



Transportation Infrastructure Fund

Alaska's Transportation Challenges

- Aging transportation system
 - 40-50 year old highways
 - Population growth = congestion
 - Aging AMHS ferry vessels
 - Airport upgrades and major maintenance
 - Deteriorating harbors in disrepair
 - Limited access to natural resources
 - \$16.8 B backlogged projects & deferred maintenance

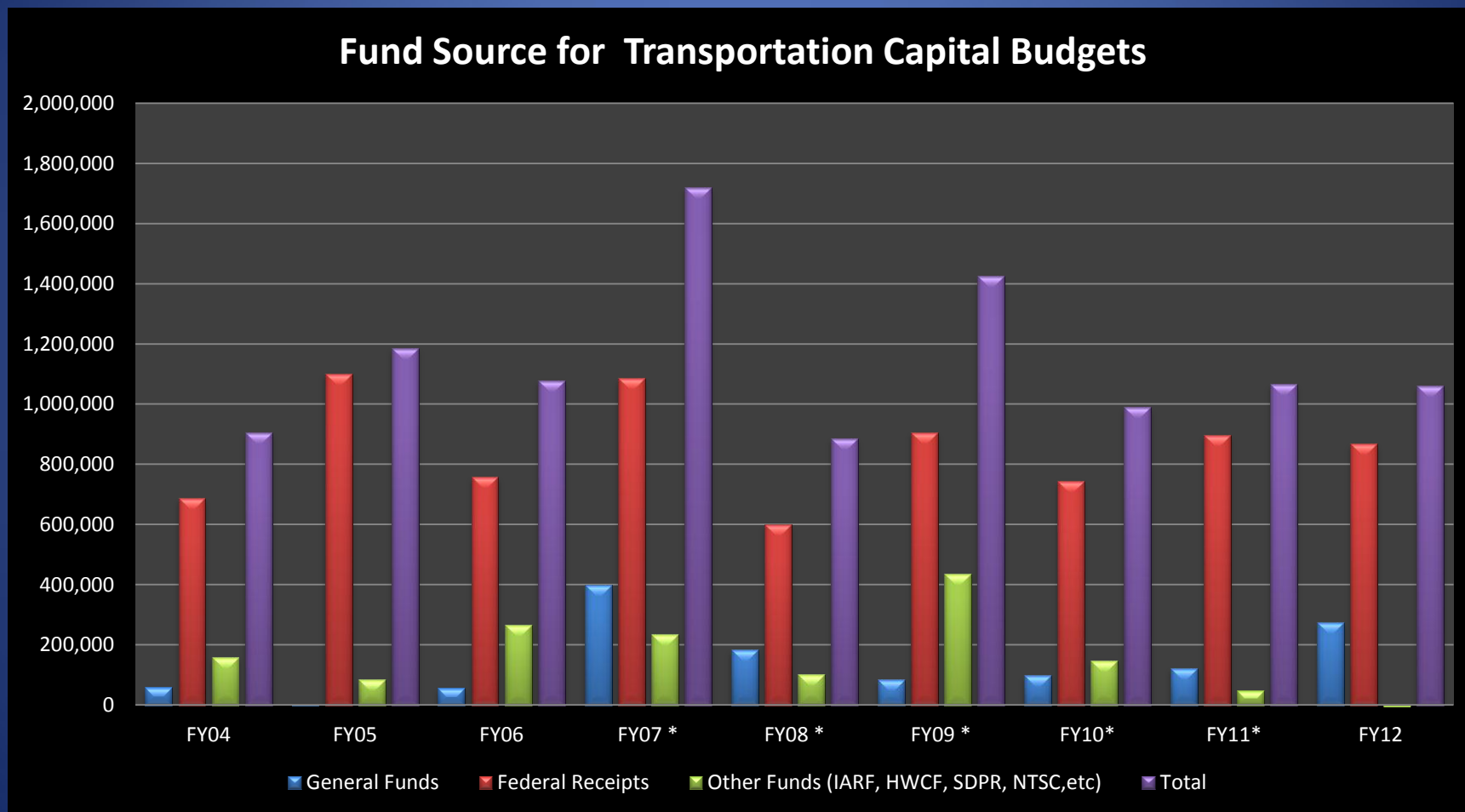


Alaska's Transportation Challenges

