

RG 30 RECORDS OF THE BUREAU OF
PUBLIC ROADS

WASHINGTON OFFICE

GENERAL CORRESPONDENCE AND
RELATED RECORDS, 1912-65.

1955-1959

ALASKA - OMNIBUS BILL MAY-DECEMBER 1959
THRU

ALASKA - BRIDGES & STRUCTURES 1 THRU 1-11
1955-59 PART 3 OF 3

BOX NO.
1129

HM 1991

RG 30, Bur. of Public Roads
E. 6 D, Gen Corr & Related Recs, 1955-59
Box 1129

Alaska

Omnibus

Bill

May - Dec 1959

RG 30, Bur. of Public Roads
E. 6 D, Gen. Corr. & Related Recs, 1955-59
Box 1129

BUREAU OF PUBLIC ROADS

Mr. C. W. Enfield

October 13, 1959

R. W. Kruser

24-62

Proposed Legislation - S. 2702

This office does not foresee any future Bureau need for this property. It is my understanding that your office has been in contact with Region 10 and that they have not posed any objection to the transfer. It is also my understanding that the proposed legislation may not be necessary to the transfer of the property involved. Once the interest vested in the United States is clear, and if no other Federal Agency expresses an interest in acquiring it, the property may be conveyed by supplemental deed to Alaska under the Alaska Omnibus Act.

I would appreciate your office keeping the responsible personnel in the Administrative Services Division informed of the status of this piece of property.

WHO'Donoghue:ccc

cc: Files

Reader File

Mr. J. C. Allen

Mr. R. R. Hamann

Mr. W. H. O'Donoghue —

BUREAU OF PUBLIC ROADS

TO : Mr. Allen
FROM : C. W. Enfield
SUBJECT: S. 2702, 86th Congress, 1st Session

DATE: September 23, 1959

The Department has requested us to submit our views on the attached bill.

In order that the Department deadline may be met, we would appreciate the benefit of any comments and recommendations you have to offer as soon as possible.

DEADLINE: 10-19-59

*Meeting
of Oct*

86TH CONGRESS
1ST SESSION

S. 2702

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 12 (legislative day, SEPTEMBER 5), 1959

MR. BARTLETT introduced the following bill; which was read twice and referred to the Committee on Interstate and Foreign Commerce

A BILL

To provide for the conveyance of certain lands to the State of Alaska.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Commissioner of Public Roads is authorized and
4 directed to convey, by quitclaim deed and without consider-
5 ation, to the State of Alaska, all right, title, and interest of
6 the United States in and to lots 1 to 25, inclusive, block
7 100, townsite of Valdez, in the Valdez recording precinct,
8 State of Alaska, and any buildings and improvements
9 thereon.

I

RS610

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RR RUEPC

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ZNR

R 221925Z

FM NIEMI BPR JUNEAU ALASKA

TO W H O'DONOGHUE BPR WASHDC

PRA GRNC

BT

UNCLAS RE YOUR WIRE OCTOBER 20 AND COVERSAION WITH MCCANN. BUREAU OWNED BUT DOES NOT OCCUPY PARCEL OF UNDETERMINED AREA AT MCGRATH. SEE SCHEDULE C SHEET THREE SUPPORTING QUITCLAIM DEED TO STATE. CONSENSUS IS THAT LAND POSSIBLE HAS DISAPPERED DUE TO KOSKOKWIM RIVER CHANGES. PARCEL WAS NEVER OCCUPIED. AT MANLEY HOT SPRINGS, BUREAU OF LAND MANAGEMENT WITHDRAWAL OF TWO AND EIGHTY-SIX HUNDRETHS ACRES U.S. SURVEY 3441 BY PUBLIC LAND ORDER 1570 DATED DECEMBER 24, 1957 WAS FOR PUBLIC RECREATION AREA. THIS PARCEL HAS APPROXIMATELY FOUR HUNDRED FEET FRONTAGE ON TANANA RIVER. SECONDARY B ROUTE 6804 AS SHOWN ON QUITCLAIM DEED SCHEDULE A PAGE B-27 TRAVERSES THIS PARCEL. CFN 20 3441 1570 24 1957 6804 B-27

BUREAU OF PUBLIC ROADS
WASHINGTON, D.C.

OCT 22 22 34 259 1959 11 23 AM 9 54

BPR

DEPT. ARMY COMM.
EX 56397

07858

PAGE TWO RUKPC 41

PARCEL NEAR THIS LOCATION APPROXIMATELY SIX ACRES WITHDRAWN BY PUBLIC LAND ORDER FOR USENOF FORMER ALASKA ROAD COMMISSION WAS REVOKED DECEMBER 1957

BT

CFN 1957

22/2059Z

RG30, Bur. of Public Roads
E.6D, Gen Corr. + Related Recs, 1955-59
Box 1129

FORM 805 PRINTED BY THE STANDARD REGISTER CO., DAYTON 1, OHIO, U. S. A. STANLOCK

OF PUBLIC ROADS

TELEGRAM

JUNEAU, ALASKA OCTOBER 22, 1959

OIC

USARAL COMMCEN FORT RICHARDSON

FOR W. H. O'DONOGHUE BPR WASH. D. C. UNCLASS

RE YOUR WIRE OCTOBER 20 AND CONVERSATION WITH MCCANN.. BUREAU OWNED BUT DOES NOT OCCUPY PARCEL OF UNDETERMINED AREA AT MCGRATH. SEE SCHEDULE C SHEET THREE SUPPORTING QUITCLAIM DEED TO STATE. CONSENSUS IS THAT LAND POSSIBLY HAS DISAPPEARED DUE TO KOSKOKWIM RIVER CHANGES. PARCEL WAS NEVER OCCUPIED. AT MANLEY HOT SPRINGS, BUREAU OF LAND MANAGEMENT WITHDRAWAL OF TWO AND EIGHTY-SIX HUNDRETHS ACRES U. S. SURVEY 3441 BY PUBLIC LAND ORDER 1570 DATED DECEMBER 24, 1957 WAS FOR PUBLIC RECREATION AREA. THIS PARCEL HAS APPROXIMATELY FOUR HUNDRED FEET FRONTAGE ON TANANA RIVER. SECONDARY B ROUTE 6804 AS SHOWN ON QUITCLAIM DEED SCHEDULE A PAGE B-27 TRAVERSES THIS PARCEL. PARCEL NEAR THIS LOCATION APPROXIMATELY SIX ACRES WITHDRAWN BY PUBLIC LAND ORDER FOR USE OF FORMER ALASKA ROAD COMMISSION WAS REVOKED DECEMBER 1957.

NIEMI BPR

CONFIRMATION

M. W. Bales, Administrative Officer

FOREST HIGHWAY COOPERATIVE AGREEMENT

Parties to Agreement: Bureau of Public Roads, U. S. Department of Commerce, hereinafter called "Public Roads," and the Department of Public Works, State of Alaska, hereinafter called the "Cooperator."

Purpose: The purpose of this agreement is to set forth the general terms and conditions, mutually acceptable to the parties hereto, for the cooperative survey, design, construction and maintenance of forest highways in Alaska in accordance with the provisions of Section 204 of Title 23, U.S.C., and the Regulations pursuant thereto issued jointly by the Secretary of Commerce and the Secretary of Agriculture, and the assumption by Alaska of the function of forest highway maintenance under Section 45(a) of Public Law 86-70, 86th Congress, approved June 25, 1959.

The Congress has, from time to time, authorized and appropriated funds for highways within, adjoining or adjacent to and serving the national forests, and of primary importance to the State and its political subdivisions. Recognizing that substantial benefits will accrue to the State and to the United States from the construction and maintenance of such forest highways, and by their integration into the State or local road system over which the Cooperator has jurisdiction, and further that the Cooperator has facilities available to assist in the accomplishment of the work, it is accordingly deemed desirable to express by this instrument the general terms of mutual cooperation in achieving maximum benefits in the public interest.

Forest Highway Routes: This agreement shall cover the forest highway routes previously approved for inclusion in the forest highway system, that

are listed and described in Attachment 1, and any approved amendments thereto. This list of such approved routes may be varied from time to time by mutual agreement between the Cooperator and Public Roads either by adding routes thereto or removing routes therefrom, or by altering the description of any route to give it proper identity. Each such action shall be indicated (1) by a revised list or (2) by a revised page or pages bearing the signatures of the parties hereto together with a showing of the effective date of the revision.

Program of Projects: Projects included in an approved forest highway program shall be undertaken promptly as funds become available and the work carried to completion in an expeditious manner. The survey, design, construction and maintenance of each project shall be accomplished in the manner indicated herein except as the arrangements may be varied pursuant to a forest highway project agreement for the specific project executed by the parties hereto. A forest highway project may cover the whole or any portion of a forest highway route listed in Attachment 1.

Cooperative Funds: Any funds that the Cooperator may make available to the project shall be covered by a project agreement. If such funds are provided on an advance basis, they shall be deposited in the Treasury of the United States to the credit of cooperative work, forest highways, Bureau of Public Roads. Payments for work performed shall be made out of the funds provided by the Cooperator, and by Public Roads, in equal amounts until either fund is exhausted, and then from the remaining fund until the project is completed or all funds are exhausted. Any unused balance of cooperative funds will be returned to the Cooperator after completion of the project.

If the cooperative funds are to be made available on a reimbursement basis as the work progresses or upon its completion, Public Roads shall submit to the Cooperator periodic billings, but not more often than monthly, or a final billing as the case may be, showing the total amounts expended for work accomplished, and the amount owing to Public Roads from the Cooperator. The amount of cooperative funds as set forth in the project agreement shall be the maximum commitment of the Cooperator to the project, unless changed by a duly executed modification of the project agreement.

Federal Funds: When any proposed work provided for in an approved forest highway program is to be performed by the Cooperator, and financed in whole or in part with Federal funds, such circumstance shall be set forth in the project agreement together with a statement of the amount of Federal funds, Federal funds and cooperative funds shall be expended in equal amounts for the work, unless otherwise provided in the project agreement, but not to exceed the agreement amount of Federal funds. If it appears that the project cost may exceed the estimate and additional Federal funds may be needed, no obligation shall arise against the Federal government with respect to the increased cost except by modification of the project agreement prior to incurring any commitment.

As the work progresses or upon its completion, the Cooperator shall submit vouchers to Public Roads, on Form PR 20, for payment of the United States pro rata share of the cost of the work. Usual Federal-aid procedures are to be followed when submitting billings.

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Survey and Design. The survey and design, including the preparation of specifications and cost estimates, for all projects on the listed forest highway routes shall be accomplished by Public Roads in accordance with approved forest highway programs unless otherwise provided in the project agreement for the specified project.

Construction of Projects: Unless otherwise provided in the project agreement for the specified project, the construction of forest highway projects on the listed forest highway routes shall be accomplished by Public Roads in accordance with the approved forest highway program. Construction shall be in strict compliance with the plans, specifications and estimates approved for the project, and in conformity with Section 204, Title 23, U.S.C., and the Forest Highway Regulations. All work will be under the direct supervision of Public Roads.

The project shall be undertaken as promptly as possible after funds are made available, and shall be carried to completion with all reasonable speed. Minor changes in grade, alignment, surface course or structures made necessary by unforeseen contingencies or deemed desirable by conditions developing during the progress of the work may be made by Public Roads without the prior or separate approval of the Cooperator.

All work is to be performed by contract entered into by competitive bids unless some other method is deemed by Public Roads to be more advantageous in the public interest.

For any equipment furnished by Public Roads for the work, the charge therefor, including items for depreciation and repairs, shall be in accordance with Public Roads established procedure.

Cost of Project: Whenever the work is covered by a forest highway project agreement and cooperative funds are involved, Public Roads shall furnish to the Cooperator a summary statement of the cost of the project. When no cooperative funds are involved, a statement of the cost of the project will be available upon request.

Rights-of-way: Rights-of-way or other interest in property across private holdings are to be acquired by and in the name of the Cooperator. The costs of such rights-of-way, or other interests in property, acquired by the Cooperator are to be at the Cooperator's expense unless otherwise provided in the program and in the project agreement. In the event the project agreement provides that reimbursement from Federal funds shall be made to the Cooperator for the cost of rights-of-way, the procedure to be used and the submission of supporting papers shall be in accordance with current Federal-aid practice.

Public Roads will cooperate in the procurement of rights-of-way over or upon Federal lands or other lands under the jurisdiction of the United States, required for any project included in an approved forest highway program, and will furnish the Cooperator copies of survey notes, maps and other records. Pending the execution and recording of deeds or other instruments for the rights-of-way over private lands, the Cooperator guarantees right-of entry thereon for construction purposes.

When the approved plans for the construction of a project provide for obtaining local material from designated quarries, gravel pits or borrow pits situated on private lands, the Cooperator shall negotiate and enter into all necessary agreements for the right to remove such material, and shall agree

with the owner of the lands for the price to be paid for material removed. Such arrangements are to be made sufficiently in advance of construction in order that they can be fully set forth in the invitation for bids. Ordinarily the condition should be that the contractor shall include such costs in his unit prices. However, if considered in the public interest, the Cooperator may undertake to pay such costs and be reimbursed by Public Roads from project funds.

Maintenance: Upon the completion and acceptance of forest highway construction, pursuant to an approved forest highway program, on any of the routes listed in Attachment 1, the Cooperator agrees to assume and continue the maintenance thereof at the Cooperator's expense, but this shall not be construed to prevent the Cooperator from financing such maintenance work from any funds available to Cooperator, whether from Federal sources or otherwise. Maintenance shall include the preserving and keeping of each roadway, road structure and road section as nearly as possible in its original condition as constructed, or as subsequently improved, to provide satisfactory and safe highway service.

In the event it is determined that conditions on a project under maintenance require extraordinary repairs, removal of unusually extensive slides, or similar work outside the scope of ordinary highway maintenance, the performance thereof may be accomplished as a forest highway project, subject, however, to regular forest highway program procedure. The cost of such work shall be eligible for financing from Federal funds, and if it is to be performed by the Cooperator, it shall be covered by a project agreement.

A forest highway project shall be deemed in maintenance status when (1) all construction work has been completed in accordance with the approved

plans and specifications as evidenced by the separate approvals of Public Roads and the Cooperator, and (2) the clearing and disposal of refuse has been approved by the Regional Forester of the United States Forest Service.

Project Agreements: A forest highway project agreement is to be entered into between the parties hereto whenever (1) the survey, construction, acquisition of rights-of-way, or maintenance in connection with a project included in an approved forest highway program is to be accomplished in a different manner from that set forth in the Forest Highway Cooperative Agreement, (2) cooperative funds are to be made available to Public Roads for the project, or (3) Federal funds are to be made available to the Cooperator for the work, including costs of right-of-way acquisition. Project agreements are to be executed in duplicate, one executed copy being for the Cooperator and one for Public Roads. Additional copies (conformed) are to be available for the Regional Forester of the U. S. Forest Service, and other offices of the Cooperator or Public Roads as may be desired.

