

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION COMMITTEE

November 28, 2001
9:03 a.m.

MEMBERS PRESENT

Senator John Cowdery, Chair
Senator Jerry Ward, Vice Chair
Senator Kim Elton

MEMBERS ABSENT

Senator Robin Taylor
Senator Gary Wilken

OTHER LEGISLATORS PRESENT

Senator Ben Stevens

COMMITTEE CALENDAR

UPPER COOK INLET & RAILBELT LONG RANGE TRANSPORTATION NEEDS &
REGIONAL PORT AUTHORITY HEARING

WITNESS REGISTER

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US Army Corps of Engineers
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General Patrick Gamble
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Frank Dillon
Executive Vice President

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Paul Fuhs
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Governor Bill Sheffield
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ACTION NARRATIVE

TAPE 01-25, SIDE A
Number 001

CHAIRMAN JOHN COWDERY called the Senate Transportation Committee meeting to order at 9:03 a.m. Members present were Senators Jerry Ward and Kim Elton. Senator Ben Stevens was also present. The order of business is Upper Cook Inlet and Railbelt long range transportation needs.

CHAIRMAN COWDERY informed participants that the purpose of the meeting is for long range transportation planning of Upper Cook Inlet and discussions of the possibility of a Regional Port Authority. The Department of Transportation and Public Facilities (DOTPF) will present a brief on a proposed regional transportation analysis to provide coordination on all the projects. The Corps of Engineers is conducting studies of Cook Inlet circulation and sedimentation and the possible cost benefit analysis of the Fire Island Project. Each project that is being proposed impacts the other.

He said he would like to hear everyone testify of their efforts and willingness to coordinate and cooperate with other transportation entities. The Municipality of Anchorage and the Matanuska Susitna Valley are contemplating a Regional Port Authority as a way of coordinating their efforts. He spoke of the opportunity to achieve many of the projects if all work together. The Congress, Legislature, and Transportation and Finance Committees want to see a coordinated approach at an overall plan.

STEVE BOARDMAN, US Army Corps of Engineers, explained the Corps of Engineers has a number of projects in the Southcentral Region. He detailed the past and current maintenance dredging activity in the Port of Anchorage and Cook Inlet Navigational Channel as being inadequate for today's carriers. He discussed the Corps of

Engineer study, which includes a physical model of the tidal actions and currents at the Port of Anchorage and incorporates the proposed bridge or causeway crossing Knik Arm to Point Mackenzie into this physical model.

He also said that Congress had instructed the Army Corps of Engineers to do a feasibility study of building a causeway to Fire Island. This would include the possibility of building port facilities at Fire Island and a benefit to cost analysis of relocating the Port of Anchorage to Fire Island.

MR. BOARDMAN proposed an authorization "to maintain a channel of a certain width and certain depth through the entire Cook Inlet and no matter what shoal occurs within the channel boundary, then, we (Army Corps of Engineers) have the authority to go out and remove it." He wanted the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Borough to work with the Corps of Engineers to determine the needs and to make a logical plan for navigational improvements in this region.

CHAIRMAN COWERY emphasized that every project affects the others and ask Mr. Boardman to comment on that.

MR. BOARDMAN explained that initially the physical model concept was just the immediate area of the Port of Anchorage. Now with potential causeways to Point Mackenzie and Fire Island the flow patterns would be changed. Data is necessary and has to be evaluated and incorporated into an expanded model to capture the crossing(s) and figure out what the impacts of that crossing(s) will be.

SENATOR WARD asked Mr. Boardman what the increase in transportation would be if there was a channel 45 feet deep.

MR. BOARDMAN said that more information needed to be generated. The benefits could be additional cargo or additional efficiencies to navigation. Insurance companies want at least 6 feet under the keel to bring a vessel in, so 45 feet today is almost required just to handle traffic to provide that protection. Proposed legislation in the Army Corps of Engineers system that may be part of the Water Resource Development Act of 2002 is to lower that threshold from 45 to 55 feet. The traffic that would require a depth of 55 feet will drive looking at that depth for the channel in Cook Inlet.

MR. ROB CAMPBELL, Department of Transportation and Public Facilities (DOTPF), discussed an effort to study a regional planning authority type of body for Southcentral Alaska. They

have hired a consultant for three tasks.

- Compile, coordinate and summarize a list of various planning studies that have occurred in the past.
- Put together an ad hoc transportation committee to interlock transportation efforts.
- Ask ad hoc committee to develop a plan for a permanent planning board for this region.

MR CAMPBELL explained that this plan would be more external from DOTPF than the Southeast Transportation Plan. It would involve additional parties to effectively look at the big picture.

