



File

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

July 15, 1948

MEMORANDUM

To: H. Rex Lee

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

Attached is a photostated copy of the memorandum of understanding relating to the construction of the Turnagain Arm Road project in Alaska received through the courtesy of the Public Roads Administration. I thought you might wish to have a copy handy.

*Copy detached and sent to
GAO - Contract Voucher Section
Mr. Woodring 195-280
1/19/51
Bon*

Enclosure

TWT:yk

INTERIOR DEPT.
RECEIVED
JUL 15 1948
TERRITORIES

To	Date
Taylor	7/20
WAR 434	

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DEPT. OF THE INTERIOR
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 JUL 16 1948
 SECRETARY'S MAIL CENTER

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TO DAVIS DIV TERRITORIES INTERIOR WASHINGTON D C INT GR82

REF LETTER JULY TWELFTH AGREE AWARD SHOULD BE MADE AS RECOMMENDED
 BY PRA HOWEVER MEMORANDUM OF UNDERSTANDING NOT CLEAR REGARDING
 AUTHORIZATION REFERRED TO LAST PARAGRAPH YOUR LETTER BUT BELIEVE
 YOUR LETTER SAME DATE TO MACDONALD SUFFICIENT AUTHORITY PROCEED
 WITH AWARD PD REQUEST YOU INSTRUCT PRA PROCEED WITH AWARD ON BASIS
 CONCRETE DECKING ON BRIDGE PD VOUCHER ENCLOSED WILL BE
 PROCESSED IMMEDIATELY PD FORMAL ALLOTMENT OF FOUR MILLION NINE
 HUNDRED TWENTY SIX THOUSAND FIVE HUNDRED NINETY ONE DOLLARS AND
 NINE CENTS BY MAIL
 151745 Z

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.

JUL 13 1948

AIR MAIL

Mr. Ike P. Taylor,
Chief Engineer,
Alaska Road Commission,
Juneau, Alaska.

9-1-55
R. J.
Turnagain
Alaska

My dear Mr. Taylor:

Attached is a signed copy of the memorandum of understanding relating to the construction of the Turnagain Arm Road project in Alaska. This copy is for your files.

Vernon Northrop raised some question about the adequacy of the provisions in this memorandum for controlling the expenditures of funds. I am going to discuss this matter with his office, and if I get any ideas which may be helpful, I will pass them on to you.

In looking over the submittal to Congress for last year, I noticed that under "Maintenance" in listing the road systems the Richardson Highway is indicated as being 368 miles in length. Under the heading of "Construction" asphalt surfacing of the Richardson Highway is indicated as 365 miles in length. These figures are substantially the same and make no practical difference. However, if a Congressman was antagonistic to the program and could pick up discrepancies such as this, he could make the hearing more difficult. We noticed some of these discrepancies prior to the hearings last year but have always forgotten to check with you to see which figures were correct at times you were here.

Sincerely yours,

(Sgd.) T. W. Taylor

T. W. Taylor,
Administrative Officer.

Enclosure

TWT:yk
7/13/48

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.

JUL 13 1948

AIR MAIL

Col. J. P. Johnson,
General Manager,
The Alaska Railroad,
Anchorage, Alaska.

My dear Colonel Johnson:

Attached is a signed copy of the memorandum of understanding relating to the construction of the Turnagain Arm Road project in Alaska. This copy is for your files.

Sincerely yours,

(Sgd.) T. W. Taylor

T. W. Taylor,
Administrative Officer.

Enclosure

TWT:yk
7/13/48

RG 126, OFF. OF Territories
Entry 1-B, Classified Files, 1407-51
Box 377

Lee
Taylor

JUL 12 1948

Mr. Thomas H. MacDonald,
Commissioner of Public Roads,
Federal Works Agency.

My dear Mr. MacDonald:

This will reply to your letter of July 7 concerning the bids submitted for the construction of Sections C, D, E, E1, E2, E3 and F1 for grading and bridges on the Seward-Anchorage Highway (Turnagain Arm), Third Judicial District, Territory of Alaska.

In view of the fact that the low bid was considerably above the estimated cost of this section of the road, we discussed the matter in detail with Senator Guy Gordon, Chairman of the Interior Subcommittee of the Senate Appropriations Committee, and Ben Jensen, Chairman of the Interior Subcommittee of the House Appropriations Committee. Both of these men were disappointed to hear that the low bid was considerably in excess of the estimated cost of this road. However, both felt that it was necessary that we exercise our own judgment on the matter and that if in our opinion this was the best bid we could get it would be well to go ahead with the project.

In light of the discussions we have held with you and Mr. Bright, it appears that the low bid by Lytle and Green is the best that we can do on this project. Therefore, I suggest that you go ahead and award the bid to them. I am sending your 1080 to Mr. Taylor for processing.

It is my hope that we will be able to get lower bids on the remaining two sections of the road and thus effect some saving that can be applied to the first section.