Amendments to Forest Highway Cooperative Agreement: It is the intention that this Cooperative Agreement shall exist and continue as the formal instrument expressing the terms of the mutual cooperation entered into by the parties hereto for accomplishing the survey, design, construction and maintenance of projects on the forest highway routes listed in Attachment 1. It is the further understanding and desire of said parties that this Cooperative Agreement shall be and is subject to modification by advance notice of 60 days from either party to the other. Otherwise the cooperative arrangements set forth herein shall continue from the effective date hereof.

This Agreement shall be effective as of the _____ day of November, 1959, and shall supersede all prior existing cooperative agreements for the

same route or routes, and in particular that certain Memorandum Agreement dated February 4, and 6, 1957, between Public Roads and the Territorial Board of Road Commissioners, except any agreement involving a commitment of funds or arrangement for the performance of construction work on projects under way but not yet completed and final settlement made.

U. S. DEPARTMENT OF COMMERCE
BUREAU OF PUBLIC ROADS

By _____
(title)

STATE OF ALASKA
DEPARTMENT OF PUBLIC WORKS

By _____
(title)

BUREAU OF PUBLIC ROADS
Office Memorandum • UNITED STATES GOVERNMENT
ADMINISTRATIVELY RESTRICTEDTO : Mr. C. W. Enfield, General Counsel
26-00

DATE: November 12, 1959

FROM : H. E. Cunningham, Western Counsel
26-40

SUBJECT: Conveyance of additional properties to Alaska; Cooperative Agreement to maintain Forest Highways

This will outline the status of various matters pertaining to highway properties and functions in Alaska in reference to the Omnibus Act and Federal-aid legislation, with particular attention to the subject of your memorandums of October 6 and 30, 1959, and Mr. Alexander's of October 20, 1959, all directed to Mr. Niemi.

General. As you may know, the State has announced plans to take over and assume, by July 1, 1960, the entire program and functions contemplated by law in reference to Federal-aid highways. While there will likely be some difficult problems concerning transfer and recruitment of personnel, such situation may become eased somewhat by employee security and retirement legislation that is reasonably expected to emerge from the next session of the Alaska Legislature that convenes in January 1960. Several drafts of bills are understood to be under study, some of which would permit a former Federal employee to carry over and receive credit in State retirement for upwards to 10 years of prior Federal service.

It is expected that BPR will continue to supervise and administer to completion any construction work already let or to be let under Federal contract, and to handle any claims or settlements in reference thereto.

A hard working and especially qualified team is assisting Public Works Commissioner Richard A. Downing, in developing an action program that is already beginning to take shape, composed chiefly of the following:

Thurman D. Sherard, Director of Highways
A. G. Gardner, Assistant Director
(Both from Wyoming Highway Department)
L. D. Wilson, Highway Consultant
Donald R. Roser, Office Engineer
(Both formerly with New Mexico Highway Department
and Mr. Wilson being its Chief Engineer for a number
of years)
Jack Snell, Chief of Right-of-Way
(Formerly with California Division of Highways in
Right-of-Way)

November 12, 1959

Maintenance of Forest Highways. Developing from several conferences and confirmed by exchange of correspondence, the State has definitely declared its wishes to assume the obligation of maintaining Forest Highways in Alaska. Maintenance of Forest Highways now being performed by BPR is all on routes which are also on the approved Federal-aid systems. All property interests of BPR in these routes were conveyed to the State by quitclaim deed dated June 30, 1959.

Any continuation of Forest Highway maintenance by BPR would necessarily be on roads that are now a part of the Federal-aid system, the maintenance obligation of which system, or systems, was assumed by the State under Sec. 21(c)(1) of the Omnibus Act. All maintenance costs for the Federal-aid systems, and Forest Highways thereon, since July 1, 1959, have been paid from Federal-aid apportionments through FY 1960 available for such purpose. Prior yearly expenditures for Forest Highway maintenance have been from \$500,000 to \$600,000 (rough estimate).

Forest Highway Cooperative Agreement. Having evidenced its desire to take over Forest Highway maintenance so as to integrate such work with its own maintenance operations, which should result in savings of public funds and provision of increased traffic service, and also to clarify areas of cooperation in the construction of Forest Highways particularly as to procuring needed rights-of-way across private lands, it seems highly desirable for BPR and the State to enter into a Forest Highway Cooperative Agreement somewhat similar in form to that used in the other Western States. Attached is a suggested draft which Mr. Niemi will discuss with Commissioner Downing for advance concurrence or comments.

It is to be noted that the proposed agreement, in pursuance of the same policy employed with the other States, is subject to amendment from time to time as the parties may desire (60 day advance notice only). This instrument is a documentation of the cooperative undertaking between BPR and the State concerning the construction and maintenance of Forest Highways under Sec. 204, Title 23, U.S.C., and will also serve as a commitment on the part of the State to assume the function of maintaining Forest Highways for an unstated period without reimbursement of Federal funds except to the extent that Federal-aid apportionments through Fiscal Year 1960 and Transitional Grants under the Omnibus Act are available.

The Forest Highway project agreement, provided for within the terms of the cooperative agreement, is an instrument of contractual obligation when State funds are made available to BPR to

November 12, 1959

perform certain work or when the State performs some work, such as procuring rights-of-way, and is to be paid from Federal funds. This instrument is entered into on a project-by-project basis only when the specific project involves transfer of funds or for some special condition not covered by the Forest Highway cooperative agreement.

Specific mention will be made of termination of the existing Memorandum Agreement dated February 4 and 6, 1957, between BPR and the Territorial Board of Road Commissioners covering rights-of-way for Forest Highway projects.

Conveyance of property retained by BPR. Under Sec. 21(a) of the Omnibus Act, certain property was retained as determined was needed for the operations, activities and functions of BPR in Alaska. This property has been fully inventoried and listed in schedules similar to those for the property conveyed to the State on June 30, 1959, by the "Quitclaim Deed" and deed for "Transfer of Personal Property to the State of Alaska."

Now that BPR will be terminating its function to maintain Forest Highways in view of said function being assumed by the State, it would be appropriate to transfer to the State the property situated in Alaska owned or held by the Government in connection with such function. It seems clear that such transfer should properly come under Sec. 45(a) of the Omnibus Act rather than by any supplemental transfer under Sec. 21(a) thereof, and may be made without reimbursement. In that regard, it is not considered that any other Federal agency need be approached in connection with such proposed transfer, but this may be an administrative matter in view of the special relation of the Forest Service to the situation.

Involved under Sec. 45(a) will be the following:

1. Determination by the President, or through delegated authority, that the subject function has been terminated by BPR.
2. Positive showing that the State has assumed responsibility for the performance of such function. Suggest employ usual form of Forest Highway cooperative agreement or comparable instrument executed by State and Federal Government.
3. Conveyance to Alaska of the property, or interest in property, held by the United States in reference to such function. This may be accomplished by deeds similar to the above mentioned instruments except to eliminate the condition relating to possible interest of any other Federal agency in or to such property. Authority for the Secretary of Commerce or other official to sign the conveyance must be established if not already on record.

November 12, 1959

4. Determination of whether any reimbursement should be required from Alaska for such property.

It would seem that all four of the above actions should be developed at the Washington level upon receipt of:

1. Copies of Forest Highway cooperative agreement signed by the State covering States' assumption of the obligation for performance of the subject function..
2. Copies of complete inventory of property to be transferred. Schedules will follow the forms used in June 30, 1959, conveyances.
3. Any further statement by Regional Engineer Niemi pertaining to the function to be discontinued by BFA, ability and willingness on the part of the State to assume it, and personnel or other matters.

I would be glad to prepare suggested drafts of deeds, but believe that you may wish to handle in Washington in view of the other matters involved.

Supplemental conveyance of property, Under Sec. 21(a) Concerning the subject of your memorandums of October 6 and 30, 1959, to Mr. Niemi, formal statements will follow (from Region 10) in behalf of Bureau of Land Management and Forest Service in Alaska, that they have been informed of the properties in question and have no interest therein under Sec. 21(a). It is believed that this supplemental conveyance ought to be carried out under the authority of Sec. 21(a) separate and independent from the above indicated conveyance under Sec. 45(a).

Either of two methods may be considered (1) have the deed of conveyance describe the specific properties, i.e., FAS 924 Craig to Klawak, and Lots 1 to 25 in Block 100 in Valdez, or (2) to incorporate them by reference to additional pages in the same numbered sequence as the basic inventory. The latter approach seems preferable.

Mr. Niemi will forward in a day or two additional pages of the basic inventory as per above for your decision and further handling. He will also forward a revised page containing the correct description of Route FAS 991, i.e. to change the work "Chilkoot" to "Chilkat" in both instances where previously appearing in the inventory of such Route. This will also be for your decision as to how best to handle. The point seems to be more of a matter of clarification as to any possible cloud on title rather than involving any presumption of failure to convey the property itself.

You will probably wish to prepare the supplemental conveyance in Washington so have not shaped up any draft.

Miscellaneous: *J.V. #10-00-60-151*
To personality

1.(a) Nome depot on lands leased from United States Smelting, Refining and Mining Company, (2) Valdez tank farm on property leased from Valdez Dock Company. Both leases contain non-transferable clauses.

In each instance the lessor has indicated, in writing, that he will terminate the lease to BPR and issue a new lease to Alaska under the same terms and conditions. BPR will contact State to ascertain if it desires any changes in the form of lease, and take the matter up further with lessor or have State do so.

BPR installations in these two cases will be included with the listed properties (personality) for conveyance to the State under Sec. 45 (a) of the Omnibus Act.

2.(a) Tank farm in Anchorage, (b) equipment depot in Fairbanks, and (3) lower storage yard in Fairbanks, all three on lands under lease from the Alaska Railroad. The Alaska Railroad has indicated its willingness to cancel the old leases and enter into new ones with the State covering the same premises, but plans to include a rental charge in line with its usual practice in management of Railroad properties. The charge would be at a nominal rate, the amount thus far worked out for the Fairbanks depot being \$2,792 per annum.

BPR installations on Railroad properties in the above cases will be listed and included in the inventory of property (personality) for conveyance to the State under said Sec. 45(a) in the same manner as those on private leased lands.

3 Forest highway weighing scale and scale house. This installation, financed from Forest highway funds, is on a Federal-aid (and Forest Highway) route already transferred to the State by the June 30, 1959 conveyance, but the weighing scale and scale house were listed as property retained by the Government for continued performance of BPR functions. Said weighing scale and scale house will be included in the aforesaid inventory of property (personality) now under consideration for conveyance to the State.

4.(a) Apartment building on railroad property (lease) in Anchorage, and (b) apartment building on Government land in Fairbanks.

Valdez tank farm?
Had other papers under name considered

Mr. C. W. Enfield

- 6 -

November 12, 1959

3
The apartment buildings in Anchorage have been fully vacated. The apartment building in Fairbanks is nearly vacated, and will be entirely so by December 1959. In both of these cases the apartment buildings were declared excess to the needs of BPR by formal action prior to June 30, 1959.

General. It is definitely understood that none of the properties now proposed for conveyance to the State under Sec. 45(a) of the Omnibus Act will affect BPR in carrying out its general administrative functions, and responsibilities in the survey, design and construction of Forest Highways, or in the performance of construction work for other Federal agencies such as the National Park Service.

Foregoing is for your information and such further action as may seem warranted. These matters have been taken up fully with Mr. Niemi, and informally discussed with Messrs. Martin, Smith, Westergren, Warren and Gillson of the Washington office special mission group now in Juneau.

Attachment 1

PS: As to whether there should be any reimbursement under Sec. 45(a), see first paragraph on foregoing page 4, Mr. Allen has indicated in telephone conversation with Messrs. Martin and Niemi on the 10th that he felt none should be required. To support that view is the fact that the State will be using substantial sums for such maintenance, with State matching. Forest highway funds (100% Federal) are thus released to construction. Suggest that the deed might incorporate same language on the "State assumption" angle to avoid possible inquiry as to apparently why no consideration.

ADMINISTRATIVELY RESTRICTED

RG 30, Bur. of Public Roads
E. G. D., Gen. Corr. Related Recs, 1955-59
Box 1129

12-29-59

TO: Mr. William J. Niemi, Regional Engineer
Juneau, Alaska

FROM: R. R. Hamann, Chief, Administrative Services Division
Washington, D. C.

SUBJECT: Transfer of additional Properties to the State of Alaska

As you will recall during the recent visit of representatives of my office to Region 10, the subject of the real and personal properties to be transferred to the State of Alaska was discussed. At the close of the discussions my representatives stated that guidance would be furnished after a discussion with the Office of the General Counsel to resolve any questions relative to the ^{Provisions of The} Alaska Omnibus Act. The Office of the General Counsel deferred any discussion pending the arrival of Mr. H. E. Cunningham, preferring to have the benefit of his first hand observations and thoughts. The meeting has been held and the following is a jointly approval plan.

I. Personal Property

As you will recall, the personal property under consideration breaks down into four categories: (1) Personal property relative ^{ed} to the Forest Highway functions retained by the Bureau of ~~Public~~ as of June 30, 1959; (2) An excess of personal property retained as of June 30, 1959, for the administration of the Federal-aid Program; (3) Personal property that had been declared excess prior to June 30, 1959, but not physically disposed of; and, (4) Discrepancies between the schedules of personal property transferred to Alaska as of June 30, 1959, and the findings of the subsequent physical inventory.

2

(1) The first category of personal property is being retained by the Bureau until the State signs the maintenance agreement for Forest Highways. Once an agreement has been signed, the personal property retained by the Bureau ^{for} of this function will be transferred to the State under Section 45(a) of the Alaska Omnibus Act. Schedules itemizing this equipment should be prepared. This property will be covered by a conveyance to be prepared by the Office of the General Counsel. ?

(2) The Project Examination Division representatives suggested earlier that an excess of personal property had been retained by the Region for the administration of the Federal-aid Program. Your office reviewed this property and decided that additional personal property could be transferred to the State. A schedule itemizing this equipment should be prepared. This property will be transferred to the State of Alaska under Section 21(a), Alaska Omnibus Act. This property will be covered by a conveyance to be prepared by the Office of the General Counsel. ?

(3) The handling of the personal property in the process of being disposed of on June 30, 1959, is somewhat ~~a~~ different. It is the interpretation of the Office of the General Counsel that only ~~equipment~~ ^{property} pertinent to the construction and/or maintenance of roads be transferred to the State. They refer in particular to the phrase in line six of Section 21(a), Alaska Omnibus Act, which reads in part, "...pertaining to roads in Alaska...". Since the Bureau, in the process of declaring

this property excess, had determined that it was no longer usable and thus, no longer pertinent to roads in Alaska, and had already started processing the property through the Federal disposal system, ~~It~~ has been decided this category of equipment should not be transferred to the State, but disposed of through the Federal disposal system.

