

CLERK'S OFFICE

APPROVED

Date: 7-21-98

Submitted by: Assemblymembers Bell, Carlson,
Clementson, Kendall, Murdy, Taylor, Von
Gemmingen, Wuerch, Abney, Meyer

Prepared by: Assembly Office

For reading: July 21, 1998

ANCHORAGE, ALASKA

AR NO. 98- 244

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING THE
MUDFLATS ROUTE FOR FUEL SUPPLY TO ANCHORAGE INTERNATIONAL AIRPORT

WHEREAS, Anchorage Fueling and Services Company (AFSC) has identified a need for
a new pipeline to transport jet fuel from the Port of Anchorage to Anchorage International Airport;
and

WHEREAS, AFSC is the consortium of airline companies formed in 1981 at the request of
the State of Alaska to own, operate, and maintain the fuel supply system at the airport; and

WHEREAS, safety issues have been identified with the existing 36-year old pipeline; and

WHEREAS, this current six-inch diameter pipeline cannot meet current jet fuel demand at
the airport; and

WHEREAS, a number of alternatives have been evaluated, and the preferred alternative
has been identified as a new twelve-inch diameter pipeline constructed along the coastal mudflats;
and

WHEREAS, the Mayor of Anchorage, the Anchorage Fire Chief, the Municipality of
Anchorage (MOA) Department of Community Planning and Development, MOA Department of
Public Works, the Port of Anchorage Commission, the Municipal Committee of the Anchorage
Chamber of Commerce, the Spenard Community Council, and the Downtown Community Council
have endorsed the mudflats route as the preferred alternative.

NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

That the Assembly supports the mudflats route as the preferred alternative for a new jet fuel
pipeline to replace the current pipeline.

PASSED AND APPROVED by the Anchorage Assembly this 21 day of July,
1998.

For Von Gemmingen

ATTEST:

Lepine Ferguson
Municipal Clerk

Municipality
of
Anchorage



P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 343-4431
Fax: (907) 343-4499
<http://www.ci.anchorage.ak.us>

Rick Mystrom, Mayor

May 28, 1998

OFFICE OF THE MAYOR

The Honorable Tony Knowles
Governor – State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Knowles:

I am extremely pleased with the successful legislation to revitalize the Anchorage International Airport, and appreciate your initiative and support in this regard. The "Alaska Gateway" project recognizes how essential both passenger and cargo air transportation are to all of Alaska.

It is also important to modernize and make safer the means by which jet fuel is transported to the airport. The existing Port of Anchorage to airport pipeline is 30 years old and running at full capacity with no leak protection mechanism. The volume of fuel required during peak seasons currently requires supplemental tanker trucks to meet the demand.

The contractor for the airline consortium (AFSC) is working to obtain a Clean Water Act (CWA) Section 404 permit from the Corps of Engineers to construct a new pipeline. Under the direction of the State Division of Governmental Coordination (DGC), a process was established in February 1998 to evaluate various modes of fuel transportation. Reasonable alternative routings were to be identified and analyzed. An evaluation of human safety issues and environmental impacts was called for on each alternative.

An independent third party environmental contractor performed this extensive study, with public and private input. Its findings have been completed and distributed to all concerned.

"City of Lights and Flowers"

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The process calls upon the Municipality to express a route preference at this time. A thorough review has been completed under the direction of Sheila Selkregg, Director of the Municipal Department of Community Planning and Development.

Although the final route permit will be issued by the Corp of Engineers, I have reviewed the human safety and environmental quality issues, and strongly recommend the "Mud Flat" alignment as the most optimum route.

I respectfully request the support of your Administration to help secure the expeditious approval of this route. The Municipality will insist that conditions are included in the necessary permits, which assure that construction, and operation of the pipeline is done in an environmentally sensitive manner. We will require state-of-the-art leak detection and location equipment and that a first class spill contingency plan is in place.

Anchorage International Airport is one of our most important economic engines, not only for the Municipality but also for the entire State. The integrity of the aviation fuel supply system is vital to sustained growth and future development.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rick Mystrom".

Rick Mystrom
Mayor

Enclosure: Recommendation letter to Maureen McCrea (DGC) from Department of Community Planning and Development dated May 19, 1998.