Sincerely yours,

(Sgd.) James P. Davis

James P. Davis,
Director.

Lee:ch
cc - Ike Taylor *Sent*

RG 126, Off. of Territories
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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
DIVISION OF TERRITORIES AND ISLAND POSSESSIONS
WASHINGTON 25, D. C.

File
Taylor
Lee

JUL 12 1948

AIR MAIL

Mr. Ike P. Taylor,
Chief Engineer, Alaska Road Commission,
Juneau, Alaska.

My dear Mr. Taylor:

The Public Roads Administration has received bids for the construction of Sections C, D, E, E1, E2, E3 and F1 for grading and bridges on the Turnagain Arm Highway. No bid was received for the erection of the bridge on Section E2.

As indicated in the attached letter from Commissioner Mac Donald the Lytle Construction Company and Green Construction Company of Des Moines and Sioux City, Iowa, respectively, were the low bidders on the combined sections.

The Division feels that the award should be made by the Public Roads Administration in accordance with the terms of the Memorandum of Understanding. Will you please make available sufficient authorization for such action and process the enclosed voucher, Standard Form 1080, for an advance of \$2,500,000 cash.

Sincerely yours,

((Sgd.) James P. Davis)

James P. Davis,
Director.

Enclosures:

1080 Voucher.
Let. from PRA 7/7/48.
Summary of Low Bid, Lytle & Green.
Estimated increase in cost over
original estimates based on low
bids received.
Tabulation of Bids (3)

TWT:yk
7/9/48

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

DIVISION OF TERRITORIES
OFFICE
DEBVS

IN YOUR REPLY PLEASE
REFER TO FILE No. B-3

PUBLIC ROADS ADMINISTRATION
FEDERAL WORKS AGENCY
WASHINGTON 25

July 7, 1948

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

My dear Mr. Davis:

As a result of the January 9, 1945 request of Mr. B. W. Thoron, former Director, Division of Territories and Island Possessions, bids were opened in Portland, Oregon on June 29, 1948 by Public Roads Administration Division Engineer for the construction of Sections C, D, E, E1, E2, E3 and F1 for grading and bridges on the Seward-Anchorage Highway (Turnagain Arm), Third Judicial District, Territory of Alaska.

The following firms submitted proposals:

1. Lytle Construction Co. & Green Construction Co.
2. Stock & Grove Inc.
3. Peter Kiewit Sons' Co., S. Birch & Sons Construction Co. & Morrison-Knudsen Co., Inc.
4. M. P. Munter & Alton V. Phillips

As per tabulation of bids (2 copies attached), Lytle Construction Co. & Green Construction Co. further offered a 10 percent reduction if awarded all sections which made them low bidder.

It is to be noted that no bid was received for the erection of the bridge on Section E2 which necessarily eliminates consideration of construction of Sections E1 and E3. The Lytle and Green Construction Co. of Des Moines and Sioux City, Iowa were the low bidders on the combined sections. Their bid for the project including furnishing steel with concrete decks for bridges amounted to \$4,283,992.26, with the same sections with timber decks the low bid was \$4,141,587.24 a difference of \$142,405.02.

Since the concrete decks have a longer life and are more resistant to fire we believe that the concrete decks are a better buy.

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After a discussion with the contractors, it is apparent that the prices for roadway items are reasonable under the circumstances though we questioned the prices of concrete and creosoted timber and after some discussion the contractors have advised that they are willing to eliminate these items as far as possible if by redesign, steel can be substituted to a cost advantage to the project.

The contractors also advised that there was considerable additional cost due to the closing of the Port of Whittier for freight to this project and routing through Seward. The contractors are now estimating the tonnage involved and will submit it for your consideration and will allow a rebate for any charges in railroad freight rates that can be granted.

These modifications need not interfere with the award of contract since contractors have agreed to adjustments by necessary supplemental agreements and since it is necessary to proceed at once if the contract is to be completed within the time limit of December 31, 1949 immediate action is necessary.

Public Roads Administration is prepared to award these contracts immediately in compliance of the terms of the Memorandum of Understanding and request that you make available sufficient authorization for such action including 10 percent for contingencies and 5 percent for engineering and the allocation of possibly \$2,500,000 cash which should be sufficient to carry the project for this fiscal year.

Attached is a reestimation of Sections C, D, E and F in the light of these prices and Section G as originally estimated.

