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Main Image:

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Main Image Caption:

OPINION: Environmental groups use Alaska's fiscal woes to cover drive to halt all development in the state; governor should say no. Pictured: This 2004 aerial photo shows Echo Cove, foreground, and Berners Bay. The northern end of the Glacier Highway out of Juneau is at bottom right. The proposed Juneau Access road extension would loop Berners Bay and continue north up Lynn Canal.

The recent commentary calling for cancellation of Alaska “megaprojects” is just the latest salvo in the attempt to torpedo all development in Alaska. Like numerous other attempts sponsored by environmental groups, it’s full of false assumptions and statements disguised as facts. It quotes at length the author’s own study entitled “Easy to Start, Impossible to Finish IV,” lumping four major Alaska projects together and having us believe none of them are worth pursuing.

Written by Lois Epstein, who has worked for environmental organizations for over 25 years, this is the fourth edition of a series dealing with statewide projects. This latest edition highlights four projects (the Ambler Road, Juneau Access, Knik Arm Bridge and the Susitna-Watana dam). Her assumptions and conclusions remain unchanged -- in her view, none of these projects should be allowed to continue because they are too expensive.

Epstein’s cost analysis basically consists of combining the potential costs of all four projects (\$7.83 billion) and, from there, leaps to the conclusion Alaska cannot afford any of them since funding for an amount this large would be impossible to achieve. She states existing project appropriations could fund other, more-needed state infrastructure projects. Yet, she barely mentions any realistic alternatives -- other than maintaining or upgrading existing infrastructure. Unfortunately, if some new projects are not built in the near future, the state will eventually lose federal matching dollars.

Using Juneau Access as an example, what is wrong with her analysis?

To begin with, it treats all these projects the same regardless of their size, history, cost or stage of development. Juneau Access -- building a connecting highway up Lynn Canal -- has been studied for over 50 years, remained on the Statewide Transportation Improvement Program (STIP) list for over 20 years, and finally is ready to begin construction. Its total cost (\$552 million) would be funded through routine annual federal transportation appropriations. Over its six-year construction life, approximately \$83 million annually would be needed, which represents about 16 percent of the federal transportation dollars flowing into the state each year. If needed, the construction could be spread out over 10 years to reduce the federal requirement. The balance of funding (the state portion) has already been appropriated and therefore wouldn’t impact the state budget.

Any serious analyst of major projects would discuss both costs and advantages, but Epstein dismisses any potential economic benefits. Not mentioned in her study, she confines her entire

economic analysis of Juneau Access in a prior edition to one sentence saying in part: "Projected traffic on the road/shuttle ferry system would be low ..." Yet, the Supplemental Environmental Impact Statement completed by the state says just the opposite with summertime traffic exceeding 1,300 cars per day. In addition, a recent project study completed by McDowell Associates enumerates considerable long-term economic benefits:

Resident Travel: Ferries now only meet about 7 percent of total travel demand in Lynn Canal. Road access will dramatically lower travel costs and increase capacity. Travel costs for a family of four to Juneau from Skagway, for example, would be lowered 76 percent to \$74 and vehicle capacity would increase over tenfold.

Economic Opportunities: Vastly improved access between Juneau and northern Lynn Canal (Haines, Skagway and Whitehorse) will create new opportunities for business and travel especially in health care, recreation and tourism. Significantly, 165,000 new visitors annually could be expected in Juneau and approximately 100,000 in both Haines and Skagway.

Tax Revenues: Due to increased visitor spending, Juneau could expect \$1.2 million in additional tax revenues and other connected communities could also expect increases.

Freight Costs: The use of overland trucking to ship fresh fish could lower transportation costs by half over air freight.

Alaska Marine Highway System: Future AMHS cuts threaten all communities dependent on this service. The Lynn Canal Highway would lower overall ferry system costs and provide consistent low-cost transportation options.

This project would provide these benefits plus pump over a half billion dollars into the Alaska economy while creating 530 jobs with hundreds of millions of dollars in payroll during construction -- jobs that would greatly mitigate expected jobs losses from future state budget cuts.

Epstein's cursory analysis falls far short of telling Alaskans what they need to know about these projects. Diverting dollars from these projects is shortsighted and ignores the long-term benefits. By omitting important facts, her credibility is brought into question.

As the Walker administration is besieged by environmental groups determined to halt all development, Alaskans can only hope reason will prevail and the governor will make the right decisions -- based on facts -- not emotion and half-truths.

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