

Office Memorandum

DEPARTMENT OF PUBLIC ROADS

UNITED STATES GOVERNMENT

TO : Mr. Paul F. Royster, Assistant Commissioner
for Operations, Washington, D. C. *[Signature]*

73-00

ATTENTION: Mr. E. E. Erhart

DATE: December 3, 1959

FROM : Mr. J. Niemi, Regional Engineer
Juneau, Alaska

10-00.2

SUBJECT: Congressional Correspondence - Senator E. L. Bartlett

Senator Bartlett visited this office last week and handed me another letter from Mr. John R. Francis, of Fairbanks, concerning the drainage situation in Big Bend area. A copy of this letter and a suggested reply to the Senator are enclosed.

Enclosures:
As noted above

The Honorable E. L. Bartlett
The United States Senate
Washington 25, D. C.

My Dear Senator Bartlett:

Mr. John R. Francis' letter to you, dated November 2, 1959,
handed by you to Mr. Niemi recently in Juneau, has been forwarded to
this office for reply.

The situation referred to remains unchanged from that described
to you in our letter of September 25, 1959. Apparently that letter
did not clearly state that the ditch cleaning operation, begun in
the Big Bend area, was scheduled to be completed in a short distance in
that area. The work area there was closed toward the operation.

When was moved to the Big Bend area, it being considered the most
critical. The sections not cleaned out between Big Bend and Nielson
Air Force Base are scheduled for work next season. Upon completion
of the drainage correction, work will begin on restricting all private

access across the right-of-way to the standard driveway widths.

The Big Bend area will undoubtedly have to go to such and greater
at some future date if business continues to expand as it has in the
past. The objectionable ditch will then be eliminated but the business
will still be permitted only limited access, the same as at present.
It is not believed the state is ready to provide these refinements at
this time.

Regarding the opinion of Mr. Francis as to the need for drainage at Big Bend, our engineers have given this a great deal of study and believe the culverts are necessary to properly protect the highway.

We hope that this information is sufficient to clarify the situation to your satisfaction. If we can be of any further assistance please do not hesitate to request it.

Very truly yours,

From:

John R. Francis
1542 Eielson Street
Fairbanks, Alaska

November 2, 1959

Dear Senator Bartlett:

I am sending you a copy of letter from B.P. R. Which was sent to your office in Washington, then forwarded to me. This letter states ditching started at mile post #330, located 33 miles south of Fairbanks, and was continued north towards Fairbanks. This statement is not true. They also state that no discord on the part of the property owners was encountered until the ditching started in the Big Bend area. This is true only because there hasn't been any ditching of private roads or business sites except in the Big Bend area. I made a personal survey of the highway between mile post #330 and the Big Bend area; my findings were that twenty two business sites were filled in with no culverts, from 100 ft to 600 or 700 ft, according to the type of businesses. There are 45 private roads without culverts, 17 roads (military) without culverts. Even in the Big Bend area where ditching has been completed, the B.P. R. forced the regulation only on the businesses they wished to. One business has written permission for one 24-inch culvert, and one 10-inch culvert, yet the business next to him (20 feet ways) was forced to put in 30-inch culverts. Another business has complete frontage filled in with culverts 200 feet with no openings. I understand he has permission also.

Where all the water is going to come from to fill these large culverts is a mystery to me. These ditches have been blocked in many places for as long as the highway has been here. This entire valley through here is flat, and the only water ever found in the ditches is from melting snow in the spring. We have had record snowfalls in the past two or three years, but we've never had any water problems in the Big Bend area ever though the ditches have been blocked in many places without any water problems. The B.P.R. states in their letter that one business man installed culverts and the rest didn't so water backed up over his property. I can't believe this as I have been around this area for several years, and I have never seen that much water. I talked to all the businessmen in the area and I haven't found anyone who complained about any water as the B.P.R. stated. I have offered the B.P.R. a petition signed by every person in the area, requesting we be allowed to fill in our ditches as other businesses have done. They refused to accept it. I believe the regulation that the B.P.R. are forcing on some businesses was meant for business sites along the highway where the right-of-way is 300 ft and not within a few blocks of a city where the sites are surveyed into lots and where the right-of-way is only 60 ft. It causes a hazard to motorists with a 20 ft opening every 40 ft or so.