Very truly yours,



Commissioner of Public Roads

Enclosure

Voucher Form 1080 for \$2,500,000.00

THESE FIGURES ARE FOR THE USE
 OF THE BUREAU OF PUBLIC WORKS
 AND SHOULD NOT BE USED FOR
 ANY OTHER PURPOSES WITHOUT THE
 WRITTEN PERMISSION OF THE
 BUREAU OF PUBLIC WORKS

SUMMARY OF
LOW BID OF LYTLE AND GREEN

C & D	Group 1 Group 3	\$ 1,473,552.00 929,774.90 <u>(\$ 2,403,326.90)</u>	Grading (Bridges-Contr. (Furn.Steel
	E	522,249.00 132,228.70 890,721.60 <u>(\$ 1,545,199.30)</u>	Grading (Bridges-Contr. (Furn.Steel (Pile Trestles (Conc. Decks
	F1	320,401.00 168,025.00 323,039.20 <u>\$ (811,465.20)</u>	Grading Grading (Pile Trestles (Conc. Decks
		4,759,991.40 475,999.14 <u>\$ 4,283,992.26</u>	Bid Tot. 10% Red. Const.Total

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TURNAGAIN ARM, ALASKA

Estimated Increase in Cost Over Original Estimates Based on Low Bids Received

<u>Section</u>	<u>Original Estimate</u>	<u>Low Bid</u>	<u>Estimated Increase</u>
C & D, E, F1	\$ 2,525,530.00	\$ 4,283,992.26 * ✓	\$1,758,462.26
F2	1,456,000.00	2,876,288.00 **	1,420,288.00
G	<u>5,517,434.00</u>	<u>5,517,434.00 ***</u>	<u>---</u>
Construction Total	\$ 9,498,964.00	\$12,677,714.26 ✓	\$3,178,750.26
Total E. ¹⁰ & C. ⁵	<u>1,424,736.00</u>	<u>1,893,860.74</u>	<u>469,124.74</u>
Total	\$10,923,700.00	\$14,571,575.00	\$3,647,875.00
Contingent	<u>450,000.00</u>	<u>---</u>	<u>- 450,000.00</u>
GRAND TOTAL	\$11,373,700.00	\$14,571,575.00	\$3,197,875.00

* Low bid less 10%

** Revised estimate July 2, 1948

*** Railroad survey underway

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Box 377

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
DIVISION OF TERRITORIES AND ISLAND POSSESSIONS
WASHINGTON

JUL - 7 1948

MEMORANDUM

To: The Secretary
From: James P. Davis *JPD*
Subject: Memorandum of Understanding Relating to the Construction of the Turnagain Arm Road Project in Alaska

Attached for your approval are the original and five copies of the final version of the Memorandum of Understanding Relating to the Construction of the Turnagain Arm Road Project in Alaska.

These have been signed by Mr. Ike P. Taylor, Chief Engineer, The Alaska Road Commission; Colonel J. P. Johnson, General Manager, The Alaska Railroad; and Mr. Thomas H. MacDonald, Commissioner of Public Roads.

JUL 12 1948
Enclosures approved by:
(Sgd) J. A. Krug
Secretary and returned.



*5004 "1. Bellg.
Original to Mr. Wilson for photostat,
Copy to PRA - 7-12-48. Nam
Orig. returned later 7/12/48.*



INTERIOR DEPT.
RECEIVED
JUL - 2 1948
TERRITORIES

UNITED STATES
DEPARTMENT OF THE INTERIOR
THE ALASKA RAILROAD
ANCHORAGE, ALASKA
June 29, 1948

To	Initial	Date
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FILES		

*S-1-25
R+S
Turnagain
Arm*

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

Dear Mr. Davis:

I am returning herewith the original and five copies of the final version of the Memorandum of Understanding Relating to the Construction of the Turnagain Arm Road Project in Alaska.

These have been signed by Mr. Ike P. Taylor and Colonel J. P. Johnson and are being forwarded to you for Secretarial approval. Upon receipt of the Secretary's approval, please return a copy of the Agreement to the Railroad for our files.

Very truly yours,

J. T. Cunningham
J. T. Cunningham,
Acting General Manager

enclosures

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.

Lee
Sh

Lee - 664

DEPARTMENT OF THE INTERIOR
DIVISION OF TERRITORIES

XXXXXXXXXXXXXXXXXXXXXXXXXX

JUN 28 1948

VIA GOVT RADIO

GOVT INT JOHNSON ALASKA RAILROAD
ANCHORAGE ALASKA

REURAD NO OBJECTION TO YOUR AUTHORIZING FIFTY FOUR HOUR WEEK SURVEY
WORK ON HIGHWAY BETWEEN INDIAN AND POTTER period MEMORANDUM OF
UNDERSTANDING BETWEEN HIGHWAY AND RAILROAD SENT TO ALASKA ROAD
COMMISSION FOR APPROVAL JUNE FIFTEEN.

((Sgd.) James P. Davis

DAVIS

Lee:ch

Confirmation copy.

