

Alaska

Assistant Commissioners

March 16, 1959

WIN

26-00

C. W. Enfield, General Counsel

SKYBOOTH

Tentative outline plan of procedure to implement the proposed Omnibus Act for Alaska

Attached is a tentative outline plan of procedure, which we have developed with the assistance of Messrs. Cunningham and Swick, for the purpose of listing the pertinent points of law involved and the steps to be taken by the Bureau, assuming that the proposed Alaska Omnibus Act is enacted. You have previously been furnished a copy of the draft Omnibus bill and sectional analysis which is presently under consideration by the Bureau of the Budget. You will recall that personnel problems are to be the subject of separate legislation, and provisions relative to the matter are not included in the Omnibus bill.

Assuming that the draft Omnibus bill is enacted, it will be necessary for the Bureau to transfer to Alaska on or before July 1, 1959, all real and personal property presently under its jurisdiction, except that needed to carry out its basic field responsibilities. This will necessitate the preparation of conveyance instruments and the establishment of accounting and administrative procedures with respect to Federal-aid work carried on subsequent to that date. The attached preliminary outline is intended as a ready-reference working tool as a basis for a plan of operation to accomplish the objectives of the proposed Omnibus Act.

Section 20 (a) of the proposed bill provides for the transfer of property to the State of Alaska, except such properties "as the Secretary may determine are needed for the operation of the field offices of the Bureau of Public Roads in Alaska after July 1, 1959." To make absolutely sure this section would be interpreted to mean that the operation of the field offices of the Bureau of Public Roads would be deemed to include the performance of functions in behalf of the State pursuant to section 33 of the proposed bill, consideration is now being given to a proposed amendment which would revise the last two lines of section 20 (a) to read: "for the operations, activities, and functions of the Bureau of Public Roads in Alaska after July 1, 1959, including services or functions performed pursuant to section 33 of this Act."

While the draft bill may be changed with respect to the July 1, 1959, date and in other various respects before introduction or enactment, I believe it would be helpful, in order to keep abreast of the situation, to have the benefit of your comments or suggested changes you may recommend with respect to the attached draft. Upon receipt of such suggestions, we shall proceed to prepare a revised statement which will be distributed for Bureau use.

Attachment

Copies to Asst Comm hand carried

SKBooth:vms

SC: Files (2)

Mr. Tallamy

Mr. Armstrong

Mr. F. C. Turner

Mr. C. Woolsey

Mr. R. M. Monahan

Mr. Cunningham

Mr. Swick

Gen Counsel

Chron

Mr. Enfield

Preliminary Draft
March 16, 1959

OUTLINE OF PROCEDURE

(Assuming Enactment of the Alaska Omnibus Act)

SPECIAL POINTS OF LAW

Sections 107(b) and (d) of the 1956 Act repealed.

Authority to construct and maintain ferries, tramways and other public works inherited from the Alaska Road Commission will end.

Section 20(a) Omnibus Bill.

This is a mandate for APR to divest itself, on or before July 1, 1959, of all property, real and personal, by transfer to the State of Alaska except that needed to carry out the field activities and responsibilities of APR, i. e., Forest highway program and road work in National Parks and Monuments, also for administration of the Federal-aid program.

Section 20(b) Omnibus Bill.

APR may complete existing contracts.

Section 20(c) Omnibus Bill.

State to be responsible for maintenance of everything transferred under Section 20(a). Note: Acceptance of the things transferred and assumption of this responsibility on the part of Alaska are essential factors. No power to enforce such responsibility once assumed and subsequent failure to carry out. However, the maintenance of Federal-aid roads constructed in Alaska will be enforceable under title 23 U.S.C.

Section 20(c)(2) Omnibus Bill.

Unobligated Federal-aid funds authorized for fiscal year 1960 and earlier fiscal years may be used for maintenance until their lapse date.

Section 33(a) Omnibus Bill.

Transitional grants authorized without specification as to use: \$10,500,000 for fiscal year 1960; \$6,000,000 for each of the fiscal years 1961 and 1962; \$2,500,000 for each of the fiscal years 1963 and 1964.

Section 33(b) Omnibus Bill.

Governor may submit to President a request for Federal agency to continue to provide services or facilities until such are provided

by Alaska but not to extend beyond June 30, 1964. President may allocate necessary funds to such Federal agency from transitional grants.

Section 33(c) Omnibus Bill.

After transfer of property, and until June 30, 1964, Federal agency having prior jurisdiction may contract with State to perform, on reimbursable basis, prior functions performed in connection with such property.

Section 34 Omnibus Bill.

President may, until July 1, 1964, transfer any property to Alaska where function is terminated by Federal agency and same function will be assumed by Alaska.

SECTIONAL ANALYSIS

Section 20. All real and personal property now held by BPR, except that needed by BPR to continue its usual Federal functions as elsewhere in the States, to be transferred to Alaska. Alaska to share in Federal aid on same basis as other States, and be responsible for road maintenance.

Section 33(a) Transitional Grants. Not to be earmarked and to be available as a general supplement to the financial resources of the State. Estimated total for the grants based on "making available to Alaska funds equivalent to the \$4,000,000 a year the Federal Government would have spent on road maintenance in 1960, 1961 and 1962."

Section 33(b). Federal agency may continue to provide services, upon request of Governor. Funds to come from transitional grant.

Section 33(c). Federal agency which has transferred property pursuant to Statehood Act or Omnibus Bill may contract with Alaska for continued performance by such agency of prior functions.

Section 34. President may give (transfer) property of United States to Alaska for function taken over by the State.

PROCEDURAL STEPS

A. BPR to prepare inventory of all property, real and personal, now owned or administered by it in Alaska, subdivided according to (1) property required for BPR to continue its usual Federal functions, and

(2) all other property. This inventory shall be in the following general detail:

a. General description of all road locations by route identification, terminal points, towns, local road or street names, pertinent topographical features, lengths.

b. Specific description (metes and bounds) of all properties occupied by buildings, equipment depots, field offices (temporary or otherwise), storage sites such as tank farms, etc., and the property interest therein held by the Government.

c. Specific listing of all equipment, parts, supplies, materials, office furniture, business machines, and all other personal property of whatever kind and wherever situate. (Parts and supplies at a particular location may be grouped with a reference to local inventory records and given an over-all dollar value).

d. A special listing, not to be included in the transfer document, should be made of property or equipment which, because of special use or conditions, must be disposed of by means other than transfer to Alaska (i.e. storage tanks situated on a military reservation and supplied through a Government pipeline).

e. Expressly identify any encumbrances, liens, or other limitations affecting the title to any property transferred to Alaska.

B. Prepare an appropriate form of conveyance covering all of the foregoing properties that are to be transferred to Alaska, and provide for acceptance thereof in behalf of the State. This document should be all inclusive and supported by such detailed listings together with appropriate references to maps or other exhibits as to cover fully all transferred property. Early action on matters covered in this paragraph and in the preceding one is imperative even while the Bill is being considered.

C. BPR could operate under either Section 33(b) or Section 33(c) in performing services for the State at its request. The principal difference between the two as concerns BPR is that operations under 33(b) would be paid for from the transitional grant, with Public Roads performing the services directly. Under Section 33(c), these services would be performed by Public Roads on a reimbursable basis under a contractual arrangement with Alaska. Development of fiscal procedures and the establishment of accounts necessary to administer operations under either of these subsections will require further detailed study.

D. BPR under 33(c) could only provide services in connection with properties it had transferred to Alaska prior to July 1, 1959.

Under 33(b), however, BPR could continue to provide services or facilities payable from transitional funds without regard to property transferred.

E. As to contracts for construction, BPR could either (1) award the contract and make payments thereunder from funds made available to it by Alaska, or (2) prepare the contract for award by Alaska and thereafter BPR to supervise the work until completion with the State making payments to the contractors. The latter arrangement would be similar to that between BPR and the National Park Service relative to Park Roads and Parkways.

F. BPR is now furnishing services from some of its equipment depots and other facilities to other Federal agencies. Arrangements should be made with Alaska to continue such services as may be desirable.

G. Arrangements should be made for use by Alaska of sources of material on Federal lands now available to BPR.

H. As presently drafted, the bill would not be construed as applying the existing matching formula to the Federal-aid funds already apportioned for the fiscal year 1960. As it is intended that the existing matching requirements would be retained with respect to the 1960 funds, the Bureau of the Budget is giving consideration to a proposed amendment which would accomplish this objective.

I. As to maintenance, Alaska no doubt will want to preserve presently apportioned funds as long as possible for such purpose. Unobligated funds as of January 31, 1959, amounted to \$22,398,977. Of this total fiscal year 1960 funds amounted to \$13,829,881. Including ten-percent matching funds, these totals would become \$24,638,875 and \$15,212,869 respectively. All fiscal year 1960 funds must be obligated before June 30, 1962. Actually three to four years of maintenance funds, from 15 to 20 million dollars, could thus be placed under project agreement if administratively advisable and acceptable. However, this would impair the construction program until fiscal year 1961 funds became available.

Transitional grants would total 27.5 million dollars beginning with fiscal year 1960 through fiscal year 1964. The Sectional Analysis referred to 4 million dollars a year in 1960, 1961, and 1962 from transitional grants for maintenance, which would total 12 million dollars. If, however, fiscal year 1960 funds are set aside for maintenance, the aforesaid 12 million dollars of transitional grants could be used for administrative purposes and conceivably could be used to match fiscal year 1961 and subsequent fiscal year apportionments during the stated period.

PLAN OF OPERATION

1. BPR to transfer to Alaska all property and interests in property not needed by BPR to continue its usual Federal functions. It is particularly important to include those properties previously administered by the former Alaska Road Commission which will not be a part of the Federal-aid highway program such as tramways, trails and other public works including airplane landing fields (usually referred to as bush landing fields).
 - a. Requires initially a complete inventory.
 - b. Form of conveyance to be drafted by BPR in cooperation with Alaska.
 - c. Certain properties that cannot effectively be transferred and utilized by Alaska will be disposed of prior to July 1, 1959, such as petroleum tanks on military reservation fed by military pipeline.
2. BPR will arrange with Federal agencies concerned for substitution of parties or issuance of new permits to Alaska in such matters as rights to remove road material from designated sites on public lands, and highway and related occupancy of railroad properties.
3. At Alaska's request, BPR may continue or may perform certain services under Section 33(c) in the design, construction or maintenance of Federal-aid highways, or maintenance of other improvements in the Federal-aid highway systems. Note: Some of these services will consist of general pro rata expenses of a group of BPR employees below the top administrative level usually considered as a part of the required organizational setup of a satisfactorily operating highway department, hence are nonparticipating for Federal-aid reimbursement. Such expenses will exclude normal BPR administrative setup to administer the Federal-aid program generally.
4. Alaska may arrange to advance to BPR sufficient funds in trust to pay for services performed under paragraph 3 above, to be used as a drawing account. This advance will come from transitional funds made available by the President to Alaska, or from other Alaska funds. Foregoing arrangement is deemed preferable than for direct grants from President to BPR.
5. BPR will render to Alaska an accounting, job by job, of the costs of the requested services together with a periodic (monthly) statement of disbursements made from the trust fund.

6. Alaska may, on the basis of the cost statement under paragraph 5 above, voucher BPR on Form PR 20 for reimbursement of the Federal (Federal-aid highway funds) pro rata share of the cost of the services rendered. BPR will make payment thereof in the usual manner as payments are made to the other States. These vouchers and other documents will be subject to the usual Federal audit procedures.

7. Alaska may augment the trust fund (to BPR) from time to time as the needs require using funds received from Federal-aid reimbursement or other Alaska funds. In this way the State's matching obligation is handled automatically.

8. Alaska may (1) request BPR to contract in the name of the Federal Government in which case contract payments will come from the trust fund and all Federal contract and labor laws will govern, or (2) request that the contract be prepared for Alaska's signature and payment of contract earnings directly by the State to the contractors, BPR merely to administer the contract and supervise the work. The latter procedure would be similar to that now used in connection with road work in National Parks and Parkways.

9. All regular Federal-aid program, project agreement and reimbursement procedures would be followed as in the other States. It does not appear that BPR would have authority to reimburse itself, in part, directly from Federal-aid highway funds, nor does such authority seem necessary.

10. BPR now provides certain services to other Federal agencies with certain of the facilities that would be transferred to Alaska. In that regard BPR will use its good offices to have the State continue furnishing such services, but this will be a matter entirely between Alaska and the affected Federal agency.

11. Prior to June 30, 1964, and under the authority of Section 34, any Federal functions apart from the Federal-aid program that might be discontinued by BPR and assumed by Alaska would be the basis for transfer to Alaska of any related property. This emphasizes the intent that transfers under Section 20(a) shall be comprehensive and complete as to everything over and above usual Federal functions that are otherwise the obligation of BPR to exercise pursuant to law in administering the Federal-aid program and direct Federal obligations.

Alaska.

23-10

MAR 12 1959

Honorable E. L. Bartlett
United States Senate
Washington, D. C.

Dear Senator Bartlett:

Your letter of February 20, addressed to Mr. Edgar H. Swick, Regional Engineer, Juneau, concerning the development of plans for a garage and a fenced depot at Bethel, Alaska has been forwarded here for reply.