These business lots range from 50 ft wide up to about 200 ft with very few over 75 ft wide. The Big Bend area will soon have a business on every lot. Can you imagine how a downtown business street would look with a large ditch every 40 ft or so. The Big Bend area is growing so fast it will be like this in two or three years. I believe the B.P. R. should take this into consideration. There are other ways to drain this area, if they feel they must have drainage installed, without large ditches in front of all the businesses.

I request that all businesses, by petition, be allowed to fill in complete frontage of lots except for a manhole at each lot line for clear-out purposes.

I am enclosing photographs of businesses taken between Big Bend and Mile Post #330. We contacted the governor's office in August requesting a public hearing, which we understood was granted, and that Mr. Downing would be here the following week. It was later announced on the radio and television stations that the hearing had been held, and that the ditching would be continued. No public hearing was ever held.

Thank you for your cooperation and the attention you have given this matter. Anything further you can do for us will certainly be appreciated.

Very truly yours,



John R. Francis

BUREAU OF PUBLIC ROADS

Alaska

WIN

Mr. J. C. Allen

December 1, 1959

H. R. Hanson

24-60

Alaska Report

The following is a brief report on our visit to Alaska, November 11-20, 1959:

Inventory - Personal Property (Pages 171, 176, 178 PED Report)

As promised by the regional engineer, a complete physical inventory was taken and the general ledger accounts adjusted. A net increase of \$20,780 was recorded. A small amount of nonexpendable property was found to be missing and will be surveyed if not located. Indications are that a fine job was done.

Equipment Depots (Pages 95, 100, 111, 112 PED Report)

Centralized management and accounting for depot operations, recommended by Project Examination Division and concurred in by the regional engineer, has been deferred pending the State's expression of their wishes on reorganization of the depots. The regional office has partly implemented the recommendation by assignment of Jack Smith as the regional depot accountant. Accounting has been centralized in the regional office except for the equipment depot registers (profit and loss data) still maintained in the divisions together with duplicate allotment ledger sheets. The division administrative managers are still responsible for management of the depots as a collateral duty to their other administrative duties.

The matter of centralized management and accounting for the depots was discussed with certain State personnel who informed us of their plans for centralized management. A resume of the discussion held November 13, 1959, is attached. The matter was also discussed with Mr. Don Baxter, Administrative Assistant to the Commissioner of Public Works, who verified their plans for centralized management. Mr. Schulz, Chief of the Equipment Section, Department of Public Works, plans to make a tour of the repair shops soon to familiarize himself with the facilities and also help review manpower needs. The regional engineer agreed to refer to Mr. Schulz for advance approval of major repairs in excess of 35% of capital cost.

Since centralized management is an important step in improving depot operations, it would be well for the regional engineer to press the State for an early decision on the matter.

The Project Examination Division also recommended that the region undertake an audit review of depot operations to place them on a self-supporting basis. The regional engineer assigned Mr. Smith, from the regional office, and Mr. George Tousley, Juneau Administrative Manager, to make this review during the period November 23, 1959 to February 1, 1960. The review includes establishment of new repair shop rates, equipment rental rates and stores surcharges.

Partly as a result of adoption of certain recommendations of Project Examination Division, the equipment depots show a profit of \$310,000 through October 31, 1959. This is in contrast to annual deficit of almost \$500,000 recently. This profit will be credited to projects, according to instructions of the Finance Division.

Records Transfer (Mr. Kramer's memo, dated October 30, 1959)

The regional office plans to retain (in the regional office) files or records on the basis of a division office as outlined in Public Roads records schedules. Certain records, such as engineering field books, tracings, plans, etc., normally needed by State Highway Departments will be transferred to the State from our offices. Since the division office files are generally duplicates of material in the regional office, they will be transferred to State. Division files will be screened for removal of Public Roads internal material. Since the division files are in office buildings transferred to the State, there will be no physical movement of the files. Mr. Bales, Executive Officer, promised to furnish this division a memorandum by November 25th on their plan for transferring records to the State.

