

Administration, and the General Manager, or Acting General Manager of The Alaska Railroad, it was felt that Estimate No. 4 was such the most advantageous, all things considered. From the standpoint of a highway it combines an excellent location with freedom from interference and low cost. From the standpoint of the Railroad, it provides a superior location at a cost to this appropriation of only one and a half million dollars in excess of the lowest of the four estimates. This excess cost is properly considered to express the improved value of the old railroad right-of-way which will be utilized by the highway.

Exhaustive analyses were prepared and thoroughly considered. The current request for funds represents the sum needed under present prices to accomplish the results indicated in the foregoing analysis.

John H. Noyes,
Commissioner of Roads for
Alaska.

JOHN R. NOYES:ggc

2/23/49

RG 126, Off. of Territories
Entry 1-B, Classified Files, 1907-51
Box 377

ALTERNATE NO. 4

Revision Files

Railroad Six Degree Line with Highway Separated
to Follow Old Railroad Grade

2/23/49

TURNAGAIN ARM ROAD PROJECT
BETWEEN
INDIAN AND POTTER

*9-1-55
Turnagain
Arms*

Description	"N" LINE PLUS "H" LINE-PROJECTED Unit	Quantity	Unit Price	Amount
1. Clearing and Grubbing	L.S.	Lump Sum		\$ 25,000.00
2. T&T Poles and Lines to Move	Each	77	\$ 500.00	38,500.00
3. Unclassified Excavation & Borrow	CuYds	1,814,564	3.25	5,897,333.00
4. Overhaul (500' free haul)	StaYds	5,000,000	0.03	150,000.00
5. Overhaul (500' free haul)	YdMile			
6. Select Material (Cushion)	CuYds	100,000	2.50	250,000.00
7. Select Material (Culvert Cushion)	CuYds	4,025	2.50	10,062.50
8. Unclassified Structure Excavation	CuYds	1,730	10.00	17,300.00
9. Highway Crushed Gravel Surfacing	CuYds	52,220	4.00	208,880.00
10. Construct Grade Separation Ditches	CuYds			
11. 2" Black Steel Pipe	Lin.Ft.			
12. 12" Bit.Coated Corr. MCP	Lin.Ft.			
13. 18" Bit. Coated Corr. MCP	Lin.Ft.	722	10.00	7,220.00
14. 24" Bit. Coated Corr. MCP	Lin.Ft.	3,500	12.00	42,000.00
15. 36" Bit. Coated Corr. MCP	Lin.Ft.	900	20.00	18,000.00
16. 48" Bit. Coated Corr. MCP	Lin.Ft.	450	30.00	13,500.00
17. 84" Bit. Coated Corr. MCP	Lin.Ft.	102	80.00	8,160.00
18. Inlet & Outlet Paving	Sq.Yds	20	50.00	1,000.00
19. Highway Guard Rail	Lin.Ft.	1,440	2.00	2,880.00
+ 20. Railroad Bridge of Rainbow Creek	Lump Sum	Lump Sum		100,000.00
+ 21. Highway bridge of Rainbow Creek	Lump Sum	Lump Sum		15,000.00
+ 22. Railroad Bridge of Potter Creek	Lump Sum	Lump Sum		52,000.00
+ 23. Highway Bridge of Potter Creek	Lump Sum	Lump Sum		15,000.00
				\$ 6,871,835.50
				* Plus 15% for Engineering & Cont. 1,030,775.33
				\$ 7,902,610.83 *

QUANTITIES ON RAILROAD ITEMS REQUIRED TO COMPLETE PROJECT

1. R. R. Ballast (in place)	CuYds	37,750	\$ 4.70	\$ 177,425.00
2. R. R. Timber Ties (Treated)	Each	43,600	6.00	261,600.00
3. Lay 115# Track Steel	Track Foot	63,600	5.00	318,000.00
4. Lay 70# Track Steel	Track Foot	6,400	4.00	25,600.00
5. Install Switches & Turnouts	Each	5	500.00	2,500.00
6. Salvage Existing Track & Structures	Lump Sum	Lump Sum		120,000.00
7. R. R. Bridge at Indian Creek	Lump Sum			
				\$ 905,125.00
				Plus 10% for Engineering & Cont. 90,512.50
				\$ 995,637.50

* This estimate calculated on a 28' base Highway.

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Division Files
2/23/49

FURNAGAIN AEM PROJECT

COMPARISON ORIGINAL ESTIMATE TO BID - REVISED ESTIMATE

9-155
Furnagin
AEM.

SECTION	MILES	ESTIMATED GRADING ITEMS \$	LOW BID GRADING ITEMS \$	ESTIMATE BRIDGE ITEMS \$	LOW BID BRIDGE ITEMS \$	ESTIMATE GRADING & BRIDGES \$	LOW BID GRADING & BRIDGES \$	PERCENT OVER
C & D	18.559	938,270	1,326,197	515,850	836,797	1,454,120	2,162,994	+ 48%
E	5.513	200,330	470,024	430,350	920,655	630,680	1,390,679	+ 120%
F1	4.016	283,980	439,583	156,750	290,735	440,730	730,313	+ 66%
TOTALS		1,422,580	2,235,813	1,102,950	2,048,179	2,525,530	4,283,992	+ 70%
					Revised Est. on Bridges			
F2	19.43	1,187,650	2,421,928	268,350	515,000	1,456,000	2,936,928	+ 101%
TOTALS SECTIONS C, D, E, F1, F2						3,981,530	7,220,920	+ 81%
						Revised Estimate		
G	11 1/2					5,517,434	6,871,835	+ 25%
TOTALS						9,498,964	14,092,755	+ 49%
Plus Contingencies and Engineering						1,871,036	2,340,024	
GRAND TOTALS						11,370,000	16,432,779	+ 44%
ADDITIONAL FUNDS							11,370,000	
REQUIRED							5,062,779	

RG 126, Off. of Territories
Entry 1-B, Classified Files, 1907-51
Box 377



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
DIVISION OF TERRITORIES AND ISLAND POSSESSIONS
WASHINGTON 25, D. C.

FEB 21 1949

Mr. S. M. Dodd,
Bureau of the Budget,
Washington 25, D. C.

My dear Mr. Dodd:

As requested over the telephone today the following information is submitted:

TUMNAGAIN ARM PROJECT
CONTRACT DATES

Section	Length	Date Executed	Date Completion	Amount
C-D Mile 58- Quartz Cr.	18.559	8-27-48	12-31-49	\$2,487,443 *
M Quartz Cr.- Portage	5.513	8-27-48	12-31-49	1,599,281 *
F1 Portage- Peterson Cr.	4.016	8-27-48	12-31-49	839,866 *
F2 Bridges		Not Opened	12-31-50 (Est)	595,360 *
F2 Peterson Cr.- Indian	19.43	2-18-49	12-31-50	2,785,217 *
G Indian-Potter		Not Opened	12-31-50 (Est)	7,902,611 *

* Amounts include construction engineering and contingencies.

Note: Impossible to complete the road by 12-31-50 unless advertisement for bids is made in near future on Section G.

9-1-55
Turnagain
arm Project

RG 126, Off. of Territories
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REASON FOR HIGH ESTIMATE, SECTION G

The section of road between Indian and Potter is complicated by steep rock cliffs. The primary item in the estimate is for excavation and borrow of 1,814,564 cubic yards (mostly rock) at a unit price of \$3.25 a yard. The reason for this relatively high unit cost is the difficulty of the terrain and the high proportion of rock. This amounts to \$5,897,333 of the total estimated cost of \$7,902,610. The remainder of the engineering estimate is made up of such items as clearing and grubbing, select material, culvert pipe, bridges and engineering costs and contingencies.

Sincerely yours,

(Sgd.) T. W. Taylor

T. W. Taylor,
Administrative Officer.

TWT:yk
2/21/49

2/14/49

9-1-55
Jamaican
Arms
Projects

DEPARTMENT OF THE INTERIOR
Government in the Territories

Construction and Maintenance of Roads, Bridges, and Trails, Alaska

On page 642 of the Budget, in column 1, under the above heading, increase the estimate in line 10 from "\$26,692,000" to "\$29,254,779," and increase the estimate for contract authorization in line 18 from "\$7,000,000" to \$9,500,000."

