



THE STATE
of **ALASKA**

GOVERNOR BILL WALKER

Department of Transportation and
Public Facilities

OFFICE OF THE COMMISSIONER
Marc Luiken, Commissioner

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March 22, 2018

The Honorable Senator Bishop
Chair, Senate Finance Subcommittee
State Capitol Bldg., Room 121
Juneau, Alaska 99801

Dear Senator Bishop,

In response to questions posed by Senate Finance Subcommittee members on March 13, 2018, the following information is provided:

➤ ***Are the Vehicle Rental Tax receipts appropriated to DOT&PF being utilized to fund the Whittier Tunnel?***

Within the Department of Transportation and Public Facilities, Vehicle Rental Tax Receipts are currently appropriated to the following components:

Component	Amount (# in thousands)
Central Region Highways & Aviation	\$4,999.2
Northern Region Highways & Aviation	\$498.1
Total	\$5,497.3

Vehicle Rental Tax Receipts are used to operate and maintain the State's transportation system.

Activities include:

- State equipment fleet operating and replacement costs
- Signs and road markers
- Sand and surface chemicals
- Sweeping and paving contracts
- Utilities
- Personal services

No Vehicle Rental Tax is appropriated to the Whittier Access and Tunnel component.

➤ ***Is DOT&PF considering turning over any rural airports to local entities?***

Airports can be a strong economic generator for a community and the typical airport governance model used nationwide is for the local community/borough to operate their own airport. DOT&PF is open to the idea of turning over rural airports to local entities and over the years has received some interest from tribal organizations and boroughs. The department continues to investigate transfer and/or partnership opportunities that would benefit both the local communities and the state. At this time specific airports have not been identified for transfer.

"Keep Alaska Moving through service and infrastructure."

➤ **What is the annual cost by vessel to obtain certification to operate?**

The following table shows the projected and unplanned overhaul costs for AMHS vessels for FY2017. The projected overhaul costs include the cost of dry dock, maintenance to meet annual Coast Guard certification, as well as preventative maintenance costs.

Vessel	Projected Overhaul Costs (\$ in thousands)	Unplanned Overhaul Costs Due to "Discovery" Work (\$ in thousands)	Total Overhaul Costs (\$ in thousands)
Tustumena	\$1,316.3	\$3,167.7	\$4,484.0
Matanuska	1,195.0	216.4	1,411.4
Malaspina	1,167.5	838.6	2,006.1
Lituya*	263.3	-49.4	213.9
LeConte	820.7	194.5	1,015.2
Kennicott	1,258.1	699.2	1,957.3
Fairweather*	934.8	-292.7	642.1
Columbia	1,071.7	2,284.4	3,356.1
Aurora	1,110.7	1,251.7	2,362.4
TOTAL	\$9,138.1	\$8,310.4	\$17,448.5

**The negative values for Lituya and Fairweather reflect scaling projects back by not completing some planned work or by completing planned work at lower cost than anticipated.*

For clarification purposes, the total paid to the American Bureau of Shipping for vessel inspections in FY2017 was \$118K and is included in the projected overhaul costs.

If you have any further questions, please feel free to contact me at 465-3906.

Sincerely,



Amanda Holland

Acting Deputy Commissioner

Cc: John Binder, Deputy Commissioner, DOT&PF
 John Falvey, AMHS General Manager, DOT&PF
 Sunny Haight, Acting Director, Administrative Services, DOT&PF
 Mike Lesmann, Legislative Liaison, DOT&PF
 Marc Luiken, Commissioner, DOT&PF
 Senate Finance Subcommittee Members