Property - Personal and Real (Items 138, 142, 144, 145, & PED Report)

There are four categories of Personal Property yet to be transferred to the State:

1. Property retained by BPR as of July 1, 1959, but which has been reviewed and determined not necessary to Bureau operations.
2. Discrepancies in original schedules of personal property transferred to State on June 30, 1959.
3. Property declared surplus and which will be sold. Since property was not necessary to new Bureau operation it should have been transferred to the State. State will receive proceeds from the sale.

4. Property related to Forest Highway Maintenance function.

It is believed that Items 1, 2 & 3 should be conveyed as correction to the original schedules of personal property transferred to the State under Section 21, Alaska Omnibus Act.

There are three categories of real property yet to be transferred to the State:

1. Property overlooked in original transfer - seven miles of highway; minor acreage in Valdez.
2. Bureau owned real property on leased land - Fairbanks and Nome Depots, Anchorage and Valdez Tank Farms, Seward Weighing Stations, and Soldotna Camp.
3. Real property related to Forest Highway Maintenance Program.

It is believed that Items 1 & 2 should also be conveyed to the State as corrections to the original schedule of real property transferred to the State on June 30, 1959. All facilities would be listed in the Federal Register for the information of other Federal agencies. (Will check with General Counsel since Mr. Cunningham has a different idea.) Item 3 will be transferred to the State under Section 45(a), Alaska Omnibus Act, and involves Presidential action. The supplemental property lists are in process of preparation and copies are to be furnished this office when completed.

The matter of transferring the additional property on a supplemental basis will be discussed with the General Counsel's office and the regional engineer advised accordingly.

These actions will dispose of all Bureau-owned real property in Alaska.

Future visits to Alaska by this division will be based on developments reported by the regional office.

JMA
WMA
Attachment

JMauro/WHO'Donoghue:dpk

cc: Files (2) ✓

Mr. Niemi

Mr. Martin

Mr. Alexander

Mr. Fincher

Mr. Olmert

BUREAU OF PUBLIC ROADS

Yellow Copy

Mr. J. C. Allen

November 30, 1959

H. R. Hennam

24-00

Alaska

This is in the nature of a minority report on the visit to Alaska November 19-20, 1959.

We feel that the State's announced intention to assume all highway operations on July 1, 1960, heightens rather than diminishes the need for achieving compliance with accepted recommendations of the Project Examination Division. The State's recent announcement is simply a reiteration of the statement of the Commissioner of Public Works to the PED Team last August that he hoped to take over the highway functions in about a year.

The PED Report disclosed the need for prompt correction of operations of Region 10 in administrative as well as engineering areas. To our way of thinking, the need for correcting these operations remains paramount. Even if the State were able to make the key decisions promptly and they intend to continue the functions now performed for them by Public Roads on a contract basis, it may not be possible to both correct our operations and help them develop new systems by July 1st. We anticipate that it will take the State sometime to decide fully what they want to do due to their lack of comprehension of the task they face and State legal requirements. Therefore, we should place our own house in order before we attempt to help Alaska develop their internal system for performing the highway functions. By so doing, we will forestall criticism of our stewardship and also help the State take over next July in an orderly manner. We already have a going operation which, when put in order, could be turned over to Alaska, named for continued operation by them without faltering except for changing the disbursing office and using State pay scales. (The Alaska Department of Public Works has authority to establish salary and wage rates for its employees until the Alaska Legislature enacts pay legislation.) Alaska could continue operations under our present system until they can merge the system with State requirements. This was mentioned to Alaska's Commissioner of Administration, who had no objection at that time. His principal reaction was one of surprise to his associate's plan to assume the highway operations so soon.

Such a plan would keep Public Roads aloof from any inter-departmental confusion that may occur. Further, establishment of a new accounting system for the State for highway purposes might delay Alaska's assumption

yellow copy

of the accounting function. It should keep in mind the length of time and difficulties encountered in revising our own accounting system. Of course, the State should be encouraged to study our operations in the attempt to familiarize themselves with it and to develop plans to merge it with the State system.

