a safe, efficient, environmentally appropriate, and fiscally responsible transportation system for the State of Alaska.

We believe the concepts outline in HCR 38 will move the State closer to those four goals. The Fast Vehicle Ferries can be used most efficiently by placing them on short routes with high volumes. The Lynn Canal and Prince William Sound routes are ideal for this situation. Furthermore, preliminary results show that the Fast Vehicle Ferries have actually made money in the Lynn Canal. We obtained raw data from the Department of Transportation for trips made in the Lynn Canal from June 8 to September 11, 2004. From this data we were able to calculate that the *M/V Fairweather* profits were \$255,279 from revenues of \$1,409,529

Ferries in general are historically safer than roads, particularly through mountainous terrain that characterizes the Lynn Canal and Prince William Sound. Ferries allow maritime communities to maximize one of their best assets – the surrounding waterways. The Juneau Access study found that the Marine Highway System, including the Fast Vehicle Ferries, costs the state half of what we would pay to maintain the currently proposed road-shuttle ferry alternative (see the Federal Highway Administration's April 2006 Record of Decision, page 4.)

Unfortunately, it is extremely difficult for communities and decision makers to find accurate information regarding the health of the Marine Highway System. It is unclear if it is a deliberate manipulation of data or simply a dearth of information. In any case, information critical for making sound decisions about the future of the ferry system has not been made available in an easily digestible form to the public nor key decision makers.

In closing, HCR 38 is a prudent step toward the goal of operating a more sustainable Marine Highway System.

Sincerely,

A handwritten signature in cursive script that reads "Emily Ferry".

Emily Ferry  
Coordinator, Alaska Transportation Priorities Project

4/10/06

Dear Representative,

As the Haines Chamber of Commerce President, I urge you to support HCR 38, sponsored by Representative Bill Thomas. I have a great concern about the inconsistent ferry service in Lynn Canal that services Haines and Skagway. As a rural community, Haines is greatly affected by the lack of consistent, reliable ferry service. This Resolution urges DOT to use the fast ferries efficiently by scheduling them on high-volume routes, namely Lynn Canal and Prince William Sound. It is no surprise that since the Juneau Road Access has become top priority for DOT, that the service of our small communities in the upper Lynn Canal has become low priorities. This resolution would urge DOT and Public Facilities to commit to a year-round, fast vehicle ferry for Juneau, Haines, Skagway and Sitka; develop a schedule that would remain unchanged for two years; return, on a year-round basis, a fast vehicle ferry to Prince William sound; and provide mayors of the affected communities with relevant data to assist the communities for evaluation purposes.

Haines tourism industry has suffered greatly by the ever changing ferry schedule, therefore making it very difficult, if not impossible for the traveling public to make reservations or long term plans for their travel purposes. I urge you to support this resolution. After all, without our elected officials, our voices are not heard.

I thank you for your consideration.

Karen M. Hess / President  
Haines Chamber of Commerce




**State of Alaska**  
**Cordova Legislative Information Office**  
P.O. Box 2248 Cordova, Alaska 99574  
907-424-5461 Fax 907-424-5462  
Cordova\_LIO@legis.state.ak.us

**To:**  
**House Transportation Co-Chair**  
**Representative Jim Elkins**  
**907-465-3793**

**Comments:**

Please enter this written testimony into the record for HCR 38, scheduled for hearing today April 11 at 1:30 pm.

Thank you,  
Mimi Briggs   
Cordova LIC - Reserve

6 pages, including cover.

**Number of pages including this one:**

Osa Schultz  
PO Box 1291  
Cordova, AK 99574  
907-424-5269

---

March 30, 2006

**Re: HCR 38**

**To: Alaska State House Transportation Committee Hearing**

I AM WRITING TESTAMONY IN STRONG FAVOR OF THIS BILL TO RESTORE THE FAST FERRY TO THE PRINCE WILLIAM SOUND ROUTE.

As a Cordova resident for over 20 years, it has been a pleasure to finally have a reliable and affordable alternative to commute to Anchorage for the last year.

I am personally aware of more friends and associates using the new schedule than ever before, proving when the service is available it will be utilized.

As a business owner of a lodging facility I have also found it to enhance my number of winter guests, so obviously other state residents are making use of the more frequent sailings and winter Whittier service as well.

As a 10-year board member of the Cordova Chamber of Commerce I have an acute understanding of how critical it is to give the Chenega a chance to develop its market. Many local investors have projects that hinged on the fast ferry connection with Anchorage. It was a huge compromise to have it pulled out of the sound last summer.

Lastly, as a mother of a junior high student, I know how critical the ferry schedule is to the recreation activities sponsored by the school.

As the bill sponsored by The House Transportation Committee states:  
WHEREAS inconsistent planning and sudden changes to schedules have caused negative economic effects on communities and their businesses  
BE IT RESOLVED ...to develop a schedule for these vessels that remains unchanged for 2 years to determine true demand and economic feasibility

**I URGE YOU TO SUPPORT AND PASS HCR 038**

**Thank you, Osa Schultz Box 1291 Cordova, Alaska 99574**

To the House Transportation Committee

Please enter into the record my testimony to the House Transportation Committee on April 6<sup>th</sup>, 2006

I would like to thank Representative Thomas for introducing HCR 38 which would return the FVF Chena to Prince William Sound. I live in Cordova, am a teacher and basketball coach and a parent. While I expect the Chena to have a positive effect on the economy of Cordova, I also feel it has the potential to reduce the travel time of our students and school personnel while on interschool athletic trips. This is due to daylight departure times and reduced sailing time.

During just the basketball season our students might have saved 20 to 25 hours of travel time. Considering a trip from Cordova to Hutchison HS in Fairbanks involves 5 hours of sailing on the Aurora and then a bus ride of 8 hours these can be critical hours on some pretty long trips. With the Aurora our students returned to Cordova after midnight Sunday nights but were expected to attend Monday classes.

Most importantly the bill addresses the issue of establishing a baseline schedule two years in advance. Not only does this help tourism but it would help the school by enabling it to better mesh its' schedule which is done over a year in advance with the ferry's. This last year we filled the ferry on four basketball trips; two to Valdez, one to Districts at Monroe in Fairbanks and one to the State tournament in Anchorage. We would like to do this regularly and I feel the Chena would also help to encourage parents from Glennallen, Valdez, and further north to similarly follow their teams when they travel to Cordova.

Virginia Anderson  
PO Box 1603  
412 Davis Ave.  
Cordova, Alaska 99574

[vanderson@cordova.schoolaccess.net](mailto:vanderson@cordova.schoolaccess.net)

To the House Transportation Committee

Please enter into the record my testimony to the House Transportation Committee on April 6<sup>th</sup>, 2008

HCR 38 as introduced by Representative Thomas is important to the future of the City of Cordova. This bill addresses two vital needs; the return of a ferry capable of shortening the sailings to and from Cordova and also the establishment of a baseline schedule two years in advance. Please advance the bill in full.

The state's transportation plan for Prince William Sound as is published on its' DOT website describes the Chenega and how it should be implemented in PWS. This is a plan which was predicated on meeting the needs of PWS, improving service overall, and saving money. This is an important piece of our transportation infrastructure which should enable us to better establish a visitor industry. Last summer Cordova had the Aurora traveling the schedule which was designed for the Chenega. We greatly appreciated the increased number of sailings but found that it was difficult for visitors who arrived for the weekend at 1am Saturday morning and departed from their hotel rooms at 4 am either Sunday morning or 4 am Monday morning. Hotel operators pointed out it is difficult to sell a romantic weekend based on this schedule. I periodically need to travel on the ferry to get to business locations. The early departures make efficient work more difficult when I arrive on location. When you wake at 3 am, check in at 4, and load at 5 then semidoze for 5-7 hours as you ride the ferry, it is difficult to be sharp when the jobsite is reached. And you hit the fatigue wall early. The Chenega can change that.

The Chenega will provide for a great summer schedule, we learned that during the two weeks late last summer that it ran for customers. During the winter it should provide the flexibility to meet the needs of local travelers, sports teams, and tourism efforts. While I am not aware at this time of a winter schedule, I know that the Chenega could be a day boat even with a greatly reduced (and maybe more fuel efficient) speed.

We have heard disparaging things about the boat. However, in PWS we have far fewer logs than SE Alaska and wave action in PWS is different than found on SE routes. Only after the boat is used year round in Prince William Sound will we know how it will perform here. If we are provided with information which allows us to combine local needs and knowledge into the use of the boat, as HCR38 asks, we expect to find that it does work well and efficiently throughout the year.

Cordova is ready to sell itself and the ferry, we were excited about doing this last summer and we are again. But we are gun shy now and this bill will help us to feel that there is some certainty that our efforts will be backed up with the proper boat. I have sailed on the Chenega and it is a selling point itself.

Years ago I lobbied for and was in on the decision to implement the first Cordova to Whittier ferry run which turned out to be quite successful. I have been continually involved as chair of our Ferry committee. I urged the lowering of fares in PWS years ago when I discovered they were much higher than the rest of the system, I knew that action would increase ridership. And I participated in the creation of the PWS and CR Transportation plan. I expect the Chenega to be very successful in PWS and look forward to the implementation of the transportation plan.

Michel Anderson  
POBox 1603  
412 Davis Ave.  
Cordova, Alaska 99574  
mvaclay@ak.net

907-424-3142

**LIO Cordova**

---

**From:** Blackler [docblack@ctc.ak.net]  
**Sent:** Friday, March 31, 2006 9:43 AM  
**To:** LIO Cordova  
**Subject:** House Resolution

We would like to support the House Concurrent Resolution that Bill Thomas has sponsored regarding the Chenega Ferry service in Prince William Sound.

As business owners we know that Cordova needs the additional revenue that tourists can bring to Cordova. As residents we have numerous family members that travel from the lower 48 every year to enjoy our fishing and our community. It would be wonderful for them to have the added advantage of a faster ferry with daily service to Cordova.

Jerry & Vicki Blackler  
Alpine Diesel  
Cordova AK

4/5/2006

To the House Transportation Committee  
4/4/06

Please enter into the record my testimony to House Transportation Committee on HCR 38.