The need for the facilities you mention are understood and this has been given serious consideration by Mr. Swick in his overall planning for the region. However, it has not been found possible to include an item in the budget for this work. Because of impending changes in the present organizational structure as an outgrowth of Alaska's attainment of Statehood, it is difficult to predict when the improvements at Bethel can be programed. Please rest assured, however, that this matter will be kept in mind for inclusion in such future budget recommendations as Public Roads may appropriately submit.

Sincerely yours,

Paul F. Royster
Assistant to the
Federal Highway Administrator

EEErhart:nk
Control No. PR-3840 (3/12/59)
cc - Files (2) ✓
Federal Hwy. Projs. Div.
Mr. E. H. Swick (2-cc)
Mr. Armstrong ✓
Mr. Tallamy
CC Unit - Room 810
Mr. Royster - Room 814

3/12/59
Cleared Through
Administrator's Correspondence Unit

Office Memorandum • BUREAU OF PUBLIC ROADS
UNITED STATES GOVERNMENT

TO : Mr. Paul F. Royster, Assistant Commissioner
23-00 for Operations, Washington, D. C.

DATE: March 4, 1959

FROM : E. H. Swick, Regional Engineer
10-00.01 Juneau, Alaska

E. H. Swick

SUBJECT: Congressional Correspondence -- Senator Bartlett

The following is a draft of a proposed reply to Senator E. L. Bartlett in reply to his letter of February 20, 1959, regarding garage and fenced depot at Bethel, Alaska. The Senator's letter, copy attached, reached this office March 2, 1959.

Please refer to your letter of February 20, 1959, to Edgar H. Swick, Regional Engineer, Alaska, pertaining to Bethel garage and security fence.

Our Alaska Region is particularly concerned about the inadequate facilities at Bethel and had scheduled replacement in the fiscal year 1961 Department of Commerce budget. Federal-aid highway funds are not available for this purpose.

With the advent of statehood to Alaska it is no longer possible to include such items in the Department of Commerce budget. Mr. Swick proposes to talk to you further on this subject during his current conferences in Washington on Alaska highway matters.

Attachment I
c Senator Bartlett's ltr 2/20

PR 3840

53-00
 Mr. Swick, Regional
 Engineer, Bureau of
 Public Roads, Bethel,
 Alaska
 Mr. Swick, Regional
 Engineer, Bureau of
 Public Roads, Bethel,
 Alaska

RICHARD B. RUSSELL, GA., CHAIRMAN
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 PRESCOTT BUSH, CONN.
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HARRY L. WINSATE, JR., CHIEF CLERK

United States Senate
 COMMITTEE ON ARMED SERVICES

February 20, 1959

Mr. Edgar H. Swick,
 Regional Engineer,
 Bureau of Public Roads,
 P. O. Box 1961,
 Juneau, Alaska

Dear Mr. Swick:

I am wondering if any plans have ever been developed which would provide for a garage and fenced depot at Bethel. When I was there last fall several people talked to me about this. Any information you can give me will be appreciated.

Sincerely yours,

E. L. Bartlett
 E. L. Bartlett

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PR 3840

BUREAU OF PUBLIC ROADS

Alaska

Mr. John J. Allen, Jr., Under Secretary for
Transportation, Department of Commerce

March 11, 1959

B. D. Tallamy, Federal Highway Administrator

26-00

Alaska Omnibus Bill and Sectional Analysis

In order to clarify interpretation of provisions of the Alaska Omnibus Bill, a meeting was held in Mr. Nielson's office on March 5, 1959. Attending the conference from the Department were Messrs. Nielson, Drance, Krebs, and Nupp, and from the Bureau of Public Roads, Messrs. Turner, Allen, and Swick.

At this conference four points with respect to the Omnibus legislation were raised:

- (1) If it were the intent of the Administration to aid Alaska by permitting the use of their 1960 apportionments for maintenance in fiscal years 1961 and 1962 as well as 1960, it should be made a matter of record either in the legislative report or congressional hearings. It was agreed that the sectional analysis accompanying the bill should document the fact that the 1960 apportionment was available for maintenance during 1960, 1961, and 1962.
- (2) If it were the intent to use 1960 apportioned funds for maintenance during fiscal years 1960, 1961, and 1962, the sectional analysis accompanying the Omnibus Bill relating to the use of the highway grant of \$4 million during the fiscal years 1960, 1961, and 1962 would have to be rewritten to eliminate specific reference to maintenance. It was agreed that the grant would be commingled with State funds and used for any highway purpose Alaska desired.
- (3) It was agreed that clarifying language for the Omnibus Bill would be submitted to indicate that the matching ratio in effect now would continue for funds that have been apportioned for fiscal year 1960 and prior fiscal years.
- (4) It was agreed that a proposed amendment to the bill would be submitted to make it clear that the Bureau may perform services for Alaska with respect to the construction of highways on new rights-of-way subsequent to the date on which properties now under the Bureau's jurisdiction are transferred to Alaska.

Subsequent to the meeting referred to above, Mr. Drance has telephoned stating that the Bureau of the Budget now recognizes that it may not be possible to secure enactment of the Omnibus Bill by July 1, 1959, and, therefore, it was suggested that we draft revised language to the bill to omit reference to the July 1, 1959, date, and prepare a suggested statement for insertion in

the sectional analysis indicating the intent, however, that the date of transfer of properties to Alaska be July 1, 1959, if practicable; otherwise, as soon thereafter as would be practicable.

The attached statements are designed to accomplish the changes referred to above.

We understand all the proposed clarifying statements are agreeable to the Bureau of the Budget.

Attachments

JCA/SKB:vms

CC: General Counsel (Commerce)

Case
Files (2) ✓
Mr. Swick (2)
Mr. Cunningham
Mr. B. D. Tallamy
Mr. E. L. Armstrong
Mr. J. C. Allen ✓
Legislation
Gen. Counsel
Chron

3-16-59

JA

DRAFT
3-10-59

Insert after the third sentence in the paragraph on Highways on page 13 of the Sectional Analysis a new sentence:

However, as an aid during the transition period, provision is made for utilization of Federal-aid funds for maintenance during the fiscal years 1960, 1961, and 1962, from funds apportioned for the fiscal year ending June 30, 1960, and prior years, and unobligated on the date of passage of the Act.

Draft
3-10-59

(Substitute for numbered paragraph 3, on page 28 of the
Sectional Analysis)

3. Under Statehood, as proposed elsewhere in this bill, Alaska will take over the road maintenance and construction functions of the Bureau of Public Roads. There will be available to Alaska funds equivalent to \$4,000,000 a year for 1960, 1961, and 1962.

Draft
3-10-59

Amend Section 20(d)(4) of the bill by inserting before the semi-colon, a comma followed by language as follows:

except that the portion of the first sentence thereof relating to the percentage of funds to be contributed by Alaska shall continue to apply to funds apportioned to Alaska for fiscal year 1960 and prior fiscal years.

Draft
3-10-59

Amend section 33(c) of the bill by striking after the word "Alaska"
in the ninth line thereof, the phrase:

"in connection with such property immediately preceding
the conveyance or transfer thereof."

and substituting therefor

"immediately preceding such conveyance or transfer."

Draft
3-10-59

Amend subsection (a) of section 20 of the Omnibus Bill by deleting the comma after the word "shall" in the first sentence and the following phrase "on or before July 1, 1959" and by deleting the date "July 1, 1959" in the last line and substituting therefor "such transfer."

Amend subsection (b) of section 20 of the Omnibus Bill by deleting "July 1, 1959" and substituting therefor "the date of enactment of this Act."

Amend subsections (d) and (e) of section 20 of the Omnibus Bill by deleting "July 1, 1959" and substituting therefor "on the date of enactment of this Act."

Amend the sectional analysis by inserting after the second sentence in the paragraph on HIGHWAYS, on page 13, the following:

It is intended, however, that the date of transfer be July 1, 1959, if practicable; otherwise, as soon thereafter as would be practicable.

Alaska

March 11 1959

10-60

HENRY JACKSON, WASH.
SAM J. ERVIN, JR., N.C.
WALTER W. RUMPHREY
FRANK P. BARNETT
GREGORY S. MUSKIE

Honorable Ernest Gruening
United States Senate
Washington 25, D. C.

Dear Senator Gruening:

Your letter of February 25 asks that we explore means by which highway construction equipment now under the jurisdiction of the Bureau of Public Roads in Alaska might be transferred to the State of Alaska.

The Bureau of Public Roads Regional Office in Alaska advises that it is offering for sale or otherwise disposing of a limited amount of obsolete and worn-out construction and maintenance equipment. In each case, however, it is reviewing its sale lists with the Alaska Highway and Public Works Department in order to determine that the Department has no interest in retention of the equipment for later transfer to the State. A few pieces of equipment have been reserved under this procedure for later transfer to the Highway and Public Works Department.

It is contemplated that proposed legislation to be submitted to Congress for its consideration will provide procedures for transfer to Alaska of most of the Public Roads physical plant in the State. In the interim, our regional office at Juneau will continue to work closely with the Alaska Department to assure that any equipment useful to it will be reserved from sale until the transfer is effected.

Sincerely yours,

Lewis L. Strauss

Secretary of Commerce

Byrd Myer 3-7-59
J. Fern
3-9-59

[Handwritten signature]
3/4/59

EHSwick/khh
Control No. 43689 (3-4-59)
cc: Signer
Under Sec'y for Transportation - (2)
BPR Files - (1)
Control Unit - Commerce

*RETURN TO BUREAU OF PUBLIC ROADS
*RETURN TO BUREAU OF PUBLIC ROADS

MAILED March 11 1959

Cleared through
Director's Correspondence Unit

MSLOW 1, 10.

RECEIVED
FEBRUARY 25 1959

WALTER L. REYNOLDS, CHIEF CLERK	JOHN E. MCCLELLAN, ARK., CHAIRMAN
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WILLIAM J. ERVIN, JR., N.C.	CARL T. CURTIS, NEBR.
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United States Senate
COMMITTEE ON
GOVERNMENT OPERATIONS

1959 FEB 25 PM 5 27
DEPARTMENT OF COMMERCE
SECRETARY'S
OFFICE

February 25, 1959

Honorable Lewis L. Strauss
Secretary of Commerce
Department of Commerce
Washington 25, D. C.

Dear Mr. Secretary:

As you know, the state of Alaska is setting up a highway agency which will take over a large part of the work which the Bureau of Public Roads has performed heretofore in Alaska. The transfer of responsibilities probably will occur some time this year.

I am advised that the Bureau of Public Roads has in its possession, at many points in Alaska, a considerable quantity of construction equipment which it inherited from the Alaska Road Commission when that agency's functions were transferred to BPR several years ago. I understand that the Bureau of Public Roads has very little use for this equipment which, however, would be extremely useful to the new state's highway construction and maintenance agency. In fact, the state will have to duplicate all of this equipment and deliver it to the many locations in Alaska where it is needed at very high cost.

This letter is written to explore the possibility of a transfer without charge, or at a nominal charge, of such BPR equipment to the new state. Perhaps the best way to achieve this would be to arrange a conference between your district engineers in Alaska and officials of the state.

In any event, I request that immediate attention be given to this possibility and that you advise me what may be possible under the law and policies which govern the Bureau of Public Roads.

Cordially yours,
Ernest Gruening
ERNEST GRUENING

RG 30, Bur. of Public Roads
E. 6 D, Gen Corr. + Related Recs, 1955-59
Box 1127

Alaska
FAH-14

24-70

March 11 1959

Mrs. Lucy Mick
Executive Secretary
League of Alaskan Cities
Box 1764
Palmer, Alaska

Dear Mrs. Mick:

Secretary Strauss has referred your letter of February 16, 1959, concerning the League's General Policy Statement for 1958-1959 to me for consideration.

I am pleased to have an opportunity to review the general objectives of your League as well as your State and Federal legislative programs for the immediate future.

I wish to assure you that the objectives contained in your statement relative to the Federal-aid highway program will receive our most careful attention.

*Bygones 3-4-59
J. J. Allen
3-9-59*

Cordially yours,

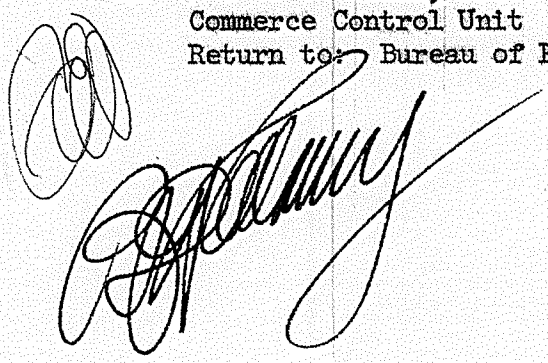
John J. Allen, Jr.

John J. Allen, Jr.

*24-70
3/5/59*

Bureau of Public Roads
REOLmert:dat (March 4, 1959)
Control No. 43690
cc: Mr. J. J. Allen, Jr.

Commerce Control Unit
Return to: Bureau of Public Roads ✓



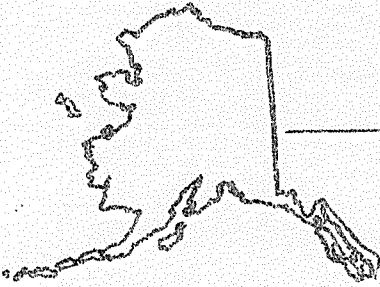
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RETURN TO BUREAU OF PUBLIC ROADS

RETURN TO BUREAU OF PUBLIC ROADS

March 11 1959
MAIL ROOM BY

Cleared Through
Administrator's Correspondence Unit



LEAGUE OF ALASKAN CITIES

Member American Municipal Association

BOX 1764

PALMER, ALASKA

During Alaska Legislature Sess.
Box 812, JUNEAU, Alaska

February 16, 1959

The Honorable Lewis L. Strauss
Secretary of Commerce
U.S. Department of Commerce
Washington 25, D. C.

