

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

March 26, 2002

2:26 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Representative Scott Ogan

COMMITTEE CALENDAR

HOUSE BILL NO. 502

"An Act relating to the designation of and funding for rustic roads and highways; and providing for an effective date."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HB 502

SHORT TITLE: RUSTIC ROADS AND HIGHWAYS

SPONSOR(S): TRANSPORTATION

Jrn-Date	Jrn-Page		Action
02/27/02	2408	(H)	READ THE FIRST TIME - REFERRALS
02/27/02	2408	(H)	TRA, FIN
02/27/02	2408	(H)	REFERRED TO TRANSPORTATION
03/05/02		(H)	TRA AT 1:00 PM CAPITOL 17
03/05/02		(H)	Heard & Held
03/05/02		(H)	MINUTE(TRA)
03/19/02		(H)	TRA AT 1:00 PM CAPITOL 17
03/19/02		(H)	Heard & Held
03/19/02		(H)	MINUTE(TRA)
03/26/02		(H)	TRA AT 1:30 PM CAPITOL 17

WITNESS REGISTER

MIKE KRIEBER, Staff
to Representative Vic Kohring
Alaska State Legislature
Capitol Building, Room 24
Juneau, Alaska 99801

POSITION STATEMENT: As committee aide, explained a possible amendment to HB 502 and answered questions.

MIKE DOWNING, Director/Chief Engineer
Division of Statewide Design & Engineering Services
Department of Transportation & Public Facilities (DOT&PF)
3132 Channel Drive
Juneau, Alaska 99801-7898

POSITION STATEMENT: Testified on HB 502; spoke to the portion of the bill that was formerly HB 473.

JEFF OTTESEN, Planning Chief
Division of Statewide Planning
Alaska Department of Transportation & Public Facilities
3132 Channel Drive
Juneau, Alaska 99801-7898

POSITION STATEMENT: Testified on HB 502; gave specific information about a new funding category similar to rustic roads.

ACTION NARRATIVE

TAPE 02-9, SIDE A
Number 0001

CHAIR VIC KOHRING called the House Transportation Standing Committee meeting to order at 2:26 p.m. Members present at the call to order were Representatives Kohring, Scalzi, Masek, Wilson, and Kapsner. Representative Kookesh arrived as the meeting was underway. [For the joint House/Senate overview on the Port of Bellingham, see the 1:35 p.m. minutes for this date.]

HB 502-RUSTIC ROADS AND HIGHWAYS

[Contains discussion pertaining to HB 473, which previously had been rolled into HB 502, Version B]

CHAIR KOHRING announced that the matter before the committee was HOUSE BILL NO. 502, "An Act relating to the designation of and funding for rustic roads and highways; and providing for an effective date."

Number 0180

MIKE DOWNING, Chief Engineer, Division of Statewide Design & Engineering Services, Department of Transportation & Public Facilities (DOT&PF), testified before the committee. He noted that he would speak to Section 4 of HB 502 - the portion that formerly was HB 473.

MR. DOWNING expressed the department's concern about adding more steps to the process of developing a transportation project. He said HB 502 would add steps and cause delays to the development of projects. Mr. Downing spoke about the difficulties posed to transportation projects by Environmental Impact Statements. He told the committee that getting through the process is hard enough without adding an extra step.

MR. DOWNING also expressed concern about rural transportation projects. Alaska receives \$5.20 for every dollar of gas tax contributed to the federal highway trust fund, he told members, which is indicative of Alaska's unique needs. He said this bill, and its adherence to the model of other states, would send a message that Alaska does not have unique transportation needs and therefore does not require additional funding.

CHAIR KOHRING asked Mr. Downing if it was his opinion that the portion of HB 502 that deals with cost-benefit analysis would slow down the road project approval process in rural areas.

MR. DOWNING said rural projects most likely will not have positive cost-benefit analyses.

CHAIR KOHRING said he did not want to complicate things and make it worse. He asked Mr. Downing what language he would like to see stricken from the bill.

Number 0612

MR. DOWNING expressed concern about Section 5, which deals with projects of more than three years in length. Currently, projects lasting more than three years must return before the legislature for reapproval. He noted that projects that spur social or economic controversy usually last more than three years. Mr. Downing said if there is concern about a project, there is always the chance to address that concern at the time of reapproval.

CHAIR KOHRING told Mr. Downing that there was a previously prepared amendment that might simplify the process [of project approval].

Number 0722

MIKE KRIEBER, Staff to Representative Vic Kohring, Alaska State Legislature, testified before the committee as committee aide to the House Transportation Standing Committee, sponsor of the bill. He told the committee the amendment he'd passed around did not deal specifically with the three-year time period Mr. Downing had discussed. Rather, it would limit the bill to surface transportation projects - taking out the Alaska Marine Highway System (AMHS) issues. The second change would ensure that projects with public health ramifications and that provide access to airport and port facilities would be immune to cost-benefit ratios. That amendment read [original punctuation provided]:

1. page 5, line 9,
insert "surface" between "new transportation"
2. Section 5, paragraph (f), page 6, line 2

"unless (1) the bill is accompanied by a written cost-benefit analysis of the project including a detailed justification for the project, or (2) the project is required to access a community's airport, port, or health or sanitation facility, or is funded through the rustic road program."

