

ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE

March 28, 2006

1:36 p.m.

MEMBERS PRESENT

Representative Jim Elkins, Co-Chair
Representative Carl Gatto, Co-Chair
Representative Vic Kohring
Representative Mark Neuman
Representative Bill Thomas
Representative Mary Kapsner

MEMBERS ABSENT

Representative Woodie Salmon

COMMITTEE CALENDAR

SENATE BILL NO. 304

"An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

- HEARD AND HELD

HOUSE BILL NO. 397

"An Act making an appropriation for an upgrade of signal system emergency devices in Anchorage, contingent upon matching funds from the Municipality of Anchorage; and providing for an effective date."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 304

SHORT TITLE: AIRPORT PARKING SHUTTLES/AIRPORT CHARGES

SPONSOR(s): TRANSPORTATION

02/21/06	(S)	READ THE FIRST TIME - REFERRALS
02/21/06	(S)	TRA, FIN
02/28/06	(S)	TRA AT 1:30 PM BUTROVICH 205
02/28/06	(S)	Heard & Held
02/28/06	(S)	MINUTE(TRA)
03/09/06	(S)	TRA AT 1:30 PM BUTROVICH 205

03/09/06 (S) Moved SB 304 Out of Committee
 03/09/06 (S) MINUTE(TRA)
 03/10/06 (S) TRA RPT 1DP 2NR
 03/10/06 (S) DP: HUGGINS
 03/10/06 (S) NR: KOOKESH, FRENCH
 03/14/06 (S) FIN AT 9:00 AM SENATE FINANCE 532
 03/14/06 (S) Heard & Held
 03/14/06 (S) MINUTE(FIN)
 03/17/06 (S) FIN RPT 6DP
 03/17/06 (S) DP: WILKEN, GREEN, BUNDE, OLSON, DYSON,
 STEDMAN
 03/17/06 (S) FIN AT 9:00 AM SENATE FINANCE 532
 03/17/06 (S) Moved SB 304 Out of Committee
 03/17/06 (S) MINUTE(FIN)
 03/20/06 (S) TRANSMITTED TO (H)
 03/20/06 (S) VERSION: SB 304
 03/22/06 (H) READ THE FIRST TIME - REFERRALS
 03/22/06 (H) TRA, FIN
 03/28/06 (H) TRA AT 1:30 PM CAPITOL 17

BILL: HB 397

SHORT TITLE: APPROP: ANCHORAGE SIGNAL UPGRADE
 SPONSOR(S): REPRESENTATIVE(S) ANDERSON

01/25/06 (H) READ THE FIRST TIME - REFERRALS
 01/25/06 (H) TRA, CRA, FIN
 02/21/06 (H) TRA AT 1:30 PM CAPITOL 17
 02/21/06 (H) -- Meeting Canceled --
 03/28/06 (H) TRA AT 1:30 PM CAPITOL 17

WITNESS REGISTER

RYAN MAKINSTER, Staff
 to Senator John Cowdery
 Alaska State Legislature
 Juneau, Alaska
 POSITION STATEMENT: Presented SB 304 on behalf of Senator
 Cowdery, sponsor.

SENATOR CHARLIE HUGGINS
 Alaska State Legislature
 Juneau, Alaska
 POSITION STATEMENT: Testified in support of SB 304.

SENATOR JOHN COWDERY
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Testified as sponsor of SB 304.

MIKE NEELY, Regional Vice President
Diamond Parking
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 304.

JOHN BARSALOU, Property Director
Anchorage International Airport
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 304.

MARK PFEFFER
Venture Development Group
Anchorage, Alaska

POSITION STATEMENT: Testified against the off-site rental car provision in SB 304.

JOHN STEINER, Assistant Attorney General
Transportation Section
Department of Law
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 304.

CONNIE GURICH, Director of Properties
Hertz Corporation

POSITION STATEMENT: Testified against the off-site rental car provision in SB 304.

JAMES BOLYEFKO, General Manager
National and Alamo Car Rental

POSITION STATEMENT: Testified against the off-site rental car provision in SB 304.

