

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

February 27, 2003

1:35 p.m.

MEMBERS PRESENT

Senator John Cowdery, Chair
Senator Thomas Wagoner, Vice Chair
Senator Gene Therriault
Senator Georgianna Lincoln
Senator Donny Olson

MEMBERS ABSENT

All Members Present

COMMITTEE CALENDAR

SENATE BILL NO. 71

"An Act relating to funding for transportation enhancement projects."

MOVED CSSB 71(TRA) OUT OF COMMITTEE

PREVIOUS ACTION

No previous action to record.

WITNESS REGISTER

Senator Ben Stevens
Alaska State Capitol,
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of SB 71

Mr. Jeff Ottesen,
Acting Director Statewide Planning
Department of Transportation & Public Facilities
3132 Channel Dr.
Juneau, AK 99801-7898

POSITION STATEMENT: Testified on SB 71

Mr. James Armstrong,
Manager of Transportation Planning and AMATS Coordinator,
Municipality of Anchorage
P.O. Box 196650
Anchorage, AK 99519

POSITION STATEMENT: Supports SB 71

Mr. Ron Crenshaw
428 W. 12th
Juneau, AK 99801

POSITION STATEMENT: Opposes SB 71

Mr. James King
1800 Branta Rd.
Juneau, AK 99801

POSITION STATEMENT: Testified on SB 71

ACTION NARRATIVE

TAPE 03-05, SIDE A

CHAIR JOHN COWDERY called the Senate Transportation Standing Committee meeting to order at 1:35 p.m. Present were Senators Olson, Lincoln, Wagoner and Chair Cowdery. Senator Therriault arrived at 1:42 p.m. The business to come before the committee was SB 71. Chair Cowdery invited Senator Stevens to join the committee and present SB 71.

SB 71-TRANSPORTATION ENHANCEMENT PROJECTS

CHAIR COWDERY announced a committee substitute (CS) had been prepared.

SENATOR WAGONER moved to adopt the proposed CSSB 71(TRA), labeled version H.

With no objection, version H was adopted as the working document.

SENATOR BEN STEVENS explained that CSSB 71(STA) pertains to federal funding requirements for transportation enhancement projects. Federal law TEA-21 (Transportation Equity Act for the 21st Century), and its predecessor, ISTEA (Intermodal Surface Transportation Efficiency Act), mandate that states expend at least 10 percent of federal Surface Transportation Program (STP) funds on enhancements such as trails and landscaping. Over the past several years, the State of Alaska has expended amounts well beyond the minimum requirements for enhancement projects, funds that could otherwise be applied to roadway construction and improvement projects across the state. CSSB 71 (TRA) will help correct the allocation of federal highway money and direct

the Department of Transportation and Public Facilities (DOTPF) to use funds for road construction projects and maintain the amount of funding for the trail enhancement programs at the minimum required by the federal mandate.

The first section of the CS addresses the Trails and Recreation Access for Alaska (TRAAK) Program. TRAAK was established under Administrative Order 161 in 1996 by the prior administration to address features such as trails, scenic highways, recreational access points and interpretive facilities.

SENATOR STEVENS referred committee members to the following spreadsheet included in members' packets.

Comparison of Minimum TE (Transportation Enhancements)
Expenditures Required Under Federal Law, and Total Level of
TRAAK Project Funding 1998-2003

	TE Apportionment	TE+Match	TRAAK Program	
1998	4,772,972	5,303,302	17,283,000	Original 1998-2000 STIP
1999	5,928,128	6,586,809	25,982,300	1998-2000 STIP Amendment 11
2000	6,777,172	7,530,191	28,444,000	1998-2000 STIP Amendment 23
2001	7,383,072	8,203,413	27,975,000	Original 2001-2003 STIP
2002	7,586,952	8,429,947	28,397,100	2001-2003 STIP Amendment 6
2003	6,490,029	7,211,143	22,096,200	2001-2003 STIP Final Amendment 17
		43,264,806	150,177,600	

*2003 TRAAK Program was reduced approximately \$9 Million in January 2003 per a Best Interest Finding from Acting Commissioner Barton. This funding was added to the CTP program.

SENATOR STEVENS explained the spreadsheet as follows:

So if you look at this, the TE apportionment is the minimum requirement under federal - under the ISTEA and TEA-21 requirement - plus our match is what the state, what we should have spent. And the TRAAK Program is the amount that was spent on the TRAAK Program period, not on STIP (Statewide Transportation Improvement Program) or not on CTP (Community Transportation Program) programs or individual projects that also have a trail enhancement and landscaping put into the individual project as well. So this first section of the bill addresses the fact that while the minimum match for the statewide money was \$43 million, we have in fact spent \$150 million on trail enhancement and TRAAK programs over the last five years.

CHAIR COWDERY asked Senator Stevens to explain TRAAK.

SENATOR STEVENS explained TRAAK is acronym for the Trails and Recreation Access for Alaska Program. It was established by administrative order in 1996 by the prior administration. He believed the regulations were approved in 2002. He stressed the TRAAK Program is in addition to the requirement of each individual road construction project funded by highway money to have sidewalks, bike trails, pullouts, landscaping and set asides built.

SENATOR STEVENS clarified Section 1(a) of the bill specifies that no more than four percent of the federal highway non-restricted apportionments can go towards TRAAK. The current funding is eight percent and four percent is more in line with the federal minimums.

