Referring to previous correspondence and discussions on the petition from the City council of Ketchikan for incorporation of a through street on the Forest Highway System. A meeting was held on June 21st in the city chambers of Ketchikan with the Mayor, the City Manager, and the Council. Mr. W. H. Johnson, Assistant Regional Forester, C. M. Archibold, Forest Supervisor in Ketchikan, and myself were present at the meeting representing the government agencies involved. In addition there were representatives of various civic organizations in Ketchikan and also representatives from the two local papers. Mr. Greeley, Regional Forester and Mr. Emerson, Assistant Regional Forester in charge of construction and roads were not able to be present and since Mr. Johnson is not too familiar with the road problems in Alaska, it was previously arranged that most of the explanation of the government's views in this matter were to be presented by me. We are enclosing a copy of the minutes of the metting which are substantially correct as presented. However, we have a few additional comments to make regarding the meeting.

In the last paragraph of the first page of the minutes it is stated that the city has commenced improving the streets to the tune of approximately \$4,280,000. It should be explained that of this amount of money approximately \$3,000,000 has been spent for construction and the remainder for right-of-way acquistion and engineering. The construction money has been matched fifty-fifty with an Alaska Public Works grant, so that in other words, the city has already received \$1,500,000 in Federal aid on the construction done so far. The statement was made at the meeting that the appropriations for Alaska Public Works have been cut and it is questionable if additional funds can be obtained from that source to assist the city to improve the streets.

After returning to Juneau I discussed this matter with Mr. Argetsinger of Alaska Public Works. He stated that there would be continued Federal aid from his office to Ketchikan and that at the present time another project amounting to about \$845,000.00 was scheduled for a budget hearing in August. He said that the limitation for aid to Ketchikan would be first, of couse, appropriations from Congress and secondly, the cities bonding capacity. The procedure under which these projects are constructed is that the Alaska Public Works constructs the project under contract, paying the bills and handling the project very much the same as we do ourselves. Upon completion the project is turned over to the community and the city officials sign bonds to the amount of 50% of the cost of the project. In other words the city does not have to sell the bonds on the commercial market, but the bonds are accepted by the government and we understand the interest rate is 2%.

N. W

In the third paragraph of the second page of the minutes, our statement reserding the additions to the Forest Highway System was that due to the present small amounts of money available in comparison to the needs for roads on the present system, the government agencies are reluctant to add to the system at the present time and that particularly the addition of city street which are normally not included on Forest Highway System, will have difficulty in getting approval. It was brought out that if the streets in Ketchikan were included in the system, other towns such as Juneau, Sitka, Wrangell and Petersburg would have to be considered to receive the same type of assistance. With the money available, it would take years to reconstruct the streets to adequate standards even if all the Forest Highway money available for construction was expended on these through streets.

Referring to paragraph no. 6 on page two of the minutes, this paragraph is not entirely correct in that Mr. Johnson's and my statement was that the Eureau of Public Roads and the Forest Service may possibly not object to the inclusion of the streets of the city as part of Route 1 if it were necessary in order to obtain special appropriations.

Paragraph seven on Page two refers to the possibility of transferring Forest Highway Route No. 1 to Alaska Road Commission. This was briefly discussed in connection with a bill in the present session of Congress which, if passed, will authorize the Road Commission to spend Federal funds on streets in towns connecting Federal highways on through routes, It was thought, however, by the City Manager, that this probably would not be of any assistance since the bill is worded in such a way that the towns in Southeastern Alaska would not be eligible since the road systems down here are not connected and do not consist of through roads.

It was suggested by Mr. Johnson and myself, that the city should explore the possibilities through Delegate Bartlett to obtain special funds from Congress to alleviate their situation. The City Manager, Mr. Sharp, said that such a move had been considered but that Mr. Bartlett's thoughts on the matter were that the street should first become part of the Forest Highway System before there could be any attempt made to obtain special funds. It is the opinion of the Forest Service officials here, and myself, that if we should take such a step and include the streets on the system and no special funds should be obtained, that it would be difficult to refuse the use of our regular funds on the streets. It is our opinion that the use of Forest Highway funds or even the inclusion of the Streets on the Alaska Forest Highway System is not the solution to the cities problem. We do agree that the city does have a problem, but believe that it will have to be worked out some other way. In this connection, the city is to have a meeting with Mr. Reed, Territorial Highway Engineer and a member of the Board of Road Commissioners from the First Judicial Division next week in an attempt to work out a solution through Territorial aid. It is doubtful, however, that the Territory will have enough funds to be of any material aid.

The City Manager did ask if there would be any objection on our part if they should write you directly presenting this problem and getting your advice, as to what could be done. We informed him that there would be no objections to his doing so, but requested that copies of any correspondence directly to your office be furnished us.

The meeting was very amicable. The city officials presented their problems and the Federal representatives outlined the Forest Highway Administration policies and the financial situation and there was no undue pressure brought to bear at any time during the meeting. We are enclosing duplicate clippings of the local newspapers reports of the meeting.

Encl.

Special Meeting of the Council called to order by Mayor Beck at 10:00 A.M., with Councilman Mathews, Jensen, Barber, Winston, Klepser, and Davies present.