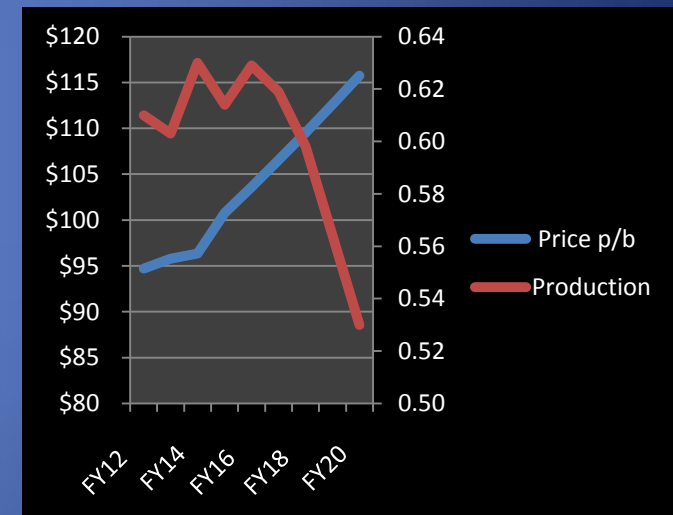
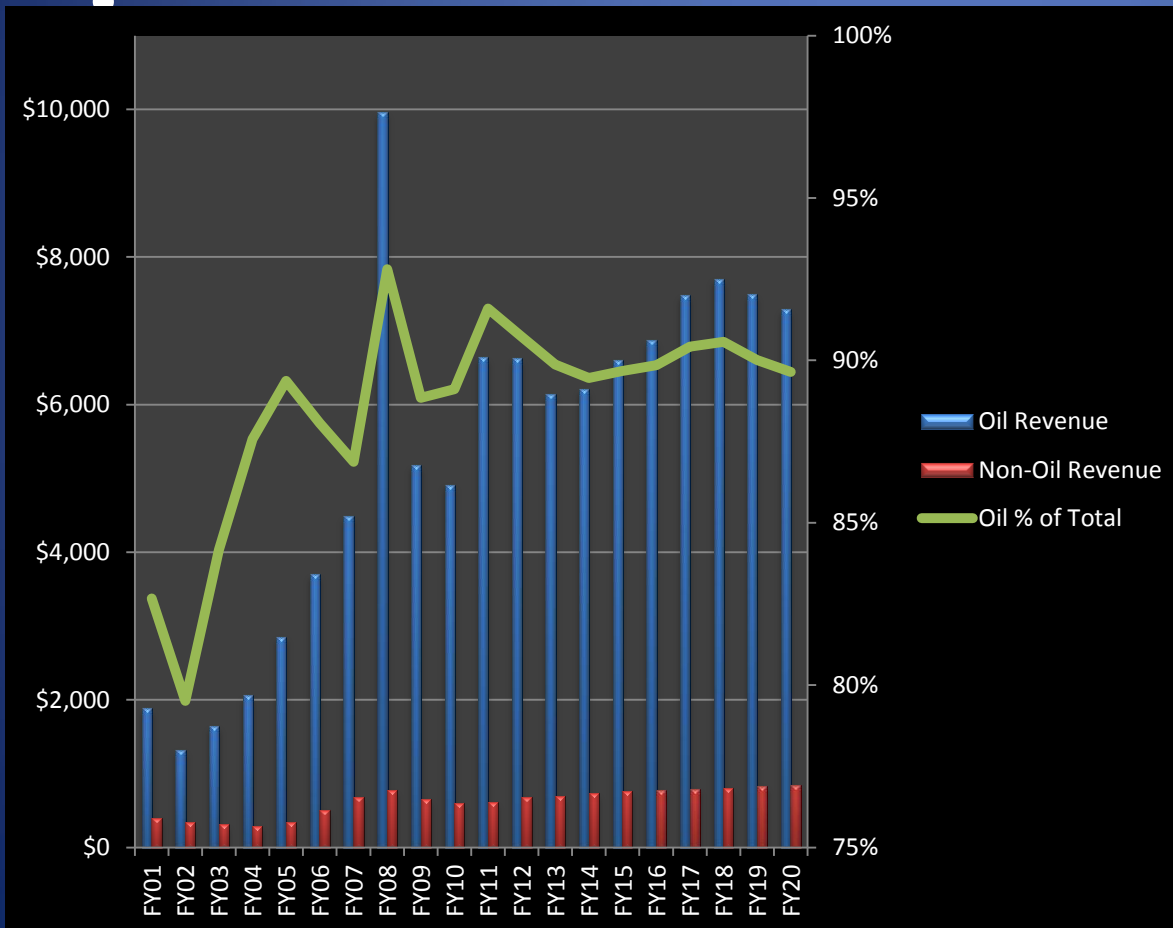
- Declining transportation funds
 - Federal funding not keeping up with the demand
 - Rural highway traffic ↑ 23%*
 - Vehicle miles traveled ↑ 35%*
 - \$65 Billion/year lost to traffic congestion
 - Fuel tax revenues can't keep up with inflation
 - Projecting 33% reduction in 2013
- State GF consumed by growing healthcare, corrections and education costs- little left for transportation



