

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION COMMITTEE

January 3, 2002
9:00 a.m.

MEMBERS PRESENT

Senator John Cowdery, Chair
Senator Gary Wilken (via teleconference)
Senator Kim Elton

MEMBERS ABSENT

Senator Jerry Ward, Vice Chair
Senator Robin Taylor

OTHER LEGISLATORS PRESENT

Senator Loren Leman
Senator Ben Stevens
Representative Ken Lancaster
Representative Fred Dyson
Representative Scott Ogan

COMMITTEE CALENDAR

WORKSHOP ON THE TRANSPORTATION NEEDS IN UPPER COOK INLET

WITNESS REGISTER

Mr. Pat Gamble
Chief Executive Officer (CEO)
Alaska Railroad Corporation
PO Box 107500
Anchorage, AK 99510-7500

Mr. Allan Christopherson
Peratrovich Nottingham & Drage Inc.
1506 W 36th Ave.
Anchorage, AK 99503

Mr. John Tolley
Central Region
Department of Transportation and Public Facilities
PO Box 196900
Anchorage, AK 99519-6900

Mr. Paul Fuhs
Cook Inlet Region Incorporated

Anchorage, AK

Mr. Bill Sheffield, Director
Port of Anchorage
PO Box 196650
Anchorage, AK 99519

Ms. Sarah Palin, Mayor
City of Wasilla
290 East Herning Ave.
Wasilla, AK 99654

Mr. Steve Boardman
U.S. Army Corps of Engineers
CEPOA-PM Box 898
Anchorage, AK 99506

Mr. Bill Deaver
Totem Ocean Trailer Express
2511 Tidewater Rd.
Anchorage, AK

Mr. Frank Pete
CSX Lines
Anchorage, AK

Ms. Anna Fairclough, Legislative Liaison
Municipality of Anchorage Assembly
PO Box 196650
Anchorage, AK 99519

Mr. Frank Dillon
Alaska Truckers Association
3443 Minnesota Dr.
Anchorage, AK 99501

Mr. Mike Kreiber
House Transportation Committee Aide
Alaska State Capitol
Juneau, AK 99801-1182

ACTION NARRATIVE

TAPE 02-1, SIDE A
Number 001

CHAIRMAN JOHN COWDERY called the Senate Transportation Committee

meeting to order at 9:00 a.m. Present were Senators Kim Elton and Gary Wilken (via teleconference). Other legislators present were Senators Ben Stevens and Loren Leman and Representative Ken Lancaster. Chairman Cowdery informed participants that he scheduled the meeting to discuss whether a regional planning authority and/or task force should be formed. He asked for participant input and noted the Department of Transportation and Public Facilities (DOTPF) has submitted a proposal to form an ad hoc regional planning committee. He discussed his trip to the U. S. Army Corps of Engineers' facility in Vicksburg and informed members the Corps of Engineers will need authority to increase the scope of the Cook Inlet study to include all proposed projects.

MR. PAT GAMBLE, CEO of the Alaska Railroad Corporation (ARRC), addressed the committee and made the following points about a regional plan:

- although most participants agree that a regional planning authority is a good idea, working out the specifics, for example, defining the region itself, will not be easy;
- as a proponent of "effects based thinking," the operative word needs to be transportation rather than geography;
- the nodes of transportation should be defined according to activity level to determine the geography of the region.

He cautioned that the biggest difficulty confronting such a group will be to stick to the purpose and focus on the nodes and modes of transportation that have the potential to contribute the most to state development, the economy and the "tie-in" that is needed. He added that communication systems often exist along transportation corridors so they will be a consideration.

MR. FRANK DILLON, Alaska Trucking Association (ATA), said ATA advocates a regional planning concept because of the interconnectedness of Anchorage, the Matanuska-Susitna Borough and the Kenai Peninsula. He felt the following must be done:

- the region will have to be defined;
- transportation needs have to be analyzed;
- the feasibility of projects given financial constraints must be reviewed;
- the plan must be marketed to the public so that the public has input at the outset; and
- the benefits of regional planning must be marketed to the rest of the state because of the efficiencies that will be gained.

