

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

SEAN PARNELL, GOVERNOR

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March 21, 2011

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
State Capitol Bldg, Room 516
Juneau, Alaska 99801

Dear Co-Chair Stedman:

In response to questions posed by the Senate Finance Committee on March 15, 2011, during the department's Capital Budget Overview, the following information is provided:

- **Ref Num 51721, Ward Cove Improvement – Alaska Marine Highway System.**

What is the breakdown on expenditures for original \$5M appropriation for Ward Cove?

The expenditure breakdown is as follows:

- Land, improvements, and tidelands acquisition: \$2.7M
- Design/Engineering for Veneer Building: \$0.6M
- Administrative Support: \$0.3M
- ICAP \$0.4M
- Programmed toward the cost of Construction: \$1.0M

Why is the project in phases and why is it becoming more complex?

The project was broken into phases because of the immediate needs of the AIDEA owned ASD shipyard in the development of their facility. It has become more complex due to the scope of the total plan verses the immediate need for portions of the total plan. Phase 1 provides relatively fast access to 2.2 acres of upland space for shipyard expansion use. Phase 2, the 6.6 acres of waterfront property, is much more complex to functionally replace in the Ward Cove location in terms of design, permitting, and construction. Despite the single 2013 listing of \$40M for phase 2 (a very rough estimate that included more than just functional replacement), it is anticipated that phase 2 may actually be multi-phased with funding required over several years.

How will the \$40M be split in FY 13?

The \$40M request in FY2013 will be split into 2 separate categories. \$30M is a very rough estimate attributable to the functional replacement of the activities taking place at South Berth (South Berth is a working berth capable of ticketing and loading/unloading overflow passengers and vehicles from the main Ketchikan ferry terminal, performing dockside vessel maintenance, and as a layup berth). The remaining \$10M is associated with the construction of a new AMHS office building on the Ward Cove property to collocate AMHS staff from inadequate leased space to Ward Cove property near the warehouse, maintenance, and layup facility for increased efficiency.

What is the priority between Ward Cove and the Alaska Class Ferry and why?

Both projects are high priority items for AMHS; however, construction of the Alaska Class Ferry is clearly the highest priority. The Ward Cove project is directly tied to AIDEA's desire to develop their shipyard into a facility more capable of competitively bidding on vessel construction projects such as the Alaska Class Ferry. The department wants to facilitate that enhanced capability to ensure the Alaska Class Ferry is competitively built from a level playing field to ensure best value.

Provide history for Ward Cove with the main terminal downtown.

The functional replacement concept for the Ward Cove project was the outcome of AIDEA's desire to expand its footprint at their Ketchikan Shipyard. It is AIDEA's intention to upgrade the facility to make it more competitive in vessel construction and other shipyard business practices. To accomplish this, a larger footprint was required. AMHS owned facilities (i.e. the South Berth Complex) provided the only realistic opportunity for growth. Functional replacement is an approved method of transferring assets between state entities and "compensating" the departing entity with a functionally equivalent facility in a different location. The Deputy Commissioner for Marine Operations would be happy to meet with Senator Egan at his convenience to review the details and answer any questions associated with the Ward Cove project.

Provide square foot cost for retro fit, office/warehouse spaces and total square feet.

The veneer building, acquired with the Ward Cove property purchase, is a 40,000 GSF (400ftx100ft) industrial structure that previously housed plywood veneer machinery. It is basically a shell with no indoor heating, plumbing, etc. The functional capability replacement, within the veneer building, of the phase 1 South Berth structures (3 separate buildings) includes 7,754 square feet of downstairs climate controlled (heated) storage space and 8,443 square feet of added upstairs office space built above it. The remaining 32,246 square feet of downstairs space will be non-climate controlled warehouse storage. The estimated average construction cost for the renovation is \$203 per square foot, (higher per sq ft for the upstairs office spaces and lower per sq ft for the downstairs climate controlled warehouse space). It is important to note that the \$3.4M request does not fully complete the final retrofit of this building, just the functional replacement of what is moving from South Berth phase 1. Recent engineering estimates indicate that vessel equipment storage cages and shop space build out of the remaining downstairs portion of the building may require up to an additional \$1.5M in funding.

- **Alaska Class Ferry Related Questions:**

Provide timelines for monies already appropriated.

Currently \$60M has been appropriated to the vessel construction fund for the Alaska Class Ferry. AMHS has been using these funds to perform design activities which are currently at 10% functional design stage. Further design progress is dependent upon the procurement method chosen for the ship, which is still being evaluated by the administration. Adequate funding is on hand to complete the design process, should it be decided to fully design the vessel before contracting a builder. Alternative procurement methods that may result in a better product may require bringing a construction contractor on board earlier in the design process to benefit from the efficiencies such a joint effort affords.

How is the additional funding needed - one year or spread over fiscal years?

The need and timeline for additional Alaska Class Ferry funding depends entirely upon the ultimate selection of the procurement method chosen. For a design and low bid build process, the funding is not needed immediately (i.e. we can design the ship with existing funding). For a Construction Manager/General Contractor (CMGC) type procurement, the funding is needed sooner in order to bring the selected contractor into the design process early.

Why AIDEA funds versus GF for this project?

According to OMB, there is \$29.4 million available from AIDEA Dividends in the FY2012 statewide budget. AIDEA dividends are considered unrestricted general funds. The Ward Cove project is an important component of the overall improvements for the AK Marine Highway facilities in Ketchikan. There was no distinction made regarding the fund source chosen – either general funds or AIDEA dividends.

- **Ref Num 50745, AMHS: Vessel and Terminal Overhaul/Rehabilitation**

Explain the difference in funding request FY12 vs FY13.

