

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

May 7, 2002

1:09 p.m.

MEMBERS PRESENT

Representative Vic Kohring, Chair
Representative Beverly Masek, Vice Chair
Representative Scott Ogan
Representative Drew Scalzi
Representative Peggy Wilson

MEMBERS ABSENT

Representative Mary Kapsner
Representative Albert Kookesh

COMMITTEE CALENDAR

SENATE JOINT RESOLUTION NO. 41
Relating to reconstruction and paving of the Alaska Highway.

- MOVED SJR 41 OUT OF COMMITTEE

HOUSE BILL NO. 502

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

- MOVED CSHB 502(TRA) OUT OF COMMITTEE

PREVIOUS ACTION

BILL: SJR 41

SHORT TITLE:ALASKA HIGHWAY RECONSTRUCTION

SPONSOR(S): TRANSPORTATION

Jrn-Date	Jrn-Page		Action
02/20/02	2259	(S)	READ THE FIRST TIME - REFERRALS
02/20/02	2259	(S)	TRA
03/05/02		(S)	TRA AT 1:30 PM BUTROVICH 205
03/05/02		(S)	Moved Out of Committee
03/05/02		(S)	MINUTE(TRA)
03/06/02	2387	(S)	TRA RPT 5DP
03/06/02	2387	(S)	DP: COWDERY, WILKEN, TAYLOR, ELTON,

03/06/02	2387	(S)	WARD
03/06/02	2387	(S)	FN1: ZERO(S.TRA)
03/14/02		(S)	RLS AT 11:00 AM FAHRENKAMP 203
03/14/02		(S)	MINUTE(RLS)
03/22/02	2501	(S)	TRANSMITTED TO (H)
03/22/02	2501	(S)	VERSION: SJR 41
03/22/02	2497	(S)	RULES TO CALENDAR 3/22/02
03/22/02	2497	(S)	READ THE SECOND TIME
03/22/02	2498	(S)	ADVANCED TO THIRD READING UNAN CONSENT
03/22/02	2498	(S)	READ THE THIRD TIME SJR 41
03/22/02	2498	(S)	PASSED Y19 N- A1
03/25/02	2664	(H)	READ THE FIRST TIME - REFERRALS
03/25/02	2664	(H)	TRA
05/07/02		(H)	TRA AT 1:00 PM CAPITOL 17

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
03/05/02		(H)	TRA AT 1:00 PM CAPITOL 17
03/05/02		(H)	Heard & Held
03/05/02		(H)	MINUTE(TRA)
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
03/26/02		(H)	Heard & Held -Time Change-
03/26/02		(H)	MINUTE(TRA)
04/18/02		(H)	TRA AT 1:00 PM CAPITOL 17
04/18/02		(H)	-- Meeting Canceled --
04/23/02		(H)	TRA AT 1:00 PM CAPITOL 17
04/23/02		(H)	Heard & Held
04/23/02		(H)	MINUTE(TRA)
05/07/02		(H)	TRA AT 1:00 PM CAPITOL 17

WITNESS REGISTER

PHELAN STRAUBE, Staff
to Senator Randy Phillips

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

POSITION STATEMENT: Presented SJR 41 on behalf of the Senate Transportation Standing Committee, sponsor.

SCOTT KENT, Minister
Energy, Mines, and Resources
Government of Yukon
400-211 Main Street
Whitehorse, Yukon Territory
Canada Y1A 2C6

POSITION STATEMENT: During hearing on SJR 41, offered some history of the Alaska Highway and the Shakwak Project and talked about cooperation between his government and that of Alaska.

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

POSITION STATEMENT: As committee aide, explained Version T of HB 502 and answered questions.

ACTION NARRATIVE

TAPE 02-13, SIDE A
Number 0001

CHAIR VIC KOHRING called the House Transportation Standing Committee meeting to order at 1:09 p.m. Members present at the call to order were Representatives Scalzi, Wilson, Masek, and Kohring. Representative Ogan joined the meeting as it was in progress.

