From: Susan A
To: House Community and Regional Affairs; House Transportation
Subject: Public Testimony on HB 26
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Public Testimony on HB 26

Presented to the Alaska State Legislature
Regarding: "An Act relating to the duties of the Department of Transportation and Public Facilities; and relating to a statewide public and community transit plan."

Honorable Members of the Alaska State Legislature,

I am here to provide testimony on HB 26, a bill that seeks to expand and improve Alaska's transportation infrastructure, including public, tribal, and community transit programs. While this bill aims to address long-standing issues in our transportation system, there are critical flaws and gaps that must be addressed to ensure its effectiveness, fiscal responsibility, and compliance with existing laws and treaties.

Below, I will outline the problems with the bill, followed by proposed solutions and potential funding mechanisms that would allow Alaska to strengthen its transportation system without overburdening the state's already fragile budget.

Key Problems in HB 26

1. Lack of Dedicated Funding Mechanisms

HB 26 does not outline how Alaska will fund this transit expansion. Without clear funding sources, the plan remains unrealistic and unenforceable.

Alaska's budget is already strained, and without alternative funding strategies, this bill risks becoming an unfunded mandate.

2. Insufficient Protection for Tribal Sovereignty and Rights

The bill mentions working with tribal entities but does not outline formal consultation requirements or protections for tribal sovereignty.

There is a risk of encroaching on tribal lands without proper environmental or social impact assessments.

3. No Clear Environmental Safeguards

The bill mentions environmental impacts but does not provide clear mandates for sustainability, emissions reductions, or alternative fuels.
Alaska must prioritize low-impact transit solutions that align with environmental justice principles.

4. Potential for Corporate Exploitation

The bill encourages public-private partnerships, which can be beneficial but also pose risks if proper accountability measures are not in place.

There are no provisions to prevent price gouging, ensure fair wages, or protect public assets from privatization.

5. No Accountability or Penalties for Non-Compliance

The bill does not establish clear penalties for failing to meet transit development goals, which could lead to wasteful spending and lack of enforcement.

Proposed Solutions to Strengthen HB 26

1. Implement a Sustainable Funding Model

To make this bill feasible without burdening Alaska's budget, the legislature should incorporate creative revenue solutions:

Statewide Public Transit Trust Fund: Establish a dedicated fund where revenue from federal infrastructure grants, carbon offset credits, and private-sector investments is deposited to finance transit projects.

Public-Private Partnership with Revenue-Sharing: If private companies are involved, they should share a portion of their revenue with the state to reinvest in transit infrastructure.

Tourism Transit Tax: Implement a small surcharge on rental cars, cruise ship docking fees, and airport landing fees to generate revenue without taxing Alaskan residents.

Green Bond Program: Issue low-interest bonds that are specifically designated for sustainable transit development, with repayment tied to long-term cost savings from increased transit efficiency.

2. Strengthen Tribal Consultation and Land Protections

Require mandatory consultation with tribal governments before any transit projects are planned.
Ensure that no transit expansion encroaches on tribal lands or violates subsistence rights.

Provide direct funding to tribal transit programs to allow Indigenous communities to develop their own sustainable transportation networks.

3. Enforce Environmental and Sustainability Standards

Mandate the use of low-emission vehicles, electric buses, and renewable energy-powered infrastructure in all state-funded transit projects.

Require environmental impact studies before approving new transportation routes.

Create an Energy and Environmental Justice Fund that invests in eco-friendly transit solutions, particularly in rural communities that are disproportionately affected by transportation

pollution.

4. Establish Corporate Accountability and Consumer Protections

Include provisions that limit corporate profits in state-subsidized transit programs.

Require fair wage standards for all transit-related jobs created under this bill.

Implement pricing controls to ensure that private transit operators do not overcharge the public for essential transportation services.

5. Introduce Stronger Oversight and Penalties for Non-Compliance

Require annual progress reports detailing transit expansion, costs, and environmental impact.

Establish strict penalties for contractors and state agencies that fail to meet deadlines or violate environmental and labor laws.

: A Win-Win Approach for Alaska

HB 26 presents a valuable opportunity to modernize Alaska's transit infrastructure, but without proper funding, accountability, and protections, it risks becoming an unfunded, ineffective policy.

By adopting innovative funding mechanisms, ensuring tribal sovereignty, strengthening environmental safeguards, and holding corporations accountable, Alaska can create a robust and sustainable public transit system—without placing additional burdens on taxpayers or draining the state's budget.

I urge the legislature to amend HB 26 to reflect these recommendations, ensuring that it serves the best interests of all Alaskans—now and for generations to come.

Thank you for your time and consideration.
Susan Allmeroth
Two Rivers
Myself

Additional Funding Solutions for HB 26

Alaska's budget constraints require innovative, self-sustaining revenue sources to support a statewide public and community transit plan without deepening the fiscal deficit. Here are additional funding mechanisms beyond those previously mentioned:

1. Carbon Credit Trading & Environmental Offsets

Establish a carbon credit trading program where companies that emit greenhouse gases must purchase offset credits from transit projects that reduce emissions.

Sell carbon offset credits to corporations looking to meet sustainability goals, using those funds to invest in electric buses, bike lanes, and other green transit solutions.

2. Redirect a Portion of Oil & Gas Revenues

Allocate a small fraction of oil and gas royalties specifically for public transit infrastructure.

Implement a resource extraction impact fee, ensuring industries that use and degrade infrastructure contribute to transit funding.

3. Regional Transportation Improvement Districts (RTIDs)

Allow local governments and municipalities to create RTIDs, where they collect local taxes or fees (such as property taxes or vehicle registration surcharges) exclusively for transit projects in their regions.