Having a family of six we make several trips a year to Anchorage we love to take the ferry so we can take our own vehicle and stock up on needed items. One of the biggest problems is the time line. Having a set time for an extended period of time allows for making appointments far in advance (medical specialist), planning for travel and shopping. Being land locked and the ferry being our highway we should receive priority and be subsidized because it is our highway.

Thank you,

Karen Peterson  
PO Box 101  
Cordova, AK 99574

**Lesley Bullock**

---

**From:** Dick Flegel [dflegel@fnbalaska.com]  
**Sent:** Monday, April 10, 2006 12:22 PM  
**To:** Rep. Jim Elkins  
**Subject:** (HCR) 38

I support House Concurrent Resolution (HCR) 38. I believe that fast ferries can be operated efficiently and effectively, especially if they are placed on high-volume routes like the Lynn Canal.

I believe the businesses in Haines have been damaged by the Murkowski administration's planned obsolescence of our ferry system.

I ask you to support Bill Thomas and (HCR) 38.

Thanks for your consideration.

Dick Flegel, Banker and Haines resident

=====  
If you are not the intended recipient of this email do not read, retain, copy, distribute, or disclose the content of this email. If you have received this email in error, please advise us by reply email @FNBAAlaska.com and destroy the original message and all copies.

# CITY OF CORDOVA



April 3, 2006

Representative Bill Thomas, Jr.  
State Capitol Rm. 428  
Juneau, AK 99801-1182

Re: HCR 38

Dear Representative Thomas:

On behalf of the City of Cordova, I would like to express our support for HCR 38, relating to the deployment of the fast ferries in Prince William Sound and northern Lynn Canal year-round.

As you are aware, Cordova has been promised for years, beginning with the original Prince William Sound/Copper River Transportation Plan, that the second Fast Vehicle Ferry, the *M/V Chenega*, would begin operating in 2005 in Prince William Sound (PWS) between Valdez, Cordova and Whittier on a year-round schedule. In 2005, the ferry offered passenger service for only two weekends in our area, which certainly doesn't allow for any in-depth analysis of the potential economics regarding the operations of the vessel.

The residents of the Sound were also adversely impacted last summer when the re-scheduling from the fast ferry to the *M/V Aurora* was made with no advance warning. New bookings to our area were allowed only after the reservation system had been closed down for several weeks.

Our community has had only minor input on any of the recent decisions regarding scheduling, which is a normal courtesy and was standard operating procedure in the past. Schedule changes occur so often that it is nearly impossible to rely on schedule information, and this has only been exacerbated by the constant re-shuffling of the vessels.

HCR 38 will go a long way towards helping with these problems by re-deploying the fast ferries year-round in the areas for which they were built. By providing a 2 year baseline schedule, residents, visitors and business alike can have reliable information when making travel plans and business decisions. I understand that the Marine Transportation Advisory Board has also recommended that this baseline schedule be developed and implemented. With the valuable information provided by the Department on a quarterly basis, all of us can better help maximize the use of these vessels. It will also provide the data to help us determine the feasibility of the development of authorities to oversee the management of these fast ferries locally, not unlike the current Inter-Island Ferry Authority operating in southern Southeast Alaska.

Thank you for your work on marine transportation issues for our coastal communities. Please let me know if there is anything else we can do to help with the passage of HCR 38.

Sincerely,

Timothy L. Joyce, Mayor

TLJ:lk

**Jennifer Baxter**

---

**From:** Dan Egolf [aknature@alaskanaturetours.net]  
**Sent:** Monday, April 10, 2006 12:03 PM  
**To:** Sen. Lyca Green; Rep. Bill Thomas; Sen. Donny Olson; Sen. Gary Wilken; Sen. Lyman Hoffman; Sen. Fred Dyson; Sen. Bert Stedman; Sen. Con Bunde; Rep. Carl Gatto; Rep. Jim Elkins; Rep. Vic Kohring; Rep. Mark Neuman; Rep. Mary Kapsner; Rep. Woodie Salmon  
**Subject:** Support for the state's ferries

Dear Alaska Legislators:

Please support full funding of our ferry system. As you may know 40% of the visitors to Anchorage use the ferries. The fragile economies of SE Alaska have been based around marine transportation for fifty years. Robin Taylor is a "fox in the chicken coop" and needs to be replaced. The state should go "head hunting" for a non-partisan retired navy admiral or an administrator from Seattle who knows how to move people, vehicles goods and equipment efficiently on the water. The Federal Highway Administration estimates that the Juneau road/shuttle/ferry combination will be twice as expensive as the existing ferry system over the long run. The current truncated road/shuttle idea will cost the State \$122 million, while the ferries will cost the State \$61 million over the same 35-year period.

Please support Bill Thomas's Concurrent Resolution (HCR) 38 and fully fund all of our ferries. I would appreciate hearing back from you regarding this important issue. Thanks!

Sincerely,

Dan Egolf,  
a concerned business owner in Haines, AK  
(907) 766-2876

**Jennifer Baxter**

---

**From:** James Alborough [guru@bearstar.net]  
**Sent:** Monday, April 10, 2006 11:43 AM  
**To:** Rep. Carl Gatto  
**Cc:** Rep. Vic Kohring; Rep. Mark Neuman; Rep. Jim Elkins; Rep. Bill Thomas; Rep. Mary Kapsner; Rep. Woodie Salmon  
**Subject:** Support for House Concurrent Resolution (HCR) 38

Dear committee members,  
I rely on reliable, predictable ferry service in the upper Lynn Canal. I have been particularly impressed with the fast ferries that have been running for the past year or two. Their service enables me to conduct my business in a sound, economical and predictable manner.

I would like to voice my support House Concurrent Resolution (HCR) 38. I believe that fast ferries can be operated efficiently and effectively, especially if they are placed on high-volume routes like the Lynn Canal.

Thank you for your consideration,  
James Alborough

-----  
James Alborough  
Bear Star -- <http://bearstar.net>  
Web Design and Computer Services  
907-766-2082

Also check out <http://hainesak.com>

Good afternoon members of the committee, staffs and members of the public. My name is Tim Joyce and I am Mayor of Cordova.

You should have a resolution and a letter from the City of Cordova in your packets of information as it was previously submitted. These are just a couple of the many resolutions and letters sent to a variety of places over the last year regarding the AMHS.

I want to voice my strong support for HCR 38. This resolution addresses some of the real weaknesses that have been exhibited in the Alaska Marine Highway System over the past year. When a business operation fails to follow the plans that were developed that included the wants and needs of its customers, that business eventually will fail. Unfortunately, I see that happening now with the AMHS. Nearly every business owner in Cordova that relies to some degree on the AMHS for transport of their customers has ask me if I know for sure that the Chenega will be operating in PWS this year. The only response I can give them is to say "that is what I have been told." Those people walk away shaking their head because they were told - no guaranteed that the Chenega would operate in PWS last year. You are all familiar with what happened then.

I am here today because HCR 38 can correct many of the past mistakes and would immediately stimulate the business economy in Cordova. If businesses and people know in advance what the ferry schedule would be - not just tomorrow, but 6 months from now and even a year

from now, they could plan their business travel and schedule events. Having a two year schedule is not particularly hard to provide and it will increase rider ship over time just because of the dependability.

Finally, I was at the dedication of the Chenega when she was being built in Bridgeport, Conn. That vessel was designed and built to be operated in PWS. The PWS Transportation Plan calls for the fast ferry to be operated year round in PWS. Why that vessel was moved to other locations with only two weekends of service here defies logic. HCR 38 will correct most of the errors made by the AMHS in PWS over the last year.

Thank you for your time and I strongly encourage this committee to move HCR 38 forward.

**HJR**

**18**

# Alaska State Legislature

**SESSION ADDRESS:**  
Alaska State Capitol  
Juneau, Alaska 99801  
Phone: (907) 465-3743  
1-800-565-3743  
Fax: (907) 465-2381



**INTERIM ADDRESS:**  
600 E Railroad Avenue  
Wasilla, AK 99654  
Phone: 907-376-2679  
Fax: (907) 373-4745

## Representative Carl Gatto

### SPONSOR STATEMENT

#### HOUSE JOINT RESOLUTION 18

#### "RELATING TO THE FEDERAL MARITIME TRANSPORTATION SECURITY ACT OF 2002 AND THE STATE'S RIGHT TO TAX COMMERCIAL PASSENGER VESSELS"

HJR 18 acknowledges that the Maritime Transportation Security Act of 2002 contains provisions, specifically subsection 445, which were an attempt to codify existing common law with regard to taxation issues arising when vessels do not stop at a particular port of call. Specifically, this provision was enacted to invalidate a tax which Yakutat had levied on cruise ships which did not actually call on Yakutat as a port. However, this provision has the potential for a much broader interpretation. Despite public statements by the sponsor of the measure to the contrary, the argument has been made that this measure would invalidate a statewide head tax on commercial passenger vessels.

While this issue has not yet been litigated, the State of Alaska realizes the need to assert strongly its sovereign right to regulate commercial activity within its borders in compliance with the commerce clause requirements. This resolution asks Congress to clarify or repeal this controversial measure on the basis that it unduly impinges on state's rights to regulate commercial activity.

I urge your prompt and favorable action on this measure.

NewsBank InfoWeb

Fairbanks Daily News-Miner (AK)

Fairbanks Daily News-Miner (AK)

April 25, 2003

Federal cruise tax law makes waves

Section: Past News

Estimated printed pages: 2

Article Text:

The Associated Press

ANCHORAGE--Gov. Frank Murkowski set off a squall in the Capitol last week when he said a state head tax on cruise ship passengers would run afoul of a new federal law.

But those responsible for passing that federal law, Rep. Don Young and Sen. Ted Stevens, had no intention of preventing Alaska from imposing a head tax on disembarking passengers, their aides said.

Murkowski raised the issue during an April 17 press conference.

"For those that are suggesting (a cruise ship head tax) is a desirable alternative, there is a federal law that was passed last year," Murkowski said.

He read section 445 of the national port security bill to reporters and had copies distributed.

The section says only the federal government can impose taxes on a ship "if the vessel or water craft is operating on any navigable waters subject to the authority of the United States."

There's an exception for fees to cover the costs of services to a ship.

"So our interpretation of this is that a head tax on tourism, from the standpoint of passengers, would simply run into a contradiction with federal law," the governor said.

Proposals to levy a head tax on cruise passengers have surfaced often in the Legislature and in local governments in Southeast Alaska, though cruise ship companies have pulled out of some ports that have imposed such a tax.