SENATOR STEVENS explained Section 1(b) addresses the allocation of the four percent removed from the TRAAK apportionment. He referred to the chart entitled "Distribution of Federal-Aid Transportation Formula Funds Per 17 AAC 05.155-200" and explained the CTP and the TRAAK moneys are split between AMATS (Anchorage Metropolitan Area Transportation Study), FMATS (Fairbanks Metropolitan Area Transportation Study), and all other state and local needs. The Alaska Highway System (AHS) and National Highway System (NHS) are dedicated monies. The money resulting from reducing the TRAAK to four percent would go into the CTP and increase the money available for AMATS, FMATS and other state and local needs by four percent. The money is shifted from trails and enhancements into programs that construct roads to meet the backlog of local and statewide transportation needs.

CHAIR COWDERY asked why four percent would be going into the CTP program.

SENATOR STEVENS replied CSSB 71(TRA) brings the appropriation more in line with the federal minimums and leaves money available for the current TRAAK Program. The intent of Section 1(a) and (b) is to make more money available to local municipalities for construction of roads versus construction of trails.

CHAIR COWDERY asked him to explain the Anchorage and Fairbanks numbers.

SENATOR STEVENS said they are addressed in Section 1(c). He referred to the chart entitled, "Comparison of the Anchorage

Metropolitan Area Transportation Solutions (AMATS) Enhancements Allocation at 10 percent and 15 percent."

SENATOR LINCOLN asked for clarification and asked if he wants to reduce the non-restricted federal aid highway money from eight to four percent.

SENATOR STEVENS replied, "Under the TRAAK."

SENATOR LINCOLN asked if he was referring to the eight percent part of the pie chart labeled TRAAK.

SENATOR STEVENS answered that was correct.

SENATOR LINCOLN said Senator Stevens is reducing TRAAK to four percent and saying that increases the availability for AMATS. If the TRAAK pie gets reduced it seems like the other pie would get smaller.

SENATOR STEVENS said she could look at it that way but instead of having 41 percent made up of eight percent TRAAK plus 33 percent CTP, the 41 percent would be made up of four percent TRAAK plus 37 percent CTP. He explained the pie does not get smaller; it just changes where the funds come from and makes money available for the CTP program instead of the TRAAK program. It does not shrink the 41 percent; it just states that more than four percent cannot be spent on TRAAK.

SENATOR WAGONER interjected, "It's just a reallocation of funds within the same funding base."

SENATOR STEVENS agreed.

SENATOR LINCOLN said she was still a bit confused.

SENATOR STEVENS agreed it is confusing. He added he is convinced it was made to be confusing so people who do not spend their lives learning these funding mechanisms don't understand it and therefore the people that write the regulations can spend the money as they see fit.

SENATOR LINCOLN asked if that smaller pie represents funds for the local municipalities.

SENATOR STEVENS explained the CTP program is the Community Transportation Program, which addresses a wide range of community transportation modes including rural and urban roads

and transit. The CTP represents an agreement amongst all those user groups. AMATS and FMATS are federally chartered MPOs (Metropolitan Planning Organizations) and have the ability to utilize that money as they see fit without DOTPF's input. The other 61.7 percent is for programs that fall under the STIP.

SENATOR LINCOLN said she understood the CTP and the area represented by the CTP on the chart. If the TRAAK is cut back and those funds are moved into the CTP, the total is still 41 percent.

SENATOR STEVENS said that is correct.

SENATOR LINCOLN asked what difference it makes where the four percent goes when the 41 percent is brought down to AMATS.

SENATOR STEVENS said that ties into Section 1(c), which reads:

(c) Not more than ten percent of the funds provided to a municipality for participation in federal-aid highway or other eligible projects may be expended from the transportation enhancement apportionment over the life of a transportation improvement program.

SENATOR STEVENS referred back to the comparison.

Comparison of the Anchorage Metropolitan Area Transportation Solutions (AMATS) Enhancements Allocation at 10% and 15%.

	Total AMATS Allocation	Actual	15%	10%
2000	\$35,700	\$5,400	\$5,355	\$3,570
2001	\$38,850	\$6,375	\$5,828	\$3,885
2002	\$35,900	\$5,200	\$5,385	\$3,590
2003	\$42,850	\$9,015	\$6,428	\$4,285
Average		\$6,498	\$5,749	\$3,833
2004	\$56,270	\$8,752	\$2,814	\$5,627
2005	\$57,251		\$9,090	\$5,725
2006	\$59,276		\$8,305	\$5,927
Average			\$6,736	\$5,760

*in millions of dollars

He said AMATS has approved and adopted a three-year plan. The first column represents the total AMATS allocation of the 41 percent. The second column is the actual amount of money AMATS expended on transportation enhancement programs. AMATS adopted a policy in 1998 to spend 15 percent on transportation enhancements; the federal minimum requirement is 10 percent. The 15 percent, as per AMATS policy, is represented in the third

column. The last column is what the 10 percent requirement would have been. The totals for the years 2000 through 2003 show the actual expenditures averaged \$6.4 million per year. That number exceeded the 15 percent in the AMATS plan, which averaged \$5.7 million. The 10 percent federally mandated minimum would have averaged \$3.8 million.

SENATOR STEVENS said the Municipality of Anchorage explained that the anomaly of \$9 million was due to the cost to start one of the big projects at Ship Creek.

SENATOR STEVENS explained the second portion of the spreadsheet ties into the CTP pie. The AMATS plan for 2004 through 2006 was renegotiated and Anchorage received an increase from 22 percent to 27.8 percent. If AMATS spends 15 percent, they will be spending more money than in the past. He pointed out if this legislation is adopted, there will still be an average of \$5.7 million per year available for transportation enhancement programs, which the community has come to expect and enjoy.

