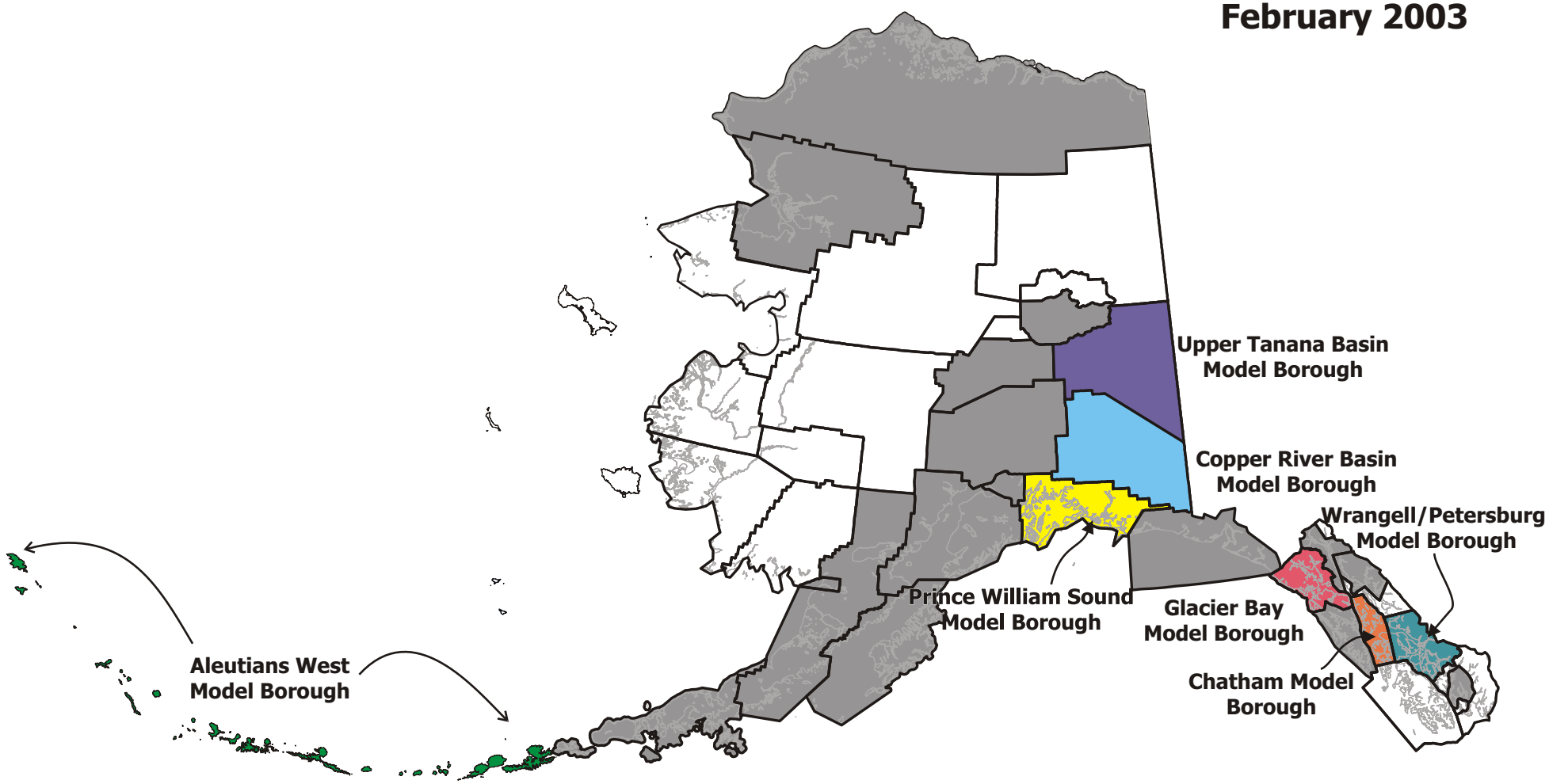
Unorganized Areas of Alaska that Meet Borough Incorporation Standards

A Report by the Alaska Local Boundary Commission
to the Alaska Legislature Pursuant to
Chapter 53, Session Laws of Alaska 2002

February 2003



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Local Boundary Commission

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The Honorable Gene Therriault
Senate President
Twenty-Third Alaska State Legislature
State Capitol, Room 111
Juneau, Alaska 99801-1182

The Honorable Pete Kott
Speaker of the House
Twenty-Third Alaska State Legislature
State Capitol, Room 208
Juneau, Alaska 99801-1182

Dear President Therriault and Speaker Kott:

Chapter 53, SLA 2002 directed the Local Boundary Commission to report to the First Regular Session of the Twenty-Third Alaska State Legislature which areas of the unorganized borough meet borough incorporation standards. On behalf of the Commission, I am pleased to submit the Commission's report, *Unorganized Areas of Alaska that Meet Borough Incorporation Standards,* in fulfillment of the Commission's duty.

As explained below, the Commission found that the following seven regions in the unorganized borough meet standards for borough incorporation:

- Aleutians West Model Borough;
- Upper Tanana Basin Model Borough;
- Copper River Basin Model Borough;
- Prince William Sound Model Borough;
- Glacier Bay Model Borough;
- Chatham Model Borough; and
- Wrangell-Petersburg Model Borough.

The Commission began its review of the unorganized borough shortly after Chapter 53, SLA 2002 took effect on September 17, 2002. From the beginning, the Commission endeavored to promote broad public awareness about and participation in the Commission's review. The Commission met six times concerning the unorganized borough review – October 22, November 13, and December 9, 2002; January 17, February 8, and February 11, 2003. During the February 8 meeting, the Commission held a

Kevin Waring, Chair • Ardith Lynch, Vice-Chair and Fourth Judicial District appointee
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statewide hearing on the matter and received testimony from residents of twenty-seven communities. Extensive written comments were also submitted to the Commission. All written comments, along with a transcript of the Commission's meetings of December 9, January 17, February 8, and February 11 are part of the record of the Commission's review. Once compiled, a copy of those materials will be provided to the Secretary of the Senate and the Chief Clerk of the House.

Among the Commission's other responsibilities is a duty under AS 44.33.812 to "make studies of local government boundary problems." Two years ago, the Commission issued a written policy statement concluding that the lack of a strong State policy promoting the extension of borough government is "the most pressing local government boundary problem facing Alaska." In that context, the Commission included in Chapter 1 of this report a discussion of fundamental public policy issues relating to borough incorporation.

Chapter 2 of the Commission's report identifies borough incorporation standards established in the Constitution of the State of Alaska, Alaska Statutes, and Alaska Administrative Code. Those standards relate generally to four broad areas: (1) economic capacity; (2) population size and stability; (3) regional commonalities; and (4) broad public interest.

Chapter 3 of the report details the application of the borough incorporation standards to areas of the unorganized borough. The conclusions reached by the Commission in Chapter 3 are summarized below.

Economic Capacity. Based on: (1) anticipated borough functions; (2) anticipated expenses; (3) anticipated income; (4) ability to generate and collect local revenue; (5) economic base, land use, existing and reasonably anticipated industrial, commercial, and resource development; (6) property valuations; (7) personal income; and (8) prior borough feasibility studies, the Commission concluded that the seven unorganized areas previously noted have the human and financial resources needed to provide borough services.

One additional area – the Prince of Wales Island region – was also carefully considered by the Commission. Given the resources and time available for this report, it was necessary for the Commission to use the most current available secondary data (e.g., reports of the 2000 census). Detailed economic data from the 2000 census was released by the U.S. Census Bureau on September 25, 2002 – just one week after the legislative directive for this study took effect. While the data became available less than five months ago, the Commission recognized that recent socioeconomic trends not reflected in such official published data may significantly affect the capacity of the Prince of Wales Island region to support borough government at this time. Therefore, pending more up-to-date information and further analysis, including fuller analysis of the fiscal impacts of school district consolidation, the Commission declined to render a finding as to whether the Prince of Wales Model Borough has the human and financial resources to support borough government.

Population Size and Stability. At the time of the 2000 census, the eight unorganized areas carefully reviewed in this report had populations ranging from 6,964 to 1,354. The populations of those regions have been reasonably stable over time, with the exception of the Aleutians West region. The population fluctuation in that region stemmed from the closure of major military facilities during the 1990s. Notwithstanding, the Commission concluded that each of the eight unorganized areas has a population that is large and stable enough to support borough government.

Regional Commonalities. The Commission concluded that each of the eight model boroughs reviewed in detail embraces an area and population that has common interests in a regional context as called for in Article X, Section 3 of Alaska's constitution. Each area has a population that is interrelated and integrated socially, culturally, and economically. Additionally, the boundaries of the eight unorganized regions conform generally to natural geography and include all areas necessary for full development of municipal services. Further, communications facilities and land, water, and air transportation facilities in each of the eight regions examined allow the communication and exchange necessary for the development of integrated borough government. In addition, each of the eight regions embraces multiple communities. The model borough boundaries conform to existing regional educational attendance area boundaries, except where the Commission determined that model borough boundaries are better suited. None of the territory defined by the model borough boundaries for the eight areas under review is non-contiguous or contains enclaves.

Based on public comment and other information, the Commission found that an alternative boundary scenario for the Glacier Bay Model Borough and the Chatham Model Borough might better meet borough incorporation standards. Therefore, pending additional local consultation and analysis, the Commission deferred a final determination as to the specific boundaries that best meet the standards for incorporation in those two areas.

Broad Public Interest. The Commission concluded that the incorporation of new boroughs serves the broad public interest. Many important fundamental public benefits are derived from boroughs, including the promotion of greater efficiency and effectiveness in the delivery of public services. For example, if boroughs formed in the seven regions determined to meet all borough incorporation standards in this report, the number of school districts serving those regions would be reduced from fourteen to seven. Additionally, if the Prince of Wales Island region incorporated as a borough, the four school districts in that region would be consolidated into one.

The Commission hopes that this report will promote constructive debate among legislators regarding ways to enhance efficient and effective delivery of services in areas of Alaska that are currently unorganized.

Very truly yours,

Kevin Waring
Chair

ACKNOWLEDGEMENTS

The Local Boundary Commission gratefully acknowledges assistance from the following individuals in the preparation of this report:

- Bockhorst, Dan – Local Boundary Commission staff;
- Catalone, Irene – Local Government Specialist, DCED;
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Chapter 1 Background

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Section A. Directive for Unorganized Borough Review

The 2002 Alaska Legislature directed the Local Boundary Commission to determine which areas of Alaska's unorganized borough meet the standards for incorporation of boroughs. Specifically, the Alaska House of Representatives approved "House CS for CS for Senate Bill No. 359(FIN)" by a vote of 35 – 0 (with 5 members absent); the Senate approved the measure by a vote of 19 – 0 (with 1 member absent). Then-Governor Knowles signed the bill into law as Chapter 53, SLA 2002.

Section 3 of Chapter 53, SLA 2002 mandated the Local Boundary Commission to undertake this review of the unorganized borough. Specifically, Section 3 of the law provides as follows:

> **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:
>
> NEW BOROUGH INCORPORATION. The Local Boundary Commission shall review conditions in the unorganized borough. By the 30th day of the First Regular Session of the Twenty-Third Alaska State Legislature, the commission shall report to the legislature the areas it has identified that meet the standards for incorporation. No portion of the report under this section constitutes a Local Boundary Commission proposal for purposes of art. X, sec. 12, Constitution of the State of Alaska.

Chapter 53, SLA 2002 calls for the Commission to report its findings to the Legislature by February 19, 2003.

Section B. Nature of Borough Government in Alaska

The term "borough" refers generally to "a place organized for local government purposes" (*Black's Law Dictionary)*. Boroughs are not unique to Alaska. They exist in other countries (e.g., United Kingdom) and in other states in this country (e.g., New York, New Jersey, Connecticut, Pennsylvania, and New Hampshire).

Boroughs in Alaska, however, are not at all like their namesakes elsewhere. Boroughs in other states are typically the equivalent of small cities. They have origins in colonial America, where boroughs were virtually the only municipal corporation in existence. *Municipal Government and Administration in America,* Jewell Cass Phillips, p. 123 (1960).

In contrast, the borough in Alaska is an innovative, modern form of local government. The fact that Alaska lacked regional governments before statehood gave the Alaska Constitutional Convention delegates freedom to fashion a modern governmental concept to serve the diverse needs of Alaska. The new form of government was designated the "borough."[1] It was designed to avoid fundamental problems inherent in local government structures – particularly the county form of government – evident in states existing at the time.[2]

There are two broad types of boroughs in Alaska – organized and unorganized boroughs. Organized boroughs are municipal corporations and political subdivisions of the State of Alaska.[3] As reflected in the following account, the founders of Alaska's governmental structure envisioned organized

[1] Thomas Morehouse and Victor Fischer noted that:

Much controversy surrounded the selection [by the delegates to the Alaska Constitutional Convention] of the name "borough." While there were strong proponents of the word "county" (as well as canton, division, province, and others), the majority believed that the term [county] had a very definite connotation and that its use should be avoided in order to preclude rigid thinking as well as restrictive court interpretations and decisions based on the extensive body of county law developed in the older states. It was believed that a different name could more readily be interpreted in the context of the Alaska Constitution; Black's Law Dictionary defines "borough" as "a place organized for local government purposes." See *Minutes,* 18th, 29th Meetings; *Commentary,* p. 4; *Proceedings,* pp. 2618-19; 2777-87, 3599-3608, 3621-25, 3627.

As it turned out, the strangeness of the name did not help endear the borough concept to the people, and the use of the more familiar term "county" might have facilitated general acceptance. Years after statehood, however, this is a moot point since the borough exists and any change in name would only create confusion.

Borough Government in Alaska, Thomas Morehouse and Victor Fischer, page 37 (1971).

[2] "As seen by the delegates, the inadequacies of counties included limited functional jurisdiction, frozen boundaries, an overabundance of constitutionally established elective offices, and lack of specifically local governmental authority. They noted also that numerous special districts were created to fill service gaps left by counties and municipalities, resulting in a multiplicity of overlapping taxing jurisdictions." *Id.,* p. 37-38.

[3] See AS 29.04.010 - 29.04.020.

boroughs as the primary unit for the delivery of local services.

> At the center of Alaska's local governmental scheme was the borough. As a vehicle for unifying local legislative and executive authority, and for coordinating the administration of state and local functions, borough government was Alaska's attempt to reach "at one stride a goal that local government reformers and specialists have been striving to attain in many states over a period of several generations."[4]
>
> The borough was intended to serve as an all-purpose instrument of local government.[5] It was to encompass a "natural" social, economic, and political community, and serve both urban and rural needs; it was to be primarily responsible for functions best carried out on an areawide, rather than a limited community, basis; and it was to be highly adaptable, changing its shape and powers in response to the population and economic growth of an area.

Borough Government in Alaska, Thomas A. Morehouse and Victor Fischer, p. 6 (1971).

The founders also provided for unorganized boroughs because they "perceived that parts of the state would not be ready for incorporation as organized boroughs due to fiscal and administrative inability to support areawide functions." *Id.,* p. 41. The conceptual nature of unorganized boroughs is described as follows:

> Unlike the organized borough, legally a municipal corporation, unorganized boroughs were regarded as instrumentalities of the state. They would serve as vehicles for decentralizing and regionalizing state services and for fostering local participation in the administration of state programs within regions not ready or suited for corporate municipal status.

Id., p. 41.

Additional information about the fundamental nature of boroughs is provided in Section C of this chapter and throughout Chapter 2 of this report.

Section C. Role of the Legislature in the Formation of Boroughs

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Part 1. Duties Imposed by Alaska's Constitution

Article X, Section 3 of Alaska's constitution requires the Legislature to set fundamental public policies regarding the establishment, alteration, and nature of boroughs. It provides as follows:

> The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner

[4] (Footnote original) Public Administration Service, *Constitution Studies,* prepared on behalf of the Alaska Statehood Committee for the Alaska Constitutional Convention, November 1955 (mimeo.), Vol. III, p. 60.

[5] (Footnote original) Chapter III below discusses in detail the concept of the borough and the local government deliberations of the Constitutional Convention of 1955-56.

> and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.[6]

In sum, Section 3 requires the Legislature to:

(1) enact standards for establishment of organized and unorganized boroughs;

(2) enact procedures for establishment of organized and unorganized boroughs;

(3) classify boroughs;

(4) prescribe the powers and functions of boroughs; and

(5) enact methods by which boroughs may be "organized, incorporated, merged, consolidated, reclassified, or dissolved."

The plain language of the second sentence of Section 3 ("They shall be established in a manner and according to standards established by law.") is unambiguous. The pronoun "they" clearly refers to "boroughs, organized and unorganized" in the preceding sentence. There is little basis for asserting that "they" refers "boroughs, organized but not unorganized" or that it refers to "boroughs, not organized but unorganized." Thus, Section 3 requires the Legislature to enact standards and procedures for the establishment of both types of boroughs – organized <u>and</u> unorganized.

The duty of the Legislature to enact standards and procedures for both types of boroughs is fundamental to local government in Alaska. Further indication that standards and procedures are required for both types of boroughs is found in the fact that the second sentence of Section 3 uses the general expression "establish" rather than the more specific terms "incorporate" or "organize." Since an unorganized borough is neither "incorporated" nor "organized", those more specific terms are unsuited to the broad application of the second sentence to both types of boroughs. The broader term "establish" was fitting, again, because the second sentence applies to both types of boroughs – organized and unorganized.

Moreover, the last sentence of Section 3 ("Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.") offers further evidence of the requirement for enactment of standards and procedures governing establishment of both types of boroughs. The last sentence of Section 3 uses the specific terms "organized" and "incorporated" that were avoided in the second sentence. Again, those terms can only apply to organized boroughs, as is the case with

[6] The term "by law" is defined by Article XII, Section 11 of the constitution to mean "by the Legislature." It states, "As used in this constitution, the terms 'by law' and 'by the legislature,' or variations of these terms, are used interchangeably when related to law-making powers…"

other terms used in the last sentence (i.e., "reclassified", "dissolved", and, arguably, "merged" and "consolidated").

If the pronoun "they" in the second sentence applied only to organized boroughs, significant portions of Section 3 would be rendered surplus. Specifically, the provisions of the last sentence requiring the Legislature to establish methods by which boroughs may be organized and incorporated would then be redundant.

Finally, given the specific terms used in last sentence of Section 3 – "organized" and "incorporated" – the provisions of the second sentence requiring the Legislature to enact procedures for establishment of boroughs would be superfluous if they applied only to organized boroughs.[7]

Beyond Section 3, other parts of Article X impose additional requirements on the Legislature regarding boroughs. Specifically:

- Section 4 provides that the legislature must establish the composition of borough assem-

[7] The rules of statutory construction force the rejection of any argument that provisions of Section 3 are redundant. The U.S. Supreme Court held as follows in this regard:

We are not at liberty to construe any statute so as to deny effect to any part of its language. It is a cardinal rule of statutory construction that significance and effect shall, if possible, be accorded to every word. As early as in Bacon's Abridgment, § 2, it was said that 'a statute ought, upon the whole, to be so construed that, if it can be prevented, no clause, sentence, or word, shall be superfluous, void, or insignificant.' This rule has been repeated innumerable times."

Justice Strong, *United States v. Lexington Mill & E. Co.*, 232 US 399, pp. 409. (1914) (emphasis added)

To add to the evidence that the Legislature is required to enact standards and procedures for establishment of both organized and unorganized boroughs, consideration should be given to the drafting guidelines adopted by the Style and Drafting Committee at Alaska's Constitutional Convention. Those guidelines included the following (emphasis added):

- No unnecessary words should be used.
- Uniformity of expression is important; brevity is desirable, but precision should not be sacrificed to simplicity.
- Same words should not be used for different meanings.

Alaska's Constitutional Convention, Vic Fischer, p. 60 (1975).

Since the Style and Drafting Committee adopted the guideline that the same words should not be used for different meanings, it seems to follow that the same meaning should not be derived from different words (e.g., "establish" does not mean the same thing as "incorporate").

The entire local government article of Alaska's constitution was originally comprised of only 833 words. (Today, Article X is comprised of only 784 words following a 1972 amendment deleting a portion of Section 4.) Given the evidence presented above concerning the rules of statutory construction and the formal guidelines for drafting the Constitution of the State of Alaska, there is no basis for arguing that provisions found within Section 3 are superfluous.

blies, at least for general law boroughs;

- Section 6 requires the Legislature to "provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility;"
- Section 12 calls for the Legislature to establish "a local boundary commission or board" with implicit authority for determining the initial boundaries of boroughs and also for making adjustments to borough boundaries;
- Section 14 obliges the Legislature to establish an executive branch agency to advise and assist boroughs (and cities), review their activities, collect and publish local government information, and perform other duties; and
- Section 15, in effect, requires the Legislature to enact laws providing for the integration of special service districts with a newly formed borough government.

Part 2. Express Constitutional Provisions

In addition to several duties, Article X of the constitution grants the Legislature specific authority to exercise a number of other powers relating to boroughs. Specifically:

- Section 5 provides that the Legislature may enact provisions concerning the establishment, alteration, or abolition of service areas within organized boroughs by the assembly;
- Section 6 states that the Legislature may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough;[8]
- Section 9 provides that the Legislature may enact laws concerning the manner in which the qualified voters of a first class borough may adopt, amend, or repeal a home rule charter;
- Section 10 authorizes the Legislature to extend home rule to other boroughs;
- Section 11, in effect, provides that the Legislature may restrict the legislative powers of home rule boroughs;
- Section 12 states that the Legislature may define in law how the Local Boundary Commission implements its constitutional authority to "establish procedures whereby boundaries may be adjusted by local action;" and
- Section 13, in effect, authorizes the Legislature to limit the constitutional authority of local governments to make agreements with any other local government, with the State, or with the United States; it also allows the Legislature to limit the authority of a city to transfer (or revoke the transfer of) any of the city's powers or functions to the borough in which the city is located.

[8] This particular provision found in the second sentence of Article X, Section 6 is often misconstrued in two fundamental respects. First, it is sometimes misinterpreted as imposing a duty on the Legislature. The preceding sentence of Section 6 indeed imposes an obligation on the Legislature. Clearly, however, the language of the second sentence grants the Legislature power to act in the fashion described without imposing a duty on it to do so.

Secondly, the provision is often mischaracterized as one in which the Legislature is rendered the assembly of the unorganized borough. A careful reading of the sentence clearly shows that this is not the case. The constitutional provision in question merely provides that the Legislature "may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough." Giving one the power to act as another is not the same as being that other. For example, AS 29.35.480 gives the assembly of a first class borough the authority to exercise in a service area any power granted to the council of a first class city by law. AS 29.35.480 certainly does not mean, however, that the assembly of a first class borough becomes a city council of a service area.

Moreover, the notion that the Alaska Legislature should serve as the assembly of the unorganized borough contravenes the fundamental principles of representative government. An assembly is the governing body of a borough (Article X, Section 4). Today, Alaska's unorganized borough is inhabited by about 13% of all Alaskans. Thus, 87% of the legislators (52 of 60) are elected by residents of organized boroughs. A circumstance where 87% of a governing body of a particular borough is elected by residents of other boroughs can hardly be construed as representative democracy. The extremes of such representation would actually be much greater if multiple unorganized boroughs had been created (as called for in the constitution) rather than a single residual unorganized borough.

The purpose of the second sentence of Article X, Section 6 is simple. The founders granted the Legislature express constitutional authority to exercise in an unorganized borough any power or function exercised by an assembly in an organized borough. This was done merely to exempt such actions from the constitutional prohibition regarding local or special acts of the Legislature as set out in Article II, Section 19 of the constitution. In that respect, *Borough Government in Alaska,* p. 41 notes, "By permitting the legislature to act as the borough assembly, the general prohibition against local legislation was overcome, and laws could be enacted for differential performance of functions in accordance with the requirements of different boroughs."

Part 3. What the Legislature has Done

With regard to the aforementioned constitutional imperatives and prerogatives, the Legislature has enacted laws:

- providing standards for establishment of organized boroughs (AS 29.05.031; AS 29.05.100) and directing the Local Boundary Commission to adopt additional standards for incorporation of boroughs (AS 44.33.812(a)(2)); however, standards for establishment of unorganized boroughs have never been enacted;

- providing procedures for establishment of organized boroughs by local action (AS 29.05.060 - 150), directing the Local Boundary Commission to adopt additional procedures for borough incorporation (AS 44.33.812(a)(2)), creating the unorganized borough (AS 29.03.010), and mandating the incorporation of eight specific regions as organized boroughs

(Chapter 52, SLA 1963); however, the Legislature has not enacted general laws providing for incorporation of boroughs by legislative review or for establishment of unorganized boroughs;

- classifying boroughs (AS 29.04.010 - 29.04.060);
- prescribing the powers and functions of boroughs (AS 29.35);
- establishing methods by which boroughs may be organized (AS 29.05.060 - 29.05.150), incorporated (AS 29.05.060 - 29.05.150), merged (AS 29.06.090 - 29.06.170), consolidated (AS 29.06.090 - 29.06.170), reclassified (AS 29.04.050 - 29.04.060), and dissolved (AS 29.06.450 - 29.06.530);
- establishing the composition of borough assemblies (AS 29.20.060 - 29.20.080);
- providing for the performance of services in unorganized boroughs (AS 04, Alcoholic Beverages; AS 05, Amusements and Sports; AS 09, Code of Civil Procedure; AS 14, Education, Libraries, and Museums; AS 15, Elections; AS 16, Fish and Game; AS 19, Highways and Ferries; AS 23, Labor and Workers' Compensation; AS 29, Municipal Government; AS 30, Navigation, Harbors, and Shipping; AS 35, Public Buildings, Works, and Improvements; AS 38, Public Land; AS 40, Public Records and Recorders; AS 41, Public Resources; AS 43, Revenue and Taxation; AS 44, State Government; AS 46, Water, Air, Energy, and Environmental Conservation; AS 47, Welfare, Social Services and Institutions);
- establishing the Local Boundary Commission (AS 44.33.810) and providing for its powers and duties (AS 44.33.812 – 44.33.828; AS 29.04.040; AS 29.05.080 – 29.05.090; AS 29.06.040; AS 29.06.120 – 29.06.130; AS 29.06.450; AS 29.06.490 – 29.06.500);
- establishing the Department of Community and Economic Development to advise and assist boroughs (and cities), review their activities, collect and publish local government information, and perform other duties (AS 44.33.010 – 44.33.900);
- providing for the integration of special service districts with a newly formed borough government (AS 29.05.130 – 29.05.140);
- concerning the establishment, alteration, or abolition of service areas within organized boroughs (AS 29.35.450 – 29.35.490);
- addressing the manner in which voters of a first class borough may adopt, amend, or repeal a home rule charter (AS 29.10.010 – 29.10.100);
- extending home rule to other boroughs (AS 29.10.010);
- restricting the legislative powers of home rule boroughs (and/or cities) (AS 01, General

Provisions; AS 09, Code of Civil Procedure; AS 14, Education, Libraries, and Museums; AS 15, Elections; AS 18, Health, Safety, and Housing; AS 19, Highways and Ferries; AS 21, Insurance; AS 23, Labor and Workers' Compensation; AS 29, Municipal Government; AS 30, Navigation, Harbors, and Shipping; AS 37, Public Finance; AS 38, Public Land; AS 39, Public Officers and Employees; AS 40, Public Records and Recorders; AS 41, Public Resources; AS 42, Public Utilities and Carriers; AS 43, Revenue and Taxation; AS 44, State Government; AS 45, Trade and Commerce; AS 46, Water, Air, Energy, and Environmental Conservation);

- regarding authority of local governments to make agreements with any other local government, with the State, or with the United States (AS 29.35.010(13));
- regarding the authority of a city to transfer (or revoke the transfer) to the borough in which the city is located any of the city's powers or functions (AS 29.35.310).

The lack of standards and procedures for the establishment of unorganized boroughs, coupled with the absence of general law provisions for incorporation of organized boroughs by means other than local action, have had profound consequences on the development of local government in Alaska. Those matters are addressed in Section F of this chapter.

Section D. Role of the Local Boundary Commission in the Formation of Boroughs

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Part 1. Constitutional Origin of the Commission

Among the 120 or so active State boards and commissions, the Local Boundary Commission is one of only five with origins in Alaska's constitution.[9] Article X, Section 12 of the constitution provides as follows:

> **Section 12. Boundaries.** A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of he members of each house. The commission or board, subject

[9] The four other boards with constitutional origins are the University of Alaska Board of Regents, Judicial Council, Commission on Judicial Conduct, and Redistricting Board.

to law, may establish procedures whereby boundaries may be adjusted by local action.

Part 2. Duties Imposed by Legislature

Under general laws enacted by the Legislature, the Local Boundary Commission has been given the following duties relating to boroughs:

- to act on petitions for incorporation of boroughs (AS 29.05.090 – 29.05.100);
- to judge petitions for merger of boroughs with other local governments (AS 29.06.120 – 29.06.130);
- to make determinations concerning petitions for consolidation of boroughs with other local governments (AS 29.06.120 – 29.06.130);
- to act on petitions for dissolution of boroughs (AS 29.06.490 – 29.06.500);
- to consider a local government boundary change, including borough annexation or detachment, requested of it by the legislature, the commissioner of community and economic development, or a political subdivision of the state (AS 44.33.812(a)(4));
- to conduct studies of local government boundary problems (AS 44.33.812(a)(1));
- to adopt regulations providing standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification, and dissolution (AS 44.33.812(a)(2)); and
- to establish procedures for local action annexation and detachment in addition to the regulations governing annexation by local action adopted under AS 44.33.812 (AS 29.06.040(c)).

Additionally, as noted in Section A of this chapter, the Commission also has a duty under Chapter 53, SLA 2002 to conduct this review of the unorganized borough.

Part 3. Express Discretionary Powers of the Commission

In addition to the above duties, the Commission has certain discretionary powers expressly provided in statutory law. Specifically, the Commission may:

- conduct meetings and hearings to consider local government boundary changes and other matters related to local government boundary changes, including extensions of services by incorporated cities into contiguous areas and matters related to extension of services (AS 44.33.812(b)(1));
- on its own initiative, present to the legislature during the first 10 days of a regular session proposed local government boundary changes, including gradual extension of services of incorporated cities into

contiguous areas (upon a majority approval of the voters of the contiguous area to be annexed) and transition schedules providing for total assimilation of the contiguous area, and its full participation in the affairs of the incorporated city, within five years (AS 44.33.812(b)(2); (AS 29.06.040(a));

- consider, amend, and impose conditions on any proposed municipal boundary change. (AS 29.06.040(a)); and
- accept a proposed municipal boundary change if the commission determines that the proposed municipal boundary change, as amended or conditioned if appropriate, meets applicable standards under the state constitution and commission regulations and is in the best interests of the state; otherwise, it must reject the proposed change. (AS 29.06.040(a)).

Part 4. Implicit Constitutional Authority for Borough Incorporation by the Legislative Review Process

In addition to the express constitutional and statutory duties and powers outlined in Parts 1 – 3 above, a number of local government experts and legal authorities believe the Local Boundary Commission has implicit authority under Article X, Section 12 of Alaska's constitution to submit recommendations to the Legislature for incorporation of new boroughs, even in the absence of formal proceedings initiated by residents of the area to be incorporated. This view is based on an interpretation that the phrase "local government boundary change" used in Article X, Section 12 includes incorporation of local governments.

Among the experts holding such views is Vic Fischer. Mr. Fischer was a delegate to Alaska's Constitutional Convention where he served as Secretary to the Committee on Local Government. His expertise in Alaska local government has been recognized by the Alaska Supreme Court (see *Keane v. Local Boundary Commission,* 893 P.2d 1239, 1242, 1243, 1244 (Alaska 1995); and *Mobil Oil Corporation v. Local Boundary Commission,* 518 P.2d 92, 98 (Alaska 1974)).

Mr. Fischer argues that, "The Local Boundary Commission has total authority to establish boroughs . . . subject to legislative veto, within the 45-day provision [of Article X, Section 12 of the Alaska constitution]." *Transcript of Review of Local Government Article of Alaska's Constitution*, Department of Community and Regional Affairs, page 14, February 13 and 14, 1996.

Mr. Fischer's views are reflected in the Minutes of the 18th meeting of the Local Government Committee at the Constitutional Convention. The minutes of that meeting, held December 4, 1955, state as follows (emphasis added):

> The idea was advanced that boundaries <u>be established by a separate local government boundary commission</u>, vested with the power to hear petitions for establishment of boundaries or for boundary changes and <u>which could undertake such on its own initiative. The</u>

> legislature would be given the power to veto or revise any decisions of such a commission.

When the Constitutional Convention delegates reviewed the Local Government Article on the convention floor, they made frequent reference to the Local Boundary Commission's role in establishing boroughs consistent with those described above in the minutes of the Committee on Local Government. For example, Delegate John Coghill made the following remarks on January 19, 1956 in the context of Article X, Section 3 of the constitution (*Proceedings of the Alaska Constitutional Convention*, p 2620) (emphasis added).

> COGHILL: Further on in Section 3, I would like to ask you, Mr. Rosswog, on line 6 of page 2, "Each borough shall embrace, to the maximum extent possible, an area and population with common interests." My question here is directed to you to find out what the Committee's thinking was as to boundary areas of local government. Could you give us any light on that as to the extent? I know that you have delegated the powers to a commission, but you have said that each borough shall embrace the maximum extent possible. I am thinking now of an area that has maybe five or six economic factors in it — would they come under one borough?

After conferring with the State Attorney General's office, the initial members of the Alaska Local Boundary Commission (appointed November 1, 1959) shared the view that the Commission has the power to incorporate boroughs, subject to legislative veto. However, they declined to exercise such authority to avoid litigation. The Commission noted as follows in that respect in its report to the 1960 Legislature:

> … there would appear to be no objection (to) the Commission recommending in this or any other session, proposed original boundaries or boundary changes, which would become effective unless negated within forty-five days or at the end of the legislative session during which such proposals are made, whichever is earlier.
>
> But, to avoid a needless law-suit by any citizen objecting to the formation of a borough under the above procedures, and to give stability to any unit so created, it is suggested that any recommendation of the Commission as to initial boundaries be adopted by the usual legislative processes of enacting a statute. The Commission is agreed (sic) and impressed with the Attorney General's chain of reasoning, and they are convinced it would prevail in a court of law, particularly in view of the fact that the creating of boroughs is in the nature of a political undertaking, over which the courts are not readily disposed to take jurisdiction or to otherwise set aside. However, as stated above, formal legislation is the safest course and for this reason is strongly advocated.

Notwithstanding the predilection of the initial Boundary Commission to avoid litigation, the powers of the Commission have been tested in the courts on many occasions over the past forty-four years. The Alaska Supreme Court has consistently acknowledged the special purpose and broad powers of the Commission concerning the creation and alteration of local governments in Alaska. The Supreme Court has invariably deferred to the Commission concerning matters involving expertise relating to complex subject matters or matters of fundamental policy formulation, as long as the Commission has a reasonable basis for its actions. See: *Fairview Public Utility Dist. No. One v. City of Anchorage*, 368 P.2d 540, (Alaska 1962); *Oesau v. City of Dillingham*, 439 P.2d 180, (Alaska 1968); *Mobil Oil Corporation v. Local Boundary Commission*, 518 P.2d 92, (Alaska

1974); *Valleys Borough Support v. Local Boundary Commission*, 863 P.2d 232, (Alaska 1993); *Lake and Peninsula Borough v. Local Boundary Commission*, 885 P.2d 1059, (Alaska 1994); *Keane v. Local Boundary*, 893 P.2d. 1239, (Alaska 1995); and *Yakutat v. Local Boundary Commission*, 900 P.2d 721, (Alaska 1995).

Moreover, the State Attorney General's office noted in a 1991 memorandum of opinion that, "In our view 'changing local boundary lines' includes not only annexation or detachment proceedings but also incorporation proceedings." In the same opinion, the Attorney General's office observed:

> We have often opined as to the framers (sic) intent that boundary formation and adjustment be from a statewide perspective and that the role of the LBC is to facilitate the framer's (sic) goals. See 1990 Inf. Op. Att'y Gen. (March 21; 663-90-0307) 1986 Inf. Op. Att'y Gen. (Jan. 14; 366-234-86); 1972 Inf. Op. Att'y Gen (R. Garnett, Feb. 24).

1991 Inf. Op. Att'y Gen. (Feb. 15; 663-91-0212).

Chapter 53, SLA 2002 also seems to implicitly recognize the Commission's constitutional authority to formally recommend incorporation of boroughs pursuant to Article X, Section 12 of Alaska's constitution. As noted earlier, the last sentence of the legislative directive for the Commission to undertake this review of the unorganized borough states, "No portion of the report under this section constitutes a Local Boundary Commission proposal for purposes of art. X, sec. 12, Constitution of the State of Alaska."

Notwithstanding its authority to do so, the Commission has never exercised its implicit constitutional authority under Article X, Section 12 to recommend incorporation of a particular region as a borough. Moreover, the Commission cannot conjecture circumstances under which it would exercise such powers in the absence of formal incorporation or annexation proceedings initiated by a petitioner. The Commission has, however, on some 120 occasions since statehood, submitted recommendations pursuant to Article X, Section 12 for the "incorporation" of areas into existing city and borough governments through annexation and for other municipal boundary changes.

Section E. Development of Borough Government in Alaska

Formal authority to establish municipal governments of any kind in Alaska was not granted by Congress until 1900. Even then, the authority was limited to city governments.

In 1912, Congress incorporated Alaska as a territory. In doing so, it extended restrictive home rule status to Alaska. One of the restrictions – which was seen as a concession to outside mining, timber, and fishing interests in Alaska – prohibited the Alaska Territorial Legislature from establishing counties without the specific authority of Congress. As noted in Section B of this chapter, that circumstance actually worked to the later advantage of Alaska when the founders designed the local government structure for Alaska as a state.

In 1935, the Territorial Legislature authorized additional types of local governments – small independent school districts and small public utility districts. In doing so, it began a course long-practiced in other parts of the country by providing for the establishment of small single-purpose or limited-purpose governmental units with overlapping boundaries.

The following is a brief summary of activities beginning with the Constitutional Convention that shaped the regional governmental structure in Alaska today.

1955	▪ Alaska Constitutional Convention convened.
1956	▪ Constitutional Convention delegates adopted constitution (2/5/56). Delegates decided that "although voluntary incorporation would be preferable, organized boroughs could be created without the approval of the people within the area." (*Borough Government in Alaska*, p 61). ▪ Alaska voters ratified the constitution (4/24/56)
1959	▪ Alaska's constitution took effect (1/3/59). Art. X, § 3 requires legislature to determine procedures and standards for establishment of organized and unorganized boroughs. Art. X, § 15 required legislature to provide for integration of independent school districts and public utility districts into boroughs.
1961	▪ Legislature adopted standards and procedures for incorporation of boroughs by local action. The law created a single unorganized borough encompassing all of Alaska outside organized boroughs. The new law also provided that independent school districts and public utility districts must be integrated by July 1, 1963.
1962	▪ Bristol Bay Borough incorporated
1963	▪ LBC rejected proposal to incorporate 1,400 square mile "Homer-Ninilchik Borough." ▪ Residents of Kenai-Soldotna area withdrew petition to incorporate a borough roughly the size of the Kenai Recording District (approximately 2,500 square miles) after LBC rejects Homer-Ninilchik Borough proposal. ▪ Representative Rader introduced House Bill 90 mandating incorporation of nine regions into boroughs. Stated objectives included: (1) promotion of maximum local self-government with a minimum of local government units, (2) elimination of special districts not recognized in constitution, and (3) tax equity. Boundaries are based on House election districts. The nine regions encompassed all independent school districts. ▪ House Bill 90 was enacted by a single vote in the Senate after it was amended to exclude the Lynn Canal Icy Straits Election District. The bill extended the deadline for integration of independent school districts into borough to July 1, 1964. It required boroughs to form in the following regions: 1. Ketchikan, 2. Sitka, 3. Juneau, 4. Kodiak Island, 5. Kenai Peninsula, 6. Anchorage, 7. Matanuska-Susitna valleys, and 8. Fairbanks.

1964	▪ 11,054 square miles detached from the southeast portion of the Fairbanks North Star Borough (including Delta Junction and Tok) ▪ 1,333 square miles annexed to the northwest portion of the Fairbanks North Star Borough ▪ LBC approved a proposal to form a first class borough in Haines in March; voters rejected the proposal ▪ The Haines Independent School District was dissolved on July 1, 1964, in accordance with the provisions of the 1963 Mandatory Borough Act ▪ Commissioner of the Department of Education formed the Haines-Port Chilkoot Special School District under an obscure statutory provision in August of 1964
1966	▪ Legislature repealed authority for operation of special school districts under which the Haines-Port Chilkoot Special School District had formed; notwithstanding, the district continued to operate
1967	▪ LBC approved a petition to incorporate a second class borough in Haines; voters rejected the proposal ▪ The State Attorney General advised the Department of Education to discontinue funding for the Haines-Port Chilkoot Special School District because it had no legal basis ▪ Following the action by the State Attorney General's office, the City of Haines and second class City of Port Chilkoot each organized city school districts; the State school district served students outside the two cities; thus, three school districts served a total of 346 students in the Haines area in 1967 ▪ A third proposal to form a Haines Borough – again, a second class borough – was prepared shortly after voters rejected the second proposal in October of 1967; that proposal was also defeated by the voters
1968	▪ Legislature enacted laws establishing a third class borough ▪ In May, voters in Haines petitioned to incorporate a third class borough; the LBC subsequently approved the proposal; voters did likewise, establishing the third class Haines Borough
1970	▪ The City of Juneau, City of Douglas, and the Greater Juneau Borough unified into a borough named the City and Borough of Juneau.
1971	▪ The City of Sitka and Greater Sitka Borough unified into a borough named the City and Borough of Sitka
1972	▪ The North Slope Borough incorporated.
1974	▪ Alaska Legislature detached Eagle River-Chugiak from the Greater Anchorage Area Borough; litigation later reversed the action on constitutional grounds
1975	▪ The City of Anchorage, City of Girdwood, City of Glen Alps, and Greater Anchorage Area Borough unified into a borough named the Municipality of Anchorage
1985	▪ The State Legislature enacted laws prohibiting the formation of new third class boroughs

1986	▪ 3,298 square miles detached from North Slope Borough on condition the area is included in another borough ▪ Northwest Arctic Borough incorporated including the 3,298 square miles detached from the North Slope Borough
1987	▪ Aleutians East Borough incorporated
1988	▪ Annexation to Fairbanks North Star Borough approved by Local Boundary Commission; rejected by Legislature ▪
1989	▪ Model borough boundaries project initiated ▪ Lake and Peninsula Borough incorporated ▪ Shelikof Strait and portion of Alaska Peninsula annexed to Kodiak Island Borough
1990	▪ Denali Borough incorporated; ▪ Valleys Borough incorporation petition (proposal competing with Denali Borough incorporation) rejected ▪ Matanuska-Susitna Borough annexation petition (proposal competing with Denali Borough incorporation) rejected ▪ Petition for annexation of approximately 140 square miles to the City and Borough of Juneau approved
1992	▪ City and Borough of Yakutat incorporated ▪ Model borough boundaries project completed
1996	▪ Petition to detach 5,400 square miles from the Fairbanks North Star Borough and incorporate that area plus an additional 3,950 square miles of unorganized area as the North Pole Borough denied
1997	▪ City and Borough of Yakutat annexed 3,199 square miles ▪ Petition to detach 993 square miles from the Matanuska-Susitna Borough and annex the same area to the Denali Borough denied ▪ Petition to detach Lake Louise from the Matanuska-Susitna Borough denied
1998	▪ Petition for consolidation of the City of Haines and Haines Borough approved by Commission; rejected by voters
1999	▪ Petition to annex 5,524 square miles to the Ketchikan Gateway Borough rejected
2001	▪ Petition to consolidate the City of Fairbanks and Fairbanks North Star Borough approved by Commission; rejected by voters ▪ Petition to consolidate the City of Ketchikan and Ketchikan Gateway Borough approved by Commission; rejected by voters
2002	▪ City of Haines and Haines Borough consolidate into a new borough ▪ Skagway Borough incorporation petition denied

Section F. Policy Issues Relating to Borough Incorporation

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Introduction

For more than forty years, an array of public interest groups, local government experts, State and local officials, and citizens have pointed out serious shortcomings in the manner in which the borough concept has been implemented in Alaska. For example, a contemporary publication of the Alaska Municipal League declares plainly:

> The state has failed to continue the evolution of local government directed by the Constitution.

Municipal Government in Alaska – White Paper, Alaska Municipal League (undated, currently posted on Internet at <http://www.akml.org/>.

Two years ago, the Local Boundary Commission formally stated that it "considers the lack of a strong State policy promoting the extension of borough government to be the most pressing 'local government boundary problem' facing Alaska." *The Need to Reform State Laws Concerning Borough Incorporation and Annexation,* Local Boundary Commission, p. 3 (January 2001).

A review of the shortcomings regarding the manner in which new boroughs are formed is certainly relevant in terms of future deliberations by the Legislature regarding this report of the Commission called for by Chapter 53, SLA 2002. As noted in Section D-2 of this chapter, the Local Boundary Commission has a duty to make studies of local government boundary problems. In that respect, the Commission takes this opportunity here to present fundamental public

Local Government Committee, Alaska Constitutional Convention, 1956

policy issues relating to the extension of borough government. Important misconceptions about borough government are also addressed.

Part 1. Lack of Standards Triggering the Formation of Organized Boroughs Hinders Development of Local Government in Alaska

Noted above, the founders provided for unorganized boroughs because they perceived that, at least initially, some regions of Alaska would not be ready or suited for organized boroughs because of a lack of fiscal and administrative capacity to support areawide functions. Thus, fiscal and administrative ability, logically, should be the distinguishing characteristic between organized boroughs and unorganized boroughs.

Unfortunately, the Legislature has not yet enacted standards and procedures for the establishment of unorganized boroughs. The lack of such standards and procedures precludes a meaningful determination of whether an unorganized area has attained the fiscal and administrative capacity to support areawide functions. If such standards existed, an unorganized area could be signaled to form an organized borough when it achieved the administrative and fiscal capacity to support areawide functions.

The lack of effective standards and procedures triggering the incorporation of organized boroughs led John Rader, Alaska's first State Attorney General and a former member of the State House of Representatives, to the conclusion in 1963 that "the greatest unresolved political problem of the State was the matter of boroughs." *The Metropolitan Experiment in Alaska: A Study of Borough Government*, Ronald C. Cease and Jerome R. Saroff; eds., p. 93 (1968).

For the past 42 years, with the single exception of the 1963 Mandatory Borough Act, the Legislature has delegated to local citizens the decision as to whether boroughs should be organized. Given the lack of incentives to form boroughs, it is not surprising that few regions have chosen to voluntarily take on the responsibility for borough government.

The 1963 Mandatory Borough Act was the product of a bipartisan legislative effort that was supported by Governor Egan. John Rader, author of the 1963 Mandatory Borough Act, characterized the impetus for the Act as follows:

> In striving to form viable units of local self-government, the people of Alaska have used the courts, the executive branch of their Territorial Government, and the local subdivisions themselves. It was only after a series of repeated failures that in 1963 the State legislature finally exercised the authority which had previously been delegated to others.

Id., p. 81.

Mr. Rader's statement is perhaps overly broad in the sense that the 1963 Mandatory Borough Act applied only to eight particular regions of Alaska. An informal understanding had reportedly been reached among legislators in 1963 that subsequent legislative enactments would be made to compel other areas to form boroughs.[10] However, the State has never since exercised such authority. Instead, the State returned to its 1961 policy which Mr. Rader characterized as a failed strategy for formation of boroughs.

Victor Fischer, constitutional convention delegate and Secretary to the Convention's Committee on Local Government, reflected in 1987 that "Despite the constitutional convention's emphasis on state leadership in establishing the borough system, governors and legislatures have been reluctant to create boroughs, largely because of frequent local opposition to establishment of another level of government." *Alaska State Government and Politics*, Gerald A. McBeath and Thomas A. Morehouse; eds., p. 44 (1987).

Part 2. A Single Unorganized Borough does not Satisfy Constitutional Requirements Governing Unorganized Areas of Alaska

To fulfill the constitutional requirement for the division of the entire state into organized and unorganized boroughs under Article X, Section 3, the Local Boundary Commission recommended in 1960 that the Legislature give the Commission a mandate to undertake the task. However, the recommendation was formally rejected by the Legislature.

Instead, in 1961, the Legislature implemented Article X, Section 3 by enacting a law providing that all of Alaska not within organized boroughs would constitute a single unorganized borough. That law remains in effect today.

From its inception, the single unorganized borough has embraced an area and population with highly diverse interests rather than the maximum common interests required by the constitution. The diversity of the social, cultural, economic, transportation, and geographic characteristics of the unorganized borough is remarkable. As currently configured, the existing unorganized borough contains an estimated 374,843 square miles – 57% of the total area of Alaska. It ranges in a non-contiguous manner from the southernmost tip of Alaska to approximately 150 miles above the Arctic Circle. This borough extends in a non-contiguous manner from the easternmost point in Alaska (at Hyder) to the westernmost point in Alaska at the tip of the Aleutian Islands.

The lack of formal standards and procedures for the establishment of unorganized boroughs noted in Section C-1 of this chapter allowed the creation

[10] Clem Tillion, a member of the 1963 State House of Representatives, indicated that the 1963 Mandatory Borough Act was approved by the Legislature with the understanding that other unorganized areas would be compelled to organize by subsequent legislatures. (Personal communication with Local Boundary Commission staff, April 28, 2000).

of the single residual unorganized borough. Such a borough lacks requisite common interests. Compliance with the common interests clause of Article X, Section 3 of Alaska's constitution can be achieved if AS 29.03.010 were amended to divide the single unorganized borough into multiple unorganized boroughs formed along natural regions in accordance with standards and procedures established in law.

Part 3. Local Residents in Organized and Unorganized Areas are not Treated Equally Regarding Obligations for Services

Article I, Section 1 of Alaska's constitution is often referred to as the "equal protection clause." However, it also requires equal responsibility among Alaska's citizens. Article I, Section 1 provides as follows (emphasis added):

> This constitution is dedicated to the principles that all persons have a natural right to life, liberty, the pursuit of happiness, and the enjoyment of the rewards of their own industry; that all persons are equal and entitled to equal rights, opportunities, and protection under the law; and that <u>all persons have corresponding obligations to the people and to the State</u>.

Under the constitution, all residents of Alaska have equal obligations to the people and State, yet statutory law imposes no responsibility on residents of the unorganized borough outside home rule and first class cities to support fundamental services such as public education and platting. Those areas comprise approximately two-thirds of the population of the unorganized borough.

A 1991 study of Alaska's education foundation funding formula raised basic public policy concerns stemming from the absence of local responsibility:

> Another serious drawback with full state funding is that it provides no incentive for schools to reduce costs when they can do so without reducing the quality of education. Local taxpayers elect local school boards, mayors, and assembly members who make decisions about school budgets. If local taxpayers pay the same minimum amount for education regardless of the size of their school district's budget – as is the case with the current Alaska required local effort provisions – there is no incentive for schools to reduce costs.

Education Equity and Taxpayer Equity: A Review of the Alaska Public School Foundation Funding Program, Matthew Berman and Eric Larson, Institute of Social and Economic Research, University of Alaska, p. 89 (1991).

In contrast to residents served by regional educational attendance areas, all other Alaskans are legally obliged to provide financial support for local public education. Thus, Alaskans living in the state's sixteen organized boroughs and eighteen of the ninety-seven city governments in the unorganized borough have financial responsibility for operation of local schools.

The required local contributions of municipal school districts directly offsets education funding that the State would otherwise be obligated to provide to those municipal school districts. In contrast, the State has chosen to bear the financial burden of fundamental municipal services for approximately two-thirds of the population of the unorganized borough, again, without regard for local fiscal capacity or human resources. This

disparate treatment of Alaskans lacks a rational basis.

Alaska's "Task Force on Governmental Roles", established by the 1991 Legislature to define federal, State, and local relationships in the delivery of public services, took the position that "the inequity in tax burden between residents of municipalities and residents of the unorganized borough is better addressed via state fiscal policies (taxes, shared revenue programs, education foundation funding and municipal grants) than by imposing areawide government on people who do not want it." *Task Force on Governmental Roles – Final Report*, Governor's Office of Management and Budget and the Alaska Municipal League, p. 15 (July 10, 1992).

Numerous attempts to levy taxes on unorganized areas followed the report of the Task Force. However, every attempt met a fusillade of opposition from residents of unorganized areas. None were implemented.

In a 1981 study of service delivery in the unorganized borough by the former Alaska Department of Community and Regional Affairs, Dr. John J. Kirlin characterized the situation as follows:

> . . . the present system encourages dependence. Inhabitants of the unorganized borough are encouraged to be supplicants and clients of service-delivery structures, and largely spectators upon the political life of the State. They are not citizens effectively participating in the governance of the policy. Moreover, this system is not supportive of native cultures and effectively requires natives to submerge or abandon traditional cultural values in order to participate in the State's politics.

Problems and Possibilities for Service Delivery and Government in the Alaska Unorganized Borough, Alaska Department of Community and Regional Affairs, p. 54 (September 1981).

Conflict clearly exists between the circumstances described here and the principles of Article I, Section 1 of Alaska's constitution. Approximately one in every twelve Alaskans receives fundamental public services at no cost, *without regard to fiscal capacity*, while all other Alaskans are compelled to pay for the same services because they reside within the boundaries of organized boroughs or home rule or first class cities in the unorganized borough. The previously noted 1991 Task Force on Governmental Roles reported that, "The inequity in tax burden between residents of first class cities and general law boroughs and those residing in unorganized areas is a perennial area of conflict in Alaska politics."

Part 4. Equity is an Important Reason to Promote Boroughs but Boroughs are Good Public Policy for Many Other Reasons

Alaska's Constitution promotes boroughs as the cornerstone of efficient and effective delivery of municipal services throughout Alaska. The Alaska Supreme Court interprets Article X, Section 1 as encouraging the creation of borough governments. *Mobil Oil Corporation v. Local Boundary Commission, supra*, 101.

Boroughs benefit the State of Alaska and local areas in many ways including:

- enhanced service delivery through greater economies of scale;
- ability to provide financial support for fundamental services and facilities;
- greater capacity for economic development;
- power to address fundamental social services and public safety needs on a regional basis; and
- greater local control.

These advantages of boroughs are addressed in subparts (a) through (e) below.

Subpart (a). Boroughs Provide Greater Economies of Scale for Local Service Delivery.

The Alaska Municipal League characterizes service delivery in the unorganized borough as the exact opposite of what was intended by the constitution. The League notes:

> Article X of the Constitution also states, "The purpose of this article is to provide for maximum local self government with a minimum of local government units." In the Unorganized Borough the opposite is true. There is currently a minimum of local self-government with a maximum of local government units.

Municipal Government in Alaska – White Paper, supra.

Organized boroughs deliver fundamental services such as education and platting on an areawide basis. In contrast, education services in the unorganized borough are delivered in a highly fragmented manner through a combination of service areas and cities.

For example, each organized borough comprises a single school district. Yet, the lone unorganized borough encompasses thirty-seven different school districts – more than twice the number in all organized boroughs combined. The unorganized borough has just thirteen percent of Alaska's population, yet it contains seventy percent of the school districts in the state. If the state were organized along the model borough boundaries defined by 3 AAC 110.990(9), the number of school districts serving the area now within the unorganized borough would be reduced by more than 50%.

The unorganized borough has just thirteen percent of Alaska's population, yet it contains seventy percent of the school districts in the state.

Based on the 2001-2002 enrollment figures, thirteen of the thirty-seven school districts in the unorganized borough (35%) have fewer than 250 students. A 250 student threshold was established by the State as the floor seventeen years ago for new school districts (AS 14.12.025). Moreover, one-third of the school districts in the unorganized borough sought from and were granted by the State Board of Education waivers for FY 2000 of the requirement that at least 65 percent of operating funds must be budgeted for instruction.

In organized boroughs, citizens have elected to streamline municipal government through unification or consolidation of smaller units of local government. In 1970, half of the people who lived in organized boroughs also lived in city governments. Today, the figure stands at just seventeen percent. In October 2002, voters in Haines were the latest to combine their local governments when voters approved consolidation of the City of Haines and the Haines Borough.

In contrast, more than three-quarters of the residents of the unorganized borough live in cities where no regional municipal structure is available. Here again, with only 13% of the state's population, the unorganized borough has a disproportionately high number (67%) of the total city governments in Alaska.

The Alaska Municipal League publication referred to earlier offers the following characterization of the manner in which services are delivered in the unorganized borough:

> Local services are currently provided by the state and a patchwork of over 400 separate municipal governments, non-profit corporations, regional school attendance areas, tribal governments, etc. Current service delivery is neither inexpensive or efficient, due to the lack of coordinated service delivery. Therefore, borough government would not be new and could be less expensive and more efficient than the "system" now in place.

In a 1981 study of the unorganized borough by the former Department of Community and Regional Affairs, Dr. John J. Kirlin characterized the structure for service delivery in the unorganized borough as follows:

> To assert that the present situation is a "worst case" scenario is not comforting to those seeking to make this system effective, but it may well be accurate. The label is warranted as much for the incapacity for future development of the present system or for its current dysfunctions. This system has extremely limited capacity to develop and implement policies; it has even less capacity to "learn" (that is, to discern preferable institutions and policies) and to change. Moreover, the very existence of this complex, jury-rigged non-system provides disincentives to change, including decreases in state and federal funding if incorporation occurs. The present system is also apparently expensive to operate and does not succeed in delivery of needed services to many inhabitants of the unorganized borough. Alternative systems many not be less expensive, but the present situation can hardly be defended as economical.

Problems and Possibilities for Service Delivery and Government in the Alaska Unorganized Borough, supra, p. 54.

In terms of the natural evolution of local governments and the constitutional policy of minimum numbers of local governments, it is noteworthy that the 1991 Task Force on Governmental Roles endorsed the unification and consolidation of cities and organized boroughs "wherever possible to provide for more efficient and cost-effective service delivery." *Task Force on Governmental Roles – Final Report*, *supra*, p. 15.

The extension of some form of borough government to unorganized areas of Alaska would enable residents of those areas to approach public policy issues and service delivery on a regional basis. Until that happens, however, the State's ability to meet the public service needs of the over two hundred communities in the unorganized borough will be poor, at best. If the State is ever going to shed the responsibility of providing what are

Perceived shortfalls for operation of schools and other fundamental services can be addressed by borough governments. In contrast, regional educational attendance areas lack authority to levy taxes.

essentially local government services, the evolution of local government from State government must proceed.

Subpart (b). Boroughs increase opportunity to provide financial support for fundamental services and facilities for local residents.

A borough offers the ability to provide funding for fundamental regional services such as schools. Some communities have suggested that the $645,468,498 allocated by the State of Alaska in Education Foundation Program financial aid during Fiscal Year 2002 for 134,358 students was inadequate. As the Department of Education noted in a 2001 report to the Legislature on education funding, municipal school districts have the legal capacity to supplement state funding for education:

> The consumer price index for Anchorage has risen approximately 30% from 1990 to 1999. The January-to-January index rose 29.57% and the July-to-July index rose 30.7% in ten years. Between 1990 and 1999, the legislature has increased the base foundation funding formula approximately 5%. Many school districts have had to absorb the effects of the additional 25% of inflation. Many municipalities have increased the local contribution to offset the effects.
>
> Increasing the base student allotment by the additional 25% inflation factor would result in an increase of $985, or a revised student allotment of $4,925. If the base student allotment were $4,925, overall state foundation aid would increase by more than $200 million.
>
> The FY2002 foundation program budget request is $665 million to educate an estimated 133,300 children statewide. In FY2001, Alaska spent $664 million to inflation proof the permanent fund. It is estimated in FY2002 Alaska will spend $714 million to inflation proof the permanent fund. In FY2002, Alaska will spend approximately 7.4% or $49 million dollars more to inflation proof the permanent fund than it will spend on the state's 133,300 children's K-12 education.

Alaska's Public School Funding Formula: A Report to the Alaska State Legislature, Department of Education and Early Development, p. 11, (January 15, 2001).

As the Governor and Legislature continue to struggle with declining State revenues and a growing population, the perceived disparity between the State's ability to fund services and the need for services may become much greater in the foreseeable future.

Perceived shortfalls for operation of schools and other fundamental services can be addressed by borough governments. In contrast, regional educational attendance areas lack authority to levy taxes.

Subpart (c). Boroughs Promote Economic Development Activities.

Urban and rural boroughs in Alaska routinely engage in successful economic development activities that

benefit local residents. For example, the Haines Borough is currently exploring ways in which it might assist the local commercial fishing industry following the recent decision of Wards Cove Packing Company to close its Alaska salmon operations. In the Haines Borough, that action has forced the closure of the Excursion Inlet processing plant and former cannery at Letnikof Cove.

Haines gillnetters recently passed a resolution asking the Haines Borough to consider buying Wards Cove Packing Company's former cannery at Letnikof Cove for use as a base of operations for the fleet. The Haines Borough economic development director is exploring other ways and means of assisting the industry. One Haines Borough Assembly member recently committed that, "The borough isn't going to sit back and do nothing. The assembly is very interested in keeping Excursion Inlet and the Letnikof property to benefit the fisheries."

A 1999 study concerning fisheries in the Bristol Bay region stressed that ". . . borough governments in rural Alaska are often the largest employer and serve as the economic engine for the area." *Impacts of the 1997-1998 Bristol Bay Fishing Disasters*, Northern Economics, Inc., in association with KEA Environmental Inc., and HDR Alaska, Inc., p. ES-4 (June 1999).

The Lake and Peninsula Borough describes its economic development activities as follows:

> The Borough provides a variety of planning functions related to community and economic development. Such functions include grant writing and management, technical assistance on local government and development issues, general assistance in community planning, assistance with planning for and financing capital projects, and general economic development assistance; especially in the areas of fisheries and tourism.

Moreover, boroughs can also be effective advocates in the promotion of public policies that benefit local economies. For example, the Natural Resources Department of the Aleutians East Borough represents local residents before various fishery advisory and management bodies. The Aleutians East Borough also assists in the development and implementation of scientific efforts and regulations regarding commercial fisheries in the region.

. . . boroughs can also be effective advocates in the promotion of public policies that benefit local economies.

Organized boroughs are also empowered to issue bonds to finance economic development projects such as roads, docks, and airports. The Aleutians East Borough has secured an estimated $100 million for capital improvements since its incorporation in 1987. Local funds raised through the sale of bonds were leveraged to obtain State and Federal funding for a variety of capital projects in the Aleutians East Borough.

Further, organized boroughs can also provide stable and predictable political environments that encourage economic development. For example, the incorporation of the Northwest Arctic Borough was a key to opening the Red

Dog zinc mine which now employs hundreds of residents of the Northwest Arctic Borough.

