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Concerns raised over halting Alaska road projects | Alaska News

The Associated Press

3-4 minutes

JUNEAU, Alaska - The state could have to repay millions of dollars in federal funds if it ends work on the Juneau access road and Knik Arm bridge before those projects are completed, according to Alaska's transportation department.

So far, nearly \$100 million in federal money has gone toward the projects.

The department raised the issue in a Jan. 5 memo to Gov. Bill Walker's budget director that was released on Friday. Walker recently halted new non-obligated spending on six large-scale projects, including the Juneau road and Knik Arm crossing, and asked that project managers report on potential costs to delay or terminate contracts or obligations. The state is facing multibillion-dollar budget deficits amid much lower than expected oil prices.

Walker spokeswoman Grace Jang told the Juneau Empire (<http://bit.ly/1wQjqW4>) the administration was evaluating the information and that no final decisions have been made.

The department said the Federal Highway Administration is researching whether the federal government would need to be

immediately repaid if the projects were indefinitely delayed.

The federal agency has said it expects the state to "move expeditiously" on both projects, given delays under prior governors, the department said.

A message seeking comment was left with a Federal Highway Administration spokesman on Monday by The Associated Press.

Both projects are controversial. State transportation commissioner Pat Kemp said in the memo that both represent cost-effective opportunities to improve transportation. But critics question the cost.

Juneau is not connected to the road system and is accessible by air or water. The road project would provide access further north but still require short ferry rides to connect travelers to Haines or Skagway. The Knik Arm bridge would connect Anchorage to land near Point MacKenzie in the Matanuska-Susitna Borough. The financing and authority for the project was restructured during the last Legislature.

Emily Ferry, with the Southeast Alaska Conservation Council, a critic of the Juneau road project, said cancelling the mega-projects would save billions of dollars. The cost to complete the state's preferred plan for the Juneau access project is \$578 million.

Bob French, a critic of the Knik Arm crossing, told the AP the trend has been for less federal money for transportation projects. Given the state's financial situation, Alaska will have to make some hard choices, in pursuing major new projects or maintaining existing infrastructure, he said.

Information from: Juneau (Alaska) Empire,
<http://www.juneauempire.com>