The FY12 request of \$8.0M is based on historical funding levels and fully anticipates the need for a supplemental request in the future, just as in FY11, and FY10. AMHS strives to keep its entire fleet USCG Certificate of Inspection (COI) compliant while meeting the needs of the traveling public in the most cost conscious manner. The FY13 request (and beyond) appears higher because they contain the full request for all priority 1, 2, and 3 needs to meet the mission of the system. Many of the lower priority needs were removed from the FY12 budget request resulting in the \$8M figure. The cost of ship overhauls can, and most often does, increase from planned levels due to “discovery” (additional unplanned but needed work that is discovered only after opening systems, spaces, and components for maintenance).

When will the Systems Analysis be provided to the Legislature?

The current draft of the AMHS Analysis (phases 1, 2, and 3) is being reviewed by the department. Conditions and circumstances have changed since the study was originally commissioned. DOT&PF plans to incorporate these factors prior to releasing this study. We will have a solid timeline for release after discussing with the study’s authors.

Ref Num 59780, Municipal Harbor Facility Grant Fund.***Why did Governor veto \$5M from the legislation appropriation in FY11?***

The Governor vetoed the \$5 million addition to the Municipal Harbor grant funding in FY2011 because of the overall level of spending.

Why are we splitting a project, deviating from process?

The Governor's FY12 budget included \$5 million as the starting point for discussion with the legislature, understanding that there are more applications for funding than are covered by the \$5 million. There is no intention to deviate from a priority list or jump over any of the projects on the list – again, the funding for municipal harbor grants and water and sewer grants are a starting point recognizing there are more requests than funding and recognizing there will be changes made in the budget.

The Governor has asked the legislature to work with him on an overall spending level and what the priorities for funding will be within that dollar amount.

- **Ref Num 50767, Statewide: Rural Airport Emergency Medical Evacuation Lights – Battery Replacement.**

Is there any hospital facilities with helicopter ports included in this request?

The intention of this project is to replace the batteries for temporary emergency helipad and airport lighting systems previously deployed by DOT&PF to provide 24 hour medical evacuation capability for communities without lighting options for aviation operations. These emergency lighting systems are stored in the community clinic, municipal office or other location where the lights can be kept charged and secure. The lighting systems are set up each time an emergency medical evacuation occurs. The original batteries have reached the end of their life.

These lighting systems were purchased with special earmark funding obtained by Alaska's Congressional Delegation during FFY'02 and FFY'03 for communities identified in the FAA report: "Aviation Access to Remote Locations In Alaska" (House Report 106-940 accompanying H.R. 4475, FFY 2001 DOT Appropriations). This funding was provided by the FAA to the DOT&PF. The criterion for the original deployment of these lighting systems was to provide 24 hour medical evacuation capability for communities without existing airport lighting systems, which are not easily accessible by all season road access.

For communities with existing airports, the emergency lighting system would be deployed at the airport. For communities with only seaplane bases, the helicopter landing zone lighting systems were intended to be deployed at suitable locations selected by the community and the helicopter operator.

The intent of the temporary emergency lighting system was to provide a minimum level of lighting suitable for medical evacuations at the most remote and underserved communities. Alaskan communities with a hospital already have an airport with a lighting system that has 24 hour medical

evacuation capability, so hospitals were not evaluated for use of these emergency battery operated lights and were not surveyed to determine if:

- 1) A heliport is located at the hospital; or
- 2) If the hospital access would benefit by having temporary emergency heliport lighting at the hospital.

Since any hospital would already have a reliable source of electrical power available, it seems likely they would have a strong preference for a permanent heliport lighting system, if they operate a heliport. In addition, unless a hospital landing zone was open to public use; it is likely that its lighting system would not be eligible for funding by FAA.

- **Ref Num 50770, Arctic Ports Study**

How do we prioritize and what is our action plan for the port study and statewide digital mapping initiative (SDMI)?

Arctic Port Study

The mapping data for the water side is not yet well defined; however, the first primary focus is to evaluate port sites suited to multiple vessel types for multiple missions (patrol, fisheries, mine export, search and rescue, oil and gas, etc.). A pre-study effort is being planned to conduct 2 day charrett with major agencies to screen likely sites and try to keep study costs low and accelerate findings.

Statewide Digital Mapping

- 1) Surface Imagery -- The SDMI has secured funding and has contracted to obtain imagery for the entire state. This work is currently underway.
- 2) Digital Elevation Modeling (DEM) -- Due to the cost of the DEM, priorities must be established to match the funding available. These priority DEM coverage areas are being identified by the SDMI in conjunction with the federal funding agencies and the stakeholder user groups working with the SDMI. The DEM data is being collected by Interferometric Synthetic Aperture Radar (IFSAR), which provides the best compromise between adequate accuracy and detail compared with cost.

The DEM acquisition plan is highly dependent upon the federal funding partners and their mutual interest(s) and funding levels. For example, if the USGS provides funding or the Congressional Delegation is able to fund USGS interests, the priority areas are easier to define because the USGS has wide ranging interests and responsibilities. Alternatively, if the National Park Service funds a data acquisition effort, the park areas will be their sole interest.

At this time it is difficult to predict the following for the DEM acquisition:

- Who the federal cost sharing partners will be;
- When federal funds would be obligated, or
- What areas the obligated funds would prioritize.

One scenario is a three year phased approach and the second scenario is a four year approach. Underlying this effort is flight logistics requiring long strait North/South flight lines for greatest efficiency. Ultimately the plan will be affected by funding, funding partners and logistical considerations (i.e. availability of jet fuel at landing strips compatible to jet aircraft and etc.).

What follows is a very general plan and does not suggest one area is more relevant than the other. The plan will be adjusted to address funding levels as well as funding agency responsibilities and priorities, but ultimately result in a statewide data collection and mapping.