CC: Senator Ted Stevens
Senator Frank Murkowski
Congressman Don Young

Municipality of Anchorage



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Rick Mystrom, Mayor

DEPARTMENT OF COMMUNITY PLANNING AND DEVELOPMENT

May 19, 1998

Maureen McCrea
State of Alaska
Division of Governmental Coordination
3601 C Street, Suite 370
Anchorage, AK 99503-5930

Subject: Jet Fuel Pipeline

Dear Ms. McCrea:

The Municipal Department of Community Planning and Development has reviewed the final Revised Draft document **Potential Construction and Operations Impact, Analysis of Fuel Supply Alternatives for Anchorage International Airport** [April 1998]. The Final document reviewed includes the above referenced April Draft, Appendices to the Draft (including some omitted March 1998 items), a set of Maps and the May 14, 1998 letter of Addenda. The Department of Community Planning and Development finds that the process that led to this report has been thorough and responsive. This report has facilitated an appropriate technical review of the proposal.

It is important to note at the outset that the current mode of jet fuel transport from the Port to AIA and the potential jet fuel supply shortages within the airport represent unacceptable potential problems that require immediate action. The need for a new, safe and risk-minimized method of jet fuel transport is essential both to the health and safety of this community and to maintaining a viable lifeline to Alaska's most important air hub.

As we have stated from the start of this process, we recognize that all of the proposed routes include environmental, health and safety risk factors. There is no risk free route. We acknowledge this fact and wish to move on now to selecting the best possible route and providing mitigation measures in a manner that minimizes risks of the final alternative. We find that ConAM, the Municipality and the airport are committed to continue to work towards that end within context of the permit and Coastal Zone Consistency review process.

The Planning Department has coordinated intra-Municipal department discussion and reviews of the jet fuel issue since the original summer-1997 proposal surfaced. Several Municipal agencies have reviewed the alternative alignments, methods of fuel transport and other relevant items related to the issues and have offered responses to the Planning Department and to ConAM. In addition, the Municipal Geotechnical Advisory Commission has provided review on two different occasions. Common themes within the review process have focused on public health and safety, social and environmental risks as well as impacts and engineering feasibility.

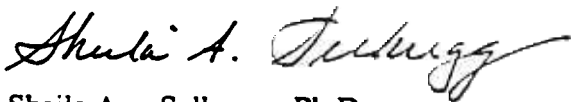
Maureen McCrea
May 19, 1998
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Although several of the alternatives had relative merit, the Department of Community Planning and Development finds that the most feasible, practical and safe alternative to move jet fuel from the Port to the AIA is via one of the mudflats alignments. This is not to say that other identified alternatives are without merit, rather, that given the exhaustive details presented in the impacts assessment documents, and the projected needs of the airport, the mudflats pipeline appears to be the optimal mode of jet fuel transport.

As outlined in the working group review process, the next step in the jet fuel project is the further detailing of technology, logistics and costs relative to the four options that rated low hazard and impact in the alternatives assessment. This detailing will be done on the four options that rated low hazard and impact in the alternative assessment analysis and will provide the final information necessary to identify a preferred alignment. Although the Department of Community Planning and Development recognizes the mudflats route as the most feasible pipeline alignment, the Department still remains interested in information regarding the submarine pipeline alignment. Subsequent to this analysis, a preferred alternative alignment will be identified and outlined in a project description that will be reviewed for permitting and Coastal Zone Consistency.

The agency and Municipal responses and reactions during several stages of this project's review have benefited both the process and the decisions leading up to the final design and alignment of this jet fuel transport action. We look forward to working with the project proponent and the agencies within the Coastal Zone consistency review process to further minimize all risks and to ensure the mechanisms for the long-term viability of this section of Anchorage's coastal zone. This jet fuel issue represents a critical decision for the community. It has challenged us to continue to meet critical community economic development needs in the context of the long-term sustainability of our environment. The forum, within which this decision continues to be reviewed, represents a fair and appropriate format to lead us to the best-designed alternative.

