



RESEARCH SUMMARY

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HOW WOULD A ROAD AFFECT CORDOVA?

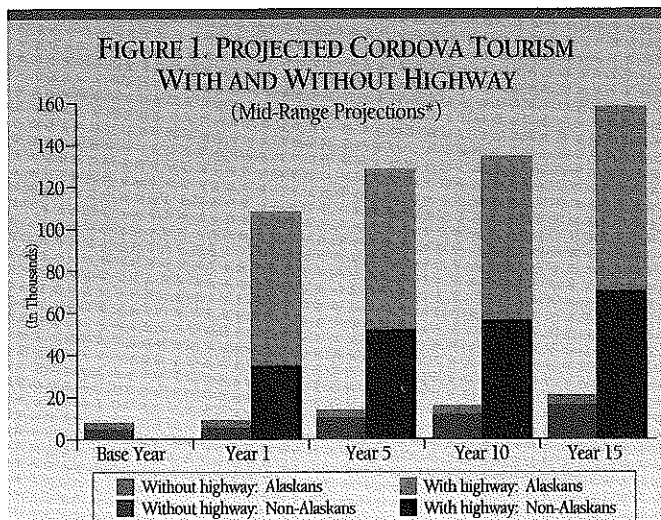
Ten times as many tourists might travel to Cordova every summer, if they could drive there. About 10,000 tourists arrive by boat and plane during the summer now. With a road, that number could jump to 100,000 almost overnight and increase over time (Figure 1).

Cordova is a commercial fishing town of 2,500 on Prince William Sound. No road connects Cordova with the highway system, although portions of a road exist. State ferries and air carriers provide transportation.

The proposed road to Cordova has created controversy for more than 30 years. Several times work has been started and stopped on what is known as the Copper River Highway (see map, page 2). In 1992 the Alaska Department of Transportation and Public Facilities hired ISER to study the potential economic and social effects of a road to Cordova.

ISER's report provided information for a draft Environmental Impact Statement (EIS) on the road. That EIS hasn't yet been released, but ISER recently gained approval to release its report, completed in 1993. Findings include:

- **A road would not turn Cordova into a boom town.** It would help offset a potential decline in population and economy by creating new jobs in tourism and recreation. It would most likely help keep population and employment near 1990 levels.



- **New Cordova jobs resulting from the road would mostly be summer jobs generated by tourism**—300 jobs the summer the road opened and 500 after 20 years.

- **A road would not likely spur substantial new resource development anytime soon.** Most known resource deposits could be developed without the road.

- **Numbers of sport fishermen and hunters around Cordova could grow by two to three times** with road access, substantially increasing local competition. Even so, most visitors to Cordova would not hunt and fish.

- **A road is not likely to have major effects on Cordova's commercial fishing industry.** Larger numbers of sport fishermen would increase the potential for conflicts between sport and commercial users. But Cordova would remain a relatively remote location for Anchorage and Fairbanks anglers, who would have to drive 8 to 10 hours to reach Cordova.

- **Cordova residents are split almost evenly** over the proposed road: 43 percent favor a year-round road and 42 percent oppose it. (The rest have mixed feelings.)

- **If it would mean reduced ferry or air service**, only a third of Cordova residents would favor a road.

- **Given a choice between improved ferry service and a road**, 55 percent of residents would choose better ferry service.

We hope ISER's findings will be useful in the debate over the road. Alaska's new governor, Tony Knowles, has said he wants to talk to residents of the affected region before deciding what to do next.

With or without the road Cordova faces uncertainty. It's a small town that will be strongly affected by changes in fish prices, regional tourism, and government spending.

Given the uncertainty about how those things will change, ISER projected a *range* of possible road effects—high, mid, and low cases, based on different assumptions about the future.

In this summary, we mostly report the mid-range projections. We think they still give a good picture of the likely effects of a road, but they were based on information and conditions in 1993. If we did the projections today, they would probably change somewhat.