He said that transportation enhancement programs should stay within the standard of the federal government and allow the extra money received through the CTP to be used to address the critical backlog of transportation projects. He stated that is the intent of CSSB 71(TRA).

1:55 p.m.

SENATOR THERRIAULT pointed out the committee is discussing a proposed CS and he understood that Fairbanks had concerns about the original bill. He asked what concerns were addressed in the CS.

SENATOR STEVENS said the original concern was the fact that the CTP would shrink. Directing the four percent back into the CTP and maintaining the 41 percent addressed that concern.

SENATOR THERRIAULT clarified the bill will limit the amount that can be spent on trails out of one portion and also limit the amount local communities can spend on trails.

SENATOR STEVENS agreed that is the intent. The money would be used for roads and would limit the allocation for trails to the national standard.

CHAIR COWDERY added it would cut it back to the intent of the federal legislation.

SENATOR THERRIAULT noted on the AMATS comparison spreadsheet for 2004 the ten percent column says \$5.6 million and the 15 percent says \$2.8 million.

SENATOR STEVENS agreed there was a mistake and explained the number should be 15 percent of the total.

SENATOR THERRIAULT asked if only one number needs to be changed.

SENATOR STEVENS said it probably affects that whole average.

SENATOR WAGONER estimated it would be \$7.9 million. He said it would not make any difference on the pie chart.

MR. JEFF OTTESEN, Acting Director, Statewide Planning, DOTPF, said this bill does a very good job of asking an important policy question, that being: What is the right amount to spent on trails, waysides and other amenities as opposed to funds spent on highways? He said the same question has been raised internally by DOTPF over the past few months. The background that Senator Stevens gave was very accurate and complete. He referred to the "Alaska TRAAK Program" packet, which contained the pie chart Senator Stevens had discussed and said he intended to go over the high points page by page.

CHAIR COWDERY informed committee members that Senator Stevens worked with DOTPF on this issue.

MR. OTTESEN said they worked together extensively.

MR. OTTESEN explained the TRAAK policy was established in 1995. The Executive Order was passed in 1996. DOTPF began this programming as a matter of state policy at that time. The regulation was enacted in March 2002. The Transportation Enhancement Program is required by federal law and is ten percent of one of the slices of money the state receives from the federal aid program, not ten percent of the entire program. Former Governor Knowles enacted the TRAAK program.

MR. OTTESEN said there are slight differences between the TE and TRAAK but asked the committee, for the purposes of today, to consider them essentially the same thing. TE is a federal requirement and TRAAK is a state name for what the TE program intends to do. The required minimal spending level is ten percent and applies to that one category. He thought this aspect of TE has been misunderstood over the years. Many people, both

internal and external to the department, misapply the ten percent rule. The TE sub-category was created in 1991 with ISTEA and provided substantially more money than the state is getting today. The STP (Surface Transportation Program) was quite a bit larger so the ten percent was also larger than it is today. In 1997, when TEA-21 was enacted, the STP category shrank and the state received the money in other apportionments. The fraction of money the state had to spend on TRAAK or TE shrank by about \$10 million.

SENATOR THERRIAULT said, "Due to federal action, the category that you multiply by the ten percent shrank."

MR. OTTESEN agreed and pointed to the multi-shaded pie chart entitled, "Federal Apportionments FFY '02." Three categories near the lower left are named MG or Minimum Guarantee, Minimum Guarantee Exempt and Minimum Guarantee Special. He explained:

In the process of adopting a federal bill, a reauthorization of the Transportation Act, they shrank the STP bucket with respect to states like Alaska, but then we made it up in the minimum guarantee buckets. And so we were held whole as a state in terms of the amount of money we were getting but that STP slice got quite a bit smaller and that effectively reduced what we had to spend on TE, that minimum amount. Now if you apply that 10 percent rule in 2002, it is about 2.5 percent of the total pot. I would like to have given you 2003 or 2004 data. We actually don't have that information yet. It's been a long time getting a 2003 authorization. It just got passed about ten days ago.

SENATOR STEVENS asked if Mr. Ottesen was saying the state TE is 2.5 percent.

MR. OTTESEN replied, "I have just said, how big is the TE slice? TE is ten percent of STP. If I say, how big is that fraction of the entire pie, it is about 2.5 percent."

SENATOR STEVENS asked if the only real funding mechanism is the STP.

MR. OTTESEN said that is correct. He explained the state is currently required to spend about 2.5 percent of the total the state receives on TRAAK or TE.

MR. OTTESEN continued by saying:

I can't talk about this without telling you how popular this program is. It's tremendously popular. Anecdotally you go into communities and they just had a TRAAK Program installed or a major trail, that's all they talk about. They don't talk about the road we did, they talk about the trail.... Though there's a huge policy question in play here, this is a very popular program. It has other benefits from time to time, it can be important...

SENATOR WAGONER interjected that it is popular among certain portions of the district and told members:

When I'm out campaigning, it's not very popular among a big percentage of the constituents that I see who are asking me why we're building a bike trail between Soldotna and Kenai when the rest of our roads in the district are falling to pieces. I just wanted to clarify that.

2:05 p.m.

MR. OTTESEN said he understood. He offered an example that included pictures of the Kasilof River wayside, a section of the road where a lot of families park their cars on a narrow piece of shoulder and fish. Traffic turns in and out, including RV's and boats, and cars travel at 60 miles per hour all on the same small piece of pavement. He said these funds really do address urgent needs at times. The funds have been used to build many waysides and rest stops that the tourism industry has needed.

