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Alaska Senate Transportation Committee  
Alaska House of Representatives Transportation Committee  
Alaska House of Representatives Resources Committee

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Honorable Senators and Representatives,

It has been a struggle for me to understand SB 211. I shared many of the questions that have come up for me related to this bill in written comments I submitted yesterday morning. This evening I listened to the audiotape of the HB 371 Transportation Committee hearing that occurred earlier today. A significant part of that meeting was focused on legislators attempting to understand how SB 211 would impact the flow of money related to material sales. The conversation was not easy to understand. Listening to the audio, I was confused. It sounded like many others were also confused. Several representatives mentioned they felt the conversation was circular, and they didn't really understand what was being said. I felt the same. There was a moment of clarity for me, however, in a very brief conversation that took place between DOT Right of Way Chief John Bennett and Representative Feige. It happened so fast that I almost missed it. I went back to listen again, and then decided to type out what was said, just to make sure I understood it correctly. Here are my notes of what was said along with the time markers of the audio recording:

2:47:04

Representative Feige: How does this [the flow of money related to material sales] apply in projects that are funded by the federal government?

Mr. Bennett: Most of our projects are funded through the federal government and so basically we are using federal dollars to pay this 50 cent per cubic yard fee that goes to DNR and then for the most part ends up in the General Fund.

Representative Feige: So the process still gets you basically more legs on the federal dollars to take in for any given project?

Mr. Bennett: That's correct.

Representative Feige: Thank you.

2:47:47

I am grateful for this testimony because for the first time I feel that I might understand SB 211. Since this bill has been so confusing, I will outline my current understanding below. I hope someone who knows more about SB 211 than I do will provide any needed corrections.

Current Material Sale Funding and Work Flow								
Federal Government initiates project funding that includes paying DOT \$\$\$ for gravel	→	DOT passes \$\$\$ to contractors for contractor gravel costs	→	Contractors pass \$\$\$ to DNR for gravel fees	→	DNR passes \$\$\$ to State General Fund	→	State General Fund receives \$\$\$
Federal Government Funds Projects	→	DOT, Contractors and DNR are ALL "middle men" between federal and state governments in a flow that results in the federal government paying the state government for state gravel resources for federally-funded projects.					→	State is paid for state resources that are used in federal projects
		DOT Plans State Projects		Contractors Implement Project Plans		DNR Manages State Resources		

SB 211 Material Sale Funding and Work Flow			
Federal Government initiates project funding that includes paying DOT \$\$\$ for gravel	→	DOT receives \$\$\$	
		DOT Plans State Projects	Contractors Implement Project Plans

Once again, I appreciate the opportunity to provide comments in my capacity as a private citizen and resident of the State of Alaska. Thank you for your time and attention.

Sincerely,

*Julie Smith*