

ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE

April 17, 2001
1:20 p.m.

MEMBERS PRESENT

Representative Vic Kohring, Chair
Representative Drew Scalzi
Representative Peggy Wilson
Representative Mary Kapsner
Representative Albert Kookesh

MEMBERS ABSENT

Representative Beverly Masek, Vice Chair
Representative Scott Ogan

COMMITTEE CALENDAR

HOUSE BILL NO. 12

"An Act relating to the offense of operating a motor vehicle, aircraft, or watercraft while intoxicated; relating to presumptions arising from the amount of alcohol in a person's breath or blood; and providing for an effective date."

- MOVED HB 12 OUT OF COMMITTEE

HOUSE BILL NO. 244

"An Act relating to a grant of state land to the Denali Borough for a railroad and utility corridor and a railroad development project; repealing provisions relating to a grant of a right-of-way of land for a railroad and utility corridor to the Alaska Industrial Development and Export Authority; and providing for an effective date."

- HEARD AND HELD

SENATE BILL NO. 88

"An Act relating to metropolitan planning organizations and to establishment of a metropolitan planning organization for the Anchorage metropolitan area; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 235

"An Act relating to the handling of and interest on contract controversies involving the Department of Transportation and Public Facilities or state agencies to whom the Department of Transportation and Public Facilities delegates the responsibility for handling the controversies."

- SCHEDULED BUT NOT HEARD

PREVIOUS ACTION

BILL: HB 12

SHORT TITLE:REDUCE PERCENTAGE FOR DWI

SPONSOR(S): REPRESENTATIVE(S)KOTT

Jrn-Date	Jrn-Page		Action
01/08/01	0026	(H)	PREFILE RELEASED 12/29/00
01/08/01	0026	(H)	READ THE FIRST TIME - REFERRALS
01/08/01	0027	(H)	TRA, JUD, FIN
04/03/01		(H)	TRA AT 1:00 PM CAPITOL 17
04/03/01		(H)	-- Meeting Canceled --
04/10/01		(H)	TRA AT 1:00 PM CAPITOL 17
04/10/01		(H)	Heard & Held MINUTE(TRA)
04/17/01		(H)	TRA AT 1:00 PM CAPITOL

BILL: HB 244

SHORT TITLE:RIGHT-OF-WAY TO DENALI BOR. FOR RR/UTIL.

SPONSOR(S): REPRESENTATIVE(S)JAMES

Jrn-Date	Jrn-Page		Action
04/11/01	0959	(H)	READ THE FIRST TIME - REFERRALS
04/11/01	0959	(H)	TRA, RES
04/17/01		(H)	TRA AT 1:00 PM CAPITOL 17

BILL: SB 88

SHORT TITLE:METROPOLITAN PLANNING ORGANIZATIONS

SPONSOR(S): SENATOR(S) PHILLIPS

Jrn-Date	Jrn-Page		Action
02/13/01	0356	(S)	READ THE FIRST TIME - REFERRALS
02/13/01	0356	(S)	TRA, CRA, FIN
02/20/01		(S)	TRA AT 1:30 PM BUTROVICH 205

02/20/01		(S)	Moved Out of Committee
02/20/01		(S)	MINUTE(TRA)
02/21/01	0451	(S)	TRA RPT 3DP 1DNP 1AM
02/21/01	0451	(S)	DP: COWDERY, WARD, WILKEN; DNP: ELTON;
02/21/01	0451	(S)	AM: TAYLOR
02/21/01	0451	(S)	FN1: ZERO(DOT)
03/07/01		(S)	CRA AT 1:30 PM FAHRENKAMP 203
03/07/01		(S)	Moved Out of Committee
03/07/01		(S)	MINUTE(CRA)
03/09/01	0596	(S)	CRA RPT 2DP 1NR
03/09/01	0596	(S)	DP: TORGERSON, PHILLIPS; NR: AUSTERMAN
03/09/01	0596	(S)	FN1: ZERO(DOT)
03/22/01		(S)	FIN AT 9:00 AM SENATE FINANCE 532
03/26/01		(S)	FIN AT 6:00 PM SENATE FINANCE 532
03/26/01		(S)	Moved Out of Committee MINUTE(FIN)
03/27/01	0819	(S)	FIN RPT 3DP 2DNP 2NR
03/27/01	0819	(S)	DP: DONLEY, GREEN, LEMAN;
03/27/01	0819	(S)	NR: KELLY, WILKEN; DNP: HOFFMAN, OLSON
03/27/01	0819	(S)	FN1: ZERO(DOT)
04/04/01	0933	(S)	RULES TO CALENDAR 1OR 4/4/01
04/04/01	0943	(S)	READ THE SECOND TIME
04/04/01	0944	(S)	ADVANCED TO THIRD READING UNAN CONSENT
04/04/01	0944	(S)	READ THE THIRD TIME SB 88
04/04/01	0944	(S)	PASSED Y15 N4 E1
04/04/01	0944	(S)	EFFECTIVE DATE(S) SAME AS PASSAGE
04/04/01	0944	(S)	OLSON NOTICE OF RECONSIDERATION
04/04/01		(S)	RLS AT 10:45 AM FAHRENKAMP 203 MINUTE(RLS)
04/05/01	0960	(S)	RECON TAKEN UP - IN THIRD READING
04/05/01	0961	(S)	PASSED ON RECONSIDERATION Y12 N7 E1
04/05/01	0961	(S)	EFFECTIVE DATE(S) Y19 N- E1
04/05/01	0962	(S)	TRANSMITTED TO (H)
04/05/01	0962	(S)	VERSION: SB 88
04/06/01	0875	(H)	READ THE FIRST TIME - REFERRALS

04/06/01 0875 (H) TRA, CRA
04/17/01 (H) TRA AT 1:00 PM CAPITOL 17

WITNESS REGISTER

ROGER WORTMAN, Staff
to Representative Pete Kott
Alaska State Legislature
Capitol Building, Room
Juneau, Alaska 99801
POSITION STATEMENT: Spoke on behalf of Representative Kott,
sponsor of HB 12.

HEATHER NOBREGA, Staff
to Representative Rokeberg
Alaska State Legislature
Capitol Building, Room
Juneau, Alaska 99801
POSITION STATEMENT: Addressed concerns regarding .08 mandate in
HB 12 and HB 4.

RICHARD SCHMITZ, Staff
to Representative Jeannette James
Alaska State Legislature
Capitol Building, Room 214
Juneau, Alaska 99801
POSITION STATEMENT: Spoke on behalf of the sponsor,
Representative James, on HB 244.

REPRESENTATIVE JEANNETTE JAMES
Alaska State Legislature
Capitol Building, Room 214
Juneau, Alaska 99801
POSITION STATEMENT: Sponsor of HB 244.

JOSEPH FIELDS
Kantishna Holdings
PO Box 71047
Fairbanks, Alaska 99707
POSITION STATEMENT: Testified in support of HB 244.

JOAN FRANKEVICH, Regional Staff
Alaska Regional Office
National Parks Conservation Association (NPCA)
750 West Second Avenue, Number 205
Anchorage, Alaska 99501
POSITION STATEMENT: Testified against HB 244.

DICK MYLIUS

Resource Assessment & Development
Division of Mining, Land and Water
Department of Natural Resources (DNR)
550 West Seventh Avenue Suite 1050
Anchorage, Alaska 99501-3579

POSITION STATEMENT: Testified on behalf of DNR on HB 244,
discussed concerns with bill.

SENATOR RANDY PHILLIPS

Alaska State Legislature
Capitol Building, Room 103
Juneau, Alaska 99801

POSITION STATEMENT: Sponsor of SB 88.

CHERYL CLEMENSEN, Member

Anchorage Assembly
(No address provided.)
Anchorage, Alaska

POSITION STATEMENT: Testified against SB 88.

TOM BRIGHAM, Director

Division Of Statewide Planning
Department of Transportation & Public Facilities (DOT&PF)
3132 Channel Drive
Juneau, Alaska 99801-7898

POSITION STATEMENT: Testified on behalf of (DOT&PF) against SB
88.