- It is anticipated elevation data for the Arctic region would be collected as whole from the Arctic Circle (66 degrees north latitude) northward to the coast with some exceptions to fill in previous data collections.
- The South East Panhandle and all lands not already completed up to sixty three degrees latitude north and 155 degrees longitude west; all lands between 55 degrees north and 60 degrees north between 155 degrees and 160 degrees latitude west.
- All lands not specified in the above that reside below the Arctic Circle (60 degrees north) except for the Aleutian Chain (Western Alaska and the Ambler Mining District), and
- The Aleutian Chain. The Aleutian Chain most likely will be completed by a satellite based radar platform at a coarser resolution than IFSAR due to flight costs over large areas of water that make an airborne effort less efficient. Additionally, fuel, landing sites and weather complicate an airborne strategy.

Another strategy deserving consideration is the collection of the whole state in one season. The processing of the captured data could be processed in subsequent years based upon funding levels with substantially fewer complexities and with greater efficiency, due to the fact air logistics would be maximized and this approach would avoid the abnormal division of priorities separated by areas of lower interest resulting in voids.

Why is the mapping in the Northwest Passage, only Aleutian, why not West Coast?

It is the intent of the SDMI to map the entire State of Alaska. See previous response for area to be done in the Arctic area.

Where will the Arctic Port Study start and how far down the Coast will it go?

We are currently working with the US Army Corps of Engineers to make this determination. We anticipate we will have greater fidelity on coverage for the Arctic Port Study following a Charette designed to address this topic specifically.

- **Ref Num 50803 & 50784, Material Site Mining Plans & Northern Region: Material Site Reconnaissance**

Why are we importing material from BC for Sitka project?

Riprap for the Sitka Airport project can be from any source that meets the quality specification. If material is brought in from British Columbia it is the contractor's decision, probably based on economics.

- **Ref Num 30628, State Equipment Fleet Replacement.**

Concerns that high tech equipment is not working in rural areas, department should re-evaluate their purchasing requirements. Provide report on findings.

Equipment sent to rural Alaska is the only equipment available. For rural Alaska, bulk purchasing is not the issue. Below is a summary of issues pertaining to the state equipment fleet:

New engines: New EPA compliant engines have come out; it hasn't been a smooth transition, especially with the regeneration systems that are part of the EPA Tier III-IV requirements.

Made in America: Airport Improvement Program equipment purchased has to be fully "Made in America". This resulted in a motor grader contract solely with Caterpillar whose new motor graders are run with joy sticks. The SEF program has tried to keep this equipment at the larger airports only, but a few are now being pushed out to the more rural areas. These too have had problems but Cat has tried to be as responsive as possible.

Computers: Our equipment is now run by computers, from light to heavy duty. This can be very frustrating in rural Alaska since not every shop is fully tooled with diagnostic equipment. Diagnostic programs run from \$300-\$1200 per year for renewals. A fully functional laptop in our larger shops now runs \$10K. This is about to become a significant part of our budget as more new equipment is disbursed. We share laptops where we can but it can extend the downtime of a piece of equipment if you have to wait for the computer to be flown in from Anchorage.

Our vendors have down time requirements that can't be exceeded; however this last batch of equipment has been challenging with frequent engine issues. Advancement of equipment technology continues and it is anticipated that the next tier of engines for the off road equipment coming on line in 2012-14 may be challenging as well.

An option for reducing some of these issues from the operators end, funding for training the mechanics and operators would be required. There are operating training simulators that could be purchased and transported to rural hubs to provide hands on training to rural airport contractors.

The fleet's up-time (percentage of time that a unit is available during a rental year) for rural heavy equipment is 97%. This includes rural airports which require the mechanics to fly in to perform preventative maintenance and any repairs. The ability to routinely perform preventative maintenance can be stymied by budgets eaten up with rising fuel and commodities cost; however, the mission of keeping the runways open is top priority and the fleet as well as the highways and aviation staff go above and beyond to make sure the equipment is available when it's needed. That

dedication is reflected in the high up-time percentage. Additionally, the 97% up-time rate for rural Alaska is better than the urban up-time rate average of 93%.

- **Ref Num 41923, Other Federal Program Match**

Why the difference in funding request between FY12 and FY13?

The Other Federal Match project covers match for four programs as shown on page 44 of the capital back-up. The federal authorization for FY12 request of \$1,050.0 reflects authorization needed in two of those programs, the other two programs did not need additional federal authorization this year. In FY11, the match total requested was \$1,210.0 and included all four federal programs. The department programs reviews available federal match during the budget cycle and only requests what is needed for that year. This is an ongoing year-to-year appropriation, and based on the level of the request this year, the out years were rounded up to \$2,000.0 for future year estimates.

- **Ref Num 30643 & 33485, Federal Transit Administration Grants and Highway Safety Grants Programs**

Provide list of where grants went last year.

See enclosures SFY2011 Transit Funding and SFY10 Highway Safety Grant.

- **Ref Num 7470, Airport Improvement Program.**

Is the AIP project evaluation/ranking process governed by Statute or Regulation?

The FAA statutes, regulations, and policy determine what work is eligible for federal Airport Improvement Program (AIP) reimbursement. Most DOT&PF airports have been federally obligated by accepting previous FAA grants and are subject to grant assurances that establish standards with which these airports must comply. The FAA also mandates that certain projects be funded on a priority basis at obligated airports in order to achieve FAA standards. Examples of FAA mandates include meeting runway safety area standards, maintaining airport pavements and projects needed to satisfy FAA Letters of Correction. In addition to compliance with FAA statutes, regulations, policies and grant assurances as well as meeting other FAA mandates, the DOT&PF establishes priorities for use of AIP funding for the Alaska International Airport System (AIAS) as well as the DOT&PF Rural Airport System as follows:

Alaska International Airport System (AIAS):

The AIAS projects are also subject to additional (and limited) AIAS signatory airline consultation/approval pursuant to the AIAS Passenger Terminal Lease and Operating Agreement (Operating Agreement). AIP funded projects generally originate in the airport's master plan.