4. Smart Roadway Fees & Mileage-Based User Fees

Implement "smart tolls" on highways, bridges, and high-traffic corridors—charging non-residents and commercial vehicles higher rates.

Explore a Mileage-Based User Fee (MBUF) system where drivers pay a small per-mile fee that directly funds transit projects.

Offer incentives for using public transit by giving tax credits or toll discounts to regular transit users.

5. Alaska Infrastructure Bank for Transit Projects

Establish an Infrastructure Investment Bank, where public and private investors can pool funds to finance long-term transit projects.

The state could offer low-interest loans to municipalities or businesses investing in transportation solutions.

6. Federal Infrastructure Grants & Matching Funds

Aggressively pursue federal grants from programs like the Bipartisan Infrastructure Law (BIL) and the Federal Transit Administration (FTA) to fund transit expansion, electrification, and rural mobility programs.

Offer state matching funds to increase eligibility for larger federal grant opportunities.

7. Public Transit Advertising & Naming Rights

Allow corporate sponsorships of transit infrastructure—such as selling naming rights for bus stations, ferry terminals, or transit lines to major companies.

Permit digital advertising on transit vehicles, stations, and stops to create a continuous revenue stream.

8. Voluntary Tax Check-Off Program

Create an opt-in tax check-off box on state income tax forms allowing residents to voluntarily contribute a small amount to the state's transit fund.

9. Freight and Port Fees for Infrastructure Use
Charge a modest fee on commercial freight shipments using Alaska's ports, highways, and rail systems, ensuring that businesses benefiting from state transportation contribute to its upkeep.

10. Lottery or Specialty License Plates for Transit Funding

Introduce a state lottery with proceeds dedicated to transit projects.

Offer specialty license plates that fund public transit, with proceeds going directly to sustainable transportation initiatives.

These funding solutions would spread the financial responsibility fairly, targeting high-impact users, corporations, and federal opportunities instead of solely relying on the state budget or burdening taxpayers.
By combining multiple revenue streams, Alaska can develop a world-class, sustainable transit system—ensuring mobility for all without worsening the state's financial crisis.

Most of these funding solutions are legally viable, but a few could present legal or logistical challenges. Here's a breakdown of potential issues and how to address them:

1. Carbon Credit Trading & Environmental Offsets

Legal but Complex – Alaska can legally sell carbon offsets if a regulatory framework is created.
Challenge: Requires setting up a verified carbon offset program recognized by federal or international markets.
Solution: Work with federal agencies (EPA, FTA) and private carbon markets to ensure compliance.

2. Redirect a Portion of Oil & Gas Revenues

Legal but Politically Challenging – Oil revenue allocation is possible but requires legislative approval.
Challenge: Pushback from industry groups and lawmakers who prioritize using these funds for other state expenses.
Solution: Frame it as a small reallocation (e.g., 1-2% of new revenues) and justify it as infrastructure investment benefiting resource industries.

3. Regional Transportation Improvement Districts (RTIDs)

Legal & Effective – Many states use RTIDs for transit funding.
Challenge: Local opposition to new tax districts or pushback from those who won't directly benefit.
Solution: Make RTIDs opt-in by local governments, so only regions that want them participate.

4. Smart Roadway Fees & Mileage-Based User Fees

Legal but Requires New Laws – Alaska can impose tolls and user fees, but must pass legislation.
Challenge:
Privacy concerns with mileage tracking.

Political opposition from rural communities reliant on driving.
Solution:
Make tolls apply only to out-of-state trucks and commercial vehicles.

Use odometer-based self-reporting rather than GPS tracking to avoid privacy issues.

5. Alaska Infrastructure Bank for Transit Projects

Legal but Requires Start-Up Capital – Other states (e.g., California, North Dakota) have state-run infrastructure banks.
Challenge: Needs an initial state investment to function.
Solution: Use federal matching funds and private partnerships to start the bank with minimal state expense.

6. Federal Infrastructure Grants & Matching Funds
Fully Legal – The safest option because it follows federal rules.
Challenge: Competitive application process; some grants require state matching funds.
Solution: Apply for grants with minimal match requirements and partner with municipalities to pool resources.

7. Public Transit Advertising & Naming Rights

Fully Legal – Many cities/states do this.
Challenge: Potential public backlash over excessive corporate branding.
Solution: Limit naming rights to stations or routes rather than full system takeovers.

8. Voluntary Tax Check-Off Program

Legal & No Risk – Already used for other causes (e.g., wildlife conservation).
Challenge: Limited revenue unless widely promoted.
Solution: Pair it with statewide awareness campaigns.

9. Freight and Port Fees for Infrastructure Use

Legal but Politically Contentious – Other states charge freight fees, but Alaska's economy is heavily port-dependent.
Challenge:

Shipping industry will oppose new fees.

May increase consumer prices if costs are passed down.
Solution: Apply fees only to large multinational shippers, exempting local small businesses.

10. Lottery or Specialty License Plates for Transit Funding

Fully Legal – Already used in many states.
Challenge: Revenue depends on public participation.
Solution: Offer attractive lottery prizes and themed license plates linked to Alaskan culture or conservation.

Final Verdict

Most of these ideas are legal and feasible, but a few require new laws or careful implementation. The best approach is to use a mix of safe options (federal grants, advertising, tax check-offs) and innovative revenue streams (RTIDs, infrastructure bank) to minimize risk. If the federal government ever works out its own issues, who knows?

There are ways, it is up to you whether or not to pursue them.
Susan Allmeroth
Two Rivers
Myself