As I understand the situation, your office, after declaring the property excess, ^{allowed} ~~allowing~~ the State to review the property and have transferred to them the items they desired to retain. Thus, we have fulfilled our part of the earlier interim agreement with the State.

Army Proceeds ^{resulting} from the ~~sale~~ ^{disposal} of any of this equipment should be deposited to miscellaneous receipts.

(4) It is my understanding that the physical inventory conducted by your office revealed some discrepancies in the original schedules of property transferred to the State on June 30, 1959. These discrepancies were of two types. Those items that the physical inventory revealed existed but were not of record and are a plus factor to the original schedules. Those items that the physical inventory revealed did not exist but were of record and are a minus factor to the original schedules.

✓ The method of transferring this category of property hinges on a question as to whether or not a title exists [?]. Since the plus items obviously exist and were not transferred to the State, then they must now be itemized for conveyance ~~to~~ of title to the State. Those items may be combined with the schedule of items retained for administration of the Federal-aid Program, (2) above, for transfer to the State under Section 21(a), Alaska Omnibus Act.

The minus items will be handled differently. Since they do not exist in fact there can be no question of a present extent title. Thus, those ~~minus~~ minus items appearing on the original schedule are void as far as transfer to the State is concerned, since there can be no title. The Office of the General Counsel recommends that the picture not be clouded by the issuance of a legal instrument to withdraw the minus items from the original schedules. They recommend that it be handled administratively. I understand that the State is currently inventorying the items transferred to them. I suggested that when the State is ready, a member of your staff work with a representative of the State in arriving at the necessary administration adjustments. However, your staff should be ~~copy~~ cautioned that unless the minus status of an item can be determined to be the result of a clerical error, neither the property records nor the accounts may be adjusted until the Regional Property Board of Review has reviewed, investigated as necessary, and recommended an action regarding the circumstances of each minus item and the action to be taken. This Property Board of Review's recommendation should be approved by you or your delegate.

Why not amend transfer documents now, which would leave non-existent items in our possession for later adjustment thru property board action?

5

II. Real Property

As you will recall, the real property to be transferred to the State may be broken down into two categories: (1) Real Property relative to the Forest Highway functions retained by the Bureau as of June 30, 1959; and (2) all other real property retained by the Bureau as of June 30, 1959.

(1) The first category of real property is being retained by the Bureau until the State signs a maintenance agreement for Forest Highways. Once the agreement has been signed, the real property retained by the Bureau for this function will be transferred to the State under Section 45(a) of the Alaska Omnibus Act. Schedules itemizing this real property should be prepared. This property will be covered by a conveyance to be prepared by the Office of the General Counsel.

(2) The "Other" real property category may be further divided. One subdivision being FAS924 Craig to Klawak and Lots 1 to 25 of Block 100 in Valdez, the latter especially being of Congressional interest and urgently requested by the State. The Office of the General Counsel has prepared the deeds and instrument of conveyance, and they have been forwarded through the Administrator to the Secretary of Commerce for signature. I understand that the originals will be sent to you when signed.

Other property
~~A second subdivision~~ involves the Nome Equipment Depot, Fairbanks Equipment Depot (including the lower storage yard), Anchorage Tank Farm, Valdez Tank Farms, and the Seward Weighing Station. The question arose as to whether these installations were to be regarded

which section of the 6

as real property or personal property and the applicable section ~~act disposition would be made.~~
~~of the Alaska Omnibus Act.~~ The first four facilities were erected on land leased from other government agencies or private interests.

Generally, by law, improvements erected on ~~land~~ land become part of the land (real property) and become the legal property of the ~~owner~~ *owner*, unless ~~the lease provides for removal of the improvements~~ *if it is the clear intent of the parties* by the lessor at the termination of the lease. Unfortunately,

that such improvements should not become a part of the realty.

the original leases did not contain such a provision. The Bureau must take the position that since it obviously was not the intent of the Federal Government's to erect the improvements and surrender ownership to the lessor, they cannot be considered attached to the land and, consequently, cannot be considered real property. The lessors have agreed to this and are willing ~~to~~ in turn to lease the land to the State. Since these facilities cannot be considered to be real property, we must classify them as personal property.

Normally

They are to be transferred to the State as personal property under Section ²¹ 2(a), Alaska Omnibus Act. They should be itemized on the Schedules being prepared for personal property items under I, (2) and I, (4) above.

*6/30/59
assumed that transfer document to Bureau of Land Management if not should be reported transfers now*

The fifth item listed above, the Seward Weighing Station, was financed from Forest Highway funds and is on a Forest Highway. This facility will be transferred to the State as personal property under Section 45(a), Alaska Omnibus Act. It should be itemized on the schedule being prepared for personal property items under I, (1), above.

Real Property?

Draw for on gen. ledger

The two remaining facilities, the Fairbanks and Anchorage Apartments, have been declared excess to the needs of the Bureau of Public Roads. All necessary documents have been submitted to the General Services Administration. They will be disposed through the Federal excess property program.

extend of

When all of the above actions have been completed, the Bureau of Public Roads will not own any real property in Alaska.

III. Method of Transfer

I have been informed that the Administrator wishes the number of separate conveyances to be kept to a minimum. Consequently, the following method and time schedule of transferring additional properties to the State has been agreed. Except for the conveyance covering FAS924 and Block 100 in Valdez, there will be no other conveyances prepared until the State has signed a maintenance agreement for Forest Highways. (I understand that this will probably take place next month.)

After the agreement has been signed, a conveyance will be prepared by the Office of the General Counsel for the transfer of Real Property under Section 45(a), Alaska Omnibus Act. This conveyance will be supported by the schedule of items referred to under II.(1) above.

A second conveyance will be prepared by the Office of the General Counsel for the transfer of Personal Property under Sections 45(a) and 2(a), Alaska Omnibus Act. This conveyance will be supported by two separate schedules. One schedule will be those items transferred under Section 45(a), Alaska Omnibus Act (see I,(1) and the Seward Weighing Station.) The second schedule will be those items transferred under Section 2(a),

CO 5212

Alaska Omnibus Act - See I, 2, I, 4, and II(2), in part, above.

Section 45(a), Alaska Omnibus Act, requires the signature of the President of the United States. This authority may have been delegated downward. In any event, these transfers are a matter of the immediate future, as soon as your office has completed the original and 8 copies the required schedules, should be forwarded to my office. If there is any delay in preparing the schedules, please let me know. If there are any questions regarding the above procedures, please don't hesitate to call.

WHO'Donoghue:mjs

cc: J. C. Allen
R. R. Hamann
H. Cunningham - West Office of General Counsel
A. Goldstein
C. H. Smith
C. J. Martin
W. H. O'Donoghue
Files (2)
Reader files

Final reconciliation

*Need BPR only personnel needed to operate Fed-Aid
prop + non-existent items revealed in physical count - one party
Completed - the General ledger + phys inventory must reconcile
Their description as to whether a 2nd physical inventory is necessary.*

FORM PR-2FH (1-21-58)	U.S. DEPARTMENT OF COMMERCE BUREAU OF PUBLIC ROADS	STATE _____ COUNTY _____ PROJECT NO. _____
FOREST HIGHWAY PROJECT AGREEMENT		

This Agreement is entered into between the undersigned parties pursuant to the provisions of Section 23 of the Federal Highway Act approved November 9, 1921 (42 Stat. 212), as amended and supplemented, the Regulations issued thereunder jointly by the Secretary of Commerce and the Secretary of Agriculture, and in accordance with the terms of the Forest Highway Cooperative Agreement.

FOREST	FOREST HIGHWAY ROUTE NO.
PROJECT TERMINI	PROJECT LENGTH (Miles)
KIND OF WORK	AGENCY TO PERFORM WORK <input type="checkbox"/> PUBLIC ROADS <input type="checkbox"/> COOPERATOR

ESTIMATED COST OF PROJECT	FUNDS PROVIDED BY THIS AGREEMENT		
		COOPERATIVE ^{1/}	FEDERAL ^{2/}
	AMOUNT	BASIS OF PAYMENT	AMOUNT
\$	\$	<input type="checkbox"/> ADVANCE <input type="checkbox"/> REIMBURSEMENT <input type="checkbox"/> OTHER	\$

^{1/} Entries may be omitted if cooperator performs work and assumes cost not covered by Federal funds.
^{2/} No entry to be made if work is to be performed by Public Roads.

SPECIAL PROVISIONS

This Agreement shall be effective as of the _____ day of _____, 19____.

_____ (Name of Cooperator)	U.S. DEPARTMENT OF COMMERCE BUREAU OF PUBLIC ROADS
By _____	By _____
Title _____	Title _____
By _____	Title _____
Title _____	
By _____	
Title _____	

USCOMM-DC 40327

RG 30, Bur. of Public Roads
 E. 6 D, Gen. Corr. & Related Recs, 1955-59
 Box 1129

**MODIFICATION OF FOREST HIGHWAY
PROJECT AGREEMENT**

The Forest Highway Project Agreement for the above-referenced project, entered into between the undersigned parties effective _____, 19____,

is hereby modified as follows:

Revised estimated cost of project	\$ _____
Revised amount of Cooperative funds	\$ _____
Revised amount of Federal funds	\$ _____
Other revisions	

All other terms and conditions of said Forest Highway Project Agreement will remain in full force and effect.

This Modification shall be effective as of the _____ day of _____, 19____.

(Name of Cooperator)

By _____

Title _____

By _____

Title _____

By _____

Title _____

U.S. DEPARTMENT OF COMMERCE
BUREAU OF PUBLIC ROADS

By _____

Title _____

MODIFICATION OF FOREST HIGHWAY
PROJECT AGREEMENT

STATE
COUNTY
PROJECT NO.

The Forest Highway Project Agreement for the above-referenced project, entered into between the undersigned parties effective _____, 19____

is hereby modified as follows:

_____ \$	Revised estimated cost of project
_____ \$	Revised amount of Cooperative funds
_____ \$	Revised amount of Federal funds
	Other revisions

1. Support of existing *documents* now taken - *documents* reviewed
2. *Down building* *shortage*
3. *Down building* *physical*
4. *Down building*

This Modification shall be effective as of the _____ day of _____, 19____. All other terms and conditions of said Forest Highway Project Agreement will remain in full force and effect.

U.S. DEPARTMENT OF COMMERCE BUREAU OF PUBLIC ROADS	_____ (Name of Cooperator)
By _____	_____
Title _____	_____
By _____	_____
Title _____	_____
By _____	_____
Title _____	_____

C O P Y

P. O. Box 1961
Juneau, Alaska

10-00.1

September 15, 1959

Mr. R. H. Anderson
General Manager
The Alaska Railroad
P. O. Box 7-2111
Anchorage, Alaska

Dear Mr. Anderson:

The Alaska Omnibus Act provided for the transfer of certain functions pertaining to the highway program in Alaska, from the Bureau of Public Roads, to the State of Alaska. Land, equipment and other personal property formerly under the jurisdiction of Public Roads also has been transferred to the State of Alaska.

There is in existence a contract between your office and the Bureau of Public Roads (14-4-003-1677) for certain described lands in Anchorage, Alaska. There are structures on the land which serve functions and personnel performing the State's highway department work. The State of Alaska Department of Public Works will ultimately assume full responsibility of this activity, and it is most practicable for the State to utilize such installations. A similar situation exists at Fairbanks under your contract 1-3arr-8454, as supplemented.

Please advise if your office would be receptive to entering into an agreement with the State of Alaska for such lands described in the above mentioned contracts. Of course, the Bureau of Public Roads would relinquish all rights to the land by terminating the cited contracts.

In this connection, it is our understanding that in the immediate future, the State will contact your office relative to this matter.

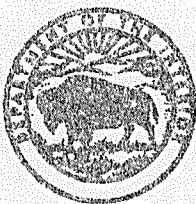
Very truly yours,

Wm. J. Niemi, Regional Engineer
By:

M. W. Bales
Administrative Officer

cc: Mr. Downing
Right-of-way
Mr. Cunningham
Anchorage Division

RG 30, Bur. of Public Roads
E. G. D., Gen. Corr. & Related Recs., 1955-59
Box 1129



UNITED STATES
DEPARTMENT OF THE INTERIOR

THE ALASKA RAILROAD
P.O. BOX 7-2111
ANCHORAGE, ALASKA

October 8, 1959

Mr. Wm. J. Niemi
Regional Engineer
Bureau of Public Roads
Region Ten, P.O. Box 1961
Juneau, Alaska

Re: Contract No. I-3arr-2675
Alaska Road Commission

what trouble?

Dear Mr. Niemi:

In connection with the transfer of certain functions of the Bureau of Public Roads to the State of Alaska, as cited in the first paragraph of your letter of September 15, 1959, the Bureau of Public Roads presently leases 3.2 acres of land from the Railroad at Fairbanks, under the above referenced lease, that, if possible, we would like to have returned to the Railroad on any termination of its use by the Bureau of Public Roads.

This property has approximately 400 feet of frontage on the Steese Highway and with trackage constructed to serve it, the land would be ideal for warehousing in connection with rail traffic moving via the Railroad.

Should the State of Alaska need additional ground for its headquarters and yards near the wye track in the Railroad Yards, I will be happy to give consideration to any such request made by them.

Very truly yours,

R. M. Anderson
R. M. Anderson
General Manager

I	A	TO	INT.
2		R.E.	
		A.R.E.	
1		ADP.	
		C. & M.	
		DES.	
		P. & P.	
3		M. & R.	

RG 30, Bur. of Public Roads
E. 6 D, Gen Corr. + Related Recs, 1955-59
Box 1129

P. O. Box 1961
Juneau, Alaska

10-00.1

October 15, 1959

Mr. R. H. Anderson
General Manager
The Alaska Railroad
P. O. Box 7-2111
Anchorage, Alaska

Dear Mr. Anderson:

Acknowledgement is made of your letter of October 8, 1959, with further reference to our September 15 request that certain areas under lease agreement between the Alaska Railroad and the Bureau of Public Roads (as successor to the Alaska Road Commission) be considered for lease to the State of Alaska.

As you know our request was predicated upon the provisions of the Alaska Omnibus Act, whereby the Secretary of Commerce was directed to transfer to the State of Alaska, lands, or interest in lands, buildings and fixtures, all personal property including machinery, office equipment, supplies and all records pertaining to roads in Alaska which are owned, held, administered by, or used by the Secretary in connection with the activities of the Bureau of Public Roads in Alaska. This transfer was accomplished in greater part by a conveyance and quitclaim deed as of the close of business June 30, 1959. A few items were not included in this initial transfer because of undetermined vested rights, questionable items, and a few areas where our installations are located on land occupied by lease or contract. Such an area is that which is subject to your letter of October 8.

This subject area is the location of our Fairbanks Division Depot installation which contains ten major structures. These structures include a large garage and machine shop combined, warehouse, administration building, carpenter shops, a soils testing laboratory, a paint shop, and several warm storage buildings. The installation includes our own sewage system, water system, and underground fuel tanks.