MR. ALLAN CHRISTOPHERSON recounted the highlights of the trip he

and Chairman Cowdery took to the U.S. Army Corps of Engineers facility at Vicksburg, an engineering research and development center (ERDC) that does both military and civilian projects. They were given tours of both indoor and outdoor model areas, labs that do remedial ground testing where engineers are learning how to use electricity to extract or isolate certain contaminants from the ground, and a lab that is doing studies on zebra mussels, they saw a project using natural predators for vegetation control and a presentation of a modeling study done on Grays Harbor, Washington.

MR. STEVE BOARDMAN, U.S. Army Corps of Engineers, explained that the Corps of Engineers is working on several projects in the Cook Inlet area: modification of water depth at the Port of Anchorage; a potential causeway at port facilities at Fire Island; and a physical model of the Port of Anchorage area to study the dynamics and potential changes caused by expansion.

MR. PAUL FUHS, representing Cook Inlet Region Incorporated (CIRI), informed committee members that the Vicksburg facility was used when the Port of Nome facility was designed. The Corps of Engineers built a 1.3-acre model of the Port of Nome with the new causeway and the re-routed river. The ocean bottom was modeled with the literal drift and river sedimentation and engineers simulated past storms to test the design. He suggested making the videos available to the public to answer some of their questions.

MR. BOARDMAN said the Corps of Engineers is initially looking at the Port of Anchorage but will expand the study as far out in Cook Inlet as possible. NOAA is working on instrumentation to deal with currents and tidal heights. That instrumentation will be paired up with existing facilities in Seward. He suggested investigating whether Congress might consider funding a regional study so that decisions regarding infrastructure can be made. At present, the Corps of Engineers is funded on a project basis.

CHAIRMAN COWDERY agreed that the entire transportation network should be looked at.

MR. FUHS explained that CIRI owns Fire Island, a possible deepwater port site in Anchorage that could be used for industrial development. He cautioned that the authority of the different players is in place and cannot be changed, i.e., port authorities fall under the control of municipalities. He pointed out that a task force formed last year to deal with oil spill contingency plans was very successful, primarily because the private sector and regulated community were involved. A new task

force would be taken seriously if its goal is to describe all projects being considered and to study the coordination of the various entities. He suggested that funding is not as important as a forum. Those holding the purse strings, such as Congress and the legislative finance committees, would welcome a coordinated approach.

MR. JOHN TOLLEY, Planning Chief of the Central Region in DOTPF, updated committee members on DOTPF's ongoing efforts in conjunction with local governments. DOTPF will examine all planning studies done to date and identify the major transportation projects necessary to support future economic development in the region. DOTPF will look for possible redundancies, projects that are mutually exclusive, data gaps, and who the appropriate bodies are to execute the projects. DOTPF will use that database to look at the "universe" of transportation projects that support development in the upper Cook Inlet region. DOTPF's study will examine the successes and failures of similar organizations in other regions. DOTPF is working with two local governments in upper Cook Inlet (the Mat-Su Borough and Municipality of Anchorage) and representatives from the Kenai Peninsula on some of its initial studies. He concluded that it is an opportune time to be setting the foundation for the future development of the central region.

REPRESENTATIVE DYSON noted the harbor at Whittier is an extraordinary asset, particularly in relation to hauling freight. He asked if DOTPF considers the Whittier harbor to be part of the upper Cook Inlet plan.

MR. TOLLEY said DOTPF has not defined all of the facilities at this point but that will be one of its first tasks. He agreed that Whittier is an important entry link to the transportation system.

SENATOR LEMAN said he believes legislators will do whatever they can to facilitate this discussion and concept.

MS. SARAH PALIN, Mayor of the City of Wasilla, thanked Chairman Cowdery for initiating the discussion on regional planning and noted its timeliness with discussions of a master plan for the Mat-Su Valley.

MR. BILL SHEFFIELD, manager of the Port of Anchorage and former Governor, emphasized that it is easier for Congress to help the state if the state prepares a road map of priorities. He cautioned that the state plans individual projects, but it has no overall plan to tie those projects together. He noted that

development in Cook Inlet will affect a region that includes Barrow to Cordova to Adak to Northwood.

CHAIRMAN COWDERY commented that right now the railroad is the only transportation entity capable of hauling the infrastructure necessary to build a gas line.