It has taken Region 10 four months to place in effect a portion of the RFD recommendations they accepted. They will be very busy between now and July 1 placing the remainder in effect.

Another reason for achieving early compliance with accepted RFD recommendations in this case of our present practices as a "State Highway Department" for Alaska is to safeguard the State's eligibility for reimbursement.

A few fundamental items that require prompt attention, according to the report, are as follows:

1. High level road maintenance. If road maintenance is reduced to justifiable level, Federal and State expenses will be stretched out and a supportable maintenance pattern established for Alaska.
2. Economic instruction Engineering. Engineering expense is about 5% in excess of the legal limit on many projects. Although Public Works is operating these projects for the State, Federal participation in the excess 5% is not permissible.
3. Equipment depot operations. Operations and management deficient. Budget of \$210,000 as of October 31, 1950, represents excessive charges against engineering and maintenance projects under Federal participation. Depot operations should break even. No comment that the regional engineer continue his efforts to put his operations in order promptly to overcome the deficiencies outlined in the RFD Report.

The proposed regional office organization for Alaska is a complication between two regional and division office organizations. Since it maintains regional office status in Alaska, it places a greater burden than before on the Washington office to furnish supervision to Region 10.

In view of the lack of experience in Federal-aid procedures by Region 10, and since the proposed regional organization will actually be operated as a division, the Washington office will need some full-time people to act as a "regional" office for Alaska. Many problems will occur with the brand new Department of Public Works operating under the Federal-aid concept which is new to Alaska even though "old hat" to the other States. Unless we furnish better supervision than we have

RG 30, Bur. of Public Roads
E. 60, Gen. Corr. + Related Recs, 1955-59
Box 1128

Yellow Copy

- 3 -

since 1958, the proposed regional organization may prove deficient in administering the Federal-aid program in our new State. If the Washington office is to give such supervision, it will have to prepare itself to function in a manner which it is not normally organized to serve.

The alternative division office organization proposed by the Project Administration Division has the advantages of being the ultimate solution to the function of dealing with a sovereign State. Aside from the fact that a single State does not justify a separate regional office, a division organization would receive the needed day-to-day supervision it needs from a regional office (Region 3) with experience in all aspects of the Federal-aid program as well as the Forest and Park road programs. Region 3 would also be in a position to deal with Alaska's snow removal problems by drawing on experience of other States in the Pacific Northwest. The regional engineer and a number of his personnel have served in Alaska. Region 3 formerly supervised the Forest Highway Program in Alaska. Region 3 personnel can reach Alaska by plane in a day compared to two days for personnel from Washington. Last, but not least, our Alaska office and the Alaska Department of Public Works need help on Federal-aid matters now.

For all of these reasons, this division supports a division organization in Alaska rather than a regional organization.

JMauro:dph

cc: Files (2)

Mr. Alexander

Mr. Martin

Mr. Olmert

Mr. Fincher

Readers file

Alaska

U. S. DEPARTMENT OF COMMERCE
BUREAU OF PUBLIC ROADS
Region 10
Juneau, Alaska

November 20, 1959

MEMORANDUM

TO: Mr. Jack A. Smith, Supervisory Accountant
10-00.12 Regional Office, Juneau, Alaska

Mr. George H. Tousley, Administrative Officer
10-30.1 Juneau Division, Juneau, Alaska

FROM: Wm. J. Niemi, Regional Engineer
10-00 Juneau, Alaska

SUBJECT: Equipment Depot Operations

This is to confirm your assignment to perform a comprehensive study of equipment depot operations for the purpose of determining what is required to place the depots on a self-supporting basis. This includes the establishment of valid shop rates, equipment rental rates, stores surcharge, as well as assuring uniformity in application of accounting procedures.

This assignment will later be coordinated by a special assistant to me (on administrative matters) who is to be appointed. Your findings and recommendations will be made to my office for consideration and coordination, as applicable, with the Department of Public Works. Your analysis should be documented by adequate work papers for subsequent reviews as required.

The target date for completion of this assignment is February 1, 1960. For your information, there are attached pertinent sections of the report of the Project Examination Division in Washington dealing with equipment depots.