The return of this area to the Alaska Railroad, as suggested in your letter, would necessitate the replacement of this installation elsewhere in the Fairbanks area. Such replacement would be

When + name transferred?
See School
65A # 6110
60127
School C
65A 60064
ARR 1.07
arr

Mr. R. H. Anderson

- 2 -

October 15, 1959

at a cost of an estimated minimum amount of \$1,500,000, exclusive of any land cost. An expenditure of such an amount is now, and would be for several years beyond possible consideration by the State, and the loss of the present installation would constitute a major setback to the Alaska highways program. In recognition of the State's financial status, the Congress provided authorization in the Act for transitional grants of funds to assist the State in accomplishing an orderly transition from Territorial status to Statehood.

These grants were authorized to facilitate the assumption by the State of responsibilities heretofore performed by the Federal Government. Insofar as these grants are concerned, it was not anticipated that any of these funds would be required for the replacement of any highway system installations. The transfer by the Secretary of Commerce as noted hereinbefore was directed by the Congress for the purpose of constituting the physical properties of a highway department of the State. Under section 44(b) of the Act, provision was made whereby a Federal agency may continue to provide services for an interim period, such interim period not to extend beyond June 30, 1964. Under this authority Governor Egan submitted a request to the President that the Bureau of Public Roads continue to perform highway functions during this transition period, or earlier as the State highway organization becomes able to assume such functions.

It is requested that you reconsider this situation and that the State be permitted to occupy the area comprising the Fairbanks installation. Your acquiescence to this request would be greatly appreciated. ✓

Sincerely yours,

Wm. J. Niemi
Regional Engineer

BUREAU OF PUBLIC ROADS

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. J. C. Allen, Assistant Commissioner for
24-00 Administration, Washington, D. C.

DATE: October 16, 1959

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

SUBJECT: Transfer of Property to State

Attached are copies of correspondence between Region 10, Bureau of Public Roads, and the Alaska Railroad.

This situation was discussed with Mr. Niemi by telephone this afternoon and identical copies are being transmitted to Washington for his information. During the conversation with Mr. Niemi it seemed advisable that a meeting be arranged between Bureau of Public Roads officials, including Mr. Niemi, and officials of the Department of Interior, particularly Mr. Anthony T. Lausi, Director, Office of Territories, and Mr. R. H. Anderson, General Manager of the Alaska Railroad. Mr. Anderson's office advised that he would be in Washington next week for the purpose of attending Hearings before the Bureau of the Budget. Possibly, the presence of Mr. Harold Seidman of the Bureau of the Budget would be advisable.

From conversations with Mr. Leland P. Draney, Comptroller of the Alaska Railroad, it appears that the provisions of Sec. 21 (a) (ii) were not considered in relation to the change of thinking by Mr. Anderson. ?

Mr. Niemi is due to arrive in Washington on the evening of October 21, 1959, and will be in your office the following morning.

Attachments:

BUREAU OF PUBLIC ROADS

Files

October 26, 1959

24-62

W. H. O'Donoghue, Chief
Property and Services Branch

Meeting Between Representatives of BPR, Alaska Railroad and
Office of Territories

At 2:00 p.m. on October 22, 1959, a meeting was held between representatives of the Bureau of Public Roads, the Alaska Railroad, and the Office of Territories. In attendance were Messrs. W. J. Niemi, J. Mauro, and W. H. O'Donoghue of the Bureau of Public Roads, Mr. R. H. Anderson of the Alaska Railroad, and Mr. K. Coulter and Mrs. Van Cleve of the Office of Territories. The purpose of the meeting was to determine if the Alaska Railroad would grant leases to the State of Alaska for the lands now leased to BPR and on which BPR has erected facilities which are now in the process of being transferred to the State of Alaska under the Alaska Omnibus Act. (The Bureau-owned Fairbanks Equipment Depot was used as an example for the purposes of the meeting since it had been the subject of earlier correspondence between Messrs. Niemi and Anderson.)

The representatives of BPR explained that under the provisions of the Alaska Omnibus Act the Bureau is required to transfer to the State of Alaska all activities not necessary to the performance of their changing role in Alaska. Some of these facilities were erected on land leased at no cost from the Alaska Railroad. Using the Fairbanks Equipment Depot as an example, BPR explained the State's need for these activities and the sizeable expenditures necessary if the State were required to move the facility. Mr. Anderson of the Alaska Railroad indicated that his organization was definitely interested in retaining the ownership of the lands but would pose no objection to leasing the lands to the State. Whether such leases would be at no cost to the State or at reasonable rentals would be a determination of the Alaska Railroad. The representatives of BPR pointed instances other than the Fairbanks Equipment Depot in which the Alaska Railroad owned the land and BPR owned the improvements. Mr. Anderson indicated that he could see no reason why leases could not be granted to the State in each instance.

The meeting concluded with the understanding that Mr. Anderson would reply to Mr. Niemi's latest letter on the Fairbanks Equipment Depot, stating the Alaska Railroad's position and referring to this meeting.

WHO'Donoghue:ccc
cc: Files

Mr. J. Mauro Mr. Niemi ✓ Mr. O'Donoghue Reader File

gm

ALASKA OMNIBUS ACT

MAY 19, 1959.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ASPINALL, from the Committee on Interior and Insular Affairs, submitted the following

R E P O R T

[To accompany H.R. 7120]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 7120) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes, having considered the same, report favorably thereon without amendments and recommend that the bill do pass.

INTRODUCTION

H.R. 7120 was introduced after hearings on three predecessor bills (H.R. 6091 by Representative Aspinall, H.R. 6109 by Representative O'Brien, of New York, and H.R. 6112 by Representative Saylor). It includes the amendments agreed upon in committee when H.R. 6091 was marked up. The predecessor bills were introduced as a result of an executive communication from the Director of the Bureau of the Budget dated March 24, 1959, enclosing a draft of bill which he recommended be enacted. This draft bill had been prepared in the Bureau of the Budget after consultation with all agencies of the executive branch administering Federal statutes which were, or might be thought to have been, affected by the admission of Alaska into the Union.

Since the bill recommended by the Bureau of the Budget included many subjects which, taken separately, would ordinarily be handled by other standing committees of the House, the chairman of the Committee on Interior and Insular Affairs on April 2, addressed letters to the chairmen of the Committees on Agriculture, Armed Services, Banking and Currency, Education and Labor, Government Operations, Interstate and Foreign Commerce, Judiciary, Merchant Marine and Fisheries, Public Works, Veterans' Affairs, and Ways and Means

R630, Bur. of Public Roads
E.6.D, Gen Comm. Related Res., 1955-59
BOX 1129

inviting their attention to the bill and requesting any suggestions they might care to offer. The replies received were carefully considered by the committee. Some of the suggestions will be found incorporated in the present bill. Others referred to matters which, the committee was advised, will be covered in a further bill which the Bureau of the Budget is now working on. The present bill is limited to matters of State-Federal relations and matters affecting the scope of Federal operations in Alaska. The new bill will deal with what may be called the housekeeping provisions under which Federal agencies operate in Alaska.

DISCUSSION

The purposes of H.R. 7120 were aptly summarized by the spokesman for the Bureau of the Budget, Mr. Harold Seidman, in his appearance before the committee at the hearing on H.R. 6091 and its companions in this way:

H.R. 6091 is designed to make those changes in Federal laws which have become necessary and desirable because of Alaska's admission into the Union "on an equal footing with the other States in all respects whatever." The President recommended in his 1960 budget message that, where necessary, changes should be made in Federal laws "to apply to Alaska the same general laws, rules, and policies as are applicable to other States." The bill would (1) make Alaska eligible to participate in a number of Federal grant-in-aid programs on a comparable basis with the other States; (2) terminate certain special Federal programs in Alaska; (3) authorize various measures required to facilitate an orderly transition, including property transfers and transitional grants; (4) clarify the applicability of certain laws to Alaska; and (5) eliminate inappropriate references to the Territory of Alaska in Federal statutes.

Examples of the first category mentioned by Mr. Seidman are the provisions of section 18 relating to grants-in-aid of education, section 24 relating to vocational rehabilitation, section 28 relating to the Water Pollution Control Act, and section 32 relating to various programs under the Social Security Administration. Those sections are designed to apply to Alaska the same apportionment and matching formulas that are applicable to other States.

Examples of the second category are the provisions of section 21 relating to highways, section 31 relating to general health and mental health grants, section 35 relating to airports, and section 39 relating to recreation facilities. The net Federal expenditures for these activities, if they were not discontinued, would be about \$10,260,000 in fiscal year 1960. The President's budget for the fiscal year 1960, however, carries no requests for funds for any of these activities except highway maintenance. Discontinuance of authority for appropriations for this purpose is delayed 1 year under the bill because of commitments that have already been made.

A system of transitional grants, intended to ease the effects of the discontinuance of the special Federal functions just listed, is a part of the third category mentioned by Mr. Seidman. It is set out in section 44(a) of the bill which authorizes appropriations of \$10,500,000 for the fiscal year 1960, \$6 million for each of the fiscal years 1961 and

1962, and \$3 million for each of the fiscal years 1963 and 1964. Other provisions in this category are those of section 45 authorizing the President to transfer to the new State property which is no longer needed by the United States because of the termination of curtailment of services in Alaska and section 46 providing for the creation of a three-man Commission to adjust disputes between the State and the United States with respect to property transfers.

The fourth and fifth categories fall in the class of perfecting amendments to existing law. Numerous examples will be found in the section-by-section analysis of the bill printed later in this report.

COST

The committee requested and was furnished by the Bureau of the Budget with a comparison between the costs which would be incurred by the United States if the special programs which are being terminated were not terminated and the amounts which are provided in section 44 of the bill by way of transitional grants. Other provisions of the bill will entail, at most, minor expenditures. It will be noted that, although the transitional grant program entails slightly greater expenditures during its 5-year period than the Budget estimates of costs if the special programs were continued—an average of about \$700,000 a year—the estimate assumes that there would be no appropriations for airport improvements after 1960, no appropriations for recreational facilities after 1961, and no appropriation for road maintenance after 1962. Confined as it is to the 5-year period, moreover, it does not purport to represent savings to the Federal Government after the close of the period.

The Bureau of the Budget presentation is contained in the following table:

Federal expenditures if Alaska remained a Territory

[Figures in thousands]

	1960	1961	1962	1963	1964
Anchorage and Fairbanks Airport capital improvements.....	\$4,500				
O. & M. costs (Anchorage and Fairbanks Airports).....	845	845	845	845	845
O. & M. costs (intermediate airports).....	593	593	593	593	593
Road maintenance costs.....	4,000	4,000	4,000		
Mental health grant.....	800	800	800	1,900	1,900
General health grant.....	638	638	638	638	638
Recreational program.....	100	100			
Subtotal.....	11,476	6,976	6,676	2,976	2,976
Less airport revenues.....	-1,215	-1,215	-1,215	-1,215	-1,215
Total.....	10,261	5,761	5,461	1,761	1,761
Actual proposed grant.....	10,500	6,000	6,000	3,000	3,000

¹ Represents a condensation of mental health grants authorized for 1963-67 which total \$1,800,000.

² Alaska will share in the Federal-aid highway program on regular basis, with no aid funds available for maintenance, beginning with the 1961 allotment. Since the 1961 allotment is actually made available to States beginning in 1960, Federal funds which would have been spent available for maintenance out of that allotment were included in computing the 1960 transitional grant.

SPECIAL MATTERS CONSIDERED

Since the section-by-section analysis printed later in this report sets out in considerable detail the various provisions of the bill and the reasons for including them, only a few of the subjects covered by the bill which attracted the committee's particular attention need be noted here.

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 E. G. D., Gen. Comm. Related Res., 1953-59
 Box 1129

Administration of fisheries

Section 6(e) of the Alaska Statehood Act (72 Stat. 339, 340) provided—

That the administration and management of the fish and wildlife resources of Alaska shall be retained by the Federal Government under existing laws until the first day of the first calendar year following the expiration of ninety legislative days after the Secretary of the Interior certifies to the Congress that the Alaska State Legislature has made adequate provision for the administration, management, and conservation of said resources in the broad national interest.

Section 2(b) of the bill proposes to change the 90 legislative days provision to 90 calendar days. The Secretary's certification was received by the Speaker of the House and the President of the Senate on April 28, 1959. In view of the uncertainty that exists with respect to the computation of 90 legislative days, the possibility that the 1st session of the 86th Congress may end before 90 such days, however computed, have expired and that this would prevent a transfer from taking effect until January 1, 1961 at the earliest, and the belief of the committee that 90 calendar days (which will almost certainly elapse before the end of the current session) will be enough to allow examination of the adequacy of the Alaska Legislature's work, the committee recommends enactment of section 2(b). This amendment of the basic act will not require a recertification by the Secretary.

Highways

Testimony of Alaska's Secretary of State Hugh J. Wade, speaking for Governor Egan as well as himself, on the subject of Alaska's participation under the Federal Aid Highway Act, as proposed in sections 21 and 44 of the bill, was carefully considered. For fear that substantial revenues from oil and other resource developments, including income from State lands, might not materialize in the next 4 years, Mr. Wade expressed grave doubt whether Alaska would be able to meet the cost of highway maintenance after expiration of the proposed 4-year transition period. He suggested that instead of immediate full participation under the act, an intermediate stage be provided for at least 10 years, during which Alaska's participation, which is now based upon the use of one-third of its area, would be based on two-thirds of its area and the privilege of using part of the money for maintenance would be continued. To bring this about he was even willing to see Alaska forego that portion of the proposed transition grant which would be attributable to Alaska's road program.

Although the committee realizes the dangers of which Mr. Wade spoke, it was deemed advisable, in the interest of maintaining uniformity with the other States, to carry through with the provisions of the bill which extend to Alaska full participation under the Federal Aid Highway Act with the understanding that only the events of the next 4 years will prove whether such decision is the feasible answer for Alaska under the unusual circumstances prevailing there.

Courts

Section 23 of the bill provides for sessions of the U.S. Court of Appeals for the Ninth Circuit at Anchorage and of the U.S. District

Court for the District of Alaska at Ketchikan. The committee considered representations made to it that the amount of Federal court business that is likely to develop in Alaska in the near future is unlikely to justify regular sittings in these two places. It also considered, on the other hand, representations that the striking of these provisions, particularly that relating to the court of appeals, might amount to a denial of justice and would certainly increase the cost to litigants of securing it. It concluded that section 23 should remain in the bill but calls attention to sections 48 and 140 of title 28, United States Code, permitting terms of court to be pretermitted in the absence of sufficient business or for other good cause.