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FM UWE 84A/J P JOHNSON GENL MGR THE ALAS KA RAILROAD ANCHORAGE ALAS KA
250445 Z

TO JAMES P DAVIS DIRECTOR-TERRITORIES INTERIOR WASH D C
INT GR61

TO EXPEDITE SURVEY WORK ON HIGHWAY PROGRAM BETWEEN INDIAN AND
POTTER I INTEND AUTHORIZING FIFTY FOUR HOUR WORK WEEK FOR
GANGS ON THIS PROJECT PERIOD FEEL THIS IS NECESSARY TO INSURE
COMPLETION OF SURVEY WORK PRIOR TO BEGINNING OF RAINS AND
STRONG WINDS PERIOD DO YOU HAVE OBJECTIONS QUESTION WOULD

APPRECIATE YOUR EXPEDITING MEMORANDUM OF UNDERSTANDING BETWEEN
HIGHWAY AND RAILROAD PERIOD

250514Z

*This was forward to ARC for approval 6/15/48
Ncm*

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.

Spies
Halpin
9-1-55
R+S
Turnagain
Armed

Mr. G. H. Skinner, Chief Clerk,
Alaska Road Commission,
Juneau, Alaska.

JUN 28 1948

My dear Mr. Skinner:

Reference your letter of June 16, 1948 on the Turnagain Arm Project. On June 2, 1948, a Form 2 "Request for Revision of Apportionment" was sent to the Bureau of the Budget asking that \$100,000 be apportioned for the last quarter of 1948. We learned today it has been approved as requested. A voucher for \$75,000 was prepared by the Public Roads Administration and they advised us today by telephone that it was paid on June 1, 1948.

Sincerely yours,

(Sgd.) H. Rex Lee

H. Rex Lee,
Assistant Director.

KS:mm

6/28/48

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



INTERIOR DEPT.
RECEIVED
JUN 28 1948
TERRITORIES

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

To	Initial	Date
Halpin	R.S.	6/28/48
LEE	JOBK	6/28

June 25, 1948.

Division of Territories and Island Possessions,
Department of the Interior,
Washington 25, D. C.

9-55
R.S.
Turnagain
Arms

Gentlemen:

Please refer to Mr. Davis' letter of June 11 regarding agreements with the Public Roads Administration and The Alaska Railroad for the construction of the Turnagain Arm project.

We have outlined to the Public Roads Administration and The Alaska Railroad the information we will require periodically as to the expenditure and obligation of these funds. It may so happen that the delay in receiving these reports will in turn delay the submission of our Form 3 to your office, but every effort will be made to have this form go forward on time.

For and in the absence of the Chief Engineer:

Very truly yours,

G. H. Skinner,
Chief Clerk.

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

7/10
INTERIOR DEPT.
RECEIVED
JUN 28 1948
TERRITORIES

Lee

ANCHORAGE ALASKA JUNE 24 1948

FROM: J. P. JOHNSON, GENERAL MANAGER, THE ALASKA RAILROAD, ANCHORAGE ALASKA
TO: JAMES P. DAVIS, DIRECTOR, TERRITORIES, INTERIOR, WASHINGTON DC

TO EXPEDITE SURVEY WORK ON HIGHWAY PROGRAM BETWEEN INDIAN AND POTTER I INTEND
AUTHORIZING FIFTY FOUR HOUR WORK WEEK FOR GANGS ON THIS PROJECT period FEEL THIS IS
NECESSARY TO INSURE COMPLETION OF SURVEY WORK PRIOR TO BEGINNING OF RAINS AND STRONG
WINDS period DO YOU HAVE OBJECTIONS question WOULD APPRECIATE YOUR EXPEDITING
MEMORANDUM OF UNDERSTANDING BETWEEN HIGHWAY AND RAILROAD period

(SIGNED) J. P. JOHNSON

J. P. Johnson
General Manager
The Alaska Railroad

Confirmation

6/28/48

*M. Lee says all
taken care of
JPR*

DHN:hs



INTERIOR DEPT.
RECEIVED
JUN 25 1948
TERRITORIES

UNITED STATES
DEPARTMENT OF THE INTERIOR
THE ALASKA RAILROAD

ANCHORAGE, ALASKA
June 22, 1948

file

9-1-55

*Turnagain
Arm*

Mr. H. Rex Lee, Assistant Director
Division of Territories and Island Possessions
Department of the Interior
Washington 25, D. C.

Dear Rex:


What is the current status of Memorandum of Understanding on the construction of the Turnagain Arm Highway?

Mr. Skinner of the Alaska Road Commission has written The Alaska Railroad asking for information on obligations to submit to the Division on the Turnagain Arm funds. In his request he quoted a portion of the letter which the Division sent to the Road Commission outlining the plans for handling Turnagain Arm funds.

It would be very helpful to Bert Wennerstrom, on the Railroad here, in determining the procedure for processing the Railroad's portion of the Turnagain Arm funds to have the details of the Memorandum of Understanding available.

I flew over Kenai Peninsula in a four-place Stinson Voyager on Sunday. We landed at both Kenai and Homer and saw the Kenai Lake to Homer road.

Sincerely,


T. W. Taylor,
Administrative Officer,
Territories, Interior



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

INTERIOR DEPT.
JUN 18 1948
TERRITORIES

June 16, 1948.