Sincerely,



Sheila Ann Selkregg, Ph.D.
Director

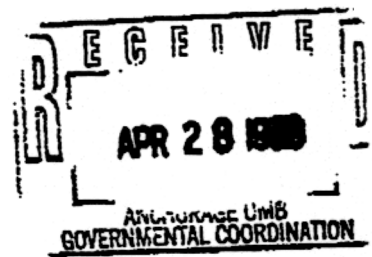
cc: Diane Mayer, DGC-Juneau
Jane Angvik, ADNRR
DGC Distribution

April 27, 1998

Ms. Maureen McCrea
Division of Governmental
Coordination
3601 C St. Ste. 370
Anchorage AK 99503



Anchorage - Star of the North
Chamber of Commerce



Dear Ms. McCrea:

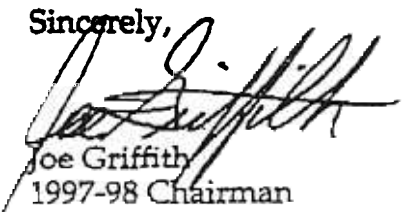
The Anchorage Fueling and Service Company's proposed port-to-airport fuel pipeline project has a potential for significant impact, not only on operations at the airport, but on the community at large. The importance of the airport as an engine for economic growth and expansion, both to Anchorage and the state, is clear. The capability to move fuel from the Port of Anchorage to Anchorage International Airport must be expanded if we are to provide a fuel supply adequate to meet current and projected growth in air traffic through this crucial hub. The necessity of trucking fuel from the port to the airport during peak months, with its attendant hazards, is sufficient testimony to the inadequacy of the existing cross-town pipeline.

As we move toward final route selection, however, the potential economic impact of a protracted period of construction on local businesses and property owners along the cross-town route alternatives is of concern. It appears that the environmental study process affords relatively little weight to the economic burden imposed on those along the construction path. Moreover, selection of a cross-town route for the pipeline would dramatically increase right-of-way acquisition and construction costs, would extend the time required to complete construction, and would disrupt traffic flow through critical areas of town for an extended period of time.

The Board of Directors of the Anchorage Chamber of Commerce urges you not to limit your evaluation to the parameters of the study, but to consider *all* factors during your reviews of the route selection study. Based on a limited review of the environmental study, selection of a route running partially through the tidal mud flats, which minimizes the footprint footprint through the developed areas of Anchorage, appears to be the most efficient, most cost effective, least disruptive route. It presents an acceptable level of risk in all categories evaluated, and it affords the earliest completion date.

Your early attention to this matter, which has significant potential to affect one of our city's most important economic engines, will be appreciated. Also, if possible, we would like to be included in your mailing list for this project.

Sincerely,


Joe Griffith
1997-98 Chairman



PORT COMMISSION MEMORANDUM

NO : R98-02
.....

DATE: June 17, 1998
FROM: Port Commission
SUBJECT: Anchorage Fueling and Service Companies (AFSC) Jet Fuel
Pipeline From the Port of Anchorage to Anchorage International Airport.

A RESOLUTION OF THE ANCHORAGE PORT COMMISSION ENDORSING THE SELECTION OF THE COASTAL MUDFLAT ROUTE AS THE PREFERRED AND ONLY PRACTICAL ROUTE FOR THE CONSTRUCTION OF THE NEW TWELVE-INCH JET FUEL PIPELINE FROM THE AFSC FACILITY AT THE PORT OF ANCHORAGE TO THE AFSC FACILITY AT ANCHORAGE INTERNATIONAL AIRPORT. THIS NEW PIPELINE WOULD REPLACE THE OLD SIX-INCH CROSS TOWN PIPELINE.