MATT KETCHUM

Wilder Construction Company
11301 Lang Street
Anchorage, Alaska 99515

POSITION STATEMENT: Testified in support of SB 88.

ANNE FAIRCLOUGH, Legislative Chair

Anchorage Assembly
(No address provided.)

POSITION STATEMENT: Testified against SB 88.

DICK TREMAINE, Member

South Anchorage Assembly
(No address provided.)

POSITION STATEMENT: Testified against SB 88.

ACTION NARRATIVE

TAPE 01-28, SIDE A
Number 0001

CHAIR VIC KOHRING called the House Transportation Standing Committee meeting to order at 1:20 p.m. Representatives Scalzi, Wilson, Kookesh, and Kohring were present at the call to order. Representative Kapsner arrived as the meeting was in progress.

HB 12-REDUCE PERCENTAGE FOR DWI

CHAIR KOHRING announced the first order of business would be HOUSE BILL NO. 12, "An Act relating to the offense of operating a motor vehicle, aircraft, or watercraft while intoxicated; relating to presumptions arising from the amount of alcohol in a person's breath or blood; and providing for an effective date."

Number 0088

ROGER WORTMAN, Staff to Representative Pete Kott, sponsor of the bill, stated that the alcohol problem in Alaska is significant; Alaska ranks number five in the nation for alcohol-related incidents. He indicated that it's imperative that the state take action by passing HB 12, which lowers the BAC [Blood Alcohol Concentration], from .10 to .08. This bill is supported by the Alaska Peace Officer's Association, Public Safety Employees Association, and Mothers Against Drunk Driving (MADD). He remarked that it is crucial that the State of Alaska follow the lead because the federal government is providing incentives to states that adopt the .08 BAC standard early. If this legislation fails, the state stands to lose federal highway funds at a rate of 2 percent in 2004, 4 percent in 2005, 6 percent in 2006, 8 percent after 2007, and so on. He reminded the committee that although this bill has a significant fiscal note, HB 12 could be recognized as a policy decision or issue.

CHAIR KOHRING turned to the effectiveness of a .08 BAC and asked if there is any substantial evidence to support it.

MR. WORTMAN answered that in his research he found no conclusive evidence that the .08 BAC mandate, by itself, is effective. However, coupled with other [drunk driving] legislation, a .08 BAC shows a significant decrease of incidents in other states.

CHAIR KOHRING suggested that Representative Rokeberg's legislation [HB4] would help make HB 12 effective.

MR. WORTMAN remarked that Representative Rokeberg's bill is an "omni" bill that is a "catch all for all those situations to happen simultaneously."

CHAIR KOHRING asked how effective HB 12 would be if it was passed in tandem with other legislation.

Number 0462

HEATHER NOBREGA, Staff to Representative Rokeberg, sponsor of HB 4, explained that HB 4 encompasses a wide variety of topics on drunk driving, including changing the BAC from .10 to .08. She noted that establishing the .08 BAC standard is mandated by the federal government whether it is done now or in a couple of years. However, it has to be done by Federal Fiscal Year 2004. She indicated that HB 12 is accomplishing the same goal as HB 4, but by only lowering the BAC, HB 12 is only addressing "one small increment." Therefore, if HB 4 does not become law this year, and a lower legal limit is still wanted, HB 12 would be necessary.

CHAIR KOHRING inquired as to the expectations for HB 4.

MS. NOBREGA recalled that HB 4 is in the House Finance Committee, but she wasn't sure when it is scheduled to be heard. She said it would be a "stretch" if the bill made it through this year.

CHAIR KOHRING asked whether Alaska would be subjected to penalties by the federal government, if the .08 BAC is not adopted this year.

MS. NOBREGA replied no. However, if the .08 BAC was implemented by July of this year, "we" would receive an approximately \$850,000 incentive.

CHAIR KOHRING asked for direction from the committee on HB 12.

Number 0581

REPRESENTATIVE WILSON made a motion to move HB 12 from committee with individual recommendations and the attached fiscal note. There being no objection, HB 12 moved from the House Transportation Standing Committee.

CHAIR KOHRING expressed concerns regarding the federal mandate and the redundancy of [the .08 BAC mandate in HB 4]. However, he acknowledged that HB 4 might not pass this session.

HB 244-RIGHT-OF-WAY TO DENALI BOR. FOR RR/UTIL.

CHAIR KOHRING announced the next order of business would be HOUSE BILL NO. 244, "An Act relating to a grant of state land to the Denali Borough for a railroad and utility corridor and a railroad development project; repealing provisions relating to a grant of a right-of-way of land for a railroad and utility corridor to the Alaska Industrial Development and Export Authority; and providing for an effective date."

Number 0658

An at-ease was called at 1:28 p.m. The meeting was called back to order at 1:31 p.m.

Number 0674

RICHARD SCHMITZ, Staff to Representative Jeannette James, sponsor of HB 244, provided background on the bill. He stated that in 1998, HB 386 was signed into law. This authorized AIDEA [Alaska Industrial Development and Export Authority] to engage in a number of activities. One was to allow AIDEA to establish a transportation corridor on the north end of Denali [National Park]. He referred to the maps given to committee members, and said it shows the proposed corridor going from Healy to the border of [Denali] park. This project was approved and non-controversial, he said.

MR. SCHMITZ stated that under HB 386, Kantishna Holdings was authorized to finance and complete the project. However, HB 386 did not require AIDEA to act on these provisions, so no land was transferred for access. He said the intent of HB 244 is for the Denali Borough to replace the AIDEA part of HB 386, to survey and develop the [transportation] corridor.

Number 0836

REPRESENTATIVE KOOKESH asked why AIDEA did not follow through with the provisions in HB 366.

Number 0861

REPRESENTATIVE JEANNETTE JAMES, sponsor of HB 244, remarked that AIDEA was authorized to do the bonding for this project. She suggested that AIDEA never followed through because no one asked them to. She also said that Kantishna Holdings, Inc., were not interested in "obligating themselves to the bonding to do this because they have other funds available ... that wouldn't be bonding funds." Although AIDEA is authorized to do this in the bill, it didn't necessarily say "you must do this." As far as she is concerned, the land had never been given to them.

REPRESENTATIVE KOOKESH wondered if the Denali Borough intends to bond for this project.

REPRESENTATIVE JAMES replied that the applicant, such as Kantishna Holdings, Inc., who wants to put in the railroad would use private funds.

Number 0982

JOSEPH FIELDS, Kantishna Holdings, Inc., testified via teleconference that they are proponents for a northern access railroad into Wonder Lake. He noted that Kantishna Holdings, Inc. has been involved in this for a while and has been supported by the legislature as well as cities and boroughs along projected rail development areas. He mentioned that the committee packets contain copies of resolutions that say this northern access would help provide long-term resource protection in Denali National Park and better access for Alaska citizens. He stated that he was pleased that Representative James put forth this concept that would enable economic development to take place in the Denali Borough. He pointed out that since this part of the state is not involved in the gas line, national missile defense, fisheries, or timber harvest, this project is a "vital piece" of economic development. He referred to a letter from the Denali Borough [April 12, 2001] and indicated that the fully borough support this bill.

Number 1064

CHAIR KOHRING asked how this bill would be a "good enhancement of economic development."

MR. FIELDS said, "Infrastructure in the visitor industry." He went on to say that Alaska has many natural wonders but it is short on infrastructure, especially north of the range. "Our" particular niche is looking at the independent traveler, "folks that can come into the bottom part of the state or the middle

part of the state up here and travel on the railroad corridor independently to the various sites, from Girdwood, Seward, Hatcher Pass, Big Lake, ... Willow and Nenana." So, "we" are looking into land tours around this piece of infrastructure that would go into Denali National Park. He said, "Private capital ... builds the public infrastructure." He mentioned that this project would provide 350-900 jobs, a very important factor in Alaska, especially because there are not many projects. It would also result in private development due to private capital being placed on public lands.