Dear Mr. Strauss:

In the League of Alaskan Cities General Policy Statement, 1958-1959, adopted unanimously by member cities at their annual convention in Juneau in November are three objectives that concern the Federal-Aid Highway Program in Alaska and a fourth requesting an appropriation for the Alaska International Mail and Highway Commission.

These objectives are stated and explained in the accompanying General Policy Statement as follows: Under the State Legislative Program, item 9 on page 16; under the Federal Legislative Program, items 2, 3, and 4, pages 20 and 21.

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ENCLOSURES

(Mrs.)

Sincerely yours,

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Executive Secretary

the Industrial Incentive Act of 1957 wherein the state is authorized to grant exemptions from local taxes. An industrial development brings with it new population and demands at the local level for schools, streets, water systems or extensions, sanitary sewer systems or extensions, and a multitude of other community facilities and services. If the cities are to provide these community facilities and services (which is often the reason for the location of the industry in the city) they must have additional revenues. Enlightened industrial leaders have long recognized that the absence of adequate community facilities and services is more costly than the payment of local taxes. The value of industry so marginal that local tax exemptions are required for establishment thereof can and should be seriously questioned as to whether or not it will be an asset or liability to the community and state. The proponents of industrial tax exemptions ignore the fact that, in effect, the major portion of the cost of such exemptions is shifted to the taxpaying businesses and industries, thereby threatening their future success. And finally, state-granted exemptions from local taxes are contrary to the home rule principle of maximum local self-government.

9. TO SEEK FAIR AND EQUITABLE TREATMENT OF CITIES IN STATE AND FEDERAL HIGHWAY PROGRAMS; TO SUPPORT A POLICY OF LONG-RANGE STATE-WIDE HIGHWAY PROGRAM BASED ON ECONOMIC BENEFIT; TO REQUEST THE STATE LEGISLATURE TO RECOGNIZE THAT THE NEED FOR A COMPREHENSIVE STATE-WIDE HIGHWAY SYSTEM IS URGENT IN ORDER TO DEVELOP FULLY THE STATE'S NATURAL RESOURCES AND THE TOURIST INDUSTRY, THAT THE NEED REQUIRES EXPENDITURE OF FUNDS FAR EXCEEDING THOSE ANTICIPATED ANNUALLY FROM THE STATE GASOLINE TAX AND FEDERAL-AID HIGHWAY ALLOCATIONS TO THE STATE; THEREFORE, THE LEAGUE OF ALASKAN CITIES WILL SUPPORT ANY ADDITIONAL STATE APPROPRIATIONS FROM STATE GENERAL FUNDS OR BY BOND ISSUES (AS REQUESTED BY THE ALASKA HIGHWAY AND PUBLIC WORKS BOARD) TO SPEED THE COMPLETION OF AN ADEQUATE ALASKA HIGHWAY SYSTEM, INCLUDING A STATE FERRY SYSTEM TO BE OPERATED AS A PART OF THE HIGHWAY SYSTEM AND HAVING AUTHORITY TO OPERATE IN INTERNATIONAL WATERS.

The cities believe that territorial and federal agencies should be lauded for the progress made in highway planning since 1956, but they realize that this planning to date has been far from adequate and complete. State and federal highway plans should be made on a long-range, state-wide basis and include city requirements as well as those for rural areas. The integration or connection of city street systems with highways serving the rural areas is highly important in Alaska where the development is and will continue to be urban in character.

The present method of allocating state and federal highway funds does not place sufficient weight on the economic benefit to be obtained from new highway construction or improvements. The highway program can and should be the principal tool to encourage the growth and development of Alaska. This will come about when the economic benefit to Alaska is recognized as a prime factor in determining fund allocations.

Many of the coastal areas of Alaska can be more feasibly connected and served by ferry than land surface routes. Therefore, the suggested enactment of necessary legislation to authorize a State Ferry System with authority to operate in international waters and be operated as a part of the

GENERAL POLICY STATEMENT

(17)

Alaska Highway System.

League views regarding the justification of using monies from the general fund and state bond issues to finance the initial construction and improvement of state highways have already been set forth under item 6 above.

Regarding the early transfer of all state highway functions to a state agency as soon as possible, it is academic that the cost of supporting two agencies to handle the functions of highway planning and engineering, construction and maintenance is greater than would be required for one.

10. TO SEEK LEGISLATION AUTHORIZING THE STATE TO MAKE PAYMENTS IN LIEU OF ASSESSMENTS FOR IMPROVEMENTS WHICH SPECIALLY BENEFIT STATE-OWNED PROPERTY.

Most Alaskan cities finance street, sewer and other improvements by assessing part of the cost against the properties specially benefited by the improvements. In numerous cases, state-owned property is situated within the benefit area but authority does not exist for the state to pay its fair share of the improvement cost, even though the state's property is benefited and enhanced in value. The absence of this authority places an additional burden on local taxpayers and should be corrected.

11. TO SEEK LEGISLATION FOR REVISION OF STATE LAWS REGULATING THE POSSESSION, MANUFACTURE, AND SALE OF INTOXICATING LIQUOR WITH PROVISIONS FOR LOCAL CONTROL OF THE LICENSING OF PACKAGE AND RETAIL (PUBLIC AND CLUB) LIQUOR ESTABLISHMENTS AND REGULATION OF SALE AND POSSESSION OF LIQUOR.

The cities of Alaska feel that the licensing, regulation and control of liquor establishments located within their boundaries is a local matter and should be within the jurisdiction, power and control of city councils. The cities now have the responsibility for law enforcement, and licensing and regulation of liquor establishments in the cities is a necessary part of enforcement. City councils and other city officials generally have more information qualifying them to act on liquor licenses, regulations and other matters of control over liquor establishments. State-wide uniform regulations do not meet local requirements of individual cities.

12. TO REQUEST THE LEGISLATURE TO DIRECT THE ALASKA DEPARTMENT OF LANDS TO EXECUTE SUITABLE CONVEYANCES GRANTING TO MUNICIPALITIES TIDELANDS WITHIN THEIR BOUNDARIES AS PROVIDED UNDER CHAPTER 184, SLA 1957.

When Alaska was proclaimed a state on January 3, 1959, the ownership and title to tidal lands for three geographic miles were vested automatically in the state, according to the provisions of the Statehood Act. Therefore, the state is now empowered to solve the problem of title transfer to tideland occupants as well as to provide for use and disposal of tidal lands. Although tidal lands within and adjacent to cities have been used by private firms and individuals since the purchase of Alaska in 1867, no method or authority has existed to convey title in order that the land could be used for security in financing improvements. This has retarded the growth and development of cities,

LEAGUE OF ALASKAN CITIES

been appropriated and allocated "to foster the settlement and increase the permanent residents of Alaska, stimulate trade and industry, encourage internal commerce and private investment, develop Alaskan resources, and provide facilities for community life, through a program of useful public works."

These worthy purposes of the act have been only partially accomplished, mainly because (1) the 60 percent increase in the population since 1950 (compared with a 9 percent increase in the nation) has made it impossible for communities to increase their facilities fast enough to take care of the increasing need; and (2) the crash military construction program in Alaska (which had exceeded a \$1 billion total by the close of the 1957 fiscal year) more than doubled the cost of construction in Alaska, thus devaluating not only the funds appropriated by Congress but also the tax revenues that must support community facilities and services.

The need for continuation of the act still exists. Project applications already processed justify the extension of the act for another five years and account almost entirely for the \$50 million additional authorization requested. Under statehood the population can be expected to continue its upward trend. The impact of the military on construction has resumed with still increasing costs that price human needs, taken for granted in the other 48 states, out of the reach of most of the communities of the 49th.

2. TO SUPPORT LEGISLATION TO INCREASE THE AREA FACTOR UNDER THE 1956 FEDERAL-AID HIGHWAY ACT FROM ONE-THIRD TO TWO-THIRDS WITHOUT CHANGING THE PROVISIONS RELATING TO MAINTENANCE AND MATCHING FUNDS.

The Federal-aid Highway Act of 1956 provides for the use of only one-third of the area of Alaska in computing the formula for apportionment of funds. On this basis Alaska's share of Federal-aid highway funds is only \$13,448,100 for fiscal year 1959 for primary, secondary and urban highways. This amount is insufficient to meet current highway demands, much less develop a state-wide system necessary for the growth and development of Alaska. If a two-thirds area factor is used, the Federal-aid funds would amount to \$24,930,500, or an annual increase of \$11,482,400.

Alaska recognizes that above-referenced act does contain the favorable provision permitting the co-mingling of state and federal highway funds for both construction and maintenance, and that the matching fund requirement of ten percent is some three percent less than the normal requirement would be. The loss of \$21,717,600 each year in Federal-aid highway funds is a high price to pay for these favorable provisions. The recommended change to a two-thirds area factor with the retention of the favorable maintenance and matching-fund provision is considered to be fair. On this basis, Alaska's share of Federal-aid primary, secondary and urban highway funds would be \$11,235,200 less than it is entitled. This is a more reasonable exchange for the favorable provisions.

3. TO SUPPORT AN ADEQUATE APPROPRIATION FOR THE ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION TO CARRY OUT THE STUDIES ASSIGNED TO IT BY CONGRESS, WITH HEARINGS TO BE HELD IN ALL AFFECTED GEOGRAPHIC SECTIONS OF ALASKA.

Congress established the Alaska International Rail and Highway Commission in 1956 but failed to authorize sufficient funds for it to carry out its assigned functions. This was corrected in 1958 when the authorization was increased to \$300,000, but Congress failed to appropriate these funds necessary for the commission to proceed with necessary studies before the expiration date in early 1960.

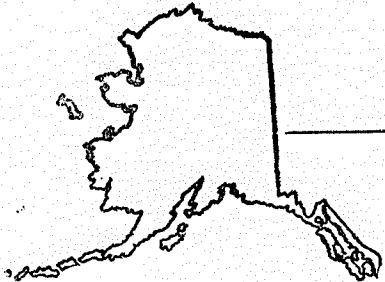
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Inasmuch as Alaska is not contiguous to any of the other 48 states, the extension of the Interstate System to Alaska presents some problems. Also, the current and potential traffic flow will not require the same high standard and capacity established for the Interstate System. Therefore, it appears reasonable to develop a long-range highway construction plan in lieu of the inclusion of the new State of Alaska in the Interstate Highway System on an equal basis with the other 48 states. This long-range highway construction plan should include the improvement and hard-surfacing of the portions of the Alaska Highway and Haines Highway located in Canada through joint or cooperative arrangements between the United States and Canadian governments. It also should include a minimum program of highway construction in Alaska, connecting geographical areas and population centers, of at least \$25 Million a year for ten years. This program in addition to the adjusted primary, secondary and urban Federal-aid Highway Program would provide a system of state and interstate highways necessary for surface transportation between the 48 states and the 49th, for national defense and for the economic development of Alaska.

5. TO SUPPORT LEGISLATION TO EXTEND THE ALASKA FEDERAL SURPLUS PROPERTY ACT.

The Alaska Federal Surplus Property Act expired on December 31, 1958. This act has provided many useful items of equipment and material for Alaskan cities as well as for territorial agencies that could not otherwise have been purchased by these governmental units. This surplus equipment and material has made possible community improvements that would not otherwise have been realized for many years to come. The cost to the federal government in making these surplus items available has been nil because the civilian market for these items is limited, and the return to the federal government from such sales is generally very low. The League supports the extension or re-enactment of this act for at least two more years.



LEAGUE OF ALASKA

Member American Municipal
BOX 1764
PALMER, ALASKA

February 16, 1959

The Honorable Lewis L. Strauss
Secretary of Commerce
U.S. Department of Commerce
Washington 25, D. C.

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ENCLOSURES

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(Mrs.) Lucy Mick
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U. S. GOVERNMENT PRINTING OFFICE: 1958-47

League of Alaskan Cities
Juneau, Alaska
Hicks, Lucy

See.

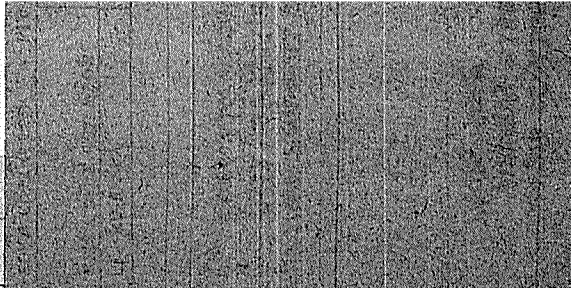
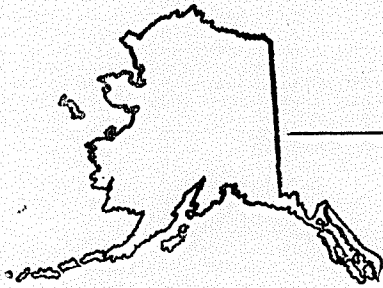
Re: Proposal for Alaska's full participation in the Fed. Aid Highway Program.