Number 0982

REPRESENTATIVE WILSON asked if "the rustic road program" in this bill was something new.

CHAIR KOHRING answered yes.

REPRESENTATIVE WILSON asked if the bill would create four rustic roads in Alaska.

MR. KRIEBER said the bill would create a new category. It identifies three existing roads and specifies that they must remain rustic. The fourth road is a new one that would access a high-potential gold mine site.

REPRESENTATIVE WILSON asked if that new road would be defined as "rustic."

MR. KRIEBER answered by saying a rustic road is defined as one that will not be paved.

REPRESENTATIVE WILSON asked if all of the roads were in the same district.

Number 1056

MR. KRIEBER said no. He listed the proposed rustic roads as the Copper River Highway, the Denali Highway, the Hatcher Pass Road, and the new one, which would be near the Kuskokwim River.

REPRESENTATIVE MASEK asked how the Hatcher Pass Road was selected.

MR. KRIEBER said roads slated for paving that had very little traffic were scrutinized. Low-usage roads were considered for rustic classification.

Number 1165

REPRESENTATIVE MASEK said she felt the Hatcher Pass Road should be taken out of the proposed rustic road category.

MR. KRIEBER stated that the bill does not say rustic roads cannot be improved; it just specifies that they cannot be paved.

Number 1209

REPRESENTATIVE KOOKESH referred to Section 19 and said it did not make sense to him. A road built for economic reasons ought to be paved. He said Representative Masek's concern about an area that she is familiar with also was causing him some concern. He said he could not find anything positive about the bill. He characterized it as a waste of time.

Number 1256

REPRESENTATIVE WILSON asked which road was on the way to a gold mine. She asked if 5 percent of transportation money would have to be spent on the rustic road system as a result of the bill.

MR. KRIEBER answered that rustic roads would be defined as roads and trails. He said the bill would allocate 5 percent of

transportation funds to rustic roads and trails. He mentioned "pioneer road access" and said the rustic road category provides a funding mechanism for pioneer roads.

Number 1307

REPRESENTATIVE WILSON made clear she thought rustic roads to be a great idea, but she pointed out that some roads in her district are in desperate need of improvement. She asked how much 5 percent of the transportation budget would be.

MR. KRIEBER replied that it would not mean 5 percent being taken from local roads. The 1 percent reduction in the Community Transportation Program funds would be put towards the rustic roads and trails category.

REPRESENTATIVE WILSON asked if the funds would be taken out of her community's transportation program and put somewhere else.

MR. KRIEBER said the money would come from the statewide funding category of the Community Transportation Program.

REPRESENTATIVE WILSON asked for the total number that the 5 percent would represent.

Number 1478

JEFF OTTESEN, Planning Chief, Division of Statewide Planning, Alaska Department of Transportation & Public Facilities, testified before the committee. He said approximately \$350 million a year is available in the form of "formula money" - money not earmarked by Congress, and generally flexible - and 5 percent of that is about \$17.5 million.

Number 1497

MR. KRIEBER clarified that 1 percent was taken from the Community Transportation Program, 1 percent from the Alaska Highway program, and 3 percent from the TRAAK program; all of these were applied to the rustic roads program. He further made clear that the definition of rustic roads includes trails.

REPRESENTATIVE WILSON asked who would lose the \$17.5 million under the bill. She posited, "You're going to fix roads that you don't even want fixed." She said roads in her district will lose improvement funds to roads where people do not even want them improved.

Number 1580

REPRESENTATIVE KOOKESH stated, "Transportation money is transportation money." He said \$17.5 million would go a long way toward the budget deficit that is plaguing the Alaska Marine Highway System.

MR. KRIEBER said tens of millions of dollars were coming out of roads in other areas to repair roads that people did not want to see paved. The department would spend much less on those roads under the bill.

CHAIR KOHRING added that the thrust of the legislation was to disagree with DOT&PF's prioritization of roads to upgrade, and to state that some of that money should be used elsewhere.

Number 1646

REPRESENTATIVE WILSON indicated she didn't see that in the bill.

REPRESENTATIVE KOOKESH said the bill was confusing, and that it did not make sense.

Number 1666

REPRESENTATIVE KAPSNER asked Chair Kohring if he was using the bill to say he was unhappy with the way the department was managing its money, and if the bill was an effort by the legislature to "micromanage them."

CHAIR KOHRING told Representative Kapsner she was correct.

REPRESENTATIVE KAPSNER asked Mr. Downing for an overview of what the amendment would do to affect the bill and the department.