Number 1167

REPRESENTATIVE KOOKESH asked for information on Kantishna Holdings, Inc.

MR. FIELDS explained that Kantishna Holdings, Inc., is a private corporation established in Alaska, made up of stockholders that live in the Fairbanks and Anchorage areas. It is a holding company designed to develop this project. He said "our" intention is to place between \$230-\$260 million during the development of this project. This would be a long-term investment in the infrastructure of Alaska. He said that was all the information he could provide since he is talking about private corporate information. However, he noted that "we" are a local corporation of Alaskans, with no outside interest.

Number 1218

REPRESENTATIVE KOOKESH remarked that he appreciates Kantishna Holdings, Inc., being a private corporation, but "you're here asking for some state land," he said.

MR. FIELD clarified that Kantishna Holdings, Inc., is asking that state land be transferred to the Denali Borough; Kantishna Holdings, Inc., would not receive ownership of the land. However, they would be able to utilize the land for proposals, including from the North Denali Access Study of 1995, and the Denali Task Force of 1994. He alluded that the project would take place along the Parks Highway. "That's a 300 foot right-of-way," he said. And "that's what this would end up going off the edge of the park in actual land," he added. It would not be that whole area [of the map in the committee packet].

REPRESENTATIVE KOOKESH wondered what effect [HB 244] would have on the [Denali] Borough's entitlement for organization of its landholdings under the state.

MR. FIELD commented that there is a "long, complex history on the different elements," like in any borough. However, in this situation, a separate piece of land is being proposed for a specific purpose, and not a generalized borough. And his understanding is that it wouldn't be part of "their selection rights for the borough." However, he noted that he didn't know their standards or how much land they have to select, if any. He also noted that it has a "drop dead" date of 2006.

Number 1344

REPRESENTATIVE KAPSNER asked how this bill would impact wildlife and park activities such as recreating, hunting, and trapping.

MR. FIELDS replied that this bill deals with state land, not Denali [National] Park. However, "we" talked to a lot of folks here and they "aren't sure that people would say that they don't want to see a train going through their hunting area." He remarked that there is limited wildlife in that area as well as in [Denali National] Park: it's not what "they" call the "Serengeti of the North." He wondered if a 300 foot right of way would have a tremendous impact. He stated that bridges would be used to cross streams, and they would have to be constructed in the proper fashions. He noted that there is wildlife "up and down the north and south on the river system."

MR. FIELDS said there would be opportunities to see wildlife while on the trains, but he does not know how [the railroad] would impact hunting. He believes there is a very low number of hunters and trappers in the Denali National Park property. Furthermore, this location is too far west and south for connecting with areas that people trap out of such as [Lake] Minchumina or McGrath. Therefore, he does not think there would be any major impact on dogmushers, skiers, or snowmachiners in that area. He also said that these people would probably be using the Stampede trail, the majority of which is north of where this land is described. He noted that the description [of this project] was changed to move a mile away from the park border on the north side.

Number 1433

CHAIR KOHRING inquired about the environmental impacts of this project. He mentioned that after talking to the sponsor of HB 244, his impression was that this project would be a benefit to the environment because it would take pressure away from the

existing access and all the people that are "flooding into the park" via the road.

Number 1452

REPRESENTATIVE JAMES pointed out the existing road on the map that goes through [Denali National] Park and goes to Kantishna. Most of the year, only buses and inholders, who have permission to use the road, use it. She said it is a very narrow and dangerous road. She also noted that the road is "near capacity," and that one-third of the people that come to Denali [National] Park are not allowed on that road because a limited number of people can be on it. She remarked that her belief is that anyone who wants to come to a national park like Denali, which is absolutely beautiful, should be able to.

REPRESENTATIVE JAMES stated that she was in favor of a railroad, not a road. She noted that this bill would be competing with others who would rather have a road. There have been problems in this area with people camping out and leaving "junk," and thus there have been conflicts with bears and so forth. Furthermore, there have been problems with those who work in the tourist industry here. These people don't seem to make enough money to pay for a place to live, so they "live in the bushes" in the summertime.

REPRESENTATIVE JAMES pointed out that a road [allows] continual access for everyone, including trailers, trucks, and cars camping along the way, leaving "their junk and stuff around, which I think is embarrassing and very expensive to maintain." Therefore, a train that has controlled access would enable all people, "whether disabled or not, old or young" to view the park, which would be a great experience. She mentioned that someday she would like to see train access in and out of the park by making a complete circle (not where the current road is). She said having a train is the environmentally friendly way to do it.

REPRESENTATIVE JAMES indicated that one of the ways to control the "love the park to death" is to put in a train. A train would enable more people to come in and out of the park. Furthermore, a train would also be "environmentally more friendly and not so devastating to the park area, which is one of our prize areas," she added. Representative James noted that she is enthused and passionate about this project after working on it for nine years.

Number 1622

MR. FIELDS referred to the issue of environmental impact on the park and said that the park is restricted to 10,512 vehicles a year. He stated that a 1994 study estimated that up to 1,300 park administrative vehicles could be removed if there was new northern access [to the park]. This could translate into 1300 or more buses or people being able to get into the park as opposed to administrative vehicles. He noted that Alfred Runte, author, Our National Parks, and one of the preeminent environmentalists in the nation, is very enthusiastic about this project, and even toured [Denali National] Park with "us." He said he spoke to David Brower, Sierra Club [Executive Director 1952-1969], a couple of years before his death, and although he wouldn't give an "outright endorsement of a railroad anywhere," he did mention that the failure of Yosemite was because the railroad was taken out in 1941. So, there are a good number of "solid, rational, environmentalists" who are going to be supportive of rail access. He also said, "We think we can accommodate the desires of the visiting public and the need to protect the environment as well. "

REPRESENTATIVE WILSON described a trip she took to Denali National Park about seven years before. She said she was "totally amazed" that there was only one way in and out of the park. She remarked that this [railroad] would be wonderful, and would give people a "better advantage to be able to see what they need to see," and more people could do it. So, it's "something we need to do," she said.

Number 1737

JOAN FRANKEVICH, Regional Staff, Alaska Regional Office, National Parks Conservation Association (NPCA), testified via teleconference:

We are a non-profit dedicated to protecting and enhancing U.S. National Park System for present and future generations. We have over 450,000 members of which 1,000 live in Alaska. NPCA has opposed the North Denali route since it was first opposed. And specifically we oppose this bill, HB 244, for the following reasons.

Allowing the Denali Borough to select state land for railroad right-of-way development projects seems extremely inappropriate. The Denali Borough was

incorporated in 1990 and authorized with the following powers. They're authorized with taxation, education, planning and zoning. They do not have ... the legal authority to acquire, construct, or maintain public roads. Officially, the Denali Borough (indisc.) itself that it provides few government services and does virtually no (indisc.) planning or zoning. A borough with no road powers and minimal planning seems a highly unusual choice to be receiving such a (indisc.) of state land. And all the more so unusual in that this land has previously been off-limits to the boroughs down in their selection.

It's unclear as to why its (indisc.) to a local government, and we also think that the borough should ... before they get this grant, if they do get it, ... develop a land use plan and a economic feasibility study on demonstrating the (indisc.) of this project before the state releases the land to the borough.

My second point is that even more unusual in this is the borough is simply a shell and HB 244 is (indisc.) allowing a private business to select state land. This bill provides (indisc.) through private business. There's no competition. There's no public process. To us, this really feels like favoritism and poor public policy. ... [It seems like] the most unusual way for a land selection to be conducted. It raises legal and ethical questions.

Furthermore, this will be the third opportunity Kantishna Holdings has had to establish a railroad right of way. ... Eight years of time and yet they have failed to do so. In 1993, they were granted a five-year conditional use permit from DNR [Department of Natural Resources] to allow to make a right-of-way recognizant for this railroad. They never followed up. They never did so. In 1998, HB 386, again, gave Kantishna Holdings the opportunity to establish a right-of-way. This time in association with AIDEA, and again no action was taken. And so (indisc.) what has changed to let the state think that now they will follow through on this and that they now have the capability to do it.