SENATOR STEVENS said he appreciated the cooperation Mr. Ottesen had given his office. He asked if the piece of highway that crosses the Kasilof River had recently been through an upgrade or an improvement plan.

MR. OTTESEN explained the wayside project at the Kasilof River presented was scored under the TRAAK Program.

SENATOR STEVENS asked if this project would have qualified under the regular highway improvement program. He noted a 12-mile piece of highway over the Sterling River Bridge is going to be improved and widened under the normal STIP. He asked if this pullout would have qualified under that program and whether it would have fallen under the STIP of the normal Surface Transportation Program.

MR. OTTESEN said it is quite likely it would have qualified. The federal rules are very flexible and waysides and major trails have been coded to NHS as an NHS project and are never accounted for under the TRAAK number that Senator Stevens gave earlier.

SENATOR STEVENS asked if there is anyway legislators could find out how much money has been spent. He said there are two funding mechanisms: one is the actual independent highway improvement project and the enhancement cost would be buried within the total cost of the project; the other mechanism is through the TRAAK Program.

CHAIR COWDERY said these pictures show roads but many trails have been built in different parts of Alaska for whatever reason.

SENATOR STEVENS said Mr. Ottesen provided the committee with a list of the TRAAK projects for the last six years. He pointed out that the projects varied and included ski trails and walking trails.

CHAIR COWDERY said his point is they are not necessarily beside a road.

MR. OTTESEN said that is correct.

CHAIR COWDERY said the trails next to a road are one thing but there are trails that do not even connect with the roads.

SENATOR WAGONER pointed out the pictures of the highway along the Kasilof River were reversed. One shows the highway going north and the other picture shows the highway going south just after crossing the bridge. He added:

I'm glad to see it's being taken care of because this is an accident waiting to happen. What congests most of this most the time, this is the launching place where the guides launch their drift boats everyday of the summer to fish on the Kasilof River and there's just not enough space to accommodate that so you may still have a problem when you get through with this project if that isn't addressed.

MR. OTTESEN said he was correct. He affirmed this is an example where a wayside would truly be a safety project as well as an

amenity and would solve the problem of people crossing the road and children getting out of cars while vehicles are passing at high speeds. He agreed it is an accident waiting to happen.

SENATOR THERRIAULT said shrinking down the TRAAK would not necessarily preclude this type of project because it can be done under the regular surface transportation projects as part of reworking the highway or it could be a separate safety project.

MR. OTTESEN said absolutely. He pointed out:

Fundamentally, there is a lot of flexibility in the federal rules and, quite frankly, you just need to have a program that is looking out for the public interest and somehow making the right decision. As I indicated earlier, we're spending an awful lot of money on TRAAK. There are, as you'll see elsewhere in the presentation, there's some pretty darn big pressing needs all over the state and so that's why I started out by saying there's an important policy decision here. What is the right balance?

Commissioner Barton, as you will see in a few minutes, has already started to reduce the size of the TRAAK Program to the extent that he could midway through a fiscal year and has already indicated that he will be programming at approximately this number, four percent, as a matter of his discretion as commissioner as early as '04. But at the same time we will be trying to do projects like this that are just vitally important.

MR. OTTESEN continued with his presentation. He referred to a chart in the packet.

TE Required vs. Actual TRAAK

TE Minimum		TRAAK Program	
'98	\$5.3	'98	\$17.3
'99	\$6.6	'99	\$25.9
'00	\$7.5	'00	\$28.4
'01	\$8.2	'01	\$28.0
'02	\$8.4	'02	\$28.4
'03	\$7.2	'03	\$30.2 Original
		'03	\$22.0 Amended

Dollars in millions

He pointed out the actual TRAAK expenditures have been 3 to 4 times the minimum required. The bottom of the right hand column shows the original TRAAK budget for '03 is \$30.2 million. Commissioner Barton signed an amendment to that STIP and reduced the program by \$8 million. That is about as low as the department could take the budget without taking jobs out of contractors' hands.

CHAIR COWDERY asked the total expenditures for the TRAAK Program from the last STIP.

MR. OTTESEN said these are the program amounts but offered to get the actual amounts because projects sometimes cost more or less than the programmed amount.

CHAIR COWDERY asked if he had a general amount.

MR. OTTESEN said it is very close to the \$88 to \$90 million shown on the chart. It was close to \$28 million three years in a row.

CHAIR COWDERY asked if he though that number coincided with the federal requirements.

MR. OTTESEN answered no, those numbers are shown to the left. The federal requirement would have been approximately \$24 million in the same time period. The state was definitely spending more than is federally required.

CHAIR COWDERY asked Mr. Armstrong if the Municipality of Anchorage supports the bill.

MR. JAMES ARMSTRONG, manager of Transportation Planning and AMATS Coordinator, Municipality of Anchorage, said he was speaking on behalf of the mayor and as the manager of Transportation Planning. He stated the mayor supports the bill. He pointed out the mayor's letter addressed the previous version and Mr. Armstrong had just received the CS.

SENATOR LINCOLN asked if the municipality was supporting the original SB 71 or CSSB 71(TRA).

MR. ARMSTRONG answered the municipality supports the CS, version H.

MR. OTTESEN pointed to the chart that shows the number of projects recently nominated to the STIP in the TRAAK Program broken down by region and total dollar amount.

**TRAAK Nomination
2004 and Beyond**

- Central Region*: 52 projects, \$65.9 million
- Northern Region: 75 projects, \$56.7 million
- Southern Region: 21 projects, \$15.0 million
- Total backlog = \$330 million

* Excludes AMATS as they do not nominate to the state.