Division of Territories and Island Possessions,
Department of the Interior,
Washington 25, D. C.

Gentlemen:

Reference your letter of June 11 concerning the appropriation for the Turnagain Arm project:

Please advise what, if any, specific apportionment has been made for obligations against this appropriation during the quarter ending June 30? We will need this information in preparing Forms 1 and 3 at the end of June.

We are requesting the Public Road Administration and the Alaska Railroad to advise us of the amount of their outstanding obligations against this fund as of that date, and for monthly reports thereafter. This information will be required in making reports to you for the information of your office and of the Bureau of the Budget.

For and in the absence of the Chief Engineer:

Very truly yours,

G. H. Skinner,
Chief Clerk.

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



UNITED STATES
DEPARTMENT OF THE INTERIOR
ALASKA ROAD COMMISSION

JUNEAU, ALASKA

June 15, 1948.

The Alaska Railroad,
Anchorage, Alaska.

Public Roads Administration,
Juneau, Alaska.

Gentlemen:

Concerning the Turnagain Arm project, the following is quoted from a communication received from the Division of Territories and Island Possessions:

"As a result of discussions between representatives of the Alaska Railroad and the Public Roads Administration, it has been agreed that The Alaska Railroad will assume responsibility for survey and construction of the road between Potter and Indian and that the Public Roads Administration will assume responsibility for the survey between Indian and Mile 58 and construction between Portage and Mile 58, the remainder of the construction work to be allocated at a later date. A proposed Memorandum of Understanding between the Alaska Road Commission, The Alaska Railroad and the Public Roads Administration is being worked up here. It will outline the points that have been agreed to as of the present time and indicate the areas for future decision. There will be a paragraph dealing with 'reports' in the Memorandum of Understanding. Specific details as to the type of reports required will not be included. It may be that you will wish to obtain copies of the allotment ledger used by the Public Roads Administration which would give you detailed information, or the report as to status of funds could be rendered to you on a Form 3 by both Public Roads and The Alaska Railroad. It is thought best to leave the specific details of the type of report which would meet your control needs to your decision."

For the present, will you please advise us at the end of each month the total obligations you have created against this appropriation, whether paid or outstanding? We would like very much to have the report for the period ending June 30th reach us not later than July 6th. Thereafter, it may reach us by the 10th of the month following the period for which report is made, though preferably earlier.

Also, for the period ending June 30th, will you please advise us of your expenditures and obligations by classification? The Alaska Road Commission usually employs 13 classifications (objects of expenditure), 1 to 13 inclusive, as set up in Regulation No. 1 relating to apportionment and reports on status of appropriations under Executive Order No. 8512 of August 13, 1940. However, if others are necessary, they may be used.

For and in the absence of the Chief Engineer:

Very truly yours,

✓ cc: Div. of Terr.

G. H. Skinner, Chief Clerk.

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Entry 1-B, Classified Files, 1907-51
Box 377

TELETYPE MESSAGE

W. H. Lydon

INTERIOR DEPT.
RECEIVED
JUN 15 1948
TERRITORIES

PUBLIC ROADS ADMINISTRATION
WASHINGTON, D. C., JUNE 14, 1948

W. H. LYDON

PUBLIC ROADS

PORTLAND, OREGON

PLEASE SEND CONSOLIDATED CONSTRUCTION COMPANY, 3102 NORTH
TWENTY-EIGHTH STREET, TACOMA 7, WASHINGTON INVITATION TO BID ON THE
TURNAGAIN ARB PROJECT.

BRIGHT

*Noted
J.H.
977.*

CC Mr. James P. Davis, Director ✓
Division of Territories and Island Possessions
Department of the Interior

ADDRESS ONLY
THE ALASKA RAILROAD

UNITED STATES
DEPARTMENT OF THE INTERIOR
THE ALASKA RAILROAD

INTERIOR DEPT.
RECEIVED
JUN 17 1948
TERRITORIES

To	Initial	Date
Alaska	J. T. C.	6/17

J. T. C.

June 14, 1948

Public Roads Administration
Portland
Oregon

Gentlemen:

Enclosed is a copy of a letter dated June 1 from ex-senator Hugh B. Mitchell, which is self-explanatory. This is being passed on to you in order that the Consolidated Construction Company, 3102 North 28th Street, Tacoma 7, Washington, may be included for receipt of invitations for bids on the Turnagain Arm project.

Yours very truly,

SIGNED-J. T. CUNNINGHAM

J. T. Cunningham
Acting General Manager

Enclosure

cc: Mr. J. P. Davis ✓

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.

*Taylor
Halle
Lee
Dair*

JUN 11 1948

AIR MAIL

Mr. Ike P. Taylor,
Chief Engineer,
Alaska Road Commission,
Juneau, Alaska.

*7-1-55
R+S
Turnagain
Armed*

My dear Mr. Taylor:

The appropriation for the construction of the Turnagain Arm Road is to the Alaska Road Commission. The symbol number is 1431423. As you know, the appropriation provides for \$7,370,000 in cash available immediately and \$4,000,000 in contract authorization.

