

April 7, 2010

Re: Testimony for State Funded Construction Program
HJR 42-CONST. AM: TRANSPORTATION FUND
HB 329-DEDICATED TRANSPORT FUND/PUB TRANSPORT
HB 356-TRANSPORT. INFRASTRUCTURE FUND APPROP.

Honorable Members of the Alaska Legislature:

Even though I just started working in Anchorage January 4 of this year, I feel pretty strongly about state funded transportation construction programs. So you can better understand my points of view on this issue, I have included brief description of my background. I recently retired from Montana DOT, where I started right after college as a stake pounder on a DOT survey crew and worked up the ladder to Chief Engineer. Montana had a healthy state funded engineering and construction program until around 2006, when economic and budget issues moved the money into operations and maintenance. So, I have first-hand experience operating with a state funded program for construction and engineering as well as without one.

The following points are worth considering as you decide whether or not to implement a state funded construction program in Alaska:

- State transportation money has ties to only state regulations.
- Federal transportation money comes with all the federal oversight and requirements.
- While I cannot speak for Alaska, Montana state money had more flexibility with planning processes, plans and contract development than the federally funded projects. This flexibility led to stream lined processes and the ability to adapt projects in a more expedited fashion. Don't get me wrong, the Montana FHWA bunch were very accommodating and as flexible as they could be under the federal regulations, it is just that there are more hoops to jump through and strings attached to the federal program.
- The creation of one of Montana's state funded programs named Save Our Secondary's (SOS) greatly increased the level of service and quality of farm to market roads before the program sun-setted. My point is that a focused program works well.
- There are some needed infrastructure improvements that just don't quite fit the federal project mold.
- At times, when working with federal funds, you wind up doing an "overkill fix" because that's what is needed to comply with the regulations.
- The state program provides the flexibility to build affordable or stepping-stone projects sooner.
 - A good example of using state funds to provide badly needed improvements was a project on MT 82. The 20 year traffic projections showed a need for a 5-lane highway. If we were to use federal money, we had to do the expensive 5-lane reconstruction. At that time, we did not have enough money in our whole DOT construction budget to afford the 5-lane fix. The roadway was shot and needed fixing now. Our solution - we did a combination overlay-widen, spot safety improvements, and intersection

improvements with state money. We were able to provide a smoother safer roadway that will function until the funding becomes available for the 5-lane reconstruction.

- If you choose to implement a state program it should be a steady, reliable funding source with focus. It is risky for the private sector to gear up for something and then have it disappear. They will only invest in expensive construction equipment and hire more people if the funding levels are stable. Short term funding increases, generally led to temporary higher bid prices. Probably due to increased overtime and risk.
- At times, when dealing with "grey area" or cumbersome issues regarding federal participation in project items, it can be cost effective to just pay for the item with state dollars.
- To maintain public support of the state funded program, the DOT should have transparent accountability. This can be accomplished by active public outreach and providing a yearly list of projects it plans to do and a list of projects that were completed each year.

Based on my past experience, if you can establish a steady state funded construction program, do it. You will not regret it.

Sincerely,



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Note: The contents of this letter are my opinions and feelings regarding this issue and should not in any way be construed as opinions or viewpoints of my current or past employer.