RAY MUNDY, Executive Director
Airport Ground Transportation Association
University of Missouri
St. Louis, Missouri

POSITION STATEMENT: Provided information on SB 304.

JOHN KIEWIK
Municipality of Anchorage
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 397.

BOB KNIEFEL, Traffic Engineer
Municipality of Anchorage

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 397.

ACTION NARRATIVE

CO-CHAIR JIM ELKINS called the House Transportation Standing Committee meeting to order at [1:36:32 PM](#). Representatives Elkins, Kohring, Gatto, and Neuman were present at the call to order. Representatives Thomas and Kapsner arrived as the meeting was in progress.

SB 304-AIRPORT PARKING SHUTTLES/AIRPORT CHARGES

CO-CHAIR ELKINS announced that the first order of business would be SENATE BILL NO. 304, "An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

RYAN MAKINSTER, Staff to Senator John Cowdery, Alaska State Legislature, said he is presenting the bill on behalf of the Senate Transportation Standing Committee. He said there are several types of transportation services at the airport, including limousines, taxis, shuttle busses, and off-airport parking shuttles. He said AS 02.15.090 requires fees to be charged by the airport that are reasonable and uniform. The fees must be established with due regard to property and improvements used and the expense of operation. He said these rates are charged depending on the amount of use and the size of the vehicles. The fees range from \$50 per year for a courtesy vehicle or taxi and up to \$1000 per year for a scheduled bus. He said off-airport parking services use a shuttle system with about five vehicles at \$500 per vehicle.

[1:38:34 PM](#)

MR. MAKINSTER said in 2005 the Department of Transportation & Public Facilities (DOT) proposed regulations that would drastically change this fee for off-airport valet parking services from \$500 per vehicle to 8 percent of gross revenues. He noted that it is the same service as the shuttles for hotels, but this new charge will not apply to them. The new fee for the parking lot will be over \$100,000 annually. He said the 8 percent of gross revenue is a problem because it is an off-site facility with no tie to the airport. [Diamond Parking] is not a concierge in the airport facility, he noted, but the airport is still requiring [Diamond Parking] to "give up their books."

This bill specifically says that if there is a charge off-airport, it should be in line with fees charged to other services. It should be a fee based on use or a set fee, instead of a percentage of gross because that requires a private business to open up its books to a public entity.

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CO-CHAIR GATTO asked about Diamond Parking using a bus, which would be \$1000 per year, not \$500 per vehicle per year.

MR. MAKINSTER said Diamond Parking uses a shuttle bus, not a full-sized tour bus.

CO-CHAIR GATTO asked if taxis are charged per vehicle per year.

MR. MAKINSTER said that is true.

[1:41:30 PM](#)

CO-CHAIR GATTO noted that everything else is a flat fee per vehicle, but this charge will be 8 percent of gross revenue.

MR. MAKINSTER said it was a regulatory change make by DOT. The airport would be asking for that fee through the regulations.

REPRESENTATIVE THOMAS asked if the fees have been implemented.

SENATOR CHARLIE HUGGINS, Alaska State Legislature, said suddenly [Diamond Parking's] fee will jump to over \$100,000. He expressed concern that the fee is based on a percent of the company's gross, which means that it will have to open up its books to the government. "That's a bridge too far."

MR. MAKINSTER said the fees haven't been implemented yet.

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SENATOR JOHN COWDERY, Alaska State Legislature, said [Diamond Parking] is willing to install an automatic counting mechanism.

SENATOR HUGGINS said he is hopeful that it will be resolved. "When we did the parking facility bonding, it was about there would be some off-airport rental cars to assure people that wanted to do that, and of course the others would pay a higher fee for what they were doing on the airport."

CO-CHAIR ELKINS said the bill will not move today.

SENATOR COWDERY said he asked Alaska Airlines about this, and "the head guy told me it was insignificant; it was like, to them, one Kleenex out of a box of Kleenexes...it didn't have an effect on their landing fees."