MR. OTTESEN informed committee members this list does not include projects within AMATS as it has authority and discretion to nominate and program projects under the federal law.

He then referred to the pie chart Senator Stevens had explained. He said the implication here is the four percent change to TRAAK would neither raise nor lower the amount of money that is proposed to go to the two MPO's or the rest of the state. It would be neutral with respect to the total amount of money. It would change the kinds of projects that are done under this program.

SENATOR STEVENS said, "That was a way to explain my confusion in one sentence."

SENATOR LINCOLN referred to a letter from a member of both the Anchorage Assembly and AMATS Policy Committee who was concerned about how local control of the dollars would be taken away. She asked, "I know you said the Mayor supports it but does the Anchorage Assembly support it?"

MR. ARMSTRONG said, as AMATS Coordinator, the last time the Assembly really spoke of the Enhancement Allocation was in 1998 and it adopted a 15 percent policy target. He stated:

We haven't been asked to date at the Policy Committee the 10 or 15 percent question. The 2004 to '06 TIP (Transportation Improvement Program) is out for public comment so I would be assuming that this piece of legislation would ask us and the Policy Committee to weigh in on the 10 or 15 percent.

SENATOR LINCOLN asked if the Anchorage Assembly or the AMATS Policy Committee have not taken a stand on the 10 or 15 percent.

MR. ARMSTRONG said they had not. He added the Technical Advisory Committee that reports to the Policy Committee is meeting at 3:00 p.m. and this piece of legislation will be brought up at that meeting. No one has asked for public comment until today.

SENATOR THERRIAULT said he could not find the document Senator Lincoln referred to and noted, "I think it is probably an expression of the same concern that perhaps Fairbanks had on the original bill that potentially shrunk the pie for AMATS, FMATS and other needs." He understood there would be no change to the dollar amount under the CS so the flow of money the local governments control is going to be the same. He said he thought the CS takes care of the concern.

SENATOR WAGONER asked if any of these funds get applied to projects where there aren't federal highway funds used, such as village areas that need trails and bridges for snow machines and four-wheelers.

MR. OTTESEN answered yes. Some TRAAK and CTP money has been spent in the Bush for marking winter trails. The department has identified marking trails as a very important life safety factor in rural Alaska.

SENATOR STEVENS said he had two comments. First, regarding Senator Wagoner's concern, four percent should be available for recreational trail access and is in line with the minimum. He questioned whether or not they are using two pots of money to do the same thing, the Trail Enhancement Program under the Surface Transportation Program and the TRAAK Program. He said the TRAAK Program should be used for trails, snow machine trails, winter trails and marking trails that highway money can't be used for. Wayside and pullout expenditures should be included in a road construction project where they belong.

SENATOR WAGONER suggested including those expenditures in the overall road project.

SENATOR STEVENS said the second concern addresses Mr. Armstrong and Senator Lincoln's question on AMATS. He confirmed AMATS is going to have concerns about this legislation because it limits AMATS to spending ten percent when it has been spending 15 percent. It also tells AMATS to focus on spending money on roads and not on trails and to stay at the federal standard. He said

he was sure there would be a debate at AMATS. He continued by saying:

As Mr. Ottesen said, it's a policy question that applies, I believe, statewide as well as to municipalities. How much are we going to spend on trails when we have such a critical backlog of roads that need to be addressed?

SENATOR LINCOLN referred to similar legislation in the past and some very heated discussions about AMATS. "I think it always came down to who are we to dictate to the local community how they spend their money." She said she would be involved in how that piece of pie is cut for TRAAK for communities she represents but does not want to interfere with how Anchorage or Fairbanks spends their money. It is up to a body other than the legislature to decide that. She concluded:

That's where I have a rub, is to dictate how a local community should spend their money when in fact they do have a citizen's advisory board to do just that and I guess I get concerned when there's a memo from a... local assembly member and a committee member on the expenditures of this. That continues to be, I think, the rub for this.

TAPE O2-05, SIDE B

2:23 p.m.

SENATOR STEVENS said he was aware of that. However, this is a legislative policy call that coincides with the Administration's policy call that roads are a critical element that should be addressed at the statewide level and at the municipal level. Transportation projects are a priority, specifically the construction of roads. This legislation is intended to say the money is available to build roads but has not been used for that purpose.

SENATOR LINCOLN asked him how he counters when DOTPF says the federal rules provide a lot of flexibility, the challenge is finding the right balance, and that the commissioner already has discretion to reduce the TRAAK Program.

SENATOR STEVENS commended the commissioner for already making changes and said this legislation would make sure the reduction stays that way. Since the TRAAK has been in place over the last six years, more was spent on those projects than should have

been three or four times. One hundred million dollars could have been used for Community Transportation Programs that would have gone to local projects or to the local municipality for roads.

SENATOR WAGONER asked how the state would stand with a federal audit if it has been using more than the federally required ten percent on this enhancement program.

MR. OTTESEN answered the ten percent requirement is a minimum, not a maximum. The federal government approves every project and monitors the program on a daily basis and is aware of the TRAAK program's level of expenditure. In the federal government's view, states have that discretion.

SENATOR WAGONER asked, if the state wished to, could it build a project using 25 percent for enhancement.

MR. OTTESEN pointed out the Seward Highway project just outside of town past Potter's Marsh has a very large trail component built into the scope of work with the upgrade of the highway.

SENATOR STEVENS said that is a good point; it has a trail component from the highway construction. He asked if it also has the Bird Point Lookout from TRAAK expenditures as well.

MR. OTTESEN answered that is correct; it has both.

