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Gov.'s budget includes \$10.5M toward roads to resources

By Sean Manget | *Morris News Service-Alaska, Alaska Journal of Commerce*

Gov. Sean Parnell's promise to bring "roads to resources" into greater focus during his administration has materialized, in the recently released fiscal year 2012 draft budget, in the form of \$10.5 million in allocations to various phases of planning and engineering on three projects.

The projects -- transportation links to Umiat, Ambler and Nome -- all promise to connect the state's road system to important sources of minerals and oil.

The road to Nome

A road connecting Nome to the state's highway system has been deliberated and debated for decades.

Engineering firm DOWL HKM concluded nearly a year ago that the final price tag would likely cost between \$2.3 billion and \$2.7 billion -- the equivalent of Fiji's gross domestic product.

The route DOWL favored spans from a highway near Manley Hot Springs to the Nome-Council Highway, about 500 miles, generally paralleling the Yukon River.

The governor's proposed \$1.25 million allocation would advance the project beyond the study and into the preliminary engineering phase.

Ethan Birkholz, the state Department of Transportation's northern region planning chief, said one way the department might be able to ease the sticker shock of the price tag would be to build it in phases, slowly connecting communities.

Environmental impact studies may take longer than 24 months, Birkholz said, and construction on the first segment could be finished four to five years later.

"Several million (dollars) would be required to complete environmental work and preliminary design for a chosen segment. If the several million became available, then the environmental document would take a minimum of 24 months and could be longer if it required an environmental impact study," Birkholz said.

The first segment may span from Manley Hot Springs to Tanana, Birkholz said.

The Donlin Creek gold mine prospect could allow to access existing road infrastructure for Poorman to Ruby, which could connect to a road to Nome, Birkholz said. The Ambler mining district also could access this road instead of connecting to the Dalton Highway, he said.

The study does identify a variety of potential savings if the road is constructed. Among them, the communities of Tanana, Ruby, Galena, Koyukuk, Koyuk and Nome could save more than \$19 million annually in transporting fuel, cargo and bypass mail.

The project would take 10 to 20 years, Birkholz said.

Road to Umiat

The largest allocation -- \$8 million -- would fund the environmental impact statement for the Foothills West Transportation Access project.

The \$365 million road project would stretch more than 90 miles from a point near Galbraith Lake, which lies just northeast of Gates of the Arctic National Preserve, northwest to Umiat.

As part of the environmental studies, the U.S. Army Corps of Engineers would evaluate the project's effects on the subsistence lifestyle of residents along the route. Local residents have voiced concerns over competition that might result from outsiders using the road to hunt nearby wildlife, said Ryan Anderson, a design group chief with the state DOT.

Informational public meetings were held in Anaktuvuk Pass, Nuiqsut and Barrow.

"It's competition they're concerned about. That's what we've been hearing from the local folks," Anderson said.

"At this point, it's really the issue that's going to get addressed in this environmental process. We're going to work hard to try to come up with solutions that people can work with."

There are four significant river crossings that could add to environmental concerns, to fish as well as sediment and erosion issues.

Anderson is confident the road will pass muster. "We design these things to facilitate fish," he said.

The road would provide access to a variety of oil and gas deposits on the North Slope. Anderson said a host of industry players, including Anadarko and Renaissance Oil and Gas, have expressed interest in tapping some of those deposits. The road could accommodate oil and gas pipelines.

The EIS would take about two years. Anderson hopes the permitting and preconstruction activity will be finished in January 2013, and that the road will be finished in 2015.

Connecting Ambler

A \$1.25 million item in the budget would allow DOT to conduct environmental and engineering studies to connect the Ambler mining district to a road system.

Anderson said it was too early to provide a final cost estimate of the project.

The district houses known copper, gold, silver and zinc deposits.

A railway link also is being considered. Rail could reduce the subsistence competition concerns like those on the Umiat project, as the general public couldn't ride the rails, Anderson said.

"The railroad is more of a controlled access (connection), whereas the road isn't," Anderson said.

The passage would be constructed either from the west or east. It may span 200 miles from the Dalton Highway to the east, or it may stretch 250 miles from the coastal areas on the west.

The EIS process may start in 2012, Anderson said.

DOT will use past studies as a baseline to determine the economic feasibility and engineering difficulties of potential corridors, Anderson said.

"Our goal is to do our homework to understand the issues so we can answer questions before these agencies ask (during the EIS process)," Anderson said.

Among issues already faced are steep grades, a problem for railroad projects. Also federal lands and parks would likely fall somewhere along the route.

Beginning in January, public meetings will be held in Ambler, Kobuk and Shugnak -- all communities that fall within the Ambler mining district -- to begin to hash out any concerns locals may have.