Airports

Section 35 provides for the transfer to the State of Alaska of the airports now under the jurisdiction of the Federal Aviation Authority. These include the international airports at Anchorage and Fairbanks and 17 intermediate airports. The two international airports earn a net profit of about \$200,000 a year, but the intermediate airports are money losers. The Anchorage Airport handles about 125,000 aircraft arrivals and departures annually, the Fairbanks Airport 55,000. Of these 180,000 arrivals and departures, about 67,500 are military. The runways at the international airports will need to be lengthened and their lighting to be improved to accommodate jet traffic. A substantial portion of the transitional grants provided for in section 44 will be used for these purposes. The committee finds in the large volume of military traffic a special justification for the proposed transitional grant program.

Claims Commission

The committee marked up in several respects the original proposal relating to the potential establishment of a Commission to settle disputes arising out of the property transfer provisions of this act and of section 6(e) of the Alaska Statehood Act: (a) It has provided that the Commissioners shall be appointed with the advice and consent of the Senate; (b) it eliminated a provision making the Commissioners' decision "final and conclusive for all purposes"; (c) it has inserted a final date for any appointment of a Commission. The committee understands that it will be given an opportunity to review such rules and regulations as a Commission, if appointed, may set up.

Section 49

The committee noted that the bill, as submitted by the Bureau of the Budget, included a large number of provisions which merely strike out specific references to Alaska now contained in the statutes. These usually occur in connection with definitions of such terms as "State," "United States," "continental United States," and the like. The committee also noted that there are a substantial number of laws which are not so amended by the bill. Thought was given to attempting to ferret out all of these, but the task proved to be impracticable. In order to avoid any inference, from the inclusion of amendments to certain statutes and the omission of others, that it is Congress' intent that the latter shall cease to be applicable in or to Alaska, the committee drafted section 49 and recommends its enactment.

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SECTION-BY-SECTION ANALYSIS

This analysis, except for those parts which deal with amendments made by the committee, was prepared by the Bureau of the Budget and accompanied the executive communication referred to above.

SHORT TITLE

Section 1 provides that the act may be cited as the Alaska Omnibus Act.

FEDERAL JURISDICTION

Section 2(a) would amend section 4 of the Statehood Act. Section 4 now provides, in pertinent part, that Alaska and its people disclaim any right (a) to any lands in Alaska the right or title to which is now held by the United States, except for land granted to Alaska by the Statehood Act, and (b) to land and property held by Alaska natives or held in trust by the United States for such natives. The section further provides that "all such lands * * * shall be and remain under the absolute jurisdiction and control of the United States." It was intended that such absolute jurisdiction would apply to native lands only ((b) above), but the language actually enacted appears to comprehend the lands described in both (a) and (b). The amendment would make clear that "the absolute jurisdiction and control of the United States" does not apply generally to land held by the United States in Alaska, but only to land and property held by natives or by the United States in trust for natives.

Subsection (b) of this section was added by the committee for the reasons stated above.

TERMINATION OF APPLICATION OF CERTAIN FEDERAL LAWS

Section 3 provides a date on which certain laws enacted by the Congress, relating to the regulation of commerce within Alaska, shall cease to apply to the State of Alaska. Section 8(d) of the Statehood Act provides that a law "enacted by the Congress the validity of which is dependent solely upon the authority of the Congress to provide for the government of Alaska prior to the admission of the State of Alaska into the Union" shall be regarded as a "Territorial law" and that such a law shall continue in force and effect throughout the State except as modified or changed by action of the State legislature. The foregoing language has been interpreted by the executive branch of the Federal Government as continuing in effect in the State of Alaska those portions of U.S. laws which provide for the regulation of intra-territorial commerce by agencies of the United States. In the language of section 8(d), such laws will continue in effect "except * * * as modified or changed by the legislature of the State." In order to make explicit the date such laws of the United States shall cease to be applicable, this section of the bill provides that, either (a) on July 1, 1961, or, if it occurs earlier, (b) on the effective date of any State law relating to the same subject matter as the pertinent law of the United States, such law of the United States shall cease to apply. In the absence of an explicit date, considerable confusion might arise as to the continued responsibility of a Federal agency. The section makes

clear that such Federal responsibility will cease whenever the State takes legislative action in a field formerly regulated by the United States.

SUGAR ACT

Section 4 amends the Sugar Act by providing a definition of the term "continental United States." In the absence of such a definition, the term has been administratively construed to exclude the Territory of Alaska. The new subsection would make clear that it includes the 49 States and the District of Columbia. As a result, the determinations by the Secretary of Agriculture concerning sugar requirements in the continental United States will henceforth include the requirements of Alaska. Thus, sugar either imported or marketed for shipment into Alaska will be charged against a quota.

SOIL BANK ACT

Section 5 would perpetuate in the State of Alaska the treatment accorded to the Territory of Alaska under the conservation reserve program of the Soil Bank Act. The act has no practical application to Alaska at this time and is not now being administered there. This condition is likely to continue for the foreseeable future. Consequently, the amended provision concerning the geographical application of the program would make clear that the conservation reserve program of the Soil Bank Act applies to Alaska only if the Secretary of Agriculture determines that such application would be in the national interest.

ARMED FORCES

Section 6 would provide in subsection (a) a perfecting amendment to title 10 of the United States Code by amending the definition of the term "Territory" to delete the existing reference to Alaska. Subsection (b) would amend two definitions in article 2 of the Uniform Code of Military Justice which describe persons subject to the code. Under the definitions in existing law, "persons serving with, employed by, or accompanying the Armed Forces" and "persons within an area leased by or otherwise reserved or acquired for the use of the United States" are subject to the code if they are outside that part of Alaska east of longitude 172° west, the Canal Zone, Hawaii, Puerto Rico, the Virgin Islands, and Guam. The amendments in subsection (b) would have the effect of according the same treatment to such persons in Alaska west of the 172d meridian as is already accorded to those east of it. Subsection (c) strikes the special and now unnecessary reference to Alaska in a section which comprehends all of the States.

NATIONAL BANK ACT

Section 7 relates to the reserve balances required of national banks that are not members of the Federal Reserve System and that are located in Alaska or outside the continental United States. Because section 19 of the Alaska Statehood Act requires that all national banks in Alaska be members of the Federal Reserve System, section 5192 of the Revised Statutes no longer has application to Alaska, and this section of the proposed bill would thus eliminate the reference to it.

FEDERAL RESERVE ACT

Section 8 provides two perfecting amendments to the Federal Reserve Act, to reflect Alaska's inclusion in the Federal Reserve System pursuant to section 19 of the Statehood Act.

HOME LOAN BANK BOARD

Section 9 would provide perfecting amendments to two statutes administered by the Federal Home Loan Bank Board. The Federal Home Loan Bank Act and the Home Owners' Loan Act of 1933 would each be amended by striking references to Alaska as a Territory.

NATIONAL HOUSING ACT

Section 10 provides amendments to the National Housing Act. The amendments would have the effect of perpetuating in the State of Alaska the treatment received by Alaska as a Territory.

COAST GUARD

Section 11 would amend the provision of law authorizing the appointment of commissioned officers of the Coast Guard as U.S. commissioners or U.S. deputy marshals in Alaska. The amendment is perfecting only and removes references to "the Territory of" Alaska.

SECURITIES AND EXCHANGE COMMISSION

Section 12 provides amendments to certain statutes administered by the Securities and Exchange Commission. Those contained in subsection (a) through (d) are perfecting only, merely removing unnecessary references to Alaska in definitions of the term "State." Subsection (e) would amend a section of the Investment Company Act of 1940 which provides an exemption from the provisions of the act to companies organized under the laws of the territories and possessions which confine offerings of their securities to residents of such territories or possessions. The effect of the amendment would be to remove Alaska from the areas (all of which are territories and possessions) to which the special exemption applies, and to accord to it the same treatment as the other States receive.

SOIL CONSERVATION

Section 13 would amend two provisions of the Soil Conservation and Domestic Allotment Act. Section 8(b) of that act requires that, in the administration of the law "in the continental United States," the Secretary of Agriculture must use county committees, and that no committee may represent more than one county or parts of different counties. Heretofore the term "continental United States" has been administratively construed to exclude Alaska, with the result that, in Alaska, three committees only are now in operation, each serving an area which includes more than one county or parts of different counties. With statehood, Alaska may now be regarded as within the continental United States. If so, adherence to section 8(b) would require the establishment of far more committees in Alaska than

would be suitable for Alaska's relatively small program. Therefore, subsection (a) of this section of the bill would remove the requirement with respect to the areas represented by committees in the case of Alaska. Subsection (b) is a perfecting amendment, designed only to reflect Alaska's new status.

BALD EAGLES

Section 14 amends the statute providing protection to bald eagles. Existing law protects the bald eagle "within the United States or any place subject to the jurisdiction thereof, except the Territory of Alaska." Because the bald eagle is now virtually extinct except in Alaska, the protection afforded by the statute should apply to Alaska as well. The amendment contained in this section would achieve that result.

WILDLIFE RESTORATION

Section 15 would amend the statute providing grants to the States and territories for wildlife restoration in order to remove references to the Territory of Alaska from the section relating to grants to the territories. The amendments are perfecting only, since Alaska will necessarily be accorded the treatment of a State as a result of the Statehood Act.

FISH RESTORATION

Section 16 would amend the statute providing grants to the States and territories for fish restoration in order to remove references to the Territory of Alaska from the section relating to grants to the territories. The amendments are perfecting only, since Alaska will necessarily be accorded the treatment of a State as a result of the Statehood Act.

CRIMINAL CODE

Section 17, subsections (a) and (b), provide amendments to the Federal Youth Corrections Act and to a 1958 statute relating to parole, which, under the terms of existing law, apply "in the continental United States other than Alaska." When the U.S. District Court for the District of Alaska is established, pursuant to the Statehood Act, such laws should apply to the State. Subsection (c) provides that the application of the laws in question to Alaska will commence on that date. Subsection (d) was added by the committee at the suggestion of the Committee on Armed Services to eliminate a provision in title 18, United States Code, section 1385, which permits the use in Alaska, but not elsewhere in the United States, of members of the Army and Air Force as a posse comitatus.

EDUCATION

Section 18 provides certain amendments to the laws relating to education.

Subsection (a), relating to the National Defense Education Act of 1958, amends section 103(a), section 302(a)(3), and section 1008 of the act (20 U.S.C.A., secs. 403(a), 442(a)(3)(B), and 588), so as to eliminate the special treatment of Alaska. The amendment to section 302(a)(3) would eliminate the exclusion of Alaska from the continental

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United States for purposes of determining the allocation of funds to States for acquisition of mathematics, science, or modern foreign language equipment. The amendments to sections 103(a) and 1008 would put Alaska on the same basis as the other States for purposes of allocations of funds for the acquisition of such equipment, allocations of funds for State programs of expansion or improvement of public school supervisory services in mathematics, science, or modern foreign language, and allocations of funds for counseling and guidance and testing programs.

Under section 47, these amendments would be effective in the case of allotments for acquisition of equipment based on allotment ratios which are promulgated after per capita income data for Alaska for a full year are available from the Department of Commerce. They would be effective in the case of allotments for State programs of expansion or improvement of supervisory services, or for counseling and guidance and testing programs, for fiscal years beginning July 1, 1959.

Subsection (b), in paragraph (1), relating to vocational education, amends section 4 of the Smith-Hughes vocational education law. This section provides for allotments to the States for teacher training in agriculture, trades and industries, and home economics, and includes an authorization of separate appropriations for the \$10,000 minimum allotment provided for the States for this purpose. The \$90,000 authorized for the latter purpose would be insufficient to provide the minimum for Alaska as well as the other States, and hence it would be increased by the bill to \$98,500.

In order to qualify for funds allocated under this law for vocational education in the field of agriculture, trades and industries, or home economics, a State must "have taken advantage of" an amount at least equal to the minimum allotment for teacher training in that field. In addition, the law requires at least 20 percent of a State's allotment for teacher training to be expended in each of the three fields and places a limitation of 60 percent of the teacher-training allotment on the amount which may be expended in any one of the three fields. These requirements and limitations would be made inapplicable to Alaska until the third fiscal year which begins after the enactment of the bill. Similar treatment was accorded the other States when the law was first enacted at which time they were given a 3-year grace period during which these provisions were not applicable.

Subsection (b), in paragraphs (2) and (3), also amends the Vocational Education Act of 1946 to eliminate from the definitions of "State" and "States and Territories," the specific mention of Alaska. These are purely technical amendments.

Subsection (c), relating to school construction assistance in federally affected areas, amends paragraph (13) of section 15 of Public Law 815 (81st Cong.), as amended (20 U.S.C.A., sec. 645(13)), which defines the term "State." The amendment would eliminate the specific reference to Alaska. This is a purely technical amendment.

Subsection (d), relating to school operation assistance in federally affected areas, amends section 3(d) of Public Law 874 (81st Cong.), as amended (20 U.S.C.A., sec. 238 (d)). This section of the law sets forth the method of determining the local contribution rate used in computing the amount of the payments to local school districts on

account of federally connected children attending their schools. The determination of the rate for the Territories, including Alaska, is, however, separately provided for, with the Commissioner of Education authorized to make the determination consistent with the policies and principles provided for the determination of the rate in the case of school districts in other States.

The amendments to this section of the law would eliminate the specific mention of Alaska as one of the "States" to whom the specific provision applies, but would make the special provision applicable to any State in which a substantial portion of the land is in unorganized territory for which a State agency is the local educational agency. This would include Alaska at the present time and probably for the next 15 or 20 years. It might conceivably include also other States, although this is not likely. Consequently, the amendments will not have any practical effect upon Alaska in the foreseeable future. These amendments would also specifically include Alaska in the continental United States for purposes of determining the average per pupil expenditure therein, which is used, in turn, in determining the minimum local contribution rate.

These amendments would, under section 47, be applicable beginning with the next fiscal year.

Subsection (d)(4) of section 18 of the bill also amends paragraph (8) of section 9 of Public Law 874 which defines the term "State." The amendment would eliminate the specific reference to Alaska. This is a purely technical amendment.

IMPORTATION OF MILK AND CREAM

Section 19 would make clear that the act of February 15, 1927, which regulates the importation of milk and cream into the "continental United States," applies to Alaska.

OPIUM POPPY CONTROL

Section 20 would provide a perfecting amendment to the Opium Poppy Control Act of 1942. It would strike a now superfluous reference to the Territory of Alaska.

HIGHWAYS

Section 21 would provide for the assumption by the State of Alaska of the functions now performed by the other States in connection with the construction and maintenance of roads. It would direct the Secretary of Commerce to transfer to Alaska without compensation, but subject to conditions which he may deem desirable, all of the real and personal property now held by the Bureau of Public Roads in connection with its current responsibilities in Alaska, except for such property as the Bureau will require in continuing to perform in Alaska, as elsewhere in the States, its usual Federal functions and functions for which the State may contract under section 44(c), and except for lands which must be retained for purposes other than or in addition to road purposes. It is intended that the date of transfer be July 1, 1959, if practicable, or as soon thereafter as would be practicable. Henceforth, Alaska will be responsible for road maintenance, as it

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has not been in the past. However, Alaska would be able to utilize Federal-aid funds apportioned for the fiscal year ending June 30, 1960, and prior years, and unobligated on the date of passage of this act, for maintenance during fiscal years 1960, 1961, and 1962. To assist it in road construction, the section further provides for the extension to Alaska of the laws relating to Federal aid for highways on the same terms as are applicable to the other States. Citations within the section are keyed to Public Law 85-767, approved August 27, 1958.