The provisions of the Operating Agreement primarily provide for signatory airline input with respect to timing and source of matching funds for AIP funded CIP by balloting authority. An airport proposed project may be "voted down" by a two thirds majority vote.

If a project is "voted down", the Operating Agreement provides for the airport(s) to request reconsideration of the vote supported by new information, or per Section 6.03(C) of the Operating

Agreement, AIAS may i) abandon the project, ii) carry out the project using financing that will not affect Signatory Airlines' rates and fees, or iii) defer the capital project for twelve months from the date of the vote, after which the project may be undertaken, after second notice to Signatory Airlines, but without further need for a vote of the Signatory Airlines.

Alaska Rural Airport System: Projects proposed for the Rural Airport System are generally scored by the Aviation Project Evaluation Board (APEB). The APEB consists of 6 members--3 Regional Directors, Statewide Chief of Maintenance and Operations, Director of Program Development and Deputy Commissioner of Aviation. The APEB meets at least annually to evaluate projects. Project nominations with supporting information packages are prepared by the department's Regional Planning Sections for each APEB meeting for new projects and for project reevaluations. Each APEB evaluator compares project supporting information against the appropriate criteria and assigns a score to each criterion. The assigned raw score for each evaluator is multiplied by the criterion's weight, which sums to the total weighted score for each evaluator. The total scores for each of the 6 evaluators are arithmetically averaged to determine the project's final composite score. The score stays with the project until it is either constructed or reevaluated. The score establishes the state's priority for the project, with higher scores indicating higher priority.

Do Air Carrier Associations have veto power?

Air Carrier Associations do not have veto power over a project at a DOT&PF Rural System airport.

As noted previously for the Alaska International Airport System (AIAS), the provisions of the Operating Agreement provide for signatory airline input with respect to timing and source of matching funds for AIP funded projects by balloting authority. An airport proposed project may be "voted down" by a two thirds majority vote through the additional (and limited) AIAS signatory airline consultation/approval pursuant to the AIAS Passenger Terminal Lease and Operating Agreement. If a project is "voted down", the Operating Agreement provides for the airport(s) to request reconsideration of the vote supported by new information, or per Section 6.03(C) of the Operating Agreement, AIAS may:

- i) abandon the project;
- ii) carry out the project using financing that will not affect Signatory Airlines' rates and fees; or defer the capital project for twelve months from the date of the vote, after which the project may be undertaken, after second notice to Signatory Airlines, but without further need for a vote of the Signatory Airlines.

• Ref Num 40380, Alaska Marine Highway System: Ferry Vessel Refurbishment

Why the difference in funding request between FY12 and FY13?

This project request reflects the estimated federal receipt authorization required for the estimated costs of individual refurbishment projects as provided in the detail back-up on 128. The out year authorization levels are informational and were already in the system, when the more specific dollar amount for FY12 was entered into the budget system.

- **Ref Num 49180, Intelligent Transportation Systems Border Infrastructure**

When did this project enter into the STIP process/system?

Project #49180 entered the STIP in 2010.

- **Ref Num 49150, Sitka Halibut Point Road Road Resurfacing, Drainage Improvements and Bridge Replacement.**

Is it true this project needs another \$16M and if so why? If true, when will funding request show up in process?

The total cost of the above-referenced capital project is \$16 million. In FY11, the department received an appropriation of \$11 million for this project, and this \$4 million request in FY12 reflects the increased estimate to bring the total project costs to \$16 million.

- **Ref Num 51535, Juneau: Glacier Highway Widen and Resurface Eagle Beach to Bessie Creek**

When did this first appear in STIP?

Project #51535 entered the STIP in 2005.

- **Ref Num 36446, Statewide: Highway Fuel Tax Enforcement**

Who gets audited, i.e. gas stations (gas pumps) or fuel providers; and what is the process how is it determined who gets audits? What is the plan? Who gets audited, how is it determined?

This funding request represents eligible federal highway surface transportation funds that the Department of Transportation and Public Facilities RSAs to the Department of Revenue, Tax Division, audit section.

The Excise Audit Group audits and examines alcoholic beverages, commercial passenger vessel excise tax, commercial passenger vessel gambling tax, mining license, motor fuel, tire fee, tobacco and vehicle rental excise tax returns.

See enclosed 2010 Report on Motor Fuel Tax compliance audit.

- **Ref Num 41923, Other Federal Program Match**

Provide more detail on transit grants. Does the department plan on ramping up in the future? Is there more federal funding that could come into the state and/or communities if there was more match available?

The department will meet with Senator Ellis to discuss the Transit Grant program.

- **Ref Num 51547, Harbors Deferred Maintenance**

Why is project #1 not fully funded at \$690.0 level? Why was legislative add-on to harbors vetoed last year by the Governor?

The \$600.0 request is for the construction of the Port Alexander Inner Float. Float deferred maintenance, repairs, and replacement. This project is in design phase and funding from FY2011 was programmed for design work. The Harbor Deferred Maintenance amounts are based on estimated need; however, until planning and design work is completed the actual dollar amount is not known.

The legislature approved \$2,500.0 in Harbor Deferred Maintenance last year and this funding was not vetoed by the Governor.

- **Dust Control in Rural Alaska**

Do we have plans for a program for rural communities? Capital request includes funds for a couple of urban areas. What have we done in rural Alaska? Senator wants to work with DOT to establish a plan for rural Alaska dust control.

The department does not have a dust control program for rural communities at this time, but take that characteristic into account when evaluating remote sites.

If you or your committee members have any further questions, please feel free to contact Laura Baker at 465-8974.