U. S. DEPARTMENT OF COMMERCE

NO REPLY	FILE DATE	CLASSIFICATION	FILE DESIGNATION
REPLY DATE - BY WHOM	PLACE FILED - OTHER ACTION	TO	DATE
MAIL CONTROL RECORD	U. S. DEPARTMENT OF COMMERCE 4239	DATE	ACTION

DATE ON CORRES. 2-16-59
DATE RECEIVED 2-16-59
CONTROL NO. 13590
DATE ACKNOWLEDGED - BY WHOM 3-5-59
SUSPENSE DATE

Lucy Mick
2/23/59
12:20 pm



LEAGUE OF ALASKAN CITIES

Member American Municipal Association

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During Alaska Legislature Sess.
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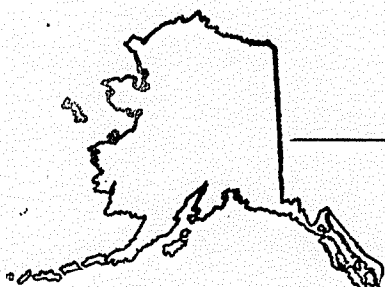
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7890



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GENERAL POLICY STATEMENT

(19)

Particularly because Alaska, with its geographical position and size, plays such a prominent role in the national defense program, the cities of Alaska feel that the state must recognize its responsibilities and complete without delay an acceptable survival plan. Further, since the plan must be on a state-wide basis with particular regions and localities assigned specific missions in the over-all plan, which particular regions and localities must take responsibility for the survival of citizens from other regions and localities, the cities feel that the major part of the state matching funds for the federal allocation should come from the state. The local contribution should be an action program, utilizing local officials and based on the faithful execution of the particular local government's role in the over-all survival plan through compliance with the directives thereof.

16. TO SUPPORT PROGRAMS, INCLUDING STUDIES, LEADING TO HYDRO-ELECTRIC DEVELOPMENT OF ALASKAN AND ADJACENT CANADIAN WATER RESOURCES.

The cities of Alaska realize that one of the most important keys to the development of Alaska's economic potential is the provision of cheap power; and further, that the abundance of Alaskan and Alaskan-Canadian water resources focuses primary attention on the development of hydro-electric power sources. Accordingly, the League will support state programs directly concerned with this over-all objective.

17. TO SEEK LEGISLATION STRENGTHENING THE EXISTING JUVENILE CODE AND INCREASING THE EMPHASIS ON PARENTAL RESPONSIBILITY.

The League of Alaskan Cities feels that the problem of juvenile delinquency in the state becomes increasingly grave and that statutes designed to control this problem should be strengthened and increased emphasis placed on the responsibility of parents. The last and 23rd Legislature of the Territory of Alaska enacted two important statutes strengthening the state's program to combat juvenile delinquency. Chapter 145, SLA 1957, vests exclusive jurisdiction in cases of minors under 18 in the justice court (U.S. Commissioner), thus circumventing some of the regional aspects of the problem. Chapter 98 provided for the recovery of civil damages from a parent or guardian due to the malicious or willful destruction of property by minors. Probably one of the best ways to strengthen the existing code is through adequate appropriations for trained personnel and facilities. An additional provision, which would increase parental responsibility, might make mandatory the present practice of having the parents voluntarily contribute for the care of their delinquent children under 18 in foster homes, detention homes and rehabilitation institutions.

Part III - Federal Legislative Program

1. TO SUPPORT LEGISLATION TO EXTEND THE ALASKA PUBLIC WORKS ACT FOR FIVE YEARS AND INCREASE THE AUTHORIZATION BY \$50 MILLION.

The Alaska Public Works Act of 1949 is due to expire June 30, 1959, and almost the entire amount of the original \$70 million authorization has

been appropriated and allocated "to foster the settlement and increase the permanent residents of Alaska, stimulate trade and industry, encourage internal commerce and private investment, develop Alaskan resources, and provide facilities for community life, through a program of useful public works."

These worthy purposes of the act have been only partially accomplished, mainly because (1) the 60 percent increase in the population since 1950 (compared with a 9 percent increase in the nation) has made it impossible for communities to increase their facilities fast enough to take care of the increasing need; and (2) the crash military construction program in Alaska (which had exceeded a \$1 billion total by the close of the 1957 fiscal year) more than doubled the cost of construction in Alaska, thus devaluating not only the funds appropriated by Congress but also the tax revenues that must support community facilities and services.

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(19)

GENERAL POLICY STATEMENT

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6. TO SUPPORT LEGISLATION FOR A PROGRAM OF PAYMENT IN LIEU OF TAXES AND SPECIAL ASSESSMENTS ON FEDERALLY-OWNED PROPERTY.

The federal government holdings of real and personal property in many Alaskan communities increases to an alarming extent the burden on property taxpayers for services and facilities that are necessary for or enjoyed by all. In some cases the value of federally tax-exempt property exceeds one-third of the total property value of the community, thus undermining the validity of the property tax itself as a non-discriminatory and equitable tax base. Many of the federal agencies in Alaska recognize the need to help pay their share of the cost of community services they expect and receive, but they are powerless to do this either through contract with the local government or through voluntary payments in lieu. The League of Alaskan Cities urges Congress to adopt legislation following the recommendations of the Commission on Intergovernmental Relations, and thus inaugurate a broad system of payments in lieu of property taxes to state and local governments.

7. TO SUPPORT THE EXTENSION OF THE FEDERAL AIRPORT ACT.

In Alaska, more than any other state, air transportation is the lifeline of its people. In all this vast territory of more than 260,000 square miles there are only slightly more than 5000 miles of roads in the highway system. Vast areas of the great new state are dependent entirely on air transportation. Because of this Alaska has the highest number of private planes per capita in the United States, far outdistancing the nearest runner-up. The Federal Airport Act has been of great value in opening up the Alaskan hinterland and in the saving of hundreds of lives that otherwise would have been lost. The airports and emergency landing strips serve the interests of the military, the nation, international air traffic, commercial airlines, industrial and mineral development, business and private aircraft, and the communities. The plan for financing these airports and landing strips should recognize this diversity of interest which is particularly applicable to Alaska. To the extent that the federal government needs airports and emergency landing strips for national defense, mail service, interstate commerce, international traffic and other uses, it should contribute to the capital and current costs on a long-term basis comparable to Federal-aid for interstate highways and the Federal-aid primary, secondary and urban system.

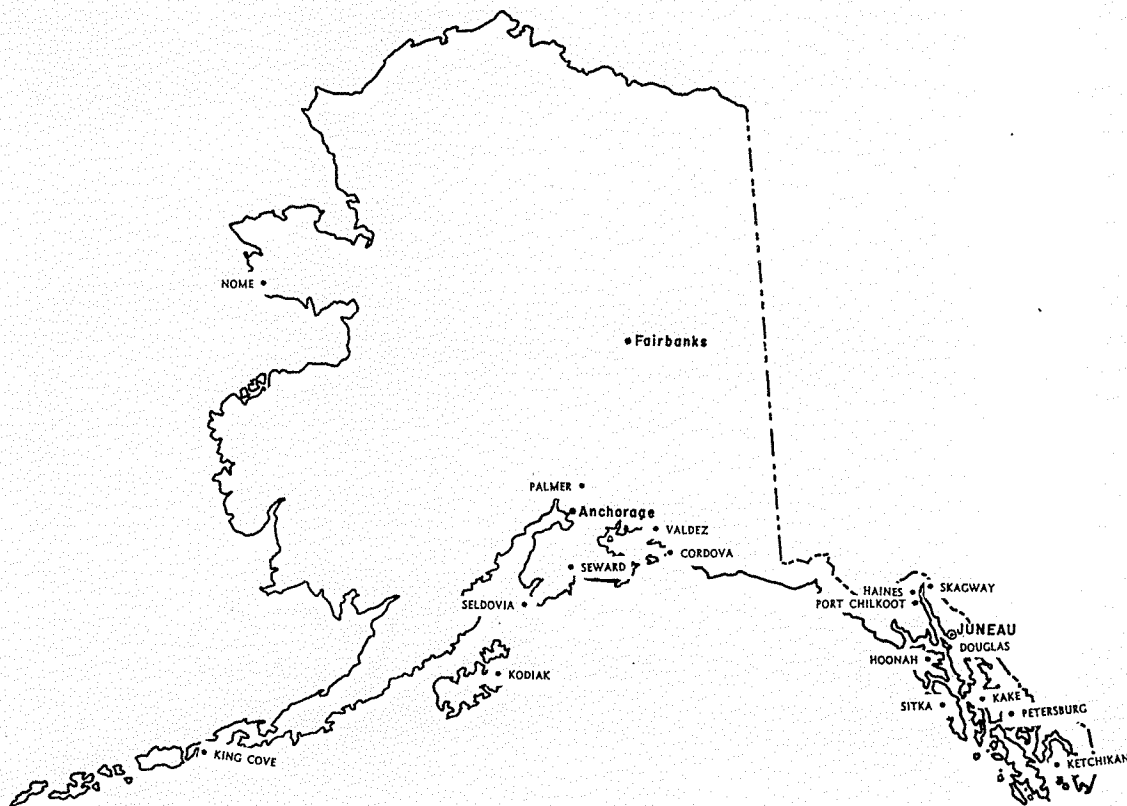
8. TO SUPPORT COMMUNITY FACILITIES LOAN LEGISLATION PROVIDING LONG-TERM LOANS AT REASONABLE INTEREST RATES.

Small cities with projects of relatively low cost often have difficulty marketing their bonds at reasonable interest rates. Because all but two of Alaska's cities are under 10,000 in population, most of them fall in this category; moreover, this unfavorable situation is accentuated because of the lack of knowledge about Alaska and Alaska cities' limited bond experience. Statehood has brought more knowledge about Alaska, but this in itself will not bring about more favorable rates. Chances are, there will be a greater amount of Alaska municipals reaching the market saturated with increased municipal offerings from more

TO THE HONORABLE WILLIAM A. EGAN, GOVERNOR OF ALASKA

TO THE HONORABLE MEMBERS OF THE FIRST ALASKA STATE LEGISLATURE

TO THE HONORABLE E. L. BARTLETT, ERNEST GRUENING AND RALPH RIVERS,
MEMBERS OF THE UNITED STATES CONGRESS FROM ALASKA



LEAGUE OF ALASKAN CITIES

GENERAL POLICY STATEMENT 1958-1959

INCLUDING STATE AND FEDERAL LEGISLATIVE PROGRAMS

League of Alaskan Cities

Box 1764, Palmer, Alaska

January, 1959

TO THE HONORABLE WILLIAM A. EGAN, GOVERNOR OF ALASKA:
TO THE HONORABLE MEMBERS OF THE FIRST ALASKA STATE LEGISLATURE;
TO THE HONORABLE E. L. BARTLETT, ERNEST GRUENING AND RALPH RIVERS,
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LEAGUE OF ALASKAN CITIES GENERAL POLICY STATEMENT 1958-1959
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Twenty cities and towns of Alaska, members of the League of Alaskan Cities and represented by the undersigned officers of the League, herein present for your kind consideration legislative recommendations, state and national, designed to promote more efficient local government and help provide the services of government expected by Alaska's urban population.

While this program is an affirmative one, based on the maximum local self-government purposes set forth in the State Constitution, it necessarily expresses opposition to legislation believed contrary to the expressed purposes of Article X of the Constitution and to legislation that would inhibit the orderly process of local government.

Following are the general objectives and state and federal legislative programs of the League of Alaskan Cities General Policy Statement 1958-1959, adopted by member cities of the League at their eighth annual convention in Juneau, November 8, 1958:

Part I - General

1. TO EXTEND FULL COOPERATION TO ALL BRANCHES OF THE NEW STATE GOVERNMENT IN EFFECTING AN ORDERLY TRANSITION TO STATEHOOD AND IN THE DEVELOPING OF LEGISLATION TO IMPLEMENT THE NEW STATE CONSTITUTION.
2. TO WELCOME THE BOROUGHES THAT WILL COMPLEMENT LOCAL GOVERNMENT ORGANIZATION IN ALASKA, AND LOOK FORWARD TO COORDINATION OF BOROUGH AND CITY FACILITIES AND SERVICES TO THE END THAT LOCAL GOVERNMENT IN ALASKA WILL BE A MODEL OF EFFICIENCY AND DEMOCRACY FOR THE OTHER 48 STATES.
3. TO OBTAIN A BETTER RECOGNITION OF THE RIGHTS, RESPONSIBILITIES, AND OBLIGATIONS OF MUNICIPAL GOVERNMENT; AND THE EQUAL DIGNITY OF MUNICIPAL GOVERNMENT WITH THAT OF STATE AND FEDERAL GOVERNMENTS.