2/14/49

RG 126, OFF. OF TERRITORIES
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JUSTIFICATION

Department of the Interior
Government in the Territories

Construction and Maintenance of Roads, Bridges, and Trails, Alaska

Turnagain Arm Road

Purpose of Road

The development of the Kenai Peninsula has long been retarded by the lack of a road connection with the central road system of Alaska. As stated to the Congress in 1948, a road around Turnagain Arm connecting the Kenai Peninsula with Anchorage and the mainland of Alaska is considered essential to the development of this important area.

The Kenai Peninsula contains some 9,000 square miles of agricultural, timber, mining, fishing and recreational resources and is an area of great potentiality. Settlement and development of this area will be greatly accelerated by the completion of the Turnagain Arm Road and the Kenai Lake to Homer Road as these roads will provide easy access by automobile and truck to the areas of greatest promise on the peninsula.

The Alaska Railroad now connects Seward on the Kenai Peninsula with Anchorage and central Alaska. It has been the Interior Department's intention to abandon that portion of The Alaska Railroad between Seward and Portage because of its high operating cost, dangerous condition, and high cost of rehabilitation. Without the road connection now under construction the abandonment of the Seward line would have isolated the Kenai Peninsula.

Action by the Congress

The First Deficiency Appropriation Bill for 1948 made an appropriation of \$7,370,000 and provided additional contract authorization of \$4,000,000 for the construction of the subject road. This appropriation and contract authorization were based upon an estimated cost of \$11,373,000 for a road between mile 58 on the Forest Highway from Seward, and Potter where connection is made with the Anchorage road system--a distance of approximately 60 miles.

The estimated total cost of this road has increased to \$16,432,779, based on existing contracts, and detailed engineering estimates made within the past year for the work not yet under contract. This amendment provides for the increase of \$5,062,779 in the total estimated cost of this project, so that contracts can be entered into as promptly as possible and work on the final section of this road begun during the summer working season of calendar year 1949.

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Statement of Contracts Awarded
and Estimates for Remaining Work

<u>Code No.</u>	<u>Location</u>	<u>Mileage</u>	<u>Cost</u>
C-D	Mile 58-Quartz Creek	18.559	\$2,487,443 *
E	Quartz Creek-Portage	5.513	1,599,281 *
F1	Portage-Peterson Creek	4.016	839,866 *
F2	Peterson-Indian (except bridge)	19.432	2,785,217 *
F2	Bridges	-	593,360
G	Indian-Potter	11.07	<u>7,902,611</u>
	Total Cost of Construction		\$16,207,779
	Funds transferred to Public Roads Administration for Location Survey		75,000
	Funds allotted to Alaska Railroad for Engineering		<u>150,000</u>
	Total estimated cost (Mile 58 to Potter)		\$16,432,779
	Available for obligation:		
	Cash	\$7,370,000	
	Contract Authority	<u>4,000,000</u>	
	Total available		<u>11,370,000</u>
	Additional funds required		\$5,062,779
	Additional Cash requested	\$2,562,779	
	Additional Contract Authority requested..	<u>2,500,000</u>	
	Total increase requested	\$5,062,779	

* Under Contract

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BOX 377

Cost of Construction

The revised estimate for the entire project is approximately 40 percent above the original estimate. The following factors have been responsible for this increase:

1. The Public Roads Administration cost index for highway construction in the United States indicates an increase in costs of 23.5 percent from the time of the original estimate to the last quarter in 1948. The cost index for the period of the original estimate was 133.9; for the last quarter of 1948 it reached 165.3. This index reflects the high labor and equipment costs involved and indicates the major reason for the cost of construction exceeding the original estimate.
2. The uncertainties of construction schedules due to recent prolonged tie-ups between management and labor in the maritime industry have caused the contractors to increase their estimates. Economical construction requires planned scheduling. Major deviations from schedule are costly.
3. Pressure for immediate construction was exerted on contractors for that portion of the road from mile 58 (on the Forest Highway to Seward) to Portage. This was necessary to get a road through to Portage as soon as possible because of the possibility that the Seward line of the Railroad might have to be abandoned at any time due to its dangerous condition.
4. More yardage of rock and dirt has had to be moved than originally designed.

✓ PUBLIC ROADS ADMINISTRATION
FEDERAL WORKS AGENCY
WASHINGTON

In your reply please refer to File No. C-1.6

January 24, 1949

Mr. James P. Davis
Director, Division of Territories
and Island Possessions
Department of the Interior
Washington 22, D. C.

9-1-55
Turnagain
Arms.

My dear Mr. Davis:

In accordance with verbal agreement between representatives of our respective offices there is transmitted for processing standard voucher form No. 1080 providing for advance of funds in amount of \$1,211,808, the remaining estimated amount required to finance the construction and engineering work now under contract on the Turnagain Arm project under the supervision of the Public Roads Administration. There remain to be placed under contract the bridges on Section F-2 included in the Public Roads program which are estimated to cost \$593,360.

Following is a summary of allotments and funds advanced for the survey and construction of the Turnagain Arm project as of this date.

Allotments

Surveys		\$ 75,000
Construction Contract, Sections C, D, E and F-1	4,283,992	
15 percent Engineering and Contingencies	642,599	
Construction Contract, Section F-2	2,421,928	
15 percent Engineering and Contingencies	363,289	
Total		7,786,808

Financing

Cash advanced to date	\$2,575,000	
Contract authority transferred	<u>4,000,000</u>	<u>6,575,000</u>
Additional amount required		\$1,211,808

The transmittal of the voucher to the Alaska Road Commission will be appreciated.

Very truly yours,

/s/ THOS. H. MAC DONALD
Commissioner of Public Roads

Original letter and
vouchers sent to ARS
Arrived 2-1-49
Enclosure Ben

[Handwritten signature]

1080 a—Revised
 prescribed by
 General, U. S.
 October 7, 1943
 (Gen. Regs. No. 98)

**VOUCHER FOR TRANSFERS
 BETWEEN APPROPRIATIONS AND/OR FUNDS
 (DISBURSEMENT)**

D. O. Vou. No.
 Bu. Vou. No.
 Bill No. 10-125-A

ACCOUNTS OF

U. S. Department of the Interior, Division of Territories and Island Possessions, Dr.,
 (Department, establishment, bureau, or office billed)

To U. S. Federal Works Agency, Public Roads Administration
 (Department, establishment, bureau, or office billed)

ORDER No.	DATE OF DELIVERY	ARTICLES OR SERVICES	QUAN- TITY	UNIT PRICE		AMOUNT	
				Cost	Per	Dollars	Cents
		Advance of funds to Public Roads Administration under provisions of Section 601 of the Economy Act approved June 30, 1932, as amended by Act of July 20, 1942, for construction and maintenance of roads, bridges and trails, Alaska Cash required to cover current obligations, Turnagain Arms Project				\$1,211,808	00
TOTAL						\$1,211,808	00

Remittance in payment hereof should be sent to—

JAN 17 1946

C O P Y

Public Roads Administration
Federal Works Agency Bldg. Washington, D. C.
 Accountable officer in whose account collection will appear:

Name Paul D. Banning, Chief Disb. Officer
 Symbol 300

ACCOUNTING CLASSIFICATION (for completion by the billing office)

SYMBOL	TITLE OF APPROPRIATION OR FUND TO BE CREDITED	LIMITATION	APPROPRIATION
		Amount	Amount
<u>50-5902.019</u>	<u>WORKING FUND, FEDERAL WORKS AGENCY, PUBLIC ROADS ADMIN. (Construction and Maint. of roads, bridges and trails, Alaska)</u>		<u>\$1,211,808.00</u>

MEMORANDUM

ACCOUNTING CLASSIFICATION (for completion by the office billed)

SYMBOL	TITLE OF APPROPRIATION OR FUND TO BE CHARGED	LIMITATION	APPROPRIATION
		Amount	Amount

ALLOTMENT SYMBOL	AMOUNT	OBLIGATIONS LIQUIDATED	COST ACCOUNT		OBJECTIVE CLASSIFICATION	
			Symbol	Amount	Symbol	Amount