Mr. Smith will head the study as regional representative. Mr. Tousley, with his wide background of experience in depot operations, is being detailed to this important work from his duties as Administrative Officer of the Juneau Division.

The basic plan for the study has already been outlined to you by Mr. Mauro of the Washington administrative team which has been operating in Region 10 for the past several weeks.

Attachment 1

cc: Anchorage, Fairbanks and Juneau Divisions
Mr. J. C. Allen, Washington

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DEPARTMENT OF PUBLIC ROADS

cc: Allen

Mr. Harry E. Cunningham, Western Counsel

November 18, 1959

25-32

C. W. Enfield, General Counsel
By: (signed) Joseph Gambale

ADMINISTRATIVELY
RESTRICTED

Joseph Gambale
Bulk Storage Facility - Iadd Air Force Base, Alaska

Reference is made to our memorandum to you dated November 12, 1959 relative to the above matter.

At the time the above memorandum was written, we were not aware of the memo dated November 10, 1959 to Mr. Miami from Mr. Allen, a copy of which is attached for your information.

In view of Mr. Allen's memo dated November 10, 1959, we have written a memorandum to Mr. Miami asking him to coordinate with you any action taken with respect to this matter. A copy of our memorandum to Mr. Miami is attached for your information.

We are also sending Mr. Miami, for his information, a copy of our memorandum dated November 12, 1959 to you.

With reference to the above developments, we would appreciate your furnishing us a copy of the "lease" with Iadd Air Force Base and any comments you may have regarding the extent to which it might serve as a legal basis, or commitment, for the proposed transfer of the facilities to the Air Force rather than disposing of them through General Services Administration in the normal manner by declaring them excess to our needs. This does not preclude the possibility that some other method of disposal may be required by the circumstances under which these facilities were originally constructed.

Attachment

AJ:alters:tbh

cc: Mr. Enfield
Mr. Booth to Mrs. Arieta Johnson
Mr. J. C. Allen to Mr. F. F. Alexander
Mr. Wm. J. Miami, Regional Engineer, Juneau, Alaska
Mr. H. H. Krevor
Mr. Gambale
Mr. Walters
Mr. Woolsey

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BUREAU OF PUBLIC ROADS

alaska

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. M. W. Bales, Administrative Officer
10-00.1 Juneau, Alaska

DATE: November 25, 1959

FROM : G. H. Tinsley, Administrative Manager and
J. A. Smith, Supervisory Accountant.

SUBJECT: Depot Operations Review

Attached is our tentative program for the accomplishment of the depot operations review. This program was prepared at the request of Mr. Joseph Mauro of the Washington office for the information of the special assistant to be named as co-ordinator of this project. Mr. Mauro requested that he be furnished a copy also.

Attachments:
Depot Operations Review

*This looks like
a systematic approach
Jm 12/1/59*

TENTATIVE
DEPOT OPERATIONS REVIEW
PROGRAM

1. EQUIPMENT DEPRECIATION REVIEW.
2. EQUIPMENT RENTAL RATE REVIEW.
3. SHOP LABOR RATE REVIEW.
4. STORES SURCHARGE REVIEW.
5. DEPOT OVERHEAD REVIEW.
6. PROJECTED PROFIT AND LOSS STATEMENTS FOR BALANCE OF
F.Y. 1960 AND F.Y. 1961.

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DEPOT OPERATIONS REVIEW

1. EQUIPMENT DEPRECIATION.

- (a) Revise life factor by AASHO and GSA standards adjusted by actual use.
- (b) Establish standard salvage values by class.
- (c) Compute new hourly or per-mile rates.
- (d) Prepare figures for projected P.&L.

DEPOT OPERATIONS REVIEW

repair costs?

2. EQUIPMENT RENTAL RATES.

- (a) Compute average operating costs by class using new depreciation rates, shop rates and stores surcharge.
- (b) Compute new rental rates by class on a Divisional and Regional basis.
- (c) Prepare figures for projected P. & L.
- (d) Prepare recommended rental schedule.