Juneau has a \$5-a-head tax on cruise ship passengers, raising \$3 million a year.

"This is horrible, really wrong," Juneau Democratic Rep. Beth Kerttula said, referring to the new federal law. "This is a real slap in the face to Alaskans."

Rep. Carl Gatto, R-Palmer, was eager to take on the federal government. He sponsored a bill--which

appears to be dead for this year--to impose a \$100-a-head state tax on cruise passengers. The issue was bigger than cruise ship taxes, he said. It was about defending Alaska's rights.

But a spokesman for Rep. Young, who sponsored the port security bill, said section 445 was never intended to block state or local governments from imposing a head tax on docking ships.

Rather, it was aimed at squelching a move to tax ships passing by.

In a word, said spokesman Steve Hansen, it's about Yakutat.

Yakutat had been trying to impose a head tax on ships that enter Yakutat Bay, even if they don't dock. Town officials say they've had to buy a search-and-rescue boat and monitor pollution since cruise ships started showing up in the bay.

Stevens' spokeswoman, Melanie Alvord, offered a similar interpretation of section 445, which, she said, Stevens authored.

"This provision codifies existing law that prevents local jurisdictions from taxing vessels that never call at a local port," she said.

John Manly, the governor's spokesman, said Attorney General Gregg Renkes had given the law a quick look before the press conference last week and thought it would make a state cruise ship tax illegal.

"That's the way we read it," Manly said. Renkes did not do a full analysis, Manly said.

Murkowski, who was a senator at the time, voted for the port security bill in November, as did Stevens and Young.

Manly said the governor does not favor a head tax on cruise ships.

"I think he believes we shouldn't single out a specific mode of transportation," Manly said.

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[http://docs.newsbank.com/openurl?ctx\\_ver=z39.88-2004&rft\\_id=info:sid/iw.newsbank.com:FONB&rft\\_val\\_format=info:ofu/fmt:kev:mtx:eta&rft\\_dat=0FAA5250CB5E781A&svc\\_dat=InfoWeb:current:&req\\_dat=0FC00EA2EBA63E28](http://docs.newsbank.com/openurl?ctx_ver=z39.88-2004&rft_id=info:sid/iw.newsbank.com:FONB&rft_val_format=info:ofu/fmt:kev:mtx:eta&rft_dat=0FAA5250CB5E781A&svc_dat=InfoWeb:current:&req_dat=0FC00EA2EBA63E28)

**SB**

**63**

Alaska State Legislature  
PRESIDENT OF THE SENATE

rcvd 3/22  
11:30m


*Interim:*  
716 WEST 4TH AVENUE  
ANCHORAGE, AK  
99501-2133  
(907) 269-0200  
FAX (907) 269-0204

*Session:*  
STATE CAPITOL  
JUNEAU, AK  
99801-1182  
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SENATOR BEN STEVENS

MEMORANDUM

TO: Representative Carl Gatto, Co-chair  
Representative Jim Elkins, Co-chair  
House Transportation Committee

FROM: Senator Ben Stevens 

DATE: March 22, 2005

RE: Scheduling of Senate Bill 63 for Hearing

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I respectfully request the scheduling of Senate Bill 63 – “An Act relating to road signs encouraging the use of safety belts.”– for a hearing at your earliest possible convenience. Thank you.

**Alaska State Legislature**  
**PRESIDENT OF THE SENATE**

*Interim:*

716 WEST 4TH AVENUE  
ANCHORAGE, AK  
99501-2133  
(907) 269-0200  
FAX (907) 269-0204

*Session:*

STATE CAPITOL  
JUNEAU, AK  
99801-1182  
(907) 465-4993  
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SENATOR BEN STEVENS

**SPONSOR STATEMENT**

SENATE BILL 63

"An Act relating to road signs encouraging the use of safety belts."

**The Nathan Kampen Act**

Senate Bill 63 would encourage the posting of signs promoting the use of safety belts. The legislation specifically allows the Department of Transportation to erect and maintain signs at the site of a motor vehicle accident where a fatality occurred as a result of a person's failing to use a safety belt.

Title 17 currently only allows Highway Fatality Memorial Signs that do not include a safety belt sign. An average of 55% of the fatalities in motor vehicle accidents in Alaska from 1997-2002 could have been prevented if seatbelts had been used. It is our hope that these postings will reduce the number of fatalities from failure to use a seat belt.

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB63-DOT-CO-1-3-05  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
 Title Road Signs Encouraging Seat Belt Usage RDU Administration & Support  
 Component Commissioner's Office  
 Sponsor Sen. Ben Stevens  
 Requester Senate Transportation Component No. 530

**Expenditures/Revenues** (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|------------------------|---------|---------|---------|---------|---------|---------|
| Personal Services      |         |         |         |         |         |         |
| Travel                 |         |         |         |         |         |         |
| Contractual            |         |         |         |         |         |         |
| Supplies               |         |         |         |         |         |         |
| Equipment              |         |         |         |         |         |         |
| Land & Structures      |         |         |         |         |         |         |
| Grants & Claims        |         |         |         |         |         |         |
| Miscellaneous          |         |         |         |         |         |         |
| <b>TOTAL OPERATING</b> | *       | *       | *       | *       | *       | *       |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**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) |   |   |   |   |   |   |
| <b>TOTAL</b>                            | * | * | * | * | * | * |

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

It is not known how many signs would be posted and maintained by DOT&PF, however, the average cost of such a sign is \$500.

Prepared by: Nona Wilson Phone 465-3904  
 Division Legislative Liaison, DOT&PF Date/Time 2/4/05 12:08 PM  
 Approved by: Mike Barton Date 2/4/2005  
 Agency Commissioner, DOT&PF

| Alaska Traffic Accidents   |        |        |        |        |        |
|----------------------------|--------|--------|--------|--------|--------|
|                            | 1997   | 1998   | 1999   | 2000   | 2001   |
| Total Accidents            | 13,804 | 13,499 | 14,691 | 14,127 | 15,273 |
| Fatalities                 | 54     | 53     | 55     | 79     | 69     |
| No Seatbelt                | 31     | 28     | 29     | 45     | 39     |
| % that could have survived | 57%    | 53%    | 53%    | 57%    | 57%    |

## CHAPTER 2S. SPECIAL SIGNS

*This is a new chapter. There is no corresponding chapter in the MUTCD.*

### Section 2S.01 Highway Fatality Memorial Signs (I-160 through I-163)

Support:

Highway Fatality Memorial Signs memorialize people who die in highway accidents.

Standard:

The **PLEASE DON'T DRINK AND DRIVE (I-160)** sign is used when a legally drunk driver caused the fatal accident. This sign shall be used in conjunction with one of the following:

- An **IN MEMORY OF . . . (I-162)** plaque, when the deceased was a victim of an alleged drunk driver, OR
- A **SPONSORED BY . . . (I-163)** plaque, when the deceased was the alleged drunk driver

The **PLEASE DRIVE SAFELY (I-161)** sign is used when a legally drunk driver did not cause the fatal accident. It shall be used in conjunction with one of the following:

- An **IN MEMORY OF . . . (I-162)** plaque, when the deceased was a victim of another driver who was allegedly at fault, or when the deceased was the only person killed or injured in a single car accident, OR
- A **SPONSORED BY . . . (I-163)** plaque, when the deceased was the driver who was allegedly at fault in an accident where others were killed or injured.

If both **IN MEMORY OF . . . (I-162)** and **SPONSORED BY . . . (I-163)** plaques are required at an accident site, they shall be installed on separate sign installations.

Month and year of installation shall be clearly marked on the back of each sign and plaque with long-lasting black paint.

Before installation on state highways, the DOT&PF regional office right-of-way chief or designee must approve the use of these signs in keeping with the Highway Fatality Memorial Sign Program. Applicants for the signs must comply with program requirements.

**Cheryl Sutton**

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**From:** Jeff Turner  
**Sent:** Thursday, February 17, 2005 8:42 AM  
**To:** Phelan Straube; Shannon Straube; Cheryl Sutton  
**Subject:** Letter to the Editor in 2/17/05 edition of the ADN

**Why do legislators oppose signs reminding us to wear seat belts?**

It seems there may be some confusion over Ben Stevens' Senate Bill 63. This is legislation allowing the erection of a roadside memorial sign encouraging the use of seat belts. In the Daily News article "Buckling up high on legislators to-do list" Feb. 9, it states there are six House members who are opposed to this legislation. A roadside memorial sign program is already available to the public; you know the little blue signs that say "Please Don't Drink and Drive" or "Please Drive Safely" and under the sign it lists the name or names of people who have lost their lives. Why would they oppose something that really isn't going to cost anything and will draw attention to the terrible loss of life due to lack of wearing seat belts?

I lost my youngest son, Nathan Kampen, in a car accident. He was not wearing his seat belt. When I requested a memorial sign saying "Please Buckle Up" or something similar, I was told it was not available. So I presented my problem to Ben Stevens, and he was kind enough to help. I truly see no reason to oppose this legislation. I could always put up one of the other signs available, but my hope is to remind our young people to "Buckle Up."

---- Carol Kampen

**SB**

**85**

# ALASKA STATE SENATE

Session:  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-2327  
(907) 465-5241 Fax



Interim:  
119 N. Cushman, Suite 201  
Fairbanks, Alaska 99701  
(907) 456-8161  
Senator\_Ralph\_Seekins@legis.state.ak.us

Senator Ralph Seekins  
District D

## Senate Bill 85 Sponsor Statement

**"An Act repealing the ban on the use of certain off-road vehicles within five miles of the right-of-way of the James Dalton Highway."**

A substantial portion of Alaska's landmass lies on the north side of the Yukon River. Only one road exists in that entire area – the James Dalton Highway. Current law, with very limited exceptions, unilaterally bans the use of off-road vehicles within five miles of the highway's right-of-way starting at mile 57 (the Yukon River crossing) and extending 357 miles north to the Arctic Ocean.

This law (AS 19.40.210) essentially prohibits access for average Alaskans to recreate on tens of millions of acres of public lands that would otherwise be open to their use. Senate Bill 85 *removes* the prohibition on the use of off-road vehicles within the five mile right-of-way of the Dalton Highway 12 months *after* the bill becomes law.