Paid by check drawn on Treasurer of the U. S., No. _____, dated _____

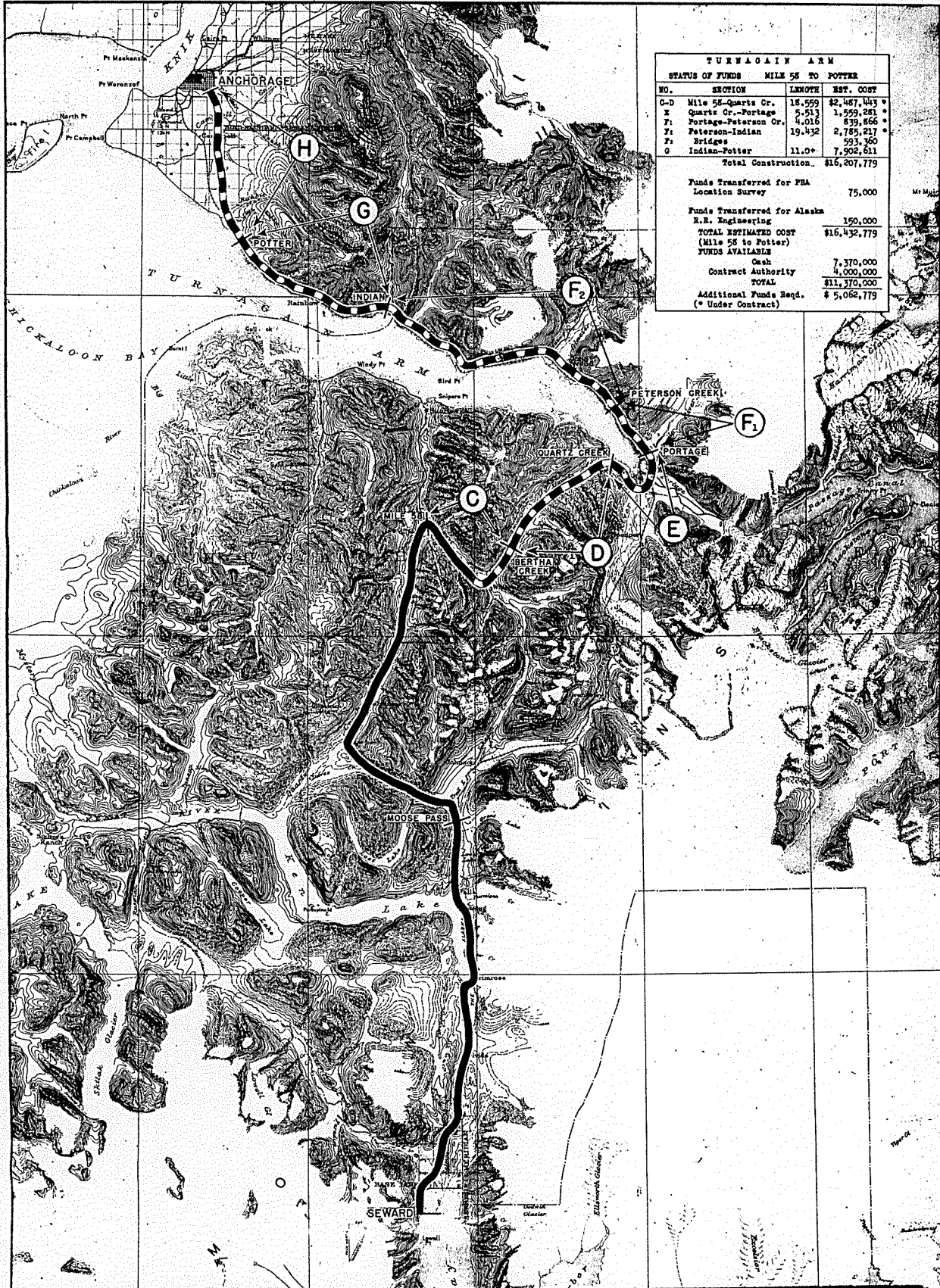
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9 1 55
TURNAGAIN ARM
PROJECT

ENCLOSED CHART SHOWING
BREAKDOWN OF CONSTRUCTION OF
TURNAGAIN ARM ROAD

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Chart #1



TURNAGAIN ARM			
STATUS OF FUNDS MILE 56 TO POTTER			
NO.	SECTION	LENGTH	EST. COST
C-D	Mile 56-Quartz Cr.	18.559	\$2,467,045 *
E	Quartz Cr.-Portage	5.513	1,559,281 *
F ₁	Portage-Peterson Cr.	4.016	839,856 *
F ₂	Peterson-Indian	19.432	2,785,217 *
F ₃	Bridges		553,350
G	Indian-Potter	11.00*	7,902,611
Total Construction \$16,207,779			
Funds Transferred for FEA Location Survey 75,000			
Funds Transferred for Alaska R.R. Engineering 150,000			
TOTAL ESTIMATED COST \$16,432,779			
(Mile 56 to Potter)			
FUNDS AVAILABLE			
Cash 7,370,000			
Contract Authority 4,000,000			
TOTAL \$11,370,000			
Additional Funds Req. \$ 5,062,779			
(* Under Contract)			