Subpart (d). Boroughs can Address Fundamental Social Services and Public Safety Needs on a Regional Basis.

Boroughs offer the jurisdictional basis for addressing social and public safety issues. For example, there is currently no mechanism to provide alcohol control on a regional basis in the unorganized borough. However, the law allows voters in organized boroughs to establish areawide alcohol controls.

Another example concerns the National Flood Insurance Program regulated by the Federal Emergency Management Agency (FEMA). Participation in the National Flood Insurance Program requires passage of a municipal ordinance to meet applicable FEMA regulations. Residents and businesses in floodprone areas of the unorganized borough outside of cities are ineligible for federal flood insurance because no local government structures exist which can adopt such ordinances. The lack of flood insurance coverage can have profound economic effects on unprotected areas.[11]

The Alaska Commission on Rural Governance and Empowerment recognized the existence of "a range of land-based jurisdictional issues involving alcohol and other substance abuse control, economic development, environmental management and local governance innovation" in rural Alaska. *Final Report to the Governor*, Alaska Commission on Rural Governance and Empowerment, p. 65 (June 1999).

The Rural Governance Commission also concluded that, "The State of Alaska must invest in its future by ensuring that a strong, stable, and accountable unit of State government carries out rural development functions." *Id.,* p. 72. While the Local Boundary Commission does not view that statement as an endorsement for borough government, boroughs certainly possess the characteristics listed.

[11] FEMA's Public Assistance Policy Digest states:

A distinct reduction in disaster assistance is made for facilities located in the 100-year-floodplain, whether or not the applicant has the facility insured by a National Flood Insurance Program (NFIP) standard flood insurance policy.

This reduction is the maximum amount of insurance proceeds the applicant would have received if the facility had been fully covered by an NFIP standard flood insurance policy. It is made separately for buildings and contents up to a maximum of $500,000 each. . . . If the insurance is not maintained, at the next disaster the facility will receive no assistance." (FEMA 321, October 2001)

Moreover, federal laws require that "...Provisions of the Flood Disaster Protection Act of 1973 prohibit approval of assistance for the Private Nonprofit unless the community agrees to participate in the NFIP within six months after the major disaster declaration date, and the required flood insurance is purchased." (Title 44, Ch. I, Part 206 - Subpart I Public Assistance Insurance Requirements Sec. 206.252 Insurance requirements for facilities damaged by flood.)

Subpart (e). Boroughs Offer Greater Local Control over Public Services and Regulation.

Through a borough government, residents of a region have greater opportunity to make decisions at the local level. For example, one of the fundamental services required of boroughs is platting.

Platting typically entails regulation and control of the (1) form, size, and other aspects of subdivision, dedications, and vacations of land; (2) dimensions and design of lots; (3) street width, arrangement, and rights-of-way, including requirements for public access to lots and installation of street paving, curbs, gutters, sidewalks, sewers, water lines, drainage, and other public utility facilities and improvements; and (4) dedication of streets, rights-of-way, public utility easements and areas considered necessary by the platting authority for other public uses.

In the absence of a borough or city platting authority, the Alaska Department of Natural Resources is formally designated platting authority under AS 29.03.030. The exercise of such local responsibilities by the State seems to run counter to the principle of "maximum local participation and responsibility" called for in Article X, Section 6 of Alaska's constitution.

It is difficult to reconcile arguments for self-determination when it comes to borough government with the willingness of most of the unorganized borough to rely on the State of Alaska to exercise control over local matters such as platting.

In the absence of a borough or city platting authority, the Alaska Department of Natural Resources is formally designated the platting authority. . . . The exercise of such local responsibilities by the State seems to run counter to the principle of "maximum local participation and responsibility" called for in Article X, Section 6.

Part 5. Boroughs are Suitable to Rural Areas as well as Urban Areas

Boroughs are adaptable to both rural and urban areas. *Mobil Oil Corporation v. Local Boundary Commission*, *supra*, p. 98. More than one-third of Alaska's existing organized boroughs encompass areas that are *exclusively* rural (Bristol Bay, North Slope, Northwest Arctic, Aleutians East, Lake & Peninsula, and Yakutat). Another one-third of the boroughs include a number of rural communities (Kodiak Island, Kenai Peninsula, Haines, Ketchikan, Matanuska-Susitna, and Denali).

Eben Hopson, first Mayor of the North Slope Borough, promoted borough formation as a means to advance the social and economic well-being of North Slope residents. Additionally, he saw the North Slope Borough as a means to preserve and protect the Inupiat culture and language and to establish local control and self-determination. *Alaska's Urban and Rural Governments*, Thomas Morehouse, et al., p. 144 (1984).

A report prepared for the Alaska Federation of Natives in 1999 noted

that boroughs have the capacity that other organizations lack to address particular needs of Native communities:

> In many Native communities, neither tribal government nor [city] status provides the powers or jurisdiction necessary to control land uses and protect subsistence fish and wildlife habitat in the much larger area surrounding the community. Also, developments in the surrounding area are outside the taxing powers of these local governments. One solution to these problems is to create an areawide or regional borough government under state law in order to bring these lands under local governmental jurisdiction. In addition to land use planning and control and tax powers, borough government also can localize control of public education. These are all mandatory powers of borough government.[12]

The Alaska Municipal League takes the following view concerning the suitability of boroughs in predominantly Native areas:

> Borough government can be a valuable tool for local self-determination that allows municipal and tribal government/ organizations to co-exist successfully while resources are maximized.[13]

Several existing boroughs are inhabited predominantly by Natives. These include the Aleutians East Borough, Lake and Peninsula Borough, North Slope Borough, Northwest Arctic Borough, and the City and Borough of Yakutat. Other existing boroughs include significant Native populations. At present, one-third of the villages recognized by the Bureau of Indian Affairs are within organized boroughs.[14]

Part 6. Voluntary Borough Formation is Appealing but is Ineffective in Terms of Promoting Boroughs

It has been widely recognized by experts in Alaska local government that the local option (voluntary) approach to forming boroughs implemented in 1961 has been successful only in those few instances where local self-interests outweighed the significant disincentives to borough incorporation. Indeed, less than 4% of Alaskans live in boroughs that were formed voluntarily through local action. In contrast, nearly 83% of Alaskans live in boroughs that were formed in a matter of a few months under the 1963 Mandatory Borough Act. The remaining 13% of Alaskans live in the unorganized borough. Stated differently, more than 96% of Alaskans live in areas that have not voluntarily initiated borough incorporation.

Constitutional convention delegates expressed a preference for voluntary incorporation of boroughs. However, they also felt that the State should require areas to take on the burden of their own regional government where

[12] Cornell, Stephen, et al., The Economic Resource Group, Inc.; and Victor Fischer and Thomas Morehouse, Institute of Social and Economic Research, University of Alaska, Anchorage. *Achieving Alaska Native Self-Governance: Toward Implementation of the Alaska Natives Commission Report*, May 1999, p. 44.

[13] Alaska Municipal League, *supra*., p. 4.

[14] Cornell, et al., *supra*., Appendix A lists 223 BIA-recognized villages, 72 of which are within organized boroughs.

they can support it. The following reflects the views of the constitutional convention delegates regarding the establishment of boroughs.

> Convention delegates intended that the initial delineation of borough boundaries would take place only after thorough study of relevant economic, geographic, social, and political factors. The objective was to assure that boroughs would be so established that their boundaries would reflect statewide considerations as well as regional criteria and local interests. As indicated, the delegates did not believe that local determination of boundaries would likely achieve this objective.[15]

The authority to organized a borough was also vested in the state, and there was initial discussion of whether boroughs should be established on a voluntary or compulsory basis.[16] It was decided that, although voluntary incorporation would be preferable, organized boroughs could be created without the approval of the people within the area. The rationale behind this position of unilateral state actions was that the borough:

> … is more than just a unit of local government. It is also a unit for carrying out what otherwise got carried out as state functions; and when a certain area reaches a position where it can support certain services and act in its own behalf, it should take on the burden of its own government.[17]

It was anticipated, however, that the legislature might choose to provide the local people with the opportunity to vote upon the issue in a referendum.[18]

While compulsory establishment of organized boroughs was authorized, it was also expected that the state would offer adequate inducement to local people to accept organized borough status or even to initiate incorporation:

> We [the Local Government Committee] thought that at the state level it would be the policy as it has been in the past to offer certain inducements to them [boroughs] to organize … [To] the extent that the benefits that the legislature sets up will offset the added cost to the people… it was our thought there would be enough inducement for them to organize and exercise home rule so that as time went on they would gradually all become incorporated boroughs… The thought was that inducements to organize would be offered on the basis of the granting of home rule powers plus certain other inducements that would make it advantageous to them to be boroughs, as we now have the same program of inducement to organized communities.[19]

Borough Government in Alaska, supra, p. 61 – 62.

Part 7. Current State Law does not Adequately Encourage the Voluntary Formation of Boroughs

As noted above, Article X, Section 1 is interpreted by the Alaska Supreme Court as encouraging voluntary formation of borough governments in Alaska. Thus, to be consistent with the provisions of Article X, the methods

[15] (Footnote original). See *General Division,* p. 6; also, p. 38 above.

[16] (Footnote original). *Minutes,* 8th Meeting.

[17] (Footnote original). *Proceedings,* pp. 2673-74.

[18] (Footnote original). *Proceedings,* pp. 2674-76.

[19] (Footnote original). *Proceedings,* p. 2650.

established by the Legislature to organize boroughs should encourage the creation of boroughs.

The Local Boundary Commission joins others that have previously expressed a preference for voluntary extension of borough government. However, many have also taken the position that the State should compel the extension of borough government in regions capable of supporting boroughs if citizens choose not to organize voluntarily. For example, the constitutional convention delegates who wrote the local government provisions of Alaska's Constitution held the view that creation of boroughs should be compulsory, with provision for local initiative.[20]

Several who have favored voluntary incorporation have also acknowledged that, to be successful, such an approach requires adequate incentives to encourage incorporation. Unfortunately, current law has many provisions that act as disincentives to borough formation and annexation. However, if the disincentives were removed, it is unlikely that the State still could provide sufficient inducements to motivate all of its citizens to incorporate boroughs voluntarily.

Alaska's "Task Force on Governmental Roles", established by the 1991 Legislature to define Federal, State, and local relationships in the delivery of public services, "stopped short of endorsing mandatory borough formation legislation but agreed that continued formation of additional borough governments should be a *primary* state policy goal."[21] (emphasis added)

However, instead of promoting borough formation, State policy has actually continued to regress in that arena since the 1991 Task Force study.[22]

Citizens and local officials in some areas have also become frustrated over procedural and policy impediments to borough formation. For example, before any laws had been written concerning borough government in Alaska, residents of Cordova who attended a January 6, 1960 meeting of the Local Boundary Commission at the Cordova High School Auditorium expressed an immediate need for a Prince William Sound borough.

> A clear majority recommended that borough boundaries in this area include Prince William Sound, east to the Canadian border, south along the border to Yakutat, then west to Prince William Sound: that this area be unorganized *until borough standards are established* so that a decision on a "home rule" or so-called "general law" boroughs (sic) can be made. (emphasis added) They felt that although they are probably not ready for "home rule" at this time, *there is a real need for organized borough*

[20] Victor Fischer, *Alaska's Constitutional Convention,* 1975, p. 119.

[21] Brad Pierce, Governor's Office of Management and Budget, and the Alaska Municipal League, *Final Report: Task Force on Governmental Roles*, July 10, 1992, p. 15.

[22] The Local Boundary Commission has chronicled an extensive and growing list of borough disincentives in its annual reports to the Legislature since the 1980s. Most recently this issue was addressed on pages 23-24 of the Commission's report to the 2002 Legislature. That report is available on the Internet at: http://www.dced.state.ak.us/cbd/lbc/pubs/2001_LBC_Annual_Rpt.pdf

> *government in this area as soon as possible*. (emphasis added) There is a definite feeling of tie-in with all of Prince William Sound, the "highway communities" and the Copper River Valley when that road is finished. They definitely desire that the fishing areas on the west side of Prince William Sound be included in this area. Yakutat should be included if such is the wish of that community.

First Report to the Second Session of the First Alaska State Legislature, Local Boundary Commission, p. 2 – 4 (February 2, 1960).

Despite the wishes of some Cordova residents to create a Prince William Sound Borough in 1960, such a borough, of course, has yet to form. However, officials of the City of Cordova continue to recognize the need for a borough government. They cite procedures established under the Borough Act of 1961 as a principal reason for the lack of a Prince William Sound borough. Dissatisfaction with the status quo is evident in the following comments from Ed Zeine, then-Mayor of Cordova in letter to the Chairman of the Local Boundary Commission dated December 20, 1999:

> The City of Cordova and many other smaller Alaska cities have been frustrated in previous attempts to establish borough governments. The current process is cumbersome and self-defeating.

In December of 1999, circumstances led the City of Cordova to seek reform of State laws similar to that proposed by the Commission in 2001 and embodied in Senate Bill 48 before the Twenty-Second Alaska Legislature. *Proposal for Reform of State Law Regarding Borough Formation,* City of Cordova (December 1999). At the time, the Cordova City Council adopted Resolution 12-99-83 providing as follows:

> . . . the City Council of Cordova, Alaska, hereby encourages the executive and legislative branches of the government of the State of Alaska to review and amend the borough formation process, and offers the paper "Proposal for the Reform of State Law Regarding Borough Formation" as a starting point for the process of change.

The City of Cordova continues to work toward formation of a Prince William Sound Borough. On January 8, 2003, the Cordova City Council adopted Resolution 01-03-05 endorsing the formation of a Prince William Sound borough.

Several respected Alaskans and institutions have concluded – some as far back as the early 1960s – that it is naive to assume that the voluntary approach to borough formation will succeed except in rare instances.[23] The test of time has clearly proven them to be correct.

[23] See comments by Thomas Morehouse and Victor Fischer in *Borough Government in Alaska*, page 73, former Governor Jay Hammond in *Tales of Alaska's Bush Rat Governor*, page 149; John Rader in *The Metropolitan Experiment in Alaska – A Study of Borough Government*, page 91; Thomas A. Morehouse, et al., *Alaska's Urban and Rural Governments*, page 43; House Research Agency in *A New Mandatory Borough Act: Local Education Costs and Potential Revenues of Newly Created Boroughs*, page 14; and City of Cordova in *Proposal for Reform of State Law Regarding Borough Formation,* December 1999.

Part 8. Alaska Alone has Unorganized Regions

Alaska is the only state in the nation that is not organized at the regional level into counties or equivalent units of regional government. Alaska is also unique among state governments in the extent to which it assumes responsibility for local services.

The State continues to shoulder the burden for education and platting services in communities that decline to accept local responsibility, even though a number of such communities have ample resources to assume the responsibility. At the same time, the State of Alaska has dramatically reduced financial aid to communities that have assumed local responsibility for services.

The deterrents in State law to form boroughs are so pervasive and so overwhelming that they impede successful incorporation of new borough governments. The process for incorporation of new boroughs actually thwarts local initiative in certain cases. For example, by requiring each of two different classes of voters to initiate incorporation (those within city school districts and those outside city school districts), a relatively small number of voters may block local efforts to incorporate.

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Section G. Proceedings Involved with this Review

The legislation directing the Local Boundary Commission to conduct this review of the unorganized borough was approved by the Legislature on May 12, 2002. It was transmitted to the Governor on June 21, 2002. Then-Governor Knowles signed the legislation into law the same day that it was received from the Legislature. The law went into effect on September 17, 2002.

From the beginning, the Commission endeavored to promote broad public awareness in the Commission's review of the unorganized borough. The Commission also took steps to facilitate public comment on the matter. Extensive information about the Commission's efforts was posted on the Commission's Internet website. Printed materials were widely circulated to potentially interested individuals and organizations. Extensive public notice of the proceedings of the Commission was provided.

On October 22, 2002, the Local Boundary Commission approved a work plan for the study of the unorganized borough and work on the project proceeded on the basis of that work plan. At the same meeting, the Commission opted to exclude from consideration five portions of the unorganized borough that had been identified by the Commission in the early 1990s as unorganized remnants

within the model boundaries of existing organized boroughs. (For example, Hyder and Meyers Chuck lie within the Ketchikan Gateway Borough model boundaries and were, therefore, excluded.)

On November 12, 2002, the Commission mailed significant project background information to some 360 individuals and organizations. The same materials were posted to the website on the same date.

On November 13, 2002, the Local Boundary Commission met in Valdez during the Alaska Municipal League's annual local government conference. The Commission presented written and verbal information concerning the unorganized borough review to League members.

On December 9, 2002, the Commission met to review information about the unorganized borough concerning population, per capita household income, percent of unemployment, percent of adults not working, average household income, percent of poverty, and residential property values. The Commission also gave consideration to circumstances not necessarily fully reflected in the 2000 federal census data such as the depressed condition of the commercial fishing industry, and potential access to oil and gas property tax base. The Commission made a preliminary determination at that time that eight regions of the unorganized borough may have the financial capacity to operate borough governments.

Notice of the Commission's preliminary determination and additional information concerning the unorganized borough review was mailed on December 12, 2002, to approximately 350 cities, village-traditional-IRA councils, school districts, and other interested parties within the eight regions identified by the Commission at its December 9 meeting.

On January 17, 2003, the Commission met to review draft components of its report dealing with borough incorporation standards and the application of those standards to the eight areas under review. At the meeting, the Commission approved the release of the draft materials for review by the public. Posting of materials to the web occurred on January 24. Beginning January 27, over 370 copies of the draft materials were distributed.

Newspapers have reported on the pending unorganized borough issue throughout the course of the Local Boundary Commission's review.

Radio stations throughout Alaska have broadcast many reports and even special programs on the unorganized borough review. For example, the Commission Chair participated in an hour-long program on the topic broadcast by the Alaska Public Radio Network and member stations.

On February 8, the Local Boundary Commission held a statewide public hearing on the matter. The hearing convened at 9:00 a.m. and lasted more than six hours. Twenty-seven communities participated in the hearing. During the hearing more than seventy-five individuals provided testimony to the Commission regarding the matter.

On February 11, the Commission met again. At the February 11 meeting, the Commission unanimously adopted this report and voted to submit it to the Legislature by February 19, 2003.

Extensive written public comments on the Commission's unorganized borough review have been submitted to the Local Boundary Commission. All written comments, along with a transcript of the Commission's meetings of December 9, January 17, February 8, and February 11 are part of the record of this proceeding. Once compiled, those materials will be forwarded separately to the Legislature.

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Section A. Introduction

The Constitution of the State of Alaska, Alaska Statutes, and Alaska Administrative Code each contain standards or criteria for borough incorporation. Those standards relate to the following four broad categories:

- economic capacity;
- population size and stability;
- regional commonalities (social, cultural, economic, geographic, transportation, and communication ties); and
- broad public interest.

Salmon purse seiner hoisting net in the waters around Prince of Wales Island

The standards are formally identified and discussed in this part of the report. The review begins with the constitutional standards and progresses to the standards established in the Alaska Statutes and Alaska Administrative Code.

Section B. Constitutional Standards for Borough Incorporation

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Part 1. Background

Article X of Alaska's Constitution provides the framework for local government in Alaska. Eight of the fourteen sections in Article X relate (to varying degrees) to the nature of boroughs and their establishment. Those are Article X, Sections 1, 2, 3, 5, 6, 7, 12, and 13.[24]

Article X, Section 3 deals most specifically with borough standards. However, three other sections of Article X – Sections 1, 2, and 12 – also provide fundamental guidance concerning the character of boroughs and their creation. The focus of the other four sections – Sections 5, 6, 7, and 13 – lies principally with other aspects of Alaska local government. However, those four sections buttress the fundamental nature of boroughs set out in Sections 1, 2, 3 and 12.

The ensuring discussion of the constitutional standards begins with the most basic (Section 3), followed by Sections 1, 2, 12, and ends with the four secondary provisions.

State Capitol

Part 2. Article X, Section 3. Boroughs

Article X, Section 3 of Alaska's constitution has four principal elements. It provides that:

1. all of Alaska must be divided into boroughs (those boroughs may be organized and/or unorganized);
2. each of those boroughs must be established in a manner and according to standards enacted by the Alaska Legislature;[25]
3. the standards established by the Legislature must include population, geography, economy, transportation, and other factors;
4. each borough must have common interests.

[24] Provisions in other articles of Alaska's constitution may also be relevant to the matter of establishment of boroughs. In particular, Article I, Section 1 may be viewed as a constitutional policy promoting equal responsibility on the part of all Alaskans to share in the opportunities and obligations associated with local government. It provides "… that all persons are equal and entitled to equal rights, opportunities, and protection under the law; and that *all persons have corresponding obligations to the people and to the State*." (emphasis added) Only the constitutional provisions set out in Article X will be addressed here.

[25] Article X, Section 3 states, in part, "They [boroughs] shall be established in a manner and according to standards provided **by law**." (emphasis added). Article XII, Section 11 states that "As used in this constitution, the terms "by law" and "by the legislature" or variations of these terms, are used interchangeably when related to law-making powers."

The Committee on Local Government at the Alaska Constitutional Convention envisioned boroughs as units of government that would cover large areas. According to Vic Fischer:[26]

> As the committee was evolving [borough] principles, its members agreed that some type of unit larger than the city and smaller than the state was required to provide both for a measure of local self-government and for performance of state functions on a regionalized basis.
>
> . . . the initial principles set forth by the committee for consideration in the formation of the new areawide government units included these guidelines: . . .
>
> • Units should cover large geographic areas with common economic, social, and political interests. . . .

Victor Fischer, *Alaska's Constitutional Convention*, p. 118 – 119, (1975).

The regional characteristic of boroughs is reflected in Article X, Section 3 of the Constitution which provides as follows.

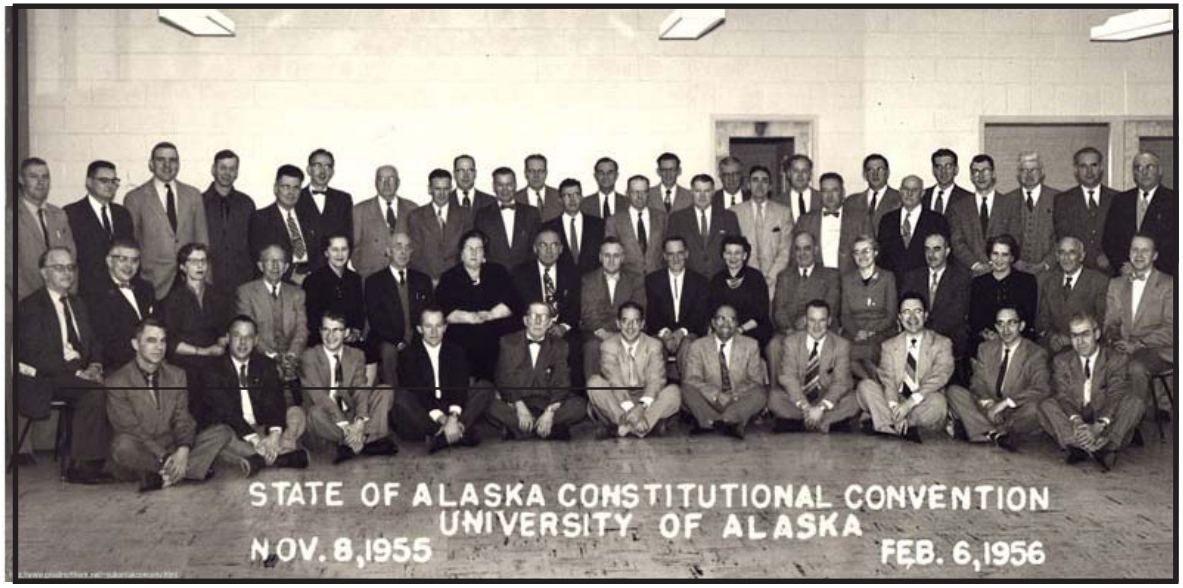
> **SECTION 3. BOROUGHS.** The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

The fourth sentence of Article X, Section 3, which provides that "[e]ach borough shall embrace an area and population with common interests to the maximum degree possible", is particularly significant regarding the fundamental characteristic of boroughs. That sentence, by itself, does not indicate the territorial or socioeconomic scale at which the commonality of interests is to be evaluated. However, the minutes of the Alaska Constitutional Convention provide compelling evidence as to the framers' intent regarding the character and scope of boroughs.

[26] Mr. Fischer is recognized by the Alaska Supreme Court as "an authority on Alaska government." *Keane v. Local Boundary Commission*, 893 P.2d 1239, 1244 (Alaska 1995). The Court has relied on his work in the *Keane* case (1242, 1243) and in the *Mobil Oil* case (98). Mr. Fischer is well known to most members of the Commission. He has addressed the majority of the current Commission in the past on a number of occasions concerning matters relating to local government in Alaska. Most recently, he addressed all current members of the Commission on August 10, 2002. Mr. Fischer received a bachelor's degree from the University of Wisconsin in 1948 and a Master's Degree in Community Planning from the Massachusetts Institute of Technology in 1950. He also received the Littauer Fellowship in public administration from Harvard University (1961-1962). Mr. Fischer has held several planning related positions in Alaska. He was a delegate to the Alaska Constitution Convention in 1955-1956. During the convention he was a member of the Committee on Local Government and served as its Secretary. Mr. Fischer has written and co-authored a number of books and publications concerning state and local government in Alaska. These include *The State and Local Governmental System* (1970), *Borough Government in Alaska* (1971), and *Alaska's Constitutional Convention* (1975). Mr. Fischer served in Alaska's Territorial House of Representatives (1957-1959) and the Alaska State Senate (1981-1986). He was a member of the faculty of the University of Alaska Fairbanks and of the University of Alaska Anchorage. At the University, he was primarily associated with the Institute for Social and Economic Research, where he was director for ten years. His current work includes studying Alaska Native and regional governance issues.

In the following exchange, delegate John Rosswog, Chairman of the Committee on Local Government, responded to a query from delegate John Coghill on January 19, 1956 about the Committee's intent with respect to the language that each borough shall embrace an area and population with common interests to the maximum degree possible.

> COGHILL: Further on in Section 3, I would like to ask you, Mr. Rosswog, on line 6 of page 2, "Each borough shall embrace, to the maximum extent possible, an area and population with common interests." My question here is directed to you to find out what the Committee's thinking was as to boundary areas of local government. Could you give us any light on that as to the extent? I know that you have delegated the powers to a commission, but you have said that each borough shall embrace the maximum extent possible. I am thinking now of an area that has maybe five or six economic factors in it — would they come under one borough?
>
> ROSSWOG: We had thought that the boundaries should be flexible, of course, and should be set up so that we would not want too small a unit, because that is a problem that has been one of the great problems in the states, the very small units, and they get beyond, or they must be combined or extended.
>
> *Proceedings of the Alaska Constitutional Convention,* Alaska State Legislature, Legislative Council p. 2620 – 2621 (1963).



A nearly identical question arose on the floor of the Convention later that same day. Delegate Barrie White inquired about the Committee's intent with respect to the term "maximum extent possible." Committee member James Doogan and Committee Chairman John Rosswog responded:

> WHITE: Mr. President, on page 2, Section 3, I would like to ask the Committee, on line 4, if the words "to the maximum extent possible" could be construed to mean the largest possible area?
>
> PRESIDENT EGAN: Mr. Doogan.
>
> DOOGAN: I think that is the intent. It was pointed out here that these boroughs would embrace the economic and other factors as much as would be compatible with the borough, and it was the intent of the Committee that these boroughs would be as large as could possibly be made and embrace all of these things.
>
> WHITE: Is it the thinking of the Committee that the largest possible area, combining area and population, with

> common interest, would be the most desirable type of borough?
>
> PRESIDENT EGAN: Mr. Rosswog.
>
> ROSSWOG: Could I answer on that? I think that was the idea or the thinking of the Committee that they would have to be fairly large but the wording here would mean that we should take into consideration the area and population and common interest to the maximum extent possible because you could not say definitely that you were taking it all in, but as much as you possibly could.

Id. p. 2638.

The following day, January 20, 1956, delegate Katherine Nordale raised the virtually identical question. Vic Fischer, Local Government Committee Secretary responded.

> NORDALE: Mr. President, I think this was brought up yesterday, but I have sort of forgotten what was said. It is just a question. On line 4, page 2 of Section 3, there was some discussion of the wording, "Each borough shall embrace to the maximum extent possible an area and population with common interests." Does that mean to the greatest degree it shall be a group of people with common interests? Nothing to do with the area — I mean the square mile?
>
> V. FISHER: What it means is that wherever possible, "Each borough shall embrace an area and population with common interests."

Id. p. 2711.

Part 3. Article X, Section 1. Purpose and Construction

Article X, Section 1 sets out the purpose of the local government article of the constitution. It also provides the framework for construction of local government powers.

In terms of borough standards and the creation of boroughs, Article X, Section 1 establishes two fundamental provisions. First, it encourages the creation of borough governments in areas of Alaska that meet borough standards.[27] Secondly, it establishes a constitutional policy favoring a minimum number of borough governments.[28]

Vic Fischer indicates that one of the basic principles concerning borough formation set forth by the Local Government Committee was that "*units should be large enough to prevent too many subdivisions in Alaska . . .*" Victor Fischer*, supra,* p. 119. When harmonized with other standards for borough government, the minimum governments principle of Section 1 further promotes the concept of large boroughs.

Section 1 of Article X states as follows:

> **SECTION 1. PURPOSE AND CONSTRUCTION.** The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax levying jurisdictions. A liberal construction shall be given to the powers of local government units.

The constitutional policies in Article X, Section 1 concerning a "minimum of local government units" and prevention of "duplication of tax levying jurisdictions" addressed a matter of

[27] Mobil Oil Corporation v. Local Boundary Commission, 518 P.2d 92 (Alaska 1974).

[28] In relevant part, Article X, Section 1 states, "The purpose of this article is to provide for … a minimum of local government units."

great concern at the time Alaska's constitution was drafted. Specifically, those clauses blocked the fragmentation of governing authority among many overlapping, often single-purpose, governmental agencies, with a corresponding loss of capacity to perform, and loss of clear political and fiscal accountability. Taken together, the two principles do not limit the creation of boroughs to a specific number. Instead, it limits their creation by the principle that only the minimum number of boroughs necessary to provide effective and efficient local self-government should be created.

Part 4. Article X, Section 2. Local Government Powers

Article X, Section 2 of the constitution concerns the vesting of powers in local governments. In terms of the standards for boroughs, it is relevant to stress that Article X, Section 2 recognizes only two types of local governments – cities and boroughs. It provides as follows:

> **SECTION 2. LOCAL GOVERNMENT POWERS.** All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.

Cities and boroughs are identical in certain fundamental respects. For example, both are municipal corporations and both are political subdivisions of the State of Alaska. Moreover, the powers and duties of boroughs are comparable to those of home rule and first class cities in the unorganized borough.

However, major distinctions exist between boroughs and cities with respect to form. Boroughs are intended to serve large, natural regions. In sharp contrast, city governments are intended to serve only communities. Thus, home rule and first class cities may exercise borough-like powers, but only within city jurisdictions. Conversely, it could be said that boroughs exercise home rule or first class city-like powers, but over regional jurisdictions.

Cities are subject to the "limitation of community" doctrine while boroughs are not. The Alaska Supreme Court

[29] In the *Mobil Oil* case (involving incorporation of the North Slope Borough) the Court addressed the limitation of communities doctrine by making a distinction between boroughs and what it termed "municipalities" (e.g., "boroughs are not restricted to the form and function of municipalities"). In the view of the Commission, the Court was clearly referring in the *Mobil Oil* case to "cities" (or derivatives thereof such as "city", or "city government") when it used the term "municipalities", (or derivatives thereof such as "municipality", or "municipal"). It is significant in that regard that when the North Slope Borough incorporation petition was filed, statutory standards and procedures for borough incorporation as well as other laws concerning boroughs were codified in "Alaska Statutes – Title 7 – Boroughs." In contrast, statutes relating to cities were codified in "Alaska Statutes – Title 29 – Municipal Corporations." The Court made reference to borough standards and other provisions in Title 7 seventeen times in the *Mobil Oil* case. In 1972, Titles 7 and 29 of the Alaska Statutes were repealed and new laws concerning both cities and boroughs were enacted as "Alaska Statutes – Title 29 – Municipal Government". Today, AS 29 refers to both cities and boroughs as municipalities. The distinction in the terms used by the Court in *Mobil Oil* to describe the two types of governments (i.e., "boroughs" and "municipalities") was purely nominal. However, the distinction made by the Court as to the form of the two types of governments (boroughs and cities) was significant.

held as follows concerning that distinction:[29]

> [Appellants] offer a series of cases striking down municipal annexations and incorporations where the lands taken have been found to receive no benefit. We find this authority unpersuasive when applied to borough incorporation. In most of these cases, the courts inferred from statutes or state constitutions what has been called a 'limitation of community' which requires that the area taken into a municipality be urban or semi-urban in character.
>
> > There must exist a village, a community of people, a settlement or a town occupying an area small enough that those living therein may be said to have such social contacts as to create a community of public interest and duty. . . .
>
> The limitation has been found implicit in words like 'city' or 'town' in statutes and constitutions or inferred from a general public policy of encouraging mining or agriculture. In other cases, the limitation has been expressed as a finding that the land taken is not susceptible to urban municipal uses. The result in these cases was determined not by a test of due process but by restrictions in pertinent statutes and constitutions on the reach of municipal annexations and incorporations.
>
> Aside from the standards for incorporation in AS 07.10.030, there are no limitations in Alaska law on the organization of borough governments. Our constitution encourages their creation. Alaska const. art. X, § 1. And boroughs are not restricted to the form and function of municipalities. They are meant to provide local government for regions as well as localities and encompass lands with no present municipal use.

Mobil Oil Corp. v. Local Boundary Commission, 518 P.2d 92, 100 (Alaska 1974) (footnotes omitted).

The limitation of communities doctrine is implicit in the Alaska Statutes concerning incorporation of cities.[30] Moreover, that doctrine is explicit in the Alaska Administrative Code governing city incorporation and city annexation. See 3 AAC 110.040(b) – (c) and 3 AAC 110.130(c) – (d).

Both cities and boroughs embrace territory with common social, cultural, and economic interests. However, they do so at distinctly different scales. As implicitly and explicitly reflected in Alaska's constitution, statutes, and administrative regulations, each city government must embrace a community. The term "community" in

[30] Note the use of the term "community" in AS 29.05.011(a)(1), (3), (4) and (b). In that context, the term "community" is defined by 3 AAC 110.990(5) to mean a social unit of 25 or more permanent residents as determined by 3 AAC 110.920. A community exists where individuals reside permanently in a close geographical proximity that allows frequent personal contacts and comprise a population density that is characteristic of neighborhood living. Factors such as school enrollment, number of sources of employment, voter registration, precinct boundaries, permanency of dwelling units, and the number of commercial establishments and other service centers are evidence of a community. Further, the law presumes that a population does not constitute a community if public access to or the right to reside at the settlement is restricted, if the population is adjacent to a community and is dependent upon that community for its existence, or if the location of the population is provided by an employer and is occupied as a condition of employment primarily by persons who do not consider the place to be their permanent residence. In that same context, "community" is defined in 3 AAC 110.990(5).

that context is a discrete locale and population with significant common interests concerning social, cultural, economic, and other characteristics.

As reflected in the preceding discussion, each borough must maximize the area and population within its boundaries, but with the proviso that the maximum area and population also embrace common interests. The requirement for maximum area and population necessarily presumes an acceptable level of common interests less than that found at the community level.

The following discussion on the floor of the Constitutional Convention on January 19, 1956 between delegate James Hurley, Local Government Committee Chairman John Rosswog, Local Government Committee member Eldor Lee, and delegate John Hellenthal further reflects the conceptual nature of a borough. It demonstrates that the Local Government Committee had no precise upper or lower limits in mind regarding the geographic size of boroughs. However, the dialogue also provides additional evidence that the delegates foresaw, in general terms, relatively large boroughs. Perhaps most importantly, however, the exchange provides insights with respect to the framers' vision concerning the requisite degree of common interests within boroughs.

HURLEY: Mr. President, going back to Section 4, the matter has been mentioned many times about the possible thinking as to the size of the boroughs. I took occasion to check back into the criteria which would be used for the establishment of election districts. I find that except for two different words they are the same as the criteria that you use for the establishment of boroughs: population, geographic features, and the election districts say integrated socio-economic areas, and you say economy and common interests which I think means the same thing. Consequently, I might be led to the conclusion that your thinking could well be carried out by making election districts and boroughs contiguous or congruous, the same area, is that true?

ROSSWOG: It was thought this should be left very flexible. Of course, you would not say they should be the same as election districts because of rather unwieldiness for governing. It would more possibly, and should, take more study of whether the size should bear on whether your governing body would be able to supervise an area of that size.

PRESIDENT EGAN: Mr. Lee.

LEE: Mr. Hurley, I think we are unanimous in the opinion that many of these boroughs will be substantially the same as election districts but that is just the idea that we had in mind. Some of them won't be feasible, but in our thinking I consider that form of boroughs we felt they would be much the same as an election district.

PRESIDENT EGAN: Mr. Hellenthal.

HELLENTHAL: Did any of you think that they might ever be greater than the election districts in size?

LEE: If that question is directed to me, we did not give it any consideration because actually we have not made any statement about the size. But in our thinking we didn't consider that thought, but it is certainly very possible.

HELLENTHAL: In other words, that the boundaries of the election districts could possibly be maximums governing the size of the boroughs?

LEE: It is possible. It is up to the legislature to decide.

HELLENTHAL: Would it be desirable to make them minimums?

LEE: That would take away the flexible portion which we wish to keep here.

HELLENTHAL: I gather then you would not desire to make them minimums but probably would have little objection to making them maximum.

> LEE: I can't speak for the Committee. I would have no objection, personally.

The framers envisioned that the initial State election districts would be, in many cases, models for future boroughs. As originally adopted, Article VI, Section 6 of Alaska's constitution established the following standards for drawing State House election districts (emphasis added by underlining):[31]

> Section 6. Redistricting. The governor may further redistrict by changing the size and area of election districts, subject to the limitations of this article. Each new district so created shall be formed of contiguous and compact territory containing as nearly as practicable a relatively integrated socio-economic area. Each shall contain a population at least equal to the quotient obtained by dividing the total civilian population by forty. Consideration may be given to local government boundaries. Drainage and other geographic features shall be used in describing boundaries wherever possible.

The Alaska Supreme Court addressed the meaning of the term "relatively integrated socio-economic area" with respect to election districts in *Hickel v. Southeast Conference*, 846 P.2d 38, 47 (Alaska 1992) (emphasis added):

> The Alaska Constitution requires districts comprising "relatively integrated" areas. . . "Relatively" means that we compare proposed districts to other previously existing and proposed districts as well as principal alternative districts to determine if socio-economic links are sufficient. "Relatively" does not mean "minimally," and it does not weaken the constitutional requirement of integration.

The framers' vision that the initial State election districts were, in many cases, models for future boroughs is reinforced by the fact that election district boundaries were used to define prospective boroughs in the 1963 Mandatory Borough Act. As introduced by Representative John L. Rader, the mandatory borough legislation called for the compulsory incorporation of the nine State election districts in Alaska that encompassed independent school districts.[32]

[31] Article VI was amended in 1999. The amendments dealt principally with the process for redistricting. However, two changes dealt somewhat with the standards. Both occurred in the third sentence which was revised as follows (added text in bold type and underlined, deleted text struck through): "Each shall contain a population **as near as practicable** ~~at least equal~~ to the quotient obtained by dividing the ~~total civilian~~ population **of the state** by forty."

[32] House Bill No. 90 provided that the areas would be incorporated as boroughs by legislative fiat if the voters in those regions failed to form boroughs before January 1, 1964. The nine regions were designated as follows in Section 3 of House Bill No. 90:

(1) Anchorage Election District;

(2) Lynn Canal – Icy Straits Election District;

(3) Ketchikan – Prince of Wales Election District;

(4) Kodiak Election District;

(5) Palmer – Wasilla – Talkeetna Election District;

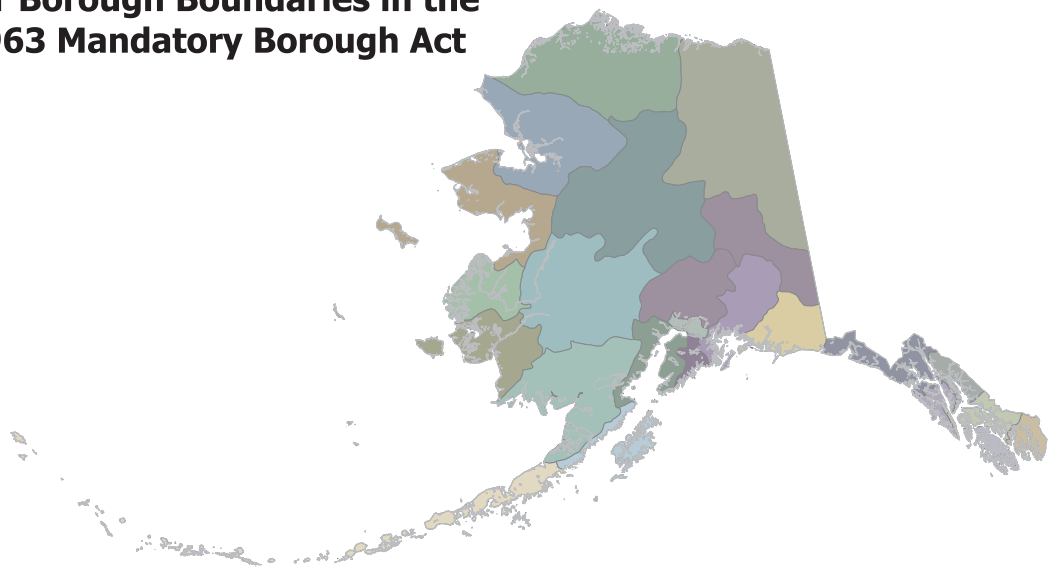
(6) Sitka Election District;

(7) Fairbanks – Fort Yukon Election District;

(8) Juneau Election District; and

(9) Kenai – Cook Inlet Election District.

Election Districts used as the Basis for Borough Boundaries in the 1963 Mandatory Borough Act



The mandatory borough legislation was introduced just four years after Alaska's constitution took effect. The short interval between those two seminal events, in the view of the Commission, is further evidence of a post-constitutional convention consensus on the general acceptability of the early election districts as models for borough boundaries. In that respect, it is also noteworthy that six of the twenty members (30%) of the 1963 Senate had been delegates to the Constitutional Convention.[33] Additionally, two members of the 1963 House of Representatives had been Constitutional Convention delegates.[34]

Moreover, it is significant that the use of election districts to define borough boundaries in the 1963 mandatory borough legislation occurred just two years after the Alaska Legislature first adopted statutory standards for incorporation of boroughs. That fact becomes even more significant when it is recognized that 11 of the 20 Senators (55%) and 23 of the 40 Representatives (57.5%) in the 1963 Legislature had held the same elected offices during the 1961 Legislature.[35]

While the early State election districts were viewed by the framers to be, in many cases, suitable borough models, the same is not necessarily true today. Social and economic integration remains a fundamental characteristic of election districts for the State of Alaska. However, subsequent social, political,

33 The former delegates in the 1963 Senate were Senators Coghill, Kilcher, McNealy, Nolan, Peratrovich, and Smith.

34 The former delegates that were members of the 1963 House of Representatives were Representatives Sweeney and Taylor.

35 The Senators were Bronson, Coghill, Hopson, McNealy, Nolan, Owen, Peratrovich, Brad Phillips, Vance Phillips, Smith, and Walsh. The Representatives were Baggen, Baker, Binkley, Blodgett, Boardman, Cashel, Christiansen, Ditman, Hammond, Harris, Jarvela, Kendall, Kubley, Leonard, Longworth, Parsons, Pearson, Reed, Sanders, Stalker, Strandberg, Sweeney, and Taylor.

and legal developments have had great influence over the size and configuration of election districts in Alaska. Social changes include a significantly greater concentration of Alaska's population in southcentral Alaska. Political changes include the uniform use of single-member election districts throughout Alaska.[36] They also include the enactment of legislation such as the Federal Voting Rights Act, which significantly influenced the configuration of election districts in Alaska. Lastly, judicial rulings have shaped election districts. For example, in *Hickel v. Southeast Conference*, *id.* at 62, the Alaska Supreme Court directed that certain factors be given priority in the drawing of house election districts:[37]

> Priority must be given first to the Federal Constitution, second to the federal voting rights act, and third to the requirements of article VI, section 6 of the Alaska Constitution. The requirements of article VI, section 6 shall receive priority *inter se* in the following order: (1) contiguousness and compactness, (2) relative socioeconomic integration, (3) consideration of local government boundaries, (4) use of drainage and other geographic features in describing boundaries.

While it can no longer be said that election districts make for ideal borough boundaries in most cases, the original vision does provide a measure of the geographic scale within which boroughs were expected to exhibit a distinguishing degree of social, cultural, and economic integration.

On January 20, 1956, delegate Vic Fischer expressed the view that it is 'unimaginable' that a city would be the same size as a borough as reflected in the following exchange.[38]

GRAY: Mr. Chairman, I would like to ask the Committee a question. Is it possible under Section 5 that the city council complete would also be complete in the assembly? Is it quite possible?

Alaska Constitutional Convention Delegate Vic Fischer

V. FISCHER: I think that would be possible only if the borough was the same size as the city, or if the legislature provided that the people outside of the city shall have no representation.

GRAY: It could be so?

V. FISCHER: I could not imagine it happening.

36 The initial election districts in the more populous areas of Alaska encompassed multiple House seats to retain their regional characteristics. Of the original 24 districts, five were two-member districts, one was a five-member district, and one was an eight-member district. The remaining seventeen districts were all single-member districts. The current plan utilizes forty single-member districts, which diminishes the regional character of those districts in the more populous areas.

37 The Alaska Supreme Court adhered to the same priorities in the most recent redistricting case *(In re 2001 Redistricting Cases,* 44 P.3d 141 (Alaska 2002)).

38 The dialog was also relevant in terms of original Article X, Section 4 of Alaska's constitution which provided in relevant part that:

Each city of the first class, and each city of any other class designated by law, shall be represented on the assembly by one or more members of its council. The other members of the assembly shall be elected from and by the qualified voters resident outside such cities.

The provision was repealed in 1972.

Article X, Section 2 allows but does not require city governments within boroughs. When harmonized, Sections 1 and 2 favor merger, consolidation, or unification of city and borough governments.[39]

Part 5. Article X, Section 12. Boundaries

Article X, Section 12 deals with borough standards in the sense that it provides that judgments regarding the satsfaction of the standards will be made by an independent commission with statewide jurisdiction based on statewide and regional considerations. Specifically, Section 12 states:

> **SECTION 12. BOUNDARIES.** A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

Constitutional Convention delegates clearly intended the Local Boundary Commission to establish borough boundaries. When John Rosswog, Chairman of the Committee on Local Government, introduced Article X on the floor of the convention, he made the following remarks about Section 12:

> The boundaries, we think, are quite an important question and should be under some agency which can establish them along the proper lines. They should not be left to the local community; they should be established by a higher authority.

Proceedings of the Alaska Constitutional Convention, Alaska State Legislature, Legislative Council, p. 2612 (1963).

In the discussion of Article X, delegates repeatedly referred to the fact that a board or commission would establish borough boundaries. For example, as noted earlier, Delegate John Coghill made the following remarks during the discussion of Article X on the floor of the convention (emphasis added):

> … "Each borough shall embrace, to the maximum extent possible, an area and population with common interests." My question here is directed to you to find

[39] The Alaska Supreme Court holds that unification of local governments "is consistent with the purpose expressed in article X, section 1 of minimizing the number of local government units". *City of Douglas v. City and Borough of Juneau*, 484 P.2d 1040, 1044 (Alaska 1971). Unification is technically distinct from municipal consolidation and merger; however, all result in the reduction of the number of local governments. The Local Boundary Commission concluded with respect to municipal consolidation proposals in Haines (1998 and 2002), Fairbanks (2001), and Ketchikan (2001) that there is a preference in Article X, § 1 for the gradual elimination of cities within boroughs. The Commission noted further in those cases that the Committee on Local Government at the Constitutional Convention considered a borough encompassing no city governments to be the ideal structure of municipal government in Alaska. See *Statement of Decision in the Matter of the December 2000 Petition for Consolidation of the City of Haines and the Haines Borough*, Local Boundary Commission, p. 19, March 20, 2002.

> out what the Committee's thinking was as to boundary areas of local government. Could you give us any light on that as to the extent? **I know that you have delegated the powers to a commission**, but you have said that each borough shall embrace the maximum extent possible.

Id., p. 2620-2621.

Remarks by Delegate Davis offer the following example (emphasis added):

> … I realize that under the article as it is written that **the boundaries of boroughs are going to be set by a board established by the legislature**.

Id., p. 2627.

Of the 121 active State boards and commissions, only the Local Boundary Commission and four others have origins in the constitution.[40]

The Alaska Supreme Court observed that the Commission was created to serve as an impartial body to review, from a statewide perspective, proposals relating to the establishment and alteration of municipal governments. Specifically, the Court stated:

> An examination of the relevant minutes of [the Local Government Committee of the Constitutional Convention] shows clearly the concept that was in mind when the local boundary commission section was being considered: that local political decisions do not usually create proper boundaries and that boundaries should be established at the state level. The advantage of the method proposed, in the words of the committee:
>
> > . . . lies in placing the process at a level where area-wide or state-wide needs can be taken into account. By placing authority in this third party, arguments for and against boundary change can be analyzed objectively.

Fairview Public Utility District No. 1 v. City of Anchorage, 368 P.2d 540, 543 (Alaska 1962).

The Commission's central role in reviewing borough proposals is to ensure that boroughs are established at the State level to reflect statewide considerations and regional criteria.

Part 6. Constitutional Provisions that Buttress the Fundamental Nature of Boroughs (Article X, Sections 5, 6, 7, and 13).

Subpart (a). Article X, Section 5. Service Areas 47

Subpart (b). Article X, Section 6. Unorganized Boroughs 48

Subpart (c). Article X, Section 7. Cities 48

Subpart (d). Article X, Section 13. Agreements; Transfer of Powers 48

Subpart (a). Article X, Section 5. Service Areas.

Section 5 of the Local Government Article deals with organized borough service areas. It states as follows:

> **Section 5. Service Areas.** Service areas to provide special services within an organized borough may be established, altered, or abolished by the assembly, subject to the provisions of law

[40] The other four are the (legislative) Redistricting Board, Judicial Council, Commission on Judicial Conduct, and the University Board of Regents.

or charter. A new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services.

While the principle purpose of Section 5 is, of course, to establish a framework for organized borough service areas, it also provides yet another indication of the intended difference in scale between cities and boroughs. Section 5 reflects the vision on the part of Constitutional Convention delegates that, as relatively large units of government, boroughs require the capability to establish service areas to meet varying needs of particular parts of the boroughs. There is no comparable constitutional provision for service areas within city governments.[41]

Subpart (b). Article X, Section 6. Unorganized Boroughs.

Article X, Section 6 concerns unorganized boroughs. It is noteworthy in the context of constitutional principles relating to boroughs that Section 6 provides for multiple unorganized boroughs, not the single residual unorganized borough that has existed since 1961.

Section 6 also provides for "maximum local participation and responsibility" in unorganized boroughs. Specifically, Article X, Section 6 states as follows:

> **SECTION 6. UNORGANIZED BOROUGHS.** The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.

Subpart (c). Article X, Section 7. Cities.

Section 7, concerning city governments, provides as follows:

> **SECTION 7. CITIES.** Cities shall be incorporated in a manner prescribed by law, and shall be a part of the borough in which they are located. Cities shall have the powers and functions conferred by law or charter. They may be merged, consolidated, classified, reclassified, or dissolved in the manner provided by law.

While the focus of Section 7 concerns the nature of city governments, it provides still another indicator of the framers' vision regarding the relative scale of city and borough governments by stating that cities "shall be part of the borough in which they are located." That provision reinforces the perspective that boroughs are relatively large units compared to cities.

Subpart (d). Article X, Section 13. Agreements; Transfer of Powers.

Article X, Section 13 deals principally with intergovernmental agreements and transfer of powers. It provides as follows:

> **Section 13. Agreements; Transfer of Powers.** Agreements, including those for cooperative or joint

[41] AS 29.45.580 authorizes city governments to establish differential property tax zones. It might be argued that, in certain respects, differential tax zones are the city equivalent to a borough service area. While both allow for the delivery of different levels of service, there is no constitutional recognition of a city differential tax zone. Thus, Article X, Section 5 is evidence of the intended large scale of boroughs by the Constitutional Convention delegates.

> administration of any functions or powers, may be made by any local government with any other local government, with the State, or with the United States, unless otherwise provided by law or charter. A city may transfer to the borough in which it is located any of its powers or functions unless prohibited by law or charter, and may in like manner revoke the transfer.

In the context of the nature of borough government, Section 13 authorizes a city to transfer and revoke the transfer of city powers and functions to the borough in which it is located. There is no similar constitutional provision for transfer of borough powers and duties to cities. This asymmetry is consistent with the notion that boroughs would have broader jurisdiction than cities.

Section C. Statutory Standards for Borough Incorporation

Part 1. Background 49

Part 2. AS 29.05.100. Decision 49

Part 3. AS 29.05.031. Statutory Borough Standards 50

Part 1. Background

In their 1971 study of State-local relations, Thomas A. Morehouse and Victor Fischer reflected that the statutory standards for borough incorporation were overly general. They stated:

> On the question of defining the extent of the area to be served by a borough, the constitution is characteristically brief and general. It states that boroughs "shall be established … according to standards *provided by law.*" (emphasis added) and that "the standards shall include population, geography, economy, transportation, and other factors. The Local Affairs Agency and the Boundary Commission did little to improve or elaborate this statement during their first two years of study and hearings, and the legislature yielded to and sanctioned this omission with the Borough Act of 1961. The "standards" provided by that act were, much like the constitution itself, at a very high level of generality.

Borough Government in Alaska, Thomas A. Morehouse and Victor Fischer, p. 79 (1971).

Two sections of the current Alaska Statutes provide standards for borough incorporation. Those are AS 29.05.100(a) and AS 29.05.031 which are addressed, respectively, in parts 2 and 3 of this section of the report.

Part 2. AS 29.05.100. Decision

AS 29.05.100(a) of the Alaska Statutes provides that the Local Boundary Commission may approve a borough incorporation petition (with or without amendments and conditions) only if it:

1. meets all applicable constitutional standards;
2. meets all applicable standards established in regulations adopted by the Local Boundary Commission;
3. meets all standards in AS 29.05.031; and
4. is in the best interests of the state.

In full, AS 29.05.100(a) provides as follows:

> **Sec. 29.05.100. Decision.** (a) The Local Boundary Commission may amend the petition and may impose conditions on the incorporation. If the commission determines that the incorporation, as amended or conditioned if appropriate, meets applicable standards under the state constitution and commission

regulations, meets the standards for incorporation under AS 29.05.011 or 29.05.031, and is in the best interests of the state, it may accept the petition. Otherwise it shall reject the petition.

Part 3. AS 29.05.031. Statutory Borough Standards

In addition to the above, AS 29.05.031 of the Alaska Statutes provides what amounts to six standards for boroughs. Specifically, it requires that a region may incorporate as a borough only if:

1. its population is socially, culturally, and economically interrelated and integrated;
2. its population is large and stable enough to support borough government;
3. the proposed borough boundaries conform generally to natural geography;
4. the proposed borough boundaries include all areas necessary for full development of municipal services;
5. its economy of the area includes the resources capable of providing municipal services;
6. land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government.

Like the statutory borough standards first enacted in 1962, the current statutory standards remain very broad. For example, while AS 29.05.031 stipulates that the population of a borough must be "large enough" to support borough government, it provides no specific numerical population standard for boroughs. The other statutory standards are similarly general. In full, AS 29.05.031 states as follows:

> **Sec. 29.05.031. Incorporation of a borough or unified municipality.** (a) An area that meets the following standards may incorporate as a home rule, first class, or second class borough, or as a unified municipality:
>
> (1) the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support borough government;
>
> (2) the boundaries of the proposed borough or unified municipality conform generally to natural geography and include all areas necessary for full development of municipal services;
>
> (3) the economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough or unified municipality;
>
> (4) land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government.
>
> (b) An area may not incorporate as a third class borough.

The original 1962 statutory standards for borough incorporation used the term "area" several times. As reflected above, the same key word appears six times in the current standards. "Area", of course, is also a fundamental term used in Article X, Section 3 of our constitution (i.e., "[e]ach borough shall embrace an **area** and population with common interests to the maximum degree possible". The Commission ascribes significance to the fact that the term "area" is used both in Article X, Section 3 of the constitution and the

statutory standards regarding borough formation.

In terms of the distinction between borough governments and city governments addressed in this chapter in Section B, Part 4 (regarding Article X, Section 2. Local Government Powers), it is also noteworthy that the statutory standards for city incorporation in place in 1962 used the terms "community", "neighborhood", "district", or "village".[42] Thus, from the beginning, a distinction between community-based governments (cities) and regional governments (boroughs) has been evident in the statutory incorporation standards.[43]

The parallel usage by the legislature of the term "area" for borough government and the term "community" (or similar expression) for city government gives force to the argument that the legislature purposely adopted the word "area" to refer to borough jurisdictions. Thus, AS 29.05.031 is viewed as legislative implementation of the previously addressed constitutional concept of boroughs embracing large, natural regions.

The Alaska Supreme Court noted that the general nature of the statutory standards is an indication that the legislature intended those standards to be flexibly applied – but still in a "regional" context. In the same case, the Court recognized the diversity of Alaska and the need for broad policy discretion by the Local Boundary Commission when considering borough proposals.

> The [statutory standards] were intended to be flexibly applied to a wide range of regional conditions. This is evident from such terms as "large enough", "stable enough", "conform generally", "all areas necessary and proper", "necessary or desirable", "adequate level" and the like. The borough concept was incorporated into our constitution in the belief that one unit of local government could be successfully adopted to both urban and sparsely populated areas of Alaska, and the Local Boundary Commission has been given a broad power to decide in the unique circumstances presented by each petition whether borough government is appropriate.

Mobil Oil v. Local Boundary Commission, 518 P.2d 92, 98-99 (Alaska 1974).

[42] Former AS 29.10.006 authorized "a community having 400 or more permanent inhabitants" to incorporate a first class city. Former AS 29.15.010 authorized "a community having at least 50 permanent inhabitants" to form a second class city. Former AS 29.20.010 authorized "The permanent inhabitants and the real property owners of a neighborhood or district, not exceeding 50 square miles in area" to form a city of the third class. Former AS 29.25.030 provided that, "A village that (1) is not included in, or part of, or within 10 miles of an incorporated city, or within five miles of an independent school district, and (2) has at least 25 permanent inhabitants 19 years of age or older residing within a radius of three miles of a designated centrally located point or structure" could incorporate a "village."

[43] As discussed above and in Section B, Part 4 of this chapter, former and current statutory standards for city incorporation clearly imply a more limited territorial jurisdiction than the standards for borough incorporation (e.g., the requirement for 400 residents, no requirement for conformity with natural geography, no standards dealing with interrelation/integration as to social, cultural, and economic activities). Also, regulatory standards in 3 AAC 110.040(b)-(c) and 3 AAC 110.130(c)-(d) provide that city boundaries must include only territory comprising present and near future local community, and must not include entire geographical regions or large unpopulated areas.

> "In our view 'changing local boundary lines' includes not only annexation or detachment proceedings but also incorporation proceedings." *Assistant Attorney General Marjorie Odland, February 15, 1991 Memorandum of Opinion*

Section D. Alaska Administrative Code Standards for Borough Incorporation

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Part 1. Background

It is important to recognize that the 1974 ruling in *Mobil Oil* was rendered before the Commission had adopted regulatory standards for borough incorporation. Thus, the conclusion reached in *Mobil Oil* that the general statutory standards of AS 29.05.031 were intended to be flexibly applied to borough incorporation occurred in that backdrop. It would be incorrect to infer from *Mobil Oil* that the Legislature never intended the Commission to adopt specific standards governing borough incorporation.

Indeed, in 1959, the Legislature enacted a law requiring the Local Boundary Commission to "develop proposed standards and procedures for changing local boundary lines." Sec 7, Ch. 64, SLA 1959. The phrase "changing local boundary lines" has been broadly interpreted to include borough incorporations.

For example, on February 15, 1991, Assistant State Attorney General Marjorie Odland addressed the point in a memorandum of opinion in the matter involving the proposed incorporation of the City and Borough of Yakutat. Assistant Attorney General Odland stated, "In our view 'changing local boundary lines' includes not only annexation or detachment proceedings but also incorporation proceedings." Ms. Odland's opinion on that point was tested shortly thereafter when the Yakutat petitioners challenged the Commission's reliance on "non-statutory" standards in rendering its decision. The Alaska Supreme Court ruled as follows:

> Petitioners lastly argue that, even if the LBC's decision were construed as determining that the originally proposed borough boundaries failed to meet the statutory standards for incorporation, the LBC based its decision on non-statutory

> criteria and therefore erred. … Petitioners' arguments, however, reflect the mistaken premise that the LBC must approve any minimally acceptable petition for incorporation and has only limited authority to consider or adopt "the most desirable" borough boundaries. Given the Alaska Constitution's mandate that boroughs be cohesive "to the maximum degree possible,"[44] the LBC acted well within the purview of its authority in considering the desirability of future incorporation of neighboring areas such as Prince William Sound and the interests of affected land owners and users such as the Chugach Alaska Corporation.[45] We find no merit to Petitioners' claim of improper reliance on non-statutory criteria.

Petitioners for Incorporation of City and Borough of Yakutat v. Local Boundary Commission, 900 P.2d 721, 727 (Alaska 1995).

Any ambiguity over legislative intent regarding the adoption of regulatory standards was eliminated while the Yakutat decision was pending appeal. In 1994, the Legislature rewrote the law to require the Commission to specifically "**adopt regulations providing standards** and procedures **for municipal incorporation**, annexation, detachment, merger, consolidation, reclassification, and dissolution." (emphasis added)

Further, in 1999, the Legislature amended AS 29.05.100 to expressly require satisfaction of the borough incorporation standards adopted by the Commission in regulation as a condition for approval of a petition.

In *Port Valdez,* the Supreme Court held that there were three fundamental reasons for the legislative directive for the Commission to adopt standards.

> We see three purposes underlying the statutory requirement of annexation standards. First, such standards expose the basic decision-making processes of the commission to public view and thus subject commission action to broad corrective legislation.[46] Second, the standards guide local governments in making annexation decisions and in

. . . the Legislature amended AS 29.05.100 to expressly require satisfaction of the borough incorporation standards adopted by the Commission in regulation as a condition for approval of a petition.