GENERAL PATRICK GAMBLE, Alaska Railroad Corporation (CEO), explained that the railroad and DOTPF get together annually and that that meeting saves time and money for both the state and the railroad. He felt the only logical way to proceed with ambitious projects is to take a corporate approach and draw out everyone that has an interest, municipalities, boroughs, state and private corporations. If consensus is reached then the federal government sees a united front with enduring properties that provides a clear vision for tying huge projects together. He said the railroad can build projects independently but that doesn't work. The Alaska Railroad Corporation is a strong proponent of coming together for a regional transportation plan with clarity of purpose in the State of Alaska. This regional approach would enable the process rather than impede it.

CHAIRMAN COWDERY recognized Congressman Young's staff, General Sharrow as being present. He then reemphasized the need to give the congressional delegation a regional plan.

MR. DILLON, Alaska Trucking Association (ATA) Executive Vice President, said that ATA represents a variety of different transportation modes. He supported the testimony of General Gamble and Mr. Campbell with regards to a larger focus on a regional plan.

MR. DILLON expressed concern with the Federal Highway Trust Fund. The money from that trust fund comes from fuel taxes. Of the \$35 billion to be collected this year the trucking industry will contribute approximately 38%. He feels the nationwide infrastructure is failing and much of the fuel tax money is being spent on the process. He wants to see two changes made in federal legislation to enable a regional planning group to accomplish their plan.

- Get fundamental changes on how money can be spent in a new federal highway bill streamlining the process.
- Get the National Environmental Policy Act of 1969 (NEPA)

regulations streamlined to shorten down the timeline for projects.

TAPE 01-25, SIDE B

SENATOR WARD remarked on how he had introduced a Knik Arm Crossing bill 20 years ago and that there was no federal funding available at that time. He feels that now, Congressman Don Young, US House of Representatives' Transportation Committee Chair, and unified direction at the state level can influence how federal dollars come to Alaska.

SENATOR BEN STEVENS asked the following questions.

- Where the funding would come from for a regional authority?
- How they would develop a plan?
- Is the concept building another layer of master plan bureaucracy and how could that be eliminated?
- Would the regional planning authority conduct all the surveys for the region or would each of the individual components conduct a survey and then promote it up to the major regional planning authority?

MR. CAMPBELL answered that that is the kind of information they want to gather through the consultants and by networking with other areas of the country that have port authorities.

SENATOR STEVENS asked would the local planning authority be willing to forgo the funding to give it to the regional planning authority? Is that what the consultants would figure out?

GENERAL GAMBLE said the current process is time consuming, very expensive and neither productive nor effective. He felt there is a better way and that there are cities and countries that have been successful.

SENATOR ELTON expressed concern about how this southcentral region's transportation plan will impact the rest of the state. He gave examples of how priorities that are established may work for this region, but may have huge impacts in other areas of the state. He wanted to make sure there is some focus on how you make decisions that work for all regions and how that coordination would happen.

MR. FUHS spoke about port authorities to allow flexibly so groups could get together where it made economic sense for them to combine their operations. He gave examples including Prince of Wales Island. There a port authority has been implemented where

several communities have gotten their own ferry service. He said that a port authority is formed by a vote of the local people, or by the state government.

He went on to list reasons to form port authorities.

- More stability in management makes it less political.
- The debt of the port authority, not being the debt of the municipality, frees up bonding capacity for other facilities.
- Each project has to make economic sense because there is no access to the municipal taxing authority
- When smaller entities join with larger entities it increases their bonding capacity.
- Port authorities have "clear focus" because transportation is such an important and critical infrastructure for communities.

CHAIRMAN COWDERY commented on port authorities being able to coordinate projects and being independent of the political process.

SENATOR ELTON said he was familiar with the Inter-Island Port Authority, which was designed for the specific purpose of providing ferry service. He asked if there were others in the state.

MR. FUHS said Valdez, Fairbanks and the North Slope Borough incorporated the only other port authority for the building of the natural gas pipeline.

SENATOR ELTON stated that those port authorities were designed around a single purpose. General authority for multiple purposes may increase the problems of fragmentation. He asked, under port authorities what other ways are you allowed to raise money other than bonding?

MR. FUHS said that in Alaska's port authority law they have no taxing authority. However, municipalities can dedicate a portion of their taxes. Port authorities also have their own revenues, they can receive state and federal grants and they can enter into joint ventures with private companies to jointly operate facilities.

SENATOR ELTON wanted to know how a member could withdraw.

MR. FUHS answered that it is set up as a board and the vote of the board sets the policy. A municipality can withdraw subject

to the covenants of the bonds.

MR. BILL SHEFFIELD, Director of the Port of Anchorage and former governor, explained the need for structure to deal with so many projects. He agreed with Mr. Dillon that it takes too long to get a project done and that about a third of the funds are spent on nonessentials. There is a great need to get Congress to change so that projects can be accomplished in 5 to 6 years. He emphasized that money can be obtained from Congress but first there has to be a plan.