As a result of discussions between representatives of the Alaska Railroad and the Public Roads Administration, it has been agreed that the Alaska Railroad will assume responsibility for survey and construction of the road between Potter and Indian and that the Public Roads Administration will assume responsibility for the survey between Indian and Mile 58 and construction between Portage and Mile 58. The remainder of the construction work to be allocated at a later date. A proposed Memorandum of Understanding between the Alaska Road Commission, the Alaska Railroad and the Public Roads Administration is being worked up here. It will outline the points that have been agreed to as of the present time and indicate the areas for future decision.

The mechanics of reimbursing or advancing funds for this construction have been largely worked out between the Public Roads Administration and this office. Seventy-five thousand dollars have been paid directly to the Public Roads Administration here to support the survey parties which they now have in operation. All the rest of the cash available, \$7,295,000, has been transferred to the Disbursing Officer in Juneau for expenditure under your direction. In order to relieve the Road Commission of the details of paying vouchers submitted by contractors of the Railroad and PRA it will be provided in the proposed Memorandum of Understanding that the Railroad and the Public Roads Administration will pay vouchers directly on work for which they are responsible. In the case of the Public Roads

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Administration, money will be advanced to a working fund which has been established under the symbol 80X5902. The title of this working fund is "Working Fund, Federal Works Agency, Public Roads Administration (Construction and Maintenance of Roads, Bridges, and Trails, Alaska)." It will probably be simpler for the Railroad to advance necessary funds and process vouchers for reimbursement rather than request an advance of funds from the Road Commission prior to expenditure of funds. There will be a paragraph dealing with "reports" in the Memorandum of Understanding. Specific details as to the type of reports required will not be included. It may be that you will wish to obtain copies of the allotment ledger used by the Public Roads Administration which would give you detailed information, or the report as to status of funds could be rendered to you on a Form 3 by both Public Roads and The Alaska Railroad. It is thought best to leave the specific details of the type of report which would meet your control needs to your decision.

The Memorandum of Understanding being prepared deals only with the Turnagain Arm project. We should be giving immediate thought, however, to a Memorandum of Understanding between the Road Commission and the Public Roads Administration outlining the procedures for handling the funds expected in the 1949 appropriation. Pertinent points in such a memorandum should include (1) review by the Alaska Road Commission of all specifications prior to advertisement for bids and review of all bids prior to award of contract; (2) a provision limiting the percentage of project funds that may be used for surveys by Public Roads Administration; (3) a provision specifying a percentage of funds which will be available to the Alaska Road Commission for necessary engineering overhead; (4) specific procedures on financing the projects. (For example, where several projects are involved it may be desirable to retain all funds for construction under the control of the Alaska Road Commission. Contractors would route vouchers to you and you would pay the vouchers after review. This procedure is different from that provided for in the proposed memorandum on the Turnagain Arm project, which will provide for an advance or reimbursement of funds to Public Roads and the Railroad and requires that they pay contractors' vouchers directly).

I would greatly appreciate your thoughts on a general Memorandum of Understanding with the Public Roads Administration for use in connection with 1949 funds.

As the proposed legislation transferring the Alaska Road Commission to the Public Roads Administration has not been enacted by Congress, the Department is taking the position that the Alaska Road Commission should spearhead and coordinate the present road

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- 3 -

building program in Alaska. Consequently, the Memorandum of Understanding for Turnagain Arm will provide that the administration of the Turnagain Arm fund will be by your office.

Sincerely yours,

(Sgd.) James P. Davis

James P. Davis,
Director.

TWT:yk
6/7/48

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DEPARTMENT OF THE INTERIOR
RECEIVED
JUN 3 1948
TERRITORIES

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

June 1, 1948.

9-1-55
R&S
Turnagain
Arm

Division of Territories and Island Possessions,
Department of the Interior,
Washington 25, D. C.

Gentlemen:

We are just informed by the local disbursing officer that he has to our credit \$7,295,000 from appropriation 14X1423. These are no doubt funds from the recent deficiency appropriation for road work at Turnagain Arm.

Will you please advise what responsibility we will have for disbursement of these funds, as I understand they were to be transferred to the Public Roads Administration.

For and in the absence of the Chief Engineer:

Very truly yours,

G. H. Skinner,
Chief Clerk.

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DO NOT WRITE IN THESE SPACES

Div Files

Brady Lee



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

JUN 15 1948

Air Mail

Mr. Iro P. Taylor,
Chief Engineer, Alaska Road Commission,
Juneau, Alaska.

*9-1-55
RHS
Jumagin
Am*

My dear Mr. Taylor:

Enclosed is the final version of the Memorandum of Understanding Relating to the Construction of the Turnagain Arm Road Project in Alaska. Will you please sign the original and 5 copies in the place designated for your signature. It should be appreciated if you would then forward the papers to Colonel Johnson for his signature.