METHODS

ISER researchers used a wide range of documents, conducted workshops, and interviewed 850 randomly selected adults inside and outside the Copper River region. Survey communities in the Copper River region were Cordova, Chitina, and Kenny Lake. Outside the region we surveyed adults in Anchorage, Fairbanks, Seward, Valdez, Homer, and Skagway. The survey results have a potential error of ± 5 percentage points.

The Environmental Impact Statement prepared by the Alaska Department of Transportation considers three possible routes for a 28-foot-wide gravel road through the Copper River Valley to Cordova. Cordova would be affected by a road along any of the three routes shown on the map. The smaller communities of Kenny Lake and Chitina (which are already on the highway system) would be affected most by a road along the Wood Canyon route.

ISER does not recommend for or against the road. Researchers reviewed data, listened to everyone, and analyzed potential social and economic effects—without making any judgments about whether those effects would be good or bad.

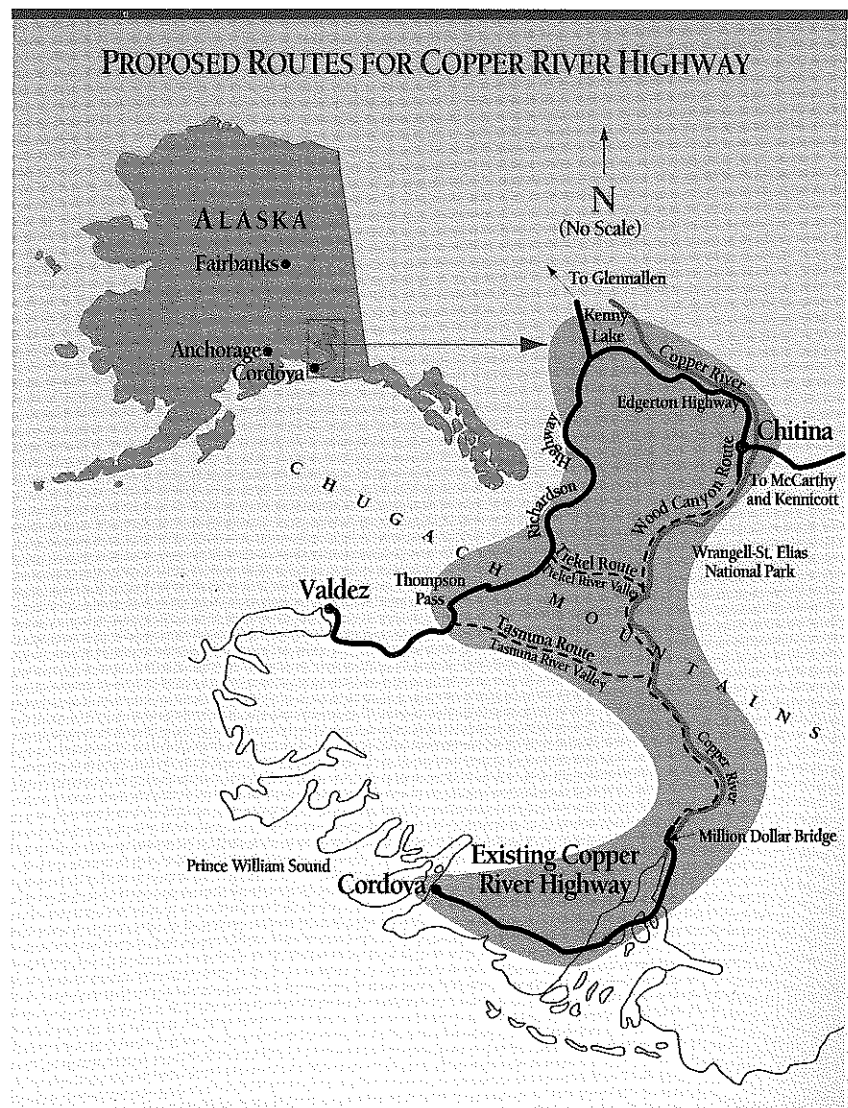
Remember that the discussions below mostly cite the mid-range economic projections.