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4. TO SUPPORT LEGISLATION PROVIDING GENERAL GRANTS OF POWER TO CITIES, ACCORDING TO THE INTENT OF ARTICLE X OF THE ALASKA CONSTITUTION.
5. TO OPPOSE ALL LEGISLATION WHICH WOULD INFRINGE UPON THE RECOGNIZED PREROGATIVES AND RESPONSIBILITIES OF MUNICIPAL GOVERNMENT.
6. TO OPPOSE LEGISLATION WHICH WOULD CREATE REGULATORY COMMISSIONS OR BOARDS WITH JURISDICTION OVER MUNICIPALLY-OWNED PUBLIC UTILITIES OR SIMILAR ENTERPRISES; AND TO OPPOSE LEGISLATION WHICH WOULD REMOVE FROM CITY COUNCILS THEIR CONTROL OVER PRIVATE UTILITIES OPERATED WITHIN CITY LIMITS.
7. TO OPPOSE STATE-ENACTED EXEMPTIONS FROM LOCAL TAXES AS CONTRARY TO THE PRINCIPLE OF LOCAL SELF-GOVERNMENT.
8. TO OPPOSE LEGISLATION SHIFTING RESPONSIBILITY FOR SERVICES AND PROGRAMS FROM THE STATE TO THE CITY LEVEL UNLESS SUCH SERVICES AND PROGRAMS ARE A PROPER MUNICIPAL FUNCTION AND THE TRANSFER INCLUDES THE NECESSARY REVENUES OR SOURCES OF REVENUE TO FINANCE SUCH SERVICES AND PROGRAMS.
9. TO RETAIN ALL EXISTING STATE TAX AND LICENSE REFUNDS TO CITIES AND TO OBTAIN A MORE FAIR AND EQUITABLE DISTRIBUTION OF THE STATE TAX DOLLAR, RECOGNIZING THAT CERTAIN TAXES IN WHICH MUNICIPALITIES SHOULD PARTICIPATE CAN BEST BE COLLECTED AT THE STATE LEVEL.

Part II - State Legislative Program

1. TO SEEK IMMEDIATE PASSAGE OF LEGISLATION TO CLASSIFY CITIES AND PRESCRIBE THE PROCEDURES FOR ADOPTION OF HOME RULE CHARTERS BY FIRST CLASS CITIES, AND TO URGE THAT THERE BE ONLY TWO CLASSIFICATIONS OF CITIES: FIRST CLASS (HOME RULE CHARTER) CITIES AND GENERAL LAW CITIES, WITH CITIES BEING GIVEN OPTION ON BECOMING EITHER A FIRST CLASS (HOME RULE CHARTER) CITY OR A GENERAL LAW CITY AND THEREBY CARRYING OUT THE PURPOSE AND INTENT OF SECTION I OF ARTICLE X OF THE STATE CONSTITUTION TO PROVIDE FOR MAXIMUM LOCAL SELF-GOVERNMENT WITH A MINIMUM OF LOCAL GOVERNMENT UNITS.
2. TO SEEK PROVISION FOR MAXIMUM FREEDOM IN THE SELECTION OF REVENUE SOURCES IN LEGISLATION DELEGATING TAX POWERS TO GENERAL LAW CITIES, THEREBY BROADENING THE REVENUE BASE FOR ALL MUNICIPALITIES; AND TO RESERVE TO CITIES AND BOROUGHS THE EXCLUSIVE RIGHT TO THE CONSUMER SALES TAX AND THE GENERAL PROPERTY TAX.
3. TO SEEK PREPARATION OF A NEW MUNICIPAL CODE FOR GENERAL LAW CITIES.
4. TO SUPPORT THE CREATION AND APPOINTMENT BY THE GOVERNOR OF MEMBERS OF THE LOCAL BOUNDARY COMMISSION AS PROVIDED FOR IN SECTION 12 OF ARTICLE X OF THE

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STATE CONSTITUTION; AND TO URGE THAT AN APPROPRIATION BE MADE AND THAT THIS COMMISSION BE AUTHORIZED TO STUDY AND RECOMMEND BOROUGH AND CITY BOUNDARIES FOLLOWING A THOROUGH STUDY OF EXISTING BOUNDARIES OF MUNICIPALITIES.

5. TO SEEK IMMEDIATE REVISION OF EXISTING LAWS PROVIDING STANDARDS FOR INCORPORATION OF POLITICAL SUBDIVISIONS.

6. TO OBTAIN A GREATER AND MORE JUST SHARE OF STATE-COLLECTED REVENUES BY SEEKING PASSAGE OF LEGISLATION INCREASING REFUNDS TO CITIES OF THE RAW FISH TAX FROM 10 to 60 PERCENT; ESTABLISHING REFUNDS TO CITIES OF A FAIR SHARE OF THE LIQUOR EXCISE TAX AND ONE CENT PER GALLON OF THE TAX ON MOTOR FUELS FOR HIGHWAY USE.

7. IN LEGISLATION CREATING AND DELEGATING TAXING POWERS TO BOROUGHES TO SEEK INCLUSION OF (1) EQUITABLE COUNCIL REPRESENTATION ON BOROUGH ASSEMBLIES, AND (2) LIMITATION OF BOROUGH TAXING POWERS WITHIN CITIES TO THE RAISING OF REVENUES TO FINANCE ONLY THOSE SERVICES AND FUNCTIONS CARRIED ON OR SUPPLIED WITHIN CITIES OR DIRECTLY BENEFITING CITIES AND THEIR RESIDENTS.

8. TO SEEK REPEAL OF THE PROVISIONS OF THE INDUSTRIAL INCENTIVE ACT OF 1957 AUTHORIZING THE STATE TO EXEMPT PROPERTY FROM LOCAL TAXES.

9. TO SEEK FAIR AND EQUITABLE TREATMENT OF CITIES IN STATE AND FEDERAL HIGHWAY PROGRAMS; TO SUPPORT A POLICY OF LONG-RANGE STATE-WIDE HIGHWAY PROGRAM BASED ON ECONOMIC BENEFIT; TO REQUEST THE STATE LEGISLATURE TO RECOGNIZE THAT THE NEED FOR A COMPREHENSIVE STATE-WIDE SYSTEM IS URGENT IN ORDER TO DEVELOP FULLY THE STATE'S NATURAL RESOURCES AND THE TOURIST INDUSTRY, THAT THE NEED REQUIRES EXPENDITURE OF FUNDS FAR EXCEEDING THOSE ANTICIPATED ANNUALLY FROM THE STATE GASOLINE TAX AND FEDERAL-AID HIGHWAY ALLOCATIONS TO THE STATE; THEREFORE, THE LEAGUE OF ALASKAN CITIES WILL SUPPORT ANY ADDITIONAL STATE APPROPRIATIONS FROM STATE GENERAL FUNDS OR BY BOND ISSUES (AS REQUESTED BY THE ALASKA HIGHWAY AND PUBLIC WORKS BOARD) TO SPEED THE COMPLETION OF AN ADEQUATE ALASKA HIGHWAY SYSTEM, INCLUDING A STATE FERRY SYSTEM TO BE OPERATED AS A PART OF THE HIGHWAY SYSTEM AND HAVING AUTHORITY TO OPERATE IN INTERNATIONAL WATERS.

10. TO SEEK LEGISLATION AUTHORIZING THE STATE TO MAKE PAYMENTS IN LIEU OF ASSESSMENTS FOR IMPROVEMENTS WHICH SPECIALLY BENEFIT STATE-OWNED PROPERTY.

11. TO SEEK LEGISLATION FOR REVISION OF STATE LAWS REGULATING THE POSSESSION, MANUFACTURE AND SALE OF INTOXICATING LIQUOR WITH PROVISIONS FOR LOCAL CONTROL OF THE LICENSING OF PACKAGE AND RETAIL (PUBLIC AND CLUB) LIQUOR ESTABLISHMENTS AND REGULATION OF SALE AND POSSESSION OF LIQUOR.

12. TO REQUEST THE LEGISLATURE TO DIRECT THE ALASKA DEPARTMENT OF LANDS TO EXECUTE SUITABLE CONVEYANCES GRANTING TO MUNICIPALITIES TIDELANDS WITHIN THEIR BOUNDARIES AS PROVIDED UNDER CHAPTER 184, SLA 1957.

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13. TO SEEK INCLUSION OF INDIVIDUAL CITIES, ACCORDING TO THEIR OPTION, IN LEGISLATION PROVIDING FOR STATE EMPLOYEES PENSION OR HOSPITAL MEDICAL PLANS.
14. TO SUPPORT AN APPROPRIATION BY THE STATE LEGISLATURE FOR SMALL BOAT MOORAGE FACILITIES AS REQUESTED BY THE ALASKA HIGHWAY AND PUBLIC WORKS BOARD.
15. TO REQUEST THE NEW STATE LEGISLATURE TO PROVIDE RECOGNITION OF ITS INHERENT RESPONSIBILITY IN THE FIELD OF CIVILIAN DEFENSE INVOLVING RADIOLOGICAL DEFENSE, ATTACK WARNING AND COMMUNICATIONS; AND TO RECOGNIZE THE NEED FOR FUNDS TO BE MATCHED BY THE FEDERAL GOVERNMENT TO GREATLY STRENGTHEN THE CIVIL DEFENSE PREPARATIONS IN THE NEW STATE OF ALASKA AND ALL HER CITIES.
16. TO SUPPORT PROGRAMS, INCLUDING STUDIES, LEADING TO HYDRO-ELECTRIC DEVELOPMENT OF ALASKAN AND ADJACENT CANADIAN WATER RESOURCES.
17. TO SEEK LEGISLATION STRENGTHENING THE EXISTING JUVENILE CODE AND INCREASING THE EMPHASIS ON PARENTAL RESPONSIBILITY.

Part III - Federal Legislative Program

1. TO SUPPORT LEGISLATION TO EXTEND THE ALASKA PUBLIC WORKS ACT FOR FIVE YEARS AND INCREASE THE AUTHORIZATION BY \$50 MILLION.
2. TO SUPPORT LEGISLATION TO INCREASE THE AREA FACTOR UNDER THE 1956 FEDERAL-AID HIGHWAY ACT FROM ONE-THIRD TO TWO-THIRDS WITHOUT CHANGING THE PROVISIONS RELATING TO MAINTENANCE AND MATCHING FUNDS.
3. TO SUPPORT AN ADEQUATE APPROPRIATION FOR THE ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION TO CARRY OUT THE STUDIES ASSIGNED TO IT BY CONGRESS, WITH HEARINGS TO BE HELD IN ALL AFFECTED GEOGRAPHIC SECTIONS OF ALASKA.
4. TO SUPPORT APPROPRIATIONS ON A LONG RANGE PLAN IN LIEU OF HIGHWAY IMPROVEMENTS AND ADDITIONS THAT WOULD ACCRUE IF ALASKA WERE INCLUDED IN THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS ON AN EQUAL BASIS WITH THE OTHER 48 STATES.
5. TO SUPPORT LEGISLATION TO EXTEND THE ALASKA SURPLUS PROPERTY ACT.
6. TO SUPPORT LEGISLATION FOR A PROGRAM OF PAYMENT IN LIEU OF TAXES AND SPECIAL ASSESSMENTS ON FEDERALLY-OWNED PROPERTY.
7. TO SUPPORT THE EXTENSION OF THE FEDERAL AIRPORT ACT.

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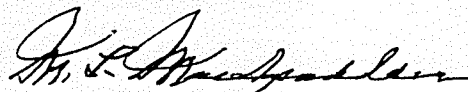
8. TO SUPPORT COMMUNITY FACILITIES LOAN LEGISLATION PROVIDING LONG-TERM LOANS AT REASONABLE INTEREST RATES.
9. TO OPPOSE FEDERAL LEGISLATION OR REGULATIONS PROVIDING FOR FEDERAL PROJECT CONTRACT PROVISIONS TO AVOID STATE AND LOCAL GOVERNMENT TAXES.
10. TO SUPPORT LEGISLATION WHICH WOULD EXPAND FEDERAL URBAN PLANNING AND URBAN RENEWAL PROGRAMS.
11. TO SUPPORT LEGISLATION WHICH WOULD PROVIDE A WIDER FINANCIAL BASE FOR THE SALE OF MUNICIPAL GENERAL OBLIGATION AND REVENUE BONDS.
12. TO SUPPORT A STRONG CIVIL DEFENSE PROGRAM WITH THE UNITED STATES GOVERNMENT ASSUMING GREATER LEADERSHIP AND FINANCIAL RESPONSIBILITY FOR STATE AND LOCAL PROGRAMS WHICH ARE INTEGRAL PARTS OF THE COMPREHENSIVE NATIONAL PROGRAM.
13. TO SUPPORT APPROPRIATIONS FOR AUTHORIZED RIVER AND HARBOR PROJECTS IN ALASKA.
14. TO SUPPORT PROGRAMS FOR PEACEFUL USES OF ATOMIC ENERGY IN ALASKA.
15. TO SUPPORT PROGRAMS FOR HYDRO-ELECTRIC DEVELOPMENT OF ALASKAN AND ALASKAN-CANADIAN WATER RESOURCES.

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In conclusion, the League of Alaskan Cities offers to the Governor's Office, and to each member of the State Legislature, the utmost cooperation at all times. Representatives of our Executive Board and our Executive Secretary, Mrs. Lucy Mick, will be in Juneau for the first session of the State Legislature to explain, if need be, the municipal viewpoint on legislation relating to local government and to contribute towards an amicable solution to problems of mutual concern.

If we recognize all the problems involved and approach each solution with the same calm determination as the Convention that gave us our Constitution, Alaska's venture into Statehood will be the outstanding success of our fondest hopes.