With the removal of the ban, this legislation clears the way for land owners (federal and state government via the BLM and DNR, respectively) to develop and implement land use plans for the first time. Then, in accordance with these plans, campgrounds, trails and public-use cabins could be built all while protecting sensitive areas. In this respect it would be no different from many other parts of the state where multiple user groups co-exist while maintaining certain restrictions where necessary.

On the Dalton, the fact is the Bureau of Land Management already has turnouts, restrooms and visitor centers constructed to accommodate increased public interest in this part of Alaska. Planned, orderly recreational development along the Dalton is not a matter of time — it's a reality today. What's more, the BLM has already prepared a Dalton Highway management plan. But it's been sitting on a shelf since 1991 waiting for the state to remove the outdated ban on off-road vehicles.

Continued prohibition of off-road vehicles will only foster an increasingly untenable situation. The Dalton is attracting more and more visitors. It's only reasonable to expect this to continue on a year-round basis. Furthermore, dropping the ban would allow state agencies to continue doing valuable research work without being placed in the awkward position of violating state law.

Current law essentially requires that you be either wealthy enough to fly, or healthy enough to walk, into vast areas of public lands north of the Yukon. SB 85 will open this area to the rest of us as well.

# ALASKA STATE LEGISLATURE



Official Business

## SENATE RESOURCES COMMITTEE

Senator Tom Wagoner, Chair

State Capitol, Room 427

Juneau, AK 99801-1182

Phone: (907) 465-4907 Fax: (907) 465-4779

Senator Ralph Seekins, Vice-Chair

Senator Ben Stevens

Senator Kim Elton

Senator Fred Dyson

Senator Bert Stedman

Senator Gretchen Guess

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### Letter of Intent – April 11, 2005

### **SB 85: OFF-ROAD VEHICLE USE ON DALTON HIGHWAY**

The legislature acknowledges the provision of Article VIII, Sections 1, 2 and 3 of the Alaska State Constitution. These sections provide, seriatim, that:

- (1) it is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest;
- (2) the legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people; and
- (3) wherever occurring in their natural state, fish, wildlife and waters are reserved to the people for common use.

The legislature thus recognizes that it is the policy of the state to encourage the development of its land and resources, but in a manner that recognizes the collective interests of the people as the owners of these lands and resources. It is consistent with the public interest that resources be developed responsibly – not ruined or plundered.

It is the intent of the Legislature, by removing the AS 19.40.210 blanket prohibition of all recreational off-road vehicles on the lands within the Dalton Highway corridor north of the Yukon River bridge, to encourage and provide for a broad range of

public access alternatives to public lands consistent with the multiple use principle and to do so in concert with modern principles of stewardship.

However, it is not the intent of the legislature to allow unfettered or irresponsible use of off-road vehicles on either public or private lands. And, in the case of the lands north of the Yukon River bridge, the legislature is aware that time will be needed for the appropriate federal and state land and resource managers to design and implement plans that balance access with care for the lands and resources. Therefore, it is also the intent of the Legislature to allow sufficient time for State and Federal land and resource managers to develop and implement appropriate land use and resource management plans for the Dalton Highway corridor and adjacent lands before the current statutory prohibition is removed.

With the foregoing in mind, the effective date for this bill is 12 months following the date of passage into law. Following consultation with the appropriate land and resource managers, it is the understanding of the Legislature that this 12-month delay is sufficient time for the agencies and boards to complete their processes – all of which include public hearings – and to have their respective land use and resource use plans in place prior to the removal of the prohibition.

It is also the intent of the Legislature that, if the 12-month delay is not sufficient time for the orderly completion of the public process necessary to implement appropriate land and resource management plans, it will meet in regular session and extend the effective date for an additional period not to exceed 12 months.

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 4  
Bill Version: SB 85  
(S) Publish Date: 2/6/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
Title: Off-Road Vehicle Use on Dalton Highway RDU: Administration & Support  
Component: Commissioner's Office  
Sponsor: Senator Seekins  
Requester: \_\_\_\_\_ Component No.: 530

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

| OPERATING EXPENDITURES | FY 2007    | FY 2008    | FY 2009    | FY 2010    | FY 2011    | FY 2012    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      |            |            |            |            |            |            |
| Travel                 |            |            |            |            |            |            |
| Contractual            | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Supplies               |            |            |            |            |            |            |
| Equipment              |            |            |            |            |            |            |
| Land & Structures      |            |            |            |            |            |            |
| Grants & Claims        |            |            |            |            |            |            |
| Miscellaneous          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**FUND SOURCE** (Thousands of Dollars)

| FUND SOURCE                             | FY 2007    | FY 2008    | FY 2009    | FY 2010    | FY 2011    | FY 2012    |
|---|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts                   |            |            |            |            |            |            |
| 1003 GF Match                           |            |            |            |            |            |            |
| 1004 GF                                 | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1005 GF/Program Receipts                |            |            |            |            |            |            |
| 1037 GF/Mental Health                   |            |            |            |            |            |            |
| Other (Specify Type--Do not abbreviate) |            |            |            |            |            |            |
| <b>TOTAL</b>                            | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

Prepared by: John Manly  
Division: Legislative Liaison, DOT&PF  
Approved by: Mike Barton  
Agency: Commissioner, DOT&PF

Phone 465-8994  
Date/Time 2/3/06 5:00 PM  
Date 2/3/06

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: 5  
 Bill Version: SB 85  
 (S) Publish Date: 2/6/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Military & Veterans Affairs  
 Title Off-Road Vehicle Use on Dalton Highway RDU Military and Veterans Affairs  
 Sponsor Senator Seekins Component Homeland Security and  
 Requester Transportation Component No. 2657  
 Emergency Management

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

| OPERATING EXPENDITURES | FY 2007    | FY 2008    | FY 2009    | FY 2010    | FY 2011    | FY 2012    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Travel                 | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Contractual            | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Supplies               | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Equipment              | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Land & Structures      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Grants & Claims        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Miscellaneous          | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |     |     |     |     |     |     |
|-----------------------------|-----|-----|-----|-----|-----|-----|
| <b>CAPITAL EXPENDITURES</b> | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-----------------------------|-----|-----|-----|-----|-----|-----|

|                               |     |     |     |     |     |     |
|-------------------------------|-----|-----|-----|-----|-----|-----|
| <b>CHANGE IN REVENUES ( )</b> | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-------------------------------|-----|-----|-----|-----|-----|-----|

**FUND SOURCE** (Thousands of Dollars)

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

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

No Fiscal impact.

Prepared by: John Cramer Phone 907-465-4602  
 Division: Division of Administrative Services Date/Time 2/3/06 5:10 PM  
 Approved by: Commissioner Craig E. Campbell Date 2/3/2006  
 Agency: Department of Military and Veterans Affairs

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: 6  
 Bill Version: SB 85  
 (S) Publish Date: 2/6/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: "An Act repealing the ban on the use of certain off-road vehicles within five miles of the right-of-way..." RDU/ Alaska State Troopers  
 Component: Alaska Bureau of Wildlife Enforcement  
 Sponsor: Senator Seekins  
 Requester: Senate Rules Committee Component No. 2746

**Expenditures/Revenues** (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2007    | FY 2008    | FY 2009    | FY 2010    | FY 2011    | FY 2012    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      |            |            |            |            |            |            |
| Travel                 |            |            |            |            |            |            |
| Contractual            |            |            |            |            |            |            |
| Supplies               |            |            |            |            |            |            |
| Equipment              |            |            |            |            |            |            |
| Land & Structures      |            |            |            |            |            |            |
| Grants & Claims        |            |            |            |            |            |            |
| Miscellaneous          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**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) |            |            |            |            |            |            |
| <b>TOTAL</b>                            | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

Passage of this bill will have no direct fiscal impact on the Department of Public Safety.

The repeal of AS 19.40.210 would allow the use of off-road vehicles, within the five miles of the right of way of the Dalton Highway. This right of way is known as the "highway corridor". If repealed, the Alaska State Troopers would expect to see increased off-road traffic due to the unrestricted access for hunting, fishing, and other recreational purposes. To explain further, there is currently only one trooper stationed in Coldfoot. Additional troopers will have to be temporarily assigned to this area to assist with enforcement efforts on a year around basis, rather than only during periods of high use, which has traditionally been during the late summer and early fall seasons.

Prepared by: Special Assistant Cliff Stone  
 Division: Commissioner's Office  
 Approved by: Commissioner William Tandeske  
 Agency: Department of Public Safety

Phone 907-465-2649  
 Date/Time 2/6/06 9:40 AM  
 Date 2/6/2006

Sec. 19.40.210. Prohibition of off-road vehicles.

Off-road vehicles are prohibited on land within five miles of the right-of-way of the highway. However, this prohibition does not apply to

- (1) off-road vehicles necessary for oil and gas exploration, development, production, or transportation;
- (2) a person who holds a mining claim in the vicinity of the highway and who must use land within five miles of the right-of-way of the highway to gain access to the mining claim; or
- (3) the use of a snow machine to travel across the highway corridor from land outside the corridor to access land outside the other side of the corridor; this paragraph does not permit the use of a snow machine for any purpose within the corridor if the use begins or ends within the corridor or within the right-of-way of the highway or if the use is for travel within the corridor that is parallel to the right-of-way of the highway; in this paragraph, "highway corridor" means land within five miles of the right-of-way of the highway.