[44] Alaska Const., art. X, § 3.

[45] In their reply brief, Petitioners challenge the authority of the LBC to promulgate regulations such as 19 AAC 10.060(a)(1), which expressly authorized the LBC to consider "land use and ownership patterns" in determining compliance with the statutory standards set out in AS 29.05.031(a). *See, e.g., Warner v. State,* 819 P.2d 28, 32 n. 3 (Alaska 1991); *State v. Anderson,* 749 P.2d 1342, 1345 (Alaska 1988). We need not decide the issue, since even in the absence of the challenged regulations, the LBC clearly had authority to consider information and arguments such as those presented by the Chugach Alaska Corporation in addressing the statutory standards articulated in AS 29.05.031(a). In particular, we note that AS 29.05.031(a)(1) gives the LBC power to consider whether "the population of the area [included in the proposed borough] is interrelated and integrated as to its social, cultural, and economic activities."

> preparing proposals for the commission. Frustration of these purposes cannot harm the opponent of annexation. Third, annexation standards objectify the criteria of decision-making and delineate the battleground for a public hearing.[47]

Port Valdez Company, Inc., v. City of Valdez, 522 P.2d 1147, (Alaska 1974).

The Commission has adopted standards specifically relating to borough incorporation in five sections of the Alaska Administrative Code. Those sections consist of the following:

1. 3 AAC 110.045. Community of Interests;
2. 3 AAC 110.050. Population;
3. 3 AAC 110.055. Resources;
4. 3 AAC 110.060. Boundaries; and
5. 3 AAC 110.065. Best Interests of State.

In addition, the Commission has adopted standards applicable to borough incorporations and all other proposals that come before the Commission. Those consist of the following sections:

1. 3 AAC 110.900. Transition;
2. 3 AAC 110.910. Statement of Non-Discrimination.

The Commission's standards for borough incorporation have remained largely unchanged for more than a decade. In contrast to the constitutional and statutory standards, the standards in the Alaska Administrative Code are more specific. Each of the Alaska Administrative Code standards applicable to boroughs is examined in the order listed above.

> "First, such standards expose the basic decision-making processes of the commission to public view and thus subject commission action to broad corrective legislation." Alaska Supreme Court, *Port Valdez Company, Inc., v. City of Valdez,* 522 P.2d 1147, (Alaska 1974).

[46] Our Nome opinion focused upon the commission's failure to heed the legislature's commands in exercising the commission's jurisdiction and publicly accounting for its decisional process:

> To (hold) otherwise would be to condone the commission's nonobservance of a valid legislative prerequisite to the exercise of the commission's discretion in matters of local boundary changes.

United States Smelting, Refining & Mining Co. v. Local Boundary Commission, 489 P.2d at 142.

[47] *See* Mukluk Freight Lines, Inc. v. Nabors Alaska Drilling, Inc., 516 P.2d 408, 415 n. 23 (Alaska 1973).

Part 2. 3 AAC 110.045. Community of Interests.[48]

Subpart (a). Social, Cultural, and Economic Ties. 55

Subpart (b). Presumption of Multiple Communities. 57

Subpart (c). Communications and Exchange. 57

Subpart (d). Presumption Relating to Transportation and Communication Ties. 58

The "Community of Interests" provisions in 3 AAC 110.045 consist of four subsections, (a) – (d), each of which sets out a distinct borough standard dealing with regional links. The four subsections relate to the following:

1. social, cultural, and economic integration and interrelation generally;
2. presumption of multiple communities;
3. requirement for adequate communications and exchange; and
4. presumption that communities are connected by road, flights, ferry service, or electronic communications.

Each of these four subsections are addressed below.

Subpart (a). Social, Cultural, and Economic Ties.

3 AAC 110.045(a) was adopted to further interpret and implement the fundamental characteristic of boroughs as set forth by constitutional and statutory provisions calling for boroughs to encompass an area and population with common interests.

[48] The term "community of interests" as used in the title has no relation to the term "community" as defined by 3 AAC 110.990(5) and as determined under 3 AAC 110.920. Rather "community of interests" relates to the common interests throughout a region. The concept is explained in the following:

In reviewing a borough petition, the Local Affairs Agency investigates to determine whether the proposed borough is a "natural community" and exhibits a "community of interests." In discussing the concept of "natural community," the Agency has indicated that:

When it is stated that organized boroughs are local governments for natural communities, it does not mean that they are local governments for the limited community of the city, or the suburb, or of a group of farms or homesteads. It means that they are local governments for an entire natural community made up of a combination of cities, suburbs, and groups of farms…"

Areawide Local Government in the State of Alaska – the Genesis , Establishment, and Organization of Borough Government, Ronald C. Cease, p. 56-57 (1964).

In rejecting a 1,400 square mile borough proposal encompassing Homer, Ninilchik, and Anchor Point in 1963, the Local Boundary Commission stated:

The Commission, however, believes that a large number of boroughs, spread among a limited number of taxpayers, would not only violate the concept of natural community, but would be cumbersome and necessarily costly. Chapter 52, SLA 1963 (CSHB #90), and the proposed boroughs designated therein, causes the Commission to believe the Legislature shares in this view.

Id., p. 62.

The opening provisions of subsection (a) of 3 AAC 110.045 essentially mirror the constitutional and statutory provisions. However, in addition, 3 AAC 110.045(a) lists four factors that the Commission may consider (if determined to be relevant) in applying the standard. Specifically, 3 AAC 110.045(a) states as follows:

> (a) The social, cultural, and economic characteristics and activities of the people in a proposed borough must be interrelated and integrated. In this regard, the commission may consider relevant factors, including the
>
> (1) compatibility of urban and rural areas within the proposed borough;
>
> (2) compatibility of economic lifestyles, and industrial or commercial activities;
>
> (3) existence throughout the proposed borough of customary and simple transportation and communication patterns; and
>
> (4) extent and accommodation of spoken language differences throughout the proposed borough.

Moreover, 3 AAC 110.045(a) allows the Commission to consider other relevant factors in judging social, cultural, and economic interrelation and integration. In the most recent borough incorporation proceeding, the Commission considered ten factors in addition to those listed in 3 AAC 110.045(a). Those consisted of the following:

Westmark's 92 room hotel in Tok

1. marine transportation, air transportation;
2. common major economic activity;
3. shared fishing areas;
4. common interest in management of State lands;
5. racial composition of the populace;
6. historical links;
7. geographic proximity;
8. dependence on a community for transportation, entertainment, news and professional services;
9. geographical similarities; and
10. historical economic links.

The Alaska Supreme Court recognizes those ten factors to be relevant in judging regional socio-economic interrelationships in the context of State election districts. *Hickel v. Southeast Conference*, 846 P.2d 38, 46-47 (Alaska 1992).

As noted previously, Alaska's initial State election districts were viewed by the Constitutional Convention delegates to be, in many cases, suitable borough models. While changes over the nearly five decades that have passed since Alaska's constitution was written have, in some cases, rendered election districts less suitable as boroughs, social and economic integration remains a fundamental characteristic of election districts for the State of Alaska.

In the recent application of the ten factors above, the Commission adopted

the view that judgments concerning borough formation warranted a similar approach to that outlined by the Court with respect to election districts. To paraphrase the Court, in terms of borough formation, comparisons should be made between a proposed borough to other existing and proposed boroughs as well as principal alternative boroughs to determine if socio-economic links are sufficient.

Subpart (b). Presumption of Multiple Communities.

3 AAC 110.045(b) establishes a presumption that each borough will include multiple communities. The presumption can be overcome by a compelling demonstration that a single community borough otherwise meets the standards for borough government.

The multiple-community standard reflects the fact that boroughs are regional governments and that regions typically encompass more than one community.

Moreover, the requirement for multiple communities is consistent with the minimum of local government units clause found in Article X, Section 1 of the constitution. If single-community boroughs are formed, the result would be a proliferation of boroughs rather than a constriction on their formation.

In full, 3 AAC 110.045(b) states as follows:

> **3 AAC 110.045 (b).** Absent a specific and persuasive showing to the contrary, the commission will presume that a sufficient level of interrelationship cannot exist unless there are at least two communities in the proposed borough.

The Commission's regulations (at 3 AAC 110.990(5)) define a community to be "a social unit comprised of 25 or more permanent residents as determined under 3 AAC 110.920." 3 AAC 110.920 provides the following guidelines for determining whether a community exists:

> **3 AAC 110.920. DETERMINATION OF COMMUNITY**
>
> (a) In determining whether a settlement comprises a community, the commission may consider relevant factors, including whether the
>
> (1) settlement is inhabited by at least 25 individuals;
>
> (2) inhabitants reside permanently in a close geographical proximity that allows frequent personal contacts and comprise a population density that is characteristic of neighborhood living; and
>
> (3) inhabitants residing permanently at a location are a discrete and identifiable social unit, as indicated by such factors as school enrollment, number of sources of employment, voter registration, precinct boundaries, permanency of dwelling units, and the number of commercial establishments and other service centers.
>
> (b) Absent a specific and persuasive showing to the contrary, the commission will presume that a population does not constitute a community if
>
> (1) public access to or the right to reside at the location of the population is restricted;
>
> (2) the population is adjacent to a community and is dependent upon that community for its existence; or
>
> (3) the location of the population is provided by an employer and is occupied as a condition of employment primarily by persons who do not consider the place to be their permanent residence.

Subpart (c). Communications and Exchange.

3 AAC 110.045(c) requires that facilities must allow communication and

exchange necessary for effective governance on a regional scale. In judging the satisfaction of the standard, 3 AAC 110.045(c) provides that the Commission may consider frequency of service, expense of travel, impediments to communication and travel, and availability of electronic media.

In full, 3 AAC 110.045(c) provides as follows:

> (c) The communications media and the land, water, and air transportation facilities throughout the proposed borough must allow for the level of communications and exchange necessary to develop an integrated borough government. In this regard, the commission may consider relevant factors, including
>
> (1) transportation schedules and costs;
>
> (2) geographical and climatic impediments;
>
> (3) telephonic and teleconferencing facilities; and
>
> (4) electronic media for use by the public.

Alaska Marine Highway system provides transportation to most communities in southeast Alaska.

Subpart (d). Presumption Relating to Transportation and Communication Ties.

3 AAC 110.045(d) establishes a presumption of minimum requirements for the suitability of transportation and communication facilities. It presumes that communities within a prospective borough are connected to the proposed borough seat by at least one of the following:

1. public roadway;
2. regular scheduled airline flights on at least a weekly basis;
3. regular ferry service on at least a weekly basis;
4. charter flight service based in the proposed borough; or
5. sufficient electronic media communications.

In full, the standard provides as follows:

> **3 AAC 110.045(d).** Absent a specific and persuasive showing to the contrary, the commission will presume that communications and exchange patterns are insufficient unless all communities within a proposed borough are connected to the seat of the proposed borough by a public roadway, regular scheduled airline flights on at least a weekly basis, regular ferry service on at least a weekly basis, a charter flight service based in the proposed borough, or sufficient electronic media communications.

Part 3. 3 AAC 110.050. Population.

Subpart (a). Factors Relating to Population Size and Stability. 59

Subpart (b). Presumption of a 1,000 Minimum Population. 59

The "population" provisions in 3 AAC 110.050 consist of two subsections, (a) – (b). The first echoes statutory requirements for a large and stable population; it also lists particular measures that the Commission may use to evaluate the size and stability of the population. The second subsection establishes a presumptive standard that each borough will have at least 1,000 residents.

These standards are addressed in Subparts (a) – (b).

Subpart (a). Factors Relating to Population Size and Stability.

The standard in 3 AAC 110.050(a) ostensibly calls for a review of population characteristics in the context of a particular borough proposal. However, that standard must be interpreted and applied in the context of its statutory and constitutional basis. In other words, if the particular borough proposal does not exhibit the essential characteristics of a borough, its population – no matter how large or stable – cannot satisfy the standard.

3 AAC 110.050(a) sets out five factors that the Local Boundary Commission may consider regarding the size and stability of a borough. However, if other factors are relevant, the Commission may consider those as well. 3 AAC 110.050(a) states as follows:

> The population of a proposed borough must be sufficiently large and stable to support the proposed borough government. In this regard, the commission may consider relevant factors, including
>
> (1) total census enumerations;
>
> (2) durations of residency;
>
> (3) historical population patterns;
>
> (4) seasonal population changes; and
>
> (5) age distributions.

Subpart (b). Presumption of a 1,000 Minimum Population.

3 AAC 110.050(b) establishes a presumption that each borough will have at least 1,000 residents. It reads as follows:

> Absent a specific and persuasive showing to the contrary, the commission will presume that the population is not large enough and stable enough to support the proposed borough government unless at least 1,000 permanent residents live in the proposed borough.

The 1,000 person minimum population standard has a basis in statutory law regarding the formation of new school districts. AS 14.12.025 prohibits the creation of a new school district if that new district would have fewer than 250 students. An exception can be granted only if it is demonstrated to the Commissioner of Education that there is a broad public interest in forming a smaller district. Specifically, the law states as follows:

> **Sec. 14.12.025. New school districts.** Notwithstanding any other provision of law, a new school district may not be formed if the total number of pupils for the proposed school district is less than 250 unless the commissioner of education and early development

determines that formation of a new school district with less than 250 pupils would be in the best interest of the state and the proposed school district.

Generally, the student population in Alaska comprises about one-fifth (20%) of the total population. Thus, to meet the standard set out in AS 14.12.025, a proposed new district would have to include approximately 1,250 residents. Any time a borough is formed, it creates a new school district.[49] Thus, the de facto standard set out in AS 14.12.025 has a significantly higher threshold than the standard set out in 3 AAC 110.050(b).

Part 4. 3 AAC 110.055. Resources.

The economy of a proposed borough must include the human and financial resources necessary to provide essential borough services on an efficient, cost-effective level. In this regard, the commission

(1) will consider

(A) the reasonably anticipated functions of the proposed borough;

Barley farming in the Delta-Greely area.

(B) the reasonably anticipated expenses of the proposed borough;

(C) the ability of the proposed borough to generate and collect local revenue, and the reasonably anticipated income of the proposed borough;

(D) the feasibility and plausibility of the anticipated operating and capital budgets through the third full fiscal year of operation;

(E) the economic base of the proposed borough;

(F) property valuations for the proposed borough;

(G) land use for the proposed borough;

(H) existing and reasonably anticipated industrial, commercial, and resource development for the proposed borough; and

(I) personal income of residents of the proposed borough; and

(2) may consider other relevant factors, including

(A) the need for and availability of employable skilled and unskilled persons to serve the proposed borough; and

(B) a reasonably predictable level of commitment and interest of the population in sustaining a borough government.

3 AAC 110.970. DETERMINATION OF ESSENTIAL CITY OR BOROUGH SERVICES

(a) If a provision of this chapter provides for the identification of essential borough services, the commission will determine those services to consist of those mandatory and discretionary powers and facilities that, as determined by the commission,

(1) are reasonably necessary to the territory; and

(2) cannot be provided more efficiently and more effectively

(A) through some other agency, political subdivision of the state, regional educational attendance area, or coastal resource service area; or

[49] AS 14.12.010(2) provides that "each organized borough is a borough school district."

Klawock Harbor

(B) by the creation or modification of some other political subdivision of the state, regional educational attendance area, or coastal resource service area.

(b) The commission may determine essential borough services to include

(1) assessing and collecting taxes;

(2) providing primary and secondary education;

(3) planning, platting, and land use regulation; and

(4) other services that the commission considers reasonably necessary to meet the borough governmental needs of the territory.

(c) If a provision of this chapter provides for the identification of essential city services, the commission will determine those services to consist of those mandatory and discretionary powers and facilities that, as determined by the commission,

(1) are reasonably necessary to the community; and

(2) cannot be provided more efficiently and more effectively

(A) through some other agency, political subdivision of the state, regional educational attendance area, or coastal resource service area; or

(B) by the creation or modification of some other political subdivision of the state, regional educational attendance area, or coastal resource service area.

(d) The commission may determine essential city services to include

(1) levying taxes;

(2) for a city in the unorganized borough, assessing and collecting taxes;

(3) for a first class or home rule city in the unorganized borough, providing primary and secondary education in the city;

Petersburg Harbor

(4) public safety protection;

(5) planning, platting, and land use regulation; and

(6) other services that the commission considers reasonably necessary to meet the local governmental needs of the community.

Boroughs must have resources to operate efficiently and effectively. This standard offers specific factors that the Commission must consider and others that it may consider in judging whether the area has ample resources.

Part 5. 3 AAC 110.060. Boundaries.

Subpart (a). Conformance with Natural Geography and Efficient Jurisdictional Area.

(a) The boundaries of a proposed borough must conform generally to natural geography, and must include all land and water necessary to provide the full development of essential borough services on an efficient, cost-effective level. In this regard, the commission may consider relevant factors, including

(1) land use and ownership patterns;

(2) ethnicity and cultures;

(3) population density patterns;

(4) existing and reasonably anticipated transportation patterns and facilities;

(5) natural geographical features and environmental factors; and

(6) extraterritorial powers of boroughs.

Proper application of the natural geography standard involves more than a simple determination whether the boundaries of a proposed borough merely follow, in some general fashion, *any* identifiable natural geographical features.

The appropriate interpretation of the standard is whether the a borough proposal conforms generally to natural geography *on the scale intended for a borough government*. The broader interpretation reflects that the constitutional convention delegates intended boroughs to encompass large geographic areas.

The geography standard set out in AS 29.05.031(a)(2) and 3 AAC 110.060(a) warrants a broad application when considered in the context of the closely related standards.

Subpart (b). Presumption Favoring Model Borough Boundaries.

3 AAC 110.060(b) provides for consideration of "model borough boundaries" by the Commission in reviewing the suitability of any borough incorporation proposal. Specifically, it states:

> **3 AAC 110.060(b).** Absent a specific and persuasive showing to the contrary, the commission will not approve a proposed borough with boundaries extending beyond any model borough boundaries.

In a narrow sense, the standard allows any boundary proposal that does not exceed the model borders. However, in a broader sense, the standard at issue concerns the fundamental relationship between the boundaries of a proposed borough and its respective model.

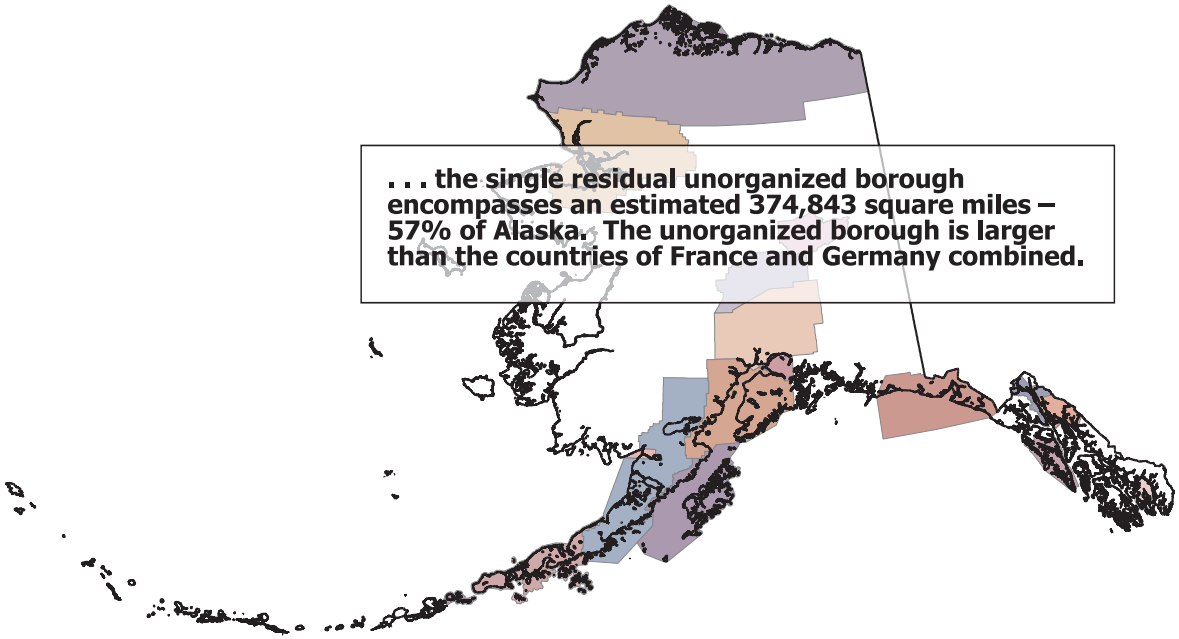
In past borough incorporation and annexation proceedings, the Commission has considered this standard in that broad context. For example, in 1998, the Ketchikan Gateway Borough petitioned the Local Boundary Commission to annex all but 21.4 square miles of the territory within its model borough boundaries. The exclusion of the 21.4 square miles would have rendered Hyder an enclave consisting of 17.9 square miles inhabited by 151 residents. Additionally, Meyers Chuck would have become a near-enclave of 3.5 square miles in which 28 individuals lived. The Commission viewed the two exclusions as problematic and invited the Borough to amend its petition to include those areas. After the Borough declined to do so, the Commission denied its petition. In doing so, the Commission noted as follows:

> The effect and significance of the failure of a borough proposal to conform to its model boundaries must be judged in the unique circumstances presented by each petition. . . .
>
> The Commission believes that some deference is owed to the model borough boundaries beyond that called for in a narrow interpretation of 19 AAC 10.190(c).[50]

[50] Since renumbered as 3 AAC 119.190(c).

> . . . the Borough's model boundaries also reflect the application of all borough boundary standards and relevant constitutional principles to the pertinent facts in the Borough's circumstances. In the record, there is insufficient justification for deviation from those model boundaries here.

Statement of Decision in the Matter of the February 28, 1998 Petition of the Ketchikan Gateway Borough for Annexation of 5,524 Square Miles, Local Boundary Commission, p. 7, (April 16, 1999).



The Local Boundary Commission defined model borough boundaries for unorganized areas of Alaska from 1990 through 1992 using the constitutional, statutory, and regulatory standards for the creation of boroughs.

During the three-year effort, the Commission concluded that, in many instances, the boundaries of regional educational attandance areas (REAAs) were also model boundaries for future boroughs. REAAs are regional governmental institutions established more than a quarter century ago for the efficient and effective delivery of services. REAAs have a single function – education. It is significant that education is also one of the few mandatory duties of boroughs and is their greatest responsibility as measured by expenditures.

Statutory standards for REAAs set out in AS 14.08.031 are very similar to those for boroughs. When REAAs were created in 1975, they were widely perceived as forerunners to organized boroughs. As described in detail in Subpart (c) of this section of the report, REAA boundaries have strong parallels to borough boundaries. The historical record demonstrates the fundamental relevance of REAAs in terms of establishing boundaries of boroughs.

The Commission used model borough boundaries (and other factors) in this review of the unorganized borough.

As noted earlier, Alaska's constitution requires the division of the entire state into organized and/or unorganized boroughs. The division must occur according to standards including population, geography, economy, transportation, and other factors. Each organized and unorganized borough

Approximately three-quarters of unorganized borough residents live within model boroughs that are identical (or nearly so) to their respective REAAs.

must embrace an area and population with common interests. (Article X, Section 3) The constitution also favors a minimum number of boroughs. (Article X, Section 1)

The Borough Act of 1961 created a single unorganized borough encompassing all of Alaska not within an organized borough.[51] Since there were no organized boroughs at that time, the entire state was initially configured as a single unorganized borough.

"Dividing" the entire state into a single borough brushed aside the constitutional requirement that each borough embrace an area of common interests. Alaska, of course, has tremendous diversity with respect to social, cultural, economic, transportation, geographic, and other relevant characteristics.

Today, more than four decades after the Borough Act of 1961, the single residual unorganized borough encompasses an estimated 374,843 square miles – 57% of Alaska. The unorganized borough is larger than the countries of France and Germany combined.

As currently configured, the unorganized borough ranges in a non-contiguous fashion from the southernmost tip of Alaska to an area approximately 150 miles above the Arctic Circle. It also extends in a non-contiguous manner from the easternmost point in Alaska (at Hyder) to the westernmost point in Alaska at the tip of the Aleutian Islands. The unorganized borough encompasses:

- portions of each of Alaska's 4 judicial districts;
- 11 entire census districts;
- all or portions of 10 State House election districts;
- all or portions of 6 State Senate election districts;
- 19 entire regional education attendance areas;
- all or portions of 10 of Alaska's 12 regional Native corporations formed under ANCSA;
- 18 entire model boroughs;[52] and
- model borough territory for 5 existing organized boroughs.

Clearly, the unorganized borough remains a vast area with extremely diverse interests rather than common interests as required by the constitution. This is particularly evident from the fact that the unorganized borough spans so many election

[51] Ch 146, SLA 1961.

[52] With the consolidation of the Aleutians West Model Borough and the Aleutians Model Borough, the number of model unorganized boroughs was reduced from nineteen to eighteen.

districts, census districts, regional educational attendance areas, regional Native corporations, and model borough boundaries.

In the late 1980s, the Local Boundary Commission received a number of competing proposals to annex and incorporate various portions of the unorganized borough.[53] The Commission concluded that it would be best to examine those and future borough proposals in the context of model boundaries based on constitutional, statutory, and regulatory standards for borough incorporation.

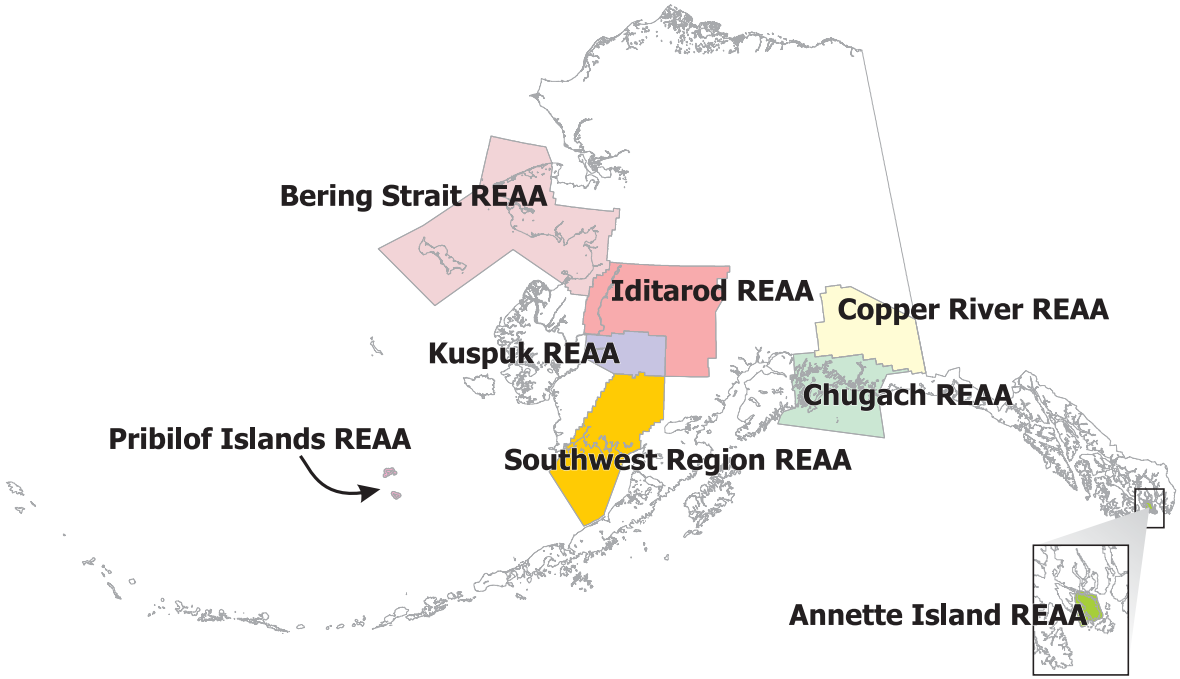
Consequently, the Commission initiated the effort to define model borough boundaries in 1990. The project was completed at the end of 1992. The Alaska Legislature appropriated funding for the project. The Local Boundary Commission conducted hearings regarding model borough boundaries in person or by teleconference in 88 communities.

Subpart (b)(i). Eight model boroughs conform precisely to REAAs.

Eight model boroughs have boundaries that correspond precisely to individual regional educational attendance areas (REAAs) as listed below.

1. The Annette Island Model Borough boundaries are identical to those of the Annette Island REAA;
2. The Bering Strait Model Borough boundaries are identical to those of the Bering Strait REAA (including the City of Nome);
3. The Copper River Model Borough boundaries are identical to those of the Copper River REAA;
4. The Dillingham-Nushagak-Togiak Model Borough boundaries are identical to those of the Southwest

[53] In October of 1988, the Kodiak Island Borough petitioned to annex an estimated 12,825 square miles (including submerged land and water beyond the State's jurisdictional limits). That prompted residents of the Alaska Peninsula to file a competing petition for the incorporation of the Lake and Peninsula Borough. The proposed Lake and Peninsula Borough contained an estimated 16,675 square miles, including much of the territory proposed for annexation to the Kodiak Island Borough. In May of 1989, the Fairbanks North Star Borough petitioned to annex 216 square miles. Annexation was widely opposed by residents of the adjacent unorganized area. The Fairbanks annexation petition prompted the adjacent region to conduct a study of the feasibility of forming a borough; however, no competing petition was filed. In June of 1989, the City and Borough of Juneau petitioned to annex 140 square miles. Again, while the annexation proposal was opposed by inhabitants of the adjacent region, no competing borough proposal was filed. In June of 1989, the Matanuska-Susitna Borough petitioned to annex an estimated 9,844 square miles to and including Healy. In October of that year, residents of the Railbelt Regional Educational Attendance Area filed a competing petition for the formation of the Denali Borough. The boundaries of the proposed Denali Borough encompassed an estimated 9,406 square miles, including much of the territory proposed for annexation by the Matanuska-Susitna Borough. That same month, another group of residents filed a third competing petition for incorporation of the Valleys Borough. The Valleys Borough proposal encompassed about 14,900 square miles, including most of the proposed Denali Borough as well as the community of Nenana.



The eight model boroughs listed above have a combined estimated population of 29,158. That figure represents approximately 35.7% of the total population of the unorganized borough.

Region REAA (including the City of Dillingham);

5. The Iditarod Model Borough boundaries are identical to those of the Iditarod REAA;

6. The Kuspuk Model Borough boundaries are identical to those of the Kuspuk REAA;

7. The Pribilof Islands Model Borough boundaries are identical to those of the Pribilof Islands REAA;

8. The Prince William Sound Model Borough boundaries are identical to those of the Chugach REAA (including the City of Cordova and the City of Valdez).

The eight model boroughs listed above have a combined estimated population of 29,158. That figure represents approximately 35.7% of the total population of the unorganized borough.

Subpart(b)(ii). Two additional model boroughs conform to REAAs except that they also include tiny enclave federal transfer REAAs

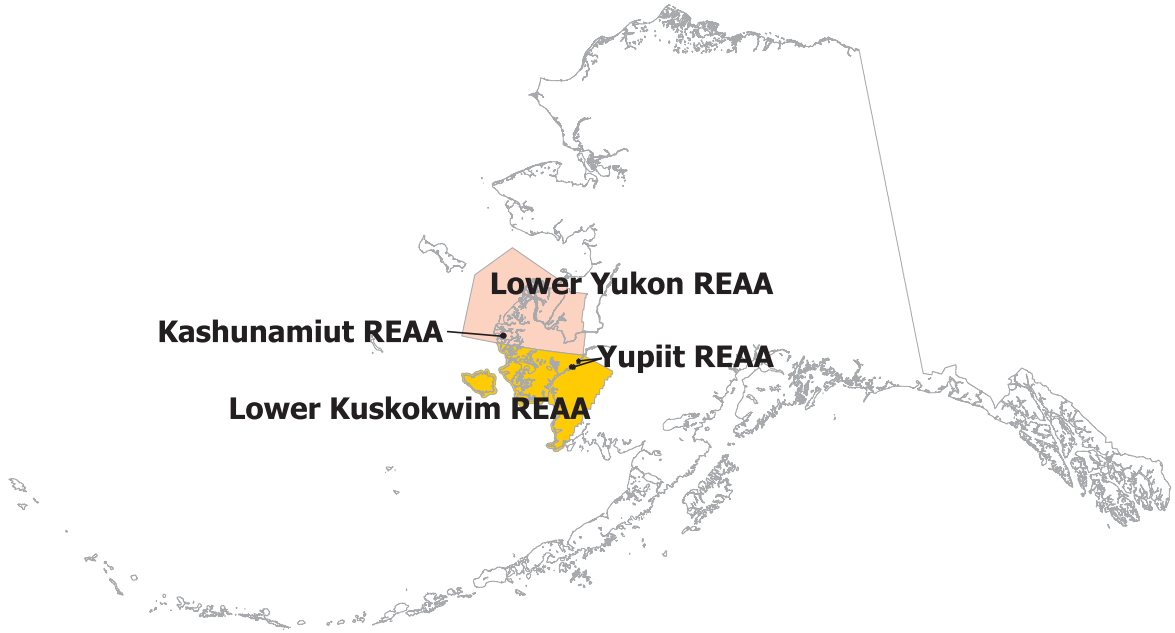
There are currently nineteen REAAs in Alaska. Only seventeen of those were created in 1975 according to regional standards in AS 14.08.031. The remaining two REAAs – Kashunamiut and Yupiit – were established according to an act of the Legislature (Chapter 66, SLA 1985).

The Kashunamiut REAA and the Yupiit REAA are referred to in the 1985 law authorizing their creation as "federal transfer REAAs." The two federal transfer REAAs lack the regional characteristics of the seventeen REAAs established under AS 14.08.031. Instead, they exhibit community-level characteristics similar to those of city school districts.

The Kashunamiut federal transfer REAA is a relatively tiny enclave within the Lower Yukon REAA. The boundaries of

the Kashunamiut federal transfer REAA are identical to those of the second class City of Chevak (population 765).[54] They encompass slightly more than 1 square mile. In contrast, the Lower Yukon REAA encompasses an estimated 19,302 square miles. The first class City of Saint Mary's is also within the Lower Yukon Model Borough.

The Yupiit federal transfer REAA is made up of three small non-contiguous enclaves within the Lower Kuskokwim REAA. One is the territory within the boundaries of the City of Akiak (encompassing approximately 2 square miles), another is the territory within the former City of Akiachak (encompassing less than 12 square miles), and the third is the territory within the former City of Tuluksak (encompassing approximately 4 square miles). Collectively those three non-contiguous enclaves encompass approximately 18 square miles. In contrast, the Lower Kuskokwim REAA comprises an estimated 23,792 square miles.



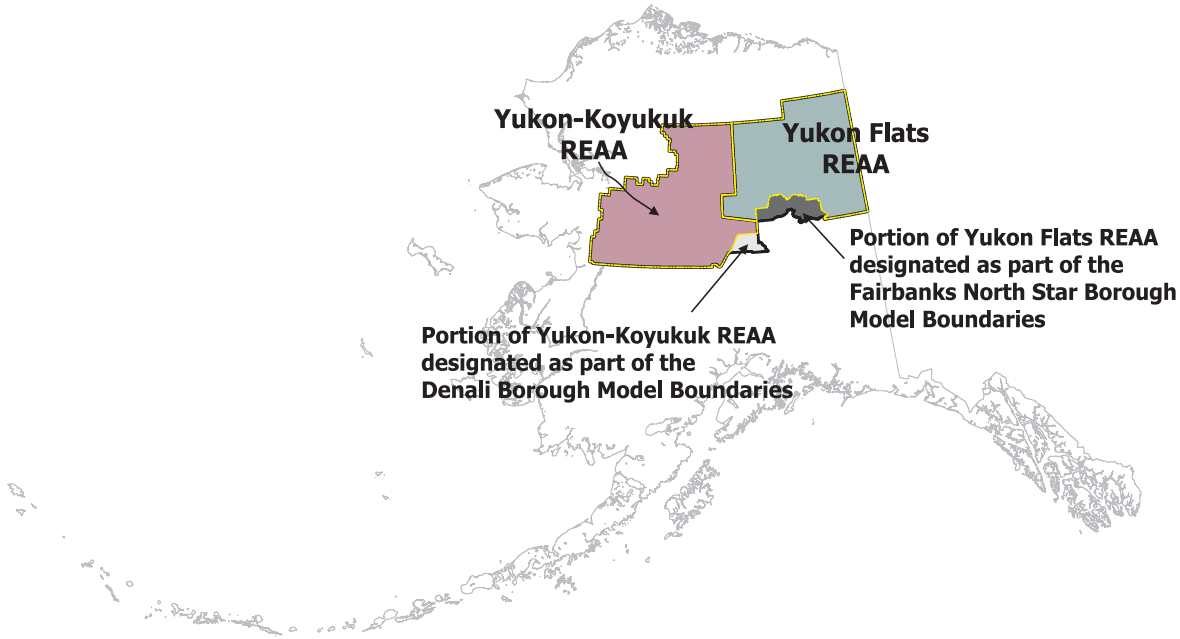
The Lower Yukon Model Borough and Lower Kuskokwim Model Borough are inhabited by an estimated 21,461 residents. That population, together with the estimated 29,158 residents of the eight previously noted model boroughs, contains approximately 61.9% of the population of the unorganized borough.

Subpart (b)(iii). Two other model boroughs largely conform to REAAs except for the placement of relatively small portions of the REAAs within the model boundaries of adjoining existing organized boroughs

AS 14.08.031 requires the division of the entire unorganized borough into REAAs. In some cases, the result has

[54] If effect, this circumstance allows residents of a second class city in the unorganized borough a similar level of local control over school functions as is accorded organized boroughs and home rule and first class cities in the unorganized borough. Unlike municipal school districts, however, the federal transfer REAAs are not subject to the local contribution requirements that applies to city and borough school districts.

been unnatural or contrived REAA boundaries. For example, Klukwan, which is an enclave in the core of the Haines Borough, is a non-contiguous component of the Chatham REAA. In the Commission's view, Klukwan has greater social, cultural, economic, geographic, transportation, and other ties to the area within the Haines Borough than it does to communities served by the Chatham REAA. Consequently, the Commission placed Klukwan in the same model borough as the Haines Borough. For similar reasons, the Commission placed parts of the unorganized borough within the model boundaries of four other existing organized boroughs.



In two of the five cases, remnant model boroughs were created that largely conform to their respective REAAs. Those are the Yukon Flats Model Borough and the Yukon Koyukuk Model Borough.

The Yukon Flats Model Borough boundaries are identical to those of the Yukon Flats REAA except that Livengood and Central were placed within the Fairbanks North Star Borough model boundaries. The Commission concluded that Livengood and Central had more in common with the area inside the Fairbanks North Star Borough than it did with the remainder of the area within the Yukon Flats REAA. In particular, road connections, proximity, and economic ties between Fairbanks, Livengood, and Central were significant factors guiding the Commission's decision.

Livengood and Central comprise 163 residents, representing approximately 10% of the population of the Yukon Flats REAA. In other words, approximately 90% of the Yukon Flats REAA population remains within the Yukon Flats Model Borough.

Similarly, the Yukon Koyukuk Model Borough boundaries are identical to those of the Yukon Koyukuk REAA, except that Nenana and the nearby settlement of Four Mile Road were placed within the Denali Borough model boundaries. Here again, the Commission concluded that Nenana and Four Mile Road had more in common with the area inside the Denali Borough than they did with the

remainder of the area within the Yukon Koyukuk REAA. Road connections, proximity, and economic ties were critical factors leading to the Commission's action.

Nenana and Four Mile Road are inhabited by 440 residents, or 12.0% of the 3,669 residents within the Yukon Koyukuk REAA (including Tanana, Galena, and Nenana). In this case, 88% of the population of the Yukon Koyukuk REAA remains intact as the Yukon Flats Model Borough.

The Yukon Flats Model Borough and the Yukon Koyukuk Model Borough encompass an estimated 4,188 residents. That population, together with the estimated 50,619 residents of the ten previously noted model boroughs, includes approximately 67.0% of the population of the unorganized borough.

One model borough – the Upper Tanana Basin Model Borough – is composed of two REAAs

Subpart (b)(iv). Two model boroughs encompass two former REAAs that have since merged; another model borough encompasses two existing REAAs.

When the Commission undertook the model boundaries project, Adak and Shemya were substantial military bases in the Aleutian islands. At the time, Adak existed as an REAA separate from the adjoining Aleutian Region REAA. Military operations at Adak have since ceased and the base has closed. Similarly, Earekson Air Force Station on Shemya closed and is currently maintained by a small group of caretakers. The Adak REAA was subsequently merged with the Aleutian Region REAA.

In the course of this review, the Commission merged the Aleutians Military Model Borough and the Aleutians West Model Borough.

The Aleutians Military Model Borough and the Aleutians West Model Borough are inhabited by an estimated 4,781 residents. That population, along with the estimated 54,807 residents of the twelve previously noted model boroughs, comprises approximately 72.9% of the population of the unorganized borough.

The Upper Tanana Basin Model Borough covers the combined areas of the Delta Greely REAA and the Alaska Gateway REAA. When the boundaries of the Upper Tanana Basin Model Borough were defined, the prospect existed for base realignment and closure at Fort Greely in the Delta Greely REAA. That, in part, prompted the Commission to combine the two REAAs into one model borough.

With the recent selection of Fort Greely as a research site for the U.S. missile defense system, and the prospect for development of the Pogo mineral deposit as a world-class gold mine, the economic future for the Delta Greely region is brighter than it was in the early 1990s. Changing circumstances in that part of the unorganized borough might warrant modification of the previously established model boundaries. The Upper Tanana Basin Model Borough encompasses an estimated 6,316 residents, or 7.7% of the unorganized borough population.

About 2% of the unorganized borough population lies within the model boundaries of organized boroughs.

As noted earlier, the Commission found in the course of the model borough boundaries project that five areas of the unorganized borough had greater ties to existing organized boroughs than they did to other areas of the unorganized borough. Specifically, the Commission determined the following:

- the City and Borough of Juneau model boundaries were defined to include Hobart Bay (population 3);
- the Denali Borough model boundaries were defined to include Nenana (population 402) and Four Mile Road (population 38);
- the Fairbanks North Star Borough model boundaries were defined to include Livengood (population 29) and Central (population 134);
- the Ketchikan Gateway Borough model boundaries were defined to include Meyers Chuck (population 21) and Hyder (population 97);
- the Lynn Canal Borough model boundaries (encompassing the existing Haines Borough) were defined to include Klukwan (population 139) and Skagway (population 862).

Collectively, the five areas listed above are inhabited by 1,725 individuals, or 2.1% of the population of the unorganized borough.

The remainder of the unorganized borough is comprised of four model boroughs in southeast Alaska.

Except for parts of Alaska's panhandle noted above that are included within the model boundaries of existing boroughs, the Commission divided the unorganized areas of southeast Alaska into four model boroughs. Those are the Glacier Bay Model Borough, Chatham Model Borough, Prince of Wales Model Borough, and Wrangell-Petersburg Model Borough. Collectively, those four model boroughs are inhabited by 13,637 residents, or 16.7% of the unorganized borough.[55]

The Glacier Bay Model Borough encompasses communities that are presently within the Chatham REAA. The population of the Glacier Bay Model Borough (1,739) comprises approximately 50.5% of the population of the Chatham REAA. Because of the particularly unnatural or contrived nature of the Chatham REAA boundaries (e.g., comprised of three non-contiguous components), 29.1% of its population is found within the model boundaries of an existing borough. The remaining 20.4% of the Chatham REAA population is grouped with Kake in the Chatham Model Borough.

The Prince of Wales Model Borough is within the Southeast Island REAA. Its

[55] The various percentages of the population of the unorganized borough stated in this section of the Report total 99.5%. The one-half of one percent discrepancy stems largely from the fact that Census data are not available to indicate in which model boroughs 349 residents of the unorganized borough (four-tenths of 1% of the unorganized borough population) live. The other one-tenth of one percent discrepancy is due to rounding.

population is 4,651, or 40.9% of the population of the area within the Southeast Island REAA. The Wrangell-Petersburg Model Borough comprises 48.6% of the population within the Southeast Island REAA boundaries. The balance of the population within the Southeast Island REAA is comprised of Kake, Hyder, and Meyers Chuck, whose location within model boroughs was addressed previously.

The Commission views model borough boundaries as a credible and useful tool in guiding future policy decisions regarding the establishment and alteration of borough governments. Recently, the concept of model borough boundaries has been challenged by certain interested organizations. The challenge seems to have its roots in a recent decision of the Commission to reject a particular borough proposal.

On September 27, 2002, the Local Boundary Commission unanimously denied a petition to incorporate a Skagway borough principally because the proposal lacked the regional nature that is fundamental to boroughs. Petitioners for the Skagway borough subsequently filed a judicial appeal.[56] As reflected in the following newspaper account, Skagway also pledged to undertake an effort to encourage the legislature to review the model borough boundaries and other borough standards.[57]

> In addition to a legal path, Skagway plans to take its concerns about borough formation to the state Legislature, [Skagway City Manager and Petitioner's Representative Bob] Ward said. The community has asked the Alaska Municipal League and the Southeast Conference, a regional organization, for support.
>
> "We're asking the Legislature to look at the Model Borough Boundaries Act[58] and look at the standards ... with an eye to considering whether or not those things are still pertinent in the Alaska of today as opposed to the Alaska envisioned by the members of the Constitutional Convention in 1956," Ward said. "I'm not sure if it will help us, but it may help the borough process in general."

At the apparent behest of Skagway, the Southeast Conference,[59] Alaska Municipal League,[60] and the City of Petersburg adopted resolutions in 2002

56 The appeal was filed in Superior Court in Juneau on November 27, 2002 (Case No. 1JU-02-01024CI).

57 *Juneau Empire*, November 15, 2002.

58 There is no "Model Borough Boundaries Act". As noted above, model borough boundaries were defined by the Local Boundary Commission with support from the Legislature. However, the Legislature never formally adopted the model borough boundaries. The Commission adopted model borough boundaries by regulation.

59 The Southeast Conference describes itself as a "regional, nonprofit corporation that advances the collective interests of the people, communities and businesses in southeast Alaska. Members include municipalities, Native corporations and village councils, regional and local businesses, civic organizations and individuals from throughout the region. Our mission is to undertake and support activities that promote strong economies, healthy communities and a quality environment in southeast Alaska." < http://www.seconference.org/>

60 The Alaska Municipal League (AML) is a voluntary, nonprofit, nonpartisan, statewide organization of over 140 cities, boroughs, and unified municipalities in Alaska, representing over 98 percent of Alaskan residents. AML also offers "associate" status to organizations and commercial firms, and "affiliate" status to professional associations of municipal officials. <http://www.akml.org/index.asp?Type=B_BASIC&SEC={5F567EBE-14AF-4F10-B368-B5A3C16F017B}>

declaring the model borough boundaries to be outdated and unfeasible. The resolutions adopted by those three organizations declared "… the economics of the State have dramatically declined and changed within the past ten years, rendering the Model Borough Boundary proposal of 1992[61] obsolete and impractical."

None of the organizations advised the Commission about the proposed resolutions before they acted on them. Consequently, the Commission had no opportunity to comment on the matter while it was under consideration by those organizations.

The Commission differs with the views expressed by those organizations in two fundamental respects. The first concerns the claim that Alaska's economy has "dramatically declined" during the past decade. The second concerns the relationship between the state of the economy and model borough boundaries.

With respect to the first issue, while particular segments of Alaska's economy (e.g., commercial salmon fishing and timber) have indeed

suffered sharp declines over the past decade, other components of Alaska's economy have grown. In the Commission's view, Alaska's economy has not "dramatically declined" overall during the last ten years. Certainly, there has been no economic decline comparable to the post-TAPS construction downturn of the late 1970s or the statewide recession of the mid-to-late 1980s. Consider, for example, the following comparison of six important economic measures for the most recent year on record vis-à-vis the previous ten years:

- Alaska's gross state product increased by 12.0%.[62]
- Employment rose by 19.8% (over 49,800 new jobs created).[63]
- The rate of unemployment dropped by 27.6% (from 8.7% to 6.3%).[64]
- Per capita personal income climbed 33.2%.[65]

61 There is no "Model Borough Boundary proposal of 1992". As noted above, model borough boundaries were defined and formally adopted in regulation by the Local Boundary Commission.

62 In 2000, Alaska's gross state product was $27,747,000,000; the comparable figure in 1990 was $24,774,000,000. That represents an increase of 12.0%. Source: Bureau of Economic Analysis.

63 Annual average employment in 2001 was 301,792; the comparable figure for 1991 was 251,940. Source: Alaska Department of Labor.

64 The annual average unemployment rate in 1991 was 8.7%; the comparable figure for 2001 was 6.3%. That represents a drop of 2.4 percentage points or a 27.6% drop in the rate of unemployment. Source: Alaska Department of Labor.

65 Per capita personal income in 2001 was $30,936, which was $7,710 higher than the 1991 figure of $23,226. Source: Bureau of Economic Analysis.

- Personal income grew by 48.3%.[66]
- The value of taxable property increased by 63.1%.[67]

Regarding the second issue, the Commission takes the view that if Alaska's economy had "dramatically declined," model borough boundaries would not have been rendered "obsolete and impractical". Significant reductions in the *strength* of the economy may affect the *economic viability* of prospective borough governments. However, model borough boundaries are dependent upon economic interrelationships and other factors (not the strength of the economy).

The Commission cannot apply a different set of borough standards to existing organized boroughs than it applies to unorganized areas of Alaska. Thus, if economic changes during the past decade had rendered model borough boundaries "obsolete and impractical", it would have had the same effect on the formal corporate boundaries of organized boroughs. The same would hold true for REAAs.

Yet, there has been only one borough boundary change in the past ten years. That change resulted in an *expansion* of the boundaries of the Yakutat borough. Moreover, there have been no changes in the boundaries of REAAs during the past ten years.

As noted in the foregoing, with few exceptions, model borough boundaries closely follow REAA boundaries. In fact, the vast majority of residents of the unorganized borough live in model boroughs that are identical to the REAAs in which they live. The fact that there is no clamor to change the boundaries of REAAs suggests to the Commission that those advocating changes in or abandonment of model borough boundaries are more fundamentally opposed to borough government boundaries as embodied in Alaska's constitution, rather than just the model borough boundaries.[68] In any case, insofar as model borough boundaries are based on standards cited in Article X, sec. 3 of Alaska's Constitution, the presumptive regulatory standard (3 AAC 110.060(c)) requiring conformity of proposed borough and REAA boundaries is subordinate to the authority of those consitutional standards.

66 Personal income in 2001 was $19,641,252,000; the comparable 1991 figure was $13,242,314,000. Source: Bureau of Economic Analysis.

67 The 2002 full and true value of taxable property in Alaska (excluding oil and gas property) was $41,725,315,500. That figure was 63.1% higher than the comparable 1992 figure of $25,576,072,700. Source: State Assessor.

68 Alaska is probably the only state that sets regional governmental jurisdictional boundaries on the basis of relevant geo-political standards such as natural geography, social, cultural, transportation, economy, and communications factors. Elsewhere, regional governmental boundaries largely reflect such factors as surveyors' section lines, rivers rather than natural drainage basins and like unifying natural geographic features, centuries-old post-colonial county boundaries, etc. Further, unlike Alaska, boundaries of regional governments in other states are typically much harder to revise to reflect changing socio-economic and other conditions.

Summary description of each model borough.

A summary of the area encompassed by each of the model boroughs is provided below. A map showing model borough boundaries and the boundaries of existing organized boroughs appears at the end of this section.

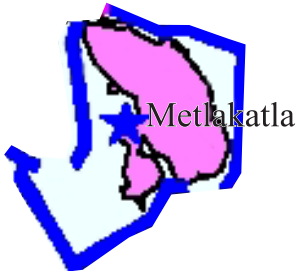
Aleutians West Model Borough

The boundaries of the Aleutians West Model Borough (as consolidated with the former Aleutians Military Model Borough) encompass the entire area within the boundaries of the Aleutian Region REAA (including the first class City of Unalaska) The following four communities and settlements are located within the boundaries of the Aleutians West Model Borough:

- Atka
- Attu Station
- Nikolski
- Unalaska
- Adak

Annette Island Model Borough

The boundaries of the Annette Island Model Borough are identical to those of the Annette Island REAA. The following community is located within the boundaries of the Annette Island Model Borough:



- Metlakatla

Bering Strait Model Borough

The boundaries of the Bering Strait Model Borough are identical to those of the Bering Strait REAA, including the first class City of Nome. The following seventeen communities and settlements are located within the Bering Strait Model Borough:

- Port Clarence
- Nome
- Unalakleet
- Wales
- Golovin
- Saint Michael
- Shaktoolik
- Shishmaref
- Elim
- White Mountain
- Diomede
- Gambell
- Koyuk
- Teller
- Stebbins
- Savoonga
- Brevig Mission

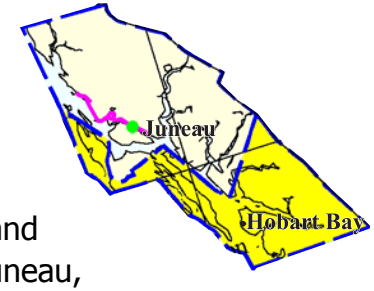
Chatham Model Borough

The boundaries of the Chatham Model Borough encompass three communities and settlements, including the first class City of Kake:

- Kake
- Angoon
- Cube Cove

City and Borough of Juneau

The model boundaries of the City and Borough of Juneau include the existing City and Borough of Juneau, plus the following settlement in the unorganized borough:



- Hobart Bay

Copper River Model Borough

The boundaries of the Copper River Model Borough are identical to those of the Copper River REAA. The following eighteen unincorporated communities and settlements are located within the Copper River Model Borough:

- Paxson
- Tazlina
- Silver Springs
- Copperville
- Slana
- Willow Creek
- Gakona
- Glennallen
- McCarthy
- Copper Center
- Gulkana
- Tonsina
- Kenny Lake
- Chistochina
- Mendeltna
- Chitina
- Nelchina
- Tolsona

Denali Borough

The model boundaries of the Denali Borough include the existing Denali Borough, plus the following two communities and settlements in the unorganized borough, including the home rule City of Nenana:

- Four Mile Road
- Nenana

Dillingham-Nushagak-Togiak Model Borough

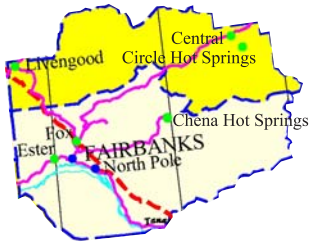
The boundaries of the Dillingham-Nushagak-Togiak Model Borough are identical to those of the Southwest Region REAA, including the first class City of Dillingham. The following eleven communities and settlements are located within the Dillingham-Nushagak-Togiak Model Borough:

- Ekuk
- Dillingham
- Twin Hills
- Koliganek
- Ekwok
- Clark's Point
- Aleknagik
- Togiak
- Manokotak
- Portage Creek
- New Stuyahok

Fairbanks North Star Borough

The model boundaries of the Fairbanks North Star Borough include the existing Fairbanks North Star Borough, plus the following two settlements in the unorganized borough:

- Central
- Livengood



Glacier Bay Model Borough

The boundaries of the Glacier Bay Model Borough include the following seven communities and settlements, including the first class cities of Pelican and Hoonah:

- Pelican
- Whitestone Logging Camp
- Gustavus
- Tenakee Springs
- Hoonah
- Elfin Cove
- Game Creek

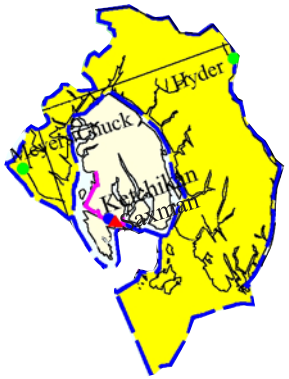
Iditarod Model Borough

The boundaries of the Iditarod Model Borough are identical to those of the Iditarod REAA. The following eight communities and settlements are located within the Iditarod Model Borough:

- Lake Minchumina
- McGrath
- Takotna
- Nikolai
- Holy Cross
- Anvik
- Shageluk
- Grayling

Ketchikan Gateway Borough

The model boundaries of the Ketchikan Gateway Borough include the existing Ketchikan Gateway Borough, plus the following two communities and settlements in the unorganized borough:

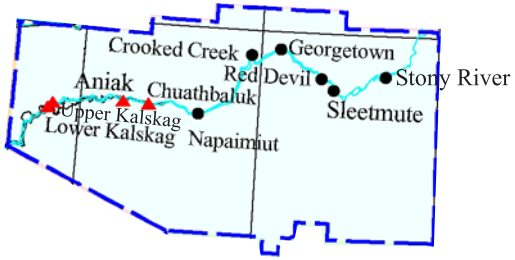


- Meyers Chuck
- Hyder

Kuspuk Model Borough

The boundaries of the Kuspuk Model Borough are identical to those of the Kuspuk REAA. The following eight communities and settlements are located within the Kuspuk Model Borough:

- Aniak
- Chuathbaluk
- Sleetmute
- Upper Kalskag
- Lower Kalskag
- Crooked Creek
- Red Devil
- Stony River



Lower Kuskokwim Model Borough

The boundaries of the Lower Kuskokwim Model Borough are identical to those of the Lower Kuskokwim REAA, plus the Yupiit REAA (a federal transfer REAA serving Akiachak, Akiak, and Tuluksak). The Yupiit REAA is an enclave within the Lower Kuskokwim REAA. The following twenty-five communities and settlements are located within the Lower Kuskokwim Model Borough:

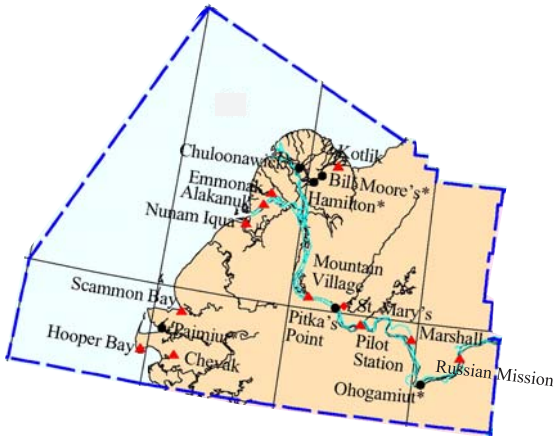
- Bethel
- Mekoryuk
- Kongiganak
- Newtok
- Nightmute
- Eek
- Toksook Bay
- Kipnuk
- Atmautluak
- Chefornak
- Nunapitchuk

- Akiak
- Akiachak
- Napaskiak
- Quinhagak
- Tuntutuliak
- Tununak
- Platinum
- Kwigillingok
- Napakiak
- Kasigluk
- Tuluksak
- Goodnews Bay
- Kwethluk
- Oscarville

Lower Yukon Model Borough

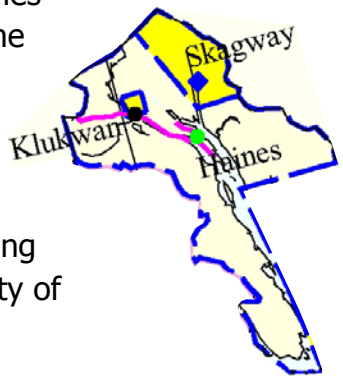
The boundaries of the Lower Yukon Model Borough are identical to those of the Lower Yukon REAA (including the first class City of Saint Mary's), plus the Kashunamiut REAA (a federal transfer REAA serving Chevak). The Kashunamiut REAA is an enclave within the Lower Yukon REAA. The following thirteen communities and settlements are located within the Lower Yukon Model Borough:

- Saint Mary's
- Pitka's Point
- Mountain Village
- Marshall
- Emmonak
- Russian Mission
- Hooper Bay
- Scammon Bay
- Kotlik
- Chevak
- Pilot Station
- Alakanuk
- Nunam Iqua



Lynn Canal Model Borough

The boundaries of the Lynn Canal Model Borough include the existing Haines Borough, plus the following two communities in the unorganized borough, including the first class City of Skagway:



- Klukwan
- Skagway

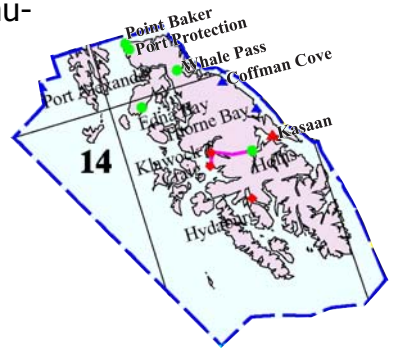
Pribilof Islands Model Borough

The boundaries of the Pribilof Islands Model Borough are identical to those of the Pribilof Islands REAA. The following two communities are located within the Pribilof Islands Model Borough:

- St. George
- St. Paul

Prince of Wales Model Borough

The boundaries of the Prince of Wales Model Borough include the following thirteen communities and settlements, including the first class cities of Craig, Klawock, and Hydaburg:



- Edna Bay
- Whale Pass
- Coffman Cove
- Thorne Bay
- Craig
- Kasaan
- Hollis
- Naukati Bay
- Port Alexander
- Klawock
- Point Baker
- Port Protection
- Hydaburg

Prince William Sound Model Borough

The boundaries of the Prince William Sound Model Borough are identical to those of the Chugach REAA, including the home rule City of Cordova and the home rule City of Valdez. The following five communities and settlements are located within the Prince William Sound Model Borough:

- Valdez
- Whittier
- Cordova
- Chenega
- Tatitlek

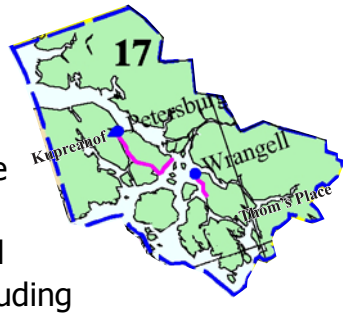
Upper Tanana Basin Model Borough

The Upper Tanana Basin Model Borough encompasses the Delta Greely REAA and the Alaska Gateway REAA. The following nineteen communities and settle-

ments are within the boundaries of the Upper Tanana Basin Model Borough:

- Chicken
- Alcan Border
- Eagle
- Dot Lake
- Dot Lake Village
- Delta Junction
- Tok
- Deltana
- Healy Lake
- Northway Junction
- Northway
- Northway Village
- Big Delta
- Eagle Village
- Fort Greely
- Mentasta Lake
- Tanacross
- Dry Creek
- Tetlin

Wrangell-Petersburg Model Borough



The Wrangell-Petersburg Model Borough encompasses the following four communities and settlements, including the home rule cities of Petersburg and Wrangell:

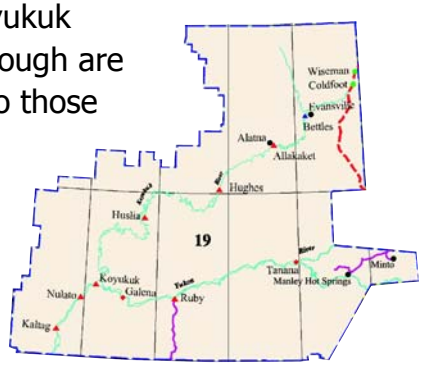
- Kupreanof
- Petersburg
- Wrangell
- Thom's Place

Yukon Flats Model Borough

The Yukon Flats Model Borough encompasses the Yukon Flats REAA with the exception of the communities and settlements of Livengood and Central. The Yukon Flats Model Borough includes the following nine communities:

- Fort Yukon
- Rampart
- Chalkyitsik
- Arctic Village
- Beaver
- Venetie
- Stevens Village
- Circle
- Birch Creek

Yukon Koyukuk Model Borough



The boundaries of the Yukon Koyukuk Model Borough are identical to those of the Yukon Koyukuk REAA (including the first class City of Galena and the first class City of Tanana), except that Nenana and Four Mile Road are excluded. The following seventeen communities and settlements are located within the Yukon Koyukuk Model Borough:

- Coldfoot
- Galena
- Manley Hot Springs

- Bettles
- Evansville
- Alatna
- Tanana
- Koyukuk
- Huslia
- Allakaket
- New Allakaket
- Hughes
- Minto
- Ruby
- Kaltag
- Nulato
- Wiseman

Subpart (c). Conformance with Regional Educational Attendance Area Boundaries.