Sincerely,



Marc Luiken
Commissioner

Enclosures (3)

cc: Senate Finance Committee Members
Pat Kemp, Deputy Commissioner, Highways & Public Facilities, DOT&PF
Steve Hatter, Deputy Commissioner, Aviation, DOT&PF
Captain Michael Neussl, Deputy Commissioner, Marine Operations, DOT&PF
Laura Baker, Director, Administrative Services
Brenda Hewitt, Legislative Liaison, DOT&PF

SYF2011 TRANSIT FUNDING

Sub-Recipient	AMHT	Funding Source						TOTAL
		FTA 5310 - Elderly & Disabilities	FTA 5311 - Rural Public Transportation	FTA 5316 - Jobs Access	FTA 5317 - New Freedoms	FTA RTAP - Training		
Alaska Direct Bus Line			\$ 236,351				\$ 2,050	\$ 238,401
Bethel, City of			\$ 261,503				\$ 3,761	\$ 265,264
Catholic Community Service			\$ -				\$ 8,000	\$ 8,000
CARTS Kenai/Soldotna	\$110,770		\$ 310,625				\$ 11,790	\$ 433,185
Center for Community, Sitka	\$41,000	\$ 93,600	\$ 548,511		\$49,900.00	\$ 10,511		\$ 743,522
Glacier Valley Transit System, Girdwood			\$ 170,262				\$ -	\$ 170,262
Inter-Island Ferry Authority (POW)			\$ 272,866				\$ -	\$ 272,866
Juneau, City of			\$ 1,100,000				\$ 16,800	\$ 1,116,800
Ketchikan Gateway Borough			\$ 819,399				\$ 10,346	\$ 829,745
Mat-Su Community Transit	\$65,000.00	\$115,560.00	\$774,701.00	\$39,000.00			\$ 15,650	\$ 1,009,911
Senior Citizens of Kodiak **		\$ 210,640	\$ -		\$20,000.00	\$ 2,075		\$ 232,715
Sitka Tribe of Alaska							\$ 6,933	\$ 6,933
SAIL Ketchikan	\$28,000.00	\$ 48,000			\$42,400.00			\$ 118,400
Juneau (JEDC)	\$24,400.00							\$ 24,400
Connecting Ties, Valdez			\$83,316.00					\$ 83,316
Municipality of Anchorage	\$495,000.00	\$65,723.00						\$ 560,723
SAIL Juneau			\$64,950.00					\$ 64,950
Fairbanks Resource Agency			\$104,577					\$ 104,577
Alaska Addiction Rehab/Nugen's Ranch Wasilla			\$52,380.00					\$ 52,380
REACH Juneau			\$52,000.00					\$ 52,000
Palmer Senior Citizens Center, Inc.			\$105,208.00					\$ 105,208
Chilkoot Indian Association Haines					\$25,800.00			\$ 25,800
Fairbanks North Star Borough					\$50,000.00			\$ 50,000
Alaska Mobility Coalition	\$ 42,000							\$ 42,000
Catholic Community Service - Haines		\$ 60,428				\$ 919		\$ 61,347
Catholic Community Service - Kake		\$ 15,989						\$ 15,989
Catholic Community Service - Juneau	\$ 56,030							\$ 56,030
Kenai Independent Living Center - Soldotna	\$ 81,600							\$ 81,600
Kenai Independent Living Center - Homer	\$ 50,400							\$ 50,400
Kenai Independent Living Center - Seward	\$ 25,700							\$ 25,700
Total	\$ 806,170	\$ 995,954	\$ 4,494,218	\$ 114,800	\$ 112,300	\$ 87,916	\$ 6,902,424	

** Senior Citizens of Kodiak declined 5311 for SFY2011 only.

		ALASKA HIGHWAY SAFETY OFFICE 2010 FUNDING LIST		
Funding Area	Program	HSP Project	Name of Project	FULL GRANT AMOUNT
402	Alcohol			
	20.600	AL-2010-10-01-01	Anchorage Hospitality Foundation - Safe Rider	\$30,000.00
			Total	\$30,000.00
	Emergency			
	Medical	EM-2010-10-02-01	SE AK Regionals Health Consortium - Youth First Responders	\$44,344.00
	Services	EM-2010-10-02-02	American Red Cross Safer Highways	\$27,705.00
	20.600			
			Total	\$72,049.00
	Motorcycle			
	Safety	MC-2010-10-03-01	Forget Me Not Mission	\$30,737.50
	20.600	MC-2010-10-03-02	AMSAC Meetings & Travel	
		MC-2010-10-03-02(A)	Charles Mitchel	\$1,500.00
		MC-2010-10-03-02(B)	Joann Olsen	\$1,500.00
		MC-2010-10-03-02(C)	AMSAC Banner	\$160.27
		MC-2010-10-03-02(D)	HD (Dan) McCrummen	\$4,122.53
		MC-2010-10-03-03	Blue Knights Alaska	\$1,694.70
			Total	\$39,715.00
	Occupant			
	Protection	OP-2010-10-04-01	H&SS - AK Child Motor Vehicle Injury Prevention	\$104,000.00
	20.600	OP-2010-10-04-02	Fairbanks - Volunteers In Policing	\$118,557.00
		OP-2010-10-04-03	Fairbanks Memorial Hospital Safer Rider Program	\$82,124.00
		OP-2010-10-04-04	AK Injury Prevention Center - NOPUS (Seatbelt Survey)	\$41,626.00
		OP-2010-10-04-06	Bumper Stickers	\$15,570.25
		OP-2010-10-04-07	Markve Systems -Key Note Speaker	\$550.00
		OP-2010-10-04-08	Juneau Police Department - Lifesavers Conference	\$1,981.00
		OP-2010-10-04-09	SE AK Regionals Health Consortium - Kids on the Move	\$29,519.50
		OP-2010-10-04-10	Central Peninsula Hospital -Child Passenger Safety`	\$20,000.00
		OP-2010-10-04-11	Mat-su Services for Children and Adults - Child Passenger Safety	\$2,049.50
		OP-2010-10-04-12	AK Injury Prevention Center - Lavalle Rack Cards - 20,000	\$1,772.00
			Total	\$417,749.25
	Pedestrian/			
	Bicycle Safety	PS-2010-10-05-00	Ped/Bike Mini Grants	
		PS-2010-10-05-00(A)	Serums	\$2,184.00
	20.600	PS-2010-10-05-00(B)	Haines Borough Police - Bicycle Helmets & LED Lights	\$2,988.90
			Total	\$5,172.90
	Police Traffic			
	Services	PT-2010-10-06-02	Anchorage PD Traffic Unit Equipment	\$144,765.00
	20.600	PT-2010-10-06-03	Fairbanks PD Equipment Purchases	\$95,325.90
		PT-2010-10-06-04	Soldotna PD Technology on Patrol	\$73,280.00
		PT-2010-10-06-08	Juneau PD Crash Data Retrieval	\$9,885.00
		PT-2010-10-06-09	ASTEP Click-it-or-Ticket Enforcement	
			ABHP	\$84,000.00
			Anchorage PD	\$169,445.00
			Dillingham Dept. of Public Safety	\$3,359.20
			Fairbanks PD	\$19,731.50
			Homer PD	\$4,235.90
			Houston PD	\$3,013.68
			Juneau PD	\$5,860.40
			Kenai PD	\$12,540.00
			North Pole PD	\$3,314.55
			Palmer PD	\$22,320.00
			Seward PD	\$1,827.30
			Soldotna PD	\$9,200.00
			University of Fairbanks PD	\$6,058.88
			Wasilla PD	\$45,600.00
			Sitka	\$5,158.08