[1:46:34 PM](#)

REPRESENTATIVE NEUMAN said the bill seems to come down to one statement: DOT will treat everyone the same and keep the state out of peoples' books.

MR. MAKINSTER said yes; statute requires that fees be reasonable and uniform, and this increase is not reasonable or uniform.

[1:47:33 PM](#)

REPRESENTATIVE NEUMAN asked what ground transportation fees will be affected by the bill.

MR. MAKINSTER said they could all be affected because the bill limits the airport from charging a percentage of gross in the future. He said it currently only affects off-airport parking and off-airport car rental companies.

CO-CHAIR GATTO postulated that renters of space and retail shops in the terminal pay a monthly fee, not based on gross revenues.

MR. MAKINSTER said he assumes there is a lease agreement based on gross revenue or triple net. He said the airport's general operating funds come from all the airlines and the individuals leasing space inside the terminal. The bill will not affect the individual much, if at all. Some of the renters are inside the security perimeter, which gives them a larger market.

[1:50:05 PM](#)

CO-CHAIR GATTO spoke of a massage business in the security area, which pays \$1000 per month, and perhaps not on gross sales.

MR. MAKINSTER said that business exists and is profitable. He said it probably has a class of agreements within the building, starting with a rental fee to some sort of net revenue.

SENATOR COWDERY said the railroad has a shuttle and is not charged on a percentage.

REPRESENTATIVE NEUMAN said it seems reasonable that a business doing a long range plan should know what its costs are going to be. "How do you know what 8 percent of your sales are going to be until you get there?" A flat rate seems more reasonable.

[1:52:14 PM](#)

REPRESENTATIVE KOHRING said this amounts to a tax.

MR. MAKINSTER said it is a proposal, and there will be a public comment period.

SENATOR HUGGINS said that Diamond Parking may have impacted on-site airport parking. "The way to level the playing field is not to up the ante on how much money you're going to take from them." He said government is not to compete with private business. He said he has difficulty finding parking at the airport until he gets to the higher floors.

[1:53:38 PM](#)

MIKE NEELY, Regional Vice President, Diamond Parking, said he supports the bill. He said Diamond Parking took over a piece of land that was the Spenard community dump. It is only fit for parking and now holds 1200 vehicles after a \$12 million investment. It is open 24 hours a day, employs between 25 to 30 people, and has a payroll of about \$500,000. The company pays a \$500 per vehicle ramp pass for five vehicles. He said the proposed fee will be about \$120,000. It could make the difference between a profit and loss, he stated. He said it isn't fair, and he has tried to come to an agreement with the airport. He said his company also operates in Salt Lake City and Spokane. He described operations at those two areas. He said he proposed to install equipment to do [vehicle-use] tabulation that would allow the airport to expand fees, especially for taxis.

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MR. NEELY said using the gross percentage is horrendous because his company only uses the airport when a client leaves or returns, and the car is on the lot for any number of days. There was a comment period, and it is now in an appeals process. There is a hearing officer that will hear the case, but there is no date for that. "Because of the airport's attitude in dealing

with this, we thought we would seek the remedy here, and that's why we are in favor of this bill."

[1:58:20 PM](#)

CO-CHAIR GATTO asked what the airport charges now.

MR. NEELY said there is no charge now. The company just pays the \$500 per vehicle fee, and the company has five vehicles. The costs would change from \$2,500 to \$120,000 annually.

[1:59:23 PM](#)

JOHN BARSALOU, Property Director, Anchorage International Airport, said the airport is required to be financially self-sustaining. An operating agreement establishes various fees for uses and privileges, which pays for the costs of operation. The airport is thus revenue-neutral and entirely funded by user fees. This bill seeks to block the airport from assessing a user fee for one group of users. He said this is an issue for the businesses groups—the airlines who pay most of the operating costs under the operating agreement and other businesses that get the benefit of the airport's infrastructure and market, and who are generally required to pay their fair share. This bill limits the airport's ability to charge those fair shares. On behalf of the tenant, the airport opposes the bill. The proposed fee is a privilege fee for the benefit received. He said Section 1 of the bill doesn't preclude the airport from charging a fee, it just limits the ability to use the most efficient fee, which would be based on gross revenue. It is appropriate to have different classes of use for different types of ground transportation, he noted. Other concessionaires in the terminal do pay a percentage of gross revenues or a minimal annual guarantee. Diamond Parking was aware of this before it constructed the lot. He said the off-airport rental car companies have been paying this 8 percentage gross for many years. It is done around the country, he stated.