3 AAC 110.060(c) requires boundaries of new boroughs to conform to the limits of regional educational attendance areas (REAAs), unless alternative borders better suit the application of all other borough standards. Specifically, 3 AAC 110.060(c) states as follows:

> **3 AAC 110.060(c).** The proposed borough boundaries must conform to existing regional educational attendance area boundaries unless the commission determines, after consultation with the commissioner of education and early development, that a territory of different size is better suited to the public interest in a full balance of the standards for incorporation of a borough.

The requirement that borough boundaries conform to REAA boundaries reflects the strong parallel between the statutory borough standards in AS 29.05.031 (except for the economic capacity standard[69]) and statutory standards for REAAs. A comparison of those standards is provided below.

Borough Standards (AS 29.05.031)	REAA Standards (AS 14.08.031)
"the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support borough government;"	"As far as practicable, each regional educational attendance area shall contain an integrated socio-economic, linguistically and culturally homogeneous area."
"the boundaries of the proposed borough or unified municipality conform generally to natural geography and include all areas necessary for full development of municipal services"	"Whenever possible, municipalities, other governmental or regional corporate entities, drainage basins, and other identifiable geographic features shall be used in describing the boundaries of the regional school attendance areas."
"land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government."	"In the formation of the regional educational attendance areas, consideration shall be given to the transportation and communication network to facilitate the administration of education and communication between communities that comprise the area."
"the economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough or unified municipality;"	[No comparable standard]

69 Of course, there is no economic capacity standard for REAAs because they are fully funded by the State of Alaska.

The statutory language concerning the creation of REAAs reads as follows:

> **AS 14.08.031. Regional Educational Attendance Areas.** (a) The Department of Community and Economic Development in consultation with the Department of Education and Early Development and local communities shall divide the unorganized borough into educational service areas using the boundaries or sub-boundaries of the regional corporations established under the Alaska Native Claims Settlement Act, unless by referendum a community votes to merge with another community contiguous to it but within the boundaries or sub-boundaries of another regional corporation.
>
> (b) An educational service area established in the unorganized borough under (a) of this section constitutes a regional educational attendance area. As far as practicable, each regional educational attendance area shall contain an integrated socio-economic, linguistically and culturally homogeneous area. In the formation of the regional educational attendance areas, consideration shall be given to the transportation and communication network to facilitate the administration of education and communication between communities that comprise the area. Whenever possible, municipalities, other governmental or regional corporate entities, drainage basins, and other identifiable geographic features shall be used in describing the boundaries of the regional school attendance areas.
>
> (c) Military reservation schools shall be included in a regional educational attendance area. However, operation of military reservation schools by a city or borough school district may be required by the department under AS 14.12.020 (a) and AS 14.14.110. Where the operation of the military reservation schools in a regional educational attendance area by a city or borough school district is required by the department, the military reservation is not considered part of the regional educational attendance area for the purposes of regional school board membership or elections.
>
> (d) U.S. Bureau of Indian Affairs schools shall be included in a regional educational attendance area boundary.

A report issued in September 1977 by the Center for Northern Educational Research, University of Alaska Fairbanks, describes the development of the initial REAA boundaries.

The first major task under SB 35 was to determine the boundaries of the REAAs. Hearings were held throughout the state to solicit views from the affected citizens as to the extent of the REAA in which they would be located. The legislation provided that REAA boundaries would follow regional boundaries set under the Alaska Native Claims Settlement Act.[70] The statute appears to authorize division of the unorganized borough into as many REAAs as there are regional corporations, along coterminous lines. But use of regional lines was not intended to be exclusive. This is shown by subsection (b) of the same section, prescribing certain characteristics for REAAs. REAAs must contain an integrated and homogenous socioeconomic, linguistic, and cultural area. Consideration is also given to transportation and communication. Geographic features and existing boundaries are to be used in describing boundaries. Of course, first class cities and organized boroughs are to be excluded, as they constitute existing school districts.[71] Taken together, the two subsections suggest that REAA boundaries are to follow, rather than cross, regional corporation boundaries where they contact them and

[70] (footnote original) Alaska Statute §14.08.031(a) (1975). The statute also uses the word "sub-boundaries" in reference to the regional corporations. It is not clear what this refers to.

[71] (footnote original) Alaska Statute §14.08.031(b) (1975).

> conform to natural or other predetermined boundaries. This is how the State Department of Community and Regional Affairs, which was charged with administering the act in consultation with the State Department of Education, interpreted it in a series of informational meetings in rural areas around the state in July and August, 1975. Later they began implementing it similarly when hearings were held in numerous bush locations regarding proposed boundaries. The result of the hearings was a division of the state into some 21 REAAs.[72]

Law and Native Education by David H. Getches, Center for Northern Educational Research, University of Alaska Fairbanks, p. 29 (1977).

Mr. Getches concluded in his study that the legislation establishing REAAs was flawed because it failed to link REAA boundaries with future boroughs. He noted (emphasis added):

> The Local Boundary Commission has authority to alter boundaries of proposed boroughs and cities before it accepts a petition for incorporation.[73] This power could be used to force coincidence between REAA and municipal boundaries, but only where it is necessary to meet statutory standards for borough incorporation, or in the case of cities, if the proposed boundaries are too restrictive or too expansive for efficient local government. **It is regrettable that the legislature did not mandate the setting of REAA boundaries with future incorporation of municipalities in mind and express that goal as their purpose. Supplemental legislation could convert the REAAs into truly transitional instruments, bringing the REAA arrangement into conformity with the spirit of local government preference in the state constitution.**

Id., p. 33.

In a 1977 commentary regarding REAAs, the former Department of Community and Regional Affairs stated as follows regarding the similarities between borough boundary standards and those of REAAs.

> … it is interesting to note the specific provisions of Senate Bill 35 which deal with the boundaries Regional Education (sic) Attendance Areas. … Very similar statutory language exists at AS 29.18.030, which is the statutory provision establishing standards for borough incorporation. The similarity of the standards goes a long ways toward defining appropriate boundaries for potential regional governments. In fact, to some observers, the boundaries of the newly created Regional Education (sic) Attendance Areas (with some exceptions) generally conform to good borough boundaries. This has been a little alarming to many rural residents, since no small number of them are still concerned that the State is going to soon foist boroughs upon them.

Comments Provided to CNER (Center for Northern Educational Research), Department of Community and Regional Affairs, p. 3-4 (October 10, 1977).

The former Department of Community and Regional Affairs concluded in its

[72] (footnote original) Originally 20 REAAs were created by the Commissioner of Community and Regional Affairs on November 1, 1975, pursuant to authority in Alaska Stat. §14.08.031(a). But after a meeting of residents of REAA 17 and the governor, REAA 21 (including Whittier and Tatitlek) was created on November 24, 1975, dividing REAA 17 along the boundary between the Chugach and Ahtna Regional Corporations. Memorandum to REAA file from Michael C. Harper, Deputy Commissioner, Department of Community and Regional Affairs, dated December 3, 1975.

[73] (footnote original) Alaska Statute §29.18.090 – .100 (1972) [since renumbered]

comments to the Center for Northern Educational Research as follows:

> In summary, it can be said that formation of the Regional Education (sic) Attendance Areas can be viewed as a positive step towards the formation of regional government in rural Alaska. In particular the newly created service areas have provided a greater amount of local control over a local municipal type service, maintained and strengthened existing regional identifications, and provided boundaries that will be useful for the establishment of boroughs in the future. …
>
> Ultimately, the passage of Senate Bill 35, if for no reason other than the fact that it has generated discussion and interest, is going to have had (sic) a significant effect (probably the most significant since the passage of the 1964 mandatory borough act) towards developing regional government in this state.

Id., p. 5-6.

Noted political scientist John E. Bebout, who served as a principal consultant to the Local Government Committee at the Alaska Constitutional Convention, also commented on the suitability of REAA boundaries as borough boundaries:[74]

> The development of consensus for organized borough government seems likely in most regions to be a gradual process if it occurs at all. The first step toward it is to break up the single unorganized borough by a single act which establishes boundaries that make sense in terms of the socio-economic standards set by the constitution and reflect the needs of all regions of the state. To continue to create new boroughs, whether organized or unorganized, piecemeal would be likely to leave shapeless areas that could never be assembled in viable borough units unless radical changes were made in the boundaries of already established boroughs, always a politically chancy business. The bill relating to unorganized borough sponsored in 1980 by the Community and Regional Affairs Committee (CS for Senate Bill 348) provides what appears to this writer to be a sound vehicle. Using the boundaries of the regional educational attendance areas subject to adjustment by the commissioner of Community and Regional Affairs, after public hearing, to take account of the established standards, the boundaries adopted by the regional corporations and the 1980 census divisions would give these boroughs boundaries that have the sanction of prior deliberation and experience. The proviso that no unorganized borough shall include territory within more than one native regional corporation under ANCSA underscores the intent to relate the new boroughs to areas already demonstrated to have some community of interests.

Problems and Possibilities for Service Delivery and Government in the Alaska Unorganized Borough, Department of Community and Regional Affairs, p. 88 (September 1981).

In its 1984 study, *Alaska's Urban and Rural Governments*, the University of Alaska's Institute of Social and Economic Affairs also commented on

[74] In addition to his service as a consultant and advisor to the Alaska Constitutional Convention; John E. Bebout was the Assistant Director, National Municipal League; faculty member of Graduate School of Public Administration, NYU; Rutgers University; University of Newark; Director, Citizens' League of Cleveland and Cleveland Bureau of Governmental Research, Executive Assistant to Governor of New Jersey; Executive Vice President, New Jersey Constitutional Foundation; Consultant to U.S. Commission on Intergovernmental Relations; Author *Making of New Jersey Constitution, Documents and Readings in New Jersey Government*; and numerous articles on state and local government and civic action.

the similarities between borough standards and those of REAAs:

> The Departments of Education and Community and Regional Affairs designed the regional educational attendance areas. One of their considerations was that districts be of a size that was administratively efficient; this was balanced against a desire to increase local control over schooling. The boundaries of claims act corporations were to be observed, and the new districts were to be appropriate for more general government purposes. In the minds of planners were the standards for borough incorporation: that each area be a natural geographic unit and an economic trading area, made up of individuals with similar cultural backgrounds and life-styles; and that transportation and communication among villages within an area be convenient.
>
> The 21 rural districts were established as a compromise of the various objectives of designers. In each of the largest Native regions – Calista and Doyon – it was necessary to establish several districts. The designers paid attention to geographic and cultural factors. Thus, in the Calista region, districts were set up for each of the two major rivers – the Kuskokwim and Yukon. In the Doyon region, districts were established on the two road arteries to the south – the Richardson and Parks highways, and villages that can generally be reached only by plane were divided between eastern and western regions. But one district (Iditarod) includes both Calista and Doyon villages. Given the large areas of regional corporations, single districts were set up for only four regions – Northwest Arctic (NANA region), Bering Straits, Copper River (Ahtna region), and Chugach. In general, REAAs cover the unorganized borough, except for about a dozen-and-a-half city school districts.

Alaska's Urban and Rural Governments, T. Morehouse, G. McBeath and L. Leask, p. 197 (1984).

Administrative Order No. 65, issued by Governor Hammond on March 20, 1981, also recognized the equivalence of REAA boundaries to borough boundaries. It directed that:

> All agencies of the executive branch of the state government shall use State Information Districts designated by this order to develop and report information on conditions within their respective jurisdiction and on their programs as may be required by specific request by the Division of Budget and Management.
>
> The State Information District boundaries shall coincide with the boundaries of the following as they now exist or may exist in the future:
>
> (1) all unified home rule municipalities,[75]
>
> (2) all organized boroughs; and
>
> (3) all rural (sic) educational attendance areas.

There have been a number of legislative proposals to convert REAAs into unorganized or organized boroughs. The previously-quoted comments of John Bebout referred to a 1980 proposal. A 1987 proposal, House Bill 1, proposed to convert regional educational attendance areas into third class boroughs. In 1988, the House Research Agency reported as follows:

> House Bill 1 is directly analogous to the Mandatory Borough Act enacted in 1963. The Borough Act of 1961 had allowed for formation of boroughs under local option. After two years, only a single

[75] A unified home rule municipality is a particular type of borough; it must meet all standards for borough government. See 3 AAC 110.990(1); see also *Background on Boroughs in Alaska,* Alaska Department of Community and Economic Development, page 4, footnote 1 (November 2000).

borough – the tiny Bristol Bay Borough – had formed, and it was obvious that local initiative was not working. The need for local areawide governments was increasing, however. There was an increasing demand for local services, particularly in the areas outside cities, an increasing demand for local control of essential local functions, a need to equalize tax burdens, and a need to integrate the special service districts – like the Haines Independent School District – into constitutional forms of local government. These needs provided the impetus for passage of the Mandatory Borough Act.

. . . . . .

The generally slow development of boroughs and the concomitant equity problems have been of continuing concern to the legislature. Between 1969 and 1979, the legislature considered at least eight bills addressing the organization and financing of regional governments in the unorganized borough. During the period 1979 – 1981, the House and Senate Community and Regional Affairs Committees and the Department of Community and Regional Affairs (DCRA) conducted an extensive study of the "local government" problem, including holding hearings in many villages and contracting with outside experts for reports on various aspects of the problem. Although two regions – the Yukon Flats and the Yukon Kuskokwim Delta (Association of Village Council Presidents area) – conducted borough formation studies, neither ever held an incorporation election.

. . . .

Analysis of education costs and potential revenues of the boroughs that would have been created by HB 1 required some assumptions about how many boroughs would be formed, and which communities would be included in each borough. As prescribed by HB 1, the boundaries of the REAAs in place in 1982 would have formed the basis of new borough boundaries. The Kashunamiut and Yupiit REAAs were formed after 1985, thus these REAAs were merged with their surrounding REAA's. All city districts were placed within their surrounding REAAs. Current standards for incorporation of a borough require that there be at least two separate communities and that there be at least 1,000 residents. To be consistent with these standards, the Adak, Pribilof and Annette Island REAAs, which alone did not meet those standards, were incorporated into adjoining REAAs.

A New Mandatory Borough Act: Local Education Costs and Potential Revenues of Newly Created Boroughs (House Research Agency Report 88-A) p. 14-16 (February 1988).

Subpart (d). Presumption Against Enclaves.

3 AAC 110.060(d) establishes a presumption that the boundaries of a borough will not include jurisdictional gaps or enclaves (i.e., "donut holes" not within the jurisdiction of a borough). Specifically, 3 AAC 110.060(d) provides as follows:

> **3 AAC 110.060(d).** Absent a specific and persuasive showing to the contrary, the commission will presume that territory proposed for incorporation that is non-contiguous or that contains enclaves does not include all land and water necessary to allow for the full development of essential borough services on an efficient, cost-effective level.

The presumption against enclaves rests on the policy view that jurisdictional voids within municipal boundaries restrict maximum efficiency and effectiveness in the delivery of local services. Of the 161 municipal governments in Alaska, only two have enclaves. The Commission approved an annexation (subject to review by the 2003 Legislature) to one of those two that would result in the elimination of the enclaves in the annexing

municipality. If the Commission's recommendation is approved by the 2003 Legislature, only one municipal government in Alaska (Haines Borough) will have boundaries that enclose an enclave.

Part 6. 3 AAC 110.065. Best Interests of State.

The last standard in the Alaska Administrative Code dealing specifically with borough incorporation relates to the broad public interest. As noted previously, AS 29.05.100 allows the Commission to approve a borough incorporation proposal only if the proposal "is in the best interests of the state."

The Commission adopted 3 AAC 110.065 to guide it in determining whether a borough incorporation proposal serves the best interests of the state. The standard provides as follows:

> 3 AAC 110.065. Best Interests of State. In determining whether incorporation of a borough is in the best interests of the state under AS 29.05.100 (a), the commission may consider relevant factors, including whether incorporation
>
> (1) promotes maximum local self-government;
>
> (2) promotes a minimum number of local government units;
>
> (3) will relieve the state government of the responsibility of providing local services; and
>
> (4) is reasonably likely to expose the state government to unusual and substantial risks as the prospective successor to the borough in the event of the borough's dissolution.

The first three factors set out in 3 AAC 110.065 reflect the fundamental principles of Article X, Section 1 of Alaska's constitution. Those principles promote the assumption of self-determination through the creation of borough governments. Moreover, they advance the notion that regions should undertake the responsibility for municipal services that are funded and managed at the regional and local level. Accordingly, the Alaska Supreme Court stressed that Article X, Section 1 "encourages" the creation of boroughs. *See: Mobil Oil Corp. v. Local Boundary Commission*, 518 P.2d 92, 101 (Alaska 1974).

The fourth factor set out in 3 AAC 110.065 stresses that it is in the public interest to create boroughs only where they are financially viable. If a region lacks the financial capacity to operate a borough, it would be counter to the public interest to establish a borough in the region.

The Legislature has imposed similar "best interest restrictions" on all actions that come before the Local Boundary Commission (i.e. annexations, detachments, mergers, consolidations, dissolutions, city reclassifications, and city incorporations). The Commission adopted 3 AAC 110.980 for use in making determinations of the best interests of the state for all actions that come before the Commission. 3 AAC 110.980 states:

> **3 AAC 110.980. DETERMINATION OF BEST INTERESTS OF THE STATE**
>
> If a provision of AS 29 or this chapter requires the commission to determine whether a proposed municipal boundary change or other commission action is in the best interests of the state, the commission will make that determination on a case-by-case basis, in accordance with applicable provisions of the Constitution of the State of Alaska,

AS 29.04, AS 29.05, AS 29.06, and this chapter, and based on a review of

(1) the broad policy benefit to the public statewide; and

(2) whether the municipal government boundaries that are developed serve

(A) the balanced interests of citizens in the area proposed for change;

(B) affected local governments; and

(C) other public interests that the commission considers relevant.

Part 7. 3 AAC 110.900-910. Transition & Non-Discrimination.

In addition to the foregoing specific standards relating to borough incorporation, the Commission has adopted two other regulations applicable to all actions that come before the Commission. The first is a general requirement (3 AAC 110.900) intended to ensure an efficient and successful transition regarding the establishment or alteration of municipal governments approved by the Commission. The second (3 AAC 110.910) is intended to ensure that no action approved by the Commission will bring about the denial of civil or political rights because of race, color, creed, sex, or national origin.

Those two general provisions are addressed below.

Transition.

The Commission's regulations concerning transition provide as follows:

3 AAC 110.900. TRANSITION

(a) A petition for incorporation, annexation, merger, or consolidation must include a practical plan that demonstrates the capacity of the municipal government to extend essential city or essential borough services into the territory proposed for change in the shortest practicable time after the effective date of the proposed change. A petition for city reclassification under AS 29.04, or municipal detachment or dissolution under AS 29.06, must include a practical plan demonstrating the transition or termination of municipal services in the shortest practicable time after city reclassification, detachment, or dissolution.

(b) Each petition must include a practical plan for the assumption of all relevant and appropriate powers, duties, rights, and functions presently exercised by an existing borough, city, unorganized borough service area, and other appropriate entity located in the territory proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city and unorganized borough service area, and must be designed to effect an orderly, efficient, and economical transfer within the shortest practicable time, not to exceed two years after the effective date of the proposed change.

(c) Each petition must include a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities of an existing borough, city, unorganized borough service area, and other entity located in the territory proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city, and unorganized borough service area wholly or partially included in the area proposed for the change, and must be designed to effect an orderly, efficient, and economical transfer within the shortest practicable time, not to exceed two years after the date of the proposed change. The plan must specifically address procedures that ensure that the transfer and integration occur without loss of value in assets, loss of credit reputation, or a reduced bond rating for liabilities.

(d) Before approving a proposed change, the commission may require that all boroughs, cities, unorganized borough service areas, or other entities wholly or partially included in the area of the

proposed change execute an agreement prescribed or approved by the commission for the assumption of powers, duties, rights, and functions, and for the transfer and integration of assets and liabilities.

In the case of borough incorporation, the intent of 3 AAC 110.900 is to require forethought with respect to the manner in which services will be extended within a newly incorporated borough. A transition plan prepared by petitioners must also demonstrate good faith to extend those services.

3 AAC 110.900(b) requires a practical plan for the assumption of relevant powers, duties, rights, and functions presently being exercised by other service providers. That would include, in particular, education and planning services carried out by REAAs, home rule cities, and first class cities in the region. It may also involve assessment and collection of municipal taxes and discretionary borough powers. 3 AAC 110.900(c) requires a practical plan for the transfer and integration of relevant assets and liabilities.

A newly incorporated borough is permitted a two-year transition period to assume responsibility for local services. AS 29.05.130 – 29.05.140 also relates to transitional aspects of a newly formed borough. Those provisions state as follows:

Sec. 29.05.130. Integration of special districts and service areas. (a) A service area in a newly incorporated municipality shall be integrated into the municipality within two years after the date of incorporation. On integration the municipality succeeds to all the rights, powers, duties, assets, and liabilities of the service area. On integration all property in the service area subject to taxation to pay the principal and interest on bonds at the time of integration remains subject to taxation for that purpose.

(b) After integration, the municipality may exercise in a former service area all of the rights and powers exercised by the service area at the time of integration, and, as successor to the service area, may levy and collect special charges, taxes, or assessments to amortize bonded indebtedness incurred by the service area or by a municipality in which the service area was formerly located.

Sec. 29.05.140. Transition. (a) The powers and duties exercised by cities and service areas that are succeeded to by a newly incorporated municipality continue to be exercised by the cities and service areas until the new municipality assumes the powers and functions, which may not exceed two years after the date of incorporation. Ordinances, rules, resolutions, procedures, and orders in effect before the transfer remain in effect until superseded by the action of the new municipality.

(b) Before the assumption, the new municipality shall give written notice of its assumption of the rights, powers, duties, assets, and liabilities under this section and AS 29.05.130 to the city or service area concerned. Municipal officials shall consult with the officials of the city or service area concerned and arrange an orderly transfer.

(c) After the incorporation of a new municipality, a service area in it may not assume new bonded indebtedness, make a contract, or transfer an asset without the consent of the governing body.

(d) Upon incorporation, the home rule charter of a unified municipality operates to dissolve all municipalities in the area unified in accordance with the charter.

(e) This section applies to home rule and general law municipalities.

Non-Discrimination.

The Local Boundary Commission has adopted regulations (3 AAC 110.910) that prohibit the establishment or

alteration of a local government if the effect of such would deny any person the enjoyment of any civil or political right, including voting rights, *because of race, color, creed, sex, or national origin*.

In addition to 3 AAC 110.910, the federal Voting Rights Act of 1965, codified as amended at 42 U.S.C. Section 1973, establishes standards relating to the effects that incorporation would have upon civil and political rights of minorities. The Voting Rights Act prohibits political subdivisions from imposing or applying voting qualifications, voting prerequisites, standards, practices, or procedures to deny or abridge the right to vote on account of race or color or because a person is a member of a language minority group.[76]

The effects of any borough incorporation in Alaska in terms of voting rights are subject to review by the U.S. Justice Department.

[76] Specifically, 42 U.S.C. Section 1973 provides as follows:

(a) No voting qualification or prerequisite to voting or standard, practice, or procedure shall be imposed or applied by any State or political subdivision in a manner which results in a denial or abridgement of the right of any citizen of the United States to vote on account of race or color, or in contravention of the guarantees set forth in section 1973b(f)(2) of this title, as provided in subsection (b) of this section.

(b) A violation of subsection (a) of this section is established if, based on the totality of circumstances, it is shown that the political processes leading to nomination or election in the State or political subdivision are not equally open to participation by members of a class of citizens protected by subsection (a) of this section in that its members have less opportunity than other members of the electorate to participate in the political process and to elect representatives of their choice. The extent to which members of a protected class have been elected to office in the State or political subdivision is one circumstance which may be considered: Provided, That nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population.

Chapter 3
Application of Borough Incorporation Standards

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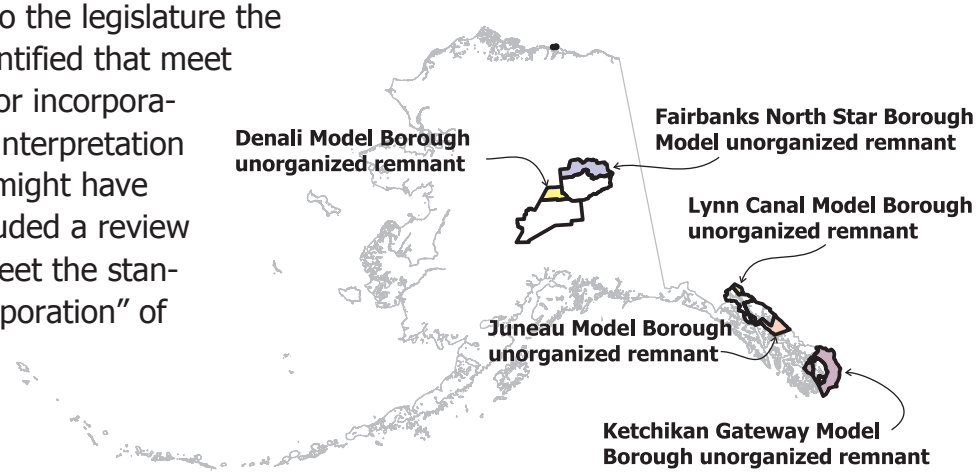
Section A. Background

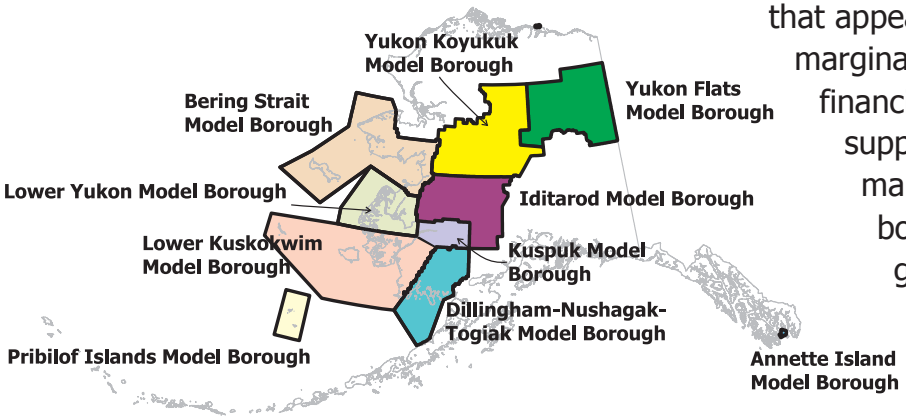
Chapter 53, SLA 2002 – the law directing the Local Boundary Commission to undertake this examination of the unorganized borough – became effective September 17, 2002. It required the Commission to complete the task assigned to it by February 19, 2003.

The Commission took two early actions to define the scope of the area to be examined. First, the Commission deliberated as to the proper interpretation of the Chapter 53, SLA 2002 directive to "report to the legislature the areas it has identified that meet the standards for incorporation." A broad interpretation of that charge might have reasonably included a review of areas that meet the standards for "incorporation" of parts of the unorganized borough into existing organized boroughs through annexation.[76]

In October 2002, however, mindful of the limited time and resources available to complete the review, the Commission opted for a more narrow interpretation of the legislative directive. Consequently, five portions of the unorganized borough that had been identified by the Commission in the early 1990s as "unorganized remnants within the model boundaries



[76] Separate standards exist in law for annexation of territory to boroughs (see 3 AAC 110.160 – 3 AAC 110.210). Borough annexation standards are similar in many respects to borough incorporation standards.



of existing organized boroughs" were omitted from the present review. Those five portions of the unorganized borough are shown on the map below:

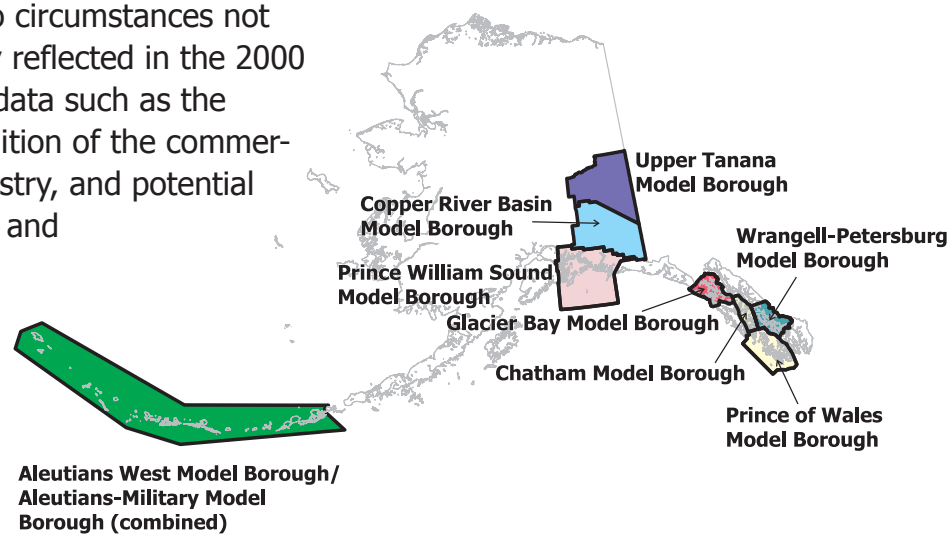
In December 2002, the Commission took the second action to narrow the areas of the unorganized borough to be reviewed. In doing so, it excluded from consideration those unorganized areas that appeared to be marginal in terms of their financial capacity to support the services mandated for borough government.

The Commission's action in December was based on information about each area's population, per capita household income, percent of unemployment, percent of adults not working, average household income, percent of poverty, and residential property values.[77] The Commission also gave consideration to circumstances not necessarily fully reflected in the 2000 federal census data such as the depressed condition of the commercial fishing industry, and potential access to an oil and gas property tax base.

As a result of the December 2002 action, ten additional areas of the unorganized borough were excluded from further consideration. Those areas are shown on the map above.

Thus, the Commission selected the remaining eight areas of the unorganized borough to review for compliance with all standards for borough incorporation. In doing so, the Commission also combined the Aleutians West Model Borough with the Aleutians Military Model Borough. Hereinafter, that area is referred to as the Aleutians West Model Borough.

The eight unorganized areas to be reviewed in terms of all standards are shown on the map that appears below.



[77] The Department of Community and Economic Development (DCED) provided the Commission with such data for all community-type localities in the unorganized borough using 2000 federal census data released on September 25, 2002. DCED also provided the Commission with estimates of such data aggregated on the basis of model borough boundaries and regional educational attendance area boundaries.

Section B. Economic Capacity

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Part 1. Background

This section of the report reviews several different factors relating to the economic capacity of the eight unorganized areas to take on responsibility for borough government. The factors include reasonably anticipated borough functions, expenses, and income. They also include information about the economic base in the unorganized areas, along with property valuations, land use, development, and personal income.

As noted in Chapter 2, in order for a region to satisfy the borough standards established in law, it must have the resources capable of providing borough services (AS 29.05.031(a)(3)).[78] Moreover, the resources must be sufficient to provide services on an efficient and cost-effective level (3 AAC 110.055).[79]

[78] AS 29.05.031(a)(3) states that, "An area that meets the following standards may incorporate as a home rule, first class, or second class borough, or as a unified municipality:…(3) the economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough or unified municipality."

[79] 3 AAC 110.055 provides that, "The economy of a proposed borough must include the human and financial resources necessary to provide essential borough services on an efficient, cost-effective level. In this regard, the commission (1) will consider (A) the reasonably anticipated functions of the proposed borough; (B) the reasonably anticipated expenses of the proposed borough; (C) the ability of the proposed borough to generate and collect local revenue, and the reasonably anticipated income of the proposed borough; (D) the feasibility and plausibility of the anticipated operating and capital budgets through the third full fiscal year of operation; (E) the economic base of the proposed borough; (F) property valuations for the proposed borough; (G) land use for the proposed borough; (H) existing and reasonably anticipated industrial, commercial, and resource development for the proposed borough; and (I) personal income of residents of the proposed borough; and (2) may consider other relevant factors, including (A) the need for and availability of employable skilled and unskilled persons to serve the proposed borough; and (B) a reasonably predictable level of commitment and interest of the population in sustaining a borough government."

Part 2. Reasonably Anticipated Borough Functions.

State law requires organized boroughs to exercise three mandatory powers. Those are (1) education, (2) assessment and collection of taxes, and (3) land use regulation.[80] Boroughs have authority to delegate their land use regulation powers within city boundaries to the respective cities within the borough. Boroughs may also exercise a broad range of other powers; however, those powers are discretionary.

For purposes of this review, the Commission limited its consideration to the three mandatory borough powers. The Commission recognizes that borough governments would incur certain administrative and operating costs.

The Commission notes that the three functions which State law mandates of organized boroughs are also obligatory tasks of home rule and first class cities in the unorganized borough. There are eleven home rule and first class cities in the eight unorganized areas under review. These consist of the following:

Aleutians West Model Borough

- City of Unalaska

Prince William Sound Model Borough

- City of Cordova
- City of Valdez

Glacier Bay Model Borough

- City of Hoonah
- City of Pelican

Chatham Model Borough

- City of Kake

Prince of Wales Model Borough

- City of Craig
- City of Klawock
- City of Hydaburg

Wrangell-Petersburg Model Borough

- City of Wrangell
- City of Petersburg

Part 3. Reasonably Anticipated Borough Expenses.

Subpart (a). Education

Education is, by far, the single biggest expense incurred by borough governments. The following depicts the FY 2001 audited expenses incurred for the operation of regional educational attendance area (REAA) and city school districts that are wholly or partially within the eight unorganized areas under review.

[80] AS 29.35.150 provides that, "A borough shall exercise the powers as specified and in the manner specified in AS 29.35.150 - 180 on an areawide basis." AS 29.35.160 provides, in part, that "Each borough constitutes a borough school district and establishes, maintains, and operates a system of public schools on an areawide basis as provided in AS 14.14.060." AS 29.35.170 provides, in part, that "A borough shall assess and collect property, sales, and use taxes that are levied in its boundaries, subject to AS 29.45." AS 29.35.180 states each borough "shall provide for planning, platting, and land use regulation."

Aleutians West Model Borough (see Table 3-1)

The Aleutians West Model Borough wholly includes two existing school districts. One is a city school district (Unalaska) and the second is the Aleutian Region REAA. Collectively, those districts operated five schools serving 431 students.

Table 3-1

District	Number of Schools	Number of Students	Cost Per Student	Total
Aleutian Region REAA	3	57	$25,649	$1,461,993
Unalaska City Schools	2	374	$11,998	$4,487,252
Total	**5**	**431**	**$13,803**	**$5,949,245**

Upper Tanana Model Borough (see Table 3-2)

The Upper Tanana Model Borough wholly includes two existing school districts. Those are the Delta-Greely REAA and the Alaska Gateway REAA. Collectively, those districts operated 12 schools serving 1,501 students. Among the schools operated by the Delta-Greely REAA is the Delta Charter Cyber School which serves students throughout the state. Enrollment at the Delta Charter Cyber School was 376 as of October 1, 2001.

Table 3-2

District	Number of Schools	Number of Students	Cost Per Student	Total
Delta-Greely REAA	4	1,007	$6,414	$6,458,898
Alaska Gateway REAA	8	494	$12,228	$6,040,632
Total	**12**	**1,501**	**$8,049**	**$12,081,264**

Copper River Basin Model Borough (see Table 3-3)

The Copper River Basin Model Borough wholly includes one existing school district, the Copper River REAA. That district operated 9 schools serving 726 students.

Table 3-3

District	Number of Schools	Number of Students	Cost Per Student	Total
Copper River REAA	9	726	$8,441	$6,128,166

Prince William Sound Model Borough (see Table 3-4)

The Prince William Sound Model Borough wholly includes three existing school districts. Two are city school districts (Cordova and Valdez) and the third is the Chugach REAA. Collectively, those districts operated nine schools serving 1,534 students.

Table 3-4

District	Number of Schools	Number of Students	Cost Per Student	Total
Chugach REAA	4	207	$10,802	$2,236,014
Cordova City Schools	2	458	$8,713	$3,990,554
Valdez City Schools	3	869	$9,366	$8,139,054
Total	**9**	**1,534**	**$9,365**	**$14,365,622**

Glacier Bay Model Borough (see Table 3-5)

The Glacier Bay Model Borough wholly includes two existing school districts and part of a third. The two districts

that are wholly included consist of those operated by the City of Pelican and the City of Hoonah. In addition, a portion of the Chatham REAA is included in the Glacier Bay Model Borough.

The portion of the Chatham REAA in the Glacier Bay Model Borough includes the settlements of Whitestone Logging Camp, Gustavus, Tenakee Springs, Elfin Cove, and Game Creek. The Chatham REAA operates schools within the Glacier Bay Model Borough at Gustavus (enrollment: 45) and Tenakee Springs (enrollment: 11).

The Chatham REAA also operates schools at Angoon (enrollment: 133) and Klukwan (enrollment: 25) located outside the Glacier Bay Model Borough. Last year, the Chatham REAA operated a school at Cube Cove (enrollment: 10), which was also outside the Glacier Bay Model Borough. The Cube Cove school closed last year.

Collectively, the three districts operated five schools in the Glacier Bay Model Borough, serving 288 students. FY 2001 audits reported the operational costs by those districts in the Glacier Bay Model Borough (costs for Chatham REAA were based on district-wide average costs apportioned on the basis of the number of students it serves in the Glacier Bay Model Borough).

Table 3-5

District	Number of Schools	Number of Students	Cost Per Student	Total
Hoonah City Schools	2	215	$15,073	$3,240,695
Pelican City Schools	1	17	$24,383	$414,511
Chatham REAA (Glacier Bay portion)	2	56	$10,995 (district average)	$615,720
Total	**5**	**288**	**$14,830**	**$4,270,926**

Table 3-6

District	Number of Schools	Number of Students	Cost Per Student	Total
Kake City Schools	2	173	$12,299	$2,127,727
Chatham REAA (Glacier Bay portion)	1	133	$10,995 (district average)	$1,462,335
Total	**3**	**306**	**$11,732**	**$3,590,062**

Chatham Model Borough (see Table 3-6)

The Chatham Model Borough includes the City of Kake School District and parts of the Chatham REAA and Southeast Island REAA. The portion of the Southeast Island REAA within the Chatham Model Borough has no schools or settlements. The portion of the Chatham REAA within the Chatham Model Borough includes Cube Cove and Angoon. Cube Cove was an active logging camp on Admiralty Island for twenty years. However, the Shee Atika Native Corporation, based in Sitka, has recently ceased logging operations at that site. There is no longer a school at Cube Cove.

Collectively, the two districts operated 3 schools serving 306 students.

Prince of Wales Model Borough (see Table 3-7)

The Prince of Wales Model Borough wholly includes three existing school districts and part of a fourth. The three districts that are included in their en-

Table 3-7

District	Number of Schools	Number of Students	Cost Per Student	Total
Craig City Schools	4	686	$7,901	$5,420,086
Klawock City Schools	1	175	$12,486	$2,185,050
Hydaburg City Schools	2	101	$14,259	$1,440,159
Southeast Island REAA (Prince of Wales portion)	7	208	$12,147 (district average)	$2,526,576
Total	**14**	**1,170**	**$9,890**	**$11,571,871**

Table 3-8

District	Number of Schools	Number of Students	Cost Per Student	Total
Wrangell City Schools	3	460	$7,734	$3,557,640
Petersburg City Schools	3	653	$7,578	$4,948,434
Total	**6**	**1,113**	**$7,642**	**$8,506,074**

tirety consist of those operated by the City of Craig, City of Klawock, and City of Hydaburg. Additionally, the Southeast Island REAA is partially included in the Prince of Wales Model Borough.

The portion of the Southeast Island REAA that is within the Prince of Wales Model Borough includes the settlements of Edna Bay, Whale Pass, Coffman Cove, Thorne Bay, Kasaan, Hollis, Naukati Bay, Port Alexander, Point Baker, and Port Protection. The Southeast Island REAA operates schools within the Prince of Wales Model Borough at Hollis (enrollment: 20), Coffman Cove (enrollment: 25), Kasaan (enrollment: 14), Naukati (enrollment: 36), Port Alexander (enrollment: 12), Port Protection (enrollment: 23) and Thorne Bay (enrollment: 78).

The Southeast Island REAA also operates a school at Hyder (enrollment: 18) outside the Prince of Wales Model Borough. Additionally, the district has 19 students in a correspondence study program.

Collectively, the four districts operated fourteen schools in the Prince of Wales Model Borough, serving 1,170 students. FY 2001 audits reported the operational costs by those districts in the Prince of Wales Model Borough (costs for Southeast Island REAA were based on district-wide average costs apportioned on the basis of the number of students it serves in the Prince of Wales Model Borough).

Wrangell-Petersburg Model Borough (see Table 3-8)

The Wrangell-Petersburg Model Borough wholly includes two existing school districts and portions of two others. The two wholly-included districts consist of the City of Wrangell and the City of Petersburg. Portions of the Chatham REAA and Southeast Island REAA are also included. However, the portion of the Chatham REAA included in the Wrangell-Petersburg Model Borough includes no schools or settlements. The portion of the Southeast Island REAA included in the Wrangell Petersburg Model Borough includes the settlements of Kupreanof and Thom's Place. There are no schools in Kupreanof or Thom's Place. Any students in Kupreanof may attend schools operated by the City of Petersburg.

Collectively, the City of Wrangell and City of Petersburg school districts operated six schools serving 1,113 students.

Subpart (b). Assessment and Collection of Taxes

The cost of assessing and collecting taxes depends, of course, on the nature of taxes levied and a host of other factors particular to the jurisdiction involved. Borough governments are not obligated to levy property taxes. In fact, four of the last five borough governments formed do not levy property taxes.

Part 4(a) of this section of the report lists the specific taxes levied by organized boroughs in Alaska. Also listed in Part 4(a) are the specific taxes levied by cities within the eight unorganized areas under review.

Generally, property taxes tend to be among the more expensive taxes to assess and collect.[81] In particular, the establishment of the initial property tax assessment roll can be costly.[82] For example, in 1997, the former Department of Community and Regional Affairs (DCRA) estimated that the cost of establishing a property tax roll for a Delta-Greely borough would be approximately $300,000. DCRA also estimated that annual updates to that prospective property tax roll would cost approximately $25,000 initially, with moderate increases to account for inflation and development in later years.

Table 3-9 summarizes the expenses reported in 2002 for the assessment and collection of property taxes by the twelve organized boroughs in Alaska that levy property taxes.

Table 3-10 summarizes the expenses reported in 2002 for the assessment and collection of property taxes by the seven cities in the unorganized areas under review that reported data on the cost of levying property taxes.

In contrast to property taxes, other taxes such as sales taxes tend to be significantly less expensive to collect. Again, Part 4(a) of this section of the report lists the various taxes levied by organized boroughs and cities with the eight unorganized areas under review.

Subpart (c). Land Use Regulation

The exercise of "land use regulation" by local governments in Alaska is far less structured than education powers. Consequently, it is difficult to project what expenses a region may incur in the exercise of such powers.

81 It is stressed, however, that a property tax database offers significant secondary benefits to a region. Maps and other information gathered for property tax databases often facilitate the financing of real estate, real estate sales, homeowner's insurance, and even the provision of emergency services by police and fire departments.

82 AS 29.05.210 provides that the Department of Community and Economic Development must "provide assistance to each borough and unified municipality incorporated after December 31, 1985 in (1) establishing the initial sales and use tax assessment and collection department if the borough or unified municipality has adopted a sales or use tax; (2) determining the initial property tax assessment roll if the borough or unified municipality has adopted a property tax, including contracting for appraisals of property need to complete the initial assessment." Additionally, the State provides a $600,000 grant over three years to a newly formed borough to defray the cost of transition to borough government (AS 29.05.190).

Table 3-9

Borough	Number of Parcels	Geographic Size	Budget
Municipality of Anchorage	90,406	1,940 square miles	$4,129,200
Bristol Bay Borough	926	850 square miles	$27,000
Fairbanks North Star Borough	39,860	7,430 square miles	$1,831,040
Haines Borough	3,218	2,730 square miles	$89,932
City and Borough of Juneau	11,548	3,248 square miles	$427,530
Kenai Peninsula Borough	60,515	21,330 square miles	$1,473,626
Ketchikan Gateway Borough	6,008	1,750 square miles	$423,194
Kodiak Island Borough	5,230	12,150 square miles	$275,690
Matanuska-Susitna Borough	64,896	25,260 square miles	$1,109,184
City and Borough of Sitka	3,646	4,530 square miles	$182,931
City and Borough of Yakutat	501	9,251 square miles	$15,000

Table 3-10

City	Number of Parcels	Geographic Size	Budget
Aleutians West Model Borough			
City of Unalaska	558	214.4 square miles	$30,000
Prince William Sound Model Borough			
City of Cordova	1,803	74.58 square miles	$10,000
City of Valdez	2,003	277.1 square miles	$63,000
City of Whittier	452	19.75 square miles	$5,000
Prince of Wales Model Borough			
City of Craig	642	9.5 square miles	$18,200
Wrangell-Petersburg Model Borough			
City of Petersburg	2,223	46.1 square miles	$21,000
City of Wrangell	1,530	70.9 square miles	$20,000

Thirty-eight municipal governments in Alaska list planning or land use regulation expenses in their annual audits or financial statements. On a per capita basis, the reported expenditures range from as little as $1 per resident (Bristol Bay Borough and City of Klawock) to as much as $399 per resident (North Slope Borough). The median expenditure was $23.50 per resident.

The most recent financial reports on record for those thirty-eight municipalities indicate that a total of $17,202,721 was spent in terms of land use regulation or planning. Those thirty-eight local governments were inhabited by 591,394 residents. Thus, on average, local governments spent $29 per resident in the exercise of land use regulation or planning powers.

For purposes of this analysis, the Commission assumes, over the long-term, that each borough would spend, on average, $30 annually per resident in the exercise of land use regulation and planning powers. The expenditure projections result from that assumption are shown in Table 3-11.

Table 3-11		
Region	Population	Projected Annual Land Use Expenditures
Prince William Sound Model Borough	6,964	$208,920
Upper Tanana Basin Model Borough	6,316	$189,480
Wrangell-Petersburg Model Borough	5,893	$176,790
Aleutians West Model Borough	4,781	$143,430
Prince of Wales Model Borough	4,651	$139,530
Copper River Basin Model Borough	3,089	$92,670
Glacier Bay Model Borough	1,739	$52,170
Chatham Model Borough	1,354	$40,620

Part 4. Reasonably Anticipated Borough Income

This part of the report addresses reasonably anticipated borough income. There are no specific revenue generating proposals associated with this review. Therefore, the discussion of this part of the report is necessarily abstract. Information about locally generated revenues of existing boroughs and cities within the eight unorganized areas under review is provided in subpart (a). Information about State and federal financial aid to municipalities is provided in subpart (b).

Subpart (a). Locally-Generated Income

Property Taxes

Twelve of Alaska's sixteen organized boroughs levy property taxes. On a per capita basis (using 2000 census population figures), revenues from ad valorem taxes on property (excluding oil and gas property taxed under AS 43.56) levied by those twelve boroughs in 2002 ranged from a low of $384 per resident to a high of $1,780 per resident. The median per capita figure was $702.

Five of the twelve property tax-levying boroughs in Alaska contain oil and gas properties taxed under AS 43.56. Per capita property tax revenues from both types of levies (i.e., (1) oil and gas properties and (2) all other taxable properties) are shown on the previous page in Table 3-12 for the twelve boroughs.

No property taxes are levied in Upper Tanana Basin Model Borough, the Copper River Basin Model Borough, or the Chatham Model Borough.

Table 3-12 Per Capita Property Tax Revenues for Boroughs		
Borough	Per Capita Property Tax Revenues (excluding oil & gas properties)	Per Capita Property Tax Revenues (oil & gas properties only)
Municipality of Anchorage	$1,093	$9
Bristol Bay Borough	$1,780	$0
Fairbanks North Star Borough	$737	$54
Haines Borough	$479	$0
City & Borough of Juneau	$924	$0
Kenai Peninsula Borough	$666	$144
Ketchikan Gateway Borough	$487	$0
Kodiak Island Borough	$510	$0
Matanuska-Susitna Borough	$872	$1
North Slope Borough	$845	$26,137
City & Borough of Sitka	$420	$0
City & Borough of Yakutat	$384	$0

Source: 2002 Revenue Figures Provided by State Assessor; 2000 Population Figures Derived from Federal Census.

However, three cities in the Prince William Sound Model Borough levy property taxes and two cities in the Wrangell-Petersburg Model Borough levy property taxes. One city in each of the remaining three model boroughs (Aleutians West, Prince of Wales, and Glacier Bay) also levies property taxes.

On a per capita basis (using 2000 census population figures), revenues from ad valorem taxes on property (excluding oil and gas property taxed under AS 43.56) levied by those eight cities in 2002 ranged from a low of $333 per resident to a high of $1,475 per resident. The median per capita figure in the range was $573. Three of the eight property tax-levying cities in question encompass oil and gas properties taxed under AS 43.56. Per capita property tax revenues from both types of levies are shown below in Table 3-13 for the eight cities.

General Sales Taxes

Six of the sixteen organized boroughs in Alaska levy a general sales tax ranging from 1.5% to 5%. During 2002, the general sales taxes levied by those boroughs generated amounts ranging from $223 per resident to $964 per resident.

Table 3-14 on the next page reports the general sales tax rates in effect in those five boroughs and the per capita revenues generated from those taxes.

No sales taxes are levied in Upper Tanana Basin Model Borough or the Copper River Basin Model Borough.

However, general sales taxes are levied by two cities in the Aleutians West Model Borough, two cities in the Chatham Model Borough, three cities in the Glacier Bay Model Borough, five cities in the Prince of Wales Model Borough, three cities in

Table 3-13

Per Capita Property Tax Revenues for Cities in Model Boroughs

City	Per Capita Property Tax Revenues (excluding oil & gas properties)	Per Capita Property Tax Revenues (oil & gas properties only)
Aleutians West Model Borough		
Unalaska	$927	$0
Prince William Sound Model Borough		
Cordova	$570	$15
Valdez	$1,475	$3,240
Whittier	$1,056	$13
Glacier Bay Model Borough		
Pelican	$338	$0
Prince of Wales Island Model Borough		
Craig	$333	$0
Wrangell-Petersburg Model Borough		
Petersburg	$576	$0
Wrangell	$441	$0

Source: 2002 Revenue Figures Provided by State Assessor; 2000 Population Figures Derived from Federal Census.

Table 3-14

Per Capita General Sales Tax Revenues for Boroughs

Borough	Sales Tax Rate	General Sales Tax Revenues Reported	2000 Census Population	Per Capita Revenue
Haines Borough	1.5%	$533,165	2,392	$223
City & Borough of Juneau	5.0%	$29,612,400	30,711	$964
Kenai Peninsula Borough	2.0%	$14,157,026	49,691	$285
Ketchikan Gateway Borough	2.0%	$4,953,046	14,070	$352
City & Borough of Sitka	5.0%	$6,593,998	8,835	$746
City & Borough of Yakutat	4.0%	$549,225	808	$680

Source: 2002 Revenue Figures Provided by State Assessor; 2000 Population Figures Derived from Federal Census.

the Prince William Sound Model Borough, and two cities in the Wrangell-Petersburg Model Borough.

Table 3-15 on the following page reports the general sales tax rates in effect in the sixteen cities that levy general sales taxes in the six model boroughs listed above. The per capita revenues generated from those taxes in 2002 are also listed.

Targeted Taxes

In addition to the general property and sales taxes noted above, thirteen of the sixteen organized boroughs in Alaska levy targeted taxes on particular sales or activities.

The targeted taxes levied by the boroughs are as follows:

- The Aleutians East Borough levies a 2% raw fish tax.
- The Municipality of Anchorage levies an 8% bed tax, 8% car rental tax, 15% tax on the sale of tobacco products, and a flat tax on aircraft.
- The Bristol Bay Borough levies a 3% raw fish tax and a 6% bed tax.
- The Denali Borough levies a $0.05/ ton severance tax on coal, $0.05/ cubic yard severance tax on gravel, and a 7% bed tax.
- The Fairbanks North Star Borough levies an 8% bed tax outside the City of Fairbanks.
- The Haines Borough levies a 4% bed tax and a 4% tour tax.
- The City and Borough of Juneau levies a 7% bed tax, 3% liquor tax, and 6% tobacco tax.
- The Ketchikan Gateway Borough levies a 4% bed tax outside the City of Ketchikan.
- The Kodiak Island Borough levies a 9.25 mill severance tax on timber and fish resources and a 5% bed tax.
- The Lake & Peninsula Borough levies a 2% raw fish tax, guide fees, and a 6% bed tax.
- The Matanuska-Susitna Borough levies a 5% bed tax.

Table 3-15

Per Capita General Sales Tax Revenues for Cities within Model Boroughs

City	Sales Tax Rate	General Sales Tax Revenues	2000 Census Population	Per Capita Revenue
Aleutians West Model Borough				
Adak	3.0%	$571,978	316	$1,810
Unalaska	3.0%	$5,233,204	4,283	$1,222
Prince William Sound Model Borough				
City	Sales Tax Rate	General Sales Tax Revenues Reported	2000 Census Population	Per Capita Revenue
Cordova	6.0%	$2,320,200	2,454	$945
Whittier	3.0%	$207,500	182	$1,140
Glacier Bay Model Borough				
City	Sales Tax Rate	General Sales Tax Revenues Reported	2000 Census Population	Per Capita Revenue
Hoonah	5.0%	$379,046	860	$441
Pelican	4.0%	$85,568	163	$525
Tenakee Springs	1.0%	$3,397	104	$33
Chatham Model Borough				
City	Sales Tax Rate	General Sales Tax Revenues Reported	2000 Census Population	Per Capita Revenue
Angoon	3.0%	$69,706	572	$122
Kake	5.0%	$138,453	710	$195
Prince of Wales Island Model Borough				
City	Sales Tax Rate	General Sales Tax Revenues Reported	2000 Census Population	Per Capita Revenue
Craig	5.0%	$1,201,047	1,397	$860
Hydaburg	4.0%	$11,344	382	$30
Klawock	5.5%	$349,117	854	$409
Port Alexander	4.0%	$19,860	81	$245
Thorne Bay	3.0%	$78,991	557	$142
Wrangell-Petersburg Model Borough				
City	Sales Tax Rate	General Sales Tax Revenues Reported	2000 Census Population	Per Capita Revenue
Petersburg	6.0%	$2,334,803	3,224	$724
Wrangell	7.0%	$1,829,137	2,308	$793

Source: 2002 Revenue Figures Provided by State Assessor; 2000 Population Figures Derived from Federal Census.

- The City & Borough of Sitka levies a 6% bed tax and $.02/gal fuel tax.
- The City & Borough of Yakutat levies a 1% raw fish tax, 4% bed tax, and 4% car rental tax.

Table 3-16 on the following page lists the total 2002 revenue – both in total and per capita terms – from the targeted taxes levied by the thirteen boroughs as noted above.

No targeted taxes are levied in Upper Tanana Basin Model Borough or the Copper River Basin Model Borough.

However, targeted taxes are levied by one city in the Aleutians West Model Borough, two cities in the Chatham Model Borough, two cities in the Glacier Bay Model Borough, three cities in the Prince of Wales Model Borough, three cities in the Prince William Sound Model Borough, and two cities in the Wrangell-Petersburg Model Borough.

The targeted taxes levied by the cities are as follows:

- The City of Unalaska levies a 2% raw fish tax and a 5% bed tax.

Table 3-16

Borough	Targeted Tax Revenues	Per Capita Revenues
Aleutians East Borough	$2,013,524	$747
Municipality of Anchorage	19,929,263	$77
Bristol Bay Borough	343,440	$273
Denali Borough	1,308,933	$691
Fairbanks North Star Borough	$1,061,135	$13
Haines Borough	431,534	$180
Juneau, City & Borough of	1,825,500	$59
Ketchikan Gateway Borough	$28,244	$2
Kodiak Island Borough	774,974	$56
Lake & Peninsula Borough	487,488	$267
Matanuska-Susitna Borough	$627,201	$11
Sitka, City & Borough of	284,869	$32
City & Borough of Yakutat	71,485	$88

- The City of Angoon levies a 3% bed tax.
- The City of Kake levies a 1% raw fish tax.
- The City of Pelican levies a 10% bed tax.
- The City of Tenakee Springs levies a 6% bed tax.
- The City of Craig levies a 6% liquor tax and a 6% raw fish tax.
- The City of Klawock levies a 6% bed tax.
- The City of Port Alexander levies a 6% bed tax.
- The City of Cordova levies a 6% bed tax and a 6% auto rental tax.
- The City of Valdez levies a 6% bed tax.
- The City of Whittier levies a fish tax and passenger transportation tax.
- The City of Petersburg levies a 4% bed tax.
- The City of Wrangell levies a $4/night bed tax.

Table 3-17 lists the total 2002 revenue – both in total and per capita terms – from the targeted taxes levied by the thirteen cities as noted above.

Other Sources of Locally Generated Revenue

In addition to taxes, local governments generate revenues through other means such as user fees and enterprise operations.

Table 3-17

Area	Total Revenues	Per Capita Revenues
Aleutians West Model Borough		
Unalaska	$3,453,973	$806
Prince William Sound Model Borough		
Cordova	$67,479	$27
Valdez	$296,162	$73
Whittier	$178,895	$983
Glacier Bay Model Borough		
Pelican	$3,594	$22
Tenakee Springs	$1,122	$11
Chatham Model Borough		
Angoon	$9,244	$16
Kake	$106,354	$150
Prince of Wales Island Model Borough		
Craig	$85,409	$61
Klawock	$3,612	$4
Port Alexander	$1,611	$20
Wrangell-Petersburg Model Borough		
Petersburg	$38,529	$12
Wrangell	$17,664	$8

Table 3-18

Borough	Licenses/ Permits	Service Charges	Enterprise Revenues	Other	Per Capita Total
Aleutians East Borough	$0	$0	$0	$1,510,596	$560
Bristol Bay Borough	$0	$196,821	$1,043,787	$715,686	$1,556
Juneau	$4,415,504	$4,121,087	$45,699,121	$6,130,058	$1,966
Sitka	$165,377	$3,612,224	$14,210,636	$2,702,117	$2,342
Yakutat	$0	$101,075	$1,944,620	$584,476	$3,255
Denali Borough	$0	$0	$31,581	$98,091	$69
Fairbanks North Star Borough	$0	$2,993,424	$6,109,508	$9,466,463	$224
Haines Borough	$0	$0	$0	$1,190,275	$498
Kenai Peninsula Borough	$0	$0	$47,310,533	$9,721,917	$1,148
Ketchikan Gateway Borough	$18,545	$729,198	$2,459,874	$3,888,975	$504
Kodiak Island Borough	$0	$2,746,742	$2,672,960	$6,965,159	$890
Lake & Peninsula Borough	$28,461	$244,476	$0	$1,850,505	$1,165
Matanuska-Susitna Borough	$118,175	$4,328,453	$0	$7,870,667	$208
Anchorage	$9,173,675	$22,579,918	$166,121,259	$32,846,457	$886
North Slope Borough	$0	$7,170,578	$13,184,032	$41,447,735	$8,369
Northwest Arctic Borough	$0	$1,384,920	$0	$2,598,681	$553

Table 3-18 summarizes other locally-generated revenues of Alaska's sixteen organized boroughs.

Table 3-19 on the following page summarizes other locally-generated revenues reported by cities within the eight unorganized areas under review.

Subpart (b). State and Federal Aid

This portion of the report addresses various State and Federal financial aid provided to municipal governments.

Organization grants. AS 29.05.190 provides for organization grants to newly formed boroughs. The purpose of the grant is to defray the cost of transition to borough government and to provide for interim governmental operations. $300,000 is awarded for the borough's first full or partial fiscal year; $200,000 for the borough's second fiscal year; and $100,000 for the borough's third fiscal year.

Education Foundation Funding. While borough governments exercise education powers, the State of Alaska provides a significant portion of their education funding. In FY 2002, the State of Alaska appropriated $645,468,498 in education foundation funding for all school districts in the state.

The Alaska Department of Education and Early Development provided estimates of education foundation funding for each of the eight unorganized areas under review based on FY 1999 funding. Those estimates are shown in Table 3-20 on the following page.

Table 3-19

Model Borough/City	Licenses/ Permits	Service Charges	Enterprise Revenues	Other	Per Capita Total
Aleutians West Model Borough					
Atka	$0	$0	$0	$76,358	$771
Unalaska	$22,018	$586,947	$11,955,169	$2,351,981	$3,483
Upper Tanana Basin Model Borough					
Delta Junction	$0	$207,808	$0	$413,261	$692
Eagle	$0	$0	$0	$31,374	$183
Prince William Sound Model Borough					
Cordova	$12,897	$598,429	$5,555,351	$922,938	$2,889
Valdez	$94,858	$5,918,614	$449,368	$1,445,387	$1,852
Whittier	$4,350	$331,519	$953,498	$330,892	$5,606
Glacier Bay Model Borough					
Hoonah	$0	$192,076	$293,954	$811,606	$1,509
Pelican	$20	$64,801	$15,305	$222,486	$2,242
Tenakee Springs	$3,518	$1,125	$151,152	$18,165	$1,657
Chatham Model Borough					
Angoon	$0	$54,814	$151,724	$21,450	$381
Kake	$750	$200,749	$346,034	$143,519	$928
Prince of Wales Model Borough					
Coffman Cove	$2,150	$37,427	$52,135	$278,159	$1,849
Craig	$48,101	$270,208	$1,163,764	$2,265,349	$2,682
Hydaburg	$0	$98,853	$115,865	$208,510	$1,088
Kasaan	$0	$27,885	$48,027	$27,236	$2,344
Klawock	$0	$236,202	$520,110	$432,280	$1,766
Port Alexander	$0	$0	$0	$8,526	$95
Thorne Bay	$8,826	$23,435	$772,925	$135,760	$1,560
Wrangell-Petersburg Model Borough					
Kupreanof	$0	$600	$0	$20,948	$898
Petersburg	$10,345	$377,921	$6,509,165	$913,039	$2,306
Wrangell	$968	$6,247,557	$3,338,092	$1,638,151	$4,369

Municipal Land Entitlement

A newly formed borough is entitled to ten percent of the vacant, unreserved, and unappropriated State lands within the boundaries of the borough. The lands may be sold to generate revenues or used for any other purpose deemed suitable by the borough.