Respectfully submitted,



President

M. L. MacSpadden, Mayor of Juneau

Vice-President
Executive Secretary
Trustees:

Steffen Andersen, Mayor of Nome
Lucy Mick, Palmer
J. E. Winston, Mayor of Ketchikan
Paul B. Haggland, Mayor of Fairbanks
Perry Stockton, Jr., Mayor of Seward
J. Earl Shennett, Mayor of Sitka
Hewitt Lounsbury, Mayor of Anchorage

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And Background Material and Further Justification
for Individual Items

Part I - General

1. TO EXTEND FULL COOPERATION TO ALL BRANCHES OF THE NEW STATE GOVERNMENT IN EFFECTING AN ORDERLY TRANSITION TO STATEHOOD AND IN THE DEVELOPING OF LEGISLATION TO IMPLEMENT THE NEW STATE CONSTITUTION.

The cities of Alaska recognize that the transition to Statehood will be complex, affecting citizens of Alaskan cities as well as those who have had only limited experience with local government. It is the desire of the League of Alaskan Cities, as an organization, to help wherever possible and to encourage its member cities and their officials to cooperate with all branches of the new state government.

2. TO WELCOME THE BOROUGHS THAT WILL COMPLEMENT LOCAL GOVERNMENT ORGANIZATION IN ALASKA, AND LOOK FORWARD TO COORDINATION OF BOROUGH AND CITY FACILITIES AND SERVICES TO THE END THAT LOCAL GOVERNMENT IN ALASKA WILL BE A MODEL OF EFFICIENCY AND DEMOCRACY FOR THE OTHER 48 STATES.

Cities of Alaska are well aware of the need for an area-wide unit of local government to provide for efficient extension of needed services and facilities beyond existing city limits. They recognize the need to coordinate with the affected areas outside their boundaries planning for area-wide development, protection of life and property, public utilities, sanitary services, highways and public works, and the local tax structure. Many cities feel that there are some services such as education and health that can best be handled entirely on the borough level, although the best solutions to division of responsibilities between city and borough will differ from area to area and should therefore be decided locally.

3. TO OBTAIN A BETTER RECOGNITION OF THE RIGHTS, RESPONSIBILITIES, AND OBLIGATIONS OF MUNICIPAL GOVERNMENT; AND THE EQUAL DIGNITY OF MUNICIPAL GOVERNMENT WITH THAT OF STATE AND FEDERAL GOVERNMENTS.

Over 70 percent of the people in the United States reside in urban areas. Yet, the problems of urban living are often ignored by state and federal governments. Full recognition of the need for strong city governments to deal with urban problems has not penetrated in many cases to the state and federal levels of government. Since World War II, particularly, this need has become increasingly apparent on the local level, largely through organized efforts of citizen groups and impartial research studies made by American colleges and private foundations. It is hoped that the first State Governor and State Legislature will fully implement the home rule principle contained in the constitution, thereby stimulating development of strong and vigorous cities in Alaska.

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4. TO SUPPORT LEGISLATION PROVIDING GENERAL GRANTS OF POWER TO CITIES, ACCORDING TO THE INTENT OF ARTICLE X OF THE ALASKA CONSTITUTION.

"Section 1. The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal interpretation shall be given to the powers of local government units." And from Section 7 - "...Cities shall have the powers and functions conferred by law or charter"; and Section 11 - "A home rule borough or city may exercise all legislative powers not prohibited by law or charter."

Thus the constitution's intent of general grants of power as opposed to the restrictive grants of power under the Organic Act is clearly and wisely set forth. Since the best in municipal government is the objective of state legislation granting municipal powers, those grants should be general in nature, leaving to the local government, where particular needs and problems are known, the utilization of specific powers (not prohibited by law or charter) and the development of procedures. Otherwise, unforeseen problems and unworkable procedures may hamper cities in their attempt to provide good local government and services.

5. TO OPPOSE ALL LEGISLATION WHICH WOULD INFRINGE UPON THE RECOGNIZED PREROGATIVES AND RESPONSIBILITIES OF MUNICIPAL GOVERNMENT.

The cities feel that the state should not enact legislation affecting strictly local or city affairs. In several states there has been an alarming trend to enact legislation affecting such matters as firemen's working hours, wages and retirement. Such discriminatory singling out of one particular group of local government employees for preferential treatment may effect a real financial hardship on the local government not only because of the changed status of the group concerned but also because of the repercussions on a balanced program of personnel classification and salaries and the balanced budget. Even more important is the adverse effect on service to the public. Such ill-advised legislation prompted a high official of a national fire protection association to lament in Juneau recently, "They're pricing fire departments out of existence!" Such legislation is contrary to the home rule concept of city government envisioned by the Alaska Constitution and strongly supported by the League.

6. TO OPPOSE LEGISLATION WHICH WOULD CREATE REGULATORY COMMISSIONS OR BOARDS WITH JURISDICTION OVER MUNICIPALLY-OWNED PUBLIC UTILITIES OR SIMILAR ENTERPRISES; AND TO OPPOSE LEGISLATION WHICH WOULD REMOVE FROM CITY COUNCILS THEIR CONTROL OVER PRIVATE UTILITIES OPERATED WITHIN CITY LIMITS.

A number of cities in Alaska have successfully owned and operated power and light, water and telephone utilities, and (a more limited number) docks and wharves. The people of these cities through bond elections have pledged their property as security for the issue of bonds to finance these facilities in a responsible and business-like manner. The councils of these cities have established rates, charged, and in many instances, covenanted in bond ordinances to establish and maintain a level of rates sufficient to pay the cost of the various bonds issued

for acquisition, improvement or extension of such utilities. Other city councils have exercised their power of rate regulation over privately-owned utilities operated within the boundaries of incorporated cities in order to protect their citizens from unwarranted charges and obstructions contrary to the public interest.

Generally, the various states have excluded municipally-owned utilities from the jurisdiction of state regulatory bodies or made such jurisdiction an option of individual cities. The cities of Alaska feel that they are qualified to administer their own affairs, including the ownership and operation of public utilities. The need for regulation of municipally-owned utilities at the state level has not been demonstrated. Councils of cities where utilities are privately owned have provided the necessary regulation for such utilities. Cost of regulation at the state level would be an added burden to state taxpayers or utility consumers.

7. TO OPPOSE STATE-ENACTED EXEMPTIONS FROM LOCAL TAXES AS CONTRARY TO THE PRINCIPLE OF LOCAL SELF-GOVERNMENT.

The League feels that individual cities are in a better position to determine whether or not exemptions from local taxes should be granted, that state-enacted exemptions from local taxes are not consistent with maximum local self-government. Tax exemptions affect the financial structure of the city, and the responsibility for maintaining a sound financial position is properly one for the governing body of the city. If another level of government permits itself to grant exemptions from local taxes, then that level of government should assume the responsibility for the revenue loss to the city and its people.

8. TO OPPOSE LEGISLATION SHIFTING RESPONSIBILITY FOR SERVICES AND PROGRAMS FROM THE STATE TO THE CITY LEVEL UNLESS SUCH SERVICES AND PROGRAMS ARE A PROPER MUNICIPAL FUNCTION AND THE TRANSFER INCLUDES THE NECESSARY REVENUES OR SOURCES OF REVENUE TO FINANCE SUCH SERVICES AND PROGRAMS.

There has been a tendency in recent years to shift or transfer more responsibility for public services and activities from the state to the city level when such services and programs are regional in nature or properly the function of another level of government. Also, on the transfer of those services or activities which should properly be performed at the city level of government, the state has failed to make available a source(s) of revenue in order that cities can effectively carry out their responsibilities. Many cities of Alaska are financially unable to undertake new services or activities unless new revenue sources are made available.

9. TO RETAIN ALL EXISTING STATE TAX AND LICENSE REFUNDS TO CITIES AND TO OBTAIN A MORE FAIR AND EQUITABLE DISTRIBUTION OF THE STATE TAX DOLLAR, RECOGNIZING THAT CERTAIN TAXES IN WHICH MUNICIPALITIES SHOULD PARTICIPATE CAN BEST BE COLLECTED AT THE STATE LEVEL.

Certain sources of revenue through custom and the nature of the

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government services justifying the collection of such revenues are considered local in character although the state may provide a more efficient method of collection. Such revenues should be refunded to cities regardless of the agency or government employed for collection. A number of such revenues in Alaska are not presently refunded to cities or are only partially refunded. Items 2 and 6 of the State Legislative Program, which follows, contain specific League objectives that would help correct the present imbalance in the distribution of the state tax dollar.

Part II - State Legislative Program

1. TO SEEK IMMEDIATE PASSAGE OF LEGISLATION TO CLASSIFY CITIES AND PRESCRIBE THE PROCEDURES FOR ADOPTION OF HOME RULE CHARTERS BY FIRST CLASS CITIES, AND TO URGE THAT THERE BE ONLY TWO CLASSIFICATIONS OF CITIES: FIRST CLASS (HOME RULE CHARTER) CITIES AND GENERAL LAW CITIES, WITH CITIES BEING GIVEN OPTION OF BECOMING EITHER A FIRST CLASS (HOME RULE CHARTER) CITY OR A GENERAL LAW CITY AND THEREBY CARRYING OUT THE PURPOSE AND INTENT OF SECTION I OF ARTICLE X OF THE STATE CONSTITUTION TO PROVIDE FOR MAXIMUM LOCAL SELF-GOVERNMENT WITH A MINIMUM OF LOCAL GOVERNMENT UNITS.

Section 7 of Article X of the Alaska Constitution, among other things, provides for the classification of cities. Section 9 of the same article authorizes the qualified voters of a city of the first class to adopt, amend or repeal a home rule charter in a manner provided by law. Section 10 of the same article authorizes the legislature to extend home rule to other cities.

Therefore, in order to carry out the purpose of Article X (to provide for maximum local self-government) it is necessary for the legislature to classify cities and provide a procedure for the preparation, adoption or rejection of charters for cities of the first class. The League urges that this be done promptly in order that the formal work of charter drafting and submission to the voters may be commenced as soon as possible.

The League feels that the legislature should provide for only two classes of cities as follows: First class (home rule charter) cities and general law cities, with cities being given the option of becoming a charter city or operating under general laws of the state. If the voters of a city have the initiative and desire to prepare and adopt a home rule charter, they should be empowered to exercise this power of self-government. Cities whose voters prefer to operate under the general laws of the state should have the option of doing so.

2. TO SEEK PROVISION FOR MAXIMUM FREEDOM IN THE SELECTION OF REVENUE SOURCES IN LEGISLATION DELEGATING TAX POWERS TO GENERAL LAW CITIES, THEREBY BROADENING THE REVENUE BASE FOR ALL MUNICIPALITIES; AND TO RESERVE TO CITIES AND BOROUGHES THE EXCLUSIVE RIGHT TO THE CONSUMER SALES TAX AND THE GENERAL PROPERTY TAX.

Alaskan cities under existing laws have only two sources of revenue which produce significant amounts of funds, i.e., general property and sales taxes. The need and demand for municipal services is such that

these two principal sources of revenue, shared with other local government taxing units, are inadequate for some cities to provide the broad financial base required if they are to fulfill their responsibility to the people. Moreover, some cities having an unusual balance between taxable and non-taxable properties may not wish to place maximum emphasis on the property tax in their total tax structures. Others may find the sales tax unpopular with their citizens. They should be able to develop a tax structure that is adapted to the particular needs and desires of their community.

It is assumed that first class (home rule charter) cities may utilize any revenue source not specifically prohibited by law or charter. The League feels that cities choosing to operate as general law cities should have similar freedom in the selection of revenue sources in addition to the two permitted local governments. The League also believes that the consumer sales tax and the general property tax should be reserved to cities and boroughs only.

3. TO SEEK PREPARATION OF A NEW MUNICIPAL CODE FOR GENERAL LAW CITIES.

Included in the present municipal code for Alaska are Acts of Congress antedating the Organic Act as well as provisions of the Organic Act itself. In any study to determine the need for additional state legislation to replace federal laws regarding municipalities, consideration should also be given to the additional powers and the invalidation of legislated powers accumulated during the years through decisions of the courts. The League of Alaskan Cities through its legislative chairman, Anchorage City Attorney James Fitzgerald, has completed a compilation of Statutes Affecting Municipalities in Alaska with Annotations in the hope that this publication will be a ready source for preliminary study leading to preparation of a new municipal code for general law cities.

It is hoped that a new municipal code for general law cities will be broad enough in its delegation of general powers or exhaustive enough in enumeration of specific powers to permit a selection of needed powers (as growth and time suggest) by general law cities, thus extending to them maximum local self-government equal or nearly equal that found in first class (home rule charter) cities.

4. TO SUPPORT THE CREATION AND APPOINTMENT BY THE GOVERNOR OF MEMBERS OF THE LOCAL BOUNDARY COMMISSION AS PROVIDED FOR IN SECTION 12 OF ARTICLE X OF THE STATE CONSTITUTION; AND TO URGE THAT AN APPROPRIATION BE MADE AND THAT THIS COMMISSION BE AUTHORIZED TO STUDY AND RECOMMEND BOROUGH AND CITY BOUNDARIES FOLLOWING A THROUGH STUDY OF EXISTING BOUNDARIES OF MUNICIPALITIES.

Section 12 of Article X of the State Constitution requires the establishment of a local boundary commission or board to consider and propose boundary changes. The League feels that a thorough study should be made before the state is divided into boroughs as provided for in Section 3 of Article X, and that the boundary commission is the agency which should be best qualified to make such a study and recommend borough boundaries to the Governor and the Legislature. Such study should also consider

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and recommend those boroughs to be organized and unorganized, classification of boroughs, and the powers and functions of boroughs. As a part of this study, the existing boundaries of cities should be studied and changes proposed where justified. City boundary changes could well influence the considerations and decisions on borough organization, classification, and powers and functions.

