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Jay Hammond

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Fairbanks, Alaska

Jay Hammond said it is appropriate that he discusses his decision about the North Slope Haul Road in Fairbanks. Fairbanks has served as a hub of pipeline construction. The uses of the Haul Road have a profound effect on the future of our state in terms of the economy, land use, wildlife and people. There are two parts to the interim policy on the North Slope Haul Road: a policy for access and a policy for revenues to meet the costs of opening the Haul Road. He has decided that for the short term the road will be open just for use by industrial and mining interests just as it is at the present time. He expects them to pay for the use of the road. The policy is to make those that benefit from the project help pay for it. He has been advised that tolls may not be proper. They are investigating various ways of making user charges. These include reimbursable agreements, fees, licenses, taxes imposed on business or industrial highway uses. They will negotiate removing portions from the federal highway system so direct charges may be made. They will seek congressional action to permit imposition of direct charges on those who use the Haul Road. Even though the state will not receive the road from Aleyska and the decision will not be put into effect for more than a year, he is announcing the policy to allow ample time for potential users to plan for future operations. This is a decision that preserves Alaska's options for the long term rather than foreclosing them. It retains the opportunity for Alaskans collectively to decide what they want for the northern section of our state. Right now no one, not the state, not the federal government, not special interest groups, not private enterprise, or Native corporations have the answers to all questions on everybody's minds. For example, what about development of the Arctic, what about subsistence use, what about recreational areas and parks, what about off road vehicles, work camps, tourist needs, fish and game and costs. There are many questions. Completely opening the road right now will remove all options for the future. Once it is opened it would be hard to modify that access. During a series of public hearings held by the Alaska Growth Policy Council it was learned that there were few citizens who felt the road was appropriate addition to the state public highway system. The social, environmental and fiscal costs are at this time far too high. The residents around the road expressed a strong conviction on that point. Immediately the state takes over the road access will be permitted to resident miners and owner users for the development of the arctic oil field in compliance with the executive administrative order issued by the president dated September 23, 1974. That access will be controlled through a permit system. Because the access will initially be limited they will be looking for ways to make users bear the costs of opening and maintaining the road during that period. There is no justification making the entire state taxpayers to pick up the costs of the road while it benefits but a few. This decision of course is an interim policy decision. It will be in effect until the peak industrial demands for the road have subsided and until the land use planning commission and local governments have developed a rational plan for the sound and profitable management of state and federal lands affected by the road. Once the state assumes control of the road, this policy will receive annual review of the Commissioner of Highways, national resources and commerce and economic

development and the director of policy development and planning. In order to insure that it is updated as appropriate to permit carefully planned public facilities and public uses of portions of the road. Such review will incorporate new resource development, public demand and the recommendations of the land use planning commission, growth policy council and local governments. For example after determining whether the road will be needed for construction of a gas pipeline it will be easier to open the road for public use on a gradual well planned basis. Today we subsidize our Alaskans transportation system at the rate of many millions of dollars annually. He doesn't want this road to add to this transportation subsidy. He said for too long we have dipped into a nine hundred million dollar nest egg whenever it is seemed politically profitable to do so. That is why the government and budgets have grown fantastically. Now the nest egg is gone. Lessons were not learned. Some are counting on North Slope oil for another nest egg. He said he will do everything possible to have enough money coming in to pay our bills. What should have been done long ago should begin with the North Slope Haul Road. If during the interim period it is clear that the public wants to use the haul road then the public should make it clear that they are willing to pay for the multiple use of the road. Rapid growth will not stop growing until the public demands that it is controlled. Industrial users of the Alaska road system are paying a dollar and five cents a mile to use the road system. He said this covers the cost of maintenance. This solution allows for the legitimate needs of our industrial development and it provides for the serious mining exploration and development. This takes nothing away from Alaskans and it holds in the bank valuable options until Alaskans decide how best to invest them.