A third point is that we feel this is very premature. Granting land to develop a railroad project at this

time, things could (indisc.) [U.S.] Senator Murkowski's appropriation study, [and] the North Denali Access, ... a railroad for a road, seems like they should be considered together or ...it needs to be decided which project before we go forward with this particular project as its written here in this bill.

Also, this project is completely dependent on extending this railroad through the National Park and at this point, that seems highly unlikely. The National Park Service opposes it. ...[And] there's much controversy against this project.

If this bill does pass, we would suggest a amendment, ... we would suggest that if a railroad project does not go forward by a specified date, than [the] 3,500 acres be returned back to the state and it does not remain that borough land. It's a return from all the land that they used not to select a 300 foot right-of-way and (indisc.) development, with a 300 foot right-of-way and (indisc.) and relate development land remain in the borough the way I read....

It was mentioned earlier that this will relieve pressure on [the] current park road. NPCA agrees that there needs to be work done ... to relive pressure on that road. But we don't feel this is the answer. This railroad will begin just 17 miles north of the existing park road, and ends in the same place. There seems little sense in that when other alternatives such as Fast Denali are being worked on as well.

Contrary to what was said earlier, we believe this will actually put more pressure on the road. The primary attraction for visitors to come to Denali is viewing wildlife. And the wildlife viewing opportunities from a road or railroad in a north access are very limited. There is not as much wildlife there in the summer. It's an important winter area for caribou. ... Plus a lot of the area is trees so visibility is not the same as the park road. So getting people out to Kantishna Wonder Lake, I think, would just put more pressure on the existing park road to come back to [the] current park road to view wildlife, because they will not be satisfied in that respect on the railroad journey.

To conclude, we just think it's important the legislature realize that the northern route in the Denali National Park is a highly controversial project. It will be closely scrutinized. The major national group, (indisc.) for common sense [is] currently listed as one of the ten worst highway projects in America. This project entails major development within one of the most famous national parks in the world. It would be the largest proposed capital development project in the entire U.S. National Parks System. Getting state land to a local government that has no road power it has the (indisc.) planning and zoning and to a single source contract to a private business seems preposterous. We are (indisc.) HB 244. Thank you very much.

Number 2021

REPRESENTATIVE SCALZI asked for clarification that Ms. Frankevich disagrees with Representative James' contention that a railroad would be a more efficient way of transporting more people into the park, in a "sound and clean matter" rather than expanding the highway.

MS. FRANKEVICH inquired as to what highway he was talking about.

REPRESENTATIVE SCALZI said the road that currently goes to Wonder Lake.

MS. FRANKEVICH remarked that [NPCA] does not propose expanding this road either, since it has not reached capacity at this point. She said that very few people are turned away, although someday that will probably happen. She said, "getting people to the same place by a less attractive means, we see no benefit for that."

REPRESENTATIVE SCALZI wondered if she had a solution for a better means for the elder population, [and] people who want to visit the park, or if she thought more people should not come.

MS. FRANKEVICH replied, "Of course more people should be there." And as far as the elderly population, they are well-served by a bus system that currently goes to a variety of locations, she said. She also mentioned that there are handicapped accessible buses that travel the road everyday. She noted that most of the park's visitors are elderly.

MS. FRANKEVICH pointed out that additional facilities such as a learning center and visitor center are in the planning process to be built at the park entrance. More trails and campgrounds are also being built to increase capacity and provide more options to use other areas of the park. She also stated that there have been ideas to build an area south of Denali, up Petersville Road and along the Parks Highway as well. National Parks Conservation Association supports all of these developments, she noted.

REPRESENTATIVE SCALZI reiterated his question of whether she saw any benefit to getting more people into the park in a sound matter. He also asked if her alternative was to get other areas in the park utilized.

MS. FRANKEVICH said yes, "We think it makes much more sense to expand on the south side of Denali where more of the population lives and where the population comes from than an area that's already served by the Park Road."

Number 2117

REPRESENTATIVE JAMES referred to Ms. Frankevich's earlier comments. Regarding Denali Borough powers, the borough only needs planning and zoning powers to transfer this land, which would then be available for lease. So, even though Denali Borough does not have road power, it does not make a difference. She stated that in regard to animals, there are animals, just different kinds. She suggested that the railroad be open for winter tourism, when there are a lot of animals in the area. Skiers could also be taken in. She went on to say, "There's just lots of things that this train could do on a year round basis to be able to have access to the park that is better than the access we have for people today." She remarked that she understands the concerns on this issue since she has been listening to it for a long time.

Number 2182

MR. FIELDS commented that that the Denali Task Force 1994 came up with the South Side Denali Plan, which takes place outside of the park. However, "it was in the process." He also said that the National Park System Advisory Board put a resolution forward calling for the creation of a northern railroad route to Wonder Lake, which is what is being proposed in this bill. He mentioned that this project is not park service development. He

referred to budgetary concerns and said that although private capital going into the park, the overall control of the (indisc.) would be retained by the park.

MR. FIELDS stated that the biggest issue is how to offset the 500,000 people who come to the park entrance. He indicated that "we" see ways of helping the park this time of year by taking equipment to the far end [of the park] and letting them [park employees] come back via the road. He mentioned that the railroad might enable the park to open a few days earlier. He went on to say:

But for management of the park, and access of NPS [National Park Service] employees and access for the inholders, we don't propose that there should be no other access for the inholders. In fact, I've told both of them that we would support their position of having a right to use the road as well as the rail. But I think from a business standpoint, they'd all benefit from a rail in there.

Number 2253

MS. FRANKEVICH referred to Representative James' comments and said she did not mean to say because Denali Borough did not have road powers that they would not be able to do this, since it would fall under their planning and zoning authorities. However, it seems appropriate and "hard to believe that with so little experience" in roads that they could accomplish such a large project successfully.

MR. FIELDS commented that "they" have a group comprised of former DOT&PF [Department of Transportation & Public Facilities] employees of the highest "range" working on this project. So, he thinks that "they" [Denali Borough] are going to be in "good hands and have a good critical view of everything that goes on before they allow anything to happen. They're not going to take any chances with their hometown."

Number 2299

CHAIR KOHRING noted that there was written testimony in the committee packets from Linda Pagenelli (ph) of Healy.

Number 2313

DICK MYLIUS, Resource Assessment & Development, Division of Mining, Land and Water, Department of Natural Resources (DNR), testified via teleconference:

This bill requires DNR to transfer by September 1 of this year approximately 46,000 acres of state land to the Denali Borough for a future railroad towards Kantishna. In order to reach Kantishna, the railroad will need [to] continue west across National Park land. The borough and private Kantishna holdings would then work to identify and survey a railroad route across this land and then in 2006, the borough conveys the excess land back to the state, estimated to be about 42,500 acres and the borough would keep 3,500 acres.

DNR recommends that a more efficient and equally approach would be for the borough and Kantishna Holdings corporation to first identify the corridor, then ask DNR to transfer the land or even to simply apply for a right-of-way. The current proposal requires DNR to convey to the borough a large block of land only to have the borough convey most of it back in five years. This results in unnecessary work at the expense of both the state and the borough.

In addition, because the railroad route is unknown, the route could include land outside of the area in the bill. For example, portions of the existing Stampede Trail which is probably built along one of the easiest ways to get to this chunk of land is not included in the land that closed for transfer to the borough. In addition, the National Park Service has invited the state to participate in a comprehensive study as noticed by access issues and alternatives, because much the route of this railroad crosses Park Service land. This railroad can't be built until there's Park Service concurrence with the (indisc.). Until the efforts to study north side access is completed ... (indisc.) designate and transfer a railroad corridor to the borough and Kantishna holdings.