**TURNAGAIN ARM PROPOSED CONSTRUCTION
-ALASKA-**

Scale 1:50,000

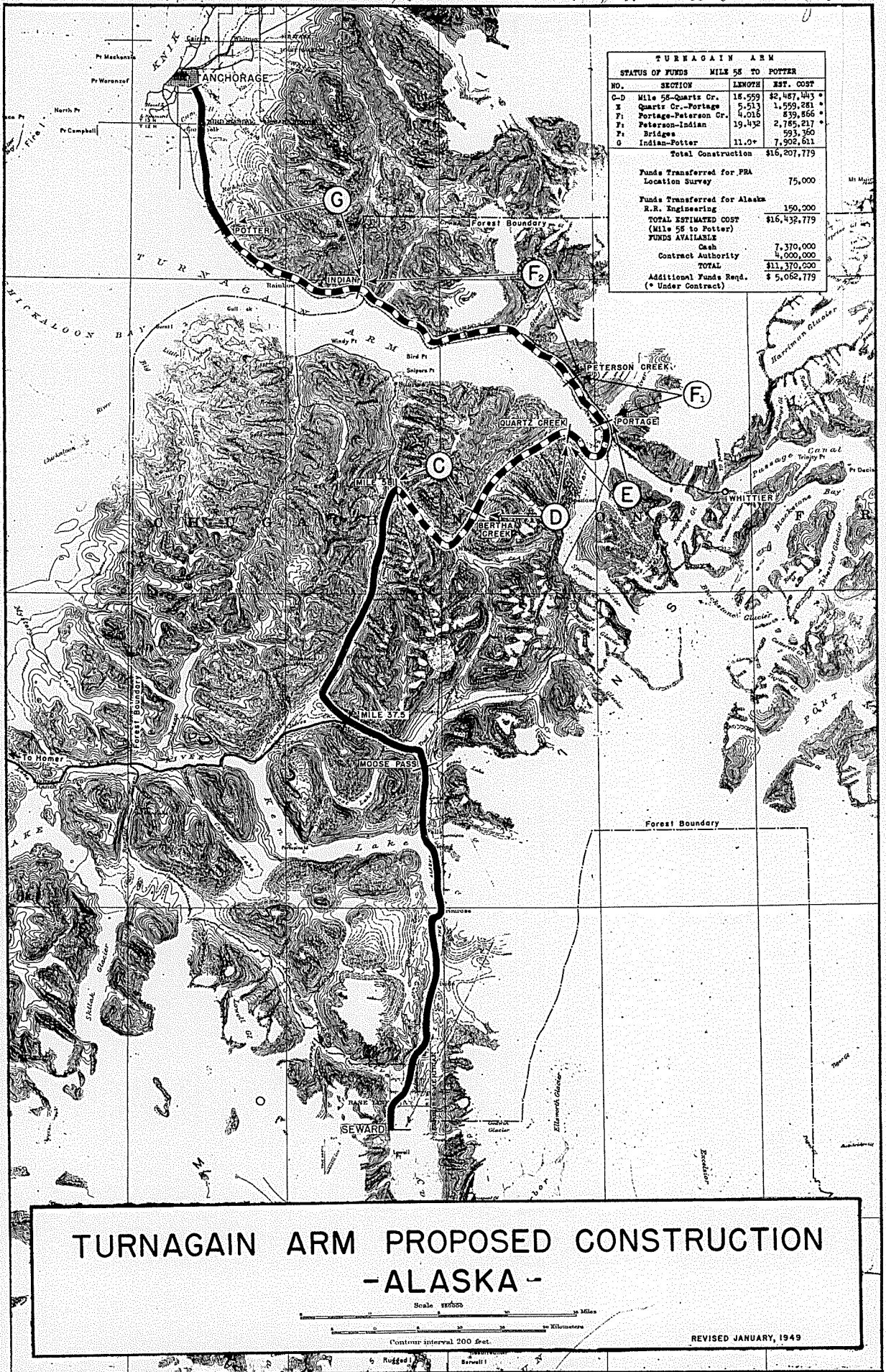
200 Feet

REVISED JANUARY, 1949

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Chart #1 - With Changes

Chart No. 2 - With Changes



TURNAGAIN ARM PROPOSED CONSTRUCTION
- ALASKA -

Scale 1:25000
Miles
Kilometers
Contour interval 200 feet

REVISED JANUARY, 1949

1-18-49

File

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
DIVISION OF TERRITORIES AND ISLAND POSSESSIONS
WASHINGTON 25, D. C.

January 19, 1949

MEMORANDUM

To: James P. Davis

From: T. W. Taylor (Sgd.) T. W. Taylor

Subject: Meeting with Public Roads Administration on Turnagain Arm deficiency, January 18.

9-1-55
Turnagain
Arm
Project

Messrs. Bright, Stoddard, Wood and Captain Curtis attended the session in Mr. Bright's office. I indicated that the 130 questions on my mind were:

1. A statement explaining the original low estimate for Turnagain Arm and the reason for the increase in the cost of the project.
2. Consideration of the amount to estimate for the section between Indian and Potter (whether 10% or 15% would be allowed for contingencies).
3. Preparation of visual material which would aid the Committee in reviewing the request.

Mr. Bright was very interested in the subject of preparing a statement indicating the reasons for the increased cost as he stated he had told the Committee the estimate would be sufficient at the time of the original hearing. PRA will work on this statement immediately.

The Railroad is asking the Road Commission for funds for Turnagain Arm allowing only 10% for engineering and contingencies. The Road Commission and PRA feel that 15% would be a more conservative estimate. Consequently it was agreed that the 15% estimate of contingencies would be used in the submission of the deficiency.

Mr. Wood had a proposed revision of the map showing sections on Turnagain Arm and breaking down section F into F1 and F2. They will also indicate on this map the sections already contracted and the amounts of the contract as well as other charges already made. They will also indicate the estimated cost of the Potter-Indian

Original Copy
9-1-55
APR. adon.
PWC

stretch and the bridges for section F2. This map will be of great convenience in the hearing.

It was agreed by all that the estimate should be submitted to Budget this month if possible with the aim of getting it in the first deficiency appropriation.

I stated, and there was no disagreement, that someone from PRA should go to the Budget and Congressional hearings as they were involved in the original estimate. In fact, Mr. Bright indicated he had asked Captain Curtis to come to the meeting because the Captain might have to go to the hearings representing PRA.

TWT:yk
1/19/49

71
ALASKA
DEPARTMENT OF THE INTERIOR



UNITED STATES
DEPARTMENT OF THE INTERIOR
ALASKA ROAD COMMISSION
JUNEAU, ALASKA

To	Initial	Date
Saylor	✓	1/12

FILES
January 12, 1949

9-1-55
Jurnagoin
Arrows

Mr. James P. Davis, Director,
Division of Territories and Island Possessions,
Department of the Interior,
Washington 25, D.C.

Dear Mr. Davis:

Receipt is acknowledged of your letter of January 3 transmitting the correspondence with the Public Roads Administration referring to contracts on the Turnagain Arm project.

We have copies of this correspondence and of the bid summary so that future correspondence of this type may be retained in your files.

Very truly yours,

John R. Noyes
John R. Noyes,
Commissioner of Roads for Alaska.



INTERIOR
RECEIVED
JAN 10 1949
TERRITORIES

UNITED STATES
DEPARTMENT OF THE INTERIOR
ALASKA ROAD COMMISSION
JUNEAU, ALASKA

January 5, 1949

Mr. James P. Davis, Director,
Division of Territories & Island Possessions,
Department of the Interior,
Washington 25, D. C.

Dear Mr. Davis:

This letter refers to the Turnagain Arm Road.

Pursuant to the agreement between the Alaska Road Commission, The Alaska Railroad, and the Public Roads Administration, approved by the Secretary of the Interior on 12 July 1948, the Alaska Railroad prepared surveys, plans, designs and estimates for 12½ miles of road from Indian to Potter, Alaska, which is the only section not yet constructed or under contract. These data were the subject of a conference in Anchorage on 5 October 1948, attended by Colonel John R. Noyes, Commissioner of Roads for Alaska, Mr. H. A. Stoddart, Division Engineer, Public Roads Administration, Juneau, and Mr. R. A. Sharrod, Chief Engineer of The Alaska Railroad.

The plans and estimates prepared by The Alaska Railroad provided for a new line for the Railroad below or seaward of the present line, with six degree maximum curvature and negligible rise and fall, together with a location for a highway adjacent to and forming a part of the same right-of-way as the Railroad. This was found to be very costly, running to slightly less than \$12,000,000, and was rejected on those grounds.

Immediately following this conference another meeting was held by Colonel Noyes, Mr. Stoddart and Colonel Johnson, General Manager of The Alaska Railroad, at which it was agreed that new surveys, plans and estimates would be prepared for a road location to follow a high line along the mountain side above the Railroad, and another to provide for a new line for the Railroad with the highway following the old Railroad right-of-way. To this was later added another survey, plan, and estimate for a highway outside of and below the present Railroad right-of-way. The first and third of these plans would not disturb the Railroad in any way, but, at the same time, would not result in any improvement of the Railroad either.

The new plans and estimates were completed 15 December 1948 and a conference thereon was held in Anchorage on 17 December 1948, attended by Colonel Noyes, Mr. Stoddart, and Mr. J. T. Cunningham, Acting General Manager of the Alaska Railroad, and others. Estimates for the three new plans together with a revised estimate for the original plan were presented for consideration and are given below. The original plan is shown as Plan No. 3.

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9-1-55
RRC
Turnagain
Arms Projects

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2--Mr. James P. Davis, January 5, 1949.

<u>Estimate Number</u>	<u>Highway Direct Cost</u>	<u>Engineering and Contingencies</u>	<u>Total Cost</u>
1. 28' Highway Outside of Railroad	\$5,946,447.50	\$594,644.75	\$6,541,092.25
2. 28' Highway on Highline above Railroad	\$5,430,720.00	\$543,072.00	\$5,973,792.00
3. Original Combined Section (34' Highway, 6° Railroad Curve)	\$9,274,278.00	\$927,427.80	\$10,201,705.80
4. New 6° Line for Railroad and 28' Highway on abandoned Railroad Grade	\$6,871,835.50	\$687,183.55	\$7,559,019.05

To Plan No. 3 should be added the sum of \$1,146,282.50 for Railroad costs and to Plan No. 4 should be added \$995,637.50 for Railroad costs. These include the furnishing of new ties and rails and the laying of track, costs which are not chargeable to the highway and which it was agreed should be handled entirely by the Alaska Railroad with Railroad funds.