State Revenue Sharing (SRS) Program. This program is funded annually by the State Legislature. In FY 2002, SRS funding was $12,855,200. SRS provides financial assistance to municipalities, eligible unincorporated communities, and eligible volunteer fire departments for public services such as education, water and sewer, police, road maintenance, health care and fire protection.

National Forest Receipts. Twenty-five percent of the income earned from U.S. Forest Service activities within the Chugach and Tongass National

Table 3-20

Area	Basic Need	Local Effort (LE)	Deductible 874	Quality Schools	State Aid	Funding Floor	Entitlement
Aleutians West	$5,182,991	$1,525,966	$127,925	$21,048	$3,550,148	$593,808	$4,143,956
Upper Tanana Basin	$13,131,862	$1,906,486	$439,142	$53,327	$10,839,562	$409,905	$11,249,467
Copper River Basin	$5,624,665	$2,171,541	$77,589	$21,548	$3,397,083	$15,984	$3,413,067
Prince William Sound	$11,811,765	$4,599,834	$74,346	$43,261	$7,180,846	$1,192,873	$8,373,719
Glacier Bay	$5,402,055	$239,213	$434,418	$21,937	$4,750,361	$237,315	$4,987,676
Chatham	$3,110,236	$150,359	$398,518	$12,630	$2,573,989	$71,296	$2,645,285
Prince of Wales	$7,980,391	$711,393	$217,386	$32,408	$7,084,020	$351,121	$7,435,141
Wrangell-Petersburg	$7,973,142	$1,599,076	$2,011	$32,378	$6,404,433	$0	$6,404,433

Source: Alaska Department of Education and Early Development

Forest is currently distributed to 9 boroughs, 17 cities, 4 REAAs, and the Metlakatla Reservation. Approximately $9 million is available annually.

Payment in Lieu of Taxes (PILT). The federal PILT program provides payments to local governments that contain certain federally-owned lands known as "entitlement lands". PILT payments are intended to help offset losses in property taxes due to nontaxable federal lands within municipal boundaries. The U.S. Department of Interior administers PILT payments to boroughs, and DCED administers federal PILT payments to cities within the unorganized borough. In FY 2003, $5,267,071 was provided to the unorganized borough.

Safe Communities Program. This program is funded annually by the state Legislature. In FY 2002, Safe Communities Program funding was $16,775,500. Safe Communities Program funding can be used for any public purpose for which the municipal government is authorized to expend funds. The intent of the program, however, is to provide financial assistance to municipalities for public services such as police and fire protection, emergency medical services, and sanitation services.

Fisheries Business Tax. This program provides for an annual sharing of state fisheries business license fees and taxes collected outside of municipal boundaries by the Alaska Department of Revenue to municipalities that can demonstrate they suffered significant effects from fisheries business activities. In FY 1999, $1,208,039 was distributed to eligible municipalities.

Fisheries Landing Tax. This program provides for an annual sharing of state fisheries landing taxes collected on floating fisheries outside of municipal boundaries by the Department of Revenue to municipalities that can demonstrate they suffered significant effects from fisheries business activities.

Alaska Coastal Management Program. Approximately $1 million in federal funding is awarded annually to eligible "Coastal Districts" (municipalities and Coastal Resource Services Areas) for coastal management activities and community planning assistance. The amounts awarded annually range from $38,250 for large boroughs, to $17,800 for small boroughs.

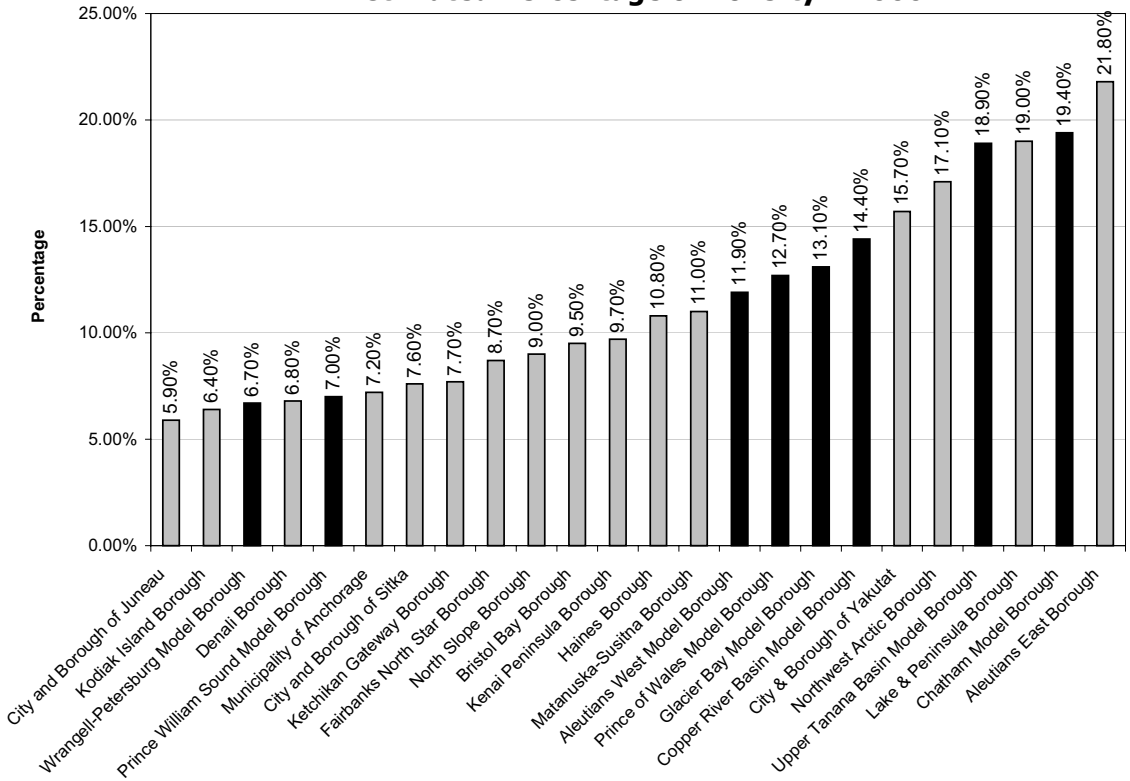
Capital Matching Grants. Annual grants are available to cities and boroughs (and eligible unincorporated communities in the unorganized borough) for capital projects. Funding is determined by the State Legislature; typically around $15 million annually. The amount allocated to each community is based on population, and ranges from $25,000 to over $500,000 annually.

Part 5. Ability to Generate and Collect Local Revenue.

Of course, many factors influence a borough's ability to generate and collect local revenue. These include the existing revenues generated within the area, value of taxable property, extent of taxable sales transactions, land use, development, level of poverty, percentage of unemployment, percentage of adults not working, personal income, and other factors.

Information regarding existing revenues within the eight unorganized areas under review from local property taxes, sales taxes, other taxes, and other sources was provided in Part 4 of this section of the report. Summary information about each region's economic base and development, along with general information concerning land ownership is provided in Part 6. Property valuations for each region are provided in Part 7. Data concerning personal income in each region is presented in Part 8. Other considerations are addressed in Part 9.

Chart 3-A
Estimated Percentage of Poverty – 2000



Although directly relevant to the ability of the borough to generate and collect local revenue, the information provided in those sections will not be repeated here to avoid redundancy. Information relevant to the topic presented in this section includes a review of poverty data, unemployment, and percentage of adults not working.

Poverty Level. The poverty levels of all eight unorganized regions under review are lower than at least one existing organized borough. Chart 3-A on the previous page reflects the estimated levels of poverty in the sixteen organized boroughs in Alaska and the eight unorganized areas reviewed under Chapter 53, SLA 2002.

Unemployment. The percent of unemployment is a fundamental measure of the strength of the economic base of a region. All eight of the unorganized areas under review in this report had rates of unemployment lower than at least one organized borough. Six of the unorganized areas had double-digit rates of unemployment, as did fully half of the existing organized boroughs in Alaska.

Chart 3-B reflects the unemployment rates for Alaska's organized boroughs and the eight unorganized areas under review.

Percentage of Adults Not Working. Another fundamental measure of the strength of the economy of a region is its estimated percentage of adults not working. Seven of the eight

Chart 3-B
Estimated Percentage of Unemployment – 2000

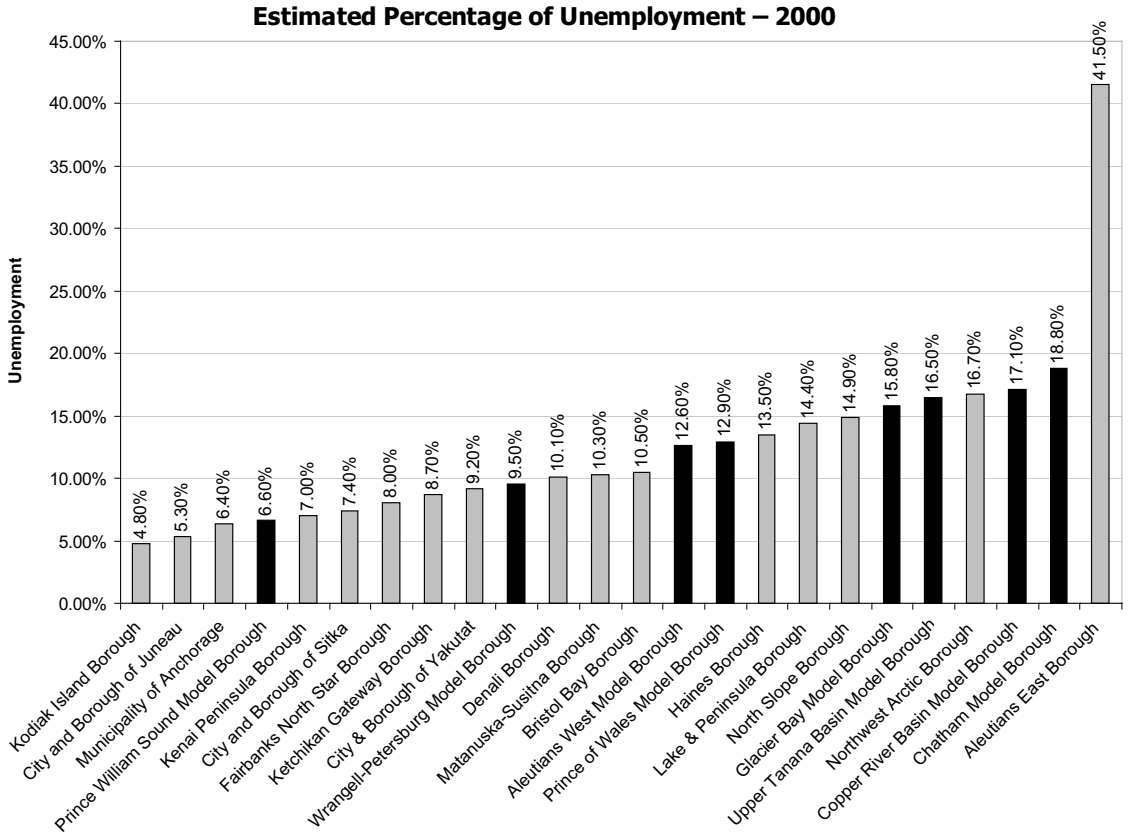
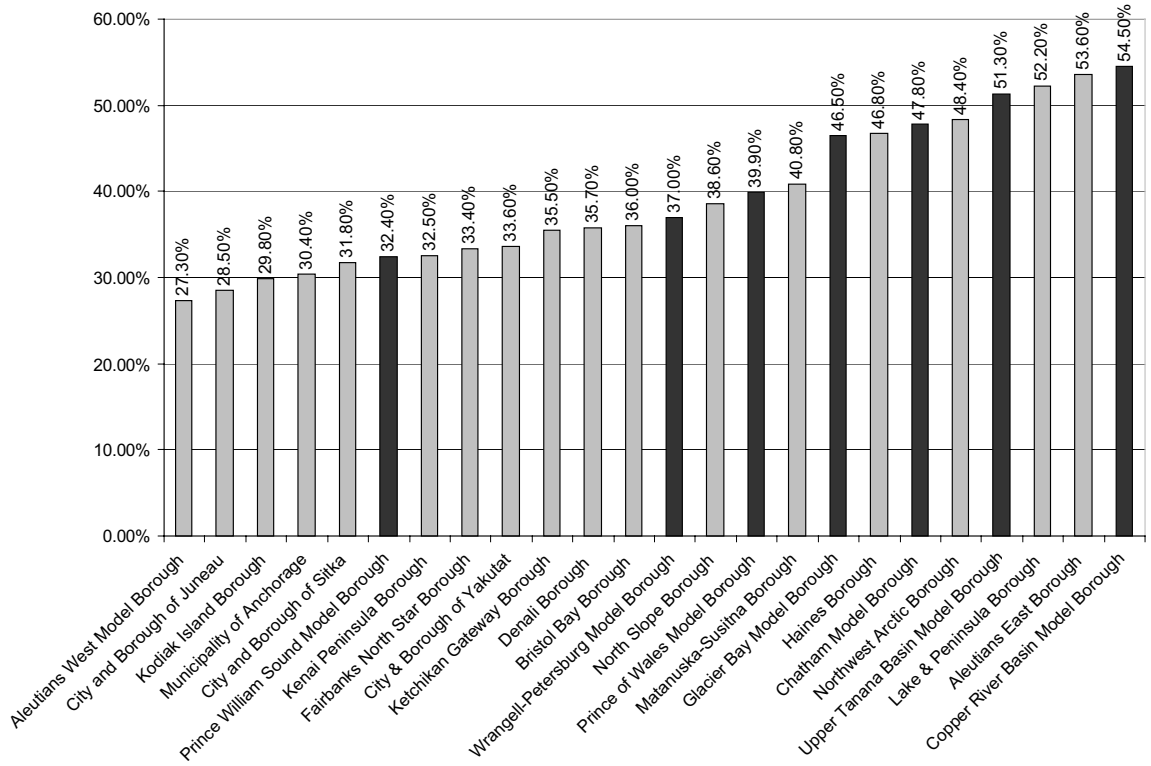


Chart 3-C
Estimated Percentage of Adults Not Working – 2000



unorganized regions under review had lower percentages of adults not working compared to at least two organized boroughs. The exception was the Copper River Basin Model Borough, which had a level of adults not working that was 0.9 percentage points higher than the organized borough with the highest figure.

Part 6. Economic Base, Land Use, and Development

This part of the report presents an overview of land ownership in Alaska (subpart (a)). That is followed by a summary of the economic base, land use, and development within the eight unorganized areas under review (subparts (b)-(i)).[83]

Subpart (a). Land Ownership in Alaska

The particulars of land ownership in each of the eight unorganized areas were not explored for purposes of this review. However, the Commission is aware that a relatively low percentage of land in any organized or unorganized region of Alaska is privately owned, except for that which is owned by Native corporations. Even so, the amount of privately owned land per capita, not including Native corporate

83 The regional summaries presented here are adapted from the Alaska Economic Information System provided by the Alaska Department of Community and Economic Development at: http://www.dced.state.ak.us/cbd/AEIS/AEIS_Home.htm The summaries of the economic base of the localities are adapted from the Alaska Community Data Base maintained by the Alaska Department of Community and Economic Development at: http://www.dced.state.ak.us/cbd/commdb/CF_CIS.htm.

landholdings, is higher than for most states. The following general characteristics of land ownership in Alaska are noted.[84]

The federal government is the largest single landowner in Alaska. It owns approximately 222 million acres, or sixty percent of the state. The National Park Service and U.S. Fish and Wildlife Service manage about 119.3 million acres (48.3 million and 71.0 million acres respectively) for the primary uses of resource protection and fish and wildlife conservation. The U.S. Forest Service and Bureau of Land Management manage about 97.7 million acres (19.8 million and 77.9 million acres respectively) for multiple use purposes, including timber production, fish and wildlife, recreation, water and mining. The remaining federal land, comprising some 5 million acres, is designated for special purposes such as military reservations, the National Petroleum Reserve and U.S. Postal Service lands.

The State of Alaska is the second largest landowner in Alaska. It owns approximately 90 million acres, and is entitled to receive an additional 15 million acres from the federal government. State lands were chosen to meet three specific needs – settlement, resources and recreation.

State settlement lands were selected to encourage development and settlement. Land for public facilities, road construction and other public needs were included. The State transfers large tracts of land to local governments, and leases and disposes of land to the private sector. There are approximately 580,000 acres currently in the state's land disposal bank for eventual lease or sale. Resource lands were selected for agriculture, forestry, commercial fisheries, mining potential, oil and gas development, and wildlife habitat. Recreation lands were selected for wildlife, back-country recreation, and varying degrees and types of developed recreation for Alaskans and the tourist industry.

Native lands are private lands. The Alaska Native Claims Settlement Act (ANCSA), passed by Congress in 1971, mandated the creation of regional and village Native corporations for the disbursement of 44 million acres to Native ownership. Thirteen regional corporations were created for the distribution of ANSCA land. Twelve of those shared in selection of 16 million acres, The Thirteenth Corporation, based in Seattle, received a cash settlement only. Two hundred twenty-four village corporations, of 25 or more residents, shared 26 million acres. The remaining acres, which include historical sites and existing native-owned lands, went into a land pool to provide land to small villages of less than 25 people.

Land in private ownership (other than Native land) comprises less than one percent of the total land in Alaska. Much of the best land for development around Alaska's communities is, or will be, privately owned. Private land development meets people's needs by providing places to live, work, shop and recreate. It also provides a tax base for cities and communities to help support public services.

[84] Source: *Land Ownership in Alaska,* Alaska Department of Natural Resources (March 2000). http://www.dnr.state.ak.us/mlw/factsht/land_own.pdf

Subpart (b) .Aleutians West Model Borough

The Aleutians West Model Borough extends westerly from the western boundary of the Aleutians East Borough to the end of the Aleutians Islands. The economic base of the region consists principally of commercial fishing and seafood processing.

Gross earnings in the region from commercial fishing declined dramatically from 1995 to 1998, then recovered in 1999. The recovery was due in part to a rapid expansion of the pollock fishery.

The region includes the nation's most productive commercial fishing port – Unalaska. However, much of the economic benefit of the commercial fishing activities in the region accrues to non-local residents. Crab, halibut, sablefish, and Pacific cod are the major fisheries. Atka and Nikolski belong to the Aleutian Pribilof Island Community Development Association, the local CDQ group. With small boats, the residents from those communities are able to harvest quotas of fish each year.

Aerial view of Adak.

There is also a small tourism sector in the region. Guided sport fishing is the biggest visitor attraction of the area. The Unalaska Convention and Visitors Bureau reports that all the major communities of the region are interested in increasing tourism. Small communities in the region such as Nikolski and Atka are beginning to attract visitors. A new lodge in Nikolski plans to operate throughout the year with limited closures at regular intervals.

The Aleutians West Model Borough encompasses six localities. These are Adak (population 316); Atka (population 92); Attu Station (population 20); Nikolski (population 39); Shemya (population 27); and Unalaska (population 4,283). A brief description of land use and development in each of those localities follows:

Adak. A land exchange between Aleut Corporation and the federal government transferred most of the former naval facilities at Adak to the Aleut Corporation. A portion of the Island remains within the National Maritime National Wildlife Refuge, managed by U.S. Fish & Wildlife. Adak currently provides a fueling port and crew transfer facility for foreign fishing fleets – an airport, docks, housing facilities and food services are available. A grocery and ship supply store and restaurant opened in February 1999. Aleut Corporation maintains the facilities. Contractors are performing an environmental clean-up. Processing of Pacific cod, pollock, mackerel, halibut, albacore and brown king crab occurs locally. Four residents hold a

commercial fishing permit, primarily for groundfish.

Atka. Atka's economy is based on subsistence living and wages earned from the halibut fishery. A small local fish processing plant, Atka Pride Seafoods, operates seasonally to serve the 45-boat local fleet. It currently processes halibut and black cod. Nine residents hold commercial fishing permits. A number of offshore fish processors carry out crew changes in Atka. Year-round income opportunities in the village are limited to education and other government-related work. A reindeer herd comprised of more than 2,500 animals provides a source of meat.

Attu. Attu is a U.S. Coast Guard Station. It is located on the northeast coast of Attu Island, in the Near Islands group, on the far western end of the Aleutian Chain. All personnel at the Coast Guard station live in a group quarters facility.

Nikolski. Most Nikolski residents support themselves by working outside the village at crab canneries and on processing ships. The lack of a harbor and dock has limited fisheries-related activities. The village is interested in developing a small value-added fish processing plant and a sport fishing lodge to attract former residents who left Nikolski for economic reasons. A sport-fishing charter boat was recently purchased by the Aleutian/Pribilof Island Community Development Association. Some 4,000 to 7,000 sheep, as well as 300 head of cattle and 30 horses graze over much of the island on which Nikolski is located. Income is supplemented by subsistence activities, which provide a substantial part of the villagers' diets. Salmon, halibut, seals and ducks are utilized.

Atka dock.

Shemya. Shemya was developed during World War II as an Army Air base, and became an Air Force intelligence site, Eareckson Air Force Station. At its peak, the Station housed over 1,100 personnel. By 1980, the workforce had been reduced to 600. The military facility at Shemya was closed in 1995; there is currently a small group of caretakers residing on the Station.

Unalaska. Unalaska's economy is based on commercial fishing, fish processing, and fleet services such as fuel, repairs and maintenance, trade and transportation. The community enjoys a strategic position as the center of a rich fishing area, and for transshipment of cargo between Pacific Rim trading partners. The Great Circle shipping route from major West Coast

Aerial view of Unalaska/Dutch Harbor.

ports to the Pacific Rim passes within 50 miles of Unalaska, and Dutch Harbor provides a natural protection for fishing vessels. In 2000, Unalaska landed $124.9 million in seafood. Onshore and offshore processors provide some local employment. However, non-resident workers are usually brought in during the peak season. 50 residents hold commercial fishing permits. Westward Seafoods, Unisea and Alyeska Seafoods process seafood in Unalaska. Rapid growth occurred between 1988 and 1992 as the pollock fishery developed; the economy has now stabilized. Unalaska has a budding tourist industry and a new Convention and Visitors Bureau.

Subpart (c). Upper Tanana Basin Model Borough

Summer highway traffic supports most of the seasonal employment opportunities. Other seasonal jobs include fire fighting, construction, sled dog breeding and the sale of furs and handicrafts. Employment is provided by federal highway maintenance, schools, state government and small retail businesses. Alyeska Pipeline Services is also a major employer. There are about 75 farms in the area, producing grain, potatoes, dairy products, game and hogs. Subsistence harvests provide essential food sources for many area residents.

The U.S. Army Corps of Engineers has recently begun preliminary construction of test bed facilities at Fort Greely for a missile defense project. Details are provided in the discussion of Delta Junction in this subpart. The national missile defense construction is bringing significant federal expenditures to the area.

Another important prospective development in the region concerns the Pogo gold project, approximately 38 miles northeast of Delta Junction. Teck Resources Inc., proposes to develop an underground mine and surface mill designed to operate at an initial capacity of approximately 2,500 tons per day. It is anticipated that the operation would produce approximately 375,000 ounces of gold annually at start-up, increasing to 500,000 ounces annually with an eventual expansion of the mill. It is estimated that the project would require 25 to 33 months to construct and would have an operating life of approximately 12 years based on current ore reserves. The capital cost of the project is estimated at $200 million to $250 million.

The Upper Tanana Basin Model Borough Boundaries encompass nineteen settlements. These include Chicken (population 17); Alcan Border (population 21); Eagle (population 129); Dot Lake (population 19); Delta Junction (population 840); Tok (population 1,393); Deltana (population 1,570); Healy Lake (population 37); Northway Junction (population 72); Northway (population 95); Big Delta (population 749); Eagle Village (population 68); Fort Greely (population 461); Mentasta Lake (population 142); Northway Village (population 107); Tanacross (population 140); Dry Creek (population 128); and Dot Lake Village (population 38).

Chicken. Chicken is located at Mile 66 of the Taylor Highway. Mining began in the area with the discovery of gold on Franklin Gulch in 1886. In 1896, a major prospect was found on Upper Chicken Creek. Chicken (a common name for Ptarmigan) grew as a hub of activity for the southern portion of the Fortymile Mining District. Between 1896 and 1898, 700 miners were thought to be working the area. Although many miners left during the Klondike Gold Rush of 1898, Chicken remained a viable community. A post office was established in 1903 – the population was then around 400. Today, the Chicken Creek Saloon is the only business in the community.

Eagle airstrip.

Chicken is accessible by road only during summer months, from Tok via the Taylor Highway, or Dawson City in the Yukon Territory, via the Top of the World Highway.

Alcan Border. Most Alcan area employment is provided by the Federal government at the entry point into the U.S. and Alaska from Canada. Students attend school in Northway or are home-schooled through correspondence study.

Eagle. The City of Eagle is located on the Taylor Highway 12 miles west of the Alaska-Canadian border. Established as a log house trading station around 1874, it operated intermittently as a supply and trading center for miners. Today the population is only 129. Retail businesses, the school, mining and seasonal employment such as tourism and BLM fire-fighting provide the majority of employment. Year-round earning opportunities are limited. Subsistence activities provide some food sources.

Eagle Village. Three miles east of the City of Eagle is Eagle Village, a traditional Han Kutchin Native village. Nearly all employment in Eagle Village is seasonal. Subsistence activities provide the majority of food items. Poor fish returns during recent years have significantly affected the community. The village has access to the state road system and Canada during summer months via the Taylor and Klondike Highways.

Dot Lake. Dot Lake lies along the Alaska Highway. Employment in the area is limited to the Dot Lake Lodge, The Eagle Rest Motel, the school and

clinic. One resident holds a commercial fishing permit.

Delta Junction. Located at the intersection of the Richardson and Alaska highways, Delta Junction is strategically placed to profit from the traffic of travelers visiting Interior Alaska. The Fort Greely Army Base once provided about half of the total employment in the community. Although the fort was closed due to the restructuring of military bases in Alaska, the U.S. Army Corps of Engineers has recently begun preliminary construction of test bed facilities at Fort Greely for the national missile defense project. Construction should be completed by 2004. The new test facility will employ about 160 personnel when complete. To help Delta Junction provide additional services, the Department of Defense is providing $18 to $20 million in federal impact funds. Other major employers are the Delta/Greely School District and Alyeska Pipeline Services. Several state and federal highway maintenance staff are located in Delta. There are also a number of small businesses that provide a variety of services. Four residents hold commercial fishing permits. Buffalo are hunted by lottery only; moose, caribou, bear, sheep and waterfowl are also hunted in this area.

Delta Junction area.

Tok. Tok is the transportation, business, service and government center for the Upper Tanana region. Employment and business revenues peak in the summer months, with the rush of RV travelers on the Alaska Highway. Sled dog breeding and the sale of pelts add to the local economy. Four residents hold commercial fishing permits. Subsistence and recreational activities are prevalent.

Deltana. Deltana is comprised of most of the Delta-Greely REAA that is located outside the City of Delta Junction. Nearly 40,000 acres are farmed in the Delta area, producing barley, other grains and forage, potatoes, dairy products, cattle and hogs.

Healy Lake. Healy Lake includes a number of occasional-use homes. Recreational use of Healy Lake is highest during summer months, attracting Fairbanks residents. Four residents are employed in mining or delivery of professional services. Others pursue subsistence activities.

Northway Junction. Most wage employment is with state highway maintenance or services for highway travelers. A general store, motel, garage, and BLM fire guard station provide limited employment. Fire fighting and construction jobs bring seasonal income. Trapping also provides income, which is supplemented by subsistence harvests.

Northway. Most wage employment is with facilities or services for the airport. An FAA Flight Service Station and U.S. Customs office are located at the airport. A motel, cafe, bar and pool hall, grocery store, and electric utility provide some employment. Unemployment is relatively high,

although fire fighting and construction jobs bring seasonal income.

Big Delta. At the junction of the Delta and Tanana rivers lies the community of Big Delta. This settlement developed in response to the construction of the Alaska Highway, the Trans-Alaska Pipeline, homesteading and state-funded agricultural projects. Many of the residents are part of a religious group called "Whitestone Farms". This group collects the assets and income of all the individuals involved and pools them together for the good of the community.

Most local employment is provided by highway maintenance positions. Its location along the Richardson Highway provides the opportunity to serve summer tourist traffic. Agricultural activities also occur.

Fort Greely. Fort Greely is a 640,000 acre Army base located approximately 100 miles southeast of Fairbanks. From 1948 until closure in 2001 under the Base Realignment and Closure Act, Fort Greely was the Northern Warfare Training Center and the Cold Regions Test Center for the U.S. Army. Force reductions by 2001 virtually emptied the post. Fort Greely was selected as the site for national missile defense system facilities. To help Delta Junction provide additional services, the Department of Defense is providing $18 to $20 million in federal impact funds.

Mentasta Lake. Subsistence hunting, fishing, trapping and gathering make up much of the economy of Mentasta Lake. Cash employment is limited and seasonal. One resident holds a commercial fishing permit.

Northway Village. The health clinic and other local services provide the only employment opportunities in the village. Subsistence harvests supplement local incomes.

Tanacross. Unemployment is high, but many residents are able to work during the summer as emergency fire fighters for the BLM. Some people engage in trapping or in making Native handicrafts to sell. Subsistence harvests supplement local incomes. Whitefish, moose, porcupine, rabbit, ptarmigan, ducks and geese are utilized. Caribou may be hunted by lottery permit. Some travel to Copper River for salmon each summer.

Dry Creek. Many residents of Dry Creek are members of the communal "Whitestone Farms" religious sect, who collectively pool assets and income. Businesses owned by White Farms provide the majority of employment. Agriculture provides income to the community.

Dot Lake Village. During construction of the Alaska Highway in 1942–43, a work camp called Sears City was developed in the area. Several local residents worked on the road project. After 1946, several families moved permanently to Dot Lake from George Lake, Sam Lake and the Tanacross area. A post office and school were built in the late 1940s. The Dot Lake Community Chapel was built in 1949. A licensed children's home was built in the late 1950s. A new children's home was built in 1967, but it was closed in the 1990s. Dot Lake Village residents consider their community to be distinct from neighboring Dot Lake.

Tetlin. The school, clinic, store and post office provide the only

employment. Many residents engage in trapping or making handicrafts for sale. Fire fighting for BLM employs members of the community in the summer. Nearly all families participate in subsistence activities throughout the year.

Subpart (d). Copper River Basin Model Borough

The Copper River Basin is located in the eastern portion of Southcentral Alaska and encompasses 20,649 square miles. This region includes the Wrangell and St. Elias mountain ranges, the upper Copper River drainage, and nine of the 16 highest mountain peaks in North America. Glennallen is the business hub of the Copper River region. Employment is mostly associated with highway maintenance, small retail stores, local community organizations, medical services and schools. Local businesses primarily serve travelers along the Glenn Highway, providing gasoline, supplies and services. Federal and State agencies, including the Bureau of Land Management, the Alaska State Troopers, the Department of Fish and Game, and a state highway maintenance crew are located in Glennallen.

The Copper River Basin Model Borough encompasses eighteen localities. These are Paxson (population 43); Tazlina (population 149); Silver Springs (population 130); Copperville (population 179); Slana (population 124); Willow Creek (population 201); Gakona (population 215); Glennallen (population 554); McCarthy (population 42); Copper Center (population 362); Gulkana (population 88); Tonsina (population 92); Kenny Lake (population 410); Chistochina (population 93); Mendeltna (population 63); Chitina (population 123); Nelchina (population 71) and Tolsana (population 27). Brief descriptions of land use and development in each of the Copper River Basin localities follows:

Paxson. Several residents of Paxson are State highway maintenance personnel and their families. There is no local school. There are five lodges with restaurants and bars in the area, several gift shops, a post office, gas station, grocery store and bunk house. This area has been a testing site for snowmachine companies for the past several years. One resident holds a commercial fishing permit.

Tazlina. Local businesses include a combined grocery, liquor, hardware, gas and sporting goods store, a wholesale bread distributor, a freight service, and an RV park. The Prince William Sound Community College, Division of Forestry, State Highway Maintenance station, Division of State Parks, and Division of Communications are located in the area. Some residents rely on subsistence fishing and hunting.

Silver Springs. The economy is based on local services and businesses, the National Park offices, and highway-related tourism. Two RV Parks and three river boat charter services operate from Copper Center. Many residents depend on subsistence hunting, fishing, trapping and gathering.

Copperville. This community was developed during Trans-Alaska pipeline construction. Residents are employed in government, schools, retail businesses and other services along the

Richardson Highway. Subsistence is important to the community.

Slana. The nearby Nabesna Mine opened in 1923 and operated sporadically through the late 1940s. The mine employed 60 people at its height. Slana developed rapidly in the 1980s when homesteads were offered for settlement by the federal government. The community is comprised primarily of homesteaders. The last location of BLM's homesite program, individuals received 5 acres of free land in Slana. A roadside lodge provides groceries, gas, liquor, an auto mechanic and RV parking. Other local businesses include a general store, art gallery, canoe rental, bed & breakfast, snowmachine sales and solar panel sales. A National Park Ranger Station and state highway maintenance camp are located nearby. Subsistence activities supplement income. Two residents hold commercial fishing permits.

Willow Creek. The economy is based on local services and businesses, the National Park offices, and highway-related tourism. Many residents depend on subsistence hunting, fishing, trapping and gathering.

Kennecott mine ruins near McCarthy.

Gakona. Gakona depends upon local businesses and seasonal tourist travel. There is a motel, restaurant, bar, newspaper print shop, sawmill and dog sled maker in Gakona. Summers provide income for local fishing and hunting guides, rafting operations and outfitters. Three residents hold commercial fishing permits. Some residents rely on subsistence activities and trapping.

Glennallen. Glennallen is the business hub of the Copper River region. Local businesses serve area communities and Glenn Highway traffic, providing gasoline, supplies and services, schools and medical care. State highway maintenance and federal offices are in Glennallen. A visitors' information center and several RV parks serve independent travelers. The Wrangell-St. Elias Visitor Center and National Park Headquarters was recently completed. Unemployment is low. Four residents hold commercial fishing permits. Offices for the Bureau of Land Management, Alaska State Troopers, and the Dept. of Fish and Game are located here. There are several small farms in the area.

McCarthy. The Kennecott copper mines and camp were established in 1908 across from the Kennicott Glacier, 4.5 miles from McCarthy. Over its 30-year operation, $200 million in ore was extracted from Kennecott, the richest concentration of copper ore known in the world. The mines closed in 1938 and McCarthy was largely abandoned. The historic mine buildings and artifacts are a summer tourist attraction. Employment is limited and seasonal. Local businesses include lodges, a museum, a small store, gift shop, and guide services.

Copper Center. The economy is based on local services and businesses, the National Park offices, and highway-related tourism. The Copper Center Lodge is on the National Register of Historic Roadhouses. Two RV Parks and three river boat charter services operate from Copper Center. Many residents depend on subsistence hunting, fishing, trapping and gathering. Eight residents hold commercial fishing permits.

Gulkana. Residents of Gulkana engage in subsistence hunting, fishing, trapping and gathering. Employment is limited to the village council and seasonal construction. There are no businesses in the village. The Wrangell-St. Elias National Park and Preserve provides some federal employment.

Tonsina. The 2000 census reported that eighteen individuals were employed at Tonsina. Roadhouses, the Ernestine State Highway Maintenance camp, and Alyeska Pipeline Pump Station 12 are the nearest employers. Subsistence activities supplement income.

Kenny Lake. Agriculture in the area produces hay, vegetables and cattle. Local employers include the REAA school, a sawmill and lumber business, a fur farm, a feed and seed supplier, a glass company and a construction company. Several residents are employed in North Slope petroleum production or support activities. Tourism activities include horse backpacking trips.

Chistochina. Most cash employment in Chistochina is seasonal. Subsistence hunting, fishing, trapping and gathering are the basis of the village's economy.

Mendeltna. The area offers a general store, a lodge, air taxi services for fly-in fishing and mountaineering, and a State highway maintenance station. The largest RV campground in Alaska is located here, complete with showers, cabins, restaurant and bar. A local farm raises cattle and hogs, and tests varieties of seeds and grains for the Cooperative Extension Service. Seasonal employment, coupled with subsistence harvests, supports many Mendeltna residents.

Chitina. Employment is primarily with the village council, village corporation, or the National Park Service. Many residents are self-employed or work in retail establishments. The summer influx of fishermen, tourists and RV campers provides some cash income in fish guiding and other services. Two residents hold commercial fishing permits. Many villagers participate in subsistence activities year-round.

Downtown Chitina

Nelchina. The Little Nelchina State Recreation site at mile 137.6 of the Glenn Highway offers camping and a boat launch. The Nelchina Trail Store and Cabins offers convenience items and snowmachine support.

Tolsona. A roadhouse, liquor and convenience store, wilderness campground and RV park are located in the area. Area lakes provide good trout fishing and ice fishing for burbot in winter.

Subpart (e). Prince William Sound Model Borough

The economy within the Prince William Sound Model Borough boundaries is diverse and dominated by oil and cargo shipping, and commercial fishing and seafood processing. The region hosts the largest seaport in Alaska and one of the busiest commercial fisheries. Other economic opportunities are developing, such as tourism, transportation and small retail and service sectors.

During the 1970s, construction of the Trans-Alaska oil pipeline terminal and other cargo transportation facilities brought rapid growth to Valdez. In March 1989, it was the center for the massive oil-spill cleanup after the "Exxon Valdez" disaster.

Valdez oil terminal

Before commercial fishing, the primary economy of Cordova belonged to mining and oil. The Bonanza-Kennecott Mines yielded more than $200 million in copper, silver and gold. The Katalla oil field produced until it was destroyed by fire in 1933. Fishing became the economic base in the early 1940s. Today, Cordova supports a large fishing fleet for Prince William Sound and several fish processing plants. Nearly half of all households have someone working in commercial harvesting or processing. Copper River red salmon, pink salmon, herring, halibut, bottom fish and other fisheries are harvested.

The Prince William Sound Model Borough boundaries encompass five settlements. These are Valdez (population 4,336); Whittier (population 182); Cordova (population 2,454); Chenega (population 86); and Tatitlek (population 107).

Valdez. Valdez has the second highest municipal property tax base in Alaska. It is the southern terminus and off-loading point of oil extracted from Prudhoe Bay on the North Slope. Four of the top ten employers in Valdez are directly connected to the oil terminus. Alyeska Pipeline Service Co. employs nearly 300 persons. Valdez is a major

seaport, with a $48 million cargo and container facility. City, state, and federal agencies combined provide significant employment. Seasonal commercial fishing and tourism have spurred the retail and service sectors. 27 cruise ships docked in Valdez in 2002. Forty-two residents hold commercial fishing permits. In 2000, gross fishing revenues of residents exceeded $1.6 million. Three fish processing plants operate in Valdez, including Peter Pan and Seahawk Seafoods.

Aerial view of Cordova

Whittier. Marine charters are available for Prince William Sound sightseeing. Tour boats transfer visitors to and from Anchorage from Whittier by bus. Nine residents hold commercial fishing permits.

Cordova. Cordova supports the Prince William Sound fishing fleet and several fish processing plants. Nearly half of Cordova households have someone working in commercial seafood harvesting or processing, with 343 residents holding commercial fishing permits. Copper River red salmon, pink salmon, herring, halibut, bottom fish and other fisheries are harvested. In 2000, the estimated gross fishing earnings of Cordova residents neared $20 million. Tourism is on the increase; two cruise ship companies began docking in Cordova in 1998. The largest employers are North Pacific Processors, Cordova School District, the hospital, the City of Cordova, and Alaska Department of Transportation and Public Facilities. The U.S. Forest Service and the U.S. Coast Guard maintain personnel in Cordova. In 1989, the Prince William Sound Science Center was established to study and monitor the ecosystem of the Sound.

Chenega. Commercial fishing, a small oyster farming operation, and subsistence activities occur in Chenega. Three residents hold commercial fishing permits. Cash employment opportunities are very limited. In recent years, Chenega's population has fallen dramatically.

Tatitlek. Fish processing and oyster farming provide some employment in Tatitlek. Four residents hold commercial fishing permits. Subsistence activities provide the majority of food items. A coho salmon hatchery at Boulder Bay is nearing completion for subsistence use. A fish and game processing facility is under construction. A small community store has recently been opened.

Subpart (f). Glacier Bay Model Borough

The Glacier Bay model boundaries extend from northern Chichagof Island to Cape Fairweather. The economic base of the region includes fishing, logging and tourism. Hoonah is the largest Tlingit village in Alaska, located on the northeast shore of Chichagof Island. Hoonah's economy is influenced

by commercial fishing, logging and subsistence activities. Pelican and Elfin Cove are involved in commercial fishing. In Tenakee, commercial fishing is a source of income, and tourism is now growing with the 108-degree hot springs and kayaking opportunities. Gustavus sits on the north shore of Icy Passage at the mouth of the Salmon River. Gustavus is primarily a tourist community, supported by the nearby Glacier Bay National Park. Regulations limit the number of boats entering Glacier Bay to protect the humpback whales and other marine mammals that frequent the area.

The Glacier Bay Model Borough boundaries encompass six settlements. These are Pelican (population 163); Whitestone Logging Camp (population 116); Gustavus (population 429); Tenakee Springs (population 104); Hoonah (population 860); Elfin Cove (population 32); and Game Creek (population 35).

Brief descriptions of land use and development in each of the Glacier Bay Model Borough localities follows:

Pelican. Commercial fishing and seafood processing are the mainstays of Pelican's economy. 41 residents hold commercial fishing permits. Most employment occurs at Pelican Seafoods, which also owns the electric utility, fuel company and store. In February 1996, the plant was closed. It was subsequently purchased by Kake Tribal Corp. and re-opened during the summer of 1996, employing over 60 persons during the peak season. The plant processes salmon, halibut, sablefish, rockfish, and dungeness crab.

Whitestone Logging Camp. Whitestone is a working logging camp near the City of Hoonah. Whitestone Logging is Sealaska Corporation's timber contractor in the Hoonah area. About 22 million board feet of timber were harvested in the Whitestone area during 2000.

Pelican harbor

Gustavus. Gustavus has a number of seasonal-use homes for Juneau residents. The nearby Glacier Bay Park is a major recreation and tourist attraction in Southeast.

Gustavus has a seasonal economy. Glacier Bay National Park, located northwest of Gustavus, attracts thousands of tourists during summer months. Commercial fishing occurs, and 32 Gustavus residents hold commercial fishing permits. The lodge, airport, school, small businesses, and the Park Service offer employment.

Tenakee Springs. Tenakee Springs has long been considered a retirement community, though commercial fishing is an important source of income. Eighteen residents hold commercial fishing

permits. Tourism is becoming increasingly important to the Tenakee Springs economy. The second class City of Tenakee, the REAA school, and a store are the only local employers.

Hoonah. Fishing, logging and local government are mainstays of the economy, and Hoonah experiences a diverse economy with nearly full employment during the summer season. One hundred seventeen residents hold commercial fishing permits. In 2000, the estimated gross fishing earnings of residents exceeded $1.5 million. Fish processing employment also occurs at Excursion Inlet Packing Co. and at the Hoonah Cold Storage plant. The Huna Totem Corp. owns a sort yard and timber transfer facility. Sealaska Timber Corp. activities employ 130 area residents through contracts with Whitestone Logging Inc. and Southeast Stevedoring. The City and School District are significant public-sector employers. Subsistence activities are an important component of the lifestyle.

Elfin Cove

Salmon, halibut, shellfish, deer, waterfowl and berries are harvested.

Elfin Cove. Elfin Cove is a fish-buying and supply center for fishermen. Residents participate in commercial fishing, sport fishing and charter services, so the economy is highly seasonal. Commercial fishing permits are held by 26 residents. Summer lodges and local retail businesses also provide employment.

Game Creek. Game Creek is a "Whitestone Farms" collective religious community. Residents are engaged in a variety of livelihoods, and pool resources for the benefit of the community. Hoonah, Pelican and Whitestone Logging Camp offer employment opportunities.

Subpart (g). Chatham Model Borough

The Chatham Model Borough encompasses three localities extending from the northwest Kupreanof Island to north Admiralty Island. These are Kake (population 710); Angoon (population 572); and Cube Cove (population 72). The economy of the area is based upon commercial fishing, timber and tourism. However, most commercial timberland owned by village corporations has been harvested. In addition, a downturn in the Pacific Rim export timber markets has slowed harvests of forestlands owned by the Sealaska Corp. The salmon fishery of the region is strongly tied to the troll fleet. Reliance on

salmon diminished throughout the 1990s. Halibut earnings increased to become the most valuable species in 1999. Sablefish is another valuable species for region fishermen, in some years earning more than salmon harvests throughout the decade. A brief description of development and commercial activities in Chatham localities follows.

Kake. Kake is located on the northwest coast of Kupreanof Island. The largest employers are the City of Kake, including the municipal school district, and the logging industry. Fishing, seafood processing, and logging contribute considerably to the economy. 67 residents hold commercial fishing permits.

Kake

The Kake Tribal Corporation owns the local cold storage plant, Ocean Fresh Seafoods, and is the largest employer. The non-profit Gunnock Creek Hatchery has assisted in sustaining the salmon fishery. Kake Fisheries employs 20 local residents. Turn Mountain Timber, a joint venture between Whitestone Logging and Kake Tribal Logging, employed 75 residents and harvested 27 million board feet in the Kake area in 2000. Southeast Stevedoring, a Sealaska contractor, employs another 63 at the log sort yard and transfer facility at Point McCarny. Salmon, halibut, shellfish, deer, bear, waterfowl and berries are important subsistence food sources.

Angoon. Commercial fishing is a major source of income; 56 residents hold commercial fishing permits, primarily hand-trolling for king and coho salmon. A shellfish farm was recently funded by state and federal grants. The Chatham School District is the primary employer. Small-scale logging on Prince of Wales Island provides occasional jobs.

Cube Cove. The Admiralty Island community was once known as Eight Fathom Bight. The name Cube Cove was first reported in 1951 by the U.S. Geological Survey. Cube Cove was an active logging camp for twenty years. However, the Shee Atika Native Corporation, based in Sitka, has recently ceased logging operations at that site. There is no longer a school at Cube Cove.

Subpart (h). Prince of Wales Model Borough

The Prince of Wales Model Borough boundaries include Prince of Wales Island and the extreme southern portion of Baranof Island. Prince of Wales Island is the third largest island in the United States. The Prince of Wales Model Borough is within the Tongass National Forest – the nation's largest national forest, covering 17 million acres.

All of these communities are located on a connecting body of water and share many similar attributes with respect to their economic base. Many residents hunt and practice subsistence fishing. The ferry and the developing road system are slowly increasing in economic importance.

The fishing industry is very important for the region's economy. Salmon, which is the most valuable regional fishery, has dropped in value over the last decade. In 1994, area fishermen earned $6.4 million from salmon, but that figure dropped to $3.3 million by 1997 and has continued to decline. Salmon hatcheries in all communities provide for jobs and help stabilize the resource. There has been little involvement by area residents in some of the more intensive fisheries like pollock and crab. Shellfish, primarily geoduck, cucumber and sea urchins from the growing regional dive fisheries have emerged as a significant source of revenue.

Much of the timber that fueled the Southeast wood products industry over the past 50 years came from Prince of Wales Island. A substantial portion of the Ketchikan Pulp Company's contract with the U.S. Forest Service covered lands on northern Prince of Wales Island. Sealaska, the regional Native corporation, and a number of Native village corporations organized under the Alaska Native Claims Settlement Act received substantial commercial timberland holdings on Prince of Wales Island. Many of the small communities on the island started as Ketchikan Pulp Company logging camps. The closing of the Ketchikan Pulp Company in the mid-nineties left many island residents looking for new employment. Many families left the state. Others stayed and have started small-scale logging and manufacturing companies. The town of Thorne Bay in particular has a number of small sawmills specializing in cedar products and cutting "personal use" wood for island residents from U.S. Forest Service lands.

Coffman Cove

The Prince of Wales Model Borough boundaries encompass thirteen localities. These are Edna Bay (population 49); Whale Pass (population 58); Coffman Cove (population 199); Thorne Bay (population 557); Craig (population 1,397); Kasaan (population 39); Hollis (population 139); Naukati Bay (population 135); Port Alexander (population 81); Klawock (population 854); Point Baker (population 35); Port Protection (population 63); and Hydaburg (population 382).

Edna Bay. Edna Bay is a fishing community with 13 residents holding commercial fishing permits. A sawmill and commercial fishing (power trolling) provide local employment. A fish buyer is located in the bay in the summer. The school was closed for the 2000 school year, due to declining enrollment.

Whale Pass. Logging operations, related services, and the school provide the only steady employment.

Subsistence activities and public assistance supplement employment income.

Coffman Cove. Area logging for Ketchikan Pulp Co., a small lumber mill, logging support services, and the local school provide the majority of employment. Coffman Cove is one of the major log transfer sites on Prince of Wales Island. Logs are tied together and towed to transshipment points for export. Oyster farming also occurs in Coffman Cove. Five residents hold commercial fishing permits. The City is conducting a study of the feasibility of a marine commercial/industrial complex. Recreation includes hunting (bear and deer), fishing, hiking and boating.

Thorne Bay. Employment is primarily related to the logging industry and U.S. Forest Service management of the Tongass National Forest, with some commercial fishing, tourism and government employment. Logging operations run full-scale from March through October or November. Thorne Bay is one of the major log transfer sites for Prince of Wales Island. To supplement their income, residents fish and trap. Deer, salmon, halibut, shrimp and crab are popular food sources. Commercial fishing permits are held by 22 Thorne Bay residents. Locals prefer to purchase goods from Craig and Ketchikan.

Craig. The economy in Craig is based on the fishing industry, logging and sawmill operations. A fish buying station and a major cold storage plant are located in Craig. Commercial fishing permits are held by 200 residents. In 2000, the estimated gross fishing earnings of residents exceeded $2.6 million. Growth has been due in part to the increased role of Craig as a service and transportation center for the Prince of Wales Island communities. Shaan-Seet Village Corporation timber operations, fishing, fish processing, government and commercial services provide most employment. Deer, salmon, halibut, shrimp and crab are harvested for recreation and subsistence.

Craig

Kasaan. The Kavilco Corporation has sold the village's timber rights. At this time, unemployment is extremely high. One resident holds a commercial fishing permit. Most residents participate in subsistence or recreational activities for food sources, harvesting deer, salmon, halibut, shrimp and crab.

Hollis. In 1953, Hollis became a logging camp when a long-term timber contract was enacted with Ketchikan Pulp Co. It served as the base for timber operations on Prince of Wales Island until 1962, when the camp was moved 45 miles north to Thorne Bay. The area was permanently settled in recent years through a State land disposal sale.

Dock facilities at Hollis provide support for logging operations and state ferry services. Although logging does not occur directly in Hollis, support services for the logging industry, the U.S. Forest Service, and work for the State Ferry provide local employment.

Naukati Bay. Naukati residents are logging families and homesteaders. Two community non-profit associations have been organized for planning and local issue purposes. Sawmills and related logging and lumber services provide seasonal income sources. The Naukati logging camp is a log transfer site for several smaller camps on the Island.

Port Alexander. Commercial fishing and subsistence uses of marine and forest resources constitute the economic base. Commercial fishing permits are held by 35 residents. The City and post office also provide employment.

Klawock. The Klawock economy has been dependent on fishing and cannery operations in the past, however the timber industry has become increasingly important. Sealaska's logging operations through a contract with Shaan-Seet, Inc. provide the largest employment. Around 250 residents are employed in logging and ship-loading in the Klawock and Craig area. 47 residents hold commercial fishing permits. The state operates a fish hatchery on Klawock Lake that contributes to the local salmon population. Cannery operations were closed in the late 1980s. City and School District employment are also significant.

Point Baker. The community has a dock and boat harbor, a State-owned seaplane base and heliport. Twenty-seven Point Baker residents hold commercial fishing permits; the majority are hand-trollers.

Port Protection. Port Protection is characterized by a seasonal economy with its peak during the summer/fall fishing season. One resident holds a commercial fishing permit. Year-round

Back lagoon in Port Alexander

residents depend upon subsistence food sources such as deer, salmon, halibut, shrimp and crab.

Hydaburg. Hydaburg has a fishing and timber-based economy. Thirty-nine residents hold commercial fishing permits. The Haida Corp. owns a substantial timber holding, although it suspended logging in 1985 due to a decline in the timber market. The Corporation's log storage facility and sort yard are leased to Sealaska Corp., where approximately 60 residents are employed with Southeast Stevedoring part-time in shipping and loading timber. The City, Haida Corp. and SEARHC are other leading employers. The community is interested in

developing a fish processing facility, a U.S. Forest Service visitor center, specialty woodworking, and a mini-mall/retail center.

Subpart (i). Wrangell-Petersburg Model Borough

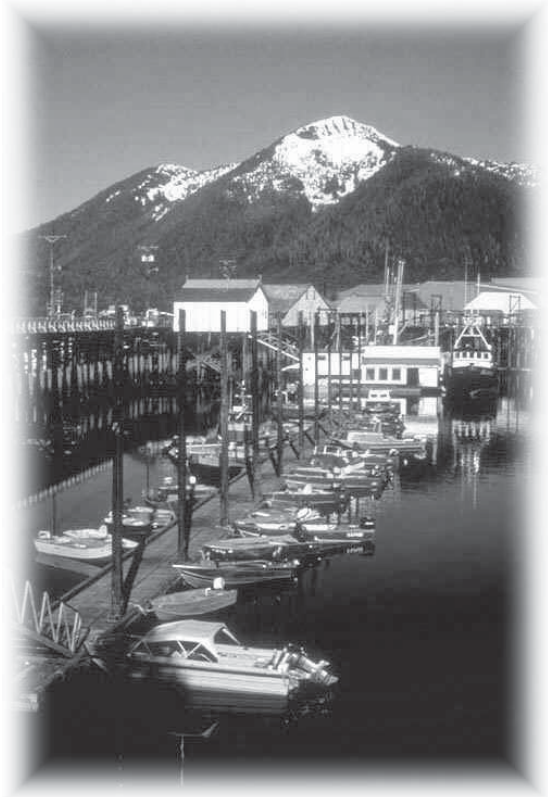
Most of the population within the Wrangell-Petersburg model boundaries is concentrated in the communities of Wrangell and Petersburg. Communities in the region depend on timber harvesting from the Tongass National Forest and commercial fishing. Both Petersburg and Wrangell opted against overemphasis on large cruise ship traffic in their town and choose to focus on independent travelers. The timber industry was an important mainstay to Wrangell.

Large scale commercial fishing and timber harvesting supported Wrangell into the mid-1990s. Since then, the community has suffered downturns in both the timber and commercial fishing industries. In 1994, the Alaska Pulp Mill closed, forcing the layoff of 225 mill workers or 20% of the work force at that time. A dive fishery is under development – 60 divers harvest sea urchins, sea cucumbers and geoducks. The Wrangell economy is still struggling and is looking to increased tourism.

The Wrangell-Petersburg Model Borough encompasses four localities. These are Kupreanof (population 23); Petersburg (population 3,224); Wrangell (population 2,308); and Thom's Place (population 22). A brief description of land use and development in each of those localities follows:

Kupreanof. Kupreanof was formerly known as West Petersburg. Most of Kupreanof's working residents are self-employed. Some commute by boat to jobs in Petersburg. Subsistence and recreational uses of resources around Kupreanof supplement household incomes; deer, salmon, halibut, shrimp and crab are favorites. The City has no paid staff, few services, and no public utilities.

Petersburg. Since its beginning, Petersburg's economy has been based on commercial fishing and timber harvests. Unlike many other communities in Southeast Alaska, it has largely escaped the marked cycles of boom-and-bust. Petersburg currently is one of the top-ranking ports in the U.S. for the quality and value of fish landed. Commercial fishing permits are held by 469 Petersburg residents. In 2000, gross fishing revenues of nearly $22 million accrued to Petersburg residents. Several processors operate cold storage, canneries and custom packing services, employing over 1,100 people



Petersburg small boat harbor

Aerial view of Wrangell

during the peak season. The State runs the Crystal Lake Hatchery, which contributes to the local salmon resource. Petersburg is the supply and service center for many area logging camps. Sportsmen and tourists use the local charter boats and lodges, but there is no deep water dock suitable for cruise ships.

Wrangell. Wrangell's economy is based on commercial fishing, fish processing, and timber from the Tongass National Forest. 250 residents hold commercial fishing permits. In 2000, gross fishing revenues of residents neared $5 million. A dive fishery is developing in the area. Wrangell area divers harvest sea urchins, sea cucumbers and geoducks. Renewed gold mining activities in the Stikine River drainage has created an opportunity to provide transportation and staging services for mining operations. Wrangell offers a deep-water port and serves both large and small cruise ships. Sport fishing in the Stikine River also attracts tourists to Wrangell. Closure of the Alaska Pulp Corporation sawmill in 1994 resulted in loss of employment of approximately 225 mill workers and loggers. The mill was sold to Silver Bay Logging, and reopened in April 1998 with 33 employees.

Thom's Place. The local economy is based on commercial fishing and timber from the Tongass National Forest. The community is connected by road to Wrangell.

Part 7. Property Valuations

Locally assessed values of taxable property do not exist for the entire unorganized borough. However, the State Assessor in the Department of Community and Economic Development prepared *estimates* of the "full and true value" of taxable property[85] in the unorganized borough as of January 1, 2001. Those estimates for the eight unorganized areas under review appear in Table 3-21 on the following page.

The far-right column of Table 3-21 shows the estimated value of taxable property in each model borough for the area outside city school districts. The figures in that column represent estimated values of property that would be added to the local contribution requirements for schools under AS 14.17.410 if boroughs were formed in those regions. The figures also exclude oil and gas property currently subject to State property taxes under AS 43.56.

The Commission stresses that the 2001 full and true value estimates do not always reflect an accurate measure of the value of taxable property, particularly outside cities due to the

[85] AS 29.45.110 defines "full and true value" as, "the estimated price that the property would bring in an open market and under the then-prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels."

Table 3-21

ESTIMATED 2001 FULL AND TRUE VALUE OF TAXABLE PROPERTY WITHIN MODEL BOROUGHS

Model Borough	Pop.	Value (excluding oil & gas properties)	Per Capita Value	Value of Oil & Gas Property	Total Value	Per Capita Value of all Taxable Property	Taxable Property Outside City School Districts (excluding oil & gas properties)
Aleutians West	4,490	$409,791,066	$91,267	$0	$409,791,066	$91,267	$14,601,366
Upper Tanana Basin	5,160	$185,804,095	$36,009	$283,241,629	$469,045,724	$90,900	$185,804,095
Copper River Basin	2,935	$82,435,169	$28,087	$420,294,030	$502,729,199	$171,288	$82,435,169
Prince William Sound	7,613	$604,160,239	$79,359	$657,050,730	$1,261,210,969	$165,665	$53,314,539
Glacier Bay	2,059	$73,526,489	$35,710	$0	$73,526,489	$35,710	$24,018,189
Chatham	1,594	$35,908,397	$22,527	$0	$35,908,397	$22,527	$18,092,997
Prince of Wales Island	5,290	$219,272,784	$41,450	$0	$219,272,784	$41,450	$75,334,584
Wrangell-Petersburg	6,352	$166,797,574	$26,259	$0	$166,797,574	$26,259	$0

Estimates from the State Assessor, Department of Community and Economic Development, based on information available in 2002. Populations do not match current estimates of Model Boroughs.

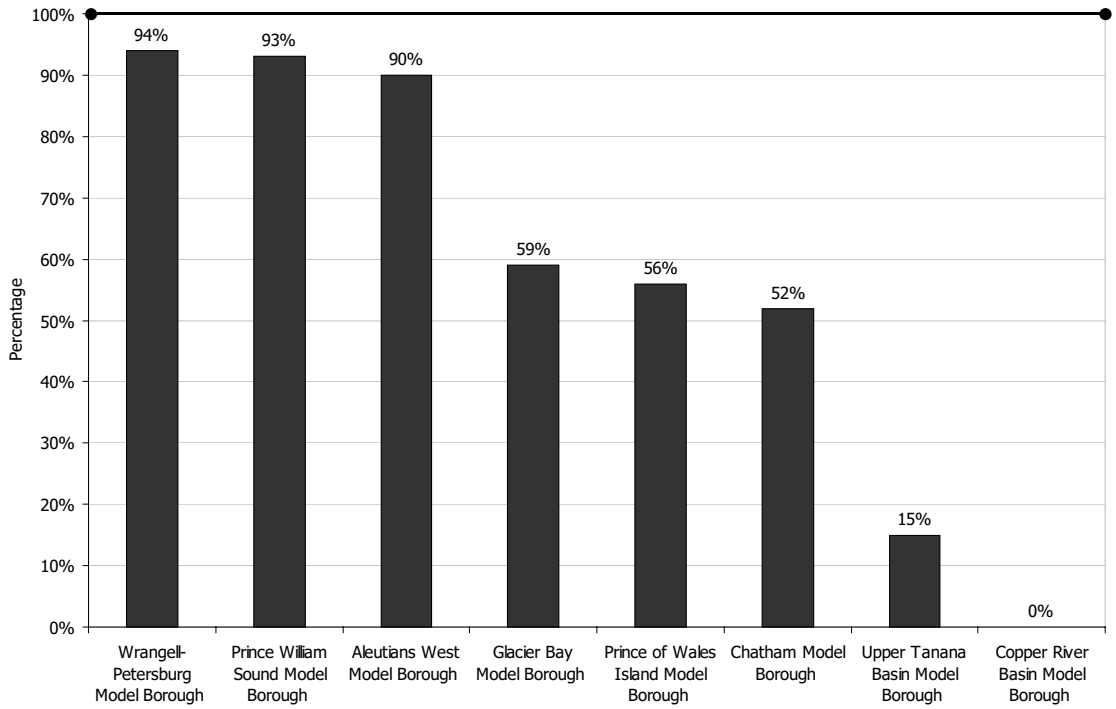
lack of local assessment data. For example, the 2001 full and true value estimate for the Wrangell-Petersburg Model Borough in Table 3-21 is equal to the sum of the formal full and true value determination of the City of Wrangell and the City of Petersburg. In other words, the table indicates that the Wrangell-Petersburg Model Borough has no taxable value outside those two municipal school districts. However, an ongoing borough study for the Wrangell-Petersburg Model Borough pegs the 2000 value of the Wrangell-Petersburg Model Borough *outside the two city school districts* at $37,361,385.[86] The area of the Wrangell-Petersburg Model Borough outside the City of Wrangell and the City of Petersburg was inhabited by an estimated 361 people at the time of the last federal census.