## Sec. 19.40.290. Definitions.

In this chapter

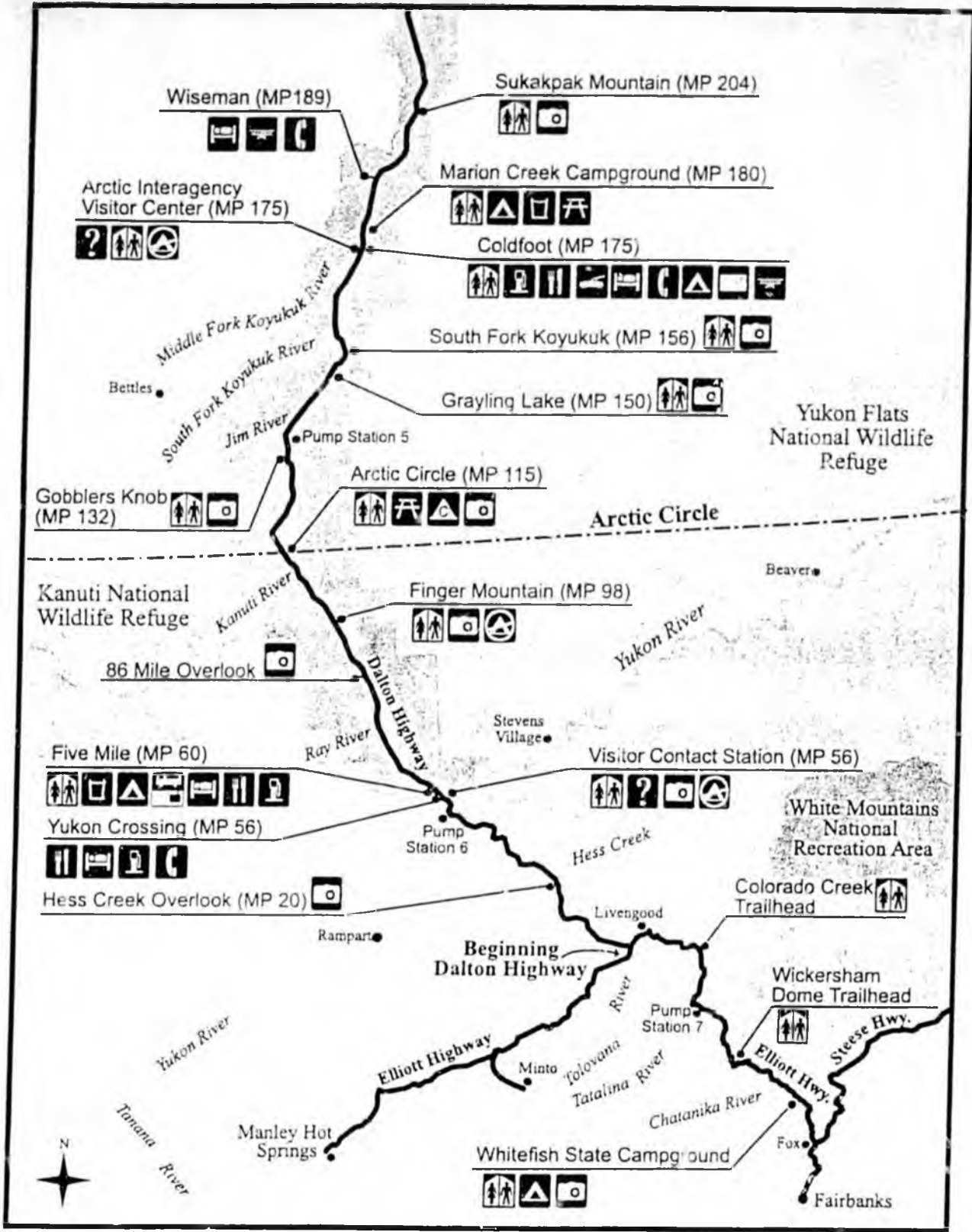
- (1) *[Repealed, Sec. 53 ch 30 SLA 1996].*
- (2) "highway" means the secondary highway from the Yukon River to the Arctic Ocean.

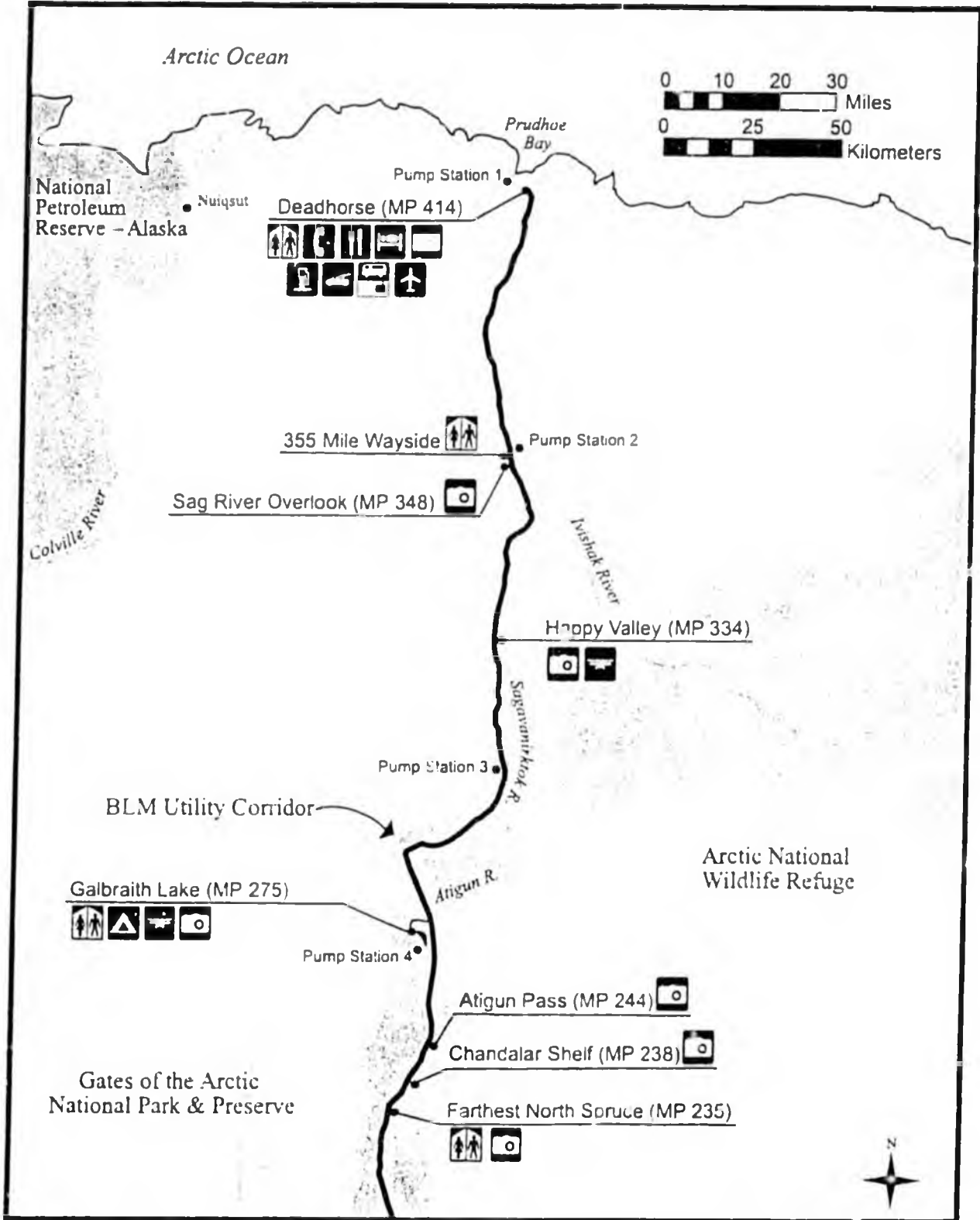
## Chapter 19.45. MISCELLANEOUS PROVISIONS, DEFINITIONS AND PENALTIES

## Sec. 19.45.001. Definitions.

In AS 19.05 - AS 19.40

- (1) "commissioner" means the commissioner of transportation and public facilities.
- (2) "construction" or any derivation means construction, reconstruction, alteration, improvement or major repair.
- (3) "controlled-access facility" means a highway especially designed for through traffic, and over, from, or to which owners or occupants of abutting land or other persons have either no right or easement or only a controlled right or easement of access, light, air, or view.
- (4) "cost of change, relocation, or removal" means the entire cost incurred by the utility properly attributed to the change, relocation, or removal of a facility, less any costs for improvements or upgrading over and above the cost of a functionally equal facility; if a facility is to be relocated and replaced with new equipment, there shall also be subtracted from the entire cost any salvage value derived from the old facility.
- (5) "department" means the Department of Transportation and Public Facilities;
- (6) "encroachment" means and includes a tower, pole, pole line, pipe, pipeline, driveway, private





# OPINION

letters@newsminer.com

Fairbanks Daily News-Miner, Tuesday, April 5, 2005

## Dalton bill promotes wise use

If that's what it takes to get a good plan

('early, there are precious resources along this road that demand protection. A good example is the Toolik Lake Research Station—a world-class facility whose mission demands that it not be disturbed. But we don't need to close an entire area equal to the distance between Fairbanks and Anchorage to do so.

There are thousands, maybe millions, of acres of land where snowmachines could be allowed when adequate snow cover is in place. Alaskans know such activity is not detrimental to the environment and recognize that continued prohibition of such recreational opportunity is uncalled for.

Trails can be developed for wheeled vehicles in areas specifically designed for and dedicated to such use. Overnight cabins can be provided—much like they are now in the White Mountains National Recreation Area. Whole families—from grandchildren to grandparents—can enjoy the backcountry together. Possibilities for sound recreational uses abound.

Removing the statutory prohibition will not result in rampant ruin of these lands. It does not mean there will be no restrictions or protections. It simply provides for a well-reasoned, orderly planning process to take place that will allow wise public use of these public lands that are owned by all the people.

Sen. Ralph Seekins, Republican of Fairbanks, is the prime sponsor of Senate Bill 85.

The judiciary was the only steady source of sanity in this whole sorry affair.

The real drama, which was honest enough in its own dimension, was exploded into claims that grand issues involving the meaning of life, the poise of the republic, the very relation of humankind to the deity were at stake.

They were not, but no end of axes were borne to the unknown woman's bedside for grinding. The usual suspects of anti-abortion activism flocked in, taking the clueless woman holding her husband out a villain for holding to a decision that was no one's proper business but his own.

Advocates for the handicapped decided, altogether arbitrarily, to declare that closing Terris's feeding tube would be the act of a society preparing to murder its disabled, weak and infirm. Spectral Nazis were invoked.

And of course politicians leaped for the bandwagon, with no less than the president of the United States making a theatrical mudslinging to the capitol to "rescue" Terris from well, from just what was never very clear. She had been effectively dead for 15 years.

Now the House Majority Leader, Tom Delay, is mentioning judges who handed the case. They "thumbed their nose at Congress and the president," he says, and will "answer for their behavior."

It is unclear just what Delay may have in mind but, considering the source, no doubt something unpleasant and untoward.