[2:02:53 PM](#)

REPRESENTATIVE NEUMAN said he would think that figuring out gross revenues for a company would be more difficult than requiring a set fee.

MR. BARSALOU said a trip-fee system requires an accounting procedure, tracking busses, maintaining transponders, and staff to accomplish all that. He added that charging a percentage of

gross only requires a company to submit certified activity reports every month, as is done with other concessionaires. He noted that it is on the honor system, and then an auditor does an audit every few years. "It is a much cheaper way of actually collecting the fee."

REPRESENTATIVE NEUMAN said he is not sure he agrees.

2:04:09 PM

MARK PFEFFER, Venture Development Group, said his company is developing the consolidated rental car facility at the airport. He said he has no financial interest in the bill, but he is informed about the business and is neutral except the provision on the rental cars. He said it is not appropriate to remove the 8 percent charge for the off-airport rental car companies. He said the shuttles for off-airport rental car customers differ from other shuttles. There are no hotels operating on the airport so users are free to choose. For passengers using shuttles to hotels, the cost of that convenience is factored into the hotel cost structure. Hotels without a shuttle, he said, offer less cost for less convenience. All places of lodging have equal access to their customer base, he noted, and they can purchase advertising at the airport.

2:06:35 PM

MR. PFEFFER said there are no public-sector rental car businesses at the airport, only private sector. Each rental car business is free to make its own competitive choices regarding access to customers, and that access should require a fee, he stated. The fee imposed by the airport to off-airport rental car customers using a shuttle was set at 8 percent to reflect the less convenient access but high enough to reflect the access to the market base. He said, "The fee should not be waived to the mere fraction reflected by a nominal annual fee or a per-trip rate structure, since the point of the fee is not a charge for operations on airport, but a charge for access granted to the customer base." Fees for operating on the airport are in addition to the 8 percent charge for off-airport companies or the 10 percent fee charged for the on-airport companies. He said the 8 percent fee is purely to access the customer base, and the difference of 2 percent is appropriate. Currently passengers may seek out off-airport companies without paying the 8 percent fee, but only by making their own arrangements, for example by taxi. He said the right to operate a shuttle at the airport is what the off-airport rental car company chooses to

purchase to gain access to a customer base. If the percentage structure is removed from the off-airport companies, they will have a competitive advantage. He requests that "and off-airport rental car offices" be stricken from line 31 of the bill.

[2:10:12 PM](#)

REPRESENTATIVE KOHRING asked if fees are going to be charged to the airlines and railroad who access the same customer base.

MR. BARSALOU said fees are charged to the airline, and the railroad could be charged too. The railroad built a tunnel, so some of its fees were delayed.

REPRESENTATIVE THOMAS said the fiscal note says the bill will undermine changes the legislature enacted last year for a financing mechanism--the customer facility charge. He asked if that was under construction and who was doing it.

MR. PFEFFER said it was his project. It would not impact him personally, his fee is set, and no matter what happens, his costs don't go up. The fiscal note is correct, because if the off-site rental car companies can use a shuttle without paying the 8 percent fee, they will have an advantage. He said some of the customers could take advantage of using a shuttle and going off airport, which would reduce the number of transaction days at the airport, thereby increasing the customer facility charge.

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MR. MAKINSTER said it is the intent of the sponsor "not to take that out." He said when he is at an airport he always uses the on-site rental car companies, "even if it's 10 bucks more." He said that is the advantage, "so by taking the off-airport rentals out, we don't feel that we're giving a competitive disadvantage to the people in the airport."