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DEPOT OPERATIONS REVIEW

3. SHOP LABOR RATES

- (a) Test validity of charges to shop expense accounts.
- (b) Compute non-productive labor time on the basis of labor time paid and shop labor time sold.
- (c) Establish a tentative operating norm allowing for annual and sick leave and a standard percentage for miscellaneous non-productive time.
- (d) Compute new shop labor rates.
- (e) Compute reduction in force required to accomplish norm at present rate of activity.
- (f) Compute increased volume required to justify present force.
- (g) Prepare figures for projected P. & L.

DEPOT OPERATIONS REVIEW

4. STORES SURCHARGE RATE

- (a) Test validity of charges to stores expense accounts.
- (b) Analyze and compare stores expenses per dollar of volume on a division basis.
- (c) Recommend reductions in force and expenses in Divisions over Regional averages.
- (d) Examine and test procedures on single project purchases. Compare with Regional policy.
- (e) Establish equitable rates for recovering handling time on non-expendable property and "no surcharge" items.
- (f) Prepare new surcharge rates.
- (g) Prepare figures for projected P. & L.

DEPOT OPERATIONS REVIEW

5. DEPOT OVERHEAD REVIEW

- (a) Analyze charges to overhead.
- (b) Test validity of charges.
- (c) Reclassify charges to proper function.
- (d) Establish space rental rates to other activities using Depot facilities.
- (e) Devise an equitable system of prorating overhead to the various functions.
- (f) Report inequities and excesses in Depot overhead.
- (g) Prepare figures for projected P. & L.

DEPOT OPERATIONS REVIEW

6. PROJECTED PROFIT AND LOSS STATEMENTS FOR BALANCE OF
F. Y. 1960 AND F. Y. 1961.
 - (a) Consolidation of findings into a projected report.
 - (b) Review projected reports for modification of items
one through five.
 - (c) Prepare final projected statements.

BUREAU OF PUBLIC ROADS

Alaska

Mr. Andrew Drance
Chief, Administrative Coordination Division
Office of Budget and Management, Department of Commerce

26-11 C. W. Enfield, General Counsel C. W. Enfield

Delegation of Authority - Section 44(b) of the
Alaska Omnibus Act

Pursuant to your request to Mr. R. L. May of this office, there is attached hereto a proposed draft of memorandum from the Secretary of Commerce to the Federal Highway Administrator providing for a delegation of authority, with authority to redelegate, of the authority, duties and responsibilities under section 44(b) of the Alaska Omnibus Act which have been authorized to be performed by the Secretary of Commerce pursuant to the letter of November 2, 1959, addressed to the Secretary by the Director, Bureau of the Budget.

Attachment

RM
MKNicholson:ert (11-9-59)

WKA
W
ATG
cc: Files (2) ✓
General Counsel (Dept)
Mr. Tallamy
Mr. Armstrong
Mr. Turner
Mr. Allen
Mr. Royster
Mr. Williams
Mr. Cunningham, Western Counsel
Mr. Niemi, Reg. Engr. (2)
Mr. Enfield
Mr. Krevor
Mr. Guandolo
Legis
Chron

MEMORANDUM

TO: Federal Highway Administrator
FROM: Secretary of Commerce
SUBJECT: Delegation of Authority - Section 44(b) of the
Alaska Omnibus Act

Under the authority vested in me as Secretary of Commerce, I hereby authorize the Federal Highway Administrator to exercise all the authority, duties and responsibilities under section 44(b) of the Alaska Omnibus Act (73 Stat. 141) authorized to be performed by the Secretary of Commerce pursuant to the letter of November 2 1959, addressed to me by the Director of the Bureau of the Budget.

The Federal Highway Administrator, in his discretion, may redelegate any authority, duty or responsibility conferred upon him hereunder to the Commissioner or to any official or officials of the Bureau of Public Roads.

26-11

OCT 6 1959

Mr. Joe Crotegut
Chairman, State Road Department
Tallahassee, Florida

Dear Mr. Crotegut:

At the request of Commissioner Ellis L. Armstrong, we have carefully reviewed the copy of the Florida Attorney General's opinion relating to Chapter 57-239 Florida Law, which accompanied your letter of October 2, 1959.