I have read with great interest the many myths public access opponents have created regarding Senate Bill 85—an act that would remove the state statute prohibiting off-road vehicles along the Dalton Highway corridor north of the Yukon River. Now that the Dalton pipeline construction road into a state highway and land owner-ship has been solidified, the process necessary to have land-use plans in place before the current prohibition goes away.

The managers tell us they can have plans in place with time to spare. In fact, BLM has had a draft plan on the shelf since the early 1990s. Our state law is the requirement that we utilize, develop and conserve all our natural resources, including land, waters and wildlife, for the maximum benefit of all our people.

In other words, our lands are to be developed and used responsibly in a manner that recognizes our collective interests as owners of these public lands and resources.

Our lands are not to be ruined or plundered. They are to be carefully developed and used in concert with the multiple-use principles of wise stewardship. This is exactly what Senate Bill 85 finally allows.

In addition, a legislative letter attached to this bill makes it clear that if for some reason the time for orderly completion of the necessary land and resource management plans, the Legislature will extend the effective date for an additional 12 months. We are willing to wait

months. We are willing to wait in all of Alaska.

And, just to be clear, harassment of wildlife continues to be illegal.

The Alaska Board of Game has also committed to have regulations in place within the 12-month delay that would protect wildlife stocks from overharvest.

And, just to be clear, harassment of wildlife continues to be illegal.

And, just to be clear, harassment of wildlife continues to be illegal.

And, just to be clear, harassment of wildlife continues to be illegal.

And, just to be clear, harassment of wildlife continues to be illegal.



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Northern Field Office  
1150 University Avenue  
Fairbanks, Alaska 99709-3844  
<http://www.ak.blm.gov>



*In reply refer to*  
F-93144  
2920 (025)

## CERTIFIED MAIL RETURN RECEIPT

Ace Patrick Calloway  
P.O. Box 70630  
Fairbanks, Alaska 99707

JAN 20 2004

Dear Mr. Calloway;

This letter concerns permit F-93144 that you have with BLM for parking, access and a tent camp at the South Fork of the Koyukuk River. This permit expired on October 31, 2003.

We have become aware of Alaska Statute 19.40.210 that states regarding the Dalton Highway:

Off-road vehicles are prohibited on land within five miles of the right-of-way of the highway. However, this prohibition does not apply to

(1) off-road vehicles necessary for oil and gas exploration, development, production, or transportation;

(2) a person who holds a mining claim in the vicinity of the highway and who must use land within five miles of the right-of-way of the highway to gain access to the mining claim; or

(3) the use of a snow machine to travel across the highway corridor from land outside the corridor to access land outside the other side of the corridor; this paragraph does not permit the use of a snow machine for any purpose within the corridor if the use begins or ends within the corridor or within the right-of-way of the highway or if the use is for travel within the corridor that is parallel to the right-of-way of the highway, in this paragraph, "highway corridor" means land within five miles of the right-of-way of the highway.

The third subsection was added in 2000, and seems to make the permits we have issued you and others for snowmachine access off the Dalton Highway a violation of state law. Generally, state law regulating off highway vehicle use prevails when it is more restrictive than our regulations. We have requested a legal opinion and guidance from our Solicitor's Office.

Meanwhile, we have decided to extend your permit and the others to May 1 to finish the trapping season, provided you pay the rent and are in compliance with the permit.

The rental to extend the permit to May 1 will be the minimum of \$100 in the permit

We note that you have not submitted your report for the last half of the 2001, and all of the 2002 and 2003 season.

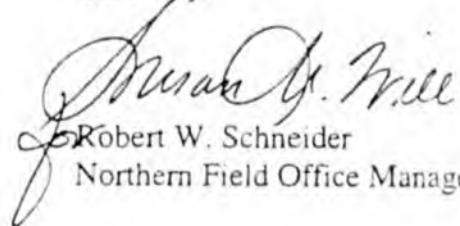
We also note that you do not have the \$1,000 bond required by the permit.

We hope to have a Solicitor's Opinion and guidance before May 1. If the outcome is that we cannot issue permits for snowmachine use off the Dalton Highway, you will have to use non-motorized access in the future. If non-motorized access is not practical or possible, you will need to tear down your cabin at the end of the season.

We offer to extend your permit to May 1, 2004, after you submit the \$100 rental, use reports, and proof of bonding. This offer expires thirty days after you receive this letter.

Please call Boyce Bush at 474-2334 or Martha Woodworth at 474-2323 if you have any questions.

Sincerely,

 AM-NFO  
Robert W. Schneider  
Northern Field Office Manager

## Brian Hove

---

**From:** David Stoller [stoller@gci.net]  
**Sent:** Monday, February 07, 2005 8:24 PM  
**To:** Brian Hove  
**Subject:** Re: Senate Bill 85 Dalton Highway Corridor

**Attachments:** ATT2364645.htm



ATT2364645.htm (3  
KB)

Brian,

I have included below a letter in support of SB 85. If you would keep me informed about the progress of this bill I would appreciate it. Also, if you could let me know if it is ever scheduled for any testimony by teleconference, I will try to attend or send someone else. Thanks

David Stoller

Senator Seekins,

I am writing in support of your Senate Bill 85 repealing Alaska Statute 19.40.210. I am skeptical that AS 19.40.210 was ever a necessary law and it certainly isn't necessary today. This bill, in my opinion, is simply a matter of whether or not the public should have reasonable access to millions of acres of public land. I (and several of my friends) would argue that they should.

The key here is "reasonable". I certainly don't think that people should be allowed to take any off road vehicle (OPV) they want, anywhere they want, at any time. However, neither is there any reason for the current blanket prohibition of no motorized access at any time. Additionally, it seems rather contradictory for the Alaska Department of Natural Resources (ADNR) to do a study and determine that they can lessen restrictions for driving multi-ton oil exploration and development equipment across the tundra with no damage concerns, while at the same time the legislature is saying the public can't ride a 500 pound snowmachine across there. The entire Dalton Hwy Corridor lies on ground managed by either the Federal Bureau of Land Management (BLM) or the ADNR. These two land management agencies have ample regulatory powers available to them to allow motorized access while still providing protection for the natural resources involved. Having specific regulations such as seasonal restrictions, size or weight restrictions, limiting ATVs to existing trails, etc. would be a far better way of managing the area for the public's best interest than the current total prohibition of all motorized access at all times approach. As written, the 12 month buffer period between passage and implementation of this bill should give the agencies involved plenty of time to come up with suitable regulations.

In conclusion, I feel it is time for the legislature to allow the natural resource managers involved with this area of the state to do their jobs to manage this area for the best interest of the public. A job they currently cannot do, due to the restrictions imposed by AS 19.40.210. It is time to finally allow the public reasonable access to the millions of acres of public land that are available along the Dalton Hwy.

Sincerely,

*Peter R. Buist*  
*Box 7561*  
*Fairbanks, AK 99707*

February 3, 2005

Senator Ralph Seekins  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Seekins:

Re: SB 85

Thank you for introducing SB 85 to facilitate access to a vast amount of our public lands in the vicinity of the Dalton Highway.

I am not unfamiliar with the area, its characteristics and its problems. I have hunted in GMU's 24,25 and 26 for a long while, including before the road was constructed and later opened to the public. I also guided in ANWR for a long time, from a base camps along the Dalton, first at Happy Valley and later at Galbraith Lake. I have seen first hand the affect of the concentration of tourists, recreationists and hunters along the road. This crowding often results in resource conflicts and allocation issues that are unnecessarily divisive. Recently they have taken a lot of the Board of Game's time.

Much of the area, particularly north of Atigun Pass, is not conducive to travel by wheeled vehicles anyway, but simply allowing snowmachine access through the corridor here would go a long toward solving most of the problems.

Senator, these are PUBLIC lands that have been de facto made OFF LIMITS to most of the public. I think that it is unfair and poor public policy to allow access to vast amounts of public land only to those rich enough to fly in, or fit enough walk 5 miles across this closed area.

Please remind your colleagues that limiting corridor access to hunters on foot can also actually cause more wanton waste violations.

By allowing hunters and other recreationists to disperse, many of these issues would easily be mitigated. Again, my thanks for introducing this legislation.

Sincerely,

Pete Buist

2-3-05

TO: SENATOR RALPH SEEKING  
(907) 456-3717 FAX: (907) 465-5241

FROM: LEO M. HOLLAND  
3418 HARRY B. ROAD  
NORTH POLE, AK 99705  
(907) 488-1309

SUBJECT: OFF ROAD VEHICLES OFF THE DALTON HIGHWAY

ATTN: BRYAN HOVE

I OWN A HOMESTEAD APPROXIMATELY 8 MILES OFF THE DALTON HIGHWAY. PRESENTLY, TO GET TO THIS PROPERTY I MUST WAIT UNTIL THE YUKON AND BIG SALT RIVER FREEZES THEN GO BY SNOW MACHINE 10 MILES DOWN RIVER FROM THE YUKON RIVER BRIDGE THEN 23 MILES, NOT TO COUNT LOTS OF OVER FLOW ON THE BIG SALT. (THE BIG SALT IS NOT NAVIGABLE BY BOAT.)

MY PROPERTY HAS EXCELLENT ACCESS FROM THE DALTON. STARTING APPROXIMATELY 12 MILES NORTH OF THE YUKON RIVER BRIDGE WHERE THERE IS A PULL OFF AND ROOM FOR AT LEAST 3 SEMI TRUCKS WITH TRAILERS TO PARK. AN OLD ROAD LEADS DOWN THE HILLS A WESTERLY DIRECTION FOR APPROXIMATELY 3 MILES OF THE 8 MILES NEEDED TO ACCESS MY PROPERTY. LEAVING THE ROAD WOULD BE WITHIN THE PIPELINE CORRIDOR FOR WHICH THE PIPELINE IS ON THE OTHER SIDE OF THE DALTON HIGHWAY. THE REST OF THE WAY WOULD BE BLM LAND.

THIS BILL, #SB85, IF APPROVED WOULD GREATLY SAVE A LOT OF WALING IN SUMMER, CARRING HEAVY LOADS NOT TO TALK ABOUT TIME SAVED BY BEING ABLE TO USE SNOW MACHINE IN WINTER AND ATV IN SUMMER.