A comparison of the four estimates discloses that Estimate No. 2 is the least costly but results in the poorest road; that Estimate No. 1 is the next least costly but also results in a poor road location subject to considerable danger of washing out by wave action; Estimate No. 3 is the most expensive, although it results in a superior railroad and road location; and Estimate No. 4 combines the salient advantages of the other plans and also provides a superior railroad location at a cost to the appropriation of only one and one-half million dollars in excess of the lowest of the four estimates. This excess cost may very properly be considered to express the improved value of the old railroad right-of-way which will be utilized by the highway.

It was the unanimous opinion of Colonel Noyes, Commissioner of Roads for Alaska, Mr. Stoddart, representing the Public Roads Administration, and Mr. J. T. Cunningham, Acting General Manager of The Alaska Railroad, that Plan No. 4 should be adopted. An additional appropriation of \$5,000,000 will be required for this purpose (exclusive of \$1,000,000 required for railroad purposes such as laying new track).

There is attached hereto a letter from The Alaska Railroad to the Commissioner of Roads for Alaska dated 21 December 1948 presenting an exhaustive analysis of the data together with the recommendation of The Alaska Railroad as indicated above. There is also attached a letter from the Public Roads Administration, Juneau, to the Commissioner of Roads for Alaska, dated 31 December 1948, concurring therein.

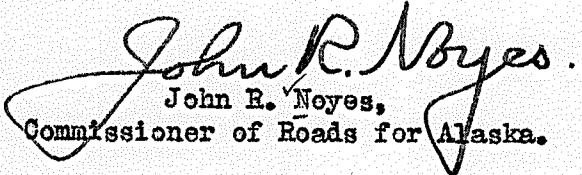
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Box 377

Mr. James P. Davis, January 5, 1949.

It is recommended that a supplemental appropriation of \$5,000,000 of contract authority be secured for the fiscal year 1949 to accomplish this work. This should be followed by the appropriation of \$5,000,000 in cash for the fiscal year 1950 to liquidate the contract authorization. It is desired to advertise the work as soon as possible so that it may be accomplished during the working seasons of 1949 and 1950 in order that the entire Turnagain Arm project may be completed by 31 December 1950. In order to accomplish this, early action to secure the needed funds is requested.

The reason for the deficiency of funds is found in the general economic situation of Alaska and the increase in costs brought about by increased contract prices. All of the work for the Turnagain Arm project has already been placed under contract excepting for certain bridges in the F-2 Section estimated to cost \$593,560.00, and the piece of road from Indian to Potter estimated by the Alaska Railroad to cost \$7,559,019.05 and by the Alaska Road Commission to cost \$7,902,570.00 which is the subject of the present letter. The difference between the two estimates on the Indian-Potter Road is that The Alaska Railroad estimated ten per cent for engineering and contingencies while the Alaska Road Commission and the Public Roads Administration considers that engineering and contingencies should be estimated at fifteen per cent, which is more conservative. A statement of funds is attached hereto as an added enclosure.

Sincerely yours,


John R. Noyes,
Commissioner of Roads for Alaska.

Enclosures:

- 1 Ltr dated 21 Dec 1948
- 2 Ltr dated 31 Dec 1948
- 3 Statement of Funds

CC: Colonel J. P. Johnson,
The Alaska Railroad, Anchorage.
Mr. H. A. Stoddart,
Public Roads Administration, Juneau.

each as follows to the
to indicate the contents
is followed by the
alphabetical as secured for
if is recommended by

E. J. Jensen, Director

UNITED STATES
DEPARTMENT OF THE INTERIOR
The Alaska Railroad
Anchorage, Alaska
December 21, 1948

Colonel John R. Noyes
Commissioner of Roads in Alaska
Alaska Road Commission
Juneau, Alaska

Dear Colonel Noyes:

Reference is made to the Memorandum of Understanding relating to the construction of the Turnagain Arm Road Project in Alaska entered into between The Alaska Road Commission, The Alaska Railroad and The Public Roads Administration and approved by the Secretary of the Interior on July 12, 1948 (hereinafter referred to as Memorandum I) and to the Memorandum of Understanding relating to the same subject (hereinafter referred to as Memorandum II) entered into between the same agencies and approved by yourself on behalf of The Alaska Road Commission, by Mr. H. A. Stoddart on behalf of The Public Roads Administration and by Colonel J. P. Johnson on behalf of The Alaska Railroad on October 5, 1948.

In accordance with Paragraph 4 of Memorandum II The Alaska Railroad has made preliminary surveys and tentative estimates covering the cost of alternative road locations between Indian and Potter as follows:

- A. For a road location outside of and below the present railroad line involving crossing over the railway at Indian and Potter in accordance with letter written by Mr. W.H. Daub to Mr. R. A. Sharood on November 19 and is shown as Estimate No. 1 on Appendix I.
- B. For the location of a road on the mountainside above the present Railroad grade following the most practicable and economical highline route between Indian and Potter. This is shown as Estimate No. 2 on Appendix I.

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Box 377

- C. For the construction of a parallel, combined highway and railroad grade entirely abandoning the present railroad grade as originally implied in Memorandum I. No further work was done on this survey after Memorandum II was signed except to revise the estimate of cost which is shown as Estimate No. 3 on Appendix I.
- D. For a road location utilizing as far as practicable the present grade of The Alaska Railroad requiring a relocation of the Railroad and is shown as Estimate No. 4 on Appendix I.

ESTIMATE NO. 1

In the amount of \$5,946,447.50 for direct costs and \$594,644.75 for engineering and contingencies making a total cost to The Alaska Road Commission of \$6,541,092.25 is for the construction of a standard 28 feet gravel surface highway roughly paralleling the present line of The Alaska Railroad on its seaward side at an approximate elevation of 28 feet above mean sea level.

This involves the construction of a rather tortuous road below and to the seaward side of the present railroad, having a total of approximately 70 curves and a total curvature of 1,886° or more than five complete circles. The degree of curvature on the individual curves ranges from 2° to 20° around rock points extending into Turnagain Arm. The gradients on this line are negligible but the expenditure of \$300,000.00 would be required for the construction of overpass structures at each end of the section and additional \$400,000.00 for approach and runoff fills on each side of each structure or a total of \$700,000.00 This is contained within the total cost mentioned above.

The main advantage of this location is that the highway can be widened at some future date to more adequately care for traffic as it increases on the road. There is also less hazard of accidents to the vehicular traffic due to its location below and at some distance from the railroad. It is also relative economical to construct but more expensive than the highway above the railroad which will be dealt with more fully in Estimate No: 2.

The main cause of concern over this location lies in the probable expense in maintaining the seaward side of the fill, requiring almost constant replacement of riprap rock hauled from a considerable distance in dump trucks. This method automatically limits the size of armor rock that can be placed in order to protect the roadbed slope and is likely to cause a continual maintenance expense.

Another disadvantage of this location is that it prohibits the railroad from making any extensive alterations to its present line except at an exorbitant cost which would come from being required to move its line into rock cuts instead of outward as would be the natural course to follow.

ESTIMATE NO. 2

In the amount of \$5,430,720.00 for direct costs and \$543,072.00 for the engineering and contingencies; making a total of \$5,973,792.00 to the Alaska Road Commission covers the construction of a standard 28 feet highway on the landward side of the present railroad line and at an elevation ranging from 40 to 450 feet above the present railroad grade. Total curvature on this line will be approximately the same as that on the line covered by Estimate No. 1, but the degree of curvature will run up as high as 24°. The line will also have grades up to 7% and traffic in both directions will encounter many adverse grades. No major bridge structures are required.

The only advantage in constructing this line lies in the economy of its original cost as it is the least expensive of the four proposals studied.

The disadvantage of it are so many that but a few will be dwelt upon in this communication. Snow removal will be a considerable problem as the road is of necessity in a location where snow will fall while it will not do so at the lower elevation even though the difference is not great. Seepage of water from rock seams will freeze and form small glaciers alongside and over the road creating maintenance problems and causing additional hazards to be imposed on vehicular traffic. Curvature is such that trucks and other large vehicles will have trouble in negotiating them and grades are now at the maximum allowed for this type of construction, making load reductions imperative for movement over this section. The line is dangerous in that quite a portion of it lies on benches directly above the railroad track. If a vehicle should go over the road, it would fall onto the railroad blocking it and creating a problem in the removal of the damaged car. Much of the road is through rock cuts and rock falls from the side slopes might endanger traffic. In addition to this, rock from the side fills is liable to roll onto the railroad line.