In addition to the above, the State Assessor makes formal determinations annually of the "full and true value" of taxable property in each organized borough. The same is required for each home rule and first class city in the unorganized borough, and any other city that levies a property tax. Additionally, the State

[86] *Analysis of Borough Options by Sheinberg Associates for the City of Petersburg*, January 2003.

Assessor is required to formally determine the full and true value of taxable property in each second class city with a population of 750 or more persons at least once every three years. Consequently, formal full and true value figures exist for a number of the more populous cities in the unorganized borough.

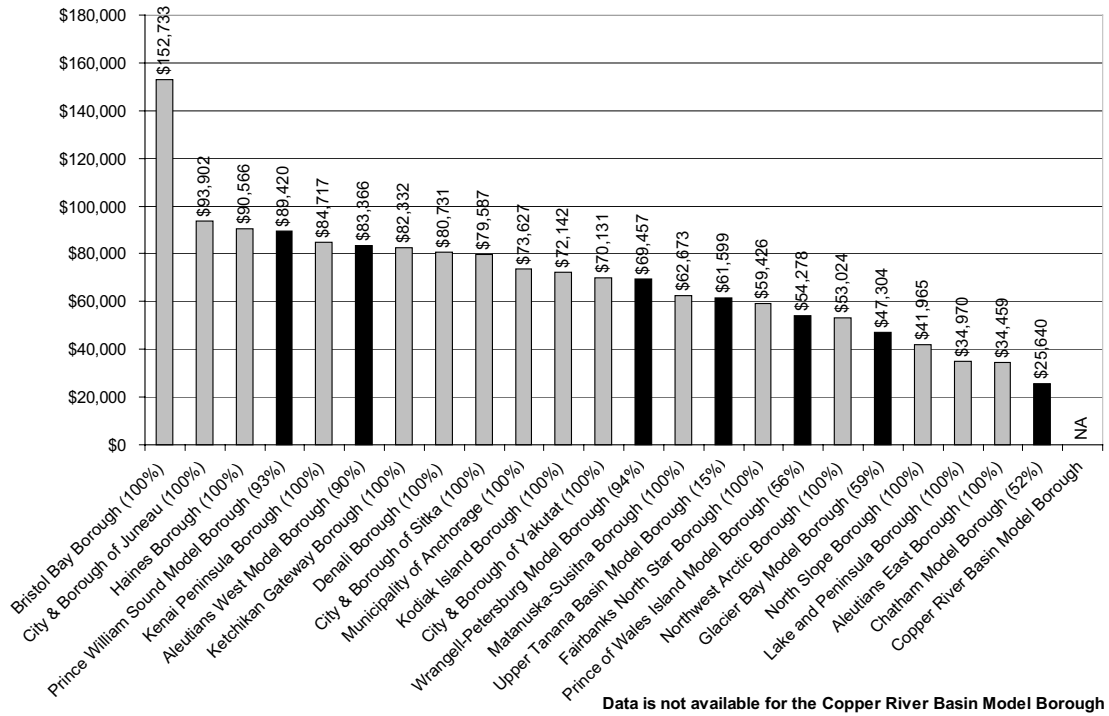
Chart 3-D
Percentage of Population for Which Full and True Values of Property Exist
2002



For example, the State Assessor makes an annual determination of the full and true value of taxable property within the boundaries of the City of Cordova and the City of Valdez (both of which are home rule cities in the unorganized borough). A full value determination is also made annually for the City of Whittier (a second class city that levies a property tax). Collectively, Cordova, Valdez, and Whittier comprise approximately 93% of the population of the Prince William Sound Model Borough. Thus, reliable estimates of the value of taxable property in communities inhabited by 93% of the population of the Prince William Sound Model Borough exist. Estimates of the value of taxable property in the Prince William Sound Model Borough outside the corporate boundaries of the City of Valdez, City of Cordova, and City of Whittier, however, do not exist.

Current full and true value figures exist for certain inhabited portions of seven of the eight unorganized areas under

Chart 3-E
Per Capita Property Values (Excluding Oil & Gas Properties)
2002 values / 2000 populations



Data is not available for the Copper River Basin Model Borough

review in this report.[87] Figures do not exist for any part of the Copper River Basin Model Borough since that region has no city governments.

Additionally, the State Assessor estimates that the value of oil and gas properties in the Copper River Basin Model Borough is currently $437,105,800. The value of oil and gas properties in the Upper Tanana is currently estimated to be $294,571,000.

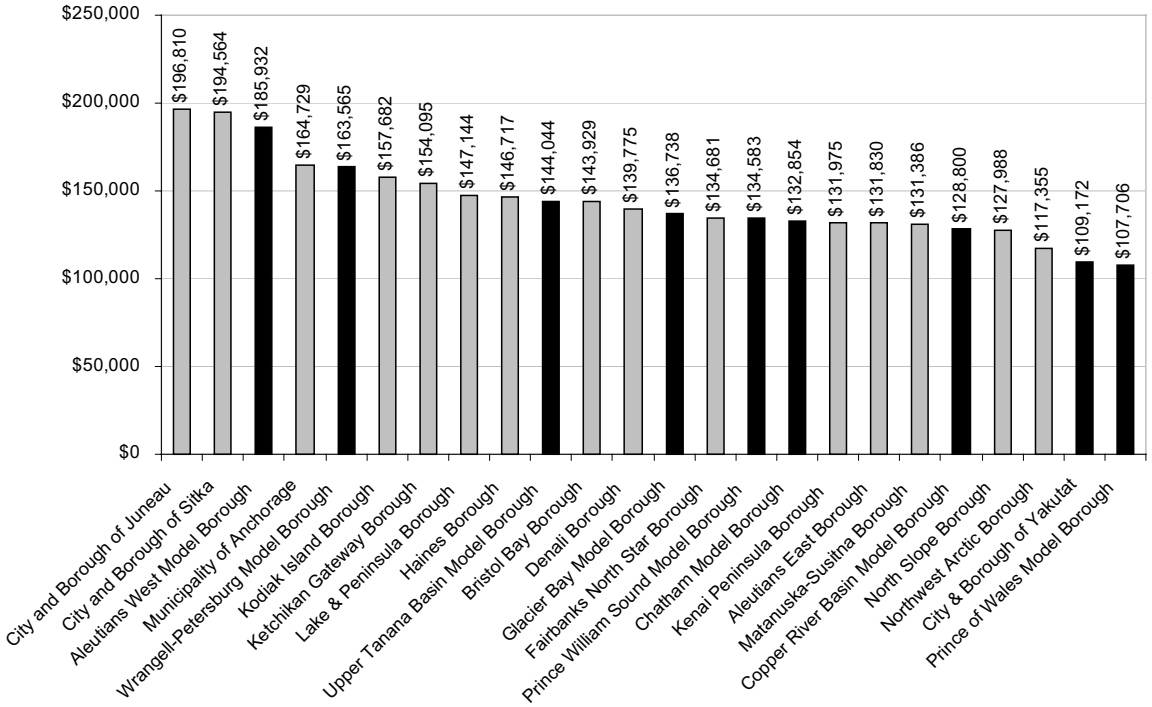
The Chart 3-E compares the 2002 full and true value of taxable property (excluding oil and gas properties taxable under AS 43.56) on a per capita basis within Alaska's sixteen organized boroughs and the eight unorganized regions reviewed in this report. For the unorganized areas, the figures reflect the per capita value of cities for which the State Assessor has made formal determinations of the full and true value.

In addition to the above, the U.S. Census Bureau reports data concerning the estimated average value of owner-occupied housing.

Such values were higher at the time of the 2000 census in seven of the eight unorganized areas under review than they were in at least three organized boroughs. The exception is the Prince of Wales Model Borough, where the estimated average value of owner-

87 The population of cities within each of the seven regions for which figures exist – expressed as a percentage of the total population of the region – ranges from as high as 94% to as low as 15%. Those figures are as shown in the chart entitled "Percentage of Population within Cities for Which Full and True Values of Property Exist – 2002." More than half of the population within six of those seven regions lives within cities for which formal property value figures are available.

Chart 3-F
Estimated Average Value of Owner-Occupied Housing – 2000



occupied housing was 1.3% less than the figure for the lowest-ranked organized borough.

Chart 3-F ranks the estimated average value of owner-occupied housing in Alaska's sixteen organized boroughs and the eight unorganized areas reviewed in this report.

Part 8. Personal Income

All eight unorganized areas under review have estimated per capita household incomes greater than at least two existing organized boroughs. The three top unorganized areas have estimated per capita household incomes exceeding thirteen of Alaska's sixteen organized boroughs.

Chart 3-G on the following page reflects the estimated per capita household income of Alaska's organized boroughs and the eight unorganized areas under review.

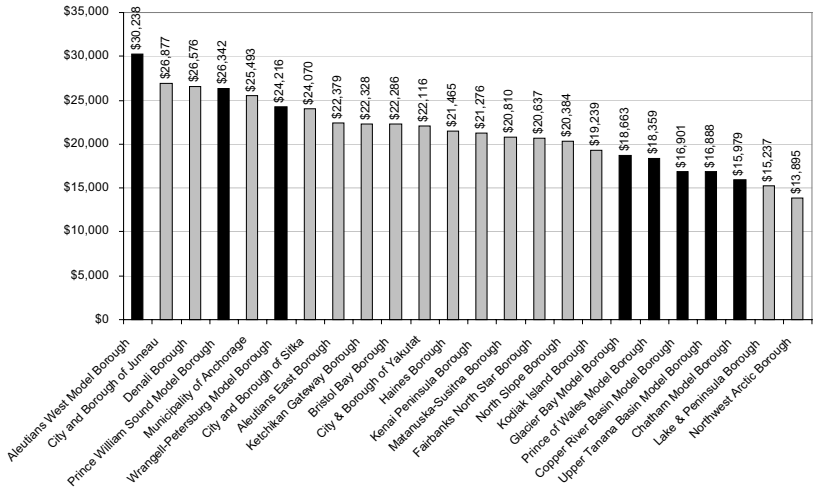
Seven of the eight unorganized areas examined in this report have estimated average household incomes greater than at least one existing organized borough. The exception is the Copper River Basin, which has an estimated average household income slightly (3.4%) less than the lowest ranked organized borough. As was the case with the estimated per capita income figures, the three top unorganized areas have estimated average household incomes exceeding thirteen of Alaska's sixteen organized boroughs.

Chart 3-H on the following page reflects the estimated average household income of Alaska's organized boroughs and the eight unorganized areas under review.

Part 9. Prior Borough Feasibility Studies

Since the late 1980s, borough financial feasibility studies have been conducted

Chart 3-G
Estimated Per Capita Household Income – 2000

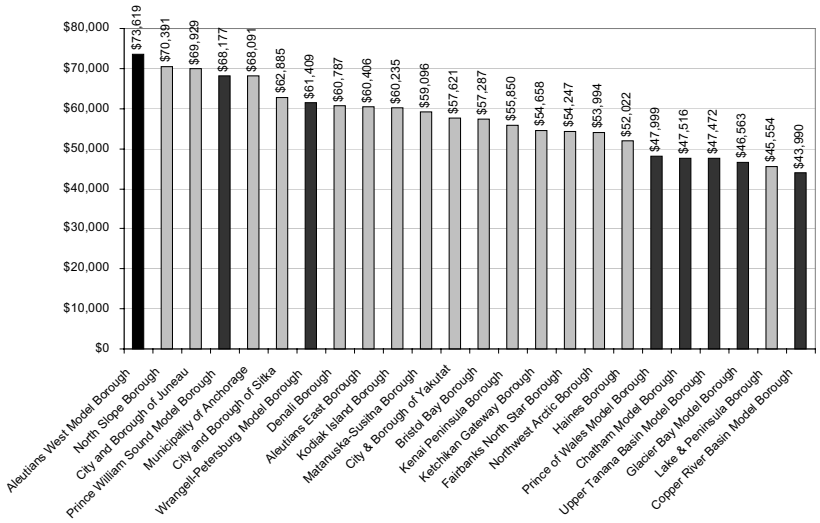


in all or parts of seven of the eight unorganized areas under review in this report. The exception is the Wrangell-Petersburg Model Borough. As noted in Part 7 of this section of the report, a study of a prospective Wrangell-Petersburg region borough is currently underway.

In the course of the examination outlined in this report, each member of the Local Boundary Commission was provided with a copy of those prior borough feasibility studies. Those studies consist of the following:

- *Forming Glacier Bay Borough and SB 48 – Report to the City of Hoonah*, Sheinberg Associates, January 2002.
- *Report on Senate Bill 30 and Formation of Glacier Bay Borough*, Sheinberg Associates, February 4, 1997.
- *Prince William Sound Borough Feasibility Study*, Community Planning, Northern Economics, ResourcEcon, and Darbyshire and Associates, June 1997.
- *Prince William Sound Borough Government Feasibility Study*, Darbyshire & Associates, April 1988.
- *A Summary – Prince William Sound Borough Government Feasibility Study*, Darbyshire & Associates, April 1988.
- *Western Aleutians Borough Feasibility Study*, HDR Alaska, Inc., Kevin Waring Associates, Northern Economics, June 1996.

Chart 3-H
Estimated Average Household Income – 2000



- *Aleutians West Borough Feasibility Study*, Department of Community and Regional Affairs, August 1989.
- *Copper River Basin Borough Feasibility Study*, Department of Community and Regional Affairs, June 1989.
- *Delta Greely Borough expenditure and revenue projections and related information*, Department of Community and Regional Affairs, August 1997.
- *Delta-Greely Borough Feasibility Study*, Department of Community and Regional Affairs, June 1989.
- *Chatham Region Borough Feasibility Study*, Department of Community and Regional Affairs, August 1989.
- *Report on Borough Organization in the Tanana Chiefs Region*, Tanana Chiefs Conference, Inc., October 1989.

Part 10. Conclusions Regarding Economic Capacity

The Commission has reviewed and considered information in this report concerning: (1) reasonably anticipated borough functions; (2) reasonably anticipated borough expenses; (3) reasonably anticipated borough income; (4) ability to generate and collect local revenue; (5) economic base of the region, land use, existing and reasonably anticipated industrial, commercial, and resource development; (6) property valuations of the region; (7) personal income; and (8) prior borough feasibility studies.

Based on that information, the Commission concludes that at least seven of the eight unorganized areas under review in this report embrace the human and financial resources capable of providing borough services. The one possible exception is the Prince of Wales Model Borough.

Given the resources and time available for this report, it was necessary for the Commission to use the most current available secondary data. The Commission recognizes that recent socioeconomic trends not yet reflected in official published data may significantly affect the capacity of the Prince of Wales Island region to support borough government at this time. Therefore, pending more up-to-date information and further analysis, including fuller analysis of the fiscal impacts of school district consolidation, the Commission declines to make a finding as to whether the Prince of Wales Model Borough has the human and financial resources to support borough government.

The Commission concludes, however, that the standard set out in AS 29.05.031(a)(3) is satisfied with respect to the other seven unorganized areas reviewed in this report. The Commission also concludes that the economies of Aleutians West Model Borough, Upper Tanana Basin Model Borough, Copper River Basin Model Borough, Prince William Sound Model Borough, Glacier Bay Model Borough, Chatham Model Borough, and Wrangell-Petersburg Model Borough include the human and financial resources necessary to provide essential borough services on an efficient, cost-effective level. Thus, the standard set out in 3 AAC 110.055 is also satisfied with respect to those seven unorganized areas.

Section C. Population Size and Stability

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Part 3. Conclusions Concerning Population Size and Stability 151

As noted in Chapter 2, in order to satisfy the borough standards established in law, a region must have a population that is large and stable enough to support borough government (AS 29.05.031(a)(1) and 3 AAC 110.050(a)).[88] The law also creates a formal presumption that a region must have at least 1,000 residents to meet the size requirement (3 AAC 110.050(b)).[89]

Part 1 of this section of the report examines the size of the population of the eight unorganized areas under review. Part 2 reviews the stability of the population in each of those regions. Conclusions regarding the applicable population standards are offered in Part 3.

Part 1. Population Size

Subpart (a). Aleutians West Model Borough

Based on the 2000 federal census, 4,781 residents inhabit the Aleutians West Model Borough.

The population of the region is concentrated at Unalaska, where ninety percent of its residents live. All but four of the remaining inhabitants of the region live in five other communities or settlements recognized by the U.S. Census Bureau.

The 2000 census population figures for the cities and "census designated places" in the Aleutians West Model Borough are listed in the Table 3-22 on the following page.

The population of the Aleutians West Model Borough is nearly five times greater than the 1,000-person presumptive minimum threshold prescribed in the Alaska Administrative Code (3 AAC 110.050(b)).

More individuals inhabit the Aleutians West Model Borough than live in six of Alaska's existing organized boroughs and four other model unorganized boroughs reviewed in this report. The

[88] AS 29.05.031(a) provides that, "An area that meets the following standards may incorporate as a home rule, first class, or second class borough, or as a unified municipality: (1) **the population** of the area is interrelated and integrated as to its social, cultural, and economic activities, and **is large and stable enough to support borough government**" (emphasis added). 3 AAC 110.050(a) states, "The population of a proposed borough must be sufficiently large and stable to support the proposed borough government. In this regard, the commission may consider relevant factors, including (1) total census enumerations; (2) durations of residency; (3) historical population patterns; (4) seasonal population changes; and (5) age distributions."

[89] 3 AAC 110.050(b) states, "Absent a specific and persuasive showing to the contrary, the commission will presume that the population is not large enough and stable enough to support the proposed borough government unless at least 1,000 permanent residents live in the proposed borough."

Table 3-22 ALEUTIANS WEST MODEL BOROUGH POPULATION	
City or Census Designated Place	2000 Census Population
Adak (formerly Adak Naval Air Station)	316
Atka	92
Attu (U.S. Coast Guard Station)	20
Nikolski	39
Shemya (formerly Eareckson Air Force Station)	27
Unalaska	4,283
Remainder of region	4
Total	**4,781**

population of the Aleutians West Model Borough is 77% greater than that of the adjoining Aleutians East Borough, which organized in 1987.

Subpart (b). Upper Tanana Basin Model Borough

According to the 2000 federal census, approximately 6,316 individuals live in the Upper Tanana Basin Model Borough.

Approximately 97% of the residents of the region live within nineteen recognized communities and settlements in the area. One-hundred seventy-three individuals lived elsewhere in the region.

The most populous recognized portion of the region is Deltana, a sprawling area that is recognized as a "census designated place." The most populous indisputable community is Tok, which has 22% of the population of the entire region.

The 2000 census population figures for the cities and "census designated places" in the Upper Tanana Basin Model Borough are listed in Table 3-23.

The population of the Upper Tanana Basin Model Borough is more than six times greater than the 1,000-person floor established in 3 AAC 110.050(b).

Nearly three and one-half times as many people live within the Upper Tanana Basin Model Borough compared to the adjoining Denali Borough. Among unorganized areas reviewed in this report, the Upper Tanana Basin Model Borough is second only to the Prince William Sound Model Borough in terms of population size. The Upper Tanana Basin Model Borough has more inhabitants than six organized boroughs and six other unorganized boroughs reviewed in this report.

Subpart (c). Copper River Basin Model Borough

DCED estimates that 3,089 individuals were living in the Copper River Basin Model Borough at the time of the 2000 census.

Table 3-23 UPPER TANANA BASIN MODEL BOROUGH POPULATION	
City or Census Designated Place	2000 Census Population
Alcan Border	21
Big Delta	749
Chicken	17
Delta Junction	840
Deltana	1,570
Dot Lake	19
Dot Lake Village	38
Dry Creek	128
Eagle	129
Eagle Village	68
Fort Greely	461
Healy Lake	37
Mentasta Lake	142
Northway	95
Northway Junction	72
Northway Village	107
Tanacross	140
Tetlin	117
Tok	1,393
Remainder of region	173
Total	**6,316**

Of those, 2,966 (96%) lived within eighteen communities or settlements recognized by the U.S. Census Bureau. The remaining 123 residents lived along the highways and roadways traversing the Copper River Basin Model Borough.

No community in the region is organized as a city government, although two have populations exceeding the threshold in law to incorporate a home rule city or first class city. The 2000 census population figures for the communities and "census designated places" in the Copper River Basin Model Borough are listed in Table 3-24.

The population of the Copper River Basin Model Borough is more than three times greater than the 1,000-person base prescribed by 3 AAC 110.050(b).

Six of Alaska's existing organized boroughs and two other model unorganized boroughs reviewed in this report have lesser populations than the Copper River Basin Model Borough. The population of the Copper River Basin Model Borough is nearly 75% greater than that of the Denali Borough, which organized in 1990.

Table 3-24

COPPER RIVER BASIN MODEL BOROUGH POPULATION

Census Designated Place	2000 Census Population
Chistochina	93
Chitina	123
Copper Center	362
Copperville	179
Gakona	215
Glennallen	554
Gulkana	88
Kenny Lake	410
McCarthy	42
Mendeltna	63
Nelchina	71
Paxson	43
Silver Springs	130
Slana	124
Tazlina	149
Tolsona	27
Tonsina	92
Willow Creek	201
Remainder of region (including Chisana)	123
Total	**3,089**

Subpart (d). Prince William Sound Model Borough

According to the 2000 federal census, 6,964 residents inhabit the Prince William Sound Model Borough.

The population of the Prince William Sound region is concentrated in two communities – Valdez and Cordova – which account for 93.2% of those who live in the area. 5.4% of the inhabitants of the region live in three other communities or settlements. The remaining 1.4% – 99 individuals – live elsewhere in the region.

The 2000 census population figures for the cities and "census designated places" in the Prince William Sound Model Borough are listed in Table 3-25 on the following page.

The population of the Prince William Sound Model Borough is nearly seven times greater than the 1,000-person threshold in 3 AAC 110.050(b).

Nearly as many residents live in the Prince William Sound Model Borough as live in the Northwest Arctic Borough,

Table 3-25

PRINCE WILLIAM SOUND MODEL BOROUGH POPULATION

City or Census Designated Place	2000 Census Population
Chenega Bay (a.k.a. Chenega)	86
Cordova (includes Eyak)	2,454
Tatitlek	107
Valdez	4,036
Whittier	182
Remainder of region	99
Total	**6,964**

which incorporated in 1986. The Prince William Sound Model Borough is the most populous unorganized region examined in this report. Its population is greater than that of six organized boroughs and seven other unorganized boroughs reviewed here.

Subpart (e). Glacier Bay Model Borough

At the time of the 2000 census, an estimated 1,739 residents inhabited the Glacier Bay Model Borough.

There are seven recognized communities and settlements in the region. The most populous community, Hoonah, has 860 residents. Gustavus, the next most populous community, has half as many residents as Hoonah. Three settlements in the region have more than 100 but fewer than 165 inhabitants. The two remaining settlements have 35 or fewer residents.

The 2000 census population figures for the cities and "census designated places" in the Glacier Bay Model Borough are listed in Table 3-26.

Table 3-26

GLACIER BAY MODEL BOROUGH POPULATION

City or Census Designated Place	2000 Census Population
Elfin Cove	32
Game Creek	35
Gustavus	429
Hoonah	860
Pelican	163
Tenakee Springs	104
Whitestone Logging Camp	116
Total	**1,739**

The population of the Glacier Bay Model Borough is nearly 75% greater than the 1,000-person presumptive minimum figure established in 3 AAC 110.050(b).

More individuals inhabit the Glacier Bay Model Borough than live in two of Alaska's existing organized boroughs and one other model unorganized borough reviewed in this report. For comparison purposes, the population of the adjoining Haines Borough is about 25% greater than that of the Glacier Bay Model Borough.

Subpart (f). Chatham Model Borough

The Chatham Model Borough is the least populous unorganized region reviewed in this report.

However, with an estimated 1,354 residents at the time of the 2000 census, the region still has a population greater than two existing organized boroughs. Specifically, the Chatham Model Borough's population at the time of the last census was nearly 8% greater than that of the Bristol Bay

Table 3-27

CHATHAM MODEL BOROUGH POPULATION

City or Census Designated Place	2000 Census Population
Angoon	572
Cube Cove	72
Kake	710
Total	**1,354**

Borough and nearly 70% greater than that of the City and Borough of Yakutat.[90]

The U.S. Census Bureau recognized three communities or settlements in the Chatham Model Borough at the time of the last census. One was the logging camp at Cube Cove, which closed following the 2000 census.

The 2000 census population figures for the communities and "census designated places" in the Chatham Model Borough are listed in Table 3-27.

Reducing the region's population to eflect the closure of the Cube Cove logging camp leaves a population of 1,282. That figure is still nearly 30% greater than the 1,000-person threshold set out in the Commission's regulations (3 AAC 110.050(b)).

Subpart (g). Prince of Wales Model Borough

Based on the 2000 census, 4,651 individuals live in the Prince of Wales Model Borough. That makes the region more populous than six organized boroughs and three other model unorganized boroughs reviewed in this report.

Eighty-five percent of the residents of the region live in thirteen recognized communities or settlements. The most populous community in the Prince of Wales Model Borough is Craig, which encompasses approximately 30% of the residents of the region. The next largest community is Klawock, which has a population about 60% that of Craig.

An estimated 674 residents of the Prince of Wales Model Borough live outside the thirteen recognized communities and settlements. The 2000 census population figures for all the cities and "census designated places" in the Prince of Wales Model Borough are listed in Table 3-28.

Like the Aleutians West Model Borough, the population of the Prince of Wales Model Borough is nearly five times

Table 3-28

PRINCE OF WALES MODEL BOROUGH POPULATION

City or Census Designated Place	2000 Census Population
Coffman Cove	199
Craig	1,397
Edna Bay	49
Hollis	139
Hydaburg	382
Kasaan	39
Klawock	854
Naukati Bay	135
Point Baker	35
Port Alexander	81
Port Protection	63
Thorne Bay	557
Whale Pass	58
Remainder of region	663
Total	**4,651**

90 It is noted, however, that both the Bristol Bay Borough and City and Borough of Yakutat have been criticized by some in the past as lacking the regional characteristics that are fundamental to borough governments.

greater than the 1,000-person presumptive minimum threshold prescribed by 3 AAC 110.050(b). Its population is greater than six existing organized boroughs and three other model unorganized boroughs reviewed in this report.

Subpart (h). Wrangell Petersburg Model Borough

DCED estimates that at the time of the 2000 federal census, 5,893 residents inhabited the Wrangell-Petersburg Model Borough.

The population of the region is concentrated in two communities – Petersburg and Wrangell – which collectively account for nearly 95% of its residents. Less than 1% of the population of the Wrangell-Petersburg Model Borough lives in the small settlements of Kupreanof and Thom's Place. Most of the rest of the population, just over 4%, lives outside the formally established corporate boundaries of the City of Petersburg and the City of Wrangell.

Table 3-29

WRANGELL-PETERSBURG MODEL BOROUGH POPULATION

City or Census Designated Place	2000 Census Population
Kupreanof	23
Petersburg	3,224
Thom's Place	22
Wrangell	2,308
Remainder of region	316
Total	**5,893**

The 2000 census population figures for the cities and "census designated places" in the Wrangell-Petersburg Model Borough are listed in Table 3-29.

The population of the Wrangell-Petersburg Model Borough is nearly six times greater than the 1,000-person threshold in the Alaska Administrative Code (3 AAC 110.050(b)).

More people live in the Wrangell-Petersburg Model Borough than live in six of Alaska's existing organized boroughs and five other unorganized boroughs reviewed in this report.

Part 2. Population Stability

Subpart (a). Aleutians West Model Borough

The population of cities and other formally recognized communities and settlements in the Aleutians West Model Borough grew from 5,380 in 1980 to 8,494 in 1990. That represented an expansion in those localities of 3,114, or 57.9% for the decade.

However, during the following decade, the number of residents of the communities and settlements in the region dropped by 3,740 (44%). The significant relative population loss stemmed from the closure of two substantial military facilities in the region.

The larger of the two facilities to close was the Adak Naval Air Station. In 1994, severe reductions occurred in the base operations at Adak. Consequently, family housing and schools on the base closed. Base operations ceased altogether in March 1997, which amounted to an estimated loss of 4,317 individuals at Adak.

Table 3-30

Aleutians West Model Borough Population Trends – 1980-2000

Locality	1980 Population	1990 Population	Absolute Change 1980-1990	Relative Change 1980-1990	2000 Population	Absolute Change 1990-2000	Relative Change 1990-2000
Adak	3,315	4,633	1,318	40%	316	-4,317	-93%
Atka	93	73	-20	-22%	92	19	26%
Attu	29	23	-6	-21%	20	-3	-13%
Nikolski	50	35	-15	-30%	39	4	11%
Shemya	600	664	64	11%	27	-637	-96%
Unalaska	1,322	3,089	1,767	134%	4,283	1,194	39%
Estimated Population for Aleutians West Region	5,380	8,494	3,114	57.9%	**4,781**	-3,713	-43.7%

Note: The sum of the populations for the localities does not equal the sum of the figures for the region as a whole since individuals live outside of localities defined by the U.S. Census Bureau.

The Aleut Corporation subsequently acquired the former military facilities at Adak under a land transfer agreement with the federal government. About 30 families with children relocated to Adak in September 1998. The community incorporated a second class city in April 2001.

Earekson Air Force Station at Shemya was the other major military facility in the region to close in the past decade. The Shemya facility closed in 1995, bringing about an estimated population loss of 637. There is currently a small group of caretakers (20) residing at Earekson Air Force Station.

Excluding the effects of the closures of the two military facilities, the population in the Aleutians West region actually increased during the period from 1990 to 2000. The population of the region's largest community, Unalaska, grew from 3,089 to 4,283 during the 1990s. During the same period, the population of Atka increased from 73 to 92, while the population of Nikolski rose from 35 to 39.

Table 3-30 reports the populations for the communities and settlements in the Aleutians West Model Borough for 1980, 1990, and 2000. Information is also provided about the change – both in absolute and relative terms – in the population of each locality between 1980 and 1990 and between 1990 and 2000.

Subpart (b). Upper Tanana Basin Model Borough

In 1980, the U.S. Census Bureau formally recognized thirteen localities in the Upper Tanana Basin Model Borough. Those communities and settlements had a population of 4,186.

DCED estimates that the population of the Upper Tanana Basin Model Borough outside the thirteen localities in 1980 was 1,549.[91]

During the 1990 federal census, three additional localities were recognized in the region (Alcan Border, Dry Creek, and Northway Junction), bringing the total number to sixteen. The population of the sixteen localities in the region was 4,352 in 1990. DCED estimates that the population outside of the fourteen communities was 1,657 in 1990.[92] As a whole, the population of the Upper Tanana Basin Model Borough increased by 274 (4.8%) between 1980 – 1990.

In 2000, the estimated population of the Upper Tanana Basin Model Borough was 6,316. That figure represented an increase in the number of residents by 307 (5.1%) compared to the previous decade.

Double-digit percentage gains or losses were the norm in many communities and settlements in the region during the past decade; however, many of these changes are due to boundary revisions of localities in the 2000 Census.

Population figures of communities and settlements in the Upper Tanana Basin Model Borough for 1980, 1990, and 2000 are shown in Table 3-31 on the following page. Information is also provided about total and percentage changes in the population for each locality in the region from 1980 – 1990 and 1990 – 2000.

Subpart (c). Copper River Basin Model Borough

In 1980, the U.S. Census Bureau formally recognized eleven communities and settlements in the Copper River Basin. Those localities had a population of 1,280. DCED estimates that the population of the Copper River Basin Model Borough outside the eleven localities in 1980 was 1,382.[93]

During the 1990 federal census, three additional communities or localities in the region were recognized (Copperville, Kenny Lake, and Tazlina), bringing the total number to fourteen. The population of the fourteen

91 The inhabited portion of the Upper Tanana Basin Model Borough corresponds roughly to the inhabited portion of the Southeast Fairbanks Census Area, plus Mentasta Lake. The population of the entire Southeast Fairbanks Census Area in 1980 was 5,676 + Mentasta 59 = 5,735. The total population of the localities in that region was 4,186. Thus, an estimated 1,561 individuals lived in the region, but outside the localities in 1980.

92 As indicated in the previous footnote, the inhabited portion of the Upper Tanana Basin Model Borough corresponds roughly to the inhabited portion of the Southeast Fairbanks Census Area, plus Mentasta Lake. The population of the Southeast Fairbanks Census Area in 1990 was 5,913 + Mentasta 96 = 6,009. The total population of the localities in that region was 4,352. Thus, an estimated 1,657 individuals lived in the region, but outside the localities in 1990.

93 The population of the "Copper River Census Sub-Area" in 1980 of 2,721, less the population of Mentasta Lake (pop. 59, in Upper Tanana Model Borough), results in an estimated population figure for the total Copper River Model Borough of 2,662. 1,280 lived in localities in 1980, therefore 2,662 – 1,280 = 1,382 outside the eleven formally recognized localities in 1980.

Table 3-31

Upper Tanana Basin Model Borough Population Trends – 1980-2000

Locality	1980 Population	1990 Population	Absolute Change 1980-1990	Relative Change 1980-1990	2000 Population	Absolute Change 1990-2000	Relative Change 1990-2000
Alcan Border	NA	27	27		21	-6	-22%
Big Delta	285	400	115	40%	749	349	87%
Chicken	NA	NA			17	17	
Delta Junction	945	652	-293	-31%	840	188	29%
Deltana	NA	NA			1,570		
Dot Lake	67	70	3	4%	19	-51	-73%
Dot Lake Village	NA	NA			38		
Dry Creek	NA	106	106		128	22	21%
Eagle	110	168	58	53%	129	-39	-23%
Eagle Village	54	35	-19	-35%	68	33	94%
Fort Greely	1,635	1,299	-336	-21%	461	-838	-65%
Healy Lake	33	47	14	42%	37	-10	-21%
Mentasta Lake	59	96	37	63%	142	46	48%
Northway	73	123	50	68%	95	-28	-23%
Northway Junction	NA	88	88		72	-16	-18%
Northway Village	112	113	1	1%	107	-6	-5%
Tanacross	117	106	-11	-9%	140	34	32%
Tetlin	107	87	-20	-19%	117	30	34%
Tok	589	935	346	59%	1,393	458	49%
Estimated Population for Upper Tanana Basin	5,735	6,009	274	4.8%	**6,316**	307	5.1%

Note: The sum of the populations for the localities does not equal the sum of the figures for the region since some individuals live outside of the localities defined by the U.S. Census Bureau.

localities in the region was 2,163. DCED estimates that the population of the Copper River Model Borough outside the fourteen communities and settlement was 504 in 1990.[94]

Changes in the population between 1980 – 1990 for the eleven localities recognized during the 1980 census are shown in the table below. Changes in the estimated population for the entire region between 1980 and 1990 are also shown in the **table below.**

For purposes of the 2000 census, five new localities were formally recognized in the region by the U.S. Census Bureau (Chisana, Nelchina, Silver Springs, Tolsona, and Willow Creek). Recognition of the five new localities brought the number in the region to nineteen. The total population of those nineteen communities and settlements at the time of the last census was 2,966. The 2000 population of the region outside those localities was estimated to be 123.

[94] The population of the "Copper River Census Sub-Area" in 1990 of 2,763, less the population of Mentasta Lake (pop. 96), results in an estimated population for the Copper River Model Borough of 2,667 in 1990. 2,163 lived in localities in 1990, therefore 2,667 – 2,163 = 504 outside the fourteen formally recognized localities in 1990.

Changes in the population between 1980 – 1990 – 2000 for the eleven localities recognized at the time of the 1980 census are shown in the table below. Additionally, changes in the population between 1990 – 2000 for the three localities first recognized in 1990 are also reported in the table. Further, changes in the estimated population for the entire region between 1980 and 2000 are also shown in Table 3-32.

Table 3-32

Copper River Basin Model Borough Population Trends – 1980-2000

Locality	1980 Population	1990 Population	Absolute Change 1980-1990	Relative Change 1980-1990	2000 Population	Absolute Change 1990-2000	Relative Change 1990-2000
Chisana	NA	NA			12		
Chistochina	55	60	5	9%	93	33	55%
Chitina	42	49	7	17%	123	74	151%
Copper Center	213	449	236	111%	362	-87	-19%
Copperville	NA	163	163		179	16	10%
Gakona	87	25	-62	-71%	215	190	760%
Glennallen	511	451	-60	-12%	554	103	23%
Gulkana	104	103	-1	-1%	88	-15	-15%
Kenny Lake	NA	423	423		410	-13	-3%
McCarthy	23	25	2	9%	42	17	68%
Mendeltna	31	37	6	19%	63	26	70%
Nelchina	NA	NA			71		
Paxson	30	30	0	0%	43	13	43%
Silver Springs	NA	NA			130		
Slana	49	63	14	29%	124	61	97%
Tazlina	NA	247	247		149	-98	-40%
Tolsona	NA	NA			27		
Tonsina	135	38	-97	-72%	92	54	142%
Willow Creek	NA	NA			201		
Estimated Population for Copper River Basin	2,662	2,667	5	0.1%	**3,089**	422	15.8%

Note: The sum of the populations for the localities does not equal the sum of the figures for the region as a whole since individuals live outside of localities defined by the U.S. Census Bureau.

Subpart (d). Prince William Sound Model Borough

In 1980, an estimated 5,627 individuals lived in the Prince William Sound Model Borough. Ten years later, the figure stood at 6,899, an increase of 1,272 (22.6%). During the 1990s, the population of the region increased by a modest 65 (0.9%).[95]

Double-digit percentage reductions in the populations of Tatitlek and Whittier occurred during the past decade. The population of Valdez, the region's largest community, declined very modestly. During the same period, the

[95] For 1990, the population estimate is based on the sum of the Cordova Census Subarea and the Prince William Sound Census Subarea (less ships in port). In 2000, the population estimate is based on the Chugach Census Subarea.

reported population of the area within the corporate boundaries of the City of Cordova increased substantially. That increase, in large measure, stems from a significant expansion of the corporate boundaries of the City of Cordova in 1993, including Eyak.

Population figures of communities and settlements in the Prince William Sound Model Borough for 1980, 1990, and 2000 are shown in Table 3-33. Information is also provided about total and percentage changes in the population for each locality in the region between 1980 – 1990 and between 1990 – 2000.

Table 3-33

Prince William Sound Model Borough Population Trends – 1980-2000

Locality	1980 Population	1990 Population	Absolute Change 1980-1990	Relative Change 1980-1990	2000 Population	Absolute Change 1990-2000	Relative Change 1990-2000
Chenega	NA	94	94		86	-8	-9%
Cordova	1,879	2,110	231	12%	2,454	344	16%
Eyak	47	172	125	266%	In City of Cordova		
Tatitlek	68	119	51	75%	107	-12	-10%
Valdez	3,079	4,068	989	32%	4,036	-32	-1%
Whittier	198	243	45	23%	182	-61	-25%
Estimated Population for Prince William Sound	5,627	6,899	1,272	22.6%	**6,964**	65	0.9%

Note: The sum of the populations for the localities does not equal the sum of the figures for the region as a whole since individuals live outside of localities defined by the U.S. Census Bureau.

Subpart (e). Glacier Bay Model Borough

In 1980, the U.S. Census Bureau recognized five localities in the area that now comprises the Glacier Bay Model Borough. Those localities had a total population of 1,124.

At the time of the 1990 census, two additional localities were recognized (Game Creek and Whitestone Logging Camp). From 1980 – 1990, the population for the entire region increased by 527 (47%) to 1,651. In the ensuing decade, the population of the region increased again, this time by 88 (5%) to 1,739.

Significant relative reductions in the populations of Elfin Cove, Game Creek, Pelican, and Whitestone Logging Camp occurred between 1990 – 2000. The population of Gustavus, however, increased by two-thirds during the same time. Population tallies of communities and settlements in the Glacier Bay Model Borough and the region as a whole for 1980, 1990, and 2000 are shown in Table 3-34 on the following page. Information is also provided about total and percentage changes in the population for the localities and the region between 1980 – 1990 and between 1990 – 2000.

Subpart (f). Chatham Model Borough

The number of residents of the Chatham Model Borough expanded from 1,020 in 1980 to 1,494 ten years later. That represented an increase of 474, or 46%. The increase stemmed in

Table 3-34

Glacier Bay Model Borough Population Trends – 1980-2000

Locality	1980 Population	1990 Population	Absolute Change 1980-1990	Relative Change 1980-1990	2000 Population	Absolute Change 1990-2000	Relative Change 1990-2000
Elfin Cove	28	57	29	104%	32	-25	-44%
Game Creek	NA	61	61		35	-26	-43%
Gustavus	98	258	160	163%	429	171	66%
Hoonah	680	795	115	17%	860	65	8%
Pelican	180	222	42	23%	163	-59	-27%
Tenakee Springs	138	94	-44	-32%	104	10	11%
Whitestone Logging Camp	NA	164	164		116	-48	-29%
Glacier Bay Region	1,124	1,651	527	46.9%	**1,739**	88	5.3%

part from the opening of the Cube Cove logging camp. The populations of the two long-established communities in the region, Angoon and Kake, also increased.

Table 3-35

Chatham Model Borough Population Trends – 1980-2000

Locality	1980 Population	1990 Population	Absolute Change 1980-1990	Relative Change 1980-1990	2000 Population	Absolute Change 1990-2000	Relative Change 1990-2000
Angoon	465	638	173	37%	572	-66	-10%
Kake	555	700	145	26%	710	10	1%
Cube Cove	0	156	156		72	-84	-54%
Total of Localities within the Chatham Region	1,020	1,494	474	46.5%	**1,354**	-140	-9.4%

In the following decade, however, there was a net decrease of 140 residents of the region (9%). The population of both Angoon and the Cube Cove logging camp declined during the 1990s, while the population of Kake increased slightly in the last decade. As noted previously, the Cube Cove logging camp closed after the 2000 census.

Even with the closure of the Cube Cove logging camp, the population of the region still increased from 1,020 in 1980 to 1,282 (more than 25%).

Table 3-35 lists the populations for the communities and settlements in the Chatham Model Borough for 1980, 1990, and 2000. Information is also provided about the absolute and relative change in the population of each city and census designated place during the same intervals.

Subpart (g). Prince of Wales Model Borough

In 1980, the U.S. Census Bureau formally recognized eleven communities and settlements in the area that now comprises the Prince of Wales Model

Borough. Those localities had a population of 2,050. DCED estimates that the population of the Prince of Wales Model Borough outside the eleven localities in 1980 was 525.[96]

For purposes of the 1990 federal census, two additional communities or localities in the region were recognized (Hollis and Naukati Bay), bringing the total number to thirteen. The population of the thirteen localities in the region in 1990 was 3,760. DCED estimates that the population of the Prince of Wales Model Borough outside the fourteen communities was 1,011 in 1990.[97] As a whole, the population within the Prince of Wales Model Borough increased by over 85% between 1980 – 1990.

In 2000, the estimated population of the region was 4,651. That figure represented a slight reduction in

Table 3-36

Prince of Wales Model Borough Population Trends – 1980-2000

Locality	1980 Population	1990 Population	Absolute Change 1980-1990	Relative Change 1980-1990	2000 Population	Absolute Change 1990-2000	Relative Change 1990-2000
Coffman Cove	193	186	-7	-4%	199	13	7%
Craig	527	1,260	733	139%	1,397	137	11%
Edna Bay	6	86	80	1333%	49	-37	-43%
Hollis	NA	111	111		139	28	25%
Hydaburg	298	384	86	29%	382	-2	-1%
Kasaan	25	54	29	116%	39	-15	-28%
Klawock	318	722	404	127%	854	132	18%
Naukati Bay	NA	93	93		135	42	45%
Point Baker	90	39	-51	-57%	35	-4	-10%
Port Alexander	86	119	33	38%	81	-38	-32%
Port Protection	40	62	22	55%	63	1	2%
Thorne Bay	377	569	192	51%	557	-12	-2%
Whale Pass	90	75	-15	-17%	58	-17	-23%
Estimated Population for Prince of Wales	2,575	4,771	2,196	85.3%	**4,651**	-120	-2.5%

Note: The sum of the populations for the localities does not equal the sum of the figures for the region since some individuals live outside of the localities defined by the U.S. Census Bureau.

[96] The population of the "Prince of Wales-Outer Ketchikan Census Area," was 3,822 in 1980. Excluding the population of Metlakatla, Hyder, and Meyers Chuck (localities in that census area but outside the Prince of Wales Model Borough) results in an estimated population figure for the Prince of Wales Model Borough of 2,362. Of that, 312 lived outside the eleven formally recognized localities in the Prince of Wales Model Borough.

[97] The population of the "Prince of Wales-Outer Ketchikan Census Area," was 6,278 in 1990. Excluding the population of Metlakatla, Hyder, and Meyers Chuck results in an estimated population figure for the Prince of Wales Model Borough of 4,678 for the region. Of that, 918 lived outside the eleven formally recognized localities in the Prince of Wales Model Borough.

population over the previous decade (120 residents, or a 2.5% reduction).

Population figures for Prince of Wales Model Borough communities, settlements, and the entire region for 1980, 1990, and 2000 are shown in **Table 3-36 on the previous page.** Information is also provided about total and percentage changes in the population for the localities and the region between 1980 – 1990 and between 1990 – 2000.

Table 3-37

Wrangell-Petersburg Model Borough Population Trends – 1980-2000

Locality	1980 Population	1990 Population	Absolute Change 1980-1990	Relative Change 1980-1990	2000 Population	Absolute Change 1990-2000	Relative Change 1990-2000
Kupreanof	47	23	-24	-51%	23	0	0%
Petersburg	2,821	3,207	386	14%	3,224	17	1%
Thom's Place	NA	NA			22		
Wrangell	2,184	2,479	295	14%	2,308	-171	-7%
Estimated Population for Wrangell-Petersburg	5,526	6,090	564	10.2%	**5,893**	-197	-3.2%

Note: The sum of the populations for the localities does not equal the sum of the figures for the region since some individuals live in the region but outside the localities.

Subpart (h). Wrangell-Petersburg Model Borough

In 1980, there were three recognized localities in the Wrangell-Petersburg Model Borough area. The population of those communities and settlements totaled 5,052. DCED estimates that the population of the entire Wrangell-Petersburg Model Borough area at the time was 5,526.[98] Thus, an estimated 474 individuals lived within the region, but outside the recognized localities.

The population of the Wrangell-Petersburg Model Borough increased by an estimated 564 (10.2%) during the 1980s.[99] However, in the following decade, DCED estimates that the population declined by 197 (3.2%).[100]

98 The population estimate reflects the population of the "Wrangell-Petersburg Census Area" (6,167), less the population for Kake (555) and Port Alexander (86).

99 The population estimate of 6,090 reflects the population of the "Wrangell-Petersburg Census Area" (7,042), less the population for Kake (700), Port Alexander (119) and Rowan Bay (133).

100 The population estimate of 5,893 reflects the population of the "Wrangell-Petersburg Census Area" (6,684), less the population for Kake (710) and Port Alexander (81). The Rowan Bay logging camp closed after the 1990 census.

Population figures of communities and settlements in the Wrangell-Petersburg Model Borough for 1980, 1990, and 2000 are shown in Table 3-37. Information is also provided about total and percentage changes in the population for each locality and the region between 1980 – 1990 and between 1990 – 2000.

Part 3. Conclusions Concerning Population Size and Stability

At the time of the 2000 census, the eight unorganized areas under review in this report had populations ranging from 6,964 to 1,354. Thus, the population of each of those eight areas exceeding the 1,000-person presumptive minimum set out in 3 AAC 110.050(b). The unorganized area with the least population, the Chatham Model Borough, however, has since declined further because of the closure of the Cube Cove logging camp. If the populations of the other settlements in that region have remained stable since 2000, the population of the Chatham Model Borough now stands at approximately 1,282.

As shown in Table 3-38, six of the unorganized areas reviewed in this report had populations exceeding those of nearly 40% of Alaska's existing organized boroughs. Each of the two least populated unorganized areas listed still had populations exceeding those of two existing organized boroughs.

The least populous unorganized area reviewed, Chatham Model Borough, had 316 students as of October 1, 2001.[101] Since then, the school at Cube Cove has closed. Thus, for purposes of this review, enrollment in the Chatham Model Borough is adjusted to 306. That figure is 22.4% greater than the 250-student minimum set by AS 14.12.025, as discussed in Chapter 2 Section D, Part 3(b) of this report.

Table 3-38
Comparison of Populations of Existing Organized Boroughs and the Eight Unorganized Regions Under Review

Municipality of Anchorage	260,283
Fairbanks North Star Borough	82,840
Matanuska-Susitna Borough	59,322
Kenai Peninsula Borough	49,691
City and Borough of Juneau	30,711
Ketchikan Gateway Borough	14,070
Kodiak Island Borough	13,913
City and Borough of Sitka	8,835
North Slope Borough	7,385
Northwest Arctic Borough	7,208
Prince William Sound Model Borough	6,964
Upper Tanana Basin Model Borough	6,316
Wrangell-Petersburg Model Borough	5,893
Aleutians West Model Borough	4,781
Prince of Wales Model Borough	4,651
Copper River Basin Model Borough	3,089
Aleutians East Borough	2,697
Haines Borough	2,392
Denali Borough	1,893
Lake & Peninsula Borough	1,823
Glacier Bay Model Borough	1,739
Chatham Model Borough	1,354
Bristol Bay Borough	1,257
City & Borough of Yakutat	808

[101] Angoon enrollment was 133, Kake enrollment was 173, and Cube Cove enrollment was 10. Source: http://www.eed.state.ak.us/stats/SchoolEnrollment/2002SchoolEnrollment.pdf

Among the areas reviewed in this report, the population of the Aleutians West Model Borough has fluctuated most significantly over the past two decades. However, that fluctuation stems from the closure of major military facilities in the region during the 1990s. Other regions have been comparatively stable.

Based on the foregoing, the Commission concludes that each of the eight unorganized areas under review in this report has a population that is large and stable enough to support borough government. Thus, the standards set out in AS 29.05.031(a)(1) and 3 AAC 110.050(a) are satisfied in each of the eight unorganized regions addressed in this report.

Moreover, the population of each of the eight unorganized areas under review here exceeds the 1,000-person minimum established in 3 AAC 110.050(b). Therefore, that standard is satisfied as well.

Section D. Regional Commonalities

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Part 1. Social, Cultural, and Economic Characteristics

As noted in Chapter 2, in order to satisfy the borough standards established in law, a region must embrace an area and population with common interests (Article X, sec 3 Ak. Const.; AS 29.05.031(a)(1), and 3 AAC 110.045(a)).[102] This portion of the

[102] Article X, sec 3 Ak. Const., states, "The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. **Each borough shall embrace an area and population with common interests to the maximum degree possible.** The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law." (emphasis added). AS 29.05.031(a)(1) states. "An area that meets the following standards may incorporate as a home rule, first class, or second class borough, or as a unified municipality: (1) the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support borough government." Lastly, 3 AAC 110.045(a) states, "The social, cultural, and economic characteristics and activities of the people in a proposed borough must be interrelated and integrated. In this regard, the commission may consider relevant factors, including the (1) compatibility of urban and rural areas within the proposed borough; (2) compatibility of economic lifestyles, and industrial or commercial activities; (3) existence throughout the proposed borough of customary and simple transportation and communication patterns; and (4) extent and accommodation of spoken language differences throughout the proposed borough.

report addresses the extent to which the communities and settlements within the eight model borough boundaries under review embrace common interests — in the context of eighteen basic indices applied to regional issues throughout Alaska.

Subpart (a). Aleutians West Model Borough

The Aleutians West Model Borough encompasses six localities. These are Adak (population 316); Atka (population 92); Attu Station (population 20); Nikolski (population 39); Shemya (population 27); and Unalaska (population 4,283).

Subpart (a)(i). State House District

The Aleutians West Model Borough lies wholly within State House Election District 37. Other regions within the same election district include the Aleutians East Borough, a portion of the Lake and Peninsula Borough (roughly the southern half), Bristol Bay Borough, and Dillingham Census Area.

Subpart (a)(ii). ANCSA Regional Native Corporation

All of the territory within the Aleutians West Model Borough boundaries is within the Aleut Corporation region.

Subpart (a)(iii). Regional Housing Authority

The Aleutian Housing Authority serves the Aleutians West Model Borough area.

Subpart (a)(iv). Regional Health Corporations

Aleutian Pribilof Island Association Incorporated serves Atka and Unalaska. The nonprofit Eastern Aleutian Tribes, Incorporated serves Adak.

Subpart (a)(v). Public Safety Service Delivery

The Alaska State Troopers have a post in Unalaska. The Department of Public Safety, Division of Fish and Wildlife Protection Patrol Vessel (P/V) *Stimson* serves the area within the Aleutians West Model Borough boundaries. The *Stimson's* home port is Dutch Harbor in the City of Unalaska.

Subpart (a)(vi). Marine transportation, air transportation

The Alaska Marine Highway offers ferry service to Unalaska/Dutch Harbor between April and October, usually one trip a month. The ferry departs Homer on a Tuesday, and arrives in Dutch Harbor via Kodiak the following Saturday morning. The ferry then departs back for Kodiak, Alaska the same day at 11:45 AM. The ferry trip is a three day voyage aboard the *M/V Tustumena* from Kodiak.

Peninsula Airways (PenAir) has a hub in Unalaska and provides scheduled and charter service to the surrounding communities and support to the commercial fishing industry. PenAir has four aircraft based in Unalaska. Nikolski is served by Peninsula Airways through the Unalaska hub.

Alaska Airlines will extend service to Adak in the Spring of 2003 with twice weekly service from Anchorage. The date the one-stop service will begin has not yet been determined, but is expected to be in April. Located 1,192 miles from Anchorage and 445 miles

west of Unalaska/Dutch Harbor, Adak will be Alaska Airlines' western-most destination.

The flights, to be operated with Boeing 737-200 aircraft, will provide Adak passenger, cargo, and mail service and operate each Tuesday and Sunday.

Atka has scheduled air services available twice weekly from Unalaska. Float planes or amphibious planes can be chartered, and land in Nazan Bay. Coastal Transportation provides freight service from May to October, and a BIA barge delivers supplies once per year.

Subpart (a)(vii). Common major economic activity

This element is addressed in Section B of this chapter. To avoid redundancy, this will not be addressed in this portion of the report.

Subpart (a)(viii). Racial composition of the populace

In 2000, the population of the area within the Aleutians West Model Borough boundaries is outlined in Table 3-39.[103]

Subpart (a)(ix). Historical links

Communities in the Aleutians West Model Borough boundaries share a history of Aleut and Russian cultures and military presence in the period during and post-World War II. The war resulted in altered economic and settlement patterns in the region.

Subpart (a)(x). Geographic proximity

The communities within the Aleutians West Model Borough boundaries are distributed along a 950 mile chain of islands and are consequently separated by considerable distances.

Table 3-39

Location	Total	White	American Indian/Alaska Native
City of Adak	316	157	111
City of Atka	92	6	74
Attu C.G. Station	20	18	0
Earekson AFS (Shemya)	27	20	3
Nikolski	39	12	27
Other	4	1	3
City of Unalaska including Dutch Harbor)	4,283	1,893	330

Subpart (a)(xi). Dependence on a community for transportation, entertainment, news and professional services

Unalaska is the transportation and service center for the western Aleutians region.

[103] The total shown in the table does not equal the sum of "White" and "American Indian" because other races are represented in the total. In addition, the 2000 census allowed people to claim more than one race.

Subpart (a)(xii). Geographical similarities

The area within the Aleutians West Model Borough boundaries are all located upon islands created by an arc of submarine volcanoes.

Subpart (a)(xiii). Historical economic links

The region shares an economic history involving the pelagic fur trade, fox farming, military activity and commercial fishing.

Subpart (a)(xiv). Compatibility of urban and rural areas within the proposed borough

Unalaska's longstanding role as regional hub for facilities and services helps render it compatible with the smaller, more remote communities in the Aleutians West Model Borough boundaries area.

Subpart (a)(xv). Compatibility of economic lifestyles and industrial or commercial activities

The economies of western Aleutian communities are based upon fishing, fish processing and fisheries support industries.

Subpart (a)(xvi). Existence throughout the proposed borough of customary and simple transportation and communication patterns

Unalaska is the transportation and communication hub of the Western Aleutians.

Subpart (a)(xvii). Extent and accommodation of spoken language differences throughout the proposed borough

Spoken language differences are not evident among the communities in the region. English and the Aleut language predominate.

Subpart (a)(xviii). Coastal Resource Service Area (CRSA)

Regional planning is provided to the region by the Aleutians West CRSA. This program provides local review and approval of coastal development activities for consistency with regional policies.

Subpart (b). Upper Tanana Model Borough

The Upper Tanana Basin Model Borough Boundaries encompass nineteen settlements. These include Chicken (population 17); Alcan Border (population 21); Eagle (population 129); Delta Junction (population 840); Tok (population 1,393); Deltana (population 1,570); Healy Lake (population 37); Northway Junction (population 72); Northway (population 95); Big Delta (population 749); Eagle Village (population 68); Fort Greely (population 461); Mentasta Lake (population 142); Northway Village (population 107); Tanacross (population 140); Dry Creek (population 128); Dot Lake Village (population 38); and Dot Lake (population 19).

Subpart (b)(i). State House District

The Upper Tanana Basin Model Borough lies within portions of two house election districts – State House Election District 6 and State House Election District 12.

Upper Tanana Basin Model Borough localities within State House Election District 6 include Chicken, Deltana, Dot Lake, Dry Creek, Eagle, Fort Greely, Healy Lake, Mentasta Lake, Northway, Tanacross, Tetlin, and Tok. House Election District 6 also includes portions of the Copper River Basin Model Borough. The same district extends into the Yukon Flats, Yukon-Koyukuk, Iditarod, and Kuspuk regions.

Upper Tanana Basin Model Borough localities within State House Election District 12 include Big Delta and Delta Junction. The Prince William Sound Model Borough community of Valdez also lies within State House District 12. Other regions in that election district include the eastern half of the Matanuska-Susitna Borough, western portion of the Upper Tanana Basin Model Borough, and eastern portion of the Fairbanks North Star Borough.

Subpart (b)(ii). ANCSA Regional Native Corporation

All of the territory within the Upper Tanana Model Borough boundaries is within Doyon Corporation region, with the exception of Mentasta Lake. Mentasta Lake lies within the boundaries of the Ahtna region.

Subpart (b)(iii). Regional Housing Authority

The Tanana Chiefs Conference Housing Authority serves the communities within the Upper Tanana Model Borough.

Subpart (b)(iv). Regional Health Corporations

The Tanana Chiefs Conference serves communities within the Upper Tanana Model Borough boundaries.

Subpart (b)(v). Public Safety Service Delivery

The area within the Upper Tanana Model Borough Boundaries is served by Alaska State Troopers' posts based in Delta Junction and Tok.

Subpart (b)(vi). Air transportation

The City of Delta Junction Airport offers a 2,400' gravel airstrip with a 1,600' crosswind strip. Charter flight services are available. An airstrip is available nearby at Delta Junction for chartered or private aircraft. At the City of Eagle, State-owned 4,500' gravel airstrip is available. There is a State-owned 5,100' asphalt runway at Northway, with a FAA station and U.S. Customs office.

Table 3-40

Location	Total	White	American Indian/Alaska Native
Chicken	17	17	-
Alcan Border	21	14	5
Eagle	129	120	8
Delta Junction	840	768	34
Tok	1,393	1,087	179
Deltana	1,570	1,438	14
Healy Lake	37	10	27
Northway Junction	72	30	35
Northway	95	17	68
Big Delta	749	715	11
Eagle Village	68	38	30
Fort Greely	461	303	6
Mentasta Lake	142	41	89
Northway Village	107	2	96
Tanacross	140	12	124
Dry Creek	128	128	-
Dot Lake Village	38	9	22
Dot Lake	19	16	-

Subpart (b)(vii). Common major economic activity

This element is addressed in Section B of this chapter. To avoid redundancy, this will not be addressed in this portion of the report.

Subpart (b)(viii). Racial composition of the populace

In 2000, the population of the area within the Upper Tanana Model Borough boundaries is outlined in Table 3-40 on the previous page.[104]

Subpart (b)(ix). Historical links

Settlements in the area within the Upper Tanana Model Borough boundaries are generally located at historical Athabascan village sites and along transportation routes forged by nineteenth century mineral prospectors.

Subpart (b)(x). Geographic proximity

The region extends from the Canadian Border west to the boundaries of the Fairbanks North Star Borough.

Subpart (b)(xi). Dependence on a community for transportation, entertainment, news and professional services

Tok and Delta Junction are sub-regional hubs for communities within the region.

Subpart (b)(xii). Geographical similarities

Communities in the area encompassed by the Upper Tanana Model Borough boundaries are located along the Alaska, Taylor, and Richardson Highways.

Subpart (b)(xiii). Historical economic links

Transportation routes through the region have contributed to shared economic history among Upper Tanana communities.

Subpart (b)(xiv). Compatibility of urban and rural areas within the proposed borough

Fairbanks is the nearest metropolitan area.

Subpart (b)(xv). Compatibility of economic lifestyles, and industrial or commercial activities

The economies of Upper Tanana communities are based upon government, tourism, and support industries.

Subpart (b)(xvi). Existence throughout the proposed borough of customary and simple transportation and communication patterns

The Alaska, Taylor, and Richardson Highways provide the transportation and communication network of the Upper Tanana region.

[104] The total shown in the table does not equal the sum of "White" and "American Indian" because other races are represented in the total. In addition, the 2000 census allowed people to claim more than one race.

Subpart (b)(xvii). Extent and accommodation of spoken language differences throughout the proposed borough

Spoken language differences are not evident among the communities in the region.

Subpart (b)(xviii). Coastal Resource Service Area (CRSA)

The area within the Upper Tanana Model Borough boundaries is not in a CRSA.

Subpart (c). Copper River Basin Model Borough

The Copper River Basin Model Borough encompasses eighteen localities. These are Paxson (population 43); Tazlina (population 149); Silver Springs (population 130); Copperville (population 179); Slana (population 124); Willow Creek (population 201); Gakona (population 215); Glennallen (population 554); McCarthy (population 42); Copper Center (population 362); Gulkana (population 88); Tonsina (population 92); Kenny Lake (population 410); Chistochina (population 93); Mendeltna (population 63); Chitina (population 123); Nelchina (population 71); and Tolsana (population 27). Brief descriptions of land use and development in each of the Copper River Basin localities follows:

Subpart (c)(i). State House District

The Copper River Basin Model Borough lies within two house election districts – State House Election District 6 and State House Election District 12.