Funding Area	Program	ALASKA HIGHWAY SAFETY OFFICE 2010 FUNDING LIST HSP Project	Name of Project	FULL GRANT AMOUNT
		PT -2010-10-06-13	DOT &PF Measurement Standards Commercial Vehicle Enforcement - Purchase of 5 Lidar Units / Commercial Vehicle Impaired Drivers Enforcement	\$18,495.00
			Total	\$737,415.39
	Safe Communities	SA-2010-10-17-01	AK Court System - Operators Without Licenses (OWL)	\$117,150.00
20.600		SA-2010-10-17-04	Juneau School District - Do people speed in front of Harborview	\$580.00
		SA-2010-10-17-05	Wasilla PD -Operation Glow	\$10,656.20
		SA-2010-10-17-06	Law Enforcement Liasons - Wasilla Operation Glow	\$9,604.24
		SA-2010-10-17-07	Law Enforcement Liasons - Fairbanks Operation Glow	\$13,726.42
			Total	\$151,716.86
	Paid Advertising	PM-2010-10-25-01	Market Wise- Statewide Highway Safety Media Campagin	\$143,848.00
20.600		PM-2010-10-25-02	AK State Troopers - Creative Media Specialist and Click-it-or-Ticket Media	\$301,896.00
		PM-2010-10-25-03	AK Injury Prevention Center - Safe Communities Media	\$90,623.00
		PM-2010-10-25-04	Market Wise - Decide Your Ride Posters	\$1,000.00
		PM-2010-10-25-05	AK Injury Prevention Center - Statewide Highway Safety Media Campaign	\$91,180.65
			Total	\$628,547.65
	Youth			
	Alcohol	YA-2010-10-28-01	AK School Activites Association - Play for Keeps	\$50,000.00
20.600			Total	\$50,000.00
	402 Grand Total			\$2,132,366.05
405	Occupant Protection	K2-2010-10-00-00	Statewide Services	\$6,890.14
	SAFETEA-LU	K2-2010-10-00-01	AK Injury Prevention Center - Safe Communities	\$181,643.20
20.602		K2-2010-10-00-02	Kenai Chapter AK Peace Officers Association - Click-it-or-Ticket Safety Info Campaign	\$1,970.00
			TOTAL	\$190,503.34
	405 Grand Total			\$190,503.34
	Occupant Protection			
406	20.609	K4OP-2010-10-01-01	AK Injury Prevetion Center - Safe Communities	\$223,345.80
			TOTAL	\$223,345.80
	406 Grand Total			\$223,345.80
408	Data Program			
	SAFETEA-LU			
	20.610	K9-2010-10-01-01	Traffic Records Travel and License Fees	
		K9-2010-10-01-01(A)	Dept. of Administration/Dept. of Motor Vehicles- International Forum	\$2,636.00
		K9-2010-10-01-01(B)	Dept. of Public Safety - National TraCS Steering Committee Meeting	\$2,000.00
		K9-2010-10-01-01(C)	Wasilla PD - POP&CA Training Conference	\$4,218.00
		K9-2010-10-01-02	Dept. of Motor Vehicles - Electronic Crash Records Management	\$294,650.00
		K9-2010-10-01-03	AHSO Traffic Records Coordinator	\$150,000.00
		K9-2010-10-01-04	AK Association Chiefs Of Police TraCS Project	\$120,279.00
		K9-2010-10-01-05	Dept. of Health and Social Services - AK Crash Outcomes Pilot Project	\$99,923.00
		K9-2010-10-01-06	Dept. of Transportation - 12-200 Crash Form Training	\$46,000.00