When all of the signatures have been obtained and the Agreement has been approved by the Secretary, a copy will be sent to you for your files.

Sincerely yours,

(Sgd.) James P. Davis

James P. Davis,
Director.

Enclosures.

cc: Col. John P. Johnson,
General Manager, The Alaska Railroad,
Anchorage, Alaska.

When you receive the papers referred to above, will you please sign and return them to this Division at the earliest date practicable.

EFB:
6-15-48.

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APP
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PRA
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gad
Dir*

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DIVISION OF TERRITORIES AND POSSESSIONS
OFFICE OF THE SECRETARY
DEPARTMENT OF THE INTERIOR
UNITED STATES

Jan 1908



Re -

This has been cleared
by telephone with O'Leary,
who cleared it with Bright,
it is therefore ready to

Sent out for signature. Better
get Johnson & Taylor to sign
the original & at least

copies: one for each of the
agencies pertaining to the
agreement, & one for GAO, if
necessary.

SES

1 per
1 copy

U.S. DEPARTMENT OF THE INTERIOR
LIFE SERVICE
ILLINOIS

ADDRESS ONLY THE
DIRECTOR, FISH AND WILDLIFE SERVICE

4769



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

June 11, 1948

Rep
I called Mr. Bright about the Memorandum of Understanding on Turnagain Arm. He said he would like to have this memorandum checked with Mr. O'Leary, who is the man who prepared the draft for PRA. Mr. O'Leary is on leave today and will be in Monday. Attached to this memorandum is the draft prepared by Mr. O'Leary indicating the changes made by the Colonel and the rewrite of the memorandum in accordance with the changes made.

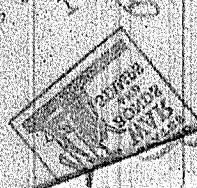
Mr. O'Leary is on Ext. 4769, Room 6020.

T. W. Taylor

Changes read to O'Leary over phone 6/14. O'Leary checked them with Bright. Both approve.

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Mr. O'Connell is on the 1100 room 0050
The secretaries with the envelopes were
to inspect the stamps were in the corner and the letter of the
was also observed the other side of the stamp is on the left
He said he would like to have the handwriting checked by the
I called Mr. Butler about the handwriting of the stamp on the
Division of Territories and Islands
OFFICE OF THE SECRETARY
DEPARTMENT OF THE INTERIOR
UNITED STATES



When are
you going to
read this?

TT
Ted,
you should see
into it.
Bob

MEMORANDUM OF UNDERSTANDING
RELATING TO THE CONSTRUCTION OF THE TURNAGAIN
ARM ROAD PROJECT IN ALASKA

Pursuant to the provisions of the First Deficiency Appropriation Act, 1948, approved May 10, 1948 (Public Law 519 - 80th Congress), and in accord with conferences between officials concerned, the Alaska Railroad, the Alaska Road Commission, and the Public Roads Administration, have arranged for the construction of a road designated as the "Turnagain Arm Project", hereinafter referred to as the Project, to provide a facility to connect the Kenai Peninsula with the central road system of Alaska, the work to be performed under the following terms and conditions:

1. All funds for the Project, which have been made available under said act of May 10, 1948, or from any future appropriations that may be made by Congress for the purpose, will be transferred to the disbursing officer at Juneau, Alaska, except that the sum of \$75,000 shall be transferred immediately to the Public Roads Administration through the U. S. Disbursing Officer in Washington for use in connection with surveys now in progress.

2. The U. S. Disbursing Officer at Juneau shall advance all necessary funds to be expended hereunder by the Public Roads Administration upon request of that organization and certification of the Chief Engineer of the Alaska Road Commission. The said disbursing

officer shall, at the option of the Alaska Railroad, either advance or reimburse the Railroad the funds necessary to cover all expenditures made or to be made by the Railroad on the Project upon certification of the Chief Engineer of the Alaska Road Commission. The Public Roads Administration and the Railroad shall pay all vouchers and make all disbursements for the work performed by each of them hereunder; and the funds necessary for the purpose shall be transferred to those agencies by the Alaska Road Commission either in advance of such payment or by way of reimbursement after payment therefor shall have been made, as may be requested by the Public Roads Administration or the Railroad, respectively.

3. The Railroad shall be paid the cost of grading and structures necessary for both the railroad and the highway for that portion of the Project between Potter and Indian. It is understood, however, that the cost of placing any new rails and ties shall be borne entirely by the Railroad and shall not be a charge against the funds appropriated for the Project.

4. The Alaska Railroad will be paid out of Project funds for changes in the telephone and telegraph lines made necessary by Project construction.

5. It is understood that no portion of the funds for the Project shall be used to reimburse forest road funds expended on surveys of the proposed routes around Turnagain Arm made prior to May 10, 1948

UNIT STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

6. No contract shall be entered into by either the Alaska Railroad or the Public Roads Administration for work, materials, or equipment for the Project under the contract authorization provision contained in the act of May 10, 1948, unless specific authorization therefor shall first be given by the Alaska Road Commission.