The opinion contains a clear explanation of the application of the 5,000-pound overload provision in the Florida law and clarifies our understanding of it.

We wish to express our appreciation for your prompt attention to this matter and assure you that no doubt remains in our minds as to your State's compliance with the provisions of Federal law on this subject.

Sincerely yours,

G. W. Infield
General Counsel

By

S. K. Booth
Deputy General Counsel

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Meyerstein (10-6-59)

Control No. PH-5079

cc: Files (2)

Mr. Infield ✓

Mr. May ✓

Gen Counsel ✓

Legis ✓

Chron ✓

CC Unit ?

Mr. Rogers - Research ✓

10/6/59 JFD

Cleared Through
Administrator's Correspondence Unit

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Box 1128

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D. C.

NOV 2 1959

My dear Mr. Secretary:

Reference is made to the request of August 13, 1959, by the Honorable William A. Egan, Governor of the State of Alaska, to the President of the United States, that the Bureau of Public Roads, Department of Commerce, be authorized to continue to provide certain services or facilities in Alaska under the provisions of section 44(b) of the Alaska Omnibus Act (Public Law 86-70), on the basis of direct reimbursement from the State.

The President has delegated certain functions of the Alaska Omnibus Act to the Director of the Bureau of the Budget pursuant to Executive Order No. 10530, as amended, September 8, 1959, entitled "Providing for the Performance of certain Functions Vested in or Subject to the Approval of the President." The delegated functions include authority, as contained in section 44(b) of the Alaska Omnibus Act, to approve requests of the Governor of Alaska that Federal agencies continue to provide services or facilities in Alaska for an interim period.

Pursuant to the provisions of section 44(b) of the Alaska Omnibus Act, and subject to the conditions set forth herein, the Secretary of Commerce is hereby authorized to continue to perform the following services in and for Alaska: maintenance of small airfields; maintenance or construction of access roads and bridges not on any Federal-aid highway system; services and repairs to vehicles, equipment and facilities where no commercial services are available; snow removal; building maintenance and alterations; and providing utilities (electric energy, water, and heating) for housing at isolated installations.

The authorization set forth herein is subject to the conditions that (1) services shall be performed only to the extent that the same were performed on or before June 30, 1959, (2) the period during which such services are performed pursuant to this authorization shall not extend beyond June 30, 1964, and (3) appropriate reimbursement shall be made by the State of Alaska for the cost of performing such services, out of State funds, without allocation or use of funds authorized by section 44(a) of the Alaska Omnibus Act.

- 2 -

Nothing contained herein shall be deemed to limit or otherwise affect the functions or activities of the Secretary of Commerce under title 23, United States Code, or pursuant to section 44(e) of the Alaska Omnibus Act.

Sincerely yours,

(Signed) Maurice H. Stans

Director

The Honorable

The Secretary of Commerce

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NAME OF AGENCY
 U. S. DEPARTMENT OF COMMERCE
 BUREAU OF PUBLIC ROADS
 WASHINGTON, D. C.

PRECEDENCE	
ACTION:	
INFO:	
TYPE OF MESSAGE	
<input type="checkbox"/> SINGLE	<input type="checkbox"/> BOOK
<input type="checkbox"/> MULTI-ADDRESS	

a + F 3 - 4
Alaska

ACCOUNTING CLASSIFICATION
 64-223

CLASSIFICATION
 STANDARD FORM 14 - REV. MARCH 15, 1957
 GSA REGULATION 2.01-203.04

TELEGRAPHIC MESSAGE
 OFFICIAL BUSINESS
 U. S. GOVERNMENT

DO NOT BLOCK FOR USE OF COMMUNICATIONS UNIT

04

MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)