REPRESENTATIVE THOMAS said airport rental car fees are high enough that he has stopped using them in Seattle. He said it is now cheaper to fly between Medford, Oregon and Seattle. He said the taxes are ridiculous--almost 50 percent. He noted that the fiscal note also points out that a \$150,000 to \$200,000 burden would be transferred to the airlines, and thus their customers, instead of Diamond Parking.

[2:15:39 PM](#)

MR. MAKINSTER said that amount would have to be absorbed, so it is a revenue-neutral system. He said the signatory airlines and the other commercial entities in the building would pay for that, and "obviously that would get passed on to passengers." He said Senator Cowdery talked to Alaska Airlines and was told that amount is virtually nonexistent. "And you have to consider, yes, it may be carried over to the concessionaire—that was mentioned—that it would be doing massages, but his amount compared to how much the signatory airlines pay to land there, his amount would probably be almost nothing. So that amount would not pass on."

CO-CHAIR GATTO said the bill simply maintains the current system; there is not cost-shifting.

[2:16:41 PM](#)

MR. MAKINSTER said that is correct, but the proposed regulation would change, and the assumed money would have to shift.

CO-CHAIR GATTO said the fiscal note refers to the airport facilities charge to construct a new area. He recalls establishing a \$4 per day charge to construct the facility, and he asked the relationship to off-airport parking.

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MR. MAKINSTER questioned why that would be used as a justification for the off-airport parking fee, and he said it goes in the face of last year's testimony.

CO-CHAIR GATTO said he frequently rents cars at the airport, and after a 10 percent increase, he parks "in the next zip code trying to get back to the airport, which meant hustle over to some little shed" to wait for a bus. He noted that he is paying 10 percent more for a facility charge, and there is no facility, and he might be dead before he can enjoy the facility. The "burden was going to a group of people to pay for some other group of people." Now, with this bill, he has distrust over any proposal. He noted that an attorney general asked the committee to hold the bill and told him Diamond Parking makes money because the airport exists, "so you owe the airport something in exchange for being able to access this huge amount of people who want to park a car—who would never be parking a car there if it wasn't for an airport." He said the access to the customer base should be charged a uniform rate.

2:20:50 PM

MR. MAKINSTER said that argument could be made for a hotel near the airport.

2:21:52 PM

JOHN STEINER, Assistant Attorney General, Transportation Section, Department of Law, spoke to the issue of costs shifting. He said that prior to the imposition of the parking charge, there had been parking charges at the airport itself as part of the cost structure of the airport. He said those charges are to help recover part of the costs of the airport as a whole. He said there was a time when parking was privately operated, and the operator paid a percentage of gross revenues; it was a higher percentage. The lot then became a management contract. He noted that when Diamond Parking opened its facility, the other lot lost customers. The user fee has become less uniform in terms of support by parking customers. There was a cost shifting that now had to be borne by the airlines, and this would shift some of it back, he stated.

2:25:25 PM

CONNIE GURICH, Director of Properties, Hertz Corporation, said the airport is a unique landlord offering infrastructure and access to customers. She said every five years, Hertz bids for the privilege of being on the airport, but the airport receives large sums of money in the form of a minimum annual guarantee, a percentage of gross revenue, and rental-space fees. She doesn't want to change the competitive advantage of Hertz, who provides the same kind of service. Whether operating on the airport or off, all should pay the same percentage level on the gross revenue component. To change the formula for the rental car industry market would disadvantage those, like Hertz, who put a great deal of time and effort to create a business plan and bid for the use of the airport. She said she agrees with paying 2 percent more because of being right at the airport, but the company still needs the infrastructure, counter, and office space. She said the off-airport operators get the same facility from a local landlord, and they are at a cost-advantage. She said it is patently unfair if change the formula for one group in the same industry. "You can't charge the off-airport rental cars a trip shuttle fee while you charge the on-airport rental cars 10 percent of their gross revenues. They will absolutely drive the market off the airport." She said then all the others

will leave the airport. She requested striking the provision that deals with off-airport rental car companies.