DNR has four specific concerns regarding this bill. Some of these could be dealt with through amendments. The first one is that the bill causes confusion regarding how DNR should treat existing municipal

selections (indisc.) by the borough under its municipal entitlement under Alaska Statute 29.65. The legislation actually could preclude the borough from receiving some of this land under its entitlement because the bill limits the borough's eventual ownership from this 3,000-3,500 acres, where the borough has under its previous selections, has selected more than 3,500 acres. We do not believe that this is the legislature's intent or the sponsor's intent. But it is not clear in the bill. Further, it is unclear whether or not the 3,500 acres ultimately conveyed to the borough is supposed to be charged against the borough's remaining existing entitlement.

My second concern is that since DNR assumes that since the bill directs DNR to take action and gives us only two months to transfer the land, I believe that it isn't the intent of the sponsor that DNR would be excluded or exempted from the state's (indisc.) finding requirement. However, we'd like to be able to make this clear so that DNR is[n't] explicitly excluded from the requirements of AS [38.05.035] and [38.04.065] simply because ... we've got two months ... to transfer the land.

We can't (indisc.) public decision-making process. ... We'd like the legislature to make that clear in the bill. It is also unclear what property rights the bill or the borough would grant against it being a holding corporation. ... Once the corridor is identified, the implication in the bill is that Kantishna Holdings, Incorporated, would have the right to build a railroad within the corridor. DNR believes that the legislation must ensure that the citizens of the state receive some compensation for granting a private exclusive (indisc.) thousands of acres of state land.

Finally, our fourth concern is that the bill needs to clarify how DNR should deal with the existing hours, (indisc.) which follows the Stampede Trial. Is the intent that this will be conveyed to the borough or excluded? Current Alaska Statute [does] not allow DNR to transport RS (indisc.) to the borough. We can only transfer them to DOT. Finally, DNR has submitted a fiscal note on this bill. We would need funding in order to identify and reserve existing rights that are

on the (indisc.). We would need to do public notice. We would need to do title check (indisc.). In addition, you'll notice on our fiscal note that we have funding requested in 2006, which is when the land would be returned to the state. And at that point we would also (indisc.) to do ... research to make sure the borough hasn't created any third party interest and that we could take them back. We'd also need to do an environmental audit to make sure the land was still in the condition it was when we gave it to the borough. The state isn't receiving any liability (indisc.) along with the land. ... That concludes my testimony and I'm available for any questions.

TAPE 01-28 SIDE B

Number 2506

REPRESENTATIVE JAMES stated that since "we" have to start somewhere, "we thought it best to start with state land as opposed to park land." She mentioned U.S. Senator Murkowski's interest in this issue, and that he has been working with the National Park Service on it. She noted that the markings on the map are not necessarily where the railroad would go, and that in order for it to be built, many "things" would have to be done. The federal government has appropriated \$1.2 million to do a study for this project. She referred to Mr. Field's testimony and said he talked about Don Lowell (ph), a former DOT&PF engineer, who has been hired by the Denali Borough to be an advisor on this project. She said SB 3 includes a \$300,000 appropriation that the state will match, "on that money that's been sitting" there for about four years.

REPRESENTATIVE JAMES remarked that most of the pictures of Mt. Denali [Mt. McKinley] that one sees, such as a Sydney Lawrence painting, shows the mountain from Wonder Lake. She noted that areas such as Talkeetna and Ferry also have beautiful views of Mt. Denali. She said, "we would expect that they would have a pretty controlled access to that area." She went on to say that a hotel and visitor's center would probably be built along with the railroad, as a way of getting customers there. She concurred with earlier testimony that much work would need to be done in order for this project to be complete.

REPRESENTATIVE JAMES declared that she is still opposed to putting more roads into the parks, even though many people would rather have one, "because they like to drive their cars." She

believes that there should be some controlled access into the parks, which the railroad would do. She reiterated that she has been working on these ideas for nine years, and nothing has happened. She noted that people in the Denali Borough would hire people who can do the job.

REPRESENTATIVE JAMES referred to Mr. Mylius' testimony and expressed agreement with the suggestion that if a railroad is never built after land is set aside for one, there should be a date in which the land goes back to the state. However, she disagrees with DNR that money needs to be given to the state for the disposition of land. She remarked that people having money and jobs is what benefits Alaskans. She went on to say that Alaska's long-term plan would probably include statewide income taxes in which the state would get money from jobs created from this issue to create services for everyone.

REPRESENTATIVE JAMES stated that the train would run on natural liquid gas, which is a very clean fuel. She also noted that the train would not be a speed train, it would be a tourist train. She mentioned that there are many types of excursion trains and that British Columbia has ones that go through "all the beautiful areas in short periods of time, charging lots of money for riding on this train," and having the train trip be the destination. This bill provides the opportunity to put a facility like this in Denali National Park, which is the "pride of all of Alaska and all of North America." She said that a park like this has to be accessible to everyone who wants to see it. And this project opens this "door" in a "clean and environmentally sound way."

REPRESENTATIVE JAMES commented that last year while working on a re-write for the 250,000 acres for the university, which the governor vetoed last year, one of the prime parcels included in that list of land was a 90,000 acre parcel, named "Wolf Township." This would "kill" the access or railroad going into the park. She said this is "on hold." She remarked that she isn't aware of what the disposition of the township would be once we take this out there, since there are mixed feelings in the Denali Borough about this issue. She mentioned that many people have cabins out there and that it's a hunting and recreation area. She said, "If you live by any state land, you hear people say they don't want anybody else to have it, they want to have it for their own and that's what the people feel like about this Wolf Township. She said, Alaska needs development and "sometimes it just takes local people grabbing the bull by the horn."

Number 2131

REPRESENTATIVE KOOKESH commented that he is uncomfortable with taking 46,000 acres when only 3,500 acres are needed for the actual right-of-way. He asked if the [Denali] Borough was initially entitled to 3,500 acres, how a 46,000 entitlement is justified.

REPRESENTATIVE JAMES indicated that she would like [the entitlement] to be done by DNR, but they won't be involved. However, Denali Borough has agreed to do it, along with a \$20,000 fiscal note, which is reasonable. She noted that if DNR did it, the fiscal note would have been much larger. She asked Mr. Mylius how many of the entitlements Denali Borough has received.

MR. MYLIUS replied that the Denali Borough received an entitlement of more than 49,000 acres based on the formula in state statute. To date, 20,000 acres have been transferred to Denali Borough, and the remaining 29,000 acres is still pending. It requires DNR to go through an amendment of its (indisc.) in order to get those lands to the borough.

REPRESENTATIVE JAMES commented that in this particular case, a "large parcel" is temporarily going back to Denali Borough until 2006. All but 3,500 acres will be transferred back. She indicated that she did not know the details of this, and that the Denali Borough would have to answer.

Number 1965

CHAIR KOHRING asked if it was still Representative James' intent to provide a sponsor statement for this bill.

REPRESENTATIVE JAMES stated that she does not think one is needed, however she wants to include a date that land would be transferred back to the state if the project is not completed by the deadline. She indicated that she also wanted to find out more information on the 3,500 acres that the Denali Borough would receive. She noted that she could provide this information in a sponsor statement at the next meeting.

Number 1895

CHAIR KOHRING announced that HB 244 would be held over until Thursday.

SB 88-METROPOLITAN PLANNING ORGANIZATIONS

CHAIR KOHRING announced that the next order of business would be SENATE BILL NO. 88, "An Act relating to metropolitan planning organizations and to establishment of a metropolitan planning organization for the Anchorage metropolitan area; and providing for an effective date."

Number 1863

SENATOR RANDY PHILLIPS, sponsor of the bill, stated that SB 88 passed out of the Senate last week. He explained that the purpose of SB 88 is to assist AMATS (Anchorage Metropolitan Area Transportation Study), which only Anchorage qualifies for, by adding one Senate member and one House member from the Anchorage area to the AMATS committee. Currently, the AMATS committee consists of five members: the mayor, two assembly people, and one appointed position from the Department of Environmental Conservation (DEC) and one from the Department of Transportation & Public Facilities (DOT&PF).