Copper River Basin Model Borough localities within State House Election District 6 include Chistochina, Chitina, Copper Center, Gakona, Gulkana, Kenny Lake, McCarthy, Slana, Tazlina, and Tonsina. House Election District 6 also extends into the Upper Tanana Basin, Yukon Flats, Yukon-Koyukuk, Iditarod, and Kuspuk regions.

Copper River Basin Model Borough localities within State House Election District 12 include Glennallen and Paxson. As noted earlier, the Prince William Sound Model Borough community of Valdez also lies within State House District 12. Other regions in that election district include the eastern half of the Matanuska-Susitna Borough, western portion of the Upper Tanana Basin Model Borough, and eastern portion of the Fairbanks North Star Borough.

Subpart (c)(ii). ANCSA Regional Native Corporation

All of the territory within the Copper River Model Borough boundaries is within the Ahtna Corporation region.

Subpart (c)(iii). Regional Housing Authority

The Copper River Basin Regional Housing Authority serves the communities within the Copper River Basin Model Borough boundaries.

Subpart (c)(iv). Regional Health Corporations

The Copper River Native Association Health Corporation, the Mt. Sanford Tribal Consortium, and the Copper River EMS Council serve communities within the Copper River Basin Model Borough boundaries.

Subpart (c)(v). Public Safety Service Delivery

The Copper River Basin area is served by the Alaska State Troopers' post in Glennallen.

Subpart (c)(vi). Air transportation

There are numerous airstrips scattered throughout the western and northern portions of the Copper River Basin. The eastern half of the region is dominated by the Wrangell Mountains and is generally accessible by floatplane. A State-owned 5,000' paved runway is available at the Gulkana Airport. The State owns the Chitina Airport, with a 2,850' gravel airstrip, 5 miles north of town along the Edgerton Highway. Small aircraft may land at a State-owned 2,060' turf/gravel airstrip at Chistochina. Paxson Lodge owns and maintains a 2,800' gravel airstrip, and float planes can land at Summit Lake.

Subpart (c)(vii). Common major economic activity

This element is addressed in Section B of this chapter. To avoid redundancy, this will not be addressed in this portion of the report.

Subpart (c)(viii). Racial composition of the populace

In 2000, the population of the area within the Copper River Basin Model Borough boundaries is outlined in Table 3-41.[105]

Table 3-41

Location	Total	White	Amer. Indian/Alaska Native
Paxson	43	43	0
Tazlina	149	103	37
Silver Springs	130	112	11
Copperville	179	138	25
Slana	124	100	19
Willow Creek	201	186	11
Gakona	215	162	26
Glennallen	554	472	28
McCarthy	42	42	0
Copper Center	362	174	169
Gulkana	88	23	63
Tonsina	92	78	9
Kenny Lake	410	339	42
Chistochina	93	33	53
Mendeltna	63	58	5
Chitina	123	63	41
Nelchina	71	64	3
Tolsana	27	23	3

Subpart (c)(ix). Historical links

The area was originally settled by Athabaskan people. Mineral resources prompted development in the early twentieth century. Chitina and Copper Center were Athabaskan village sites that became mining camps. A trading post was established in Gakona in 1905, and telegraph stations were established at Chitochina and Gulkana in 1902-03.

[105] The total shown in the table does not equal the sum of "White" and "American Indian" because other races are represented in the total. In addition, the 2000 census allowed people to claim more than one race.

Subpart (c)(x). Geographic proximity

Most communities enjoy road access via the Glenn Highway, the Richardson Highway, the Edgerton Highway, and the Nabesna cut-off. Paxson is about 71 miles north of Glennallen on the Richardson Highway. Gulkana, Gakona, Chistochina and Slana are northeast of Glennallen. Tazlina, Copper Center, Tonsina, Kenny Lake, Lower Tonsina, Chitina and McCarthy are situated along the Richardson or Edgerton Highways south of Glennallen.

Subpart (c)(xi). Dependence on a community for transportation, entertainment, news and professional services

Glennallen is the region's trade and services center.

Subpart (c)(xii). Geographical similarities

Most of the settlements in the region are located in the large basin formed by rivers flowing from the Wrangell Mountains on the southeast, the Chugach Mountains on the south and the Alaska Range to the north. The basin is from 30 to 40 miles wide and about 100 miles long, characterized by low rounded mountains and elongated hills.

Subpart (c)(xiii). Historical economic links

The region's economic history has been influenced by mining, tourism and construction. The cash economy has historically been oriented toward providing services to travelers, initially between Valdez and Fairbanks, and more recently to users of the Glenn and Richardson Highways.

Subpart (c)(xiv). Compatibility of urban and rural areas within the proposed borough

None of the settlements in the region are incorporated as municipalities and the entire area is generally rural. Subsistence activities are evident throughout the region.

Subpart (c)(xv). Compatibility of economic lifestyles, and industrial or commercial activities

The region's economy is characterized by seasonal employment. Year round employment is fairly limited to government, trade and service industries.

Subpart (c)(xvi). Existence throughout the proposed borough of customary and simple transportation and communication patterns

The highway system through the Copper River basin provides relatively efficient access among area communities.

Subpart (c)(xvii). Extent and accommodation of spoken language differences throughout the proposed borough

Spoken language differences are not evident among the communities in the region.

Subpart (c)(xviii). Coastal Resource Service Area (CRSA)

The area is not located in a coastal resource service area.

Subpart (d). Prince William Sound Model Borough

The Prince William Sound Model Borough boundaries encompass five settlements. These are Valdez (population 4,336); Whittier (population 182); Cordova (population 2,454); Chenega (population 86); and Tatitlek (population 107).

Subpart (d)(i). State House District

The Prince William Sound Model Borough communities of Cordova, Chenega, and Tatitlek lie within State House District 5.

As noted above, House Election District 5 stretches from Prince William Sound to the southern tip of the southeast Alaska panhandle (excluding areas in and around Sitka, Juneau, and Ketchikan). Beyond the Prince William Sound Model Borough, the district includes four localities in the Glacier Bay Model Borough (Gustavus, Game Creek, Hoonah, and Tenakee Springs), City and Borough of Yakutat, Haines Borough, unorganized remnant within the model boundaries of the Lynn Canal Model Borough, Chatham Model Borough, unorganized remnant within the model boundaries of the City and Borough of Juneau, much of the Prince of Wales Model Borough (excluding Coffman Cove, Hollis, Port Alexander, and Thorne Bay), much of the unorganized remnant within the model boundaries of the Ketchikan Gateway Borough, and uninhabited portions of the Wrangell-Petersburg Model Borough.

The Prince William Sound community of Valdez lies within State House District 12. Other regions in that election district include the eastern half of the Matanuska-Susitna Borough, western portion of the Copper River Basin Model Borough, western portion of the Upper Tanana Basin Model Borough, and eastern portion of the Fairbanks North Star Borough.

The Prince William Sound community of Whittier lies within State House District 32. That same election district encompasses the southern portion of the Municipality of Anchorage and the northern portion of the Kenai Peninsula Borough.

Subpart (d)(ii). ANCSA Regional Native Corporation

All of the territory within the Prince William Sound Model Borough boundaries is within Chugach Corporation region.

Subpart (d)(iii). Regional Housing Authority

The North Pacific Rim Regional Housing Authority serves the communities within the Prince William Sound Model Borough boundaries.

Subpart (d)(iv). Regional Health Corporation

The Chugachmiut Corporation serves communities within the Prince William Sound Model Borough boundaries.

Subpart (d)(v). Public Safety Service Delivery

The Prince William Sound Model Borough boundaries area is served by Alaska State Troopers' posts in Valdez and Cordova. The Cities of Valdez, Whittier and Cordova all have municipal police departments.

Subpart (d)(vi). Transportation

The Richardson Highway connects Valdez to Anchorage, Fairbanks and Canada. Port Valdez is ice-free year round and is navigated by hundreds of marine oil tankers each year. The State Ferry provides transport to Whittier, Cordova, Kodiak and Seward.

Whittier has an ice-free port and a 70' city dock. A small boat harbor has slips for 360 fishing, recreation and charter vessels. It is served by road, rail, the State ferry, boat and aircraft.

Chenega has a small boat harbor and dock. A new 3,000' gravel runway and float plane landing area are available. Scheduled and chartered flights depart from Cordova, Valdez, Anchorage and Seward.

Cordova offers an airport, harbor, dock and a State ferry landing. It is linked directly to the North Pacific Ocean shipping lanes through the Gulf of Alaska. It receives year-round barge services and State Ferry service. The Merle K. "Mudhole" Smith Airport at mile 13 is State-owned.

Subpart (d)(vii). Common major economic activity

This element is addressed in Section B of this chapter. To avoid redundancy, this will not be addressed in this portion of the report.

Subpart (d)(viii). Racial composition of the populace

In 2000, the population of the area within the Prince William Sound Model Borough boundaries is outlined in Table 3-42.[106]

Table 3-42

Location	Total	White	American Indian/Alaska Native
Valdez	4,336	3,375	290
Whittier	182	144	10
Cordova	2,454	1,745	254
Chenega Bay	19	63	86
Tatitlek	107	15	90

Subpart (d)(ix). Geographic proximity

All of the communities within the Prince William Sound Model Borough boundaries are located on Prince William Sound.

Subpart (d)(x). Dependence on a community for transportation, entertainment, news and professional services

Whittier has strong transportation links to Anchorage. Valdez is accessible to Alaska's road network. Cordova does not have road access to the state's highway network, but is linked to Valdez and Cordova via the Alaska Marine Highway System.

[106] The total shown in the table does not equal the sum of "White" and "American Indian" because other races are represented in the total. In addition, the 2000 census allowed people to claim more than one race.

Subpart (d)(xi). Geographical similarities

All of the communities are coastal settlements with vital interests tied to Prince William Sound.

Subpart (d)(xii). Historical economic links

The region is relatively diverse. Valdez is Alaska's major oil port. The City of Cordova's economy has historically been based on fishing. Whittier was established as a military facility and has developed a local economy based upon the Alaska Railroad and Whittier's deep water port.

Subpart (d)(xiii). Compatibility of urban and rural areas within the proposed borough

Chenega and Tatitlek are subsistence-based villages. Cordova, Valdez and Whittier have diversified economies involving commercial transportation, commercial fishing and tourism.

Subpart (d)(xiv). Compatibility of economic lifestyles, and industrial or commercial activities

Economic lifestyles in the region are relatively diverse. [(See (f)(xiii).]

Subpart (d)(xv). Existence throughout the proposed borough of customary and simple transportation and communication patterns

The Alaska Marine Highway system facilitates access among communities within the Prince William Sound Model Borough boundaries.

Subpart (d)(xvi). Extent and accommodation of spoken language differences throughout the proposed borough

Spoken language differences are not evident among the communities in the region.

Subpart (d)(xvii). Coastal Resource Service Area. (CRSA)

The area is not in a coastal resource service area, but the City of Valdez, the City of Whittier, and the City of Cordova have coastal management districts.

Subpart (e). Glacier Bay Model Borough

The Glacier Bay Model Borough boundaries encompass six settlements. These are Pelican (population 163); Whitestone Logging Camp (population 116); Gustavus (population 429); Tenakee Springs (population 104); Hoonah (population 860); Elfin Cove (population 32); and Game Creek (population 35).

Brief descriptions of land use and development in each of the Glacier Bay Model Borough localities follows:

Subpart (e)(i). State House District

Much of the Glacier Bay Model Borough lies within State House Election District 5. That includes Gustavus, Game Creek, Hoonah, and Tenakee Springs.

House Election District 5 stretches from Prince William Sound to the southern tip of the southeast Alaska panhandle (excluding areas in and around Sitka, Juneau, and Ketchikan).

Other regions within the same election district include part of the Prince

William Sound Model Borough (excluding Valdez and Whittier), City and Borough of Yakutat, Haines Borough, unorganized remnant within the model boundaries of the Lynn Canal Model Borough, Chatham Model Borough, unorganized remnant within the model boundaries of the City and Borough of Juneau, much of the Prince of Wales Model Borough (excluding Coffman Cove, Hollis, Port Alexander, and Thorne Bay), much of the unorganized remnant within the model boundaries of the Ketchikan Gateway Borough, and uninhabited portions of the Wrangell-Petersburg Model Borough.

Two localities in the Glacier Bay Model Borough – Elfin Cove and Pelican – lie within the boundaries of State House Election District 2. Other areas in that election district include the City and Borough of Sitka, inhabited portions of the Wrangell-Petersburg Model Borough (Kupreanof, Petersburg, Thom's Place, and Wrangell) and one locality in the Prince of Wales Model Borough (Port Alexander).

Subpart (e)(ii). ANCSA Regional Native Corporation

All of the territory within the Glacier Bay Model Borough boundaries is within Sealaska Corporation region.

Subpart (e)(iii). Regional Housing Authority

The Tlingit Haida Regional Housing Authority serves the communities within the Glacier Bay Model Borough.

Subpart (e)(iv). Regional Health Corporations

The Southeast Alaska Regional Health Consortium Incorporated serves communities within the Glacier Bay Model Borough boundaries.

Subpart (e)(v). Public Safety Service Delivery

The area within the Glacier Bay Model Borough boundaries is served by the Alaska State Troopers' post in Juneau and the Division of Fish and Wildlife Protection detachment based in Juneau. The City of Hoonah has a police department.

Subpart (e)(vi) .Transportation

Gustavus offers a State-owned airport with jet capability and other scheduled flights. The airport has a 6,700' asphalt runway and is currently undergoing major improvements. Float planes land at nearby Bartlett Cove. Western Pioneer Incorporated provides marine freight service to Gustavus on a monthly basis.

Hoonah is dependent on air transportation for movement of small freight and passengers. The State owns and operates an airport with a 3,000' paved runway and seaplane base that are served by scheduled small aircraft from Juneau. An Alaska Marine Lines barge serves Hoonah on a weekly basis.

Pelican is dependent on float planes and the State Ferry for travel. Daily scheduled air taxi services are available from Juneau and Sitka. Facilities include a State-owned seaplane base, a small boat harbor, dock, and State ferry terminal. Western Pioneer Incorporated provides monthly ship service to Pelican.

Tenakee Springs is dependent on seaplanes and the Alaska Marine Highway for transport. The City owns a seaplane base and heliport, and scheduled or chartered float planes are available from Juneau. Western Pioneer Incorporated has bi-monthly ship service to Tenakee Springs.

Whitestone is accessed by an airport and the State Ferry available at nearby Hoonah.

The Alaska Marine Highway offers ferry service to Kake and Angoon through the M/V LeConte. The system links Hoonah, Pelican and Tenakee with the mainline ports at Sitka and Juneau.

Subpart (e)(vii). Common major economic activity

This element is addressed in Section B of this chapter. To avoid redundancy, this will not be addressed in this portion of the report.

Subpart (e)(viii). Racial composition of the populace

In 2000, the population of the area within the Glacier Bay Model Borough boundaries is outlined in Table 3-43.[107]

Subpart (e)(ix). Historical links

Pelican is a fishing community with a seasonal population influx of commercial fishermen and cold storage plant workers. Elfin Cove is also fishing community.

Hoonah is the largest Tlingit village in Alaska. Commercial fishing and logging have historically supported the Hoonah residents, and most residents maintain a subsistence lifestyle. Whitestone is a logging camp in close proximity to Hoonah. Children from Whitestone attend school in Hoonah.

Tenakee Springs is predominantly a retirement community and summer retreat for Juneau and Sitka residents. Many residents practice a subsistence lifestyle and actively exchange resources with their neighbors.

Table 3-43

Location	Total	White	Amer. Indian/ Alaska Native
Pelican	163	118	35
Whitestone	116	107	3
Gustavus	429	383	18
Tenakee Springs	104	91	3
Hoonah	860	247	521
Elfin Cove	32	30	0
Game Creek	35	31	3

Gustavus is an economically diverse community with a growing population (64 in 1970; 98 in 1980; 258 in 1990; and 429 in 2000). Some Juneau residents maintain recreational homes at Gustavus. The nearby Glacier Bay Park is a major recreation and tourist attraction in southeast Alaska.

Game Creek residents are members of a communal religious community called "The Farm," or "Whitestone Farms."

107 The total shown in the table does not equal the sum of "White" and "American Indian" because other races are represented in the total. In addition, the 2000 census allowed people to claim more than one race.

Subpart (e)(x). Geographic proximity

Pelican, Hoonah, Whitestone, Game Creek, Elfin Cove and Tenakee Springs are on Chichagof Island. Gustavus is on the mainland northwest of Hoonah.

Subpart (e)(xi). Dependence on a community for transportation, entertainment, news and professional services

Juneau is the nearest major city and service center for the settlements in the Glacier Bay Model Borough boundaries.

Subpart (e)(xii). Geographical similarities

All of the communities are coastal settlements.

Subpart (e)(xiii). Historical economic links

The region is relatively diverse. Gustavus and the City of Tenakee Springs are residential/recreational communities. The City of Hoonah is a historic Tlingit village. Pelican is a fishing and fish processing community. Whitestone is a logging camp and Game Creek is a religious commune.

Subpart (e)(xiv). Compatibility of urban and rural areas within the proposed borough

All of the communities in the Glacier Bay Model Borough boundaries area are rural. Subsistence activities are evident throughout the region.

Subpart (e)(xv). Compatibility of economic lifestyles, and industrial or commercial activities

Economic lifestyles in the region are relatively diverse. [(See (d)(xiii).]

Subpart (e)(xvi). Existence throughout the proposed borough of customary and simple transportation and communication patterns

A road links Hoonah and Whitestone Logging Camp, providing simple and customary access between those adjoining localities. Hoonah residents have historically utilized the Glacier Bay area around Gustavus.

Subpart (e)(xvii). Extent and accommodation of spoken language differences throughout the proposed borough

Spoken language differences are not evident among the communities in the region.

Subpart (e)(xviii). Coastal Resource Service Area (CRSA)

The area is not in a coastal resource service area, but Hoonah and Pelican are coastal management districts.

Subpart (f). Chatham Model Borough

The Chatham Model Borough encompasses three localities extending from the northwest Kupreanof Island to north Admiralty Island. These are Kake (population 710); Angoon (population 572); and Cube Cove (population 72).[108] A brief description of

[108] The Cube Cove population figure is from the 2000 census. However, since that time, logging operations have ceased at Cube Cove and the local school has been closed.

social, cultural and economic characteristics of Chatham localities follows:

Subpart (f)(i). State House District

All of the inhabited localities in the Chatham Model Borough and the now-closed Cube Cove logging camp lie within State House Election District 5.

Subpart (f)(ii). ANCSA Regional Native Corporation

All of the territory within the Chatham Model Borough boundaries is within Sealaska Corporation region.

Subpart (f)(iii). Regional Housing Authority

The Tlingit Haida Regional Housing Authority serves the communities within the Chatham Model Borough.

Subpart (f)(iv). Regional Health Corporations

The Southeast Alaska Regional Health Consortium Incorporated serves communities within the Chatham Model Borough boundaries.

Subpart (f)(v). Public Safety Service Delivery

The Chatham area is served by Alaska State Troopers' post in Juneau and the Division of Fish and Wildlife Protection detachment based in Juneau. The Kake Police Department operates under the City of Kake and exercises contract agreements between the U.S. Forest Service and Kake Tribal Corporation. With these contracts the Kake Police Department has authority throughout Kupreanof Island. The City of Angoon has a police department.

Subpart (f)(vi). Transportation.

The Alaska Marine Highway offers ferry service to Kake and Angoon through the M/V LeConte. The system links Kake, Angoon, Hoonah, Pelican and Tenakee with mainline ports at Sitka and Juneau.

The M/V LeConte typically operates on the following weekly sailing pattern during summer months: Sitka - Angoon -Tenakee - Hoonah - Juneau - Hoonah - Tenakee - Angoon - Sitka - Kake - Petersburg - Kake - Sitka - Angoon - Hoonah - Juneau - Hoonah - Angoon - Kake - Petersburg - Kake - Angoon - Tenakee - Hoonah - Juneau - Hoonah - Tenakee - Angoon - Sitka.

During the winter months, any time either the M/V Aurora or M/V LeConte is off-line for an extended period of time (overhaul, refurbishment projects or lay-up for budgetary reasons), the other vessel must serve all the inter-island ports.

The winter route incorporates the following typical weekly sailing pattern: Sitka - Angoon - Tenakee - Hoonah - Juneau - Hoonah - Tenakee - Angoon - Sitka - Kake - Petersburg - Hollis - Ketchikan - Metlakatla - Ketchikan - Hollis -

Ketchikan - Metlakatla - Ketchikan - Hollis - Ketchikan - Petersburg - Kake - Sitka - Angoon - Hoonah - Juneau - Haines - Skagway - Haines - Juneau - Hoonah - Tenakee - Angoon - Sitka.

Angoon has daily scheduled air service from Juneau. Angoon does not receive barge service. Kake receives weekly barge service from Alaska Marine Lines.

Subpart (f)(vii). Common major economic activity

This element is addressed in Section B of this chapter. To avoid redundancy, this will not be addressed in this portion of the report.

Subpart (f)(viii). Racial composition of the populace

In 2000, the population of the area within the Chatham Model Borough boundaries is outlined in Table 3-44.[109]

Subpart (f)(ix). Historical links

Angoon has been home to the Kootznoowoo Tlingits since early times and remains predominately Tlingit. Kake is also a Tlingit community. Cube Cove was developed as a logging camp.

Subpart (f)(x). Geographic proximity

Cube Cove and Angoon are both on the western shore of Admiralty Island. Cube Cove is 26 miles north of Angoon. Kake is located on the northwest coast of Kupreanof Island along Keku Strait.

Table 3-44

Location	Total	White	American Indian/ Alaska Native
Angoon	572	65	469
Cube Cove*	72	71	1
Kake	710	171	474
(The population of Cube Cove has decreased since the 2000 census due to cessation of logging operations in the area.)			

Subpart (f)(xi). Dependence on a community for transportation, entertainment, news and professional services

Angoon, Cube Cove and Kake are largely dependent upon Juneau for transportation and professional services.

Subpart (f)(xii). Geographical similarities

Angoon, Kake and Cube Cove are all island coastal settlements.

Subpart (f)(xiii). Historical economic links

The timber and fishing industries in the region have contributed to shared economic history among Chatham communities.

Subpart (f)(xiv). Compatibility of urban and rural areas within the proposed borough

Juneau has a longstanding role as regional hub for facilities and services in the Chatham Model Borough area.

Subpart (f)(xv). Compatibility of economic lifestyles, and industrial or commercial activities

The economies of Chatham communities are based upon fishing, logging, and support industries.

[109] The total shown in the table does not equal the sum of "White" and "American Indian" because other races are represented in the total. In addition, the 2000 census allowed people to claim more than one race.

Subpart (f)(xvi). Existence throughout the proposed borough of customary and simple transportation and communication patterns

Juneau is the transportation and communication hub of the Chatham region.

Subpart (f)(xvii). Extent and accommodation of spoken language differences throughout the proposed borough

Spoken language differences are not evident among the communities in the region.

Subpart (f)(xviii). Coastal Resource Service Area (CRSA)

The area within the Chatham Model Borough boundaries is not in a CRSA, although Angoon and Kake have Coastal Management Districts.

Subpart (g). Prince of Wales Model Borough

The Prince of Wales Model Borough Model Borough boundaries encompass thirteen localities. These are Edna Bay (population 49); Whale Pass (population 58); Coffman Cove (population 199); Thorne Bay (population 557); Craig (population 1,397); Kasaan (population 39); Hollis (population 139); Naukati Bay (population 135); Port Alexander (population 81); Klawock (population 854); Point Baker (population 35); Port Protection (population 63); and Hydaburg (population 382).

Subpart (g)(i). State House District

Most of the Prince of Wales Model Borough localities lie within State House Election District 5. Those include Craig, Edna Bay, Hydaburg, Kasaan, Klawock, Naukati Bay, Point Baker, Port Protection, and Whale Pass.

As noted above, House Election District 5 stretches from Prince William Sound to the southern tip of the southeast Alaska panhandle (excluding areas in and around Sitka, Juneau, and Ketchikan).

Other regions within the same election district include part of the Prince William Sound Model Borough (excluding Valdez and Whittier), City and Borough of Yakutat, Haines Borough, unorganized remnant within the model boundaries of the Lynn Canal Model Borough, the Glacier Bay Model Borough localities of Gustavus, Game Creek, Hoonah, and Tenakee Springs, Chatham Model Borough, unorganized remnant within the model boundaries of the City and Borough of Juneau, much of the unorganized remnant within the model boundaries of the Ketchikan Gateway Borough, and uninhabited portions of the Wrangell-Petersburg Model Borough.

Three localities in the Prince of Wales Model Borough – Coffman Cove, Hollis, and Thorne Bay – lie within the boundaries of State House Election District 1. That district also encompasses the Ketchikan Gateway Borough and Meyers Chuck, which is located in the unorganized remnant within the model boundaries of the Ketchikan Gateway Borough.

One locality in the Prince of Wales Model Borough – Port Alexander – lies within the boundaries of State House Election District 2. Other areas within that election district include two

localities in the Glacier Bay Model Borough (Elfin Cove and Pelican), the City and Borough of Sitka, and inhabited portions of the Wrangell-Petersburg Model Borough (Kupreanof, Petersburg, Thom's Place, and Wrangell).

Subpart (g)(ii). ANCSA Regional Native Corporation

All of the territory within the Prince of Wales Island Model Borough boundaries is within Sealaska Corporation region.

Subpart (g)(iii). Regional Housing Authority

The Tlingit Haida Regional Housing Authority serves the communities within the Prince of Wales Island Model Borough boundaries.

Subpart (g)(iv). Regional Health Corporations

The Southeast Alaska Regional Health Consortium Incorporated serves communities within the Prince of Wales Island Model Borough boundaries.

Subpart (g)(v). Public Safety Service Delivery

The Prince of Wales Island Model Borough boundaries area is served by the Alaska State Troopers' post in Klawock. The City of Craig and the City of Klawock have municipal police departments.

Subpart (g)(vi). Transportation

The island has roughly 1,500 miles of roads, most of them logging roads. Paved or gravel highways connect the island's larger communities of Craig, Klawock, Hydaburg, Thorne Bay and Kasaan. The Inter-Island Ferry Authority provides daily ferry service between Ketchikan and Hollis. Barge service is provided to Hollis twice per week by Alaska Marine Lines. Barge service is provided by Boyer Barge Lines to Thorne Bay on a weekly basis. The only airstrip on Prince of Wales Island is located at Klawock, with a 5,000' paved runway. Scheduled air transportation to Ketchikan is available from the Klawock airport. A State-owned seaplane base at Klawock Inlet and a U.S. Coast Guard heliport are maintained in Craig. Western Pioneer provides marine freight service to Craig on a monthly basis.

The State owns and operates a seaplane base in Hydaburg, with a FAA-designated approach. Scheduled flights from Hydaburg connect in Ketchikan.

Kasaan can be accessed by float plane and boat. A State-owned seaplane base accommodates charter flights and air freight services from Ketchikan.

Point Baker is accessible by float plane, helicopter, barge and skiff. A State-owned seaplane base and heliport serves chartered flights from Ketchikan. The community has a dock and boat harbor.

The Alaska State Ferry System is accessible from Hollis. Float planes and boats are also prevalent means of transportation. The Whale Pass Homeowner's Assoc. operates the State-owned seaplane base, dock and boat slips.

Subpart (g)(vii). Common major economic activity

This element is addressed in Section B of this chapter. To avoid redundancy,

this will not be addressed in this portion of the report.

Subpart (g)(viii). Racial composition of the populace

In 2000, the population of the area within the Glacier Bay Model Borough boundaries as outlined in Table 3-45.[110]

Subpart (g)(ix). Historical links

Historically, Tlingit and Haida Indians utilized the Craig area – originally called Fish Egg Island – to harvest herring roe in the spring. Later, they established a fish camp at the site.

A cannery was established in Klawock in 1878 and a cannery was established in Craig in 1908. Ketchikan Pulp Mill began large scale operations during the 1950's and roads and camps developed by that enterprise became the basis for the current Prince of Wales road network and present settlements, including the City of Thorne Bay and the City of Coffman Cove.

Subpart (g)(x). Geographic proximity

All of the communities in the Prince of Wales Island Model Borough boundaries are on Prince of Wales Island, with the exception of Port Alexander, which is located on Baranof Island.

Subpart (g)(xi). Dependence on a community for transportation, entertainment, news and professional services.

Ketchikan is the nearest major city and service center for the settlements in the Prince of Wales Island Model Borough boundaries.

Table 3-45

Location	Total	White	American Indian / Alaska Native
Edna Bay	49	49	0
Whale Pass	58	56	2
Coffman Cove	199	181	12
Thorne Bay	557	515	16
Craig	1,397	937	303
Kasaan	39	24	19
Hollis	139	127	7
Naukati Bay	135	117	13
Port Alexander	81	68	4
Klawock	854	350	435
Point Baker	35	32	1
Port Protection	63	55	7
Hydaburg	382	36	325

Subpart (g)(xii). Geographical similarities

The communities within the Prince of Wales Model Borough boundaries share attributes. Hatcheries in all communities provide for jobs and help

[110] The total shown in the table does not equal the sum of "White" and "American Indian" because other races are represented in the total. In addition, the 2000 census allowed people to claim more than one race.

stabilize the fishing economy. Craig serves as a transportation center for the island.

Subpart (g)(xiii). Historical economic links

Many of the newer communities on Prince of Wales Island were established as Ketchikan Pulp Company logging camps and the road network on the island was largely constructed with federal timber road credits.

Subpart (g)(xiv). Compatibility of urban and rural areas within the proposed borough

All of the communities in the Prince of Wales Model Borough boundaries area are largely rural. Subsistence activities are evident throughout the region.

Subpart (g)(xv). Compatibility of economic lifestyles, and industrial or commercial activities

Economic lifestyles in the region are relatively diverse. [(See (e)(xiii).]

Subpart (g)(xvi). Existence throughout the proposed borough of customary and simple transportation and communication patterns

Prince of Wales Island communities rely heavily on the Alaska Marine Highway System for transportation and marine barges for freight. There is an extensive road system that connects island communities to each other and to air and marine transportation facilities.

Subpart (g)(xvii). Extent and accommodation of spoken language differences throughout the proposed borough

Spoken language differences are not evident among the communities in the region.

Subpart (g)(xviii). Coastal Resource Service Area (CRSA)

The area is not in a coastal resource service area, but Craig, Hydaburg, Klawock and Thorne Bay are coastal management districts.

Subpart (h). Wrangell-Petersburg Model Borough.

The Wrangell-Petersburg Model Borough encompasses four localities. These are Kupreanof (population 23); Petersburg (population 3,224); Wrangell (population 2,308); and Thom's Place (population 22). A brief description social, cultural and economic ties between each of those localities follows:

Subpart (h)(i). State House District

All four localities in the Wrangell-Petersburg Model Borough (Kupreanof, Petersburg, Thom's Place, and Wrangell) lie within the boundaries of State House Election District 2. Other areas within that same election district include two localities in the Glacier Bay Model Borough (Elfin Cove and Pelican), the City and Borough of Sitka, and one locality in the Wrangell-Petersburg Model Borough (Port Alexander)

Subpart (h)(ii). ANCSA Regional Native Corporation

All of the territory within the Wrangell-Petersburg Island Model Borough boundaries is within Sealaska Corporation region.

Subpart (h)(iii). Regional Housing Authority

The Tlingit Haida Regional Housing Authority serves the communities within the Wrangell-Petersburg Island Model Borough boundaries.

Subpart (h)(iv). Regional Health Corporations

The Southeast Alaska Regional Health Consortium Incorporated serves communities within the Prince of Wales Island Model Borough boundaries.

Subpart (h)(v). Public Safety Service Delivery

The Wrangell-Petersburg Model Borough boundaries area is served by Alaska State Troopers' posts in Wrangell and Petersburg. The City of Wrangell and the City of Petersburg have municipal police departments.

Subpart (h)(vi) Transportation

Petersburg is accessed by air and water. It is on the mainline State ferry route. The State-owned James A. Johnson Airport and Lloyd R. Roundtree Seaplane Base (on the Wrangell Narrows) allow for scheduled jet and float plane services. The Alaska Marine Highway system, twice-weekly barge and chartered air service also provide transportation links.

Wrangell is accessible by air and water. The State-owned 6,000' paved lighted runway enables jet service. A seaplane base is adjacent to the runway. Scheduled air taxi services are also available. The marine facilities include a breakwater and deep draft moorage. Wrangell receives barge service twice per week.

Table 3-46

Location	Total	White	American Indian/Alaska Native
Wrangell	2,308	1,696	358
Petersburg	3,224	2,632	232
Thom's Place	22	19	3
Kupreanof	22	21	-

Thom's Place is connected by road to Wrangell. Residents have access to Wrangell's airport, seaplane base, State Ferry service, and port with moorage.

Subpart (h)(vii). Common major economic activity

This element is addressed in Section B of this chapter. To avoid redundancy, this will not be addressed in this portion of the report.

Subpart (h)(viii). Racial composition of the populace

In 2000, the population of the area within the Wrangell-Petersburg Model Borough boundaries is outlined in Table 3-46.[111]

[111] The total shown in the table does not equal the sum of "White" and "American Indian" because other races are represented in the total. In addition, the 2000 census allowed people to claim more than one race.

Subpart (h)(ix). Geographic proximity

Petersburg is on Mitkof Island and Wrangell is located on the northern tip of Wrangell Island, near the mouth of the Stikine River.

Subpart (h)(x). Dependence on a community for transportation, entertainment, news and professional services

Wrangell and Petersburg serve as transportation and service centers for the communities of Thoms' Place and Kupreanof.

Subpart (h)(xi). Geographical similarities

The communities within the Wrangell-Petersburg Model Borough boundaries share attributes in that all are coastal communities. However, Wrangell's geography is tied to the nearby Stikine River, a historic trade route to the Canadian Interior.

Subpart (h)(xii). Historical economic links

The timber industry was an important mainstay of the Wrangell economy. However, the Alaska Pulp Co. of Wrangell closed down in 1994.

Petersburg's economy has been based on commercial fishing and timber harvests. Petersburg is one of the top-ranking fishing ports in the U.S. for the quality and value of fish landed. In 2000, gross fishing revenues of residents reached nearly $22 million.

Subpart (h)(xiii). Compatibility of urban and rural areas within the proposed borough

The unincorporated community of Thom's place is linked by road to Wrangell. The City of Kupreanof is proximate to the City of Petersburg and residents of Kupreanof are dependent upon Petersburg for goods and services.

Subpart (h)(xiv). Compatibility of economic lifestyles, and industrial or commercial activities

Economic lifestyles in the region are relatively diverse. [(See (e)(xiii)]

Subpart (h)(xv). Existence throughout the proposed borough of customary and simple transportation and communication patterns

Wrangell-Petersburg communities rely heavily on the Alaska Marine Highway System for transportation and marine barges for freight.

Subpart (h)(xvi). Extent and accommodation of spoken language differences throughout the proposed borough

Spoken language differences are not evident among the communities in the region.

Subpart (h)(xvii). Coastal Resource Service Area. (CRSA)

The area is not in a coastal resource service area, but Wrangell and Petersburg are coastal management districts.

Part 2. Multiple Communities

State law (3 AAC 110.040(b)) establishes a formal presumption that a region must encompass multiple communities in order to meet the standards for borough incorporation.[112] This part of the report addresses the number of communities in each of the eight unorganized areas under review.

For purposes of the Local Boundary Commission, the term "community" is defined in 3 AAC 110.990(5) as "a social unit comprised of 25 or more permanent residents as determined under 3 AAC 110.920."[113]

By law, any city government is a community.[114] The legislature has also defined an unincorporated community in the unorganized borough for purposes of State revenue sharing. Specifically, AS 29.60.140(b) provides that, " 'unincorporated community' means a place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit." DCED has adopted a definition of "social unit" in 3 AAC 130.093 which is similar to the

[111] The total shown in the table does not equal the sum of "White" and "American Indian" because other races are represented in the total. In addition, the 2000 census allowed people to claim more than one race.

[112] 3 AAC 110.045(b) states, "Absent a specific and persuasive showing to the contrary, the commission will presume that a sufficient level of interrelationship cannot exist unless there are at least two communities in the proposed borough."

[113] 3 AAC 110.920 states as follows:

(a) In determining whether a settlement comprises a community, the commission may consider relevant factors, including whether the

(1) settlement is inhabited by at least 25 individuals;

(2) inhabitants reside permanently in a close geographical proximity that allows frequent personal contacts and comprise a population density that is characteristic of neighborhood living; and

(3) inhabitants residing permanently at a location are a discrete and identifiable social unit, as indicated by such factors as school enrollment, number of sources of employment, voter registration, precinct boundaries, permanency of dwelling units, and the number of commercial establishments and other service centers.

(b) Absent a specific and persuasive showing to the contrary, the commission will presume that a population does not constitute a community if

(1) public access to or the right to reside at the location of the population is restricted;

(2) the population is adjacent to a community and is dependent upon that community for its existence; or

(3) the location of the population is provided by an employer and is occupied as a condition of employment primarily by persons who do not consider the place to be their permanent residence.

[114] See AS 29.05.011, AS 29.05.021, 3 AAC 110.005, and Chapter 2 of this report.

definition adopted by the Commission under 3 AAC 110.920.[115]

An unincorporated community in the unorganized borough that is eligible for State revenue sharing is also qualified to received capital matching grants under AS 37.06.020(b) and 3 AAC 155.160(6).

The following classifies the communities and settlements in each of the eight unorganized areas under review according to whether they are (1) incorporated city governments, (2) unincorporated communities qualified to receive State revenue sharing and capital matching grants, or (3) other localities.

Subpart (a). Aleutians West Model Borough

The Aleutians West Model Borough encompasses three city governments and one formally recognized unincorporated community. Thus, the region contains multiple communities in satisfaction of the standard set out in 3 AAC 110.040(b). Those communities and other localities are listed below.

Incorporated City Governments

- City of Adak (second class city); population: 316
- City of Atka (second class city), population: 92
- City of Unalaska (first class city); population: 4,283

[115] 3 AAC 130.093 provides as follows:

(a) Persons residing in a place in the unorganized borough are considered to be a social unit for the purposes of state aid to unincorporated communities under AS 29.60.140 if the following criteria are met:

(1) the geographic area in which the persons reside is not disproportionate in size to that number of persons; in determining whether this standard has been met the director will consider the physical topography of the area, the use of the land, land ownership patterns, and other factors that could affect population density; an area with a population density of at least 14 persons per square mile is considered to have met this standard;

(2) persons residing in that area are a discrete and identifiable unit in determining whether this standard has been met, the director will consider school enrollment, sources of employment, voter registration, and the permanency of dwelling units; if the area has at least one commercial establishment, and if persons residing in the area do so in permanent dwelling units and their children are enrolled in an operating school in or near the area, this standard is considered to have been met.

(b) Persons residing in the following places in the unorganized borough are not considered to be a social unit for purposes of eligibility for an entitlement under AS 29.60.140 :

(1) a place where public access is restricted, including restrictions on the right to move to the place and reside there;

(2) a place that is contiguous to a municipality and is dependent upon the municipality to the extent that it exists only because the municipality exists;

(3) a place provided by an employer which is populated totally by persons who are required to reside there as a condition of their employment and who do not consider the place to be their permanent place of residence.

Unincorporated Communities Qualified to Receive State Revenue Sharing and Capital Matching Grants

- Nikolski; population: 39

Other Localities

- Attu Station; population: 20
- Shemya; population: 27

Subpart (b). Upper Tanana Basin Model Borough

The Upper Tanana Basin Model Borough encompasses two city governments and ten formally recognized unincorporated communities. Thus, the region contains multiple communities in satisfaction of the standard set out in 3 AAC 110.040(b). Those communities and other localities are listed below.

Incorporated City Governments

- Delta Junction; (second class city) population: 840
- Eagle; (second class city) population: 129

Unincorporated Communities Qualified to Receive State Revenue Sharing and Capital Matching Grants

- Deltana[116]; population: 1,570
- Dot Lake Village; population: 38
- Dry Creek; population: 128
- Eagle Village; population: 68
- Healy Lake; population: 37
- Mentasta Lake; population: 142
- Northway; population: 95
- Tanacross; population: 140
- Tetlin; population: 117
- Tok; population: 1,393

Other Localities

- Alcan Border; population: 21
- Big Delta; population: 749
- Chicken; population: 17
- Dot Lake; population: 19
- Fort Greely; population: 461
- Northway Junction; population: 72
- Northway Village; population: 107

Subpart (c). Copper River Basin Model Borough

The Copper River Basin Model Borough encompasses thirteen formally recognized unincorporated communities.[117] Thus, the region contains multiple communities in satisfaction of the standard set out in 3 AAC 110.040(b). Those communities and other localities are listed below.

[116] Deltana is a state revenue sharing recipient. However, although its sprawling, loosely defined, boundaries suggest an organization that is more regional in nature than a discreet community.

[117] Nelchina and Mendeltna are considered one community for purposes of the State Revenue Sharing program. Nelchina has 63 residents and Mendeltna has 71.

Unincorporated Communities Qualified to Receive State Revenue Sharing and Capital Matching Grants.

- Chistochina; population: 93
- Chitina; population: 123
- Gakona; population: 215
- Glennallen; population: 554
- Gulkana; population: 88
- Kenny Lake; population: 410
- McCarthy; population: 42
- Nelchina/Mendeltna; population: 134
- Paxson; population: 43
- Silver Springs; population: 130
- Slana; population: 124
- Tazlina; population: 149
- Tolsona; population: 27

Other Localities

- Copper Center; population: 362
- Copperville; population: 179
- Tonsina; population: 92
- Willow Creek; population: 201

Subpart (d). Prince William Sound Model Borough

The Prince William Sound Model Borough encompasses three city governments and two formally recognized unincorporated communities. Thus, the region contains multiple communities in satisfaction of the standard set out in 3 AAC 110.040(b). Those communities and other localities are listed below.

Incorporated City Governments

- Cordova; (home rule city) population: 2,454
- Valdez; (home rule city) population: 4,036
- Whittier; (second class city) population: 182

Unincorporated Communities Qualified to Receive State Revenue Sharing and Capital Matching Grants

- Chenega Bay; population: 86
- Tatitlek; population: 107

Subpart (e). Glacier Bay Model Borough

The Glacier Bay Model Borough encompasses three city governments and two formally recognized unincorporated communities. Thus, the region contains multiple communities in satisfaction of the standard set out in 3 AAC 110.040(b). Those communities and other localities are listed below.

Incorporated City Governments

- Hoonah; (first class city) population: 860
- Pelican; (first class city) population: 163
- Tenakee Springs; (second class city) population: 104

Unincorporated Communities Qualified to Receive State Revenue Sharing and Capital Matching Grants

- Elfin Cove; population: 32
- Gustavus; population: 429

Other Localities

- Game Creek; population: 35

- Whitestone Logging Camp; population: 116

Subpart (f). Chatham Model Borough

The Chatham Model Borough encompasses two city governments and Cube Cove, which was recognized as an unincorporated community in the 2000 census. However, since the census, the Cube Cove logging camp was closed. However, the region still contains multiple communities in satisfaction of the standard set out in 3 AAC 110.040(b). Those communities and other locality are listed below.

Incorporated City Governments

- Angoon; (second class city) population: 572
- Kake; (first class city) population: 710

Other Localities

- Cube Cove; population: 72 (logging camp closed following 2000 census)

Subpart (g). Prince of Wales Model Borough

The Prince of Wales Model Borough encompasses seven city governments and six formally recognized unincorporated communities. Thus, the region contains multiple communities in satisfaction of the standard set out in 3 AAC 110.040(b). Those communities and other localities are listed below.

Incorporated City Governments

- Coffman Cove; (second class city) population: 199
- Craig; (first class city) population: 1,397
- Hydaburg; (first class city) population: 382
- Kasaan; (second class city) population: 39
- Klawock; (first class city) population: 854
- Port Alexander; (second class city) population: 81
- Thorne Bay; (second class city) population: 557

Unincorporated Communities Qualified to Receive State Revenue Sharing and Capital Matching Grants

- Edna Bay; population: 49
- Hollis; population: 139
- Naukati Bay; population: 135
- Point Baker; population: 35
- Port Protection; population: 63
- Whale Pass; population: 58

Subpart (h). Wrangell Petersburg Model Borough

The Wrangell Petersburg Model Borough encompasses three city governments. Thus, the region contains multiple communities in satisfaction of the standard set out in 3 AAC 110.040(b). Those cities and the other locality are listed below.

Incorporated City Governments

- Kupreanof; (second class city) population: 23
- Petersburg; (home rule city) population: 3,224

- Wrangell; (home rule city) population: 2,308

Other Locality

- Thom's Place; population: 22

Part 3. Communications and Exchange

As indicated in Chapter 2, the borough standards established in law (AS 29.05.031(a)(4) and 3 AAC 110.045(c)-(d)) require that the communications media and the land, water, and air transportation facilities in a region must allow for the level of communications and exchange necessary to develop an integrated borough government.[118]

Subpart (a). Transportation

This portion of the report presents an overview of transportation in the eight unorganized areas under review (subparts (b)-(i)).[119]

Subpart (a)(i). Aleutians West Model Borough

The Aleutians West Model Borough extends westerly from the western boundary of the Aleutians East Borough to the end of the Aleutians Islands. The Aleutians West Model Borough encompasses six localities. These are Adak (population 316); Atka (population 92); Attu Station (population 20); Nikolski (population 39); Shemya (population 27); and Unalaska (population 4,283). Aviation is the principle means of transporting people to communities in the area. The U.S. Postal Service Bypass Mail program provides a great deal of the region's freight and passenger service. Bulkier, heavier materials like dry goods, fuel and building materials are carried to the region by water. Area communities depend on ports and harbors, as well as barge transfer sites for commercial freight deliveries. Over the past seven years, the Aleutians West region received $71.4 million for transportation-related capital improvement projects. Ports and harbors received 55%, or $39 million;

[118] AS 29.05.031(a)(4) states. "An area that meets the following standards may incorporate as a home rule, first class, or second class borough, or as a unified municipality:… (4) land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government." 3 AAC 110.045(c) provides that, "The communications media and the land, water, and air transportation facilities throughout the proposed borough must allow for the level of communications and exchange necessary to develop an integrated borough government. In this regard, the commission may consider relevant factors, including (1) transportation schedules and costs; (2) geographical and climatic impediments; (3) telephonic and teleconferencing facilities; and (4) electronic media for use by the public." Lastly, 3 AAC 110.045(d) provides that, "Absent a specific and persuasive showing to the contrary, the commission will presume that communications and exchange patterns are insufficient unless all communities within a proposed borough are connected to the seat of the proposed borough by a public roadway, regular scheduled airline flights on at least a weekly basis, regular ferry service on at least a weekly basis, a charter flight service based in the proposed borough, or sufficient electronic media communications."

[119] The regional transportation summaries presented here are adapted from the Alaska Economic Information System provided by the Alaska Department of Community and Economic Development at: http://www.dced.state.ak.us/cbd/AEIS/AEIS_Home.htm The summaries of the transportation links and facilities of the localities are adapted from the Alaska Community Data Base maintained by the Alaska Department of Community and Economic Development at: http://www.dced.state.ak.us/cbd/commdb/CF_CIS.htm.

roads received 29%, or $20 million; and airports received 16% of the total, or $11.8 million.

Communities are focusing on improvements to existing airports - specifically runway lengths — rather than on building more airports. Future priorities are: widening and lengthening runways to a minimum of 3,300 feet; implementing runway surface improvements, adding new lighting, and expanding runway safety areas.

Tug and barge operations based at Unalaska/Dutch Harbor directly affect the six regional villages that depend on barge traffic for almost all their supplies and heating oil. Unalaska also serves as an important freight transshipment center for finished seafood products destined for overseas markets. During the summer, barges bring fuel, construction materials, and large consumer goods to the region. Private companies such as Coastal Transportation and Western Pioneer provide the majority of freight service in the area. Ocean barges from Seattle, Anchorage or Kodiak owned by Horizon Lines, LLC (formally SeaLand) and American President Line also deliver supplies to communities along the coast. Upgrading existing barge facilities and building new facilities could improve water and land-related transportation activities in the area by increasing the frequency of trips in the region with vessels capable of handling more freight.

A brief description of transportation in each of the Aleutians West localities follows:

Adak. Mitchell Field has two 7,800' paved runways at 19' elevation, and a control tower. Scheduled air service is currently provided by PenAir, but Alaska Airlines plans to begin jet service in April 2003. There are three deep-water docks, fueling facilities, approximately 16 miles of paved roads, and other gravel and dirt roads.

Atka. Atka has a State-owned 3,100' lighted gravel runway. Scheduled air services are available twice weekly from Unalaska. Float planes or amphibious planes can be chartered, and land in Nazan Bay. Coastal Transportation provides freight service from May to October, and a BIA barge delivers supplies once per year. A new dock and port facility, operated by the City, were recently completed at the fish processing plant, 5 miles from town.

Attu. Attu is a U.S. Coast Guard Station. The Casco Cove Airport has a 5,800' paved runway, maintained by the Coast Guard. The airstrip is authorized for public use only in an emergency; all others must obtain permission from the U.S. Coast Guard 17th District, located in Juneau (907-392-3315).

Nikolski. Nikolski has a 3,500' unlighted gravel runway which provides passenger, mail and cargo service. The airstrip is owned by the U.S. Air Force. It has no landing or port facilities for ships. Barges deliver cargo once or twice a year.

Shemya. Earekson Air Force Station (Shemya) has been closed. Earekson Air Force Station once maintained a seaplane landing facility. It is restricted to military craft or emergency landings.

Unalaska. Daily scheduled flights serve the community at the State-owned 3,900' paved runway. A

seaplane base is also available. The State ferry operates semi-monthly from Kodiak between April and October. There are ten major docks in Unalaska and the City operates three. A refurbished World War II sub dock offers ship repair services. The International Port of Dutch Harbor serves fishing vessels and shipping with 5,200 feet of moorage and 1,232 feet of floating dock. The small boat harbor provides 238 moorage slips. The Corps of Engineers plan to make harbor improvements and to develop a second small boat harbor in South Channel, Iliuliuk Bay, called "Little South America." A $9 million 500-ft. extension to the Marine Center dock is substantially complete.

Subpart (a)(ii). Upper Tanana Basin Model Borough

The Upper Tanana Model Borough lacks ports and rail connections and relies instead on road and air linkages. Fairbanks International Airport serves as the regional air hub.

Mail and perishable food typically move by air and the U.S. Postal Service Bypass Mail program provides most of the freight and passenger service. Bulkier, heavier materials like dry goods, fuel, and building materials arrive by road. The City of Eagle is located on the Taylor Highway 12 miles west of the Alaska-Canadian border.

The Upper Tanana Basin Model Borough Boundaries encompass nineteen settlements. These include Chicken (population 17); Alcan Border (population 21); Eagle (population 129); Dot Lake (population 19); Delta Junction (population 840); Tok (population 1,393); Deltana (population 1,570); Healy Lake (population 37); Northway Junction (population 72); Northway (population 95); Northway Village (population 107); Big Delta (population 749); Eagle Village (population 68); Fort Greely (population 461); Mentasta Lake (population 142); Tanacross (population 140); Dry Creek (population 128); Dot Lake Village (population 38); and Dot Lake (population 19).

Chicken. Chicken is accessible by road, from Tok via the Taylor Highway, or Dawson City in the Yukon Territory via the Top of the World Highway only during the summer months.

Alcan Border. The Alaska-Canada Highway connects Alaska through Whitehorse, Yukon, Canada to the continental United States, and through Tok to Fairbanks or Anchorage. An airstrip is available.

Eagle. Eagle has summer only access to the state highway system and Canada via the Taylor ("Top of the World") Highway. A State-owned 4,500' gravel airstrip exists, and the majority of the flights originate from Fairbanks and Tok. Float planes land on the Yukon River. There is no dock, but a public boat landing is available. During the summer, a ferry is available between Dawson City, Canada and Eagle on the Yukon River.

Dot Lake. Dot Lake lies along the Alaska Highway. Commercial truck or buses deliver supplies. Delta Junction and Tok are closest communities with public airstrips and recently, a privately owned runway in Dot Lake was converted to a helicopter landing pad. Snowmachines and ATVs are used for local transportation. Dot Lake located over two miles from the Tanana, is only is accessible by road. Residents use riverboats for fishing and hunting.

Delta Junction. Delta Junction is accessible by the Alaska and Richardson Highways. Buses provide transportation to Fairbanks and Whitehorse. The City Airport includes a rudimentary 2,400' grass/dirt runway and charter flight services are available. The runway is adjacent to housing subdivision and is constrained on both ends by the Richardson Highway and Trans-Alaska Pipeline. The runway does not meet FAA standards. Moreover, there is no room for safety improvements or expansion. There are five other privately-owned airstrips in the vicinity. Consideration is presently being given to a joint civilian/military use of Allen Army Airfield at Fort Greely. The possibility of a railroad spur to Fort Greely is also under consideration.

Tok. Tok is directly accessible to Anchorage and Fairbanks because of its location at the junction of two highways (the Richardson and the Glenn/Tok Cutoff.) Tok is the first stop for visitors in Alaska arriving via the Alaska Highway. Bus services are available to Anchorage and Fairbanks, and most freight is delivered by truck. Recently, the Tok Airport gravel runway was lengthened to 3,000', paved and lighted. A 2,510' paved runway is also available at Tok Junction. There are two additional private airstrips in the vicinity.

Deltana. Deltana is accessible by the Alaska and Richardson Highways. Scheduled bus service provides transportation to Fairbanks and Whitehorse. Delta Junction's airstrip and five other privately owned airstrips nearby provide air support services to the community. Snowmobiles are used for recreation.

Healy Lake. Healy Lake at Big Delta is east of the Richardson Highway. Lacking direct road access, the community relies instead on boat traffic along the Tanana River.

Northway Junction. Northway Junction, located along the Alaska Highway has scheduled bus and trucking services. Residents make use of an asphalt runway at nearby Northway where regularly scheduled flights and charter services are available to Fairbanks.

Northway. An unpaved road connects Northway to the Alaska Highway. Scheduled bus service is available, and commercial trucking services deliver most freight to the community. There is a State-owned 5,100' asphalt runway, a Federal Aviation Administration station, and a U.S. Customs office. Scheduled commercial flights and charter services are available to Fairbanks.

Big Delta. The community of Big Delta located along the Richardson Highway, uses the airstrip at nearby Delta Junction for chartered or private aircraft access.

Eagle Village. Eagle Village has access to the Alaska and Canada road systems during summer months via the Taylor ("Top of the World") and Klondike Highways. Airport services are available nearby at the City of Eagle.

Fort Greely. The Richardson Highway provides access to Fairbanks and the statewide road system. The Allen Airfield has a 7,500' asphalt runway, but is restricted to military aircraft. Consideration is presently being given to a joint civilian/military use of Allen Airfield. The possibility of a railroad

spur from Delta Junction to Fort Greely is also under consideration.

Mentasta Lake. A six-mile spur road connects Mentasta Lake to the Tok Cutoff and the Glenn Highway. There is a small airstrip at Mentasta Lodge.

Northway Village. An unpaved road connects Northway Village to the Alaska Highway. Scheduled bus and truck service is available. Nearby at Northway there is an asphalt runway where scheduled flights and charter service to Fairbanks is available.

Tanacross. Tanacross located a mile north of the Alaska Highway, has scheduled bus service available out of Tok. A 5,100 foot paved runway owned by the U.S. Bureau of Land Management provides flights to Fairbanks.

Dry Creek. Dry Creek is located along the Alaska Highway. The nearest runways are found at Delta Junction and Tok.

Dot Lake Village. Dot Lake, located along the Alaska Highway, has bulk supplies delivered by commercial truck or bus service. Air service facilities are available at Delta Junction and Tok. Locally, snowmachines and ATVs are used for transportation. Dot Lake, located over two miles from the Tanana, is inaccessible by water. A few residents own riverboats for fishing and hunting.

Tetlin. Road access to Tetlin is seasonal, occurring only during the summer months. Tetlin is also accessible by riverboat. Many residents own skiffs, snowmachines and automobiles. The village owns and maintains a 1,700' turf airstrip where scheduled and charter flights are available from Tok. Bulk freight is delivered by plane or by road from Tok during the summer.

Subpart (a)(iii). Copper River Basin Model Borough

The Copper River Basin Model Borough encompasses eighteen localities. These are Paxson (population 43); Tazlina (population 149); Silver Springs (population 130); Copperville (population 179); Slana (population 124); Willow Creek (population 201); Gakona (population 215); Glennallen (population 554); McCarthy (population 42); Copper Center (population 362); Gulkana (population 88); Tonsina (population 92); Kenny Lake (population 410); Chistochina (population 93); Mendeltna (population 63); Chitina (population 123);Nelchina (population 71) and Tolsana (population 27). Brief descriptions of transportation links in each of the Copper River Basin localities follows:

Paxson. Paxson Lodge owns and maintains a 2,800' gravel airstrip, and float planes can land at Summit Lake. The Richardson Highway provides access to Anchorage or Fairbanks. The Denali Highway provides summer access to Cantwell and the Denali Park.

Tazlina. The Richardson and Glenn Highways provide access to Anchorage or Fairbanks.

Silver Springs. The Richardson Highway connects to all major population areas of the state year-round. Silver Springs residents have access to the nearby State-owned airport at Gulkana. They may also use the privately-owned airport at Glennallen.

Copperville. Copperville is located along the Richardson Highway, which connects the area to the remainder of the state. Airstrips are nearby, at Copper Center, Glennallen and Gulkana.

Slana. Slana has road access to the statewide system by the Glenn and Richardson Highways. Individual adjacent lots have no roads and owners must hike through other's private property. The nearest public airstrip is south, at Chistochina. A 900' gravel private airstrip has been constructed at Duffy's Tavern.

Willow Creek. The Richardson Highway provides year-round access to Anchorage, Fairbanks and outside of Alaska. Airstrips are located nearby in Copper Center and Glennallen. Willow Creek residents have access to the nearby State-owned airport at Gulkana. They may also use the privately-owned airport at Glennallen.

Gakona. The Glenn Highway provides year-round access to Anchorage. The Glenn/Tok Cutoff provides a short-cut to Tok, Northway, and the Alaska Highway. The Richardson Highway provides access to Valdez. A 5,000' paved runway is available at nearby Gulkana.

Glennallen. Glennallen is the business hub of the Copper River region. The Glenn Highway provides year-round access to Anchorage. The Glenn/Tok Cutoff provides a short-cut to Tok, Northway, and the Alaska Highway. The Richardson Highway provides access to Valdez. Brenwick's Airport provides public air access. The 2,070' turf airstrip is owned and operated by Copper Basin District, Inc. State highway maintenance and federal offices are in Glennallen.

McCarthy. McCarthy is accessible from the Richardson and Edgerton Highways. The 58-mile McCarthy Road starts in Chitina and continues into the Park and is maintained seasonally during the summer. A footbridge was completed in 1997 across the Kennicott River replacing a hand tram used by locals for years. The Alaska Department of Transportation is currently conferring with community residents about the prospect of constructing additional trails in the area. There are two gravel airstrips in the vicinity. The Jake's Bar airstrip is 1,650'; McCarthy No. 2 is 3,500'. The May Creek Airport, across the Nizina River from McCarthy, is currently under expansion. McCarthy has twice weekly air service from Anchorage and Gulkana.

Copper Center. The Richardson Highway connects Copper Center to Anchorage, Fairbanks and outside year-round. A State-owned 2,500' gravel airstrip provides for chartered flights and general aviation.

Gulkana. The Richardson Highway passes close by the village and is maintained year-round. A State-owned 5,000' paved runway is available at the Gulkana Airport. Gulkana has twice weekly air service from Anchorage.

Tonsina. The Richardson Highway connects Tonsina to the remainder of the state road system. A State-owned airstrip is available at Upper Tonsina, and other airstrips are in the vicinity.

Kenny Lake. From the Edgerton Highway, Kenny Lake has access to the entire state road system. Landing strips are available nearby for general aviation.

Chistochina. Chistochina is accessible year-round by the Glenn and Richardson Highways. Small aircraft may land at a State-owned 2,060' turf/gravel airstrip.

Mendeltna. The community lies on the Glenn Highway and accesses the statewide road system. There are several airstrips in the area, and air taxi services are available.

Chitina. The Edgerton Highway and Richardson Highway link Chitina with the rest of the state road system. The State owns the Chitina Airport, with a 2,850' gravel airstrip, located five miles north of the Chitina core area along the Edgerton Highway.

Nelchina. The community lies on the Glenn Highway and accesses the statewide road system. There are several airstrips in the area. Snowmachining is a prevalent local means of transportation.

Tolsona. The community lies on the Glenn Highway and accesses the statewide road system. There are several airstrips in the area, and air taxi services are available. A floatplane base is available on Tolsona Lake.

Subpart (a)(vi). Prince William Sound Model Borough

The Prince William Sound Model Borough boundaries encompass five settlements. These are Valdez (population 4,336); Whittier (population 182); Cordova (population 2,454); Chenega Bay (population 86); and Tatitlek (population 107). The region has connections to the Alaska Highway system, the Alaska Railroad, and the Alaska Marine Highway System. The City of Valdez is the southern terminus of the Trans-Alaska Oil Pipeline and serves as the area's regional transportation hub. Regularly scheduled jet service to Cordova provides daily passenger and freight services to domestic and international destinations. Road connections to Alaska's Highway System are at Valdez via the Richardson Highway, and Whittier via the Whittier Access Road and the Anton Anderson Tunnel.

Recent innovations in rail/barge service to Alaska are expected to increase the volume of freight arriving from U.S. ports through the Port of Whittier. Railcars loaded onto rail-equipped barges leave Seattle once a week, year-round. At Whittier, the Alaska Railroad unloads rail cars and routes them to destinations from Whittier and Seward (a port facility outside the region) north to Fairbanks.

The most important transportation projects underway are improvements to the Alaska Marine Highway System. However, air, rail and road transportation will continue to grow in importance.

Between 1994 and 2002, the Valdez-Cordova area received $135 million for transportation-related capital improvement projects. Roads received 90%, or $122 million, ports and harbors received 8%, or $10.5 million, and airport projects received 2%, or $2.6 million. Discussion of the transportation features of the five settlements in the Prince William Sound Model Borough boundaries follows.