Funding Area	Program	ALASKA HIGHWAY SAFETY OFFICE 2010 FUNDING LIST HSP Project	Name of Project	FULL GRANT AMOUNT
		K9-2010-10-01-07	Dept. of Transportation - Knik-Goose Bay Road Speed Info Systems	\$16,512.00
			TOTAL	\$736,218.00
	408 Grand Total			\$736,218.00
	Alcohol			
410	SAFETEA-LU	K8-2010-10-00-00	Statewide Services	
	20.601	K8-2010-10-00-00(A)	City & Borough of Sitka - DA Conference	\$997.95
		K8-2010-10-00-00(B)	Fairbanks PD - DA Conference	\$3,000.00
		K8-2010-10-00-00(C)	Kodiak PD - DA Conference	\$728.95
		K8-2010-10-00-00(D)	City & Borough of Juneau - DA Conference	\$2,411.35
		K8-2010-10-00-00(E)	Juneau PD - DA Conference	\$1,083.00
		K8-2010-10-00-00(F)	David Bower-Training and Conference Food	\$450.00
		K8-2010-10-00-00(G)	Unalaska DPS - Training Conference	\$2,603.84
		K8-2010-10-00-00(H)	Sitka PD - Equipment Purchases	\$9,220.00
		K8-2010-10-00-00(I)	Juneau PD - "Every 15 Minutes"	\$1,164.00
		K8-2010-10-00-00(J)	South Anchorage HS - "Every 15 Minutes"	\$728.83
		K8-2010-10-00-00(K)	Juneau Police Department	\$424.00
		K8-2010-10-00-00(L)	Dept. of Public Safety / Alaska State Troopers - Promotional Items	\$13,500.00
			Dept. of Public Safety / Alaska State Troopers Bureau of Highway Patrol	\$582,874.04
		K8-2010-10-00-02	Anchorage Municipality - TSRP	\$80,000.00
			TOTAL	\$699,185.96
	Paid Media			
	20.601	K8PM-2010-10-02-01	Dept. of Public Safety / Alaska State Troopers - Creative Media Specialist and DUI Media	\$677,102.00
			TOTAL	\$677,102.00
	High Fatality			
	Rate	K8FR-2010-10-03-06	Dept. of Public Safety / Alaska State Troopers - Bureau of Highway Patrol	\$699,017.00
	20.601		TOTAL	\$699,017.00
	High Visibility			
	Enforcement	K8HV-2010-10-04-01	Dept. of Public Safety / Alaska State Troopers - Bureau of Highway Patrol	\$349,508.50
		K8HV-2010-10-04-02	AK Strategic Traffic Enforcement Partnership - DUI Enforcement	\$349,508.50
	20.601		TOTAL	\$699,017.00
	410 Grand Total			\$2,774,321.96
2010	Motorcycle			
	Safety	K6-2010-10-01-00	Statewide Services	
	20.612	K6-2010-10-01-00 (A)	AK Bikers Advocacy Training & Education of Alaska-Motorcycle Awareness & Safety Public Education Campaign	\$50,000.00
		K6-2010-10-01-00 (B)	AK Bikers Advocacy Training & Education of Alaska- Rider Education and Training Program	\$99,500.00
		K6-2010-10-01-00 (C)	Juneau AK Bikers Advocacy Training & Education , Inc - Motorcycle Safety Gear	\$200.00
		K6-2010-10-01-00 (D)	Juneau AK Bikers Advocacy Training & Education, Inc - Meeting of the Minds	\$7,366.64
			TOTAL	\$157,066.64
	2010 Grand Total			\$157,066.64

Funding Area	Program	HSP Project	Name of Project	FULL GRANT AMOUNT
2011	Child Seats	K3-2010-10-01-02	SE AK Regionals Heath Consortium - Kids on the Move	\$29,519.50
	20.613	K3-2010-10-01-03	Central Peninsula Hospital Child Passenger Safety	\$20,000.00
		K3-2010-10-01-04	Mat-su Services for Children and Adults - Child Passenger Safety	\$34,665.50
			TOTAL	\$84,185.00
	Paid Media	K3PM-2010-10-02-01	Central Peninsula Hospital - Child Passenger Safety Media	\$8,000.00
	20.613		TOTAL	\$8,000.00
	2011 Grand Total			\$92,185.00
1906	Prohibit Racial Profiling	k10-2010-10-00-00	Statewide Services	\$257,340.00
	20.611		TOTAL	\$257,340.00
	1906 Grand Total			\$257,340.00
154	Alcohol			
	20.607	154AL-2010-10-01-00	Statewide Services	
		154AL-2010-10-01-00(A)	AHSO Employee Travel	\$2,500.00
		154AL-2010-10-01-00(B)	Mike Buckingham -Key Note Speaker	\$2,500.00
		154AL-2010-10-01-00(C)	Anchorage PD - Equipment	\$5,000.00
		154AL-2010-10-01-00(D)	TraCS User Group Expenditures	\$426.61
		154AL-2010-10-01-00(E)	Juneau PD - Juneau "Every 15 Minutes"	\$1,940.00
		154AL-2010-10-01-00(F)	Soldotna PD- IACP Conference	\$2,204.04
		154AL-2010-10-01-00(G)	Fairbanks PD - IACP Conference	\$6,110.00
		154AL-2010-10-01-00(H)	Anchorage PD - IACP Conference	\$12,030.00
		154AL-2010-10-01-00(J)	The Forget Me Not Mission - Printing Costs	\$4,247.50
		154AL-2010-10-01-00(K)	Valdez PD - Equipment Purchases	\$15,317.00
		154AL-2010-10-01-00(L)	City of Palmer - DRE Certification Training	\$7,928.34
		154AL-2010-10-01-00(M)	Seneca Theno - Evidence of Prosecutors Conference	\$5,335.50
		154AL-2010-10-01-00(N)	Dept. of Motor Vehicles - Fair Hearing Course	\$4,385.00
		154AL-2010-10-01-00(O)	AHSO Grant Review Travel Expense	\$946.64
		154AL-2010-10-01-01	AK Strategic Traffic Enforcement Program - DUI Enforcement	
			Anchorage PD	\$512,160.00
			Dillingham Dept. of Public Safety	\$5,916.88
			Fairbanks PD	\$60,022.14
			Homer PD	\$9,999.96
			Houston	\$5,819.52
			Juneau PD	\$16,937.20
			Kenai PD	\$8,880.00
			North Pole PD	\$14,944.65
			Palmer PD	\$54,864.00
			Seward PD	\$8,831.95
			Sitka PD	\$11,960.00
			Soldotna PD	\$7,320.00
			Unalaska Dept. of Public Safety	\$13,446.72
			University of Fairbanks PD	\$7,952.28
			Wasilla PD	\$69,952.00
		154AL-2010-10-01-02	Dept. of Public Safety / Alaska State Troopers - Bureau of Highway Patrol	\$3,190,226.46
		154AL-2010-10-01-03	AK Court System - DUI Courts	\$1,251,033.00
		154AL-2010-10-01-04	Fairbanks PD DUI/Traffic Enforcement Unit	\$553,817.00
		154AL-2010-10-01-05	AK Strategic Traffic Enforcement Program Summit	\$30,000.00
		154AL-2010-10-01-06	North Pole DUI/Traffic Enforcement Officer	\$161,592.00
		154AL-2010-10-01-07	Kenai PD All Eyes on DUIs	\$44,758.17
		154AL-2010-10-01-08	Dillingham PD Impaired Driving	\$11,700.00
		154AL-2010-10-01-09	Wrangell PD - In Car Video Cameras	\$10,880.00
		154AL-2010-10-01-10	Klawock PD-Equipment Purchases	\$2,000.00