DOT/PF Capital Budget History



Alaska Revenue Projections



Transportation Infrastructure needs a Boost

- Projected 33% decline in federal funds beginning 2013
- Aging Infrastructure
- Open new access to resources
- Plans for the future



House Transportation Comm. Actions

- 3 years of Committee hearings
- Viewed, first hand, rural and urban problems
- Examined funding options
 - National experts
 - State experts
 - Infrastructure bank experts
- Rejected options which committed future GF

ATIF Solution

- Re-instate dedicated Alaska Transportation Infrastructure Fund
 - Our constitution grandfathered 2 transportation funds
 - Requires a vote of the people
- Maintain existing funding
 - Operational and capital budgets remain the same
- More 100% state funded projects
 - Reduced costs
 - Reduced schedule

Funding ATIF

- \$1B endowment from legislature and
- Annual revenue
 - Motor fuel tax
 - Studded tire tax
 - Vehicle rental tax
 - Vehicle registrations and drivers license fees
 - New transportation related fees or taxes

ATIF Appropriation

- DOR will manage the fund
 - Profits will be reinvested
- Figuring the appropriation amount
 - 6% market value averaged over previous 5 years plus
 - 50% tax and fee revenue from previous year
- Follows regular budgetary process
 - Legislative approval
 - Gubernatorial approval