TAPE 02-01, SIDE B

MR. SHEFFIELD said he fully supports regional transportation planning because individual transportation entities are capable of developing needed infrastructure inside their boundaries but those efforts often affect the outcome of other areas of master planning, such as access. For example, railroad access to the Port of Anchorage is necessary to make the port an intermodal marine terminal. New rail access needs to be part of AMATS and the long-range transportation plan (LRTP) should be amended to allow for the use of federal funds. The AMATS amending process is nearly complete, which will allow federal funds to be used to complete an EIS on a bridge across Knik Arm. That study will also affect Gambell-Ingra, East Fifth Avenue, Seward Highway, Ship Creek Development, and Alaska Railroad Ship Creek Point access to the Knik Arm bridge. Planning is necessary to protect the growth of Anchorage and improve transportation in Southcentral Alaska to continue to serve 90 percent of Alaska's population. He suggested that Commissioner Perkins of DOTPF head up the committee that will oversee the contractor who will be doing regional planning, and that some of the Senate Transportation Committee members sit in an advisory capacity.

MR. SHEFFIELD pointed out that DOTPF is doing a study of transportation in the Arctic. That study will surely recommend a rail link to the Arctic, which will have a big effect on Anchorage. A right-of-way will need to be set aside after the study is completed. Coal from the Arctic and ore from the Red Dog Mine could be hauled to the year-round ice free Port of Anchorage, creating more jobs. He repeated that it will be easier for Alaska's congressional delegation to help the transportation infrastructure in Alaska if they have a plan to follow.

MR. SHEFFIELD said an additional problem is that it is almost easier to get funding than it is to spend it. A newly formed planning committee could and should have some influence on state and federal agencies to streamline the process of releasing the funds appropriated by Congress. Too much time and money is spent securing the funds once they have been appropriated.

REPRESENTATIVE DYSON asked Mr. Sheffield if he thinks Whittier should be part of a transportation plan for the future.

MR. SHEFFIELD said he does.

MR. CHRISTOPHERSON said he agrees the state needs a regional road map and that it should prioritize projects. He recommended that a group of the planning, or strategic thinkers, be formed to develop the list of projects and then work the problem with the more technical people, such as Fed Ex and the Port of Anchorage.

MR. BILL DEEVER, Totem Ocean Trailer Express (TOTE), said that TOTE fully supports a regional concept and view of transportation, as it is to everyone's benefit to have a cohesive plan when looking for funding. But, most important, the state needs to have a sense of urgency in regard to funding. He felt any group that is formed should focus on freight.

CHAIRMAN COWDERY asked that all participants send a list of their projects to the committee so that the committee can get an idea of what the region boundaries should be.

MR. FRANK PETE, CSX Lines, said a coordinated effort is absolutely critical and exciting. He agreed that a sense of urgency is critical. CSX is at a crossroads regarding some investment decisions in terms of what types of ships it should build to service Alaska for the long term. CSX's focus is on being able to serve the people in the Railbelt communities. Currently, the Port of Anchorage does not have the necessary infrastructure to accept the next class of container vessels.

SENATOR BEN STEVENS observed that since the last meeting this conversation has evolved from the concept of the establishment of a committee that would prioritize and endorse projects to the establishment of another planning committee. He said he is not a proponent of establishing another planning authority. He stated the projects are already on the books so, at this point, it should be a matter of determining how they will be prioritized and endorsed by everyone involved so that they can be presented to Congress soon.

CHAIRMAN COWDERY said if the legislature can gather all of the projects into one list, it can work with the congressional delegation. He noted that someone pointed out that 35 percent of previous funding went to studies and consultants to deal with the funding agency.

SENATOR STEVENS asked about the completion date of DOTPF's

consulting study.

MR. TOLLEY said he hopes to have the contract signed by the end of the month and the study done by the end of the year.

SENATOR STEVENS asked if the consultant will submit progress reports.

MR. TOLLEY said the study will be divided into about six tasks and the consultant will provide ongoing reports. He said DOTPF will keep the committee informed and make all information available.

SENATOR STEVENS said his concern is that the study may recommend the formation of a redundant group.

MR. TOLLEY said that is not DOTPF's intention. He explained that when DOTPF began this effort last year, the impetus was to put together a group to endorse the transportation priorities for the whole region because that does not exist right now. The Mat-Su Borough and Municipality of Anchorage are separate entities; bringing the separate interests together bogged DOTPF down. As a result, DOTPF started to work with the chambers of commerce, the local governments, AMATS and other transportation interest groups to put a body together to make advisory recommendations. He noted he agrees that, in talking with local governments, it will be impossible to get consensus on an authority with power in and of itself. However, people will be willing to allow an advisory group to come up with recommendations of transportation priorities for the region. The major purpose of DOTPF's effort is to help define what that advisory body should look like.