		ALASKA HIGHWAY SAFETY OFFICE 2010 FUNDING LIST		
Funding Area	Program	HSP Project	Name of Project	FULL GRANT AMOUNT
		154AL-2010-10-01-12	Department of Law- Traffic Safety Resource Prosecutor	\$188,630.00
		154AL-2010-10-01-13	Dept. of Public Safety / Crime Lab - Toxicology Services	\$131,000.00
		154AL-2010-10-01-14	Law Enforcement Liaisons (LEL)	
			Fairbanks PD	\$37,712.00
			Juneau PD	\$15,716.00
			Kenai PD	\$15,952.00
			Wasilla PD	\$27,258.00
		154AL-2010-10-01-15	Dept. of Law District Attorney Training and Travel	\$43,332.00
		154AL-2010-10-01-16	AK Injury Prevention Center - Safe Communities	\$40,000.00
			TOTAL	\$6,635,484.56
	Paid Media	154PM-2010-10-02-00	Statewide Services	
	20.607	154PM-2010-10-02-00(A)	National Council on Alcohol and Drug Dependence - Paid Media Ads	\$1,695.20
		154PM-2010-10-02-01	Frontiersman Newspaper -Impaired Driving Ads	\$2,417.70
			Forget-Me-Not - Soul Shaking Grief Books	\$1,500.00
			TOTAL	\$67,852.56
	154 Grant Total			\$6,703,337.12
	GRANT TOTAL			\$19,902,168.47

Alaska Department of Revenue, Tax Division
 Motor Fuel Tax Compliance Funding
 Annual Report
 For the Federal Fiscal Year ended September 30, 2010

Prepared by B Grafel
 Date: 13-Oct-10

Examination of Motor Fuel Tax Returns and Claims for Refund

During the period October 1, 2009 through September 30, 2010, 1,597 tax returns and claims for refund were filed with the Department of Revenue, Tax Division for highway gasohol, gasoline, and diesel fuel. The Tax Division's goal is to examine 100% of all tax returns and claims for refund within 90 days of receipt by the Division. We examined the majority of the tax returns and claims filed during the period as well as a significant number of returns and claims which had been filed during previous periods. The details are shown below:

Summary of Examinations of Motor Fuel Tax Returns

Fuel Type	Total Number of Tax Returns Filed	Total Number of Tax Returns Examined	Number of Adjustments Made	Gallons Adjusted	Increase/ (Decrease) in Tax	Late Payment Failure to File Penalties Assessed
Gasohol					\$ -	\$ -
Gasoline	556	618	70	141,488	\$ 9,875	\$ 4,602
Diesel	710	742	63	175,414	\$ 18,420	\$ 9,632
Total	1,266	1,360	133	316,902	\$ 28,295	\$ 14,234

Summary of Examinations of Motor Fuel Claims for Refunds

Fuel Type	Total Number of Claims Filed	Total Number of Claims Examined	Number of Adjustments Made	Gallons Adjusted	Increase/ (Decrease) in Refund
Gasohol					
Gasoline					512,556 \$ (26,195)
Diesel					1,210,090 \$ (89,202)
Total	237	196	46	1,722,646	\$ (115,397)

Audits of Tax Returns and Claims for Refund

Three audits were completed during the period.

Other

The motor fuel tax program manager attended the Federation of Tax Administrators Pacific Region Motor Fuel Conference in Anchorage, Alaska and the Federation of Tax Administrators Annual Conference in Helena Montana. At both meetings, the program manager attended a joint task force meeting consisting of Pacific Region states and Canadian provinces to discuss possible joint audits and exchange other tax compliance information affecting the Region.

The tax technician completed a project that identified the qualified dealers with insufficient surety bonds.

At the request of the tax division barge companies provided reports of ISO containers of fuel transported to Alaska. As a resulted of the new information several entities have been identified as importing fuel without being a licensed dealer.

Comparison of Actual Expenditures to Budgeted

Annual Report FFY 2010

10/01/09 - 09/30/10

RSA 2503097

	FFY2010 Authorized	Total Expended in FFY10	Remaining
Personal Services	\$95,932.00	\$95,932.00	\$0.00
Travel	\$0.00	\$0.00	\$0.00
Contractual	\$0.00	\$0.00	\$0.00
Supplies	\$0.00	\$0.00	\$0.00
TOTAL	\$95,932.00	\$95,932.00	\$0.00