SJR 41-ALASKA HIGHWAY RECONSTRUCTION

CHAIR KOHRING announced that the first matter before the committee was SENATE JOINT RESOLUTION NO. 41, Relating to reconstruction and paving of the Alaska Highway.

Number 0075

PHELAN STRAUBE, Staff to Senator Randy Phillips, Alaska State Legislature, presented SJR 41 on behalf of the Senate Transportation Standing Committee, sponsor. He told members the resolution urges Congress to appropriate the final \$45 million

to finish the so-called Shakwak Project, which is the repaving of the Alaska Highway from the Canadian border [near Tok] to the Canadian border near Haines. The project has been ongoing for some time, and the \$45 million would go toward paving the final 18 miles of road and fixing up four bridges.

Number 0152

REPRESENTATIVE MASEK asked Mr. Straube when [the federal government] was supposed to appropriate the money.

MR. STRAUBE answered that it was based on an agreement between the U.S. and Canadian governments made in 1973.

REPRESENTATIVE MASEK asked if the last appropriation had been made in the last two or three years.

MR. STRAUBE said he believed so, but would double-check.

Number 0248

CHAIR KOHRING asked if it would be Canadian contractors or American contractors doing the roadwork if funds were secured.

Number 0287

REPRESENTATIVE SCALZI asked if [SJR 41] was addressing a separate allocation from the ISTEA [Intermodal Surface Transportation Efficiency Act] funds or was part of the state's annual package. He asked if the request is for an additional appropriation.

MR. STRAUBE reiterated that [the request] is based on a separate agreement made in 1973, and [the \$45 million] represents the funds to finish the project. He said not all of the money was appropriated at once.

Number 0384

SCOTT KENT, Minister; Energy, Mines, and Resources; Government of Yukon, testified via teleconference. He gave some background on the history of the Alaska Highway and the Haines Road. He told the committee the Shakwak Project was originally proposed by the U.S. and Canadian governments. The U.S. government funds the construction through the Federal Highway Administration (FHA), and the Canadian government is responsible for providing

right-of-way access to granular materials for construction and maintaining the highway.

MR. KENT said in 1998 Congress approved an additional \$94 million for the project; next year's construction would exhaust that money. He said the \$45 million [being requested in SJR 41] would be used to extend the road 18 miles at a cost of \$19.6 million, and for four major bridge projects at a cost of \$25.4 million. If it is funded, the anticipated completion date is 2006. He also expressed enthusiasm about an Alaska natural gas pipeline, saying that should such a project require an expedited timeframe for reconstruction of the Alaska Highway, [the Yukon government] would oblige.

Number 0718

MR. KENT explained that either Alaskan or Canadian construction firms could place bids for the projects. He noted that for the current year, for example, one project had gone to a Yukon firm, one to a British Columbia firm, and the third was yet to be decided.

CHAIR KOHRING asked if the bidding process was open to any American firms.

MR. KENT said that it was open, and that the remoteness of the project favors Alaskan and Yukon firms. However, the recent highway funding cuts in British Columbia and Alberta have forced many of the firms from those areas into the market for contracts on the Shakwak Project.

CHAIR KOHRING mentioned how the Alaska Highway is beneficial to both Alaska and Canada.

MR. KENT concluded by talking about the status of the proposed natural gas pipeline and commenting on the cooperative nature of the Yukon and Alaska.

Number 1093

REPRESENTATIVE OGAN moved to report SJR 41 out of committee with individual recommendations and the accompanying zero fiscal notes. There being no objection, SJR 41 was moved out of the House Transportation Standing Committee.

HB 502-RUSTIC ROADS AND HIGHWAYS

[Contains discussion of HB 8]

CHAIR KOHRING announced that the final 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." [HB 502 was sponsored by the House Transportation Standing Committee.]

Number 1128

MIKE KRIEBER, Staff to Representative Vic Kohring, Alaska State Legislature, speaking as the committee aide, noted that before the committee was Version T, 22-LS0822\T, Utermohle, 4/15/02 [adopted as a work draft on 4/23/02]. Version T would use what [the Department of Transportation & Public Facilities (DOT&PF)] already currently has as regulations, placing those funding categories and "very similar percentages of the funding" into statute. It creates a fifth category called "rustic roads" that includes rustic trails and highways, with a basic definition of a rustic road being "one that would not be paved." He said the intent was to spur economic development and create access into areas that have none, for both recreation and economic development purposes.