WHEREAS: the Anchorage Fueling and Service Company's proposed Port to Airport jet fuel pipeline project is critical to the continued growth and economic development of Anchorage International Airport, Municipality of Anchorage and the State of Alaska; and,

WHEREAS: the existing six-inch Crosstown Pipeline, built in 1962 and in service for the past 36 years, has outlived its usefulness and can no longer meet the current and projected jet fuel delivery requirements of Anchorage International Airport; and,

WHEREAS: the Anchorage Port Commission is aware of the economic significance of the International Airport and its key role in local, state, national and international commerce and recognizing that it is imperative that freight and cargo move efficiently entering, departing and within the transportation system of this City to stimulate continued economic development; and,

WHEREAS: After reviewing all other alternative Port to Airport jet fuel pipeline routes and considering the various impacts associated with each, the most feasible, practical and safe alternative is the coastal mudflat route, and,



SPENARD COMMUNITY COUNCIL

4691 Newcastle Way
Anchorage, Alaska 99503

SCCR 98-09

Anchorage International Airport Jet Fuel Supply Pipeline Project

WHEREAS, the Spenard Community Council recognizes the importance of the Anchorage International Airport to the economy of Anchorage as well as the State's economy, and

WHEREAS, the domestic and international air transportation infrastructure of Anchorage is centered at the Anchorage International Airport, and

WHEREAS, the Spenard Community Council shares with the Turnagain and Sand Lake Community Councils, the impact of the operation, expansion, and increased business development of the Anchorage International Airport, and

WHEREAS, the Spenard Community Council is a strong advocate for protection of residential neighborhoods, beautification and upgrading of commercial businesses' areas, long-range transportation planning and development, and

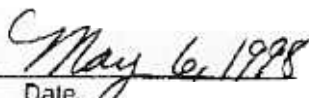
WHEREAS, the natural environment within the Council's boundaries is related to the unique trail system, provides traffic noise buffers and privacy screening for residential areas, and other recreation opportunities such as park enhancements, and ball fields boundaries, and

WHEREAS, the construction of a new pipeline within the present pipeline corridor or any other land route will provide disruption and dislocation to many of the Council's residents and businesses, and has potential for environmental hazards, and

WHEREAS, the Spenard Community Council recognizes that this project is in the predevelopment stage and more review and planning opportunities will be available for public input,

THEREFORE BE IT RESOLVED, that the Spenard Community Council, at this time, supports the construction of the jet fuel pipeline within the offshore, or submarine proposed route.


Charity B. Kadow, Chair
Spenard Community Council


Date



DOWNTOWN COMMUNITY COUNCIL

CRAIG A. COOK, PRESIDENT

109 WEST SIXTH AVENUE, SUITE 207


ANCHORAGE, ALASKA 99501-2570

PHONE/FAX (907) 258-7774

**NOTIFICATION OF COMMUNITY COUNCIL'S
SUPPORT OF THE
JET FUEL PIPELINE'S MUD FLAT ROUTE**

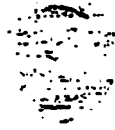
Craig A. Cook, as President of the Downtown Community Council, hereby gives notice to the Anchorage Municipal Assembly, and whom it may concern, that the Downtown Community Council has met and considered the Jet Fuel Pipeline from the Port of Anchorage to the Anchorage International Airport, and based upon testimony given, if any, and documents submitted, if any, the Community Council hereby gives notice that it supports the Jet Fuel Pipeline using the mud flat route as the safest, least expensive and least disruptive to residents and businesses downtown. The Council reserves the right to change it's position if additional testimony or documentation is presented after the date of this notice.

DATED at Anchorage, Alaska this 2nd day of April,
1998



Downtown Community Council
By: Craig A. Cook
Its: President

TONY KNOWLES
GOVERNOR



P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 22, 1998

RECEIVED

JUN 25 1998

MAYOR'S OFFICE

The Honorable Rick Mystrom
Mayor of the Municipality of Anchorage
P.O. Box 196650
Anchorage, AK 99519-6650

Dear Mayor Mystrom,

Thank you for your letter of appreciation on our "Gateway Alaska" project and on the jet fuel pipeline. I am proud of the cooperative effort made by many Alaskans to support the passage of legislation authorizing the revenue bonds to finance this important airport expansion.

Thank you, also, for your recommendation of a final route selection of the upgrade of the jet fuel delivery system. The municipality's role in addressing local concerns has been very helpful.

I understand the working group effort to address fuel transport alternatives is nearly complete and ConAm will resubmit a pipeline project proposal based on the independent analysis by Oasis Environmental. I commend all parties for their willingness to take the extra time to be sure the project is done right. The process is on schedule and permitting is to be completed by the end of July barring any appeals.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Knowles".
Tony Knowles
Governor