SENATOR STEVENS predicted that probably would exceed 25 percent of the total expenditure.

SENATOR WAGONER stated, "A lot of wasted money in my mind."

MR. OTTESEN referred to the next chart:

Comparison to Other Needs

- Community Transportation backlog = \$3.12 Billion
- Ratio of CTP to TRAAK (need vs. funds)
- Need ~ 9:1
- Funding ~ 4:1

He explained the numbers came out of the DOTPF needs list, a database that holds projects nominated by communities, the department and other agencies. The backlog in community transportation projects equals over \$3 billion. Compared to the \$330 million backlog identified in TRAAK, the ratio is about

9:1. The need for roads nominated across the state is nine times higher than for TRAAK programs. The two programs are funded at an approximate ratio of 4:1. Commissioner Barton used that statistic when he made his judgment call a month ago to reduce the 2003 TRAAK Program.

SENATOR LINCOLN asked if he had the list of the roads he was speaking about and the backlog of roads versus trails.

MR. OTTESEN said the needs list is available on the web. A person can go onto the website and run reports and sift and sort it as they choose or the department could run a report for them.

SENATOR LINCOLN said she would like him to run a report for her.

MR. OTTESEN continued with his presentation. He referred to the page that shows two photographs of the Williamsport-Pile Bay Road. He said it is "my poster child" for the kind of need in Alaska. He explained:

This is the only road between the mainland, through Homer and a marine access across Cook Inlet to the Lake and Pen [Peninsula] Borough, including six villages around the lake. We've identified that an improved road in this corridor... this road is being used today but it's being used with trucks doing fords, not even going across bridges, would save the Borough at least \$3 million a year in freight charges. They are currently doing an awful lot of shipping by airfreight.

The worst bridge among the four was on the Chinkelyes [Creek]. The pronunciation does not resemble the spelling. You can see here its condition. Now we did fix that bridge just last summer but we were forced to, because of the lack of funding in CTP and other programs, we were forced to use maintenance money and the cooperative effort of the SeaBees [U.S. Navy] to install this bridge. We did this bridge for less than a quarter million but it's an example I think of need and, at the same time, we're spending over \$100 million dollars on TRAAK that was above the federal requirement.

SENATOR STEVENS asked if this would have qualified under a CTP project.

MR. OTTESEN said it would qualify under a CTP or the Alaska Highway System.

SENATOR STEVENS said this is an example of a critical backlog project.

MR. OTTESEN said very much so. It is a project that has real economic benefit.

SENATOR THERRIAULT asked if the bridge was permanent.

MR. OTTESEN explained this is a Bailey bridge, which can be used for 10 or 20 years with a little maintenance. Bailey bridges are often used in other parts of the country. They are not ideal; they are single lane bridges. The Bailey bridge has highway-loading capacity so it is not deficient in terms of normal loading. This is an expedient design, which came out of Kosovo. This bridge was built by the military for use until a permanent bridge was built. It was dismantled and shipped to one of the NATO members and that is where DOTPF purchased it. The first picture is the "before" and the second picture is the bridge put in last summer.

SENATOR THERRIAULT asked how the Seabees assisted.

MR. OTTESEN said they had the expertise to erect the bridge, which is constructed similarly to erector set parts. The panels are ten feet long, put together for expedient military use, and are frequently used around the country as emergency bridges. DOTPF is looking to purchase more of those components as a Homeland Security stockpile.

SENATOR THERRIAULT asked what kind of program allowed the SeaBees to participate.

MR. OTTESEN said he was not sure but would provide the information.

SENATOR LINCOLN asked the location of the bridge.

MR. OTTESEN said the bridge is on a small 15-mile wide piece of land between the east end of Lake Iliamna and the west shore of Cook Inlet. It is directly west of Homer.

SENATOR LINCOLN said it is a pressing highway need and asked if the communities supported this highway.

MR. OTTESEN answered all the communities were in support.

SENATOR WAGONER asked if the freight Mr. Ottesen referred to went by barge or by power scow to Pile Bay.

MR. OTTESEN said it was freighted up the Kvichak River from the Bristol Bay side. The Kvichak River has been silting in and there have been some years of low water so the barges have had a very difficult time making it up into the lake. The villagers have been pressed to air transport fuel, building materials and all the things needed to live in a community. That has raised the villagers' costs dramatically. The department did a cost-benefits study on this bridge and identified about a \$3 million savings in community freight and fuel alone. He noted the Corps of Engineers will have to do some work on the marine side of Cook Inlet. The bay this road touches is extremely shallow, so shallow that it currently can only be accessed by barge during the three to four highest tides of the month. DOTPF is now applying for a permit to deepen the landing sight this summer as part of the mobilization for an airport project at Iliamna.

SENATOR OLSON pointed out the bridge has some overhead structure and asked if there was a weight or width limit on the bridge.

MR. OTTESEN said the panels are erected on both sides. The clear distance horizontally is about 13.5 feet. That is important because this road carries a lot of gillnet fishing boats between Homer and Bristol Bay. The Williams family carries boats across this road and launches into Iliamna Lake so they can float down to Bristol Bay. In the fall, they reverse the trip and come back to Homer. That saves 1000 miles of treacherous open ocean travel in both directions. It saves money and lives and requires a bridge more than 12 feet wide because gillnet boats are often 12 feet wide and are getting wider.

