

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Creath A. Tooley
Director, OEP Regional Office 8

DATE: 6/5

FROM : Robert Y. Phillips, Director
Government Readiness Office

SUBJECT: Meeting - Federal Reconstruction and Development
Planning Commission for Alaska

At a June 2 meeting with Mr. Dwight Ink, Executive Director, Federal Reconstruction and Development Planning Commission, on the problems relating to Valdez, Federal agency representatives were asked to submit answers to the Commission on specific questions. The writer represented OEP.

The questions directed to OEP were discussed in detail with Mr. Mike Merker, Legal Adviser, OEP, and Mr. Charles Beal, Chief, Natural Disaster Division, Government Readiness Office. The answers resulting from these discussions were then submitted to Mr. McDermott for his consideration. Following are the questions and answers as approved by Mr. McDermott:

1. Question: Can PL 875 funds be used to improve, and extend if necessary, the road from the old Valdez site to the proposed Mineral Creek site?

Answer: PL 875 funds can be made available to provide a safe, minimum, all-weather access road to the new site provided the road is not in the Federal Aid Highway System. (Preliminary information indicates the road is not in the System and the Bureau of Public Roads has been requested to confirm this status, notifying OEP and the Commission.)

2. Question: If the privately owned Valdez power system is sold to a co-operative, as presently proposed, could PL 875 funds be used to repair it?

Answer: No. However, PL 875 funds can be used to install an electric power system at the new site if needed, in which instance, the most practical and economical measures should be followed in establishing the new system - e. g., we could approve repairs to the co-operatively owned equipment at the old location, if the total cost would be less than a completely new power system.

3. Question: Can PL 875 funds be used for moving privately owned buildings from the old town site to the new town site?

Answer: No.

4. Question: Does the expenditure of PL 875 funds to repair the hospital (\$29,500) preclude any contributions to the construction of a hospital at the new town site? X

Answer: Yes. No PL 875 funds are available for this purpose.

5. Question: Can PL 875 funds be used for the restoration of the cannery dock?

Answer: This is being investigated.

6. (a) Question: Can PL 875 funds be used to construct a grammar school at the old site and its subsequent movement to the new town site?

Answer: Yes.

6. (b) Question: Can PL 875 funds be used to construct the elementary school at the new site and the transportation of the school children from the old site to the school during this school year?

Answer: Yes.

(The more practical and economical of these solutions should be followed.)

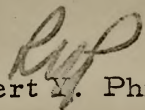
Mr. Ink asked if there was any problem of using PL 875 funds to construct facilities at the new site normally eligible under PL 875 should PL 875 funds have been used to "winterize" similar facilities at the old site. (The term "winterizing" as used here means strictly temporary repairs estimated to provide service only during the coming winter.)

The answer is no - provided that the total funds which can be allowed for any specific facility, including both "winterizing" at the old site and construction at the new site, shall not exceed the cost of normal emergency repair or temporary replacement for that facility. No funds would be available for construction at the new site in instances where "winterizing" costs equal normal temporary repair or restoration as occurred in connection with the hospital case described in Question 4 above.

The question as to the availability of PL 875 funds for the construction of the Junior-Senior High School at the new site would be answered by the application of the principles included in the above paragraph.

In addition to the problems with regard to Valdez, Mr. Ink inquired as to whether PL 875 funds can be used to repave, in permanent condition, the streets in Kodiak and other communities.

The answer is no - the Act permits only temporary emergency repairs, no permanent repairs - however, streets can be put into safe minimum all-weather condition similar to their original construction unless equally satisfactory type of construction can be obtained at a lesser cost.


Robert Y. Phillips