THIS ACCESS WILL NOT AFFECT ANIMAL HERDS, IT WILL NOT AFFECT THE TUNDRA BECAUSE MOST OF THE ROAD IS ALREADY THERE AND SECURITY OF THE PIPELINE WON'T BE EFFECTED BECAUSE IT LEADS AWAY FROM THE PIPELINE

THANKS,

LEO HOLLAND  
LANDOWNER OFF DALTON HIGHWAY

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

case: We're not back to the economic misery of the 1970s. But the fact that we're already experiencing mild stagflation means that there will be no good options if something else goes wrong.

Suppose, for example, that the consumer pullback visible in recent data turns out to be bigger than we now think, and growth stalls. (Not that long ago many economists thought that an oil price in the \$50s would cause a recession.) Can the Fed stop raising interest rates and go back to rate cuts without causing the dollar to plunge and inflation to soar?

Or suppose that there's some kind of oil supply disruption—or that warnings about declining

thing much more serious.

How do we get out of this bind? As the old joke goes, I wouldn't start from here. We should have spent the years of cheap oil encouraging conservation, we should have spent the years of modest growth in medical costs reforming our health care system. Oh, and we'd have a wider range of policy options if the budget weren't so deeply in deficit.

So if any of these things does come to pass, we'll just have to see how well an administration in which political operatives make all economic policy decisions, and the Treasury secretary is only a salesman, handles crises.

Distributed by The New York Times News Service.

es received in exchange were only fair or poor.

Of course, every taxpayer is surely around April 15. I know I am. But I also think we can do better.

One specific tax reform I'd like to see is an incentive for people to save money.

We know Americans have a problem saving money. Our household savings rate is at a 25-year low, and most Americans are loaded with debt. Too many people have so much credit card debt that their "net worth" is zero. (Now that Congress has rewritten bankruptcy laws, there will be a rush to file under the old law.)

But can a country's tax code reverse the trend? What if we used the tax code to change our spending nature? What if there were a tax strategy that helped people reduce debt and increase savings? Would people do it?

I think so. This shift to a "savings" society could take place through a consumption tax, but I'd like to see that include a road map for people to get out of debt. For example, There could be a three-, four- or five-year window for people to get tax credits as they pay off debt.

The current tax code is supposed to be fair because it's progressive. It doesn't work out that way, though. On the lower end of the income scale, more people pay payroll taxes than income taxes.

But the interest paid on consumer debt is a progressive tax in reverse (and it doesn't even fund the government).

One economist even suggests a national requirement to save.

"Many would object that requiring families to save a portion of each year's income growth would be an infringement of individual liberty. Yet it is the very absence of such a requirement that currently prevents most American families from saving as much as they wish to," wrote Cornell's Robert H. Frank in *The New York Times*.

I am not sure we could make national savings a law, but we could reward every penny saved through our tax code. This shift would be a nice way to start a new year.

Mark Trahan is editorial page editor for the *Seattle Post-Intelligencer*.

es of herb. Personally, I get from legal drugs such as and pharmaceuticals than I ana.

us step back from this so- and see what products can be e plant's stalks (hemp). I uses into these categories: toiletries, textile, household Below are a few products agery

oil. It's high in essential can be drizzled over salad, s, and used for baking. omotherapy, salve and nutri-

Lipstick, sunscreen, soaps, lotions and shampoo. cks, shirts, shoes, tarps, wal- bags, belts, and napkins.

Rugs carpet, paint, shoe pol- cordage, candles, crayons and gent

Pulp and paper, plaster, plas- wood chips and bio-diesel

the people realize we are run- sources? When will we adapt and stop prosecuting others for more than a medicinal herb? able resource should be t criminalized!

or

## Hurray for Seekins

April 16, 2005

To the editor:

I'm very proud to see Sen. Seekins reaffirming that Alaska lands are for the use and enjoyment of all Alaskans. Senate Bill 85 sponsored by Sen. Seekins will remove the state statute that prohibits the use of off road vehicles along the Dalton Highway corridor north of the Yukon River. A few Alaskans, however, want to keep this restriction in place in order to keep fellow Alaskans out. They feel that their own recreation, hunting and fishing uses should be considered before that of other Alaskans.

Our lands are for common use by all Alaskans, and our lands can support a diversity of uses and users. A small minority should not be able to hold our lands for their personal benefit and deny access to other Alaskans.

By sitting down together and developing a multi-use plan, we can ensure that our lands can be enjoyed and conserved. Designated trails, overnight cabins, campgrounds and other facilities will be needed. SB 85 and Alaskans working together will allow more Alaskans to enjoy access to highly valued recreational areas.

Cal Skaugstad  
Fairbanks

FDNM  
4/19/05

FORM 4/21/05

make it impossible for poorer people to come to the parks, and, finally, the administration made us privatize the most lucrative fee areas. Now there was an immense demand to raise the fees even higher to make the parks "profitable" as small businesses. This completely changed the idea of the commons, owned and operated by the people.

Wish agencies would tell folks the truth. Charging fees is not about slipping budget or maintenance shortfalls or more fish. It's about supporting government and the commons through user fees rather than graduated taxes. This eventually takes our commons from ordinary folks and gives them squarely to the wealthy. Case in point: Denali National Park used to be a place you could drive into nearly free. Now a family of four pays \$160 for a 12-hour visit riding the required, privatized bus system. Second example: I used to love to hunt waterfowl in our short September season. But, with all the fees paid to hunt waterfowl, I haven't been able to afford that for years.

Mike Lee  
Fairbanks

**Sawyer's column**

April 17, 2005

To the editor:

After reading Bob Sawyer's "Community Perspective" in Sunday's (April 17) edition, I am deeply offended and want to say he does not represent me on the Fairbanks North Star Borough School Board Ethnic Committee.

I have been an educator in the FNSBSD for 17 years. I have been a member of the FNSBSD for 39 years. In all of the years I have been a participant of the FNSBSD, I have never seen the "educational establishment, especially teachers, far too willing to make excuses for minority failure." I am offended that Mr. Sawyer has made these off-hand remarks.

I teach at a Title I school, which gets federal funding because of our low-income, minority base. I believe we, the educational establishment, have formed an educational program that benefits all of our students.

We, as educators, give all of our students the same opportunities and the same expectations. How dare Mr. Sawyer say we make excuses for any students.

Come in and visit our classrooms, our schools and our educational communities.

Finally, I do not believe the No Child Left Behind Act is a good "checks and balances" act.

It may have some good points; however, it is unrealistic. To expect and mandate that all schools will have 100 percent proficiency by 2014 is like asking all the state Houses, state Senates, the U.S.

House of Representatives and the U.S. Senate to have 100 percent attendance 100 percent of the time. Looking at their attendance rates, all I can say is "go figure!" I bet the NCLB bill was passed through both the House and the Senate with less than a 25 percent attendance rate.

Katherine F. Shira  
Fairbanks

**North Slope spill**

April 18, 2005

To the editor:

I don't think that it was OK for the spill to happen and I think that someone should be held responsible.

I read the article in the paper about the natural gas spill at Prudhoe Bay. I think this wouldn't have happened, and there wouldn't have been a costly clean up, if they were checking the welding regularly.

My dad used to work up north and said they do check the welding regularly. He said it was regular but sometimes they didn't get to it in time. I say they need to check it every time they weld and make sure it is OK and keep checking it so that when it get to the point of decay they can fix it before it spills.

Haven't different oil spills caused us enough problems throughout the years? When will they stop making excuses and start finding a solution?

Kayla Burns  
Fairbanks

**Dalton trails**

April 18, 2005

To the editor:

OK, folks, for the uninformed who think that the area off the Dalton is pristine and trackless, think again. There are already trails there. There is no reason that the existing trails should be off limits. This is a large portion of our state that is being locked up for no good reason. I also don't see any reason for not allowing hunting with a firearm along the Dalton. If anyone is going to shoot the pipeline, that silly little restriction won't stop them, as we have already seen.

Almost every truck and car traveling the Dalton has at least one gun aboard, often more. So the guns are there and the pipeline is not being shot every day as some would make you think it would. I could see a restriction of maybe a quarter of a mile or half mile from the actual pipe for safety purposes, but five miles, that's ridiculous. As for access to the trails, why should only miners and locals have access?

What about the rest of us Alaskans, don't we have the same rights? Sen. Seekins should get that bill passed.

Roggie L Hunter  
North Pole

**Road to Chitina**

April 18, 2005

To the editor:

Now the Million Dollar Bridge will soon be back on its pier. Most of the old railbed could be opened up with little cost per mile.

There are ways to make inexpensive bridges on the three streams between the bridge and Chitina. This area could be a real boost to summer tourism. If our governor is serious about building roads, here is a chance to prove it.

Sincerely yours,  
Carl Nichols  
Fairbanks

**Ultralight misconduct**

April 19, 2005

To the editor:

In the summer months, several ultralights based at Bradley Field near North Pole have continuously circled very low over residential areas, late night, early mornings, waking homeowners. They continuously fly very low over homes to see what people are doing in their backyards.

This practice is extremely intrusive, disrespectful and violates personal privacy. Simple solution: Ultralighters based at Bradley fly a left hand pattern, 0.8 mile west of the strip. Stay at 400 feet until final approach. I believe there aren't any homes on this route. Stop flying over residential areas! Problem solved. Good for everyone!

I feel the Federal Aviation Administration has, and is, failing in regard to public safety and economic stability concerning ultralights. Air freedom was passed with many laws, 500 feet minimum altitude, registered identification numbers, etc.

According to the FAA, ultralights aren't airplanes. So they basically have no laws. I reported two ultralighters to FAA for diving at me while I was working on my roof. FAA responds, they have no identification numbers, so how can we identify them? There have been many ultralight crashes in the last few years. These aircraft often come within 100 feet of school buses and Richardson Highway commuters. Should an accident occur, there is no requirement for them to have insurance.

Does the airstrip owners' liability insurance cover this potential hazard? "Some ultralighters can only give lessons, rides are illegal," signs have been posted along federally funded highway stating "ultralight rides." This practice deceives the public. To give rides with-

out insurance at the public is wrong.

One standard: One standard: flying over this public safe FAA? Many people at Chena L. some public as been witnessed School and vari-

Personally, I of the pilots. I conduct continue adopted, airstrip undeveloped laying the future o

My best wish ultralighters. Phil Zastrow North Pole

**Historic tr**

To the editor:

This letter is bal and physical governor of the ing ownership trails across Al.