He noted the department is going to continue to address some other limitations on this road. The road crosses a mountain pass about 800 feet high and is literally carved out of rock. He had heard the road is so narrow that some of these wider gillnet boats being hauled on the road have one of the trailer tires literally out in open air ready to fall off the edge. The road needs some rock cut work. One more bridge across the Iliamna River also needs strengthening and improving. The Denali Commission is exploring putting up \$1.5 million for that bridge as soon as this summer.

MR. OTTESEN concluded by saying the funds currently applied to the TRAAK aren't in balance with other allocations. A tremendous reservoir of unmet road projects has already been identified and, in addition, a backlog of resource and community access roads is being talked about across the state. Every part of the state has nominations. Several mega projects costing more than one billion dollars are being discussed. In light of that, DOTPF intends to reduce the TRAAK Program. He was sure the program would be reduced to four percent as existing projects are wrapped down. Many projects have been designed and it would be wasteful to not complete them. The TRAAK Program will be shrunk and approach the four percent.

MR. RON CRENSHAW, Juneau resident, testified on his own behalf. He retired from state service in Anchorage less than two years ago and is familiar with ISTEPA, TEA-21 and the enhancement program.

SENATOR STEVENS interrupted to ask if he was representing himself or speaking as a member of the TRAAK Board.

MR. CRENSHAW repeated he was representing himself. He continued by saying the original ISTEPA, then TEA-21, and then the forthcoming reauthorization was possibly the first time the concept of multi-modalism was introduced into the language of transportation departments in the states. To encourage states to think beyond roads in terms of multi-modalism, which means that transportation takes many different faces, the federal act considers rail, walking, bicycling and all of the enhancements that go along with those features that make the journey more enjoyable.

MR. CRENSHAW said in his view, CSSB 71(TRA) proposes to diminish a program that has become very popular, one reason being it implements the concept of multi-modalism. The program has been very useful in small communities around the state that don't have roads and depend upon boardwalks, trails and rivers to get around.

He said in 1998 in Anchorage, the community was debating whether to spend 10, 15 or 20 percent out of the AMATS allocation for enhancements. Mr. Crenshaw participated in that lively debate and there was considerable support for all three of the percentages. The municipality decided on 15 percent as the amount to allocate. CSSB 71(TRA) would be an intrusion into the local process that involved better than a year of public involvement and local government decisions.

The enhancement category applies to more than trails. Enhancements can include all sorts of alternative transportation amenities including the development of tourist facilities, programs to reduce collisions between vehicles and moose, safety and education programs, landscaping and trails.

2:40 p.m.

MR. CRENSHAW pointed out CSSB 71 (TRA) will only divert about \$10 million per year from the enhancements to other Surface Transportation Programs. There are not a lot of road projects or even planning studies that can be completed for \$10 million per year but there are a tremendous amount of smaller projects that benefit transportation in other ways.

MR. CRENSHAW concluded by reviewing some of the recent projects that have been completed with enhancement funds.

- Seward - rehabilitation to the historic downtown area and renovation of the historic railroad terminal, which benefited economic development of tourism
- Anchorage - enhancement project elevated the road over the dog trail and eliminated the safety hazard of the dogs being hit on Stuckagain Heights Road
- Anchorage-Seward Highway - multiple enhancement projects including the Bird Point Wayside with restrooms, scenic viewpoint, landscaping, parking and trail improvements
- Fairbanks - bikeway and walkway project from Farmers Loop Road to Pearl Creek Elementary School, an example of an important project that is not along a roadway allowing for the children to get to the elementary school
- Nenana - walking trail with interpretive signs and benches built at the Golden Railroad Spike Historic Site
- Pelican - renovation of the boardwalk for local transportation
- Skagway - replacement of the Skagway River footbridge that connects the trail system to the airport and the construction of a Welcome to Alaska sign at the Alaska-Canada border
- Statewide - Gold Rush historical signs
- Nome - Solomon Last Train to Nowhere Wayside including parking, interpretive signage and stabilization of the train

- Anchorage - Tudor Road over-crossing, previously referred to as the Bridge to Nowhere, has been proven to be a critical link to Anchorage's bicycle transportation, linking Campbell Creek and Chester Creek trail systems with the University and hospital area - this enhancement project in excess of \$2 million won national awards for bridge construction.

MR. CRENSHAW listed projects that point to the benefits of partnering with other agencies to allow limited funds to go further.

- Cold Foot - access road, parking and interpretive sign at the Cold Foot Wayside at milepost 175 on the Dalton Highway initiated by the Bureau of Land Management
- Haines and Skagway - eagle viewing, an economic development and tourism asset that includes trails for eagle viewing, interpretive sites, landscaping, toilets and a boardwalk
- Cooper Landing - launching site where the Kenai River comes out of Kenai Lake, a cooperative project with the federal highway, Department of Natural Resources, Department of Fish and Game and U.S. Fish and Wildlife Service
- Homer - new trail along the Homer Spit to the fishing lagoon.

MR. CRENSHAW encouraged the committee to look carefully at a reduction in program funds. The program has been popular and the reduction would leverage little additional funds.

CHAIR COWDERY agreed many of the programs do enhance Alaska, but the available money must be prioritized and that is the intent of this legislation.

SENATOR OLSON thanked Mr. Crenshaw for the good review of the trail improvements. He said during the interim an extension of the bike trail was proposed in Anchorage that included a right-of-way acquisition. People were upset and there were a number of court challenges. He noted this bill would affect \$10 million. He asked what the court costs for the legal challenges to the bike trail have been.

MR. CRENSHAW said he had no idea and was not sure what legal challenges Senator Olson was referring to.

SENATOR OLSON said a number of people were upset over the right-of-way and whether the trail was going to be on the left or

right side of the track. Residents did not want trail users to be looking into their bedrooms. He said people were calling him in Nome with their concerns.

