



Thank you for allowing ATA to testify on this bill. For the Record my name is Joe Michel, Executive Director of the Alaska Trucking Association a statewide organization that has represented trucking interests in Alaska from Barrow to Ketchikan for over 60 years. Our more than 200 members represent all types of the diverse trucking operations in the state and the many associate members who provide goods and services to our industry. Freight movement represents a large chunk of our economy and impacts all of us each and every day. The mission of the ATA is to foster and promote the interests of the trucking industry in Alaska by positively promoting the industry's image, highway, and driver safety and to assist member companies in managing change.

ATA has supported a fuel tax increase in the past but only maintains its support provided that moneys raised go solely to the maintenance of Alaskan roads and bridges.

We are testifying today is to address a concern of the structure of the Motor Fuel Tax. HB 104 addresses parts of Alaska Statute Chapter 43.40.10. Specifically, parts (a) and (b) of this statute, proposing raising the fuel tax from 8 cents a gallon to 16 cents. We feel this is an opportunity to address part (g) of this same statute just a few paragraphs down.

Part 43.40.010(g) of the statute states:

*(g) The proceeds of the revenue from the tax on all motor fuels, except as provided in (e), (f) and (j) of this section, shall be deposited in a special highway fuel tax account in the state general fund. The legislature may appropriate funds from it for expenditure by the Department of Transportation and Public Facilities directly or as matched with available federal-aid highway money for maintenance of highways, construction of highway projects and ferries included in the program provided for in AS 19.10.150 , including approaches, appurtenances and related facilities and acquisition of rights-of-way or easements, and other highway costs including surveys, administration, and related matters. All departments of the state government authorized to spend funds collected from taxes imposed by this chapter shall perform, when feasible, all construction or reconstruction projects by contract after the projects have been advertised for competitive bids, except that, when feasible, arrangements shall be made with political subdivisions to carry out the construction or reconstruction projects. If it is not feasible for the work to be performed by state engineering forces, the commissioner of transportation and public facilities may contract on a professional basis with private engineering firms for road design, bridge design, and services in connection with surveys. If more than one private engineering firm is available for the work the contracts shall be entered into on a negotiated basis.*

ATA believes that including part (g) into the bill and reworking the highlighted wordage from part (g) would put some sideboards into this legislation. It is the position of ATA at this time, that Motor Fuel Tax money should be used solely for maintaining Alaska current existing road & bridge infrastructure. ATA works closely with multiple divisions within the Department of Transportation and Public Facilities and as a policy do not want to restrict or tie the hands of the department in its mission of "Keeping Alaska Moving". In this case though, ATA's position is that HB104 should be modified to ensure that money collected by the State, from Alaskan Motorists, be expended specifically on maintain existing roads and bridges with-in the state of Alaska. I thank the committee for taking time for our organization to comment. We look forward to working with the Sponsor and the Department on this legislation.