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The point I those old tra claimed by the ment. If any claim ownersh nous Alaskans bly, if the sta those historic down the road oped into h actions by the bigger pictur develop and a Ron Mancil Fairbanks

I am in support of SB85, the opening of the Dalton Hwy to off road vehicles. I have lived and worked on the Dalton Hwy for the last 14 years and drive it weekly from Fairbanks to Jim River Maintenance Station (mp 138 Dalton Hwy). I have listened to public testimony on "Gavel to Gavel," read your "Letters to the Editor," and I am dismayed by the "doom and gloom" forecast by the neigh Sayers.

In the first place, this bill is NOT about hunting or changing hunting regulations. So any reference to hunting or subsistence use is irrelevant. Fish and Game has done a fine job of game management in this area and I am confident in their ability to continue in the future.

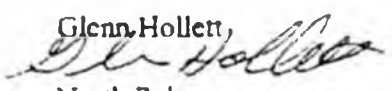
To the folks who like to drive up the Dalton to hunt caribou, hike, or sightsee without off road vehicles, they need to be reminded that not too many years ago the public was not allowed access to the Dalton Hwy beyond the Yukon River. Somebody had the foresight to open the road to the public so we all could enjoy more of this great state.

What SB85 is really about is that we have a State Law limiting public access to federal land, of which most is zoned for "Public Use". However, there are people up here riding off road vehicles; BLM, State Troopers, University Employees, and other government agencies continually drive by with their off road vehicles in tow, heading north to do their "OFFICIAL BUSINESS". Local residents of the mining community of Wiseman are allowed to ride off road vehicles and miners have special permits from BLM to ride their off road vehicles into their mines. This is not right; all Alaskans should have equal access to this vast area of our state.

When this bill passes, there will not be the huge rush of wild riders tearing up the tundra and ruining the scenery, as some would have you believe. The first 56 miles of the Dalton hwy to the Yukon River is already open to off road vehicles. Yet you will be hard pressed to find a four-wheeler track or trail. I know of three trails in the entire 56 miles.

At a minimum, access should be allowed to snowmachines, which have no impact on the ground once adequate snow coverage is attained for riding. Understanding the area surrounding this part of our state and the facts concerning this bill is imperative to making the right decision for all Alaskans not for the select privileged few whom enjoy off road vehicle ridding in the Dalton corridor.

Glenn Hollett,

  
North Pole

4-10-05

# Fairbanks Daily News-Miner

## Dalton Highway corridor controversy matter of perspective

By Wayne E. Heimer

**Sunday, April 17, 2005** - Public testimony at the April 8 teleconference on Senate Bill 85--a bill opening the pipeline corridor to management of surface vehicles by repealing the state's long-standing motorized vehicle ban along the pipeline--was dominantly negative. At the end of the teleconference, SB 85 sponsor, Sen. Ralph Seekins, R-Fairbanks, mused that he didn't understand why. "I think I do, here's my perspective.

Opposition to SB 85 has three major components. Many opponents see the existing law as an anti-development symbol, and these folks commonly cite unmanaged ORV use leading to abuse as an environmental sin. Next, some Alaskans have learned to exploit the law for their personal benefit and don't want to lose their perceived advantage. Finally, there's partisan politics. Senator Seekins perceives his approach as constitutionally objective. The opposition perspectives are primarily subjective, hence a perception problem. Reviewing the history of our existing law should make it easier for all of us to think objectively about this issue.

The present law exists because of opposition to the oil pipeline in the early 1970s. The dominant parties in this opposition were affected Alaska Natives and environmental protectionists. Concerned Alaska Natives resisted the pipeline because it would provide "outsiders" access to the North Slope, which they alleged would eliminate traditional subsistence. The environmental protectionists predicted mass ecological disaster would result from terrestrial oil development. Evaluation of these claims after 30-plus years shows both were exaggerated. The ecological disasters protectionists predicted in the arctic didn't occur. Alaska's North Slope Natives have weathered oil development, and support more.

After analyzing opposition to SB 85, I suggest University of Alaska Fairbanks professor Dave Klein's recent Community Perspective exemplifies "symbolic opposition."

Klein, a prominent member of several development-averse groups, often argues against arctic alterations. Klein writes, "There is abundant evidence that all vehicle traffic, both on-road and off-road, tends to displace ... caribou, mountain sheep and moose in Alaska and Canada."

This doesn't square with practical experience or recent scientific literature. The earlier published work on caribou pipeline avoidance has been professionally challenged, and Klein surely knows mountain sheep and moose (along the pipeline and elsewhere) are poor "poster children" for mechanized disturbance. Canada's most productive bighorn sheep thrive amid noisy heavy equipment and burning coal seams at Alberta's Cadomin mine, and Dall sheep thrive along the Turnagain Highway, the Parks Highway, the Dalton at Atigun Pass, Black Mountain and seasonally underneath the pipeline adjacent to the road. Moose flourish in urban settings like the municipality of Anchorage, which may support the highest moose density (and vehicular traffic) in Alaska.

Presuming Klein is familiar with these data, I conclude he opposes SB 85 on principle.

Second, many regular Alaskans have adapted to the existing restrictions. These include bowhunters, walk-in hunters, ecotourism guides and others who have learned to exploit the corridor without actually violating the letter of the law. These folks typically argue ethical issues (walking being noble than riding and potentially ugly tracks) to exclude competitors.

Finally, there's politics. I consider Brendan Buckley's Community Perspective (April 3) partisan politics because his sponsor, "Alaska Conservation Voters," is a political action group dedicated to electing Democrats by exploiting environmental issues. Buckley argued Sen. Seekins misrepresented reality by saying SB 85 wouldn't cost the state any money. Buckley was conceptually correct. Protective management costs more than protective prohibition, and expenses increase with management effort. So do benefits. Still, arguing against management because it costs money is perverse when Alaska's Alaska Constitution mandates management.

Buckley also invoked the specter of losing Toolik Research Station as rational opposition. He predicted Toolik's scientists will move to "Scandinavian locales where they know their work will be safe" if SB 85 passes. This is a Scandinavian red herring. In teleconference, Seekins emphasized meeting earlier with Toolik's directors and assuring Toolik's protection. Nevertheless, Toolik's director opposed SB 85. "Symbolic" or "special interest" opposition?

Alaskans collectively settled for the present law 30 years ago because we had unfounded fears about what might happen.

The underlying assumption justifying opposition to SB 85 is that we've learned nothing during the last 30 years that would make us capable managers today. This is not a strong rational position. Hence, I suggest opposition to SB 85 simply expresses human nature.

Opponents of SB 85 are defending their particular turf/interests using every possible justification. We're all human; it's what we do. Still, Alaska's constitution demands objective consideration of SB 85.

Wayne E. Heimer is a retired Alaska Fish and Game biologist whose work experience included documenting environmental concerns and considerations for planning, construction and operational stages of the trans-Alaska oil pipeline. He lives in Fairbanks.

# Fairbanks Daily News-Miner

## State files suit to claim trails

By SAM BISHOP News-Miner Washington Bureau

**Tuesday, April 12, 2005 - WASHINGTON--**The state of Alaska filed suit against the federal Department of the Interior, Doyon Ltd. and several individuals Monday to claim two trails in the southern Brooks Range near Coldfoot.

Gov. Frank Murkowski visited the area over the weekend, took a short sled dog ride on one trail and announced that the lawsuits would be filed Monday in U.S. District Court in Anchorage.

The state will take ownership of these and other trails to protect the rights of Alaskans to use such routes, the governor said.

Eleanor Huffines, Alaska director of The Wilderness Society, said the governor's action threatens the wildlife and wildlife habitat protected by the state's large federal parks and refuges.

Interior Department spokesman Dan DuBray said Monday afternoon in Washington that officials had not yet seen the suit and so would have no comment. The suit is a quiet title action, an effort to get a court's stamp of approval on the two rights of way for which the state claims ownership. At the same time, the state hopes to set some guidelines for judging about 600 other such claims.

The state argues that the trails are "highways" under the former federal Revised Statute 2477. The law allowed people to build roads over unreserved federal land until it was repealed in 1976. Government, industry and conservation groups have been arguing since then about what criteria should be used to judge which old roads and trails remain as legal rights of way. One trail covered in the state's suit runs 65 miles between Coldfoot and Chandalar Lake. The other follows part of the same route but veers off to Caro at the North Fork of the Chandalar River, covering 85 miles. The governor named a third trail Sunday, but his office reported that legal technicalities delayed that filing for now.

The trails were first used in 1906 to reach gold mining areas but continue to be used for mining, recreation, hunting and access to a state land sale, according to a summary from the state Department of Natural Resources. In all, the trails provide access to about 1 million acres of state land.

To do so, they cross land managed by the federal Bureau of Land Management. They also cross land selected by the regional corporation Doyon as part of the Native claims settlement. A number of unpatented federal mining claims and a trade and manufacturing site, a type of homestead, also lie on the routes.

The two routes cross no federal land set aside for conservation, the state noted.

Huffines said no one doubts that breaking open easy access routes into parks and refuges is the governor's goal.

Federal law already describes other modern ways that rights of way can be established over federal land in Alaska, she said.

"Using an ancient mining loophole from the 1800s is not the way to solve Alaska's legitimate transportation needs," Huffines said.

Huffines said Alaska does have some legitimate R S 2477 rights of way created by real construction work. She said she wasn't sure if the Coldfoot trails were among them.

However, the Murkowski administration's statements indicate that they want to claim mere trails, not just constructed roads, and that runs contrary to established law, she said.

If successful, the state's arguments could open the door to the eventual construction of numerous roads through federal conservation lands, to the detriment of wildlife and wildlife habitat, Huffines said.

The DNR fact sheet acknowledged that the suit was designed to set a broader precedent.

R.S. 2477 rights of way are considered highways, the state argues, even if they aren't built. "State law defines highways to include trails and walks," the state's fact sheet observed.

Once a right of way is recognized, then the state and underlying landowners will have to work out its precise route, width and uses, the state said. The federal government would have a role, it said.

"Future construction and any use that alters the existing trail may still be subject to some regulation by the federal agency that manages the underlying and surrounding land, subject to a standard of reasonableness," the fact sheet said.

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