ESTIMATE NO. 3

Covers two phases of construction. The first in the amount of \$9,274,278.00 for the direct costs and \$927,427.80 for engineering and contingencies making a total of \$10,201,705.80

is for the construction of the highway portion and is chargeable to the Alaska Road Commission while costs to The Alaska Railroad amounting to \$1,146,282.50 are divided into \$1,042,075.00 for direct costs and \$104,207.50 for engineering and contingencies. The total cost to both agencies is, therefore, \$11,347,988.30. For this sum there would be constructed a highway having a 34 foot roadbed parallel to a railway line with a maximum curvature of 6° and negligible gradients.

These two lines would have a common subgrade in an entirely new location on the seaward side of the present railroad and the present railroad grade would be entirely abandoned. Total curvature on this line would amount to approximately 919° and the degree of the individual curves, totaling 26 in number, would range from 1° to 6°.

Included in the estimate is \$204,000.00 for the construction of a combined railroad and highway bridge over Rainbow Creek; \$52,000.00 for the construction of a railroad bridge over Potter Creek and \$66,000.00 for the construction of a highway bridge over Potter Creek, which comprises the three major structures to be built on this line.

This line has the advantage of but very few curves of low degree on a practically level grade with excellent sighting distances for both railroad and highway traffic and would compare favorably with any road location in the similar localities. This naturally makes it the most expensive road to build which is its primary disadvantage. One other disadvantage is that the line is projected across indentations of the Arm which is likely to require some maintenance on riprap rock but the railroad, being on the outside, is more favorably situated to perform this work than the highways would be if they were located to the seaward. An additional advantage in this design is that the highway subgrade is 34 feet rather than 28 feet wide as is the case in all other highway locations. The additional six feet was thought desirable in order to obtain better clearance between the railroad and the highway.

ESTIMATE NO. 4

In the amount of \$6,871,835.50 for direct highway costs and \$687,183.55 for engineering and contingencies, together with direct railroad costs of \$905,125.00 and \$90,512.50 for engineering and contingencies, making a total cost to both agencies of \$8,554,656.55 would provide a new line for the railroad following the general location of the combined section covered in Estimate No. 3 while the highway would occupy the abandoned railroad grade.

This proposal would provide a railroad line on a new subgrade; giving it a reduction of about 900° or almost three complete circles in total curvature. It would be on a practically level grade and would have a total of 40 curves ranging from 1° to 6° in curvature. The highway would then be able to utilize the existing railroad grade for its purposes.

Included in the highway portion of the estimate is \$152,000.00 for the construction of railroad bridges over Rainbow Creek and Potter Creek as it is felt that these are a proper charge to the highway section even though they are in the railroad embankment. No bridges are involved in the construction of the highway as drainage would be provided by large culverts.

This location has many advantages for both the railway and the highway. It allows the railroad to improve its existing line by reducing its total curvature from 1886° to 1028°; reducing the number of curves from 70 to 40 and reducing the maximum curvature from 12° to 6°. It provides a line for the highway which can be modified for their purposes quite readily and makes available to them a road having a maximum curvature of 12° with a maximum grade of 2%. The highway is on the landward side of the railroad, eliminating the expense of riprap and seawall protection by highway forces. It gives highway traffic a practically unimpeded movement over the section and enables all vehicles to travel at the same speed and with the same loads as they can pass over other sections of the line, eliminating a possible bottleneck through one of the most difficult sections of the road between Anchorage and Seward. Side slopes through the rock cuts have become stabilized, lessening the danger of rock falls and the road is located at such a distance from the railroad that little hazard is involved to the other by any accident occurring on either line. In the very few locations where this is possible, the vertical distance between the highway and the railroad is not great and the type of casualty likely to be sustained in any accident of this nature will probably be slight.

One great advantage to be gained by both agencies and to the United States from this location is that the heavy investment made by The Alaska Engineering Commission in the construction of The Alaska Railroad is put to a profitable use by The Alaska Road Commission because the present railroad grade involved the movement of about 1,500,000 cubic yards of rock and this cost now accrues to the benefit of The Alaska Road Commission.

These are the estimates of cost and a brief description of the lines run in accordance with authority contained in Paragraph 9 of Memorandum I. The amounts of \$1,146,282.50 and \$995,637.50 cover the cost of placing new lines, etc. in accordance with the terms of Paragraph 3 of Memorandum II and are separated from direct costs to the highway for that reason.

In accordance with the terms of Paragraph 9 of Memorandum I, representatives of The Alaska Road Commission met with representatives of the Public Roads Administration and The Alaska Railroad in the office of the General Manager of The Alaska Railroad at Anchorage on December 17, 1948 to discuss these plans, specifications and estimates and to weigh their relative merits and disadvantages. The following persons were present at this meeting:

Col. John R. Noyes, Alaska Road Commission
Juneau, Alaska.

H. A. Stoddart, Div. Engineer, Public Roads Administration, Juneau, Alaska.

W. H. Daub, Chief, Contract Division, Alaska Road Commission

D. M. Franch, District Engineer, Public Roads, Seward, Alaska.

J. B. Reher, Engineer, Public Roads, Juneau, Alaska.

I. T. Sawby, Highway Engineer, Alaska Railroad, Anchorage, Alaska.

E. B. Covey, Track Engineer, Alaska Railroad, Anchorage, Alaska.

F. M. Shipman, Resident Engineer, Alaska Railroad, Anchorage, Alaska.

A. A. Anderson, Assistant Chief Engineer, Alaska Railroad, Anchorage, Alaska.

R. A. Sharood, Chief Engineer, Alaska Railroad, Anchorage, Alaska.

D. H. Nucker, Assistant to General Manager, Alaska Railroad, Anchorage, Alaska

J. T. Cunningham, Acting General Manager, Alaska Railroad, Anchorage, Alaska.

After the merits of each line were studied, it was mutually agreed that the line covered by Estimate No. 4 was the best of those submitted.

Estimate No. 1 was eliminated from consideration because maintenance of the highway line outside the present railroad is liable to prove quite high, due to wave action on the embankment and the necessity of replacing riprap removed by ice action.

It was the general consensus of opinion that the highway above and to the inside of the railroad (Estimate No. 2), while the least expensive to construct, would require heavy maintenance to keep the road in condition and a force of men and machines would be needed to remove winter snow fall and glaciated ice extrusions from the side slopes. The free passage of traffic could not be provided due to the nature of the terrain on which the road had to be located and for these reasons this location was eliminated from further discussion.

It was thought that the original combined section (Estimate No. 3), while being the ideal location, was not justified for reasons of expense alone. This location would have been the best had funds been available and both railroad and highway traffic been in sufficient amounts to justify the expenditure; therefore, it was decided that the new 6° railroad line and the highway location on the abandoned railroad grade (Estimate No. 4) combined the better features of Estimate No. 3 and eliminated the disadvantages of Estimates No. 1 and 2.

Therefore, The Alaska Railroad is proceeding with plans, specifications and estimates for the construction of a new 6° railroad line on the seaward side of the present railroad grade and will prepare the same information for utilizing the abandoned railroad grade for highway purposes in accordance with Paragraph 9 of Memorandum I and Paragraph 4a of Memorandum II.

The Alaska Railroad, in its rehabilitation program, contemplated the repair and reconstruction of its line between Portage and Fairbanks and inasmuch as the line between Potter and Indian lies within these limits, The Alaska Railroad agrees that it will provide the amount now estimated to be \$995,637.50 for the purpose of bearing additional costs that will result from improvement to the railroad as mentioned in Paragraph 8 of Memorandum I.

This sum is to place new ties and lay 115# rail and ballast on the new subgrade between Potter and Indian and to pay for the removal of the existing track and structures on the present railroad grade, together with other items of a minor nature.