INTERNAL REVENUE

Section 22 contains amendments to the Internal Revenue Code of 1954. All, except for that contained in subsection (b), are perfecting in nature, merely removing references to Alaska which are now superfluous. Subsection (b) relates to the definition of the phrase "continental United States" for purposes of the transportation tax. The explicit terms of existing law (i.e., the "continental United States" means "the existing 48 States and the District of Columbia"), excluded the Territory of Alaska, with the result that a partial exemption from the tax was permitted for trips between the Territory of Alaska and the States. The effect of the amendment contained in subsection (b) will be to accord to Alaska, as a State, the same treatment it received as a Territory, and thus to preserve a distinction between Alaska and the other States. The Treasury Department has concluded that it would be contrary to the intent of the Congress, as expressed in 1956, to remove this partial exemption. The exemption was inserted in the law in 1956 in recognition of the fact that Alaska (and Hawaii) were far removed from the States and that transportation between the States and those two Territories involved travel over the high seas and/or a foreign country. When the exemption amendment was considered in the Senate, the possible effect of future statehood was discussed in a memorandum submitted by Senator Morse (Congressional Record, Mar. 29, 1956, p. 5831). His statement asserted that statehood should not change the exemption. On this basis, the Treasury Department considers that the partial exemption continues, notwithstanding Alaska's admission to the Union. Enactment of subsection (b) would confirm that conclusion.

COURTS

Section 23, in subsection (a), amends the Judicial Code so that the Court of Appeals for the Ninth Circuit will be required to hold sessions in Anchorage annually. That court is now by law required to hold sessions each year in San Francisco, Los Angeles, Portland, and Seattle. Subsection (b) amends the Judicial Code to provide that the Federal District Court for the District of Alaska shall be held in Ketchikan. Subsection (c) would perpetuate the authority of the Attorney General to fix fees and allowances for witnesses in connection with the Federal court in Alaska. Current fees and allowances, established pursuant to 48 United States Code, section 25, are set forth at 28 CFR 21.3. Fees and allowances for witnesses in Federal courts, excluding Alaska, are set forth at 28 United States Code, section 1821. Under the provision of subsection (c) of this section of the bill; Alaska would continue to be excluded from section

1821 of title 28. Subsection (d), in effect, provides for the transfer to the State of moneys, derived from court fees and fines, held by the clerks of the district court of the Territory. This subsection was amended in committee to provide for approval by the Administrative Office of the United States Courts of payments ordered by the court which would diminish the amount to be turned over.

VOCATIONAL REHABILITATION ACT

Section 24 relates to vocational rehabilitation.

Subsection (a) amends section 11(g) of the Vocational Rehabilitation Act. This section of the act defines the term "State." The amendment would eliminate the specific reference to Alaska and is a technical amendment.

Subsection (b) amends subsections (h) and (i) of section 11 of the Vocational Rehabilitation Act. These subsections define the terms "allotment percentage" and "Federal share." The amendments would eliminate the special provisions under which the allotment percentage for Alaska is set at 75 percent and the Federal share at 60 percent, and would provide for the determination of these to be made in accordance with the relative per capita income of Alaska, as is done in the case of other States. The amendments would also eliminate the exclusion of Alaska from the continental United States for purposes of determining the allotment percentages and Federal shares for the States. Under section 47 of this bill, the above amendments would be applicable to allotment percentages and Federal shares promulgated after there are available per capita income data for Alaska for a full year from the Department of Commerce, and following a short transition period.

GOLD RESERVE ACT

Section 25 would remove a now obsolete reference to the Territory of Alaska contained in the Gold Reserve Act of 1934.

SILVER PURCHASE ACT

Section 26 would remove a now obsolete reference to the Territory of Alaska contained in the Silver Purchase Act of 1934.

NATIONAL GUARD

Section 27 would provide a perfecting amendment to the definition of "Territory" for purposes of title 32 of the United States Code, relating to the National Guard.

WATER POLLUTION CONTROL ACT

Section 28 provides certain amendments to the Water Pollution Control Act.

Subsection (a) of this section amends section 5(h)(1) of the Federal Water Pollution Control Act. This section defines the term "Federal share" which is used for determining the portion of the cost of the water pollution control program in each State which will be borne by the Federal Government. The amendments would eliminate the special treatment for Alaska so that Alaska would, for purposes of

the definition, no longer be excluded from the continental United States and would have its Federal share determined, as in the case of the other States, on the basis of its relative per capita income.

Under section 47, these amendments would be effective for promulgations of the Federal shares made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (b) of this section of the bill amends section 11(d) of the Federal Water Pollution Control Act, which defines "State," to eliminate the special mention of Alaska. This is a purely technical amendment.

VETERANS' ADMINISTRATION

Section 29(a) relates to the authority of the Veterans' Administration under section 903(b) of title 38 (Public Law 85-857), to transport the bodies of veterans who have died in VA facilities. Existing law provides that (a) when a death occurs in the continental United States, transportation may be provided "to the place of burial in the United States"; (b) when a death occurs in the continental United States, transportation may be provided to the place of burial within Alaska if the deceased was an Alaska resident and if he had been brought to the United States for VA hospital care; and (c) when a death occurs in a Territory, Commonwealth, or possession, transportation may be provided to the place of burial within such Territory, Commonwealth, or possession. Under existing law therefore, no explicit provision is included for the transportation of deceased veterans from Alaska to the other States, although the statute might reasonably be construed, as a consequence of Alaska's admission, to permit this result. Similarly, there is no explicit provision for the transportation of deceased veterans from the other States to Alaska, in the absence of a finding that the deceased was an Alaska resident brought to another State for care. Section 29(a) of the proposed bill would make both of these results certain, and in so doing would remove the statutory distinctions between Alaska and the other States. Subsection (b) is a perfecting amendment only.

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

Section 30 provides two perfecting amendments to the Federal Property and Administrative Services Act. The first would make clear that the term "continental United States" includes Alaska, and the second would remove an unnecessary reference to Alaska in the definition of the term "State."

PUBLIC HEALTH SERVICE ACT

Section 31 provides certain amendments to the Public Health Service Act.

Subsection (a) amends section 2(f) of the Public Health Service Act which defines the term "State" for purposes of the act. This is a purely technical amendment eliminating the specific inclusion of Alaska as a State.

Subsection (b) would repeal section 371 of the Public Health Service Act relating to the Alaska mental health program. Section 371 author-

izes grants totaling \$4 million for the fiscal years 1960 through 1967, for the administration of Alaska's mental health program. The subsection also amends section 372 of such act, relating to the grant already made for the construction of a hospital and related facilities for the care of the mentally ill. The amendments to section 372 eliminate references to Alaska as a Territory.

Subsection (c), relating to hospital and medical facilities construction, amends section 631(a) of the Public Health Service Act. This section describes the method of determining allotment percentages which are used in the allocation of the appropriations for hospital and medical facilities construction under title VI of the Public Health Service Act. They are also used in connection with determining the Federal share of the cost of construction. The amendments would eliminate the special treatment for Alaska so that Alaska would, for purposes of determining the allotment percentages, no longer be excluded from the continental United States and would have its percentage based, as in the case of the other States, on its relative per capita income. Its Federal share would also be determined in the manner provided for the other States.

Under section 47, these amendments would be applicable in the case of promulgations of allotment percentages and Federal shares made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (c) also amends section 631(d) of the Public Health Service Act, which defines the term "State," to eliminate the specific reference to Alaska. This is a technical amendment.

SOCIAL SECURITY ACT

Section 32 provides certain amendments to the Social Security Act.

Subsection (a), relating to public assistance, amends section 1101(a)(8) of the Social Security Act (20 U.S.C.A., sec. 1301(A)(8)). This section defines the term "Federal percentage" which is used in determining the portion of the expenditures in each State for old-age assistance, aid to dependent children, aid to the blind, or aid to the permanently and totally disabled which will be borne by the Federal Government. The amendments would eliminate the special treatment for Alaska so that Alaska would, for purposes of the definition, no longer be excluded from the continental United States and would have the determination of its Federal percentage made, as in the case of the other States, on the basis of its relative per capita income.

These amendments to section 1101(a)(8) of the Social Security Act would, under section 47 of the bill, be effective for promulgations of the Federal percentages made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (b), relating to child welfare services, amends section 524 of the Social Security Act (42 U.S.C.A., sec. 724). This section defines the terms "allotment percentage" and "Federal share" for purposes of determining the allocation of the appropriations for child welfare services under part 3 of title V of the Social Security Act among the States and the portion of the expenditures for this purpose in each State which will be borne by the Federal Government.

The amendments would eliminate the special treatment for Alaska so that Alaska would, for purposes of the definitions, no longer be ex-

cluded from the continental United States and would have the determinations of its allotment percentage and its Federal share made, as in the case of the other States, on the basis of its relative per capita income.

The amendments made by this subsection of the bill would, under section 47 of the bill, be effective for promulgations of allotment percentages and Federal shares made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (c), relating to old-age, survivors, and disability insurance, amends the last sentence of section 202(i) of the Social Security Act. This section of the act provides for lump-sum payments in certain cases of death of an individual insured under the old-age survivors, and disability insurance program. The application for such payments must be filed within 2 years of the date of death, except that, in the case of the death outside the 48 States and the District of Columbia of a member of the Armed Forces (including commissioned officers of the Public Health Service and the Coast and Geodetic Survey) who is "returned" to any of the 48 States, the District, or any U.S. Territory or possession for interment or reinterment, the 2-year period begins with such interment or reinterment. This special treatment would no longer be provided in the case of deaths in Alaska. It should be noted that the 2 years may be extended for as much as an additional 2 years if good cause for the failure to file within the initial 2-year period is shown.

The subsection (c)(1) amendment would, under section 43 of the bill, be effective in the case of deaths occurring on or after January 3, 1959.

Subsection (c) of the bill also amends subsections (h) and (i) of section 210 of the Social Security Act which define "State" and "United States" for purposes of the old-age, survivors, and disability insurance program. These are purely technical amendments, eliminating the specific inclusion of Alaska as a State, since this inclusion became automatic upon Alaska's admission to the Union.

Subsection (d) amends paragraphs (1) and (2) of section 1101(a) of the Social Security Act which define "State" and "United States" for purposes of the act. These are technical amendments.

CONGRESSIONAL RECORD

Section 33 amends the law relating to the gratuitous distribution of copies of the Congressional Record. Existing law provides that the Governors of the States shall receive one copy in both daily and bound form, while the Governors of the Territories receive five in both daily and bound form. The amendment would strike the reference to Alaska in the latter provision so that the Governor of the new State would be accorded the treatment of a State Governor rather than a Territorial Governor.

FEDERAL REGISTER

Section 34 amends the Federal Register Act so that henceforth publication in the Federal Register of notice of hearing will be regarded as notice to persons residing in Alaska, as well as elsewhere in the mainland United States. Under circumstances described in the statute, such publication is, under existing law, adequate with respect

to residents of the continental United States excluding Alaska. The amendment would extend the provision to Alaska as well.

AIRPORTS

Section 35(a) would authorize and direct the Administrator of the Federal Aviation Agency to convey to the State of Alaska, without reimbursement, the airports at Anchorage and Fairbanks which were constructed and have been operated and maintained by the United States under the act of May 28, 1948. Subsection (b) would permit completion of certain FAA contracts following such conveyance.

SELECTIVE SERVICE

Section 36 would remove an unnecessary reference to Alaska in the section of the Universal Military Training and Service Act which defines the term "United States." The amendment is perfecting only.

REAL PROPERTY TRANSACTIONS

Section 37 amends the statute which requires the Director of the Office of Civil and Defense Mobilization to come into agreement with the Armed Services Committees of the Congress with respect to certain real property transactions. The amendment would merely remove a superfluous reference to Alaska.

RECREATION FACILITIES

Section 38 relates to the statute which authorizes the Secretary of the Interior to construct public recreation facilities in Alaska. As enacted in 1956, the law authorizes the appropriation of \$100,000 each year for the 5 fiscal years ending June 30, 1961, for the construction and maintenance of such facilities, and provides for their transfer to Alaskan agencies or communities. The effect of the provision contained in section 38 is to terminate the existing authorization for appropriations and to substitute for it an authorization of funds for 1 fiscal year only. Such funds could be expended only for the completion of projects begun prior to June 30, 1959, but not completed by that date, and for the maintenance of facilities constructed under the act pending their transfer to Alaska.

AIRCRAFT LOAN GUARANTEES

Section 39 would provide a perfecting amendment to the 1957 statute (set out as a note following 49 U.S.C., sup. V, sec. 425) which authorizes loans for the purchase of aircraft and equipment.

DEFENSE BASE AND WAR HAZARDS COMPENSATION ACTS

Sections 40 and 42 were added in committee at the suggestion of the Bureau of the Budget after question had been raised by the committee staff. Their purpose is to amend the Defense Base Act (55 Stat. 622) and the War Hazards Compensation Act (56 Stat. 1028) to resolve liability questions arising from Alaska's statehood.

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The Defense Base Act provides workmen's compensation protection to employees of private employers working outside the continental United States in defense base areas and to employees of Federal contractors employed outside the continental United States upon public works in the territories and Alaska and foreign countries. The War Hazards Act provides benefits related to war hazards, to be paid by the Federal Government, primarily for employees covered by the Defense Base Act.

On January 14, 1959, the Alaska Industrial Board announced that it would apply the Alaska Workmen's Compensation Act in the Federal domain in Alaska, effective January 3, 1959, the date of statehood, under the act of June 25, 1936 (49 Stat. 1938), permitting such State action. A potential workmen's compensation liability exists, therefore, respecting employers of workers on Federal property in Alaska under both the Defense Base Act and the Alaska Workmen's Compensation Act.

The purpose of the two sections is to preclude such dual liability by deleting reference to Alaska from the Defense Base Act and the War Hazards Act and adding a definition of "continental United States" to the acts to make it clear that Alaska comes within this term.

Paragraph (b) of section 42 would amend the provisions of section 104 of the War Hazards Compensation Act relating to reimbursement by the Federal Government of payments made under contracts by reasons of war hazards, to make it clear that these provisions would no longer apply within Alaska.

Since the Canal Zone does not fall within the proposed definition of "continental United States," it is unnecessary to refer to it for Defense Base Act and War Risk Compensation Act coverage and it is accordingly deleted from these acts by the pertinent draft sections.