THIS COL. FOR AGENCY USE

C. E. SMITH
 PUBLIC ROADS
 JUNEAU, ALASKA

REFER MATTER OF AVAILABILITY OF UNOBLIGATED BALANCE OF APPROPRIATION
 612. THE FOLLOWING INFORMATION IS PROVIDED FOR YOUR INFORMATION AND
 ADVICE TO REGION 10. WHILE THE REPEAL OF SECTION 119 TITLE 23 BY
 SECTION 21(d)(3) ALYRA CYNIBUS ACT PRECLUDES ANY NEW OBLIGATIONS
 FROM BEING INCURRED UNDER THIS APPROPRIATION, IT IS CONSIDERED THAT
 THE UNOBLIGATED BALANCE IS CURRENTLY AVAILABLE FOR THE ADJUSTMENT
 OF PRIOR OBLIGATIONS AND/OR THE RECORDING OF PREVIOUSLY INCURRED
 BUT UNRECORDED OBLIGATIONS. THIS OPINION IS BASED ON THE AUTHORITY
 CONTAINED IN SECTION 1075 P.M.A. HIGHWAY ACT 1956. THIS SECTION ON
 TRANSFER OF FUND BALANCES AND THIS ON AVAILABILITY OF THESE BALANCES
 IS CONSIDERED STILL VALID SINCE IT WAS SPECIFICALLY CARRIED FORWARD
 BY SECTION 35(e) TITLE 23 AND WAS SPECIFICALLY OMITTED FROM THE
 REPEAL PROVISIONS OF SECTION 21(d)(5). PR370 WITHDRAWAL ACTION AND
 REQUEST FOR INFORMATION OF DEPARTMENT OF TREASURY ACTION HAVE BEEN
 CANCELLED.

C. E. FINCHER, JR.

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November 16, 1959

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RG 30, Bur. of Public Roads
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 Box 1128

BUREAU OF PUBLIC ROADS

Alaska

Mr. Harry E. Cunningham, Western Counsel

November 12, 1959

ADMINISTRATIVELY
RESTRICTED

C. W. Infield, General Counsel

26-12

By: (Signed) Joseph Guandolo

Joseph Guandolo, Assistant General Counsel

Bulk Fuel Storage Facility - Ladd Air Force Base, Alaska

There is attached a copy of a memorandum dated October 2, 1959 to Mr. C. W. Infield from Mr. J. C. Allen which questions the statutory authority of the Bureau of Public Roads to construct bulk fuel storage tanks as either (1) a Federal-aid project (§ 102(59)) or (2) a Bureau of Public Roads facility or installation.

The attached memorandum to Mr. Infield and the extracts (pp 136-160) from the Report of the Project Examination Division indicate that the Regional Office records reviewed by the team did not show the statutory basis for the construction of the storage tanks by Public Roads at Ladd Air Force Base.

Mr. J. Moore of Mr. Allen's office has elaborated on the question by stating that it does not appear from the report (1) that the storage tanks are a proper item for expenditure of Federal-aid funds or (2) that their construction as a Bureau of Public Roads' facility, or installation, has been specifically authorized by statute.

Would you review the above situation and give us your legal opinion with appropriate references to the statutory authority, the supporting facts and the presentation in the records of the Regional Office.

A policy question has also been raised as to whether the Government owned fuel storage tanks constructed by Public Roads at Ladd Air Force Base (in order to obtain gasoline and diesel fuel for Bureau of Public Roads equipment at reduced cost through use of the military pipe line) should be used to supply fuel for the highway program of the new State of Alaska in competition with the commercial sources of supply which are available to the State (See attached copy of memorandum to Mr. Armstrong from Mr. Allen, dated October 2, 1959.)

In view of the above, we would appreciate your comments relative to possible legal arrangements which might be available for (1) cancellation of our "leases" with the Air Force and (2)

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- 2 -

sale, or salvaging, of these storage tanks constructed by Public Roads in the event that it is decided that we will not use these facilities as a means of obtaining fuel for the Alaska State Highway program at a reduced cost.

This memorandum should not be used to disturb present arrangements, as final decisions have not been made with respect to either of the above two questions.

Attachments

ADWalters:bm

cc: Mr. Bafield
Mr. Booth then Mrs. Arleta Johnson
Mr. Cunnole
Mr. Walters
Mr. A. F. Chiglione
Mr. Bob May
Mr. C. S. Woolsey ✓
Mr. F. P. Alexander
Files