SENATOR STEVENS asked if DOTPF is determining who should be incorporated into the advisory committee.

MR. TOLLEY said DOTPF will come up with recommendations.

SENATOR STEVENS asked who helped to develop the scope of work for the consultant.

MR. TOLLEY said an ad hoc group of 50 to 75 people met over the last year. That group was driven by the chambers of commerce with a lot of participation from local governments and transportation organizations. At the final meeting, the group came up with a final concept of what it wanted the study to produce. The group then charged DOTPF with creating a scope from that.

MR. FRANK DILLON, Alaska Trucking Association, explained that, in reference to that process, the group discussed ways to prevent another level of planning at length because everyone agreed we have plenty of plans but no progress. The idea was to come up with something that has a regional effect so that people could buy into and support it. He recommended early on that the first project to champion would be a Knik Arm Crossing. He does not believe the group was looking to create another planning entity because every entity already has an empowered planning group. Those entities need to take care of local streets and planning efforts. What is needed is a regional planning group to oversee larger projects with a statewide impact. People in the private sector are interested in seeing something happen, not something get planned.

MR. FUHS commented, in reference to Senator Stevens' concern, that there are two points in this discussion: a longer range plan than DOTPF is working on and immediate issues. He pointed out that CSX's decision to buy a new class of vessels to service the state is huge and cannot be considered without looking at the available facilities. He felt if a request from our congressional delegation and the House and Senate Finance Committee members to see a coordinated effort and list of projects would go a long way toward bringing people together to determine immediate needs. He stated that Fairbanks representation will have to be included on the committee.

MS. ANNA FAIRCLOUGH, Anchorage Assembly member, informed committee members that she was on the ad hoc committee and that the Chugiak-Eagle River Chamber of Commerce had the original idea to form a group to prioritize regional transportation projects because of limited resources. She informed Representative Dyson that port development in Whittier is in the [MOA's] 2002 plan so that the railroad and deep port can be tied more closely to the Anchorage port. She commented that the MOA is looking at the new committee and wondering if the airport is going to come to the table when regional port authorities are being discussed. The Port of Anchorage will provide an economic factor through taxation powers and revenue and provide dollars for other infrastructure improvements. The two airports do that also so the MOA would like to see the state include the airport to create assets large enough to facilitate some of the necessary changes. She added that Fairbanks is very much on board, as well as Kenai. The [MOA's] 2002 plan also reflects a mirror image to what was adopted by the Mat-Su Assembly so that the two Assemblies could approach the state delegation with projects that are important to both.

MR. GAMBLE said aside from geographical boundaries, the group will need to have boundaries put around its mission statement but doing so may be difficult because the group cannot act in isolation and will need to understand the bigger state picture. The discussion will also have a time dimension and the group will have to look at what will be transported, making the economy part of the discussion. Access is crucial to a developmental economy so the group's job will become significantly more complex. He stated the advisory group will play an important part in defining Alaska's future which will, in turn, define what kind of a transportation region we are talking about for the longer term. Additionally, services will be supported because services grow with the developmental economy to support it. He advised that rather than have the group turn the question of what is to be accomplished over to the consultant, he believes the group should define its objectives and let the consultants figure out how to achieve those objectives.

CHAIRMAN COWDERY commented that he formed the Anchorage caucus in 1983 and 1984, which is still in existence. He noted that he hopes the regional caucus, or whatever is formed legislatively, keeps the attention on the region because priorities are likely to change over the long term.

MR. SHEFFIELD agreed that transportation is everything to this state. He believes it is up to the federal government to help get the infrastructure in place, because the private sector cannot afford to develop the infrastructure and projects at the same time.

CHAIRMAN COWDERY repeated his request for written comments from participants on ideas.

MR. MIKE KRIEBER, staff to the House Transportation Committee, said he is a planner-engineer who, with Mayor Palin, has been able to identify and prioritize projects in the Mat-Su Valley that have led to economic development. He agrees with Senator Stevens that these projects need to happen in the near future as they are critical to the economic development of the entire state.

With no further business to come before the committee, CHAIRMAN COWDERY adjourned the meeting.