TIMBER REMOVAL

Section 41 was added by the committee to avoid any possibility that the continued reference to Alaska as a Territory in the act of March 3, 1891, as amended (16 U.S.C. 607) relating to defenses in connection with civil and criminal timber trespass cases and the like would be taken to mean that the permissible defenses are no longer available under statehood.

BUY AMERICAN ACT

Section 43 was added by the committee to eliminate the now inappropriate reference to Alaska in section 1(b) of title III of the act of March 3, 1933 (41 U.S.C. 10c(b)) which defines the terms used in the body of the act to include "use by, public building of, and public work of, the United States, the District of Columbia, Hawaii, Alaska," etc.

TRANSITIONAL GRANTS

Section 44 in subsection (a) authorizes the appropriation to the President of funds to be used for transitional grants to the State of Alaska for fiscal years 1960 through 1964. A \$10,500,000 grant is authorized for 1960, \$6 million for 1961 and for 1962, and \$3 million for 1963 and for 1964. The grants would not be earmarked and would

be available as a general supplement to the financial resources of the State. The amounts appropriated for transitional grants would be offset to a large extent by the elimination of appropriations for a number of activities which the Federal Government would have continued to finance in Alaska had it remained a Territory. Those include appropriations for capital improvements at Anchorage and Fairbanks Airports; operation and maintenance of intermediate airports; special grants for mental and general health; and construction of recreational facilities. There was also taken into account the fact that Federal-aid highway funds allocated to Alaska after 1960 will not be available for road maintenance and that Alaska would receive revenues from the Federal airports transferred to it.

Subsection (b) would allow the Governor of Alaska to request that a Federal agency continue to provide services and facilities in Alaska for a limited period, pending the taking over of such responsibilities by the State. In the event that the Governor's request is approved, funds for the provision of the services or facilities by the Federal agency would be allocated to it from the grants appropriated under subsection (a), and the grant Alaska receives for the pertinent fiscal year would be correspondingly reduced.

Subsection (c) would authorize the head of a Federal agency, who has transferred to the State of Alaska property or functions pursuant to either the Statehood Act, this bill, or another law, to contract with the State for the continued performance by his agency of functions authorized to be performed by it in Alaska preceding such transfer. The authority would expire June 30, 1964. The State would be required to reimburse the Federal agency for the functions performed by it under contract.

TRANSFER OF PROPERTY

Section 45 would authorize the President to give to the State of Alaska any property owned or held by the United States in Alaska and used in connection with functions performed by the Federal Government which have been taken over by the State. The authority would terminate July 1, 1964.

CLAIMS COMMISSION

Section 46 provides for the establishment, should the need arise, of a temporary three member Commission to hear and settle any dispute between the Federal Government and Alaska concerning the transfer of Federal property to the State. In both the Statehood Act (notably sec. 6(e)), and this bill (see secs. 21, 35, and 41), provision is made for the transfer or conveyance of certain Federal property to Alaska. If the respective governments should not agree as to what property is comprehended by such sections, the President would be authorized to appoint a temporary Commission to settle the dispute. The Commission would make no money settlements, but would merely decide which jurisdiction is entitled to the disputed property. Members would receive \$50 per day, would be reimbursed for travel, and would receive a per diem allowance when away from their usual places of residence. Committee amendments to this section have been pointed out above.

EFFECTIVE DATES

Section 47 contains the effective dates for the various amendments to the laws establishing the grant programs of the Department of Health, Education, and Welfare. Most of these provisions have been discussed in relation to the sections amending the pertinent statutes. In addition, subsection (a) of this section provides that where the statutory provisions amended require the allotment percentage, allotment ratio, Federal percentage, or Federal share to be based on per capita income data for a specified period, the determinations will be based, prior to the time when data for the required period are available, on data for the 1-year or 2-year period for which such data are available. Subsection (g) was added by the committee in view of its previous insertion of sections 40 and 42. This subsection is intended to make it clear that injuries occurring in employments subject to the Defense Base Act in Alaska after January 3, 1959, and until the effective date of amendments provided by the first two draft sections may be adjudicated under the Workmen's Compensation Act of Alaska.

DEFINITION OF "CONTINENTAL UNITED STATES"

Section 48 provides that, when the phrase "continental United States" is used in Federal laws enacted after the date of enactment of this bill, the phrase shall mean the 49 States of the North American Continent and the District of Columbia. The committee notes that the expression "continental United States" appears elsewhere in the bill, sometimes with the addition of "including Alaska," sometimes with the addition of "excluding Alaska." It is regrettable that a completely uniform understanding of the expression cannot be had, but the variety of statutes in which it occurs makes this impossible. It is the hope of the committee that future legislation will not use it except in those rare instances where it is unavoidable.

OTHER SUBJECTS

Section 49 was added by the committee for the reasons which have been set forth earlier in this report.

SEPARABILITY

Section 50 provides a separability clause.

EXECUTIVE COMMUNICATION

The executive communication from the Bureau of the Budget, dated March 24, 1959, is set forth below:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 24, 1959.

HON. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: There is forwarded herewith a draft of legislation to amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes, together with a section-by-section analysis thereof.

This proposal is designed to make those changes in Federal laws which have become necessary and desirable because of Alaska's admission into the Union "on an equal footing with the other States in all respects whatever." The President recommended in his 1960 budget message that, where necessary, changes should be made in Federal laws "to apply to Alaska the same general laws, rules, and policies as are applicable to other States." The proposed legislation would (1) make Alaska eligible to participate in a number of Federal grant-in-aid programs on a comparable basis with the other States; (2) terminate certain special Federal programs in Alaska; (3) authorize Federal financial assistance to Alaska during an interim period, transfers of Federal property to the State, and other measures required to facilitate an orderly transition; (4) clarify the applicability of certain laws to Alaska; and (5) eliminate inappropriate references to the "Territory of Alaska" in Federal statutes.

Alaska already participates in the majority of Federal grant-in-aid programs on the same basis as other States. There are a number of Federal grant-in-aid programs, however, where Alaska is still accorded, as it was when a Territory, treatment different from that of other States. We believe that Alaska, as a full and equal member of the Union, should not receive more or less favorable treatment than other States under these programs. The proposed legislation, therefore, would amend pertinent laws providing Federal assistance for national defense education, vocational education, school construction and operation in federally affected areas, highway construction, vocational rehabilitation, water pollution control, hospital and medical facilities construction, old-age assistance, aid to dependent children, aid to the blind, aid to the permanently and totally disabled, and child welfare services to bring Alaska under the apportionment and matching formulas applicable to all other States as soon as possible. Since the 1960 apportionments have already been made, Alaska would not participate in the Federal-aid highway program on an equal basis until 1961. Transitional provisions have been included in the proposed amendments to the Smith-Hughes Act, which authorizes grants for vocational education, and the Vocational Rehabilitation Act so as to minimize the effects of any program adjustments which may be required during the transitional period. Those special Federal grants which apply only to Alaska for general and mental health and construction of recreation facilities would be terminated.

The Federal Government at present constructs and maintains highways, operates commercial airports and provides a number of other services and facilities in Alaska normally furnished by State and local governments. The President stated in his 1960 budget message that, in the longrun interest of both the State and the Nation, "the Federal Government should not continue special programs in Alaska which, in other States, are the responsibility of State and local governments or of private enterprise." Since some time necessarily will elapse before Alaska can benefit fully from the revenues to be derived from public lands and other resources to be made available to the State by the Statehood Act, the President recommended that "the Federal Government should provide such financial assistance as is necessary to facilitate transfer to the State of such programs as highway construction and maintenance, airport operations, and public health services." If such assistance were not provided, the Federal Government

would be faced with the undesirable alternative of postponing transfer of these functions to the State for an indefinite period. The proposed legislation, therefore, would authorize the payment of transitional grants to the State of Alaska in an amount of \$10.5 million for the fiscal year 1960 and in declining amounts for the subsequent 4 years. In addition, to assist the State in establishing its court system, the draft bill would transfer to the State any outstanding balances in the accounts of the clerks of the Territorial courts at such time as the Federal District Court for Alaska is established. Under the proposed legislation Alaska could choose between receiving the entire transitional grant and administering the transferred programs directly or by contract with a Federal agency, or requesting that a portion be used for financing continued Federal operations during an interim period. Expenditures for the transitional grants to Alaska would be offset to a large extent by the elimination of existing special Federal programs in Alaska.

It is recognized that Alaska will require not only financial assistance, but also facilities and equipment, if it is expeditiously to assume responsibility for functions now performed by the Federal Government. The Statehood Act provides that U.S. property situated in Alaska which is used for the purpose of conservation and protection of fisheries and wildlife in Alaska shall be transferred to the State without reimbursement. The proposed legislation would authorize the President to make similar transfers of property and equipment in any case where the State assumes responsibility for functions formerly performed by the Federal Government. In the event of differences between the Federal Government and Alaska concerning property transfers, the President would be authorized to appoint a temporary three member Commission to hear and settle the disputes.

As a consequence of Alaska's changed status, it is believed appropriate to require the Court of Appeals for the Ninth Circuit to hold sessions in Alaska annually. Under the proposed legislation that court, which is now required by law to hold sessions each year in San Francisco, Los Angeles, Portland, and Seattle, would be required to hold sessions in Anchorage. The proposed legislation further provides that the U.S. District Court for the District of Alaska shall hold sessions in Ketchikan, as well as at Anchorage, Fairbanks, Juneau, and Nome.

The proposed legislation would extend the applicability of certain Federal laws to Alaska. These include the Sugar Act, a portion of the Investment Company Act of 1940, not hitherto applicable to certain Alaska companies, the act of June 8, 1940 (protection of bald eagles), the Federal Youth Corrections Act, certain provisions relating to parole, a statute relating to the transportation of bodies of veterans who have died in Veterans' Administration facilities, and section 29 of the Federal Register Act (notice of hearings). The draft bill would also amend the Statehood Act to clarify Federal jurisdiction over public domain lands; provide for the termination of certain "Territorial laws" administered by Federal agencies; and clarify the applicability to Alaska of the statute regarding the importation of milk and cream and the nonapplicability of the tax on transportation; provide for the transfer of the Anchorage and Fairbanks Airports to the State; and provide a definition to be applicable in the future of the term

"continental United States." Several of the provisions of the draft bill are essentially technical and perfecting in nature and either eliminate inappropriate references to Alaska or make other language changes which are considered appropriate because of Alaska's changed status.

The Bureau of the Budget urges early and favorable consideration of the proposed legislation, since its enactment is required to assure continuity of a number of essential public services in Alaska and to provide for the orderly transition of Alaska from Territorial status to statehood.

Sincerely yours,

MAURICE H. STANS, *Director.*

A BILL TO amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alaska Omnibus Act".

FEDERAL JURISDICTION

SEC. 2. Section 4 of the Act of July 7, 1958 (72 Stat. 339), providing for the admission of the State of Alaska into the Union, is amended by striking out the words "all such lands or other property, belonging to the United States or which may belong to said natives", and inserting in lieu thereof the words "all such lands or other property (including fishing rights), the right or title to which may be held by said natives or is held by the United States in trust for said natives".

TERMINATION OF APPLICATION OF CERTAIN FEDERAL LAWS

SEC. 3. Any Territorial law, as that term is defined in section 8(d) of the Act of July 7, 1958 (72 Stat. 339, 344), providing for the admission of the State of Alaska into the Union,

(a) which provides for the regulation of commerce within Alaska by an agency of the United States, and

(b) the application of which to the State of Alaska is continued solely by reason of such section 8(d), shall cease to apply to the State of Alaska on June 30, 1961, or on the effective date of any law enacted by the legislature of the State of Alaska which modifies or changes such Territorial law, whichever occurs first.

SUGAR ACT

SEC. 4. Section 101 of the Sugar Act of 1948, as amended (7 U.S.C., Sup. V, sec. 1101), is further amended by adding thereto a new subsection, to be designated subsection "(o)" and to read as follows:

"(o) The term 'continental United States' means the 49 States and the District of Columbia."

SOIL BANK ACT

SEC. 5. Section 113 of the Soil Bank Act (7 U.S.C., Sup. V, sec. 1837), is amended to read as follows: "This subtitle B shall apply to the continental United States, except Alaska, and, if the Secretary determines it to be in the national interest, to the State of Alaska, the Territory of Hawaii, the Commonwealth of Puerto Rico, and the Virgin Islands, and as used in this subtitle B, the term "State" includes Hawaii, Puerto Rico, and the Virgin Islands."

ARMED FORCES

SEC. 6. (a) Title 10, United States Code, section 101(2), is amended by striking out the words "Alaska, Hawaii," and inserting in lieu thereof the word "Hawaii".

(b) Title 10, United States Code, sections 802(11) and 802(12), are each amended by striking out the words "that part of Alaska east of longitude 172 degrees west,"

(c) Title 10, United States Code, section 2662(c), is amended by striking out the word "Alaska,".

NATIONAL BANK ACT

SEC. 7. Section 5192 of the Revised Statutes, as amended (12 U.S.C., sec. 144), is further amended by striking out the words "in Alaska or".

FEDERAL RESERVE ACT

SEC. 8. (a) Section 1 of the Federal Reserve Act, as amended (12 U.S.C., sec. 221), is further amended by deleting the period at the end of such section and inserting in lieu thereof the following: "; the term 'the continental United States' means the States of the United States and the District of Columbia."

(b) Section 19 of the Federal Reserve Act, as amended (12 U.S.C., sec. 466), is further amended by striking the words "in Alaska or".

HOME LOAN BANK BOARD

SEC. 9. (a) Paragraph (3) of section 2 of the Federal Home Loan Bank Act, as amended (12 U.S.C., sec. 1422(3)), is further amended by striking out the words "Territories of Alaska and Hawaii" and inserting in lieu thereof the words "Territory of Hawaii".

(b) Section 7 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C., sec. 1466), is further amended by striking out the words "continental United States, to the Territories of Alaska and Hawaii" and inserting in lieu thereof the words "continental United States (including Alaska), to the Territory of Hawaii".

NATIONAL HOUSING ACT

SEC. 10. The National Housing Act is amended by

(a) striking out the word "Alaska," in sections 9, 201(d), 207(a)(7), 601(d), 713(q), and 801(g) (12 U.S.C., secs. 1706d, 1707(d), 1713(a)(7), 1736(d), 1747 1(q); Sup. V, sec. 1748(g));

(b) striking out the words "the Territory of Alaska," in section 207(c)(2) (12 U.S.C., Sup. V, sec. 1713(c)(2)), and inserting the word "Alaska" in lieu thereof;

(c) striking out the words "the Territory of Alaska or in Guam" in section 214 (12 U.S.C., Sup. V, sec. 1715d, 48 U.S.C., Sup. V, sec. 484d), and inserting the words "Alaska, Guam," in lieu thereof; and

(d) striking out the word "Territory" in the two places where it appears in section 806 (12 U.S.C., Sup. V, sec. 1748e), inserting the word "State" in lieu thereof.