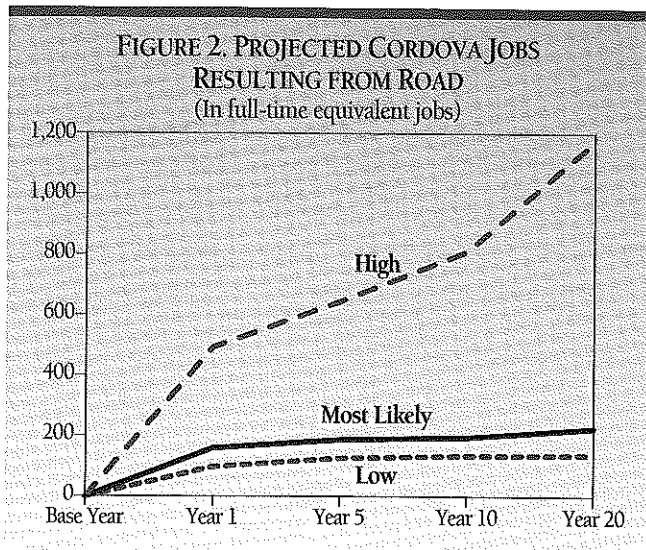
TOURISM

- *Each tourist would likely spend anywhere from \$50 to \$160 per day in Cordova.* Information on visitor spending indicates that visitors traveling on package tours tend to spend the most and those traveling independently by highway and ferry the least.
- *About two thirds of the additional tourists would probably be Alaska residents traveling by road* (Figure 1). About 10 to 20 percent would likely come from cruise ships and package tours.
- *Tourist spending could mean anywhere from \$4 million to \$10 million more for the Cordova economy the year the road opened and potentially \$6 million to \$27 million after 20 years.* Projected tourist spending in Cordova varies, depending mainly on assumptions about the growth and mix of tourists but also somewhat on the route selected.

OTHER ECONOMIC EFFECTS

- *The road would generate relatively few year-round jobs in Cordova*—most likely around 50 jobs when the road opened and perhaps 60 after 20 years. Figure 2 shows how those year-round jobs and the much larger numbers of summer jobs would translate into full-time equivalent jobs—about 160 when the road opened and around 225 after 20 years.
- *A road could be a two-edged sword for some Cordova businesses.* By creating economic growth and bringing in more tourists, the highway could increase trade for local merchants. But it could also open those businesses to increased competition, if more Cordova residents drove to Anchorage to shop in large discount stores.
- *Especially in the summer, a road could help lower the cost of living in Cordova* by providing a cheaper, more flexible way to bring in some goods (like lumber and perishables) but not others (like fuel oil).





- *Economic impacts of a road on Kenny Lake and Chitina would be smaller* than those on Cordova. That's because those communities are much smaller and are already on the road system—and they compete with other communities, particularly Glennallen and Valdez, in offering services to travelers. However, even if the potential effects on these communities are much smaller, construction of a single new lodge or other business could have important effects on such small communities.
- *A road is not likely to have any major impacts on Cordova's fish processing industry.* It would not substantially change the economics of fish processing in Cordova. Most processing supplies and processed fish would likely continue to be shipped by water rather than road, because barging commodities between Cordova and Seattle would still be cheaper.

PASSENGER AND FREIGHT TRANSPORTATION

- *Construction of the Copper River Highway might lead to stable or expanded summer ferry service but reduced winter ferry service.* Because of growing tourism demand—including demand for round-trips between Anchorage or Valdez and Cordova one way by ferry and the other way by road—summer ferry service to Cordova would likely be maintained or increased if the highway were built. However, due to lower demand and high costs, winter ferry service would likely be reduced or eliminated if the Copper River Highway were maintained year-round.
- *Air service to Cordova is currently subsidized under the federal Essential Air Service Subsidy*—but the Clinton administration has proposed eliminating the air service subsidy nationwide in FY 1996. Congress has not yet decided about 1996 funding for the program.

- *Under the most favorable conditions, hauling freight by truck over the Copper River Highway could be 20 percent cheaper* than the cost of shipping freight by truck and ferry between Anchorage and Cordova—but under other conditions the costs could be just about the same. Freight tariffs and the potential savings from shipping by highway vary—depending on the size of the load, the type of commodity being hauled, the regularity of shipments, and the origin of the shipment. Large volumes of freight and fuel would likely continue to go by barge to and from Seattle, because that would still be cheaper.