SENATOR STEVENS interjected that was in his district.

SENATOR OLSON said some people are quite upset and lawyers have gotten involved.

MR. CRENSHAW said to his knowledge there have been no legal challenges to the Coastal Trail extension.

SENATOR STEVENS said the public comment period on the draft Environmental Impact Statement (EIS) has been extended to March 7 so there is no mechanism at this point for a legal challenge. He added that he suspects that legal challenges will occur no matter which way the decision goes.

CHAIR COWDERY asked Mr. Ottesen to provide a complete list of TRAAK projects including the dates of construction and the total costs.

MR. OTTESEN agreed to do so.

MR. JAMES KING, Juneau resident, said he believes in the importance of creating a balance between roads and transportation enhancement projects. This legislation appears to tie the hands of DOTPF and the municipalities and cities that have processes to make those decisions. Every community has a different need, some need more roads and others need more safety type projects. This bill does not represent the intent of federal law, which states ten percent is a minimum and gives state and local governments freedom to decide whether they need more roads or trails. He said DOTPF indicated it is moving in the direction of more roads right now. He thought that was fine, but said this bill would tie DOTPF's hands for a long period of time in terms of being able to make those decisions.

He said that roads are hugely important in Alaska, but so are trails and enhancement projects. The Statewide Recreation Survey found that 70 percent of Alaskans use trails each year. The non-motorized trail completed in Nome brought people out and provided a social activity. It built up the social health of the community as well as residents' physical health.

He pointed out that major companies looking to relocate conduct surveys and place parks and trails at the top of the list

because that is what their employees want when they move to a community. If the concern is the economics of Alaska, the committee needs to look at how to attract businesses and bring money into Alaska; enhancements are a piece of the puzzle. He acknowledged the large backlog of needed road improvements and projects to solve safety problems but concluded that it is important that communities and DOTPF have the freedom to make the decisions on enhancement projects.

CHAIR COWDERY said DOTPF supports the bill.

MR. KING said his concern is if another administration comes in and feels it is important to shift in another direction, this legislation would tie the focus to roads. Some communities may not have a huge demand for roads but a large demand for the type of projects funded through the TRAAK Program. Reducing the TRAAK Program by four percent will eliminate an important safety project that would move children riding bikes on busy streets onto a safer path. It encourages non-motorized transportation that builds healthy communities. He encouraged the committee to carefully look at the alternatives and ascertain if it really pays to tie the hands of communities and DOTPF statewide. He said they had heard from one or two municipalities but not the rest of the communities that will be affected by CSSB 71(TRA).

CHAIR COWDERY said he came to Alaska when there was one trail and it was called the Alcan Highway. He said the trail system is an asset, but there has to be a limit because roads are also an asset to the state.

SENATOR WAGONER moved CSSB 71(TRA) from committee with individual recommendations and the attached fiscal note. He asked what committee the bill goes to next.

CHAIR COWDERY said it goes to the Finance Committee.

SENATOR LINCOLN objected and said:

Mr. Chairman, I might very well support this piece of legislation but, as you heard, the CS came in minutes or hours ago and it goes to Finance. There's no fiscal note here. I don't have a fiscal note.

SENATOR LINCOLN was provided with a fiscal note. She stated:

Mr. Chairman, I have not had an opportunity to look at that fiscal note and we just got the CS.... I've got

a number of questions about it and I'm sorry I didn't have an opportunity to talk to the author of the bill prior to this or he I. And some of the concerns I still have [are] that when I hear DOT tell me that there's lots of flexibility in the federal rules that there's a question of what is the right balance, I mean that's what the department said, a question about what is the right balance, I don't know what the right balance is because I haven't seen that list to know what this enormous need is out there. I haven't had the privy of looking at that list.

And as I said earlier, with the commission already having the discretion to reduce that - and the response to that question was we haven't had it in the past administration and that this commissioner has just taken hold of it, this commissioner is in, Mr. Chairman, for four years and I think that he has the ability to do whatever he wants with this pot of money. If, at the end of four years that we still feel that there is a need to switch so that we will say emphatically that it's no more than 4 percent, we've got plenty of time, Mr. Chairman, to look at it so I don't - I'm just really concerned that we're pushing a bill through here when we just got the CS, when we just got - well, in fact, the fiscal note is a zero.

So, Mr. Chairman, this is the committee where all of the work will be done. This is the committee where we go before our full Senate body and say that we have explored all of the options. We've scrutinized this and we're ready to vote on it. I don't believe, Mr. Chairman, that we can say that. We don't have all the information in front of us, so for that reason I will continue with my objection to moving this forward today. I may very well change my mind when I have an opportunity to look at this but, for good government, I don't believe we're at a point of where we can say that. This is the only committee that's going to look at it and it moves forward. So I hold my objection.

CHAIR COWDERY said Senator Therriault indicated when he left he wanted to move the bill and wanted to be called if his vote was needed. He said he did not believe Senator Therriault's vote was needed to move the bill.

SENATOR OLSON seconded the motion to move CSSB 71 (TRA) from committee.

SENATOR LINCOLN asked for a roll call.

Senator Wagoner, Senator Olson and Chair Cowdery voted in favor and Senator Lincoln was opposed. CSSB 71(TRA) moved from committee with individual recommendations and attached fiscal note.

CHAIR COWDERY said she was correct this was a CS for a bill that had some problems, but he thought the problems were corrected.

With no further business to come before the committee, Chair Cowdery adjourned the meeting at 3:03 p.m.