MR. KRIEBER explained that Version T picks up where the previous year's HB 8, which didn't pass the Senate, left off. [Section 4 of Version T] directs DOT&PF to study [economic development] roads; it doesn't define the roads as "rustic roads" at this point. The report will define the funding category the roads should go into, define the project scope, identify any issues such as environmental issues, and develop a funding schedule for the roads, rather than using the current DOT&PF practice of saying the department doesn't believe it is worthwhile to look into these roads. He said these are roads that the legislature has deemed as important economic development roads. The bill therefore provides legislative policy direction to DOT&PF for looking into economic development associated with its road construction projects.

Number 1262

REPRESENTATIVE SCALZI asked: If funding in any single fiscal year is not utilized, would the money roll over into DOT&PF's general account or go to the same category for the next year?

MR. KRIEBER answered by pointing to an implementation schedule in the bill that would allow DOT&PF to identify the category the funding would go towards.

Number 1313

REPRESENTATIVE OGAN remarked that [Chair Kohring] had made clear that the Alaska Highway System also includes the ferry system.

Number 1333

REPRESENTATIVE WILSON asked why the percentages of the funding categories did not include the ferry system.

MR. KRIEBER explained that Representative Ogan's comment was about the definitions in current DOT&PF regulations for ferry systems outside of the Alaska Marine Highway System such as the inter-island ferry system [serving Prince of Wales Island]. He referred to Version T, page 4, paragraph 1, beginning at line [23], which read in part: "'Alaska highway system' includes marine vessels and facilities of the Alaska marine highway system that are not included in the national highway system, vessels and facilities owned [and operated] by political subdivisions of the state...." Mr. Kriebler said the National Highway System provides funding for the [Alaska Marine Highway System]; the Alaska Highway System is in addition to that. He said the Alaska Marine Highway System is a separate funding category in the Statewide Transportation Improvement Plan (STIP).

REPRESENTATIVE WILSON surmised that Mr. Kriebler was saying all of these monies are federal monies, and that the federal government funds separately for the marine highway system.

MR. KRIEBER concurred.

REPRESENTATIVE WILSON remarked, "We have no control how much money it gets from the feds."

MR. KRIEBER said the state has no control of the total pot of money for the rest of the road categories, either, other than through congressional appropriations.

REPRESENTATIVE WILSON asked if the state contributes funds for roads and the marine highway.

MR. KRIEBER explained that the department receives a heavy percentage of federal funding, with state matching money [required]. There is no separate state fund associated [with roads].

REPRESENTATIVE WILSON asked if the percentages in the bill are for federal money or also for state money.

MR. KRIEBER answered that it is 90 percent federal money and 10 percent [state] matching money.

REPRESENTATIVE WILSON asked what the percentages were before the bill.

MR. KRIEBER said the department's new percentages are based on new regulations; there was no set percentage previously. He said there was no shifting of funds to any of the new categories from the Alaska Marine Highway System.

Number 1527

REPRESENTATIVE WILSON asked what percentages [DOT&PF] has called for, and what percentages [the bill] is calling for.

MR. KRIEBER said the National Highway System would remain the same, at 48 percent [of federal highway funds], with 1 percent going to coordinated public transportation systems; the Alaska Highway System would go from 8 percent to 7 percent; the 33 percent for the community transportation system would be the same as the department's current proposals; the 4 percent to TRAAK [Trails and Recreational Access for Alaska] would be down from the original 8 percent.

REPRESENTATIVE WILSON said she didn't like the bill.

CHAIR KOHRING assured her that the bill would not go through in the present session because there was not enough time. He said it would send a message to DOT&PF, however.

Number 1640

REPRESENTATIVE OGAN moved to report CSHB 502, version 22-LS0822\T, Utermohle, 4/15/02, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 502(TRA) was moved out of the House Transportation Standing Committee.

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 1:40 p.m.