Also in attendence were the following: Mr. Chris Wyller, District Engineer for the Bureau of Public Roads, Juneau; W. H. Johnson, Assistant Regional Forester, U. S. Department of Agriculture, Juneau; C. M. Archbold, Forest Service, Ketchikan; R. M. Hardcastle, representing the Chamber of Commerce, Ketchikan, and others.

Meeting was called pursuant to the adoption of Resolution No. 531 wherein the City of Ketchikan requested study of projects embracing road and highway needs through the City of Ketchikan.

City Manager, Robert Sharp, pointed out that during the fiscal years 1956-57 money available for the Federal-aid Highway Program would amount to \$966,000,000 per year. Federal contributions for urban road projects to be constructed as part of the Federal-aid Highway Program will amount to \$350,000,000 for the two-year period. In addition, there is an annual appropriation of \$91,000,000 for use on Forest Service Highway, Forest Developed Roads, Park Roads, Park Ways, Indian Roads, the Inter-American Highway and Rama Road.

It was also pointed out that Alaska is excluded from the Federal-aid Highway Program.

It was also revealed that in the thirteen public lands states, the Federal Government's share of projects amounts to as high as 72.35 per cent of the total cost.

There is now a bill before Congress, which has been approved by the Senate and House Committee on Interior Affairs, which will authorize the Alaska Road Commission to construct highways through municipalities and that, inasmuch as Southeastern Alaska roads are largely Forest Service Highways, the cities in this area will not receive the same benefits as the Interior Alaska cities will receive.

Lumber and pulp operations have recently increased in volume and upon the opening of the new Pulp Mill in Ketchikan and the resident manager, Mr. E. C. Haner, advises that:

"Number	of Employees living North of Ketchikan - approx. 35
Number	of Automobiles at Mill on Day Shift - " 129
Number	of Automobiles on Swing Shift - " 75
Number	of Automobiles on Graveyard Shift - " 75
Total	Number of Employees at Mill - # 450
	ted Number of Employees travelling - " 415
	rough North and of Katchikan

North Tongass Avenue, which is actually the connecting street between termini of Route No. 1, which is a Forest Service Highway, is a substandard street for the majority of its length.

1. This sub-standard street carries a traffic load in excess of 1200 cars per day and good engineering standards would dictate an improved hard surface road or highway 500 cars per day in a climate with an average annual rainfall of 150 inches.

The City has commenced improving it to the extent of approximately \$4,280,000 and construction for the balance of the improvements is estimated to amount to over \$3,500,000, plus the cost of engineering and right-of-way acquisition. The City's financial position is such that it cannot complete the improvement and actually the financial capacity of the City is needed for sanitary sewers, water improvements, library, fire station and similar general improvements.

Lack of financial ability and the great need for street improvements was the reason for the Council enacting Resolution No. 531 wherein the Bureau of Public Roads was requested to assist in the improvement of the highway through the City and connecting the Forest Service Highway.

Mr. Wyller concurred that an unimproved road with a traffic load of 500 vehicles in this climate made it impossible to maintain streets and that they should be improved.

Mr. Wyller stated that of the \$91,000,000 available for various types of Forest Service roads that only \$1,900,000 was available for Forest Service Highway Construction and Maintenance in Alaska and that the present road system required \$500,000 of this amount for maintenance, leaving a balance of \$1,400,000 for engineering, design, administration and construction of new highways. Both Mr. Wyller and Mr. Johnson pointed out that there was a back-log of forest service projects at the present time and for that reason the Forest Service and Bureau of Public Roads were not recommending adding any additional road-ways to the forest service system.

Mr. Wyller and Mr. Johnson suggested a possible solution of a special appropriation for this improvement project on North Tongass Avenue.

Mr. Johnson revealed that \$1,500,000 of Forest Service revenues was held in escrow under provision of Tongass Timber Act of 1947 and that 25% of this amount will eventually go to the Territory for highways and school construction and that 10% of the amount will go for roads and trails in the National Forest when it is released from escrow. Mr. Johnson further pointed out that the majority of this fund was derived from timber activities in the Ketchikan area.

Mr. Wyller and Mr. Johnson stated that they felt the Bureau and Forest Service would not object to including the streets within the City as a part of Route No. 1 if it were necessary in order to provide authorization for expenditures of special appropriation funds.

There was discussion as to the possibility of transferring Route No. 1 to the Alaska Road Commission inasmuch as that agency is, or shortly will be, authorized to construct streets through cities.

Mr. Victor Guns was present and told the Council of plans for Ferry Service between Metlakatla and Ketchikan and said their Company, which had been organized to operate the Ferry, were going to ask the Territory to install ferry slips.

The Clerk read request from Board of Control, Ketchikan Public Utilities, for approval of Improvement Orders 187, 188 and 189.

It was moved by Mr. Winston, seconded by Mr. Mathews, that Improvement Order No. 187, \$1,058.51; Improvement Order No. 188, \$17,591.91; Improvement Order No. 189, \$6,500.00 be approved. Roll was called and motion carried; Jensen, Klepser, Barber, Mathews, Winston and Davies voting "Yes".

No further business appearing, the meeting adjourned.

Geo. H. Beck, Mayor

ATTEST:

Bertha McKay, City Clerk