SENATOR PHILLIPS commented that more direct representation is needed from the legislature in the roads and projects process, because they are delayed. He went on to say that two of the five appointed committee members are not "held accountable directly to the people," which he does not think is appropriate. This has led to a lot of frustration over the past ten years.

SENATOR PHILLIPS mentioned a project that was supposed to occur in Eagle River and Muldoon last year, but that got "bumped down or sideways" on the list, which upset a lot of constituents who were counting on it happening at a certain time. The constituents then contacted their legislators who couldn't do anything about the situation, because of the way the process is set up. He said:

So, in order for constituents to have a more direct say in what's going on, I propose this bill to simply add one senator, [and] one house member, and increase the policy committee from five to seven.

SENATOR PHILLIPS acknowledged that those outside the Anchorage area might view this issue as an Anchorage fight. However, "It will be coming to your neighborhood, maybe sometime soon. And I do not wish this on anybody," he said.

SENATOR PHILLIPS pointed out a letter in the committee packet from the Federal Highway Administration dated February 22, which says there are no problems with having legislators on the policy committee. However, he noted that the administration has opposed this legislation on a couple of points. The first concern of the administration was the issue of dual office-holding. However, Hawaii has legislators on their version of AMATS. He said Hawaii has "virtually the same constitution as we do when it comes to dual officeship." He stated his belief that the Division of Legal and Research Services [Legislative Affairs Agency] has provided a legal opinion that this bill is "OK" while the Office of the Attorney General has said it can't be done. However, he said "it's pretty straightforward."

Number 1710

REPRESENTATIVE KAPSNER related her experience with some of the roads in the Dillingham area. She said her understanding was that legislators get a directive from the local municipality, so "it's not top down." She asked why this was not working in Senator Phillip's area.

SENATOR PHILLIPS replied that it was not working because elected state officials are not directly involved in the process. He reiterated that the committee consists of the mayor and two assembly members representing the municipal side, and two non-elected people, from DEC and DOT&PF, who are appointed by the governor.

SENATOR PHILLIPS commented that the Glenn Highway situation is very frustrating. The Glenn Highway needs to be repaved, but it won't be [until] a couple of years from now. At the end of session, "the only thing we get is ... a list [that says] gives us your money and we'll just do what we have to do without no say." Legislators have no direct say other than to send letters to the technical or policy committee. This is just "another layer that makes it real difficult to get your projects through," he said.

REPRESENTATIVE KAPSNER stated that having three elected officials on a five person committee means that they would have the majority vote, and be held accountable by municipal election. She inquired if "that's still not working."

SENATOR PHILLIPS said no because "generally speaking" there is a "90-10 split," 90 percent federal funds and 10 percent state funds. He believes as a legislator representing 30,000 to

40,000 people, [he] should have a "little say" over where these priorities go. He went on to say:

We're paying part of the bill and I don't mind the process. It's just that when you're elected and people come to you and say why isn't this being done, [and] I say its because of AMATS, they don't understand it. I'm the guy who's getting the flak, because I'm the most visible. I'm elected [so] I should be held accountable for my actions and all I'm asking is to make me accountable for my actions. Let me be part of the decision process in setting up these priorities. You'll hear from DOT[&PF]. They've come up with another ... excuse why they don't support [this bill]. I just wish they would say they don't support it and leave it as is. But anyway, I just think it's very difficult as a legislator, explaining ... to a constituent, why isn't your road being paved.

Number 1553

REPRESENTATIVE KAPSNER remarked that she empathizes with his situation because she has the same problem in Dillingham with the Wood Tik Chik (ph) Road. However, she would not ask to be on the Dillingham City Council. She stated that one of the concerns with this bill is the dual office holding prohibition in the Alaska State Constitution. She asked if this should be waived for this situation.

Number 1524

SENATOR PHILLIPS reiterated his belief that the Division of Legal and Research Services has said SB 88 is not a problem, while the Department of Law has said it is a problem. He reiterated that Hawaii, which has practically the same constitution as far as dual office-holding, has state legislators serving on its version of AMATS. He described this situation as a struggle that has been going on for eight to ten years. He has reached a point of frustration in which he believes "we got to step in and have some say in this process and be held accountable for your actions."

SENATOR PHILLIPS suggested that legislators outside of Anchorage imagine the following:

Your constituents are telling you this, this and this ... for their roads, or harbors, or whatever and [you]

really can't reach in and try to make it right for them and still get virtually beat up because of it. ... Somebody else is making the decision for you and the only thing you're doing is approving a list, handing a check and then they go and do whatever they have to do.

SENATOR PHILLIPS explained that the President of the Senate and the Speaker of the House would appoint the legislative members of this committee. He imagined that the Anchorage caucus would understand that these legislative members would be representing Anchorage as a whole, not their "own corner" of Anchorage. He said there would be "some understanding between the presiding officer and that member and the caucus as a whole." He believes this would "add a little bit more credibility to the public, despite negative feelings towards legislators."

Number 1430

REPRESENTATIVE WILSON remarked that she has strong empathy for his situation because she feels it as well. She asked if he was proposing that all areas do this.

SENATOR PHILLIPS answered no, an area is forced to have the AMATS process when the population reaches 50,000. He said none of "your" communities will ever qualify, however it is possible that the Wasilla and Fairbanks areas would.

REPRESENTATIVE WILSON questioned if this bill leaves out areas such as Southeast, where the population is small.

Number 1355

SENATOR PHILLIPS pointed out that Representative Wilson has a direct link to DOT&PF in dealing with projects, while he has "another layer to work through." For example, when projects in Muldoon and Eagle River were delayed last October, many angry people called him. In turn, he called DOT&PF who told him to talk to AMATS. If AMATS did not exist, he could deal directly with the commissioner or regional officer for the Southcentral region.

SENATOR PHILLIPS informed the committee that AMATS meetings are not consistent and have been canceled and moved. He indicated that having a legislator at these policy committees would help ensure that a meeting isn't canceled. He also stated that AMATS has lost "a lot of credibility with every folks in our area."

REPRESENTATIVE WILSON remarked that although she doesn't have this "middle" problem, she still has the same problem. Therefore, she is not sure if this legislation is the way to resolve the issue.

SENATOR PHILLIPS responded to these remarks by saying that before AMATS, when there were projects, one would call the DOT&PF central office and the commissioner who would work on the project list. He stated that since AMATS was started, 10 to 12 years ago, "you have to go through another maze to get through where you should be." He reiterated that areas such as Representative Wilson's district do not have to deal with this other part.

Number 1223

REPRESENTATIVE KAPSNER asked if Hawaii has a prohibition on legislators serving in multiple positions.

SENATOR PHILLIPS interjected that Hawaii has no prohibition on legislators serving on its version of the AMATS policy committee.

REPRESENTATIVE SCALZI wondered whether Senator Phillips would rather get rid of AMATS.

SENATOR PHILLIPS said that he has talked about that possibility. However, AMATS is an executive order agreed between the federal and state governments. He said, "I would love to get rid of it, frankly, and just deal with DOT[&PF] directly on a daily basis."

REPRESENTATIVE SCALZI asked if there has been any benefit to the AMATS board.

SENATOR PHILLIPS replied that he is "one very frustrated individual." However, if he had to put a "positive spring" on it, he would say the AMATS committee has probably led to a "little bit better planning" than before. But it's getting to a point where they are planning things "literally to death" and they are not getting the project done. For example, the Glenn Highway is in bad shape, and it won't be repaved for another couple of years.

SENATOR PHILLIPS reiterated to the committee that he knows this is an Anchorage fight. However, it's possible that the Mat-Su Valley and Fairbanks areas are close to getting this mandated as

well. He believes "we" should have more say in what happens. He noted that he would not want to be on the policy committee himself.

REPRESENTATIVE SCALZI pondered whether this board is somehow delaying or causing a delay of projects to happen or is it a lack of funding. However, if AMATS is a board that recommends projects, a lot of things may be out of their hands.

SENATOR PHILLIPS concurred, but said that there are many projects that occur in his area that the community does not ask for. He referred to one project in which no one from his community requested. It was discovered that "someplace deep in DOT[&PF] in the Anchorage area made the request."