Number 1705

MR. DOWNING said his concerns for the rural projects were still in existence. The amendment would list many included allowable projects that would not have to go through the cost-benefit process. Not included on the list are many other significant kinds of projects that include economic development, safety, recreation, quality of life, environmental issues, and fish passage as their bases. He said that body of projects would be left unaddressed. He referred to Title 6 of the Civil Rights Act and said it gives the department a duty to equitably

distribute [highway] funds. He pointed out that the department is not allowed to execute a program that has a disparate impact on minority or economically disadvantaged populations. He expressed his feeling that the amendment will not satisfy the requirements of that duty.

REPRESENTATIVE KAPSNER said she was interested in the Donlin Creek project, and asked how that would fit into the development of the mine there.

Number 1801

MR. OTTESEN responded that the project is a road that would run between the Kuskokwim River and the proposed mine site. The mine needs a way to haul fuel for ore processing. He said it would be an industrial road serving a single owner, not a community. He characterized the project as a multibillion-dollar mine looking for a handout from government when there are many other projects in the state without the means to pay for themselves.

REPRESENTATIVE KAPSNER asked how [the Donlin Creek project] ranks on the STIP (Statewide Transportation Improvement Program).

MR. OTTESEN said the department has been in contact with [the interested company]. He characterized the project as an excellent candidate for something like AIDEA (Alaska Industrial Development and Export Authority), much like the Red Dog Mine. Giving a "bonus" to one individual mine is the wrong public policy, he added.

Number 1870

REPRESENTATIVE KAPSNER asked what projects would be bumped off the list in the region [if the Donlin Creek project were to go through].

MR. OTTESEN said the road to the mine would cost approximately \$50-75 million. This would bump fifteen \$5-million projects out of the STIP. He said the result would be a tremendous ripple effect for several years in the region. But he added that the Environmental Impact Statement could take ten years.

Number 1895

REPRESENTATIVE SCALZI asked how many miles of road would be built for the Donlin Creek project.

MR. OTTESEN said 22-25 miles. He added that it would be all new construction.

REPRESENTATIVE SCALZI made reference to a discussion with Mr. Ottesen before the meeting during which they'd talked about new regulations recently put out by DOT&PF. The new system would address some of the same problems that the rustic road program was trying to remedy. He asked how the new system might put some of the rustic roads in a better position than the current one.

MR. OTTESEN claimed authorship of the regulations, and said they were less than two weeks old. The Alaska Highway System - a new STIP category - gives a class of roads "out in the middle of nowhere" that do not rise to the status of the National Highway System, a funding category. Only 8 percent of the STIP - \$20,000 per mile - is allocated to these roads. He said this is the lowest amount of money received by any of the categories. Mr. Ottesen pointed out that the funding in DOT&PF's new regulations would provide for the construction of basic, rural, standard roads. He stated that HB 502 would make these types of roads the most lavishly funded category of roads in the state, more so than the National Highway System or the Community Transportation Program.

Number 2040

REPRESENTATIVE SCALZI expressed his curiosity in the Alaska Highway System. Part of the problem was that some of the roads would never be able to meet standards or traffic counts, he said. He asked how the Alaska Highway System would change that.

MR. OTTESEN answered that the Alaska Highway System took those roads out of competition process with local roads in urban areas. Communities were coming into the STIP process and putting matching money on the table, thereby giving them more points in the scoring process, and moving them ahead of the rural road projects in the Alaska Highway System. The new regulations would make sure a small amount would be set aside for the commissioner's discretion. As for the issue of paving, Mr. Ottesen indicated there is a need because of the lack of maintenance funds to run graders. As the operating budget is cut, the department is forced to deal with problems by means of the capital budget.

REPRESENTATIVE SCALZI asked if the rustic category in HB 502 would fit into the Alaska Highway System category of the new regulations.

MR. OTTESEN said yes.

REPRESENTATIVE SCALZI asked about the nomination and rating criteria.

MR. OTTESEN said there is no scoring process for the category.

Number 2182

REPRESENTATIVE SCALZI asked who rates the roads. He raised the issue of standards and how those would apply to the cost.

MR. OTTESEN said the commissioner would rate the roads with input from staff.

Number 2195

MR. DOWNING told the committee that statute requires the department to follow the American Association of State Highway and Transportation Officials (AASHTO) standards. He said AASHTO has recently produced a low-volume roads guide that establishes standards for roads with traffic rates of less than 250 cars per day. Those standards are much easier to meet than the National Highway System standards.

Number 2225

REPRESENTATIVE SCALZI asked about the specifics of the standards, and whether they would be cost-prohibitive.

MR. DOWNING said every road foundation condition is different, but the [low-volume road] standards would be much lower.

REPRESENTATIVE SCALZI asked if winter or summer closures could be a part of the new category. He said many roads need to be developed for summertime use only.

MR. DOWNING said the department could determine to close the roads in the winter. He referred to an attorney general's opinion stating that the department's duty to maintain roads runs only as long as it has funding.

Number 2334

REPRESENTATIVE KAPSNER asked if a [summer-only] road could be designated in another existing category.

MR. DOWNING said it could.

CHAIR KOHRING announced that HB 502 would be held over.

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 3:15 p.m. [For the joint House/Senate overview on the Port of Bellingham, see the 1:35 p.m. minutes for this date.]