5. TO SEEK IMMEDIATE REVISION OF EXISTING LAWS PROVIDING STANDARDS FOR INCORPORATION OF POLITICAL SUBDIVISIONS.

It is well understood that following the transition period from territorial to state organization as decreed by the State Constitution, certain political subdivisions authorized by territorial statutes will no longer exist as political or taxing entities. The public utility districts and the incorporated and independent school districts were born of necessity to permit limited governmental functions on the local level when no area-wide unit of local government existed. For the same reason, perhaps, the Territorial Legislature was sympathetic to the needs of even smaller groups of citizens desiring limited community services. Before 1951 there were two classifications of cities with standards: First Class City - any community having 400 or more permanent inhabitants; Second Class City - any community having 50 or more permanent inhabitants. In 1951 the legislature sanctioned incorporation of Third Class Cities (Chapter 46, SLA 1951) with no population restriction but with a maximum restriction of 50 square miles in area not within the boundaries of either an incorporated municipality, incorporated or independent school district. In 1957 the Territorial Legislature passed the Incorporated Village Act (Chapter 150, SLA 1957) authorizing limited powers for a village of 25 or more permanent inhabitants 21 years of age or older residing within a radius of three miles of a designated centrally located point or structure, no part of which is included within 10 miles of an incorporated city or public utility district.

Member cities of the League feel that the Local Boundary Commission should consider the problems of such cities organized according to the above-mentioned minimum standards and the effect the designation of "city" to these units will have on the local government political structure set forth in Article X of the State Constitution. Representation on the Borough Assembly is one point to consider. Would proportionate and equitable representation be possible if one city within an organized borough had a population of 10 and another, 100,000. The problem is not limited to the very small number of third class cities and villages now incorporated. There is no provision of territorial law revoking incorporation of a city if its population dwindles far below the minimum standards. Presently there are a first class city and a second class city with populations less than 20. Within an organized borough, it is conceivable that the constitutional provision for Service Areas (Article X, Section 5) might provide the powers needed by such small population groups; but there should be some provision, in unorganized or organized boroughs, to permit the objectives sought in the creation of these units with limited powers.

6. TO OBTAIN A GREATER AND MORE JUST SHARE OF STATE-COLLECTED REVENUES BY SEEKING

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PASSAGE OF LEGISLATION INCREASING REFUNDS TO CITIES OF THE RAW FISH TAX FROM 10 TO 60 PERCENT; ESTABLISHING REFUNDS TO CITIES OF A FAIR SHARE OF THE LIQUOR EXCISE TAX AND ONE CENT PER GALLON OF THE TAX ON MOTOR FUELS FOR HIGHWAY USE.

Prior to 1949, cities received all of the pack tax on fish. Since the pack tax was superseded by the raw fish tax, cities have received only 10 percent of the tax. Although the present raw fish tax produces for cities substantially the same amount as the old tax did on a 100 percent refund basis, cities have higher labor and other costs and should benefit from the increased tax on raw fish. The cities provide the capital plant and services to the fishing industry located in their cities; they should receive the major portion of this tax which is local in character.

Cities have the responsibility of enforcing the liquor laws within their boundaries, and it is in the public interest that they should have this responsibility. The major law enforcement problem and expense to cities is directly or indirectly related to this industry. The present license refunds are not sufficient to pay for this special regulatory expense to cities. Therefore, cities should share in the liquor excise tax which produces a substantial amount of revenue each year. This sharing should be at least equal to the amount of liquor license refunds currently being received by cities.

The highest single item of expense to cities is the construction, maintenance and operation of streets and street systems. The highest volume of traffic movement occurs within cities, and the cost of controlling this traffic to protect life and property boosts still higher the cost of highways and streets to the municipal taxpayer. The major portion of gasoline taxes from Alaskan highway users is collected from city business and resident automobile owners. There is every justification for a refund to cities of a portion of the gasoline taxes on highway users. Almost every state in the Union makes a refund to cities for street construction and maintenance except Alaska. The arguments advanced in the past by opponents of legislation to grant cities such a refund is "there are insufficient funds available." Cities of Alaska do not dispute this argument but do suggest that the state cannot, during this period of initial highway system construction, expect to get all its highway funds from user taxes. City streets are used also - they get the greatest volume of traffic. What is wrong with using general state funds for highway purposes? What's wrong with long-term financing of new highway construction? Cities for years past have been forced to use these two sources of financing for street improvement purposes. It is equally important to develop and improve street systems within the city population centers as it is to develop and improve a state highway system. Almost all motor vehicles utilize city streets as they do the highways outside the cities, regardless of the owner's place of residence. The failure of the Territory to recognize the justification for refunding a part of the highway user tax to cities is the outstanding example of a tax in which cities should participate although it can best be collected at the state level.

8. TO SEEK REPEAL OF THE PROVISIONS OF THE INDUSTRIAL INCENTIVE ACT OF 1959 AUTHORIZING THE STATE TO EXEMPT PROPERTY FROM LOCAL TAXES.

The cities of Alaska strongly advocate the repeal of those provisions of

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the Industrial Incentive Act of 1957 wherein the state is authorized to grant exemptions from local taxes. An industrial development brings with it new population and demands at the local level for schools, streets, water systems or extensions, sanitary sewer systems or extensions, and a multitude of other community facilities and services. If the cities are to provide these community facilities and services (which is often the reason for the location of the industry in the city) they must have additional revenues. Enlightened industrial leaders have long recognized that the absence of adequate community facilities and services is more costly than the payment of local taxes. The value of industry so marginal that local tax exemptions are required for establishment thereof can and should be seriously questioned as to whether or not it will be an asset or liability to the community and state. The proponents of industrial tax exemptions ignore the fact that, in effect, the major portion of the cost of such exemptions is shifted to the taxpaying businesses and industries, thereby threatening their future success. And finally, state-granted exemptions from local taxes are contrary to the home rule principle of maximum local self-government.

9. TO SEEK FAIR AND EQUITABLE TREATMENT OF CITIES IN STATE AND FEDERAL HIGHWAY PROGRAMS; TO SUPPORT A POLICY OF LONG-RANGE STATE-WIDE HIGHWAY PROGRAM BASED ON ECONOMIC BENEFIT; TO REQUEST THE STATE LEGISLATURE TO RECOGNIZE THAT THE NEED FOR A COMPREHENSIVE STATE-WIDE HIGHWAY SYSTEM IS URGENT IN ORDER TO DEVELOP FULLY THE STATE'S NATURAL RESOURCES AND THE TOURIST INDUSTRY, THAT THE NEED REQUIRES EXPENDITURE OF FUNDS FAR EXCEEDING THOSE ANTICIPATED ANNUALLY FROM THE STATE GASOLINE TAX AND FEDERAL-AID HIGHWAY ALLOCATIONS TO THE STATE; THEREFORE, THE LEAGUE OF ALASKAN CITIES WILL SUPPORT ANY ADDITIONAL STATE APPROPRIATIONS FROM STATE GENERAL FUNDS OR BY BOND ISSUES (AS REQUESTED BY THE ALASKA HIGHWAY AND PUBLIC WORKS BOARD) TO SPEED THE COMPLETION OF AN ADEQUATE ALASKA HIGHWAY SYSTEM, INCLUDING A STATE FERRY SYSTEM TO BE OPERATED AS A PART OF THE HIGHWAY SYSTEM AND HAVING AUTHORITY TO OPERATE IN INTERNATIONAL WATERS.

The cities believe that territorial and federal agencies should be lauded for the progress made in highway planning since 1956, but they realize that this planning to date has been far from adequate and complete. State and federal highway plans should be made on a long-range, state-wide basis and include city requirements as well as those for rural areas. The integration or connection of city street systems with highways serving the rural areas is highly important in Alaska where the development is and will continue to be urban in character.

The present method of allocating state and federal highway funds does not place sufficient weight on the economic benefit to be obtained from new highway construction or improvements. The highway program can and should be the principal tool to encourage the growth and development of Alaska. This will come about when the economic benefit to Alaska is recognized as a prime factor in determining fund allocations.

Many of the coastal areas of Alaska can be more feasibly connected and served by ferry than land surface routes. Therefore, the suggested enactment of necessary legislation to authorize a State Ferry System with authority to operate in international waters and be operated as a part of the

Alaska Highway System.

League views regarding the justification of using monies from the general fund and state bond issues to finance the initial construction and improvement of state highways have already been set forth under item 6 above.

Regarding the early transfer of all state highway functions to a state agency as soon as possible, it is academic that the cost of supporting two agencies to handle the functions of highway planning and engineering, construction and maintenance is greater than would be required for one.

10. TO SEEK LEGISLATION AUTHORIZING THE STATE TO MAKE PAYMENTS IN LIEU OF ASSESSMENTS FOR IMPROVEMENTS WHICH SPECIALLY BENEFIT STATE-OWNED PROPERTY.

Most Alaskan cities finance street, sewer and other improvements by assessing part of the cost against the properties specially benefited by the improvements. In numerous cases, state-owned property is situated within the benefit area but authority does not exist for the state to pay its fair share of the improvement cost, even though the state's property is benefited and enhanced in value. The absence of this authority places an additional burden on local taxpayers and should be corrected.

11. TO SEEK LEGISLATION FOR REVISION OF STATE LAWS REGULATING THE POSSESSION, MANUFACTURE, AND SALE OF INTOXICATING LIQUOR WITH PROVISIONS FOR LOCAL CONTROL OF THE LICENSING OF PACKAGE AND RETAIL (PUBLIC AND CLUB) LIQUOR ESTABLISHMENTS AND REGULATION OF SALE AND POSSESSION OF LIQUOR.

The cities of Alaska feel that the licensing, regulation and control of liquor establishments located within their boundaries is a local matter and should be within the jurisdiction, power and control of city councils. The cities now have the responsibility for law enforcement, and licensing and regulation of liquor establishments in the cities is a necessary part of enforcement. City councils and other city officials generally have more information qualifying them to act on liquor licenses, regulations and other matters of control over liquor establishments. State-wide uniform regulations do not meet local requirements of individual cities.

12. TO REQUEST THE LEGISLATURE TO DIRECT THE ALASKA DEPARTMENT OF LANDS TO EXECUTE SUITABLE CONVEYANCES GRANTING TO MUNICIPALITIES TIDELANDS WITHIN THEIR BOUNDARIES AS PROVIDED UNDER CHAPTER 184, SLA 1957.

When Alaska was proclaimed a state on January 3, 1959, the ownership and title to tidal lands for three geographic miles were vested automatically in the state, according to the provisions of the Statehood Act. Therefore, the state is now empowered to solve the problem of title transfer to tideland occupants as well as to provide for use and disposal of tidal lands. Although tidal lands within and adjacent to cities have been used by private firms and individuals since the purchase of Alaska in 1867, no method or authority has existed to convey title in order that the land could be used for security in financing improvements. This has retarded the growth and development of cities,

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and in many cases has resulted in poor quality construction on tidal lands. It is now within the power of the State to amend the Alaska Land Act of 1957 and direct the Land Board to convey these lands to cities for disposition under the provisions of said act.

13. TO SEEK INCLUSION OF INDIVIDUAL CITIES, ACCORDING TO THEIR OPTION, IN LEGISLATION PROVIDING FOR STATE EMPLOYEES PENSION OR HOSPITAL MEDICAL PLANS.

The number of city employees in most cities is insufficient for adoption of individual city retirement or hospital-medical plans. Therefore, cities feel that if the state adopts a retirement or hospital-medical plan for its employees, such legislation should include authority for cities - and possibly boroughs - to participate in such plans at their option. This would broaden the base for both state and participating cities and thereby reduce costs for both levels of government. Cities participating would expect to pay the cost of coverage of their employees.

14. TO SUPPORT AN APPROPRIATION BY THE STATE LEGISLATURE FOR SMALL BOAT MOORAGE FACILITIES AS REQUESTED BY THE ALASKA HIGHWAY AND PUBLIC WORKS BOARD.

Fortunately, the Corps of Engineers civil works program has brought about the construction of a number of small boat basins in Alaska. The Corps is not authorized to provide moorage facilities within these basins which are needed immediately for safe, protected moorage of the fishing fleet and other small craft. The marine fuel tax fund balance and expected receipts are insufficient to finance the needed moorage facilities. Therefore, the Alaska Highway and Public Works Board has requested an appropriation to supplement existing funds and to construct moorage facilities in numerous locations in Alaska. The League supports this request for appropriations.

15. TO REQUEST THE NEW STATE LEGISLATURE TO PROVIDE RECOGNITION OF ITS INHERENT RESPONSIBILITY IN THE FIELD OF CIVILIAN DEFENSE INVOLVING RADIOLOGICAL DEFENSE, ATTACK WARNING AND COMMUNICATIONS; AND TO RECOGNIZE THE NEED FOR FUNDS TO BE MATCHED BY THE FEDERAL GOVERNMENT TO GREATLY STRENGTHEN THE CIVIL DEFENSE PREPARATIONS IN THE NEW STATE OF ALASKA AND ALL HER CITIES.