MR. SHEFFIELD estimated that 80-90% of Alaskan freight goes through a port. He thinks Congress is just starting to realize that there are no funding methods available for infrastructure for ports. He explained the need for the reauthorization of T21 so there is money channeled into transportation infrastructure across this country for rail, road and ports.

MR. SHEFFIELD described the Corps of Engineers model and the continued dredging and monies available for dredging. NOAA is now preparing for a wave and current study in upper Cook Inlet and will incorporate it into the Corps of Engineers model. That wave and current data will give the ship captains and pilots real time information on what is happening in the inlet 24 hours per day which was not available before.

He said the Port of Anchorage's goal is to become a world class port.

- Next spring, the first phase of new docks is to be under construction followed by rehabilitation of the old ones.
- A road was closed to open up more land inside the port.
- It is working with the military to have the defense fuel property transferred to the port to give it more land and more sightings for loading military equipment.
- It is planning a road and rail behind the port to make it an efficient intermodal facility. This could be an access startup for the Knik Arm Crossing.

MR. SHEFFIELD said the port is growing at about 2 ½ percent per year and in 20 years it will double its' business. New and wider ships are going to be coming into the port. The new docks will be 5 lanes wide to be able to service these ships. There is room for additional expansion on tidelands that are owned by the port. The new port will also allow them to handle cruise ships, which are expected this decade.

He said that Anchorage is projected to run out of residential

land in 20 years so he feels the Knik Arm Crossing is important because it can provide for residential growth. A deeper port with better access and more availability at the dock will increase the usage by military ships.

MR. SHEFFIELD said that the tax dollars collected from properties that are leased from the Port Authorities are returned to the Port Authority and that with Port Authorities, a layer of bureaucracy is removed and then replaced with an elected or appointed port commission.

CHAIRMAN COWDERY stated that the Port Authority Board only sets the policies, they hire executive directors and managers to do the real work.

SENATOR WARD discussed the Marine Highway system needing a land base to be able to operate similarly to the Alaska Railroad. He felt transferring state or federal land to the Port Authority could provide them a revenue base.

MR. SHEFFIELD replied that the only way to have the Marine Highway system be set up similar to the Alaska Railroad is if the Marine Highway system owned some real estate to derive income.

TAPE 01-26, SIDE A

JOHN DUFFY, Matanuska-Susitna Borough Manager, said he agreed with the comments made by previous speakers regarding regional transportation coordination, recognizing that the Matanuska-Susitna Borough and Anchorage shared one regional transportation system and regional economy. Financial resources are limited so investments must be made prudently, all of the projects should be coordinated and programmed and that all parties be involved. He felt the timing is right to do something now but it will take a lot of effort.

MR. DUFFY then listed the projects across the inlet. He stressed the need for some type of coordination now to start the prioritizing and coordinating of these transportation projects. He felt however that each jurisdiction is still going to have to do their plans.

KIRK MCGEE, Vice President of Real Estate with Cook Inlet Region Incorporated (CIRI), discussed Fire Island. The island is about 4000 acres of which CIRI owns about 3000 acres. CIRI supports transferring the 250 acres that is the likely site for any port development from the federal government to the Municipality of Anchorage under a legislative transfer.

He discussed a CIRI study showing that a causeway could be built using the materials from the inlet. He wanted the Corps of Engineers cost/benefit analysis and the tide current model to include the water between Pt. Campbell and Fire Island. He thinks that AMATS should look at linkages between the causeway and other roads emphasizing that Fire Island is able to supply the industrial land Anchorage will need as it continues to grow.

AVES THOMPSON, Director of Measurement Standards and Commercial Vehicle Enforcement DOTPF, stressed the importance of the commercial vehicle element, making infrastructure planning to support these vehicles vital.

MATT ROWLES, City Manager, City of Whittier, said the City of Whittier wants to be involved in this process. It has a deep, ice free port and road access located only 60 miles from the Anchorage population center.

TIM KRUG, City Planner, City of Wasilla discussed current projects in Wasilla and how they are working with other groups to make a master plan for that community.

CAPTAIN BOB PAWLOWSKI, Alaska Program Manager, Thales Geo Solutions Inc., supports moving forward with a transportation plan.

TAPE 01-26, SIDE B

GENE SARROWS, Chairman, Anchorage Port Commission, favors a committee over a Port Authority. This would allow projects to be presented as complete packages that have been well coordinated. He also believes that additional areas need to be included such as Kotzebue and Fairbanks, which are dependent on Anchorage transportation.

JAMES ARMSTRONG, Anchorage Metropolitan Area Transportation Study (AMATS), said AMATS endorses the regional planning process.

Rynniva Moss, Staff to Representative Coghill, wanted to mention that DNR views RS 2477 corridors as recreation trails, not as transportation corridors. They need to be using them for new roads and railroads.

CHAIRMAN COWDERY adjourned the meeting at 11:45 pm.