7. Monthly reports shall be made to the Alaska Road Commission by The Alaska Railroad and the Public Roads Administration. These reports shall include the following information: (1) total expenditures and obligations and purposes for which spent and/or obligated; (2) work progress during the month; and (3) estimated work progress in next month. The specific details of the reports shall be worked out by the Alaska Road Commission, The Alaska Railroad, and the Public Roads Administration.

8. There shall be left for future determination by the parties hereto the question of whether the Railroad or Project funds shall bear any additional costs that may result from railroad improvements or increased costs of the highway between Indian and Portage in the event the highway is limited to the location within or adjacent to the railroad right-of-way between these points.

9. The Alaska Railroad shall assume responsibility for location, survey, design, specifications, estimates, and supervision of contractors' operations with respect to the portion of the road between

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Potter and Indian: Provided, That all plans, specifications, and estimates for the construction work shall be submitted to the Public Roads Administration for review and approval before advertising for bids. The Public Roads Administration shall designate a representative to maintain liaison with the Railroad in the location survey, and design phases of this portion of the Project.

10. The Public Roads Administration shall assume responsibility for the location survey, design, specifications, and estimates for that portion of the road between Indian and Portage. The construction work shall be undertaken by either the Alaska Railroad or the Public Roads Administration as may be determined by the parties hereto upon completion of the survey, design, specifications, and estimates for said portion of the road. If the construction work for the section between Indian and Portage is assigned to the Public Roads Administration, all plans, specifications, and estimates shall be submitted to the Alaska Railroad for review and approval before work on said section is advertised for bids. The Alaska Railroad shall designate a representative to maintain liaison with the Public Roads Administration in the location survey, and design phases of this portion of the Project.

11. Alternate plans, specifications, and estimates shall be prepared by the Public Roads Administration for the location of the Project (1) around the head of Turnagain Arm to Portage, and
) for the construction of a bridge across Turnagain Arm from a

ALASKA
TUGS FOR DISTRICT
MOTOR BOATS
CONSTRUCTION
LAPPEL AND TURTLE

point near the mouth of Quarta Creek to a point at or near Railroad Mile 67. Proposals will be requested on both of these routes but no contract shall be awarded therefor without the prior approval of The Alaska Railroad and the Alaska Road Commission.

12. As soon as practicable after funds are made available, the Public Roads Administration shall proceed with the work on the initial section of the Project from Mile 58 to a point in the vicinity of the mouth of Quarta Creek on the south side of Turnagain Arm. All contracts for this section will be awarded by the Public Roads Administration which agency will supervise all construction work thereon.

THE ALASKA ROAD COMMISSION

By _____
Chief Engineer

THE ALASKA RAILROAD

By _____
General Manager

PUBLIC ROADS ADMINISTRATION

By _____
Commissioner of Public Roads

Approved _____
(Date)

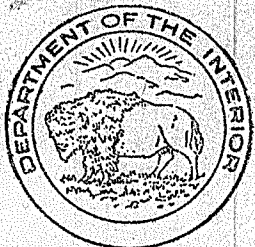
Secretary of the Interior



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Joseph Flakne,
Territories & Is. Poss.

877.



D-0
DEPARTMENT OF THE INTERIOR

INTERIOR DEPT.
RECEIVED INFORMATION SERVICE

MAY 27 1948

TERRITORIES

DIVISION OF TERRITORIES

For Release THURSDAY, MAY 27, 1948.

ALASKA ROAD LINK APPROVED

Secretary of the Interior J. A. Krug announced today that construction of about 50 miles of highway around Turnagain Arm at the head of the Kenai Peninsula in Alaska will open for development a hitherto inaccessible area which is rich in agricultural, mining and timber resources.

File
JW
9-1-55
Turnagain Arm Project

Invitation will be issued early in June for bids on the highway under an appropriation of \$11,370,000 included in the First Deficiency Act of 1948. The road will connect with an existing highway from Seward to Hope and a road down the northern shore of Turnagain Arm from Anchorage. Other roads, now partially built on the Peninsula, will make access possible to the rich mining and agricultural areas of Homer, as well as other agricultural areas around Ninilchik, Kasilof, Kenai and Nikishka.

Economic transportation will be provided by the new highway link for mineral, lumber and farm products and ports and it is expected to lead to the development of great timber resources in the Kenai area. Aside from its industrial importance, the road will make it possible for tourists and sportsmen to reach the Kenai Peninsula's game fishing and hunting areas with greater ease.

The appropriation for the road will be administered by the Alaska Road Commission, an agency of the Department of the Interior. Construction will be handled cooperatively by the Public Roads Administration and the Alaska Railroad, also an agency of the Interior Department.

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P.N. 38638

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