The 85th Congress passed last year an amendment (P.L. 85-606) to the Federal Civil Defense Act of 1950, as amended, which makes the federal government a 50-50 partner with the state and local governments in underwriting administrative and personnel costs involved in effecting a unified survival program on the state level. The state plan is necessarily coordinated with the National Plan for Civil Defense and Civil Defense Mobilization. In addition, the federal government provides cooperating states on a grant or loan basis radiological detection equipment and many other supplies necessary for protection in the event of thermocuclear warfare. Subsection (e) of Section 205 of the Act further provides that in the event the state does not submit an approvable plan within 60 days after the C.D. Administrator notifies the state about the allocation made to it for the purposes of the law, the Administrator may reallocate the funds among other states in the best interest of the national CD program.

Particularly because Alaska, with its geographical position and size, plays such a prominent role in the national defense program, the cities of Alaska feel that the state must recognize its responsibilities and complete without delay an acceptable survival plan. Further, since the plan must be on a state-wide basis with particular regions and localities assigned specific missions in the over-all plan, which particular regions and localities must take responsibility for the survival of citizens from other regions and localities, the cities feel that the major part of the state matching funds for the federal allocation should come from the state. The local contribution should be an action program, utilizing local officials and based on the faithful execution of the particular local government's role in the over-all survival plan through compliance with the directives thereof.

16. TO SUPPORT PROGRAMS, INCLUDING STUDIES, LEADING TO HYDRO-ELECTRIC DEVELOPMENT OF ALASKAN AND ADJACENT CANADIAN WATER RESOURCES.

The cities of Alaska realize that one of the most important keys to the development of Alaska's economic potential is the provision of cheap power; and further, that the abundance of Alaskan and Alaskan-Canadian water resources focuses primary attention on the development of hydro-electric power sources. Accordingly, the League will support state programs directly concerned with this over-all objective.

17. TO SEEK LEGISLATION STRENGTHENING THE EXISTING JUVENILE CODE AND INCREASING THE EMPHASIS ON PARENTAL RESPONSIBILITY.

The League of Alaskan Cities feels that the problem of juvenile delinquency in the state becomes increasingly grave and that statutes designed to control this problem should be strengthened and increased emphasis placed on the responsibility of parents. The last and 23rd Legislature of the Territory of Alaska enacted two important statutes strengthening the state's program to combat juvenile delinquency. Chapter 145, SLA 1957, vests exclusive jurisdiction in cases of minors under 18 in the justice court (U.S. Commissioner), thus circumventing some of the regional aspects of the problem. Chapter 98 provided for the recovery of civil damages from a parent or guardian due to the malicious or willful destruction of property by minors. Probably one of the best ways to strengthen the existing code is through adequate appropriations for trained personnel and facilities. An additional provision, which would increase parental responsibility, might make mandatory the present practice of having the parents voluntarily contribute for the care of their delinquent children under 18 in foster homes, detention homes and rehabilitation institutions.

Part III - Federal Legislative Program

1. TO SUPPORT LEGISLATION TO EXTEND THE ALASKA PUBLIC WORKS ACT FOR FIVE YEARS AND INCREASE THE AUTHORIZATION BY \$50 MILLION.

The Alaska Public Works Act of 1949 is due to expire June 30, 1959, and almost the entire amount of the original \$70 million authorization has

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been appropriated and allocated "to foster the settlement and increase the permanent residents of Alaska, stimulate trade and industry, encourage internal commerce and private investment, develop Alaskan resources, and provide facilities for community life, through a program of useful public works."

These worthy purposes of the act have been only partially accomplished, mainly because (1) the 60 percent increase in the population since 1950 (compared with a 9 percent increase in the nation) has made it impossible for communities to increase their facilities fast enough to take care of the increasing need; and (2) the crash military construction program in Alaska (which had exceeded a \$1 billion total by the close of the 1957 fiscal year) more than doubled the cost of construction in Alaska, thus devaluating not only the funds appropriated by Congress but also the tax revenues that must support community facilities and services.

The need for continuation of the act still exists. Project applications already processed justify the extension of the act for another five years and account almost entirely for the \$50 million additional authorization requested. Under statehood the population can be expected to continue its upward trend. The impact of the military on construction has resumed with still increasing costs that price human needs, taken for granted in the other 48 states, out of the reach of most of the communities of the 49th.

2. TO SUPPORT LEGISLATION TO INCREASE THE AREA FACTOR UNDER THE 1956 FEDERAL-AID HIGHWAY ACT FROM ONE-THIRD TO TWO-THIRDS WITHOUT CHANGING THE PROVISIONS RELATING TO MAINTENANCE AND MATCHING FUNDS.

The Federal-aid Highway Act of 1956 provides for the use of only one-third of the area of Alaska in computing the formula for apportionment of funds. On this basis Alaska's share of Federal-aid highway funds is only \$13,448,100 for fiscal year 1959 for primary, secondary and urban highways. This amount is insufficient to meet current highway demands, much less develop a state-wide system necessary for the growth and development of Alaska. If a two-thirds area factor is used, the Federal-aid funds would amount to \$24,930,500, or an annual increase of \$11,482,400.

Alaska recognizes that above-referenced act does contain the favorable provision permitting the co-mingling of state and federal highway funds for both construction and maintenance, and that the matching fund requirement of ten percent is some three percent less than the normal requirement would be. The loss of \$21,717,600 each year in Federal-aid highway funds is a high price to pay for these favorable provisions. The recommended change to a two-thirds area factor with the retention of the favorable maintenance and matching-fund provision is considered to be fair. On this basis, Alaska's share of Federal-aid primary, secondary and urban highway funds would be \$11,235,200 less than it is entitled. This is a more reasonable exchange for the favorable provisions.

3. TO SUPPORT AN ADEQUATE APPROPRIATION FOR THE ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION TO CARRY OUT THE STUDIES ASSIGNED TO IT BY CONGRESS, WITH HEARINGS TO BE HELD IN ALL AFFECTED GEOGRAPHIC SECTIONS OF ALASKA.

Congress established the Alaska International Rail and Highway Commission in 1956 but failed to authorize sufficient funds for it to carry out its assigned functions. This was corrected in 1958 when the authorization was increased to \$300,000, but Congress failed to appropriate these funds necessary for the commission to proceed with necessary studies before the expiration date in early 1960.

4. TO SUPPORT APPROPRIATIONS ON A LONG-RANGE PLAN IN LIEU OF NEW HIGHWAY CONSTRUCTION AND IMPROVEMENTS THAT WOULD ACCRUE IF ALASKA WERE INCLUDED IN THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS ON AN EQUAL BASIS WITH THE OTHER 48 STATES.

The Territory of Alaska was not included in the National System of Interstate and Defense Highways initially authorized by Congress in 1944. It was included in the new or increased taxes levied by Congress in 1956 to finance a new 41,000-mile extension of the Interstate System (over a period of years). Alaska has only one inadequate highway connecting it with the other states. Alaska is a highly strategic defense area with only slightly over 5000 miles of highway to serve an area of 260,000 square miles.

Inasmuch as Alaska is not contiguous to any of the other 48 states, the extension of the Interstate System to Alaska presents some problems. Also, the current and potential traffic flow will not require the same high standard and capacity established for the Interstate System. Therefore, it appears reasonable to develop a long-range highway construction plan in lieu of the inclusion of the new State of Alaska in the Interstate Highway System on an equal basis with the other 48 states. This long-range highway construction plan should include the improvement and hard-surfacing of the portions of the Alaska Highway and Haines Highway located in Canada through joint or cooperative arrangements between the United States and Canadian governments. It also should include a minimum program of highway construction in Alaska, connecting geographical areas and population centers, of at least \$25 Million a year for ten years. This program in addition to the adjusted primary, secondary and urban Federal-aid Highway Program would provide a system of state and interstate highways necessary for surface transportation between the 48 states and the 49th, for national defense and for the economic development of Alaska.

5. TO SUPPORT LEGISLATION TO EXTEND THE ALASKA FEDERAL SURPLUS PROPERTY ACT.

The Alaska Federal Surplus Property Act expired on December 31, 1958. This act has provided many useful items of equipment and material for Alaskan cities as well as for territorial agencies that could not otherwise have been purchased by these governmental units. This surplus equipment and material has made possible community improvements that would not otherwise have been realized for many years to come. The cost to the federal government in making these surplus items available has been nil because the civilian market for these items is limited, and the return to the federal government from such sales is generally very low. The League supports the extension or re-enactment of this act for at least two more years.

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6. TO SUPPORT LEGISLATION FOR A PROGRAM OF PAYMENT IN LIEU OF TAXES AND SPECIAL ASSESSMENTS ON FEDERALLY-OWNED PROPERTY.

The federal government holdings of real and personal property in many Alaskan communities increases to an alarming extent the burden on property taxpayers for services and facilities that are necessary for or enjoyed by all. In some cases the value of federally tax-exempt property exceeds one-third of the total property value of the community, thus undermining the validity of the property tax itself as a non-discriminatory and equitable tax base. Many of the federal agencies in Alaska recognize the need to help pay their share of the cost of community services they expect and receive, but they are powerless to do this either through contract with the local government or through voluntary payments in lieu. The League of Alaskan Cities urges Congress to adopt legislation following the recommendations of the Commission on Intergovernmental Relations, and thus inaugurate a broad system of payments in lieu of property taxes to state and local governments.

7. TO SUPPORT THE EXTENSION OF THE FEDERAL AIRPORT ACT.

In Alaska, more than any other state, air transportation is the life-line of its people. In all this vast territory of more than 260,000 square miles there are only slightly more than 5000 miles of roads in the highway system. Vast areas of the great new state are dependent entirely on air transportation. Because of this Alaska has the highest number of private planes per capita in the United States, far outdistancing the nearest runner-up. The Federal Airport Act has been of great value in opening up the Alaskan hinterland and in the saving of hundreds of lives that otherwise would have been lost. The airports and emergency landing strips serve the interests of the military, the nation, international air traffic, commercial airlines, industrial and mineral development, business and private aircraft, and the communities. The plan for financing these airports and landing strips should recognize this diversity of interest which is particularly applicable to Alaska. To the extent that the federal government needs airports and emergency landing strips for national defense, mail service, interstate commerce, international traffic and other uses, it should contribute to the capital and current costs on a long-term basis comparable to Federal-aid for interstate highways and the Federal-aid primary, secondary and urban system.

8. TO SUPPORT COMMUNITY FACILITIES LOAN LEGISLATION PROVIDING LONG-TERM LOANS AT REASONABLE INTEREST RATES.

Small cities with projects of relatively low cost often have difficulty marketing their bonds at reasonable interest rates. Because all but two of Alaska's cities are under 10,000 in population, most of them fall in this category; moreover, this unfavorable situation is accentuated because of the lack of knowledge about Alaska and Alaska cities' limited bond experience. Statehood has brought more knowledge about Alaska, but this in itself will not bring about more favorable rates. Chances are, there will be a greater amount of Alaska municipals reaching the market saturated with increased municipal offerings from more

experienced cities in the United States. The Community Facilities Loan Program tends to hold down the interest expense on municipal bonds. Although there have been only a limited number of actual loans granted so far, the fact that this program exists and is available to small cities has influenced lower interest rates on the bonds of cities under 10,000 population.

9. TO OPPOSE FEDERAL LEGISLATION OR REGULATIONS PROVIDING FOR FEDERAL PROJECT CONTRACT PROVISIONS TO AVOID STATE AND LOCAL GOVERNMENT TAXES.

A recent ruling by California State Court has held void the property tax levy on materials in the hands of government defense contractors for manufacturing of defense equipment. No doubt similar cases will be brought in other states due to the precedent established in this decision. In some states the definition of personal property established by state statute will make such property taxable because it is in the possession and under the control of a private contractor. Therefore, it will be necessary for those states whose definitions of personal property do not include the language as to possession and control to revise their statutes accordingly. This may not be a conclusive remedy because the one case on which a favorable ruling was received - in the State of Michigan - has not been heard under appeal to higher courts. Therefore, the surest way of protecting the taxing power of local governments on personal property in the hands of defense contractors is for the Federal government, through either legislation or regulations, to make provision for the payment of local taxes. This is a reasonable provision because in many cities this class of property is a substantial part of the total assessed value of the community, and the taxes therefrom are needed to support community facilities and services necessary for these industries to successfully operate.

10. TO SUPPORT LEGISLATION WHICH WOULD EXPAND URBAN PLANNING AND URBAN RENEWAL PROGRAMS.

It might seem odd that communities of the new State of Alaska would have urban renewal problems, but most of Alaska's cities were founded during or before the 91 years of Territorial status. Under conditions of almost complete neglect by the federal government until the present decade, frontier construction more often than not gave attention only to the barest of immediate needs -- not to permanency, sanitation, concern with fire hazard or overall planning. Even during the first five years of this decade, pressures of population increase and need for housing -- just any kind of housing -- were so intense in some Alaskan cities that the frontier blight at the core multiplied and spread to the suburbs. Only in the past few years have these cities been able to take a critical look at themselves and realize the immediate need for planning and zoning, housing codes and sanitation and other standards common to cities of the other 48 states.

So Alaskan cities need the continuation and expansion of the urban planning assistance grants provided under Section 701 of the Housing Act of 1954. They also need the program of advance planning loans (included in the 1955 amendments to the Housing Act) to assist them in initiating public works