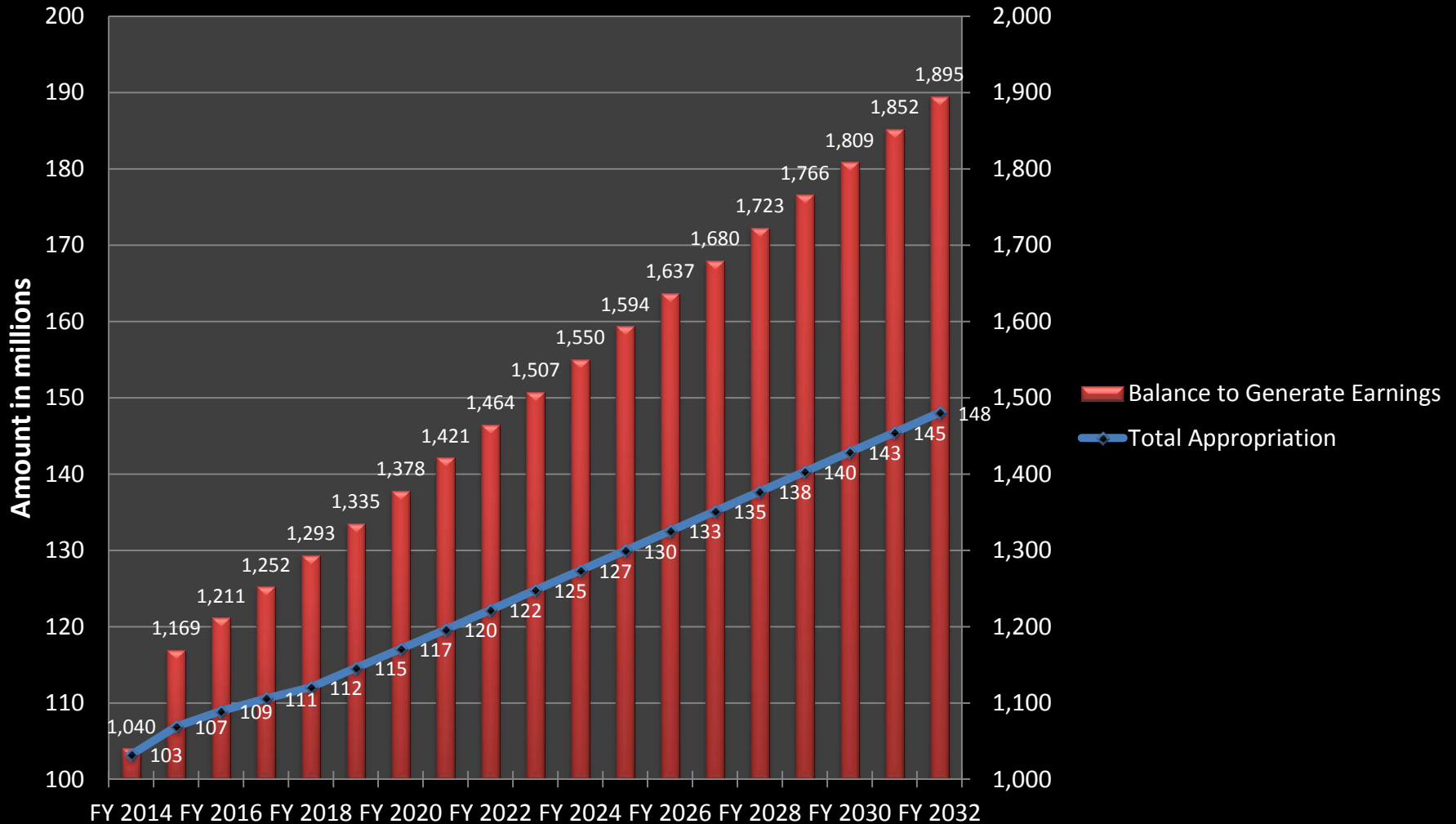
ATIF Advisory Council

- 17 member council
 - Public members appointed by Governor
 - Stake holder members
 - Commissioner, DOT/PF
 - Non-voting legislative members
- DOT/PF develop project ranking criteria
- Council to numerically rank projects

ATIF Projects

- Limited to capital transportation and major maintenance projects
 - $\leq 80\%$ - highways and roads
 - $\leq 25\%$ - aviation
 - $\leq 25\%$ - marine highway system
 - $\leq 20\%$ - harbors and harbor matching grant fund
 - $\leq 20\%$ - community transportation and transit
 - $\leq 15\%$ - trails and bike paths
- Federalized projects not more than 20%
 - Incentive to do more state funded projects
 - State funded projects are cheaper and faster

ATIF Projections



ATIF ...

- Plans for the future
 - Decrease transportation backlog
 - Decrease deferred maintenance
 - Decrease dependence on federal funding
 - Increase number of new jobs
 - Increase road safety
 - Increase Alaska's economy
 - Increase access to Alaska's resources
 - Ensure stable annual transportation budget

ATIF Summary

- Alaska Transportation issues:
 - Declining funds
 - Aging transportation system
- Implement the Alaska Transportation Infrastructure Fund
- Put the constitutional amendment on the ballot in November 2012
 - Let the people decide