Valdez. The Richardson Highway provides road access to Valdez from Anchorage, Fairbanks and Canada. Port Valdez is ice-free year round and is

navigated by hundreds of ocean-going oil cargo vessels each year. During the summer the Alaska Marine Highway provides service Whittier, Cordova, Kodiak, Seward and Homer and to Cordova only in the winter. Valdez has the largest floating concrete dock in the world, with a 1,200' front and water depth exceeding 80'. Numerous cargo and container facilities are present in Valdez.

A small harbor accommodates 546 commercial fishing boats and recreational vessels. Boat launches and haul-out services are available. Both barges and trucking services deliver cargo to Valdez. The airport includes a 6,500' paved runway, instrument landing system, and control tower, and is operated by the State. A State-owned seaplane base is available at Robe Lake.

Whittier. Whittier's marine facilities include an ice-free port, a 70-foot city dock, a small boat harbor with slips for 360 commercial, recreation and charter vessels. Whittier is served by road, rail, ferry, boat and aircraft. A $70 million road connection to Portage was completed in 2000. The State-owned 1,480' gravel airstrip accommodates charter aircraft, and a City-owned seaplane dock is available for passenger transfer.

Marine charters are available for Prince William Sound sightseeing. Tour boats transfer visitors to and from Anchorage from Whittier by bus.

Cordova. Harbor facilities include a breakwater, dock, 500-slip small boat harbor, boat launch, boat haul-out, a ferry terminal, and marine repair services. A 48-mile gravel road provides access to the Copper River Delta. Plane or boats provide the principal means of travel to Cordova. Cordova is linked directly to the North Pacific Ocean shipping lanes via the Gulf of Alaska and receives year-round barge and Alaska Marine Highway System service. The Merle K. "Mudhole" Smith Airport at mile 13 is State-owned and operated, with a 7,500' asphalt runway and 1,900' gravel crosswind runway. The State-owned and City-operated Cordova Municipal Airport has a 1,840' gravel runway. Daily scheduled jet flights and air taxis are available. Float planes land at the Lake Eyak seaplane base or the boat harbor. Plans for a highway up the Copper River to connect with the statewide road system remain controversial.

Chenega. Chenega has an airstrip and a seaplane landing area. They also have a small boat harbor. Chenega has a dock big enough to accommodate oil spill response boats and the ferry. However, the ferry does not currently provide regular service to Chenega.

Tatitlek. Tatitlek has a State-owned 3,700' lighted gravel airstrip and a seaplane landing area; air charters are available from Valdez and Cordova. Boats are the primary means of local transportation. Tatitlek has a dock big enough to accommodate oil spill response boats and the ferry. However, the ferry does not currently provide regular service to Tatitlek.

Subpart (a)(v). Glacier Bay Model Borough

The Glacier Bay model boundaries extend from northern Chichagof Island to Cape Fairweather. The region is isolated and dependent on barge services for marine freight. Passenger service throughout the region is utilizes

air transportation and the Alaska Marine Highway System.

The most important infrastructure projects are the improvements to the Alaska Marine Highway System. The Glacier Bay Model Borough Boundaries encompass six settlements.

These are Pelican (population 163); Whitestone Logging Camp (population 116); Gustavus (population 429); Tenakee Springs (population 104); Hoonah (population 860); Elfin Cove (population 32); and Game Creek (population 35). Brief descriptions of transportation in each of the Glacier Bay Model Borough localities follows:

Pelican. Pelican is dependent on floatplanes and the Alaska Marine Highway for travel. Facilities include a State-owned seaplane base, a small boat harbor, dock, and State ferry terminal. The ferry provides semi-monthly departures during the summer, and once a month during the winter. Cargo barges deliver goods on a similar schedule.

Whitestone Logging Camp. An airport and access to the Alaska Marine Highway are available at nearby Hoonah.

Gustavus. The State-owned jetport has a 6,700' asphalt runway currently undergoing major improvements. Float planes land at nearby Bartlett Cove. Air traffic is relatively high during peak summer months, and several cruise ships include nearby Glacier Bay in their itinerary. There is a 10-mile road connecting Bartlett Cove with the airport. Freight arrives by barge.

Tenakee Springs. Tenakee Springs is dependent on seaplanes and the Alaska Marine Highway for transport. The City owns a seaplane base and heliport, and scheduled or chartered floatplanes are available from Juneau.

The Alaska Marine Highway system provides passenger transportation only, since there are no vehicle landing facilities or local roads in Tenakee. Barges deliver fuel and goods six times a year. The marine facilities include a small boat harbor and ferry terminal. Snyder's Mercantile owns a fuel dock. There is a 3-mile-long main street. Local transportation is primarily by bicycle or ATV.

Hoonah. Hoonah is dependent on air transportation for movement of light freight and passengers. The State owns and operates an airport with a 3,000' paved runway and a seaplane base both served by scheduled small aircraft from Juneau. State ferry terminal and harbor/dock areas are available. Freight arrives by barge or plane. There is an extensive logging road system on northwest Chichagof Island.

Elfin Cove. A State-owned seaplane base is available and the Alaska Marine Highway serves nearby Pelican. Freight arrives by plane or boat, and skiffs are the primary means of local transportation.

Game Creek. Transportation services are provided by nearby Hoonah where an airport, ferry landing, seaplane dock and harbor are available.

Subpart (a)(vi). Chatham Model Borough

The Chatham Model Borough encompasses three localities extending from the northwest Kupreanof Island to north Admiralty Island. These are Kake (population 710); Angoon

(population 572); and Cube Cove (population 72). The area lacks direct road access to the outside world. The settlements are isolated and depend on barge services for marine freight and the Alaska Marine Highway System for passenger service.

Air transportation is the chief means of moving people throughout the region. The City and Borough of Juneau serves as the transportation hub for the northern Southeast Alaska, including the Chatham region.

A brief description of transportation facilities in Chatham localities follows.

Kake. Kake can be reached by air and sea. There is daily scheduled air taxi service between Juneau and Kake, and weekly scheduled service between Kake and Petersburg. Charter air service is also available between Kake and other communities. Kake has a State-owned 4,000' lighted paved runway west of the community, and a seaplane base at the City dock. State ferry and barge services are available. Facilities also include a small boat harbor, boat launch, deep-water dock and State ferry terminal. There are about 120 miles of logging roads in the Kake area, but no connections to other communities on Kupreanof Island. Most flights to and from Kake currently go through Juneau. For example, L.A.B. Flying Service has daily scheduled flights to Juneau, but only has scheduled service to Petersburg once per week.[120]

Angoon. Angoon is accessible only by floatplane or boat. Scheduled and charter floatplane services are available from the State-owned seaplane base on Kootznahoo Inlet. Angoon's facilities also include a deep draft dock, a small boat harbor, and State ferry terminal. Freight arrives by barge and ferry. Scheduled flights to Angoon originate in Juneau.[121]

Cube Cove. Float planes and boats provide transportation to the Cove, although there are no facilities.

Subpart (a)(vii). Prince of Wales Model Borough

The Prince of Wales Model Borough boundaries encompass thirteen localities. These are Edna Bay (population 49); Whale Pass (population 58); Coffman Cove (population 199); Thorne Bay (population 557); Craig (population 1,397); Kasaan (population 39); Hollis (population 139); Naukati Bay (population 135); Port Alexander (population 81); Klawock (population 854); Point Baker (population 35); Port Protection (population 63); and Hydaburg (population 382).

Prince of Wales Island has no direct road links to the outside world. Communities on Prince of Wales Island rely on scheduled and chartered air service and the Inter-Island Ferry Authority for transportation, and on marine barges for freight service. An extensive road system connects island communities to each other and to air and marine transportation facilities.

[120] Personal communication, L.A.B. Flying Service Kake office, January 14, 2002.

[121] Personal communication, Wings of Alaska Angoon office, January 14, 2002.

The most important transportation infrastructure projects have been improvements to the Alaska Marine Highway System ferry terminal, creation of the Inter-Island Ferry Authority, with daily runs between Hollis and Ketchikan, and continued upgrade of the road system to state secondary standards.

Between 1994 and 2000, the Prince of Wales-Outer Ketchikan Area received $35 million for transportation-related capital improvement projects. Ports and harbors received 61%, or $21 million, roads received 25%, or $8.5 million, and airport projects received 14%, or $4.7 million.

Edna Bay. Transportation and cargo services are provided by floatplane or boat from Craig, Ketchikan or Petersburg. Edna Bay has a dock and harbor with a breakwater , and the community is not connected to the Prince of Wales Island road system.

Whale Pass. The community is connected to the Island road system and has access to the Alaska Marine Highway System from Hollis. Float planes and boats are a common mode of transportation. The Whale Pass Homeowner's Association operates the State-owned seaplane base, dock, and small boat harbor.

Coffman Cove. The State ferry landing at Hollis provides access to the Prince of Wales Island road system. A State-owned seaplane base is available, and Taquan and Ketchikan Air provide daily scheduled air service from Ketchikan. The nearest landing strip is in Klawock. A boat launch and dock are available. Freight arrives by cargo plane, barge, ship and by road from Craig. Coffman Cove is the northern terminus of the Inter-Island Ferry Authority. Construction of the M/V Stikine will start in 2003, with service planned on the Coffman Cove-Wrangell-Petersburg route in the summer of 2004. The road to Coffman Cove is scheduled for upgrade to state secondary road standards beginning in 2003 and projected to be completed by 2006.

Thorne Bay. Access to Thorne Bay occurs by float plane, airport facilities at Klawock, via the Alaska Marine Highway service at Hollis. Marine facilities include a breakwater, dock, small boat harbor and grid, boat launch and State-owned seaplane base. Freight arrives by cargo plane, barge, ship and truck. Adjacent logging roads provide access to other Prince of Wales Island communities. The road from Thorne Bay to Control Lake has been upgraded to state secondary road standards and is scheduled for paving in 2003. The community has worked to develop a deepwater industrial park at Tolstoi Bay.

Craig. Scheduled air transportation to Ketchikan is available from the nearby Klawock airport. A State-owned seaplane base at Klawock Inlet and a U.S. Coast Guard heliport are maintained in Craig. The State ferry serves the community of Hollis located 30 miles away bringing passengers, cargo and vehicles to the Island. Marine facilities include two small boat harbors, one at North Cove and the other at South Cove; a small transient float and dock in the downtown area, and a boat launch ramp at North Cove. The J.T. Brown Marine Industrial Center is under development on False Island, on the north side of Crab Bay. The facility will include a dock and boat launch. Community freight arrives in nearby Hollis by cargo plane, barge,

and ferry. A paved road connects Hollis, Craig, Klawock (including the airport), and east to Control Lake. In 1997, three miles of new pavement were completed on the northbound road, and additional paving is planned.

Kasaan. Kasaan relies on a State-owned seaplane base for float plane access, charter flights, and airfreight services from Ketchikan. There is a dock at the old cannery site, and a small boat harbor. Freight is delivered by cargo plane or barge. The community has requested funds to develop a breakwater, deep-sea port, and industrial park at Tolstoi Bay. A new 5.5-mile road to Thorne Bay is under construction.

Hollis. Hollis is the location of the Inter-island Ferry Authority terminal for the east side of Prince of Wales Island. At nearby Clark Bay, a State-owned seaplane base, harbor, dock and boat launch facilities are available. An airstrip is located at nearby Klawock and the Island communities are connected by a road system that is being upgraded to state secondary road status. Paved roads connect Craig, Klawock, Hollis, and Hydaburg and will soon include Thorne Bay.

Naukati Bay. Naukati is accessed primarily by floatplane or via the island road system.

Port Alexander. Transportation is by float plane and boat. A State-owned seaplane base is available. Passengers can fly on the mail floatplane from Sitka or can charter flights from Sitka, Petersburg, Wrangell and Juneau. The facilities include a breakwater, dock and small boat harbor for moorage. There are no roads; skiffs are used for local transportation. A freight boat delivers lumber and other goods each summer. Most families purchase groceries and other items from outside of the community.

Klawock. Klawock is dependent on air transportation from Ketchikan, and is connected by the Island road system to other communities. The only airstrip on Prince of Wales Island is located here, with a 5,000' paved runway. A seaplane base is operated by the State on the Klawock River. Daily ferry transportation to Ketchikan is available at Hollis, 23 miles away. Klawock has a small boat harbor and boat launch ramp. A deep draft dock is located at Klawock Island, which is primarily used for loading timber. Freight arrives by cargo plane, barge and truck.

Point Baker. Point Baker is accessible only by air and water. A State-owned seaplane base and heliport serves chartered flights from Ketchikan and Wrangell. The community has a dock and boat harbor. Barges deliver cargo from Wrangell. There is no direct access to the Prince of Wales road system, however, residents boat to the road terminus at Labouchere Bay, where some leave vehicles for travel to other island locations.

Port Protection. The community is accessible only by air and water. A State-owned seaplane base is available. Freight arrives by chartered boat or floatplane. Skiffs are used for local travel, and there is a boat harbor and launch ramp. Port Protection does not have direct access to the Prince of Wales road system, however, residents boat to the road terminus at Labouchere Bay, where some leave vehicles for travel to other island

locations. Residents travel to Point Baker for mail.

Hydaburg. The State owns and operates a seaplane float in Hydaburg, an FAA-designated approach and scheduled flights from Hydaburg connect in Ketchikan. An emergency heliport is also available. Marine facilities include a City owned dock and small boat harbor; and plans are being made to construct a breakwater and boat launch. Hydaburg is linked by road to the Inter-Island Ferry terminal in Hollis, where daily ferry service to Ketchikan is available. Hydaburg is also connected by paved road to Craig and Klawock and by gravel road to other island communities. Weekly barge service from Seattle delivers goods, and bulk cargo via the Alaska Marine Highway is then trucked to Hydaburg.

Subpart (a)(viii). Wrangell-Petersburg Model Borough

Wrangell-Petersburg Model Borough Boundaries Area is located in Southeast Alaska along the Alaska Inside Passage about 150 miles south of Juneau. The region comprises six small communities, including the cities of Petersburg, on the north end of Mitkof Island, and Wrangell on the northwest tip of Wrangell Island at the mouth of the Stikine River, and the City of Kupreanof. No roads link the communities with each other. The region is only accessible by air and water.

The City of Petersburg and the City of Wrangell each serve as air transportation hubs for surrounding communities. Air transportation, both jet and fixed wing, provides daily passenger and freight services to domestic and international destinations. The Alaska Marine Highway System provides the area with passenger service and barges shuttle marine freight. The region depends on ports, harbors, and barge transfer sites for the delivery of wood products and seafood to global markets. There is no deep-water dock for large ships in Petersburg.

The most important infrastructure projects are improvements to the Alaska Marine Highway System and the construction of terminals for the Inter-Island Ferry Authority, which is scheduled to begin daily service between Coffman Cove, Wrangell and Petersburg in 2004. Between 1995 and 2002, Wrangell-Petersburg area received $56 million for transportation-related capital improvement projects. Ports and harbors received 61%, or $34 million; roads received 31% or $17 million, and airport projects received 8%, or $4.6 million. The Wrangell-Petersburg Model Borough encompasses four localities. These are Kupreanof (population 23); Petersburg (population 3,224); Wrangell (population 2,308); and Thom's Place (population 22). A brief description of transportation patterns in each of those localities follows:

Kupreanof. Small boats are the primary means of transportation to and from Kupreanof. Boat travel to Petersburg provides connection to that City's transportation services, including jet flights and the State ferry. Float planes can land at Government dock, but it is not a designated seaplane dock. There are no harbor facilities. A trail system provides designated access within the city.

Petersburg. Petersburg is reached by air and water. It is on the mainline

State ferry route. The State-owned James A. Johnson Airport and Lloyd R. Roundtree Seaplane Base (on the Wrangell Narrows) allow for scheduled jet and float plane services. The runway is paved, at 6,000'. Harbor facilities include three docks, two petroleum wharves, two barge terminals, three boat harbors with moorage for 600 boats, a boat launch and boat haul-out. Freight arrives by barge, ferry or cargo plane. There is no deep-water dock for large cruise ships.

Wrangell. The City is accessible by air and water. The State-owned 6,000' paved lighted runway enables jet service. A seaplane base is adjacent to the runway. Scheduled air taxi services are also available. The marine facilities include a breakwater, deep draft dock, State ferry terminal, two small boat harbors with 498 slips, and boat launch. The City of Wrangell plans to construct a 1,400-foot breakwater pending final congressional approval of funds. The second phase of the project would construct a harbor able to accommodate up to 280 vessels. Freight arrives by barge, ferry and cargo plane.

Thom's Place. The community is approximately one mile from a seasonal Forest Service road that is connected to the State highway into Wrangell. Residents have access to Wrangell's airport, seaplane base, State ferry service, and port with moorage.

Subpart (b). Communications

This part of the report presents an overview of communications in the eight unorganized areas under review (subparts (b)-(i)).[122]

Subpart (b)(i). Aleutians West Model Borough

The Aleutians West Model Borough extends westerly from the western boundary of the Aleutians East Borough to the end of the Aleutians Islands. The Aleutians West Model Borough encompasses six localities. These are Adak (population 316); Atka (population 92); Attu Station (population 20); Nikolski (population 39); Shemya (population 27); and Unalaska (population 4,283).

A brief description of communications in Aleutians West localities follows:

Adak	
In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	Core Communications (www.corecom.net)
TV Stations	ARCS
Radio Stations	None
Cable Provider	Adak Cablevision
Teleconferencing	None

Atka	
In-State Phone:	ACS of the Northland
Long-Distance Phone:	AT&T Alascom
Internet Service Provider:	None
TV Stations:	ARCS
Radio Stations:	None

[122] The regional transportation summaries presented here are adapted from the Alaska Economic Information System provided by the Alaska Department of Community and Economic Development at: http://www.dced.state.ak.us/cbd/AEIS/AEIS_Home.htm The summaries of the transportation links and facilities of the localities are adapted from the Alaska Community Data Base maintained by the Alaska Department of Community and Economic Development at: http://www.dced.state.ak.us/cbd/commdb/CF_CIS.htm.

Cable Provider:	Atxam Village Corp.
Teleconferencing:	Alaska Teleconferencing Network

Attu. Attu is a U.S. Coast Guard Station. Communications to Attu are maintained by the Coast Guard.

Nikolski

In-State Phone:	ACS of the Northland
Long-Distance	Phone: AT&T Alascom
Internet Service Provider:	
TV Stations:	ARCS
Radio Stations:	None
Cable Provider:	Nikolski IRA Council
Teleconferencing:	Alaska Teleconferencing Network

Shemya. Earekson Air Force Station (Shemya) has closed. It is restricted to military aircraft. Communications to Shemya are through the United States Air Force.

Unalaska

In-State Phone:	Interior Telephone Co./TelAlaska
Long-Distance Phone:	AT&T Alascom; GCI; Interior
Telephone:	TelAlaska
Internet Service Provider:	Arctic.Net/ TelAlaska, Inc. (www.arctic.net); GCI (www.gci.net)
TV Stations:	ARCS; KIAL; K081W (low power TV)
Radio Stations:	KIAL-AM; KSKA-FM
Cable Provider:	Eyecom, Inc./ TelAlaska
Teleconferencing:	Alaska Teleconferencing Network; Dillingham Legislative Information Office
Newspapers:	*Dutch Harbor Fisherman*

Subpart (b)(ii). Upper Tanana Basin Model Borough

The Upper Tanana Basin Model Borough Boundaries encompass nineteen settlements. These include Chicken (population 17); Alcan Border (population 21); Eagle (population 129); Dot Lake (population 19); Delta Junction (population 840); Tok (population 1,393); Deltana (population 1,570); Healy Lake (population 37); Northway Junction (population 72); Northway (population 95); Big Delta (population 749); Eagle Village (population 68); Fort Greely (population 461); Mentasta Lake (population 142); Northway Village (population 107); Tanacross (population 140); Dry Creek (population 128); Dot Lake Village (population 38); and Dot Lake (population 19). Communications in the regional settlements are briefly described as follows.

Chicken. None listed.

Alcan Border

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Stations	None
Radio Stations	None
Cable Provider	None

Eagle

In-State Phone	North Country Telephone Co./ AP&T
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Alaska Power & Telephone Company (www.aptalaska.net); School Only - GCI (www.gci.net)
TV Stations	ARCS
Radio Station	None
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Tok Legislative Information Office

Dot Lake. None listed.

Delta Junction

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom; GCI; ACS
Long Distance Internet Service Provider	Knix.Net
TV Stations	ARCS; KATN; KTVF; KUAC; KYAC
Radio Stations	KJNP-AM; AFRTS; KUAC-FM
Cable Provider	Hytec Communications Inc.
Teleconferencing	Alaska Teleconferencing Network; Legislative Information Office
Newspaper	*Delta Wind*

Tok

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom; Alaska Telephone
Internet Service Provider	ACS Internet (www.acsalaska.net); Alaska Power & Telephone Company (www.aptalaska.net); School Only - GCI (www.gci.net)
TV Station	ARCS
Radio Station	KJNP-AM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Legislative Information Office
Newspaper	*Mukluk News*

Deltana. None listed.

Healy Lake

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom
Internet Service Provider	School Only - GCI (www.gci.net)

Northway Junction

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Stations	ARCS
Radio Station	None
Cable Provider	None

Northway

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Alaska Power & Telephone Company (www.aptalaska.net); School Only - GCI (www.gci.net)
TV Stations	ARCS
Radio Station	KCAM-AM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Tok Legislative Information Office

Big Delta

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	
TV Stations	KATN; KTVF; KUAC; KYAC
Radio Stations	KJNP-AM; KUAC-FM; AFRTS
Cable Provider	None

Eagle Village

In-State Phone	North Country Telephone Co./ AP&T
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Stations	ARCS
Radio Station	None
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Tok Legislative Information Office

Fort Greely

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	Knix.Net (www.knix.net)
TV Stations	KATN; KTVF; KUAC; KYAC
Radio Stations	KIAK-FM; KCBF-AM; KFAR-AM; KUAC-FM
Cable Provider	GCI Cable, Inc.
Teleconferencing	Alaska Teleconferencing Network

Mentasta Lake

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom
Internet Service Provider	School Only - GCI (www.gci.net)
TV Station	ARCS
Radio Station	KCAM-AM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Tok Legislative Information Office

Northway Village

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	
TV Station	ARCS
Radio Station	None
Cable Provider	None
Teleconferencing	

Tanacross

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom
Internet Service Provider	School Only - GCI (www.gci.net)
TV Station	None
Radio Station	None
Cable Provider	None
Teleconferencing	Tok Legislative Information Office

Dry Creek

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Stations	KUAC; KTVF
Radio Stations	None
Cable Provider	None

Dot Lake Village

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom
Internet Service Provider	School Only - GCI (www.gci.net)
TV Stations	ARCS; KUAC; KYAC; KJNP
Radio Stations	KJNP-AM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Tok Legislative Information Office

Tetlin

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom
Internet Service Provider	School Only - GCI (www.gci.net)
TV Stations	ARCS; KYUK
Radio Station	None
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Tok Legislative Information Office

Subpart (b)(iii). Copper River Basin Model Borough

The Copper Valley Telephone Cooperative offers long-distance and local service in the region. Radio stations KCHU and KMBQ broadcast throughout the Copper River Valley and KCAM radio can be heard in most places in the Valley.

Paxson

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Stations	ARCS
Radio Stations	KIAK-FM
Cable Provider	None
Teleconferencing	Glennallen Legislative Information Office

Tazlina

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	ARCS
Radio Stations	
Cable Provider	None

Silver Springs

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	ARCS
Radio Stations	
Cable Provider	None

Copperville

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	ARCS
Cable Provider	None

Slana

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	
TV Stations	ARCS
Radio Stations	KCAM-AM
Cable Provider	None
Teleconferencing	Glennallen Legislative Information Office

Willow Creek

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	ARCS
Radio Stations	KCAM-AM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network

Gakona

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	ARCS
Radio Stations	KCAM-AM; KUAC-FM
Cable Provider	None
Teleconferencing	Glennallen Legislative Information Office

Glennallen

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	GCI; Copper Valley Telephone
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org); GCI (www.gci.net)
TV Stations	ARCS; KIMO
Radio Stations	KXGA-FM; KCAM-AM
Cable Provider	None
Teleconferencing	Legislative Information Office

McCarthy

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Stations	
Radio Stations	KXKM-FM
Cable Provider	None
Newspaper	*Wrangell-St. Elias News*

Copper Center

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	ARCS
Radio Stations	KCAM-AM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network

Gulkana

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	None
Radio Station	KCAM-AM
Cable Provider	Gulkana Village Council/Ahtna

Tonsina

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom
Internet Service Provider	
TV Stations	ARCS
Radio Stations	KCAM-AM; KUAM-FM
Cable Provider	None

Kenny Lake

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	
Radio Stations	KCAM-AM
Cable Provider	None
Teleconferencing	Glennallen Legislative Information Office

Chistochina

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	ARCS
Radio Stations	KCAM-AM
Cable Provider	None
Teleconferencing	Glennallen Legislative Information Office

Mendeltna

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	None
Radio Stations	None
Cable Provider	None

Chitina

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Stations	ARCS
Radio Stations	None
Cable Provider	Community Improvement Association of Chitina (CIAC)
Teleconferencing	Glennallen Legislative Information Office

Nelchina

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	None
Radio Stations	None
Cable Provider	None

Tolsona

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Copper Valley Telephone Cooperative, Inc. (www.cvtc.org)
TV Stations	None
Radio Stations	None
Cable Provider	None

Subpart (b)(iv). Prince William Sound Model Borough

The Prince William Sound Model Borough boundaries encompass five settlements. These are Valdez (population 4,336); Whittier (population 182); Cordova (population 2,454); Chenga Bay (population 86); and Tatitlek (population 107).

Discussion of the communications features of settlements in the Prince William Sound Model Borough boundaries follows.

Valdez

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom; GCI; Copper Valley Telephone
Internet Service Providers	Chugach.Net (www.chugach.net); Copper Valley Telephone Cooperative, Inc. (www.cvtc.org); GCI (www.gci.net); Sinbad Network Communications (www.sinbad.net)
TV Stations	ARCS; KUAC; KYAC
Radio Stations	KVAK-AM/FM; KCHU-AM
Cable Provider	GCI Cable, Inc.
Teleconferencing	Alaska Teleconferencing Network; Legislative Information Office
Newspapers	*Valdez Star, Valdez Vanguard*

Whittier

In-State Phone	Yukon Telephone Co.
Long-Distance Phone	AT&T Alascom
Internet Service Providers	Core Communications (www.corecom.net); School Only - GCI (www.gci.net)
TV Stations	ARCS; KUAC; KYAC
Radio Station	KCHU-AM
Cable Provider	Supervisions Cable TV
Teleconferencing	Alaska Teleconferencing Network; Valdez Legislative Information Office

Cordova

In-State Phone	Cordova Telephone Cooperative
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Providers	ACS Internet (www.acsalaska.net); Copper Valley Telephone Cooperative, Inc. (www.cvtc.org); GCI (www.gci.net)
TV Stations	ARCS; KUAC; KYAC
Radio Stations	KCDV-FM; KLAM-AM; KCHU-FM
Cable Provider	GCI Cable, Inc.
Teleconferencing	Alaska Teleconferencing Network; Legislative Information Office
Newspapers	*Cordova Times*

Chenega

In-State Phone	United Utilities Inc.
Long-Distance Phone	AT&T Alascom; United Utilities
Internet Service Provider	Dish Network
TV Stations	ARCS
Radio Station	KCHU-AM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Valdez Legislative Information Office

Tatitlek

In-State Phone	Copper Valley Telephone Cooperative
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Dish Network
TV Stations	ARCS
Radio Stations	KCHU-AM; KVAK-AM
Cable Provider	GCI Cable, Inc.
Teleconferencing	Alaska Teleconferencing Network; Valdez Legislative Information Office

Subpart (b)(v). Glacier Bay Model Borough

The Glacier Bay Model Borough boundaries extend from northern Chichagof Island to Cape Fairweather. The Glacier Bay Model Borough Boundaries encompass six settlements.

These are Pelican (population 163); Whitestone Logging Camp (population 116); Gustavus (population 429); Tenakee Springs (population 104); Hoonah (population 860); Elfin Cove (population 32); and Game Creek (population 35).

Brief descriptions of communications in each of the Glacier Bay Model Borough localities follows:

Pelican

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	ACS Internet (www.acsalaska.net)
TV Stations	ARCS
Radio Stations	KCAW-FM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office

Whitestone Logging Camp

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Stations	ARCS
Radio Stations	None
Cable Provider	None

Gustavus

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	GCN (Gustavus Community Network)
TV Stations	ARCS
Radio Stations	KTOO-FM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office

Tenakee Springs

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Station	ARCS
Radio Station	KCAW-FM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office

Hoonah

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Hoonah.Net (www.hoonah.net)
TV Stations	ARCS
Radio Station	KTOO-FM
Cable Provider	Tlingit & Haida Central Council
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office

Elfin Cove

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Station	ARCS
Radio Station	KINY-AM; KCAW-FM
Cable Provider	None
Teleconferencing	Sitka Legislative Information Off

Game Creek

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Station	ARCS
Radio Station	None
Cable Provider	None
Teleconferencing	None

Subpart (b)(vi). Chatham Model Borough

The Chatham Model Borough encompasses three localities extending from the northwest Kupreanof Island to north Admiralty Island. These are Kake (population 710); Angoon (population 572); Cube Cove (population 72). The area lacks direct road access. The settlements are isolated and depend on barge services for marine freight and the Alaska Marine Highway System for passenger service.

A brief description of communication facilities in Chatham localities follows.

Kake

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider:	SEAKnet (www.seaknet.alaska.edu); School Only: GCI (www.gci.net)
TV Stations	ARCS; KTOO
Radio Stations	KCAW-FM
Cable Provider	City of Kake
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office

Angoon

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	ACS Internet (www.acsalaska.net)
TV Stations	ARCS; KTOO
Radio Stations	KCAW-FM
Cable Provider	Angoon CATV (City of Angoon)
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office

Cube Cove

In-State Phone	ACS of the Northland

Subpart (b)(vii). Prince of Wales Model Borough

Prince of Wales Model Borough Model Borough boundaries encompass thirteen localities. These are Edna Bay (population 49); Whale Pass (population 58); Coffman Cove (population 199); Thorne Bay (population 557); Craig (population 1,397); Kasaan (population 39); Hollis (population 139); Naukati Bay (population 135); Port Alexander (population 81); Klawock (population 854); Point Baker (population 35); Port Protection (population 63); and Hydaburg (population 382). Communications in the Prince of Wales Model Borough Boundary area settlements are provided as follows.

Edna Bay

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	GCI; Alaska Telephone
Internet Service Provider	None
TV Station	None
Radio Station	None
Cable Provider	None

Whale Pass

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom; Alaska Telephone
Internet Service Provider	None
TV Station	ARCS
Radio Stations	KRSA-AM; KSTK-FM
Cable Provider	None
Teleconferencing	

Coffman Cove

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Cove Connect (www.coveconnect.com)
TV Stations	ARCS
Radio Stations	KRBD-FM; KRSA-AM
Cable Provider	none
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office

Thorne Bay

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Alaska Power & Telephone Company (www.aptalaska.net)
TV Stations	ARCS; KTOO
Radio Station	KRBD-FM
Cable Provider	Thorne Bay Community TV, Inc.
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office
Newspaper	*Island News*

Craig

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom; Alaska Telephone
Internet Service Provider	Alaska Power & Telephone Company (www.aptalaska.net)
TV Stations	ARCS
Radio Stations	KRBD-FM; KGTW-FM; KTKN-FM
Cable Provider	Craig Cable TV, Inc.
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office

Kasaan

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Station	ARCS
Radio Stations	KRBD-FM; KTKN-AM
Cable Provider	None
Teleconferencing	Sitka Legislative Information Office

Hollis

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom; Alaska Telephone
Internet Service Provider	Alaska Power & Telephone Company (www.aptalaska.net)
TV Station	ARCS
Radio Station	KRBD-FM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network

Naukati Bay

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom; Alaska Telephone
Internet Service Provider:	
TV Stations	ARCS
Radio Station	KRSA-AM
Cable Provider	None

Port Alexander

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Station	None
Radio Stations	KCAW-FM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office

Klawock

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	Alaska Power & Telephone Company (www.aptalaska.net)
TV Stations	ARCS; KTOO
Radio Stations	KRBD-FM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office

Point Baker

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Stations	ARCS
Radio Stations	KFSK-FM
Cable Provider	None
Teleconferencing	Alaska Teleconferencing Network

Port Protection

In-State Phone	ACS of the Northland
Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Station	ARCS
Radio Stations	KRSA-AM; KFSK-FM

Cable Provider	None
Teleconferencing	Sitka Legislative Information Office

Hydaburg

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom; Alaska Telephone
Internet Service Provider	Alaska Power & Telephone Company (www.aptalaska.net)
TV Stations	ARCS
Radio Stations	KRBD-FM
Cable Provider	Hydaburg Cable TV, Inc. (Village Corp.)
Teleconferencing	Alaska Teleconferencing Network; Sitka Legislative Information Office

Subpart (b)(viii). Wrangell-Petersburg Model Borough

The Wrangell-Petersburg Model Borough boundaries area is located in Southeast Alaska along the Alaska Inside Passage about 150 miles south of Juneau. The region includes the City of Petersburg, on the north end of Mitkof Island, and the City of Wrangell, on the northwest tip of Wrangell Island at the mouth of the Stikine River and the City of Kupreanof. No roads link the Census Area communities each other.

The Wrangell-Petersburg Model Borough encompasses four localities. These are Kupreanof (population 23); Petersburg (population 3,224); Wrangell (population 2,308); and Thom's Place (population 22). A brief description of communications in each of those localities follows:

Kupreanof

Long-Distance Phone	AT&T Alascom
Internet Service Provider	None
TV Stations	KTOO
Radio Station	KFSK-FM
Cable Provider	None

Petersburg

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	GCI (www.gci.net); Mitkof.net (www.mitkof.net); SEAKnet (www.seaknet.alaska.edu)
TV Stations	ARCS; KTOO
Radio Stations	KRSA-AM; KFSK-FM
Cable Provider	GCI Cable, Inc.
Teleconferencing	Alaska Teleconferencing Network; Legislative Information Office

Wrangell

In-State Phone	Alaska Telephone Company/AP&T
Long-Distance Phone	AT&T Alascom; GCI
Internet Service Provider	Alaska Power & Telephone Company (www.aptalaska.net); GCI (www.gci.net); SEAKnet (www.seaknet.alaska.edu)
TV Stations	ARCS; KTOO
Radio Stations	KSTK-FM; KRSA-AM
Cable Provider	GCI Cable, Inc.
Teleconferencing	Alaska Teleconferencing Network; Wrangell Legislative Information Office

Thom's Place. None listed.

Part 4. Natural Geography and Necessary Areas

State law (AS 29.05.031(a)(2) and 3 AAC 110.060(a)) requires borough boundaries to conform generally to natural geography and encompass all areas necessary to allow full development of borough services on an efficient, cost-effective level.[123]

This part of the report addresses the extent to which the boundaries of the eight model boroughs under review conform to natural geography and include all areas necessary for development of borough services.

Subpart (a). Aleutians West Model Borough

The eastern boundary of the Aleutians West Model Borough is coterminous with the corporate boundaries of the Aleutians East Borough. The Aleutians West Model Borough encompasses that portion of the Aleutians archipelago extending from Unalaska Island westward to Attu Island. The portion of the archipelago in the Aleutians West Model Borough extends for approximately 950 miles. The islands in the Aleutians West Model Borough are generally twenty to sixty miles wide. The Bering Sea borders the islands to the north and the Pacific Ocean borders the islands to the south.

Subpart (b). Upper Tanana Basin Model Borough

The Upper Tanana Basin Model Borough is bordered on the north by the Fairbanks North Star Borough and northern edge of the Mertie Mountains. On the east, the region is defined by the Alaska/Canada border.

Southern side of the Alaska Range forms the border of the Upper Tanana Basin Model Borough on the south. The western edge of the Upper Tanana Basin Model Borough is defined by the corporate limits of the Matanuska-Susitna Borough, Denali Borough, and Fairbanks North Star Borough.

Subpart (c). Copper River Basin Model Borough

The southern side of the Alaska Range forms the border of the Copper River Basin Model Borough on the north. On the east, the region is defined by the Alaska/Canada border. On the south, the Chugach Mountains separate the Copper River Basin Model Borough from the Prince William Sound Model Borough. On the west, the limits of the region are coterminous with the eastern corporate boundaries of the Matanuska-Susitna Borough. This

[123] AS 29.05.031(a)(2) provides, "An area that meets the following standards may incorporate as a home rule, first class, or second class borough, or as a unified municipality …(2) the boundaries of the proposed borough or unified municipality conform generally to natural geography and include all areas necessary for full development of municipal services." Additionally, 3 AAC 110.060(a) states that, "The boundaries of a proposed borough must conform generally to natural geography, and must include all land and water necessary to provide the full development of essential borough services on an efficient, cost-effective level. In this regard, the commission may consider relevant factors, including (1) land use and ownership patterns; (2) ethnicity and cultures; (3) population density patterns; (4) existing and reasonably anticipated transportation patterns and facilities; (5) natural geographical features and environmental factors; and (6) extraterritorial powers of boroughs.

region includes the majority of the Wrangell Saint Elias National Park and Preserve.

Subpart (d). Prince William Sound Model Borough

The northern boundary of the Prince William Sound Model Borough is defined by the Chugach Mountains and corporate boundaries of the Matanuska-Susitna Borough. On the east, the border of the region is coterminous with the corporate boundaries of the City and Borough of Yakutat. The Prince William Sound Model Borough is defined on the south by the jurisdictional boundaries of the State of Alaska in the Gulf of Alaska. On the west, the boundaries of the Prince William Sound Model Borough are coterminous with the corporate boundaries of the Kenai Peninsula Borough and Municipality of Anchorage.

Subpart (e). Glacier Bay Model Borough

The northern boundary of the Glacier Bay Model Borough is defined by the formal boundaries of the City and Borough of Yakutat, Canada, and Haines Borough. The eastern boundary of the Glacier Bay Model Borough is defined by the Haines Borough (Chilkat Range), eastern portion of Icy Strait, and Chatham Strait. The southern limits of the Glacier Bay Model Borough adjoin the corporate boundaries of the City and Borough of Sitka. The western boundary of the Glacier Bay Model Borough is coterminous with the jurisdictional boundaries of the State of Alaska in the Pacific Ocean.

The Glacier Bay Model Borough includes Lituya Bay on the Gulf of Alaska, the southern half of Glacier Bay National Park, and the tributaries that flow into Adams Inlet. The region also includes Tarr Inlet, Rendu Inlet, Wachusett Inlet, and Muir Inlet, along with the northern portion of Chichagof Island.

Subpart (f). Chatham Model Borough

The western limits of the Chatham Model Borough are defined by the corporate boundaries of the City and Borough of Sitka and Chatham Strait. On the north, the Chatham Model Borough boundary follows the 58th Parallel. The eastern boundary of the Chatham Model Borough follows the channel between Admiralty Island on the west and Swan Island and Tiedeman Island on the east. The eastern boundary continues along the Seymour Canal and a portion of Stephens Passage, the mouth of Big Creek on the northern portion of Kupreanof Island (including the area of Kupreanof Island west of the mouth of Big Creek). On the south, the Chatham Model Borough is bordered by 56°22′ N latitude, which crosses Kuiu Island.

Subpart (g). Prince of Wales Model Borough

The Prince of Wales Model Borough includes all of Prince of Wales Island and the islands to the west. It also includes the southern portion of Kuiu Island south of Gedney Harbor and Reid Bay. It is bordered on the south by the jurisdictional limits of the State of Alaska.

Subpart (h). Wrangell-Petersburg Model Borough

The Wrangell-Petersburg Model Borough is bordered on the west by a

portion of Sumner Strait between Point Baker and Kashevarof Passage. The boundary follows Kasevarof Passage south through Clarence Strait to the entrance of Ernest Sound.

On the south, the limits of the region are defined by Ernest Sound and Eaton Point (approximately) and the natural mountain divide to the Alaska/Canada border (the southern boundary of the Wrangell Ranger District).

The eastern limits of the Wrangell-Petersburg Model Borough are defined by the Alaska/Canada border. On the north, the boundary is defined by Hobart Bay.

Part 5. Model Borough Boundaries

State law (3 AAC 110.060(b)) requires the Local Boundary Commission to consider model borough boundaries in judging the merits of any borough proposal.[124] In a strict sense, the standard permits any boundary proposal that does not extend beyond the model boundaries. However, as noted in Chapter 2, the model borough boundaries standard truly calls for an evaluation of the boundaries of a proposed borough in terms of its respective model.

In *Yakutat v. Local Boundary Commission*, (900 P.2d 721 (Alaska 1995) 725) the Alaska Supreme Court prescribed how the Commission is required to implement the statutory standards (AS 29.05.100(a)) for borough incorporation in light of Article X, Section 3:

> The scope of the LBC's powers under AS 29.05.100(a) is to be determined in light of the constitutional provisions that the statue implements. Article X, section 3 of the Alaska Constitution provides, in relevant part:
>
> > The entire state shall be divided into boroughs, organized and unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests *to the maximum degree possible.*
>
> (Emphasis added.)
>
> To avoid conflict with the constitutional mandate that each borough "embrace an area and population with common interests to the maximum degree possible," the provisions of AS 29.05.100(a) dealing with the rejection, acceptance, and alteration of proposed boroughs must be interpreted to require that the LBC apply the statutory standards for incorporation in the relative sense implicit in the constitutional term "maximum degree possible." In other words, AS 29.05.100(a) must be construed to mean that, in deciding if the statutory standards for incorporation have been met, the LBC is required to determine whether the boundaries set out in a petition embrace an area and population with common interests to the maximum degree possible.

In *Yakutat v. Local Boundary Commission*, (900 P.2d 721 (Alaska 1995) 727) the Court also affirmed that the Commission could consider the relationship of a proposed borough's

[124] 3 AAC 110.060(b) states, "Absent a specific and persuasive showing to the contrary, the commission will not approve a proposed borough with boundaries extending beyond any model borough boundaries."

boundaries to future incorporation of neighboring areas.

> Given the Alaska Constitution's mandate that boroughs be cohesive "to the maximum degree possible", the LBC acted well within the purview of its authority in considering the desirability of future incorporation of neighboring areas.

It is stressed that model borough boundaries are the product of the application of every standard and factor relating to social, cultural, and economic characteristics of regions throughout the unorganized borough. The Local Boundary Commission so defined model borough boundaries in the early 1990s.

The Commission's determinations regarding model borough boundaries were preceded by significant opportunity for public review and comment. The process of defining model borough boundaries began with the wide public distribution within each region of an eight-page tabloid (11½ " X 17") describing the project and the specific standards and factors established in law for the setting of borough boundaries. The tabloids included maps of each specific region and invited the public to submit proposals for model borough boundaries.

The initial opportunity for public comment was followed by the publication and wide distribution of draft reports (including recommendations) on model boundaries prepared by the Commission's staff (Department of Community and Regional Affairs or DCRA). DCRA's recommendations were based on voluminous evidence, including, for example, the extensive record regarding social, cultural, and economic interrelationships gathered by the legislative reapportionment board for the 1990 reapportionment where that information was available.

Public comments on the DCRA's draft reports were solicited. Following consideration of public comments, DCRA then issued a final report on the matter. After a final report was published, the Commission held public hearings throughout the unorganized borough. In total, the Commission held hearings in eighty-eight communities, either in person or by teleconference, with regard to the model borough boundaries effort.

For purposes of this review of the unorganized borough, each member of the Commission was provided with a copy of DCRA's report and recommendation concerning model borough boundaries for the eight regions under review here. Those reports consisted of the following:[125]

- *Report to the Alaska Local Boundary Commission on the Proposed Yakutat Borough Incorporation and Model Borough Boundaries for the Prince William Sound, Yakutat, and Cross Sound/Icy Straits Regions*, Department of Community and Regional Affairs, December 1991.
- *Summary of Report to the Alaska Local Boundary Commission on the Proposed Yakutat Borough Incorporation and Model Borough*

[125] Where the titles reflect that the report was a draft, that report was adopted by DCRA as a final report in a single-page letter.

Boundaries for the Prince William Sound, Yakutat, and Cross Sound/ Icy Straits Regions, Department of Community and Regional Affairs, December 1991.

- *Appendix A – Report to the Alaska Local Boundary Commission on the Proposed Yakutat Borough Incorporation and Model Borough Boundaries for the Prince William Sound, Yakutat, and Cross Sound/ Icy Straits Regions*, Department of Community and Regional Affairs, December 1991.
- *Western Aleutian & Pribilof Islands Model Unorganized Borough Boundaries Review*, Department of Community and Regional Affairs, August 1992.
- *Model Borough Boundaries Review — Southern Panhandle Region*, Department of Community and Regional Affairs, August 1991.
- *Draft East Central Alaska Model Unorganized Borough Boundaries Review*, Department of Community and Regional Affairs, December 1991.
- *East Central Alaska Model Unorganized Borough Boundaries Review*, Department of Community and Regional Affairs, April 1992.
- *Model Borough Boundaries Review — Ketchikan/Southeast Island*, Department of Community and Regional Affairs, March 1991.
- *Report and Recommendation to the Alaska Local Boundary Commission Concerning Ideal Boundaries of a Prospective Chatham Region Borough*, Department of Community and Regional Affairs, April 1990.

The Commission takes the view that the model borough boundaries standard is due great deference in judging regional commonalities. Again, model borough boundaries are derivative of all other standards and factors relating to regional commonalities.

Each of the eight unorganized areas under review here are defined precisely in terms of model borough boundaries.

Part 6. Regional Educational Attendance Area Boundaries

State law (3 AAC 110.060(c)) requires boundaries of proposed boroughs to conform to those of regional educational attendance areas (REAAs), unless alternative boundaries better suit the application of all other borough standards.[126]

As is discussed at length in Chapter 2, the requirement that borough boundaries generally conform to REAA boundaries reflects the strong similarity between the borough boundary standards in AS 29.05.031 and the statutory standards for REAAs in AS 14.08.031.

Subparts (a)-(h) describe the relationship between the model borough boundaries and REAA

[126] 3 AAC 110.060(c) states, "The proposed borough boundaries must conform to existing regional educational attendance area boundaries unless the commission determines, after consultation with the commissioner of education and early development, that a territory of different size is better suited to the public interest in a full balance of the standards for incorporation of a borough."

boundaries in the eight unorganized regions under review in this report.

Subpart (a). Aleutians West Model Borough

The Aleutians West Model Borough boundaries are identical to those of the Aleutians Region REAA (including the City of Unalaska, which operates a city school district).

Subpart (b). Upper Tanana Basin Model Borough

The Upper Tanana Basin Model Borough boundaries are identical to those of the Delta Greely REAA and the adjoining Alaska Gateway REAA.

Subpart (c). Copper River Basin Model Borough

The Copper River Model Borough boundaries are identical to those of the Copper River REAA;

Subpart (d). Prince William Sound Model Borough

The Prince William Sound Model Borough boundaries are identical to those of the Chugach REAA (including the City of Cordova and the City of Valdez, which operate city school districts).

Subpart (e). Glacier Bay Model Borough.

All of the communities in the Glacier Bay Model Borough are within the boundaries of the Chatham REAA (including the City of Pelican and City of Hoonah, both of which operate city school districts.).

In the course of the 1990s model borough boundaries determinations, the boundaries of the Chatham REAA were, in effect, judged by the Local Boundary Commission to be unsuitable for borough boundaries. The Chatham REAA boundaries encompass three non-contiguous components. One encompasses Skagway which is bounded by the Haines Borough on the west and south, and it bounded by Canada on the north and east. The second non-contiguous component encompasses Klukwan, which is wholly surrounded by the Haines Borough. Those two components are within the Lynn Canal Model Borough.

The third non-contiguous component of the Chatham REAA is a larger area to the south encompassing all of the communities in the Glacier Bay Model Borough. One other community – Angoon – is in the Chatham REAA, but lies outside the Glacier Bay Model Borough.

Subpart (f). Chatham Model Borough

As noted above, Angoon is in the Chatham Model Borough. The only other community presently in the Chatham Model Borough is Kake. Kake lies just outside the southern boundary of the Chatham REAA in the Southeast Island REAA.

Subpart (g). Prince of Wales Model Borough

The Southeast Island REAA operates schools at Hollis, Coffman Cove, Kasaan, Naukati Bay, Port Alexander, Port Protection, Thorne Bay, and Hyder. All of those communities, with the exception of Hyder, are within the boundaries of the Prince of Wales Model Borough.

In the early 1990s, the Commission determined that Hyder, along with Meyers Chuck, had greater ties to the area within the Ketchikan Gateway Borough. Those localities were consequently included in the model borough boundaries of the Ketchikan Gateway Borough. In 1999, the Commission effectively reaffirmed the previous determination that Hyder and Meyers Chuck rightfully belonged within the model borough boundaries of the Ketchikan Gateway Borough. See: *Statement of Decision in the Matter of the February 28, 1998 Petition of the Ketchikan Gateway Borough for Annexation of 5,524 Square Miles*, Local Boundary Commission, page 7 (April 16, 1999).

Subpart (h). Wrangell Petersburg Model Borough

The Wrangell-Petersburg Model Borough boundaries encompass the communities and settlements of Wrangell and Petersburg (each of which operates a city school district), Kupreanof (whose students attend school in Petersburg), and Thom's Place (which has no school).

Those four localities lie within the boundaries of the Southeast Island REAA. However, during the course of the 1990s effort to define model boroughs, the Commission determined that the borough boundary standards as a whole demonstrated enough distinctions between those four localities and the adjoining Prince of Wales localities to warrant a separate model borough.

Part 7. Contiguity and Totality

The standards for borough boundaries include a presumption in 3 AAC 110.060(d) that non-contiguous territory or an area that encompasses enclaves does not represent suitable boundaries.[127]

None of the eight unorganized regions under review in this report, as reflected in the model borough boundaries, is comprised of non-contiguous territories. Moreover, none of the eight model boroughs encompass enclaves.

Part 8. Overlapping Boundaries

State law (3 AAC 110.060(e)) provides that the boundaries of a proposed borough may not overlap the boundaries of another borough without addressing the standards for detachment of the overlapping territory from the existing organized borough.[128]

None of the eight model boroughs reviewed in this report has boundaries that overlap the boundaries of existing organized boroughs.

[127] 3 AAC 110.060(d) states, "Absent a specific and persuasive showing to the contrary, the commission will presume that territory proposed for incorporation that is non-contiguous or that contains enclaves does not include all land and water necessary to allow for the full development of essential borough services on an efficient, cost-effective level."

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Part 9. Conclusions Regarding Commonalities

Based on the foregoing, the Local Boundary Commission concludes that each of the eight areas under review embrace an area and population that has common interests in a regional context as called for in Article X, Section 3 of Alaska's constitution. Moreover, each of those areas has a population that is interrelated and integrated socially, culturally, and economically, as set out in AS 29.05.031(a)(1) and 3 AAC 110.045(a). Additionally, the boundaries of the eight unorganized regions examined in this report conform generally to natural geography and include all areas necessary for full development of municipal services in compliance with AS 29.05.031(a)(2) and 3 AAC 110.060(a). Further, the communications facilities and land, water, and air transportation facilities in each of the eight regions examined allow the communication and exchange necessary for the development of integrated borough government in accordance with AS 29.05.031(a)(4) and 3 AAC 110.045(c)-d. In addition, each of the eight regions embrace multiple bonafide communities as set out in 3 AAC 110.045(b). Further, the eight areas in question are defined by model borough boundaries which, unless changed by the Commission, certainly meet the standard established in 3 AAC 110.060(b).

It is also noted that the boundaries of four of the eight regions under review encompass entire REAAs. Those are the Aleutians Model Borough (Aleutian Region REAA + Unalaska), Upper Tanana Basin Model Borough (Alaska Gateway REAA and Delta Greely REAA), Copper River Basin Model Borough (Copper River REAA), and Prince William Sound Model Borough (Chugach REAA + Valdez + Cordova). Moreover, the boundaries of the Glacier Bay Model Borough encompass all of the Chatham REAA localities with the exception of Klukwan (an enclave within the Haines Borough), Skagway (a city school district bounded on the west and south by the Haines Borough and the north and east by Canada), and Angoon (within the Chatham Model Borough). The Chatham Model Borough encompasses Angoon and Kake (Kake operates a city school district). The Prince of Wales Model Borough encompasses all of the Southeast Island REAA localities except for Hyder and Meyers Chuck (within the Ketchikan Gateway Borough model boundaries), and localities in the Wrangell-Petersburg Model Borough. The latter includes the localities of Wrangell, Petersburg, Kupreanof, and Thom's Place. Based on the review herein, the Commission concludes that the model borough boundaries conform to existing regional educational attendance area boundaries except where the Commission has determined that model borough boundaries are better suited to the public interest in a full balance of the standards for incorporation of a borough pursuant to 3 AAC 110.060(c).

None of the territory defined by the model borough boundaries for the eight areas under review is non-contiguous or contains enclaves. Thus, the standard set out in 3 AAC 110.060(d) is met. Lastly, none of the model boundaries overlap the boundaries of an existing organized borough. As such the model borough boundaries met the standard set out in 3 AAC 110.060(e).

Based on the foregoing, the Commission concludes that each of the areas meets all of the regional commonalities standards established in law.

Section E. Broad Public Interest

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This section of the report reviews aspects of the broad public interest concerning borough formation. Three different standards are addressed here. First, a borough may be formed only if it serves the best interests of the state. The second standard concerns the orderly transition to borough government. The third element concerns whether borough incorporation would deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.

Part 1. Best Interests of the State

AS 29.05.100 allows the Commission to approve a borough proposal only if it is in the best interests of the state.[129] Standards for determining the best interests of the state in cases of borough formation are established under 3 AAC 110.065.[130]

The Local Boundary Commission has promulgated regulations to guide it in the application of best interest standards. 3 AAC 110.980 states:

> If a provision of AS 29 or this chapter requires the commission to determine whether a proposed municipal boundary change or other commission action is in the best interests of the state, the commission will make that determination on a case-by-case basis, in accordance with applicable provisions of the Constitution of the State of Alaska, AS 29.04, AS 29.05, AS 29.06, and this chapter, and based on a review of
>
> (1) the broad policy benefit to the public statewide; and
>
> (2) whether the municipal government boundaries that are developed serve
>
> (A) the balanced interests of citizens in the area proposed for change;

[129] AS 29.05.100(a) provides as follows, "The Local Boundary Commission may amend the petition and may impose conditions on the incorporation. If the commission determines that the incorporation, as amended or conditioned if appropriate, meets applicable standards under the state constitution and commission regulations, meets the standards for incorporation under AS 29.05.011 or 29.05.031, and is in the best interests of the state, it may accept the petition. Otherwise it shall reject the petition."

[130] "3 AAC 110.065 states, "In determining whether incorporation of a borough is in the best interests of the state under AS 29.05.100 (a), the commission may consider relevant factors, including whether incorporation (1) promotes maximum local self-government; (2) promotes a minimum number of local government units; (3) will relieve the state government of the responsibility of providing local services; and (4) is reasonably likely to expose the state government to unusual and substantial risks as the prospective successor to the borough in the event of the borough's dissolution. "

(B) affected local governments; and

(C) other public interests that the commission considers relevant.

The principal elements of this standard relate to the following:

- maximization of local self-government;
- promotion of a minimum number of local government units; and
- relief to the state government from the responsibility of providing local services.

The State encourages regions to assume and exercise local self-determination and provide municipal services that are funded and provided at the local level. Such is in the best interests of the public statewide and is consistent with the constitutional intent regarding municipal government.

As was stressed in Part 5 of Section D of this chapter, model borough boundaries are derivative of the application of every standard and factor relating to social, cultural, and economic characteristics of regions throughout the unorganized borough. Absent a clear demonstration that those boundaries are invalid, the Commission finds that forming boroughs in the eight unorganized regions reviewed in this report would be consistent with the constitutional scheme for borough development.

Therefore, forming such boroughs would be in the best interests of the state. Creating boroughs would advance maximum local self-government beyond the level that currently exists in those eight unorganized regions. It may promote minimum numbers of local government units through evolution of local government structures as has occurred in Juneau, Anchorage, Sitka, Yakutat, and Haines through unification and consolidation of local governments. Furthermore, it would relieve the State government of the responsibility of providing local services beyond that which exists under the current structure.

Article X, Section 1 of Alaska's constitution promotes maximum local self-government which encourages the extension of borough government in areas that satisfy the standards for borough incorporation and annexation. In this regard, the Alaska Supreme Court held as follows:

> Our review of the record has been undertaken in light of the statement of purpose accompanying article X, the local government article, of the Alaska constitution. Section 1 declares in part:
>
> > The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. . . .
>
> We read this to favor upholding organization of boroughs by the Local Boundary Commission whenever the requirements for incorporation have been minimally met.

Mobil Oil Corp. v. Local Boundary Commission, 518 P.2d 92, 99 (Alaska 1974).

Moreover, Alaska's Constitution starts with a declaration that all persons have inherent rights under Alaska's Constitution and that all persons also have corresponding obligations:

> **Article I, Section 1. Inherent Rights.** This constitution is dedicated to the principles that all persons have a natural right to life, liberty, the pursuit of

happiness, and the enjoyment of the rewards of their own industry; that all persons are equal and entitled to equal rights, opportunities, and protection under the law; and that all persons have corresponding obligations to the people and to the State.

Part 2. Transition

The second standard addressed under the general heading of broad public interest relates to the transition to borough government. State law (3 AAC 110.900) requires consideration of several different elements.[131]

The intent of the transition standard is to require forethought to the manner in which services will be extended to an newly incorporated borough. The plan must also demonstrate good faith to extend services.

3 AAC 110.900(b) requires a practical plan for the assumption of relevant powers, duties, rights, and functions presently being exercised by other service providers. 3 AAC 110.900(c) requires a practical plan for the transfer and integration of relevant assets and liabilities.

Obviously, in this case, this standard can only be applied abstractly since there are no specific borough incorporation petitions for the eight

[131] 3 AAC 110.900 states as follows:

(a) A petition for incorporation, annexation, merger, or consolidation must include a practical plan that demonstrates the capacity of the municipal government to extend essential city or essential borough services into the territory proposed for change in the shortest practicable time after the effective date of the proposed change. A petition for city reclassification under AS 29.04, or municipal detachment or dissolution under AS 29.06, must include a practical plan demonstrating the transition or termination of municipal services in the shortest practicable time after city reclassification, detachment, or dissolution.

(b) Each petition must include a practical plan for the assumption of all relevant and appropriate powers, duties, rights, and functions presently exercised by an existing borough, city, unorganized borough service area, and other appropriate entity located in the territory proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city and unorganized borough service area, and must be designed to effect an orderly, efficient, and economical transfer within the shortest practicable time, not to exceed two years after the effective date of the proposed change.

(c) Each petition must include a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities of an existing borough, city, unorganized borough service area, and other entity located in the territory proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city, and unorganized borough service area wholly or partially included in the area proposed for the change, and must be designed to effect an orderly, efficient, and economical transfer within the shortest practicable time, not to exceed two years after the date of the proposed change. The plan must specifically address procedures that ensure that the transfer and integration occur without loss of value in assets, loss of credit reputation, or a reduced bond rating for liabilities.

(d) Before approving a proposed change, the commission may require that all boroughs, cities, unorganized borough service areas, or other entities wholly or partially included in the area of the proposed change execute an agreement prescribed or approved by the commission for the assumption of powers, duties, rights, and functions, and for the transfer and integration of assets and liabilities.

areas in question.

The Commission recognizes that a newly incorporated borough is permitted a two-year transition petition to assume responsibility for local services. In the abstract, it is difficult to conjecture circumstances under which any of the eight regions reviewed in this report would be unable to meet the terms of 3 AAC 110.900.

Part 3. Non-Discrimination

State law (3 AAC 110.910) does not allow incorporation of a borough if the effect of such would deny any person the enjoyment of any civil or political right, including voting rights, *because of race, color, creed, sex, or national origin*.[132]

In addition to the provisions in State law, the federal Voting Rights Act of 1965, codified as amended at 42 U.S.C. Section 1973, establishes standards relating to the effects that incorporation would have upon civil and political rights of minorities. The Voting Rights Act prohibits political subdivisions from imposing or applying voting qualifications, voting prerequisites, standards, practices, or procedures to deny or abridge the right to vote on account of race or color or because a person is a member of a language minority group.[133]

Here again, the Commission has no alternative but to consider the proposal in the abstract. There are no specific assembly apportionment plans or other relevant facts to consider under this standard for any of the eight areas in question.

Nonetheless, the Commission recognizes that the provisions of the Federal Voting Rights Act apply to REAAs and cities in Alaska. REAAs and their representational structures were reviewed under the Federal Voting Rights Act by the U.S. Justice Department following the 2000 census.

[132] 3 AAC 110.910 states, "A petition will not be approved by the commission if the effect of the proposed change denies any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin."

[133] Specifically, 42 U.S.C. Section 1973 provides as follows:

(a) No voting qualification or prerequisite to voting or standard, practice, or procedure shall be imposed or applied by any State or political subdivision in a manner which results in a denial or abridgement of the right of any citizen of the United States to vote on account of race or color, or in contravention of the guarantees set forth in section 1973b(f)(2) of this title, as provided in subsection (b) of this section.

(b) A violation of subsection (a) of this section is established if, based on the totality of circumstances, it is shown that the political processes leading to nomination or election in the State or political subdivision are not equally open to participation by members of a class of citizens protected by subsection (a) of this section in that its members have less opportunity than other members of the electorate to participate in the political process and to elect representatives of their choice. The extent to which members of a protected class have been elected to office in the State or political subdivision is one circumstance which may be considered: Provided, That nothing in this section establishes a right to have members of a protected class elected in numbers equal to their proportion in the population.

The Justice Department interposed no objection to those structures.

Moreover, the Commission is aware of no circumstance in the abstract that would deny or abridge the right to vote on account of race or color or because a person is a member of a language minority group if boroughs were formed in the eight regions under review.

Part 4. Conclusions Concerning Broad Public Interest

Based on the foregoing, the Commission concludes that forming boroughs that meet standards established in the Constitution of the State of Alaska, Alaska Statutes, and the Alaska Administrative Code serves the best interests of the state in accordance with AS 29.05.100, 3 AAC 110.065, and 3 AAC 110.980.

In the abstract, it is difficult to conjecture circumstances under which any of the eight regions reviewed in this report would be unable arrange for a well planned and executed transition to borough government within two years. Thus, the Commission concludes that the transition standard set out in 3 AAC 110.900 is satisfied.

Lastly, the Commission again has difficulty conjecturing circumstances under which boroughs established in any of the eight regions reviewed in this report would deny or abridge the right to vote on account of race or color or because a person is a member of a language minority group. Thus, the standards set forth in 42 U.S.C. Section 1973 and 3 AAC 110.910 are satisfied in the abstract for all eight regions reviewed in this report.