SELECTED SOCIAL EFFECTS

- *A new highway could bring 300 to 400 more cars to Cordova daily in the summertime*, increasing crowding in already congested areas. Construction along the Wood Canyon route could double average daily traffic at Chitina and Kenny Lake. That extra traffic would not likely create problems around Kenny Lake, which is dispersed along a straight stretch of road with few intersections. But residents of Chitina have already reported summer traffic congestion when the popular dipnet fishery is open south of Chitina.
- *Currently there are no emergency medical services* that could serve the entire Copper River Highway. Cordova and Glennallen each have one ambulance with a volunteer crew.
- *Most existing public facilities and services in Cordova would likely be adequate for any increased demand resulting from the highway.* The main exception is Cordova's small boat harbor. It is already nearly full, and demand for harbor slips by charter operators and recreational boaters could cause crowding.
- *Lack of public water and sewer systems in Chitina and Kenny Lake* would make it difficult for the private sector in these communities to provide necessary travelers' services like toilets.
- *Highway access is not a major influence on crime and other social problems*, according to ISER's comparison of conditions in Cordova and in Homer, Seward, and Skagway, which are all connected to the road system.
- *It is not clear that being connected to the highway system worsens the problem of out-of-work transients coming to town in the summer.* ISER's interviews with residents of Seward, Homer, and Skagway found no consensus about whether communities at the end of a road have worse problems with unemployed transients.

RESIDENTS' OPINIONS ABOUT HIGHWAY

The sharp split in public opinion in Cordova about the proposed road has often been reported and was documented in ISER's 1993 survey. But Figure 3 shows what has not been reported—that in fact Cordova residents strongly agree about they want for their community and what they expect a road to bring. Part of what splits those in favor and those opposed to a road seems to be how they balance the good and the bad they expect from a road—whether they think the economic benefits of a road (which will come almost entirely from more tourists) will outweigh the problems they expect to follow—like crowding, increased pressure on fish and game, and more traffic.

Virtually all residents—97 percent—want to protect commercial fishing as a way of life. More than 80 percent think Cordova will need a broader economy in the future. Nearly 80 percent believe a road will bring undesirable

changes to their town—but almost as many (71 percent) believe a road could improve the economy.

Among those residents who agree on those broad points are both opponents and proponents of the road, as Figure 3 shows. Of those who want to protect fishing, 42 percent favor the road and 43 percent oppose it. Among those who think Cordova will need more economic opportunities, 53 percent favor the road and 33 percent oppose it. Of those who think the road would bring undesirable changes, 30 percent favor the road and 53 percent oppose it. And among those who think a road would improve Cordova's economy, 60 percent favor the road and 24 percent oppose it.

It seems that Cordova residents who agree about a point like the need for more economic opportunity disagree about whether the road is the way to create that opportunity.

Alaskans outside Cordova also hold strong opinions about the road, as recorded in ISER's 1993 survey:

- **Close to 70 percent of Chitina** and Kenny Lake residents support construction of either a seasonal or a year-round road.
- **Outside the Copper River region, support for a road is highest in Valdez**, where 70 percent support a year-round road and 60 percent a seasonal road. Slightly more than half of those surveyed in Anchorage, Seward, Homer, and Fairbanks favor a year-round Copper River Highway and around 45 percent in those communities support a seasonal road.
- **Given a choice between building the road to Cordova and improving other highways**, only about one-quarter of the residents of Anchorage and Fairbanks would prefer the Cordova road. And if maintaining a year-round road to Cordova would take money away from other Alaska highways, very few residents of Anchorage, Fairbanks, Homer, and Seward—between 1 and 10 percent—would favor a road to Cordova.

FIGURE 3. WHAT DO CORDOVA RESIDENTS THINK ABOUT THE FUTURE?

97% want to protect commercial fishing



82% believe need more economic opportunities



79% believe road will bring undesirable changes



71% believe road will help economy



Support Road Mixed Oppose Road

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