An at-ease was called at 2:42 p.m. The House Transportation Standing Committee meeting was called back to order at 2:44 p.m.

TAPE 01-29 SIDE A

Number 0054

CHERYL CLEMENSEN, Assembly Member, East Anchorage, testified via teleconference:

I've been on the [Anchorage] Assembly for about eight years, AMATS for two years, and I was on AMATS when similar legislation for this first came up three or four years ago. This kind of legislation has never been requested by the local governing body. As a matter of fact, the local governing body has gone on record every year as opposing the change to the AMATS or to the Metropolitan planning office which is the (indisc.) of the Metropolitan Planning Organization [MPO]. It came up the first year, and I can't remember if it was three or four years ago, the Anchorage Assembly held a public hearing of the issue and the House Transportation [Standing] Committee participated via teleconference. Several people from the community participated and testified. There was not one person who testified in favor of this.

We have never, at the local level, received any letter, e-mail, [or] telephone calls that I'm aware of or testimony asking that we increase the size of AMATS, that we add another layer of participation level of government.... While people are somewhat

frustrated with AMATS as they are with any other process that involves public money, no one has ever suggested that this would be a proper fix for it, except the members of the legislature. And I understand that frustration. But, we are extremely frustrated at this end [because] year after year after year [we] have to be going through the same conversation.

To be honest with you, legislators have the same opportunity that members of the public have to comment on the plans and the things that come before us. I know Senator Donley has routinely sent in letters and comments on the plans. And he has been effective in getting some changes or getting things moved up on the list.... When AMATS took up 15th Avenue, a couple of years ago, I was on AMATS ... and several legislators from the area did fly in from Juneau so that they could testify and be present at that meeting. But other than that meeting, I have not seen legislators participate even when they are in town.

AMATS meets every month. They meet on a regular basis. They take public testimony. It's important for people to be able to be here in advance, to be able to attend work sessions or to be able to be (indisc.). We have a very excellent staff. We have an AMATS Coordinator and that's all he does; works on AMATS projects, AMATS funding, AMATS prioritization, all those sort of things. He's part of our planning department. He coordinates with the comprehensive plan and the other (indisc.) that are taking place here in town.

I think the bottom line of what I'm trying to tell you is that the system is not broken. No one is asking for it to be fixed. I also would like to point out that I believe that this action does violate the intent of Congress when they said that metropolitan planning organizations are intended for local control and for local decision.

This [bill] is not local control and with all due respect to Senator Phillips, when I hear him testify about the frustration about this particular project, [what] he doesn't understand ... [is that] we're dealing with a thick pot of money and project lists

... every single year. Sometimes things that were a priority one year, move over a bit because something else [that] is a higher priority comes up.

For example, we have now built an elementary school along Abbot Road, and we're trying to figure out how to fund the upgraded road whereas before that was a project that wouldn't of received so much attention because it didn't have the amount of traffic that it is now. I'm very concerned about this and I would ask you to please understand that (indisc.) are a step forward for local governing body, for local control and that the local governing body continues to oppose these types of legislation. And then you would ... be out of compliance with the United States Code 23 USE 134. And I have a lot of concerns about that.

Number 0372

REPRESENTATIVE SCALZI stated that he supports local control. However, he asked her to respond to Senator Phillips's concerns or frustrations regarding "disgruntled individuals who didn't get their way or projects that appear not [to be] on the horizon, that are getting funded". He said that when [legislators] are in Juneau, they get a "different story" than when they're home.

MS. CLEMENSEN replied that the project list goes through a public process in which the projects are ranked, and the [Anchorage] Assembly as a whole votes on the list. She explained that AMATS representatives are required to represent the vote of the entire body on the prioritization of the list. Furthermore, the mayor follows this process as well. This represents ultimate control in the most basic form other than "community by community actually having a seat on the AMATS policy committee." Public hearings are a part of this process and thus she doesn't believe it is a good idea to have a legislator as a committee member when he or she would be out of town for four months of the year and wouldn't be "following the same sort of input that we have." She remarked that she did not know which projects Senator Phillips was referring to that were added by AMATS and that did not go through a public process.

Number 0489

REPRESENTATIVE SCALZI suggested that if legislators were involved in the process for the other eight months of the year,

it might eliminate some of the frustration. It would also enable legislators to have a better understanding of projects. He asked Ms. Clemensen if she thought there was any benefit to having legislators on the committee, not to dominate, but to understand the process.

MS. CLEMENSEN replied:

I believe ... that would be about as helpful as having legislators on the school board because they fund a large part of our school district budget, yet they have no direct say in how that money is spent or even what school capital construction projects are funded. ... This is a separation of powers issue. Congress clearly meant for local governing bodies to have this control. We do have a control. We have a very detailed public process. We are not asking for help in fixing it and I can't think of a single time when a bigger government body made a better (indisc.) government body.

REPRESENTATIVE SCALZI said he was thinking of a more "informed decision rather than exercising a higher level of government."

CHAIR KOHRING stated his intent to entertain a motion for SB 88, if a committee member cared to do so.

Number 0667

REPRESENTATIVE KOOKESH objected to an attempt to move the bill out of committee because there were still people waiting to testify, and he wanted to hear from DOT&PF. He said, "Trying to push it because of a deadline is not fair to anyone," and he would like to hold the bill over to the next meeting

CHAIR KOHRING asked if the will of committee was to hear the rest of the testimony and take the bill up for consideration at the next meeting. He apologized for rushing the process.

Number 0727

THOMAS BRIGHAM, Director, Division of Statewide Planning, Department of Transportation & Public Facilities, remarked that he understood Senator Phillip's frustration since it is similar to anyone's frustration when wanting a project to begin and somehow "our process or in this case, the MPO's [Metropolitan Planning Organization] process is kind of standing in the way."

However, SB 88 is not the mechanism, at least for the Anchorage area, to appropriately deal with this issue.

MR. BRIGHAM explained that federal law established MPO more than 20 years ago as a congressional way to deal with the conflict between local and state government in how these federal transportation dollars were spent. He described this conflict as being:

Big cities in particular who were saying, "give us the money, we know how to spend it, this a local issue," ... and the states on the other hand were basically saying "no, give us the money we see the big picture and we know where to go...."

MR. BRIGHAM remarked that this conflict has not gone away. The MPO process applies to communities in an urbanized area with a population of at least 50,000. He mentioned the possibility of Wasilla, Mat-Su Valley, or Fairbanks becoming MPO's as a result of the 2000 census. He noted that Anchorage is "way beyond the threshold and the basic idea is that what the MPO or in this case AMATS is, is a joint local/federal decision-making body that together determines where this funding should be spent." He said it is an additional layer, but one that was established by Congress; all federal money has to go through the MPO to be spent in the Anchorage urban area.

Number 0891

MR. BRIGHAM declared that [DOT&PF] does not support SB 88 because it diminishes local control; it upsets the balance between state and local roles in deciding how money is spent in the Anchorage urban area. He noted that since AMATS was created, there has always been one more local than state vote. Originally it was two local votes to one state vote and now it is three local votes to two state votes. Although there aren't many state-local divisions, the idea behind this in voting is if "it comes down to state versus municipality, the municipality can outvote the state." This [bill] would change this, which would result in having four state votes and three local votes.

MR. BRIGHAM indicated that another reason DOT&PF does not support this bill is that MPO is the group that needs to decide what the most important projects are. He noted that [DOT&PF] might not agree at times with what AMATS decides. However, according to the law, AMATS can choose. He also mentioned the attorney general's position that this bill violates the

constitutional prohibition against dual office holding. He noted that legislative council has a different opinion on this matter. However, he said "it's a cautionary light at minimum and urge your caution in this regard."