COAST GUARD

SEC. 11. Title 14, United States Code, section 634(b), is amended by striking out the words "and for the territory of" in both places where they appear therein.

SECURITIES AND EXCHANGE COMMISSION

SEC. 12. (a) Paragraph (6) of section 2 of the Securities Act of 1933, as amended (15 U.S.C., sec. 77b(6)), is further amended by striking out the word "Alaska,".

(b) Paragraph 16 of section 3(a) of the Securities Exchange Act of 1934, as amended (15 U.S.C., sec. 78c(a)(16)), is further amended by striking out the word "Alaska,".

(c) Paragraph (18) of section 202(a) of the Investment Advisers Act of 1940, as amended (15 U.S.C., sec. 80b-2(a)(18)), is further amended by striking out the word "Alaska,".

(d) Paragraph (37) of section 2(a) of the Investment Company Act of 1940, as amended (15 U.S.C., sec. 80a-2(a)(37)), is further amended by striking out the word "Alaska,".

(e) Paragraph (1) of section 6(a) of the Investment Company Act of 1940, as amended (15 U.S.C., sec. 80a-6(a)(1)), is further amended by striking out the word "Alaska,".

SOIL CONSERVATION

SEC. 13. (a) Section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C., Sup. V, sec. 590h(b)), is further amended by inserting, immediately following the words "continental United States", the words "except in Alaska".

(b) Section 17(a) of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C., sec. 590q(a)), is further amended by striking out the words "the United States, the Territories of Alaska and Hawaii" and inserting in lieu thereof the words "the States, the Territory of Hawaii", and by striking out the word "Alaska" the second time it appears therein.

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BALD EAGLES

SEC. 14. Section 1 of the Act of June 8, 1940 (16 U.S.C., sec. 668), is amended by striking out the words "except the Territory of Alaska,".

WILDLIFE RESTORATION

SEC. 15. Section 8(a) of the Act of September 2, 1937, as amended (16 U.S.C., Sup. V, sec. 669g-1), is further amended by striking out the words "the Alaska Game Commission," "said Territory of Alaska," "not exceeding \$75,000 for Alaska, and", and "the Territory of Alaska,".

FISH RESTORATION

SEC. 16. Section 12 of the Act of August 9, 1950, as amended (16 U.S.C., Sup. V, sec. 777k), is further amended by striking out the words "the Alaska Game Commission," "said Territory of Alaska," "not exceeding \$75,000 for Alaska, and", and "the Territory of Alaska,".

CRIMINAL CODE

SEC. 17. (a) Title 18, United States Code, section 5024, is amended by striking out the words "other than Alaska" and inserting in lieu thereof the words "including Alaska".

(b) Section 6 of the Act of August 25, 1958 (72 Stat. 845, 847), is amended by striking out the words "other than Alaska" and inserting in lieu thereof the words "including Alaska".

(c) Subsections (a) and (b) of this section shall be effective on July 7, 1961, or on the date of the Executive order referred to in section 18 of the Act of July 7, 1958 (72 Stat. 339, 350), providing for the admission of the State of Alaska into the Union, whichever occurs first.

EDUCATION

SEC. 18. (a) (1) Subsection (a) of section 103 of the National Defense Education Act of 1958 (72 Stat. 1580, 1582), relating to definition of State, is amended by striking out "Alaska," each time it appears.

(2) Paragraph (3)(B) of section 302(a) of such Act (72 Stat. 1580, 1588), relating to definition of continental United States for purposes of allotments for science, mathematics and modern foreign language instruction equipment, is amended by striking out "does not include Alaska" and inserting in lieu thereof "includes Alaska".

(3) Section 1008 of such Act (72 Stat. 1580, 1605), relating to allotments to territories, is amended by striking out "Alaska,".

(b)(1) Section 4 of the Act of February 23, 1917 (20 U.S.C., sec. 14), relating to allotments for teacher-training,

is amended by striking out "\$90,000" and inserting in lieu thereof "\$98,500". The proviso in the last paragraph of section 5 of such Act (20 U.S.C., sec. 16) and so much of section 12 of such Act (20 U.S.C., sec. 22) as follows the last semicolon shall not be applicable to Alaska prior to the third fiscal year which begins after the enactment of this Act.

(2) Paragraph (1) of section 2 of the Vocational Education Act of 1946 (20 U.S.C., sec. 15i), relating to definition of States and Territories, is amended by striking out "the Territories of Alaska and Hawaii" and inserting in lieu thereof "the Territory of Hawaii".

(3) Subsection (e) of section 210 (20 U.S.C., Sup. V, sec. 15jj(e)), and subsection (a) of section 307 of such Act (72 Stat. 1580, 1600), relating to definition of State, are each amended by striking out "Alaska,".

(c) Paragraph (13) of section 15 of the Act of September 23, 1950, as amended (72 Stat. 548, 558), relating to definition of State, is amended by striking out "Alaska,".

(d)(1) The material in the parentheses in the first sentence of subsection (d) of section 3 of the Act of September 30, 1950, as amended, relating to determination of local contribution rate, is amended to read: "(other than a local educational agency in Hawaii, Puerto Rico, Wake Island, Guam, or the Virgin Islands, or in a State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency)".

(2) The fourth sentence of such subsection is amended by inserting "(including Alaska)" after "continental United States" the first time it appears in such sentence. The fifth sentence of such subsection is amended by inserting "(including Alaska)" after "continental United States" the second time it appears in such sentence.

(3) The last sentence of such subsection is amended by striking out "Alaska," and by inserting after "the Virgin Islands," the following: "or in any State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency,".

(4) Paragraph (8) of section 9 of such Act (20 U.S.C., Sup. V, sec. 244(8)), relating to definition of State, is amended by striking out "Alaska,".

IMPORTATION OF MILK AND CREAM

SEC. 19. Subsection (b) of section 9 of the Act of February 15, 1927 (21 U.S.C., sec. 149(b)), is amended by inserting the words "including Alaska" immediately following the words "continental United States".

OPIUM POPPY CONTROL

SEC. 20. Section 12 of the Opium Poppy Control Act of 1942 (21 U.S.C., sec. 188k), is amended by deleting therefrom the words "the Territory of Alaska,".

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HIGHWAYS

SEC. 21. (a) The Secretary of Commerce shall transfer to the State of Alaska by appropriate conveyance without compensation, but upon such terms and conditions as he may deem desirable, all lands or interests in lands, including buildings and fixtures, all personal property, including machinery, office equipment, and supplies, and all records pertaining to roads in Alaska, which are owned, held, administered by, or used by the Secretary in connection with the activities of the Bureau of Public Roads in Alaska, (i) except such lands or interests in lands, including buildings and fixtures, personal property, including machinery, office equipment, and supplies, and records as the Secretary may determine are needed for the operations, activities, and functions of the Bureau of Public Roads in Alaska after such transfer, including services or functions performed pursuant to section 40 of this Act; and (ii) except such lands or interests in lands as he or the head of any other Federal agency may determine are needed for continued retention in Federal ownership for purposes other than or in addition to road purposes.

(b) Notwithstanding any other provision of this section, any contract entered into by the Federal Government in connection with the activities of the Bureau of Public Roads in Alaska which has not been completed on the date of the transfer provided under subsection (a) hereof may be completed according to the terms thereof.

(c)(1) The State of Alaska shall be responsible for the maintenance of roads, including bridges, tunnels, and ferries, transferred to it under subsection (a) of this section, as long as any such road is needed for highway purposes.

(2) Federal-aid funds apportioned to Alaska under Title 23, United States Code, for fiscal year 1960 and prior fiscal years, and unobligated on the date of enactment of this Act, may be used for maintenance of highways on the Federal-aid systems in Alaska.

(d) Effective July 1, 1959, the following provisions of law are repealed:

- (1) Title 23, United States Code, section 103(f);
- (2) Title 23, United States Code, section 116(d);
- (3) Title 23, United States Code, section 119;
- (4) Title 23, United States Code, section 120(h), 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;
- (5) Sections 107 (b) and (d) of the Federal-Aid Highway Act of 1956 (70 Stat. 374, 377, 378);
- (6) Section 2 of the Act of January 27, 1905 (33 Stat. 616), as amended (48 U.S.C., sec. 322 et seq.); and
- (7) The Act of June 30, 1932 (47 Stat. 446), as amended (48 U.S.C., sec. 321(a) et seq.).

(e) Effective on July 1, 1959, the following provisions of law are amended:

(1) The definition of the term "State" in Title 23, United States Code, section 101(a), is amended to read as follows: "The term 'State' means any one of the forty-nine States, the District of Columbia, Hawaii, or Puerto Rico.";

(2) Title 23, United States Code, section 104(b), is amended by deleting the phrase "except that only one-third of the area of Alaska shall be included" where it appears in paragraphs (1) and (2) of said section 104(b);

(3) Title 23, United States Code, section 116(a), is amended by deleting the phrase "Except as provided in subsection (d) of this section," and by capitalizing the word "it" immediately following such phrase; and

(4) Title 23, United States Code, section 120(a), is amended by deleting the phrase "subsections (d) and (h)" and by inserting in lieu thereof the phrase "subsection (d)".

INTERNAL REVENUE

SEC. 22. (a) Section 2202 of the Internal Revenue Code of 1954 (relating to missionaries in foreign service), and sections 3121(e)(1), 3306(j), 4421(d)(4), and 4233(b) of such Code (each relating to a special definition of "State") are amended by striking out "Alaska,".

(b) Section 4262(c)(1) of the Internal Revenue Code of 1954 (definition of "continental United States") is amended to read as follows:

"(1) CONTINENTAL UNITED STATES.—The term 'continental United States' means the District of Columbia and the States other than Alaska."

(c) Section 4502(5) of the Internal Revenue Code of 1954 (relating to definition of "United States") is amended by striking out "the Territories of Hawaii and Alaska" and by inserting in lieu thereof "the Territory of Hawaii".

(d) Section 4774 of the Internal Revenue Code of 1954 (relating to territorial extent of law) is amended by striking out "the Territory of Alaska,".

(e) Section 7621(b) of the Internal Revenue Code of 1954 (relating to boundaries of internal revenue districts) is amended to read as follows:

"(b) BOUNDARIES.—For the purpose mentioned in subsection (a), the President may subdivide any State, Territory, or the District of Columbia, or may unite into one district two or more States or a Territory and one or more States."

(f) Section 7653(d) of the Internal Revenue Code of 1954 is amended by striking out "its Territories or possessions" and inserting in lieu thereof "its possessions or the Territory of Hawaii".

(g) Section 7701(a)(9) of the Internal Revenue Code of 1954 (relating to definition of "United States") is amended by striking out "the Territories of Alaska and Hawaii" and inserting in lieu thereof "the Territory of Hawaii".

(h) Section 7701(a)(10) of the Internal Revenue Code of 1954 (relating to definition of State) is amended by striking out "Territories" and inserting in lieu thereof "Territory of Hawaii".

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(i) The amendments contained in subsections (a) through (h) of this section shall be effective as of January 3, 1959.

COURTS

SEC. 23. (a) Title 28, United States Code, section 48, is amended by striking out the word "Seattle." and inserting in lieu thereof the words "Seattle, Anchorage."

(b) Title 28, United States Code, section 81 A, is amended by inserting the word "Ketchikan," immediately following the word "Juneau."

(c) Such authority as has been exercised by the Attorney General heretofore, with regard to the Federal court system in Alaska, pursuant to section 30 of the Act of June 6, 1900 (48 U.S.C., sec. 25), shall continue to be exercised by him after the court created by section 12(b) of the Act of July 7, 1958 (72 Stat. 339, 348), providing for the admission of the State of Alaska into the Union, is established.

(d) All balances of public monies received by the clerks of each division of the District Court for the Territory of Alaska pursuant to section 10 of the Act of June 6, 1900, as amended (48 U.S.C., sec. 107), which are on hand after all payments ordered by that Court shall have been made, shall be covered into the Treasury of the United States as required by law, and the Secretary of the Treasury shall pay the amounts so covered, which are hereby appropriated, to the State of Alaska.

VOCATIONAL REHABILITATION ACT

SEC. 24. (a) Subsection (g) of section 11 of the Vocational Rehabilitation Act (29 U.S.C., Sup. V, sec. 41(g)), relating to definition of State, is amended by striking out "Alaska,"

(b)(1) Subsection (i) and paragraph (1) of subsection (h) of such section, relating to definition of allotment percentages and Federal shares for purposes of allotment and matching for vocational rehabilitation services, are each amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)".

(2) Paragraph (1) of such subsection (h) is further amended by striking out "Alaska,"

(3) Such subsection (i) is further amended by striking out "Hawaii and Alaska" in clause (B) and inserting in lieu thereof "Hawaii".

GOLD RESERVE ACT

SEC. 25. Section 15 of the Gold Reserve Act of 1934, as amended (31 U.S.C., sec. 444), is further amended by striking out the words ", the District of Columbia, and the Territory of Alaska" and inserting in lieu thereof the words "and the District of Columbia".

SILVER PURCHASE ACT

SEC. 26. Section 10 of the Silver Purchase Act of 1934 (31 U.S.C., sec. 448b), is amended by striking out the words ", the District of Columbia, and the Territory of Alaska" and inserting in lieu thereof the words "and the District of Columbia".

NATIONAL GUARD

SEC. 27. Title 32, United States Code, section 101(1), is amended by striking out the words "Alaska, Hawaii," and inserting in lieu thereof the word "Hawaii".

WATER POLLUTION CONTROL ACT

SEC. 28. (a) Paragraph (1) of section 5(h) of the Federal Water Pollution Control Act (33 U.S.C., Sup. V, sec. 466d(h)(1)), relating to Federal share for purposes of matching for program operation, is amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)" and by striking out, in clause (B), "and Alaska".

(b) Subsection (d) of section 11 of such Act (33 U.S.C., Sup. V, sec. 466j(d)), is amended by striking out "Alaska,"

VETERANS' ADMINISTRATION

SEC. 29. (a) Title 38, United States Code, section 903(b), is amended by striking out the words ", or to the place of burial within Alaska if the deceased was a resident of Alaska who had been brought to the United States as a beneficiary of the Veterans' Administration for hospital or domiciliary care"; by inserting the word "continental" immediately before the words "United States" the second time they appear in such section; and by inserting, immediately following the words "continental United States" in both places where they appear in such section, the parenthetical phrase "(including Alaska)".

(b) Title 38, United States Code, section 2007(c), is amended by striking out the word "Alaska,"

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

SEC. 30. (a) Subsection (f) of section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C., sec. 472(f)), is amended by striking out the words ", Hawaii, Alaska," and inserting in lieu thereof the words "(including Alaska), Hawaii,"

(b) Subsection (a) of section 702 of such Act (40 U.S.C., Sup. V, sec. 522(a)), is amended by striking out the words "Territories of Alaska and Hawaii" and inserting in lieu thereof the words "Territory of Hawaii".