

April 17, 2001

TO: Alaska State Legislature
House Transportation Committee

RE: HB 244

Honorable Committee Members;

My name is Nancy Bale. I lived and worked in what became the Denali Borough from 1971 to 1996. I own property in the Borough and spend time in the area whenever I can. I am President of Denali Citizens Council, a locally based citizen oversight organization. I urge the committee not to pass this bill.

My reasons are as follows:

1. State land conveyances to the Denali Borough have been mandated under the Tanana Basin Area Plan, and should occur according to guidelines set down in the plan. These guidelines were developed through a long process of study and public input, and any departure from this process would require an amendment to the plan. The Stampede Lands were not identified as lands from which the Denali Borough could select municipal entitlements.
2. The Tanana Basin Area Plan states that the Stampede area lands are "...to be retained in public ownership for multiple use management. The emphasis is on managing recreation and maintaining fish and wildlife habitat." It is questionable whether a large capital project with extensive tourism development along its length would maintain the character of the Stampede Lands as the Basin Plan intended.
3. The Denali Subsistence Commission, a broad-based area wide panel, has opposed the construction of North Access at Denali as detrimental to subsistence users. Potential impacts on wildlife, including caribou and wolves, must be addressed.
4. Denali Borough has no road building or maintenance powers. The Borough currently administers the collection of hotel bed taxes for the primary purpose of funding education. The Borough has planning powers but little money or inclination at this time to exercise them. The activities that this bill would require of the Borough could not be performed by it as currently constituted.
5. The role of Kantishna Holdings in this operation is unclear. Has Kantishna Holdings submitted a business plan, a feasibility study and a prediction of revenues. Has Kantishna holdings shown that their project will benefit the citizens of Denali Borough? Has this organization addressed the potential negative impacts of their project on citizens of the Denali Borough? Has there been a competitive bidding process?

6. Feasibility studies to date predict a very high cost per mile for railroad construction in this area. The North Access Feasibility Study of 1997 stated, "Cost projections for constructing a railroad...range from \$1,512,500 per mile to \$2,483,760 per mile...route planning, survey and design costs would be an additional 15% of the construction." Compliance with NEPA is another source of cost. At this time there is no proof that revenue from this operation will actually cover costs or that this project benefits Alaskans more than alternative tourism schemes.
7. Local residents have not been asked if they want a railroad project. The route begins in the middle of a residential area outside Healy. The local citizens may well prefer that the Stampede area be retained for subsistence and personal, lower impact recreation.

Thank you for the opportunity to speak. My long familiarity with Denali has drawn me to the above conclusions. Please contact me if I may be of further assistance to you.

Sincerely,

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