Upon receipt of information as to availability of funds, The Alaska Railroad will complete plans and all specifications preparatory to calling for bids. No invitations to bid will be issued, nor will any contracts be entered into, unless specific authorization therefor shall first be given by The Alaska Road Commission in accordance with Paragraph 6 of Memorandum I.

- Page Seven -

the receipt of which
will be made by the
Department of the Interior
Washington, D. C.

As a result of a conference held in the office of the General Manager on October 30th at which Messrs. Anderson, Daub, Davis, French, Sharood and Colonel Johnson were present, it was made known to Colonel Johnson that the sum of money presently available for the construction of the railroad and highway between Potter and Indian is not sufficient for the construction of any of the four lines mentioned in this letter.

Colonel Johnson wrote you on November 2nd stating that in order to secure the additional appropriation for this type of construction, The Alaska Railroad is willing to join The Alaska Road Commission in making a joint request for the additional funds required. This statement is repeated this time as it is felt that the benefits to be gained by both The Alaska Railroad and The Alaska Road Commission from the construction of the line under Estimate No. 4 amply justifies the additional funds required.

Sincerely yours,

/s/ J. T. Cunningham
Acting General Manager

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Box 377

State Energy System
 General Manager on 05
 7222 1st Avenue S.E.
 Seattle, Wash. 98148

RG 126, OFF. OF TERRITORIES
 Entry 1-B, Classified Files, 1907-51
 Box 377

APPENDIX I
COMPARISON OF ESTIMATED COSTS
FOR THE
CONSTRUCTION OF A HIGHWAY BETWEEN POTTER AND INDIAN
INVOLVING THE RELOCATION OF THE ALASKA RAILROAD

Estimate Number	Highway Direct Cost	Engineering and Contingencies	Total Cost	Railroad Other Costs Direct	Engineering and Contingencies	Total
1. 28' Highway Outside of Railroad	\$5,946,447.50	\$594,644.75	\$6,541,092.25			
2. 28' Highway on Highline above Railroad	\$5,430,720.00	\$543,072.00	\$5,973,792.00			
3. Original Combined Section (34' Highway, 6° Railroad Curve)	\$9,274,278.00	\$927,427.80	\$10,201,705.80	\$1,042,075.00	\$104,207.50	\$1,146,282.50
4. New 6° Line for Railroad and 28' Highway on abandoned Railroad Grade	\$6,871,835.50	\$687,183.55	\$7,559,019.05	\$ 905,125.00	\$ 90,512.50	\$ 995,637.50

Anchorage, Alaska
 December 21, 1948
 Engineering Dept.
 The Alaska Railroad

FEDERAL WORKS AGENCY
PUBLIC ROADS ADMINISTRATION

Division Ten
Juneau, Alaska

December 31, 1948

Colonel John R. Noyes
Commissioner of Roads
for Alaska
Alaska Road Commission
Juneau, Alaska

Dear Colonel Noyes:

Receipt is acknowledged of your letter dated December 31, 1948, enclosing a copy of the letter from the Alaska Railroad dated December 21, regarding the location of Section G of the Turnagain Arm Project and stating that the representatives of the three interested organizations were in agreement that the design providing a new railroad grade on a location having a six degree maximum curve with the highway to occupy the abandoned railroad grade would be adopted.

I concur in the statements made in Mr. Cunningham's letter and hereby accept the location as satisfactory to the Public Roads Administration. It is understood that the Railroad will submit the plans, specifications and estimates for detailed review in accordance with Paragraph 9 of the Agreement prior to advertising.

I propose to furnish copies of this correspondence to the Commissioner of Public Roads and will recommend that the Public Roads Administration support the request for additional funds.

Mr. Cunningham's letter is returned herewith.

Very truly yours,

/s/ H. A. Stoddart
Division Engineer

Enclosure

C O P Y

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OBLIGATIONS - TURNAGAIN ARM ROAD

Existing Obligations:

Surveys Prior to Contract, PRA	\$ 75,000.00
Contract plus 15%, Sections C, D, E and F-1	4,926,591.00
Contract plus 15%, Grading Section F-2	2,785,217.00
Alaska Railroad Engineering, Indian-Potter Section	<u>170,000.00</u>
Total Present Obligations	<u>\$ 7,956,808.00</u>

Estimated Future Obligations:

Bridges on Section F-2	\$ 593,660.00
Indian-Potter Construction	<u>7,902,570.00</u> *
Total Estimated Future Obligations	<u>\$ 8,496,230.00</u>

Total Actual and Estimated Obligations to Complete	\$16,453,038.00
Available Cash and Contract Authority	<u>11,370,000.00</u>
Required to Complete	\$ 5,083,038.00

* This amount includes an allowance of 15% for engineering and contingencies instead of 10% added by The Railroad and shown in their tabulation.



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UNITED STATES
DEPARTMENT OF THE INTERIOR
THE ALASKA RAILROAD
ANCHORAGE, ALASKA

To	Initial	Date
Jay	JJ	12/28
Flahne	GF	1/5
Davis	gpd	1/6
Lee	gln	1/24
FILES		

December 22, 1948

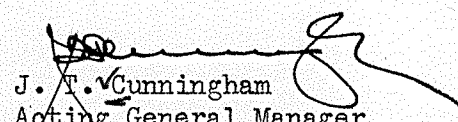
*9-1-55
Turnagain
Arm Project*

Mr. James P. Davis, Director
Division of Territories and Island Possessions
Department of the Interior
Washington 25, D.C.

Dear Mr. Davis:

I am enclosing a copy of my letter to Colonel John R. Noyes, Commissioner of Roads in Alaska, Alaska Road Commission, Juneau, Alaska, dated December 20, relating to the construction of the Turnagain Arm Road Project in Alaska entered into between The Alaska Road Commission, The Alaska Railroad, and The Public Roads Administration. This is being forwarded to you for your information.

Sincerely yours,


J. T. Cunningham
Acting General Manager

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
DIVISION OF TERRITORIES AND ISLAND POSSESSIONS
WASHINGTON 25, D. C.

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Lake*

JAN - 3 1949

*9-1-55
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Amr*

AIR MAIL

Col. John R. Moyes,
Commissioner of Roads for Alaska,
Alaska Road Commission,
Juneau, Alaska.

My dear Colonel Moyes:

The enclosed correspondence is being forwarded to you. If you already have copies of this and it is unnecessary for us to refer to you copies of correspondence from the Washington office of PRA to this Division please so advise and we will retain future correspondence for our files.

Sincerely yours,

((Sgd.)) James P. Davis

James P. Davis,
Director.

Enclosures

TWT:yk
12/31/48

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Box 377

Mr. Davis —

Did PRA
notify Noyes of
this — or do they
expect us to?

Is ⁵ ~~Govt~~ ~~Stoddart~~
will Noyes?

JD

PUBLIC ROADS ADMINISTRATION

FEDERAL WORKS AGENCY

WASHINGTON 25

IN YOUR REPLY PLEASE
REFER TO FILE No. B-3.1

December 28, 1948

INTERIOR DEPT.
RECEIVED
DEC 29 1948
TERRITORIES

To	Initial	Date
Davis	JD	12/29
Flakus	R.T.	12/30
Taylor	TT	12/30
FILES		

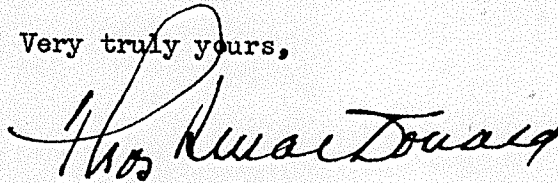
Mr. James P. Davis
Director
Division of Territories
and Island Possessions
Department of the Interior
Washington 25, D. C.

My dear Mr. Davis:

There are enclosed one copy each of tabulation of bids and letter of acceptance from Division Engineer Hugh A. Stoddart to the low bidder, in connection with Alaska Project, Seward-Anchorage, (Turnagain Arm), Section F2, Peterson Creek to Indian.

These copies are sent to you in accordance with our telephone conversation of December 9, 1948.