MR. BRIGHAM referred to letters [included in committee packets] from the Federal Highway Administration. The February 22, 2001, letter says, "Federal regulations do not preclude the participation of state legislators on the AMATS Policy Board. He then pointed to the April 5, 2001, letter that discusses how legislators get to the AMATS Policy Board. He agreed that there is no prohibition against having legislators on the MPO Policy Board. However, he said the point of this letter was that the MPO has to vote in order to add new members. So if the legislature were to say "we want to put two more members on the MPO," it would be in violation of federal and state regulations.

Number 1136

MATT KETCHUM, Wilder Construction Company, stated that he supports Senator Phillips' testimony. He remarked that he was referring to "financial responsibility and accountability." He believes that Senator Phillips' frustration is that the people making the project decisions concerning where the \$70 million will be spent, have the financial responsibility to constituents for direct money.

MR. KETCHUM commented that as a contractor who bids AMATS work and has worked on AMATS projects, he has seen many projects that "don't make sense" priority wise. He said, "It's work to us, and that's what we do, we're contractors, we sign contracts but as citizens in the town, [we see] ... a lot of work that we do [that] does not seem to make sense." He noted that the AMATS committee might have prioritized the projects. But, "we" don't have the time to attend the meetings to "establish these AMATS priority lists," he said. However, if there were some legislative influence, projects of a higher priority would probably come first, which would be "better for the community and particularly the constituents that the legislators represent."

Number 1215

REPRESENTATIVE KAPSNER wondered how he determines what is a priority [project] in the community.

MR. KETCHUM said, "I live there."

REPRESENTATIVE KAPSNER asked him to provide an example.

MR. KETCHUM described a project that consisted of building a bike path near Peter's Creek. He said that the beginning and end of the path went nowhere; it was not in a relatively high-density community. He noted that there was a school nearby, but the "access and egress" of this bike path did not make much sense. One part of the bike path was so steep, it could not be paved, and so a gravel surface was put in, which supposedly met some AMATS standards. This job cost \$1.7 million for a two-mile bike path. He commented that those who lived there were saying, "What in the world is this for?"

REPRESENTATIVE KAPSNER asked if that would be the fault of the AMATS Board or an engineering fault.

MR. KETCHUM replied that it was the fault of the [AMATS] Board. He said, "DOT is marching to the beat of AMATS and that's why I think they're more in favor of not having the AMATS control in there as well." This is the frustration; "people see things like that and then they see a road in [Senator Phillips'] area that very much needs [work] for safety, maintenance, for everything." He indicated that if someone wanted to provide input for the list, one had to attend the meetings. But one needs to call ahead to make sure the meeting has not changed, he added.

MR. KETCHUM stated that he supports Senator Phillips because this bill would add legislative "interactment" to the process. He suggested that this would make the legislators feel obligated to attend the meetings, and this would enable higher priority projects to get completed first. He mentioned that Anchorage has more trail miles than road miles and DOT&PF probably realizes this, but it "can hardly maintain trails much less build more." He said his comments are from a contractor's perspective and from a company that consists of people living in this area.

Number 1344

REPRESENTATIVE KOOKESH surmised that as a contractor even though Mr. Ketchum thought the aforementioned [bike path] went nowhere, he was still willing to take the contract and accept state money to build it.

MR. KETCHUM replied, "Without a doubt, that's what we're in business for, is contracts."

Number 1420

ANNA FAIRCLOUGH, Legislative Chair, Anchorage Assembly; Committee Representative, AMATS; testified via teleconference. She pointed out AR No. 2001-44 that announces the Anchorage Assembly's unanimous opposition to SB 88.

MS. FAIRCLOUGH gave the following testimony:

Senator Phillips and Senator Donley have been encouraged to participate and attend our monthly AMATS meetings. I have directed Lance Wilbur, Director of AMATS, to personally invite both senators to all of our presentations.

Taking Senator Phillips and Senator Donley's concerns very seriously, the AMATS committee, the AMATS policy committee has been meeting bi-weekly for close to four months to address the problem and change the way that AMATS ... functions. Today it functions differently and more effectively. I'd like you to know that the federal government believes that the Metropolitan Planning Organization in Anchorage, Alaska, is one of the model programs. To that end, we were actually asked to go to Hawaii and try to help straighten out their problem. While Senator Phillips has pointed out that legislators and political leaders are taking part in Hawaii's AMATS policy program, or the MPO in Hawaii, they felt appropriate to actually ask Anchorage to come over and explain how we were doing it so some of their projects might move [through the] system more efficiently.

So, I would encourage any of you if you have questions, to contact Lance Wilbur and talk about the information he shared and the challenges the Hawaii MPO is having. One of those challenges that were told to me was, because of the political will of the constituents, that projects change as election official changes. So that's been part of the problem. A concern for me that Tom mentioned was the separation of powers. The federal government, in my reading and certainly that's a laymen's reading, not a council point of view, was trying to get to the point that

local leaders would control how local dollars inside the community and prioritize that.

With that thought in mind, I'd like you to consider that Mr. [Dick] Tremaine [Anchorage Assembly member] and myself, while serving on AMATS and collecting information, really are not voting for South Anchorage or for Chugiak Eagle River. We're required, bound to take any requests back to the entire body so that the entire Anchorage community has the opportunity to weigh in on the decision before we actually we go back and vote to appropriate or designate a priority list of how we're going to send money.

I was certainly as frustrated as Senator Phillips last October when I found out that Business Boulevard again had not obligated for money. But in defense of the process, Business Boulevard went from a small safety project into a full blown renovation of Business Boulevard with a large change in the scope for that project and that incredible amount of increased funds that were required through the AMATS process. And that will turn (indisc.) this summer.

If the legislature wants to be involved, we are all one city. Senator Phillips and Senator Donley, we all live in the same town. We all want the same thing. We do not want this to be weighed in a political direction because of who is in office. And as Tom pointed out, shifting powers from three votes at a local level to four at a state level. The GARVEE bonds is a solution that if we could get senator and representative support, would help Anchorage as well as many other communities throughout Anchorage. Just to point out, 20 percent of AMATS money for the last decade has come to the MPO in Anchorage, Alaska, while we have 40 percent of the population. We could use legislative help to change that breakdown. And I'm certainly not saying that we need 40 percent of the money. I'm just pointing out that we take a considerably amount less than the population that we hold.

[I'm] just ask[ing] you to consider how the legislators would actually add to the process. Their availability to participate in meetings is questionable per the Anchorage legislative caucus.

When I met with them, they felt like the time that we met would be inconvenient. And that we would now be asking the constituents of Anchorage to contact legislators in Juneau for part of the year to get things done with Anchorage. With that, I support all of the information, input, and conversation that any legislature wants to put in the process and would ask the committee to not support this legislation and to really take a look at how those MPO's are working in other areas.

Thank you

CHAIR KOHRING noted that Senator Phillips provided the resolution [of the Anchorage Municipal Assembly] in the committee packets. He asked what the assembly's vote on this resolution was.

MS. FAIRCLOUGH said it was unanimous [against SB 88].

Number 1693

DICK TREMAINE, South Anchorage Assembly Member, testified via teleconference that his district consists of 52,000 people and thus could separate from the Municipality of Anchorage in regard to federal highway funding. So, this would be the second metropolitan area in the state ahead of Fairbanks

MR. TREMAINE commented that Federal Highway dollars take about seven years to make a road, a "miserably long time" that leads to the perception of delay. He remarked that there are people who want local participation, and "what better than the mayor and two assembly members that live in town, rather than someone who is spending their legislative time elsewhere out of town and actually would have to transport themselves back to Anchorage for the bi-weekly meeting."

MR. TREMAINE indicated that information on meetings could be obtained over the Internet. He noted that he believes Senator Phillip's office receives it. He referred to earlier comments regarding the delay of projects in Eagle River and said that the people delaying the project were those that owned the property and who would not sign a right-of-way agreement, because they did not want to sell their property. The delay was not due to the policy committee or a "technocrat." He asked the House Transportation Standing Committee to respect the vote unanimous

vote of the Anchorage Assembly and not pass SB 88 out of committee.

CHAIR KOHRING announced that SB 88 would be held over until Thursday.

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 3:15 p.m.