Very truly yours,



Commissioner of Public Roads

Enclosures

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FILE COPY
Surname:

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON

Territories

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DEC 30 1948

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My dear Mr. Fleming:

The First Deficiency Appropriation Act of 1948 (Public Law 519, 80th Congress), approved May 10, 1948, provides in part as follows:

"Construction and maintenance of roads, bridges, and trails, Alaska; For an additional amount for the construction, repair, and maintenance of roads, tramways, buildings, ferries, bridges, and trails, Territory of Alaska, \$7,370,000, to remain available until expended; and in addition, the Secretary or, at his request, the Commissioner of Public Roads, Federal Works Agency, is authorized to incur obligations and enter into contracts for additional work, materials, and equipment for the purposes of this appropriation in an amount not to exceed \$4,000,000."

9-1-55
Turnagain
Arms

In order to provide authority for the contract obligations for work under the supervision of the Public Roads Administration in connection with the survey and construction of the Turnagain Arm Project, (as outlined in the Memorandum of Understanding dated July 12, 1948, between the Interior Department and the Public Roads Administration), the contract authorization of \$4,000,000 provided in the above act is hereby transferred to the Commissioner of Public Roads.

A request for revision of apportionments reflecting this transfer will be submitted to the Bureau of the Budget.

Sincerely yours,

(Sgd) J. A. Krug

Secretary of the Interior.

Major General Philip B. Fleming,
Federal Works Administrator,
Federal Works Agency.

EMM:ar
12/19/48

COPY FOR THE SECRETARY'S OFFICE

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PA

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Mr. J...

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THE ADJUTANT GENERAL'S OFFICE
DEPARTMENT OF THE ARMY
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REpublic 6700 Extension 71388

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TO DIV OF TERRITORIES DEPT OF INT WAS HDC
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REFERENCE TURNAGAIN ARM ROAD PROJECT AND YOUR LETTER DECEMBER TEN
PD WE PROPOSE TO TRANSFER IMMEDIATELY TO PUBLIC ROADS ADMINISTRATION
THE ENTIRE AMOUNT OF CONTRACT AUTHORIZATION OF FOUR MILLION DOLLARS
PLUS ONE MILLION ONE HUNDRED THIRTY SIX THOUSAND EIGHT HUNDRED
EIGHT DOLLARS AND THIRTY CENTS IN CASH MADE UP AS
FOLLOWS COLON TOTAL OF EXISTING CONTRACT FOR SECTION C CMA D
CMA E CMA F ONE DASH FOUR MILLION TWO
HUNDRED EIGHTY THREE THOUSAND NINE HUNDRED AND NINETY TWO DOLLARS
AND TWENTY SIX CENTS PD CONTRACT FOR WHICH BIDS JUST
OPENED PAREN SECTION F TWO PAREN DASH TWO MILLION FOUR

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AND TWENTY SIX CENTS PD CONTRACT FOR WHICH BIDS JUST

OPENED PAREN SECTION F TWO PAREN DASH TWO MILLION FOUR

CFN C D E F F

PAGE TWO UWKH 106H

HUNDRED TWENTY ONE THOUSAND NINE HUNDRED TWENTY EIGHT DOLLARS PD

PLUS ENGINEERING AND CONTINGENCIES ON BOTH CONTRACTS ESTIMATED BY PRA

AT FIFTEEN PERCENT DASH ONE MILLION FIVE THOUSAND EIGHT HUNDRED

EIGHTY EIGHT DOLLARS AND FOUR CENTS PD TOTAL SEVEN MILLION

SEVEN HUNDRED ELEVEN THOUSAND EIGHT HUNDRED EIGHT DOLLARS AND THIRTY

CENTS PD FROM WHICH DEDUCT PREVIOUS ADVANCES
~~OF TWO MILLION~~

FIVE HUNDRED THOUSAND DOLLARS AND SEVENTY FIVE THOUSAND DOLLARS DASH

TWO MILLION FIVE HUNDRED SEVENTY FIVE THOUSAND DOLLARS PD LEAVING

BALANCE FOR TRANSFER OF FIVE MILLION ONE HUNDRED THIRTY SIX

THOUSAND EIGHT HUNDRED EIGHT DOLLARS AND THIRTY CENTS PD IF

CFN PRA

PAGE THREE UWKH 106H

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SEVEN HUNDRED ELEVEN THOUSAND EIGHT HUNDRED EIGHT DOLLARS AND THIRTY

CENTS PD FROM WHICH DEDUCT PREVIOUS ADVANCES
~~OF~~ OF TWO MILLION

FIVE HUNDRED THOUSAND DOLLARS AND SEVENTY FIVE THOUSAND DOLLARS DASH

TWO MILLION FIVE HUNDRED SEVENTY FIVE THOUSAND DOLLARS PD LEAVING

BALANCE FOR TRANSFER OF FIVE MILLION ONE HUNDRED THIRTY SIX

THOUSAND EIGHT HUNDRED EIGHT DOLLARS AND THIRTY CENTS PD IF

CFN PRA

PAGE THREE UWKH 106H

ABOVE SATISFACTORY TO PRA PLEASE ARRANGE TRANSFER OF CONTRACT

AUTHORIZATION AND REQUEST PRA TO SUBMIT REIMBURSEMENT VOUCHER TO ALASKA

ROAD COMMISSION FOR THE SUM OF ONE MILLION ONE HUNDRED THIRTY

SIX THOUSAND EIGHT HUNDRED EIGHT DOLLARS AND THIRTY CENTS

ADDITIONAL CASH WITH UNDERSTANDING THAT PRA WILL ULTIMATELY PROVIDE

DETAILED STATEMENT ACCOUNTING FOR ACTUAL EXPENDITURES FOR ENGINEERING

AND CONTINGENCIES WHICH ARE NECESSARY FOR ALASKA AND
COMMISSION COST

ACCOUNTING PURPOSES

CFN PRA

14/1915Z

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
DIVISION OF TERRITORIES AND ISLAND POSSESSIONS
WASHINGTON 25, D. C.

Taylor
Flakne
Lee

CONFIDENTIAL

DEC 10 1948

AIR MAIL

Col. John R. Noyes,
Commissioner of Roads for Alaska,
(Alaska Road Commission,
Juneau, Alaska.)

9-1-55
Turnagain
Arrow
Project

My dear Colonel Noyes:

I have studied your proposal of November 29 that the method of approving contracts and handling funds for Turnagain Arm be revised along the lines of the procedure provided for 1949 funds. There is a serious doubt in my mind as to the desirability of doing this. The Public Roads Administration is sensitive about this matter and I do not believe we should try to change this agreement. It will expire upon completion of the Turnagain Arm project. Also, Congress is likely to be considerably upset by the estimated total cost of the Turnagain Arm project. My feeling is that the more the responsibility rests on Public Roads Administration, the better it will be for the Alaska Road Commission at the hearing and for future Congressional relations.

The urgent necessity for an early determination of this matter was emphasized to me today when I received a letter from the Commissioner of Public Roads in which he discusses the present situation relative to obligations incurred by his agency in connection with the Turnagain Arm project. He is very much concerned over the dilemma in which he finds himself by reason of your decision not to transfer any cash to him at this time. He concludes his letter with the following statement:

"We consider that we must have contract authority or cash in hand to cover the contract obligation already incurred. If the Alaska Road Commission does not desire to transfer at this time the remaining amount of cash necessary to complete work under contract on the basis of the present estimated cost, I see no alternative but to request contract authority in lieu of cash."

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Since the Public Roads Administration acted in good faith in letting the contracts, I suggest that you take action at once to relieve the situation by one of the methods outlined, unless there is serious doubt in your mind as to the propriety thereof.

If you believe it to be impracticable to transfer the balance of cash at this time, and decide to transfer the contract authority in lieu of cash, I have been informally advised that this can, if handled expeditiously, be accomplished in about two weeks.

Please radio me your decision in this matter. If you decide that the transfer of the contract authority to the Public Roads Administration is the better method of handling the transaction, I will prepare a letter of authority from the Secretary, in order to avoid any unnecessary delay.

Sincerely yours,

(Sgd.) James P. Davis

James P. Davis,
Director.

TWT:EMH:yk
12/8/48

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