[2:29:52 PM](#)

REPRESENTATIVE NEUMAN asked Ms. Gurich if Hertz will leave the airport if this bill passes.

MS. GURICH said absolutely not.

REPRESENTATIVE THOMAS said he thought the committee was talking about Diamond Parking.

[2:32:02 PM](#)

JAMES BOLYEFKO, General Manager, National/Alamo Car Rental, said his companies have 25 percent of the market at the Anchorage airport, and he is also acting president of the airport car rental operators for the car rental consolidated parking facility. He said SB 304 includes an exemption of the existing percentage of gross fee for car rental companies operating off site. It jeopardizes the revenue stream that is in place to maintain the long term commitment for the consolidated rental car facility. He said there is a financial plan in place. If the revenues are positive, the concession fees can be stable or reduced, which is good for all travelers. Without the 8 percent fee charged to off-site rentals there may be an on-airport company to open an off-airport office. So that would be a loss to the concession fees collected, which could cause that fee to increase dramatically. With the absence of the 8 percent gross revenue fee, it would be passed on to the airlines and the travelers. He said there has been a large commitment to the rental car facility, and construction has begun. He said that attracting business away from the airport is not in the business plan, and he is opposed to the car rental provision in SB 304.

[2:35:39 PM](#)

CO-CHAIR GATTO asked about removing that provision.

MR. BOLYEFKO said that is his only objection; he is not in the parking business.

RAY MUNDY, Executive Director, Airport Ground Transportation Association, University of Missouri, said the association has membership on both sides of the issue. He said, nationwide, about 81 percent of airports charge some sort of fee for off-

airport parking, and the average is 8.25 percent of gross. He said that Detroit charges 25 percent of gross. He said smaller airports sometimes charge a fee based on the annual vehicles or on an annual per-company basis. The general trend is to move beyond landing fees to pay for airports and more into terminal and ground transportation fees. Typically car rental companies are paying 8 percent off-site and 10 percent on-site. For off-airport parking, most large airports charge a percentage of gross. He noted that it is common to start at 4 percent and then move to 8 or 10 percent over a period of years. He said there have been many court cases and the airports have been able to charge a access fee based on a percentage of gross in order to cover overall costs. He said Diamond Parking also operates in Salt Lake City and so it knows it pays \$1.10 for every trip through the airport, and they should know that typically they would be paying more than they are at the Anchorage airport. The \$2500 is one of the lowest fees in the country. He said to move directly to the 8 percent fee is a big jump. He said he is neutral, but the fee would not be considered arbitrary or capricious, and he suggested giving consideration to a more graduated fee. He added that not all fees have to be uniform, as parking and rental car companies receive much more benefit from an airport than a hotel, and uniformity is not typical.

[2:42:18 PM](#)

REPRESENTATIVE THOMAS asked why a limo pays more than a cab.

MR. MUNDY said taxis often have lower fees because limousines charge more to their customers.

[2:43:56 PM](#)

CO-CHAIR GATTO asked about charging private cars for dropping off friends or family.

MR. MUNDY said there are several airports who charge such access fees. He said there are probably no more than three airports in the country that charge every single vehicle. He said typically mom's car pays nothing. A shuttle is conducting a business and expected to pay.

CO-CHAIR GATTO asked about a typical fee.

MR. MUNDY said there are fees for each class of operations, and for off-airport parking, he said it is from 2 percent to 25 percent of gross revenues. Larger airports typically charge

more. A toll booth is often \$1.75 to \$2 per trip. There is also dwell-time if the vehicle stays more than 3-5 minutes. He also spoke of a permit fee for each driver, vehicle, and business license. As he mentioned, there is a shift more to terminals and ground transportation to pay for the airport. Most usable revenue for U.S. airports comes from car rental and parking revenue.

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MR. MUNDY said landing fees are spent on maintaining the airport and runways, and the parking and car rentals are where the airports really make their money. Liquor sales and shoe shining make the most money on a square-foot basis.

[2:49:49 PM](#)

MR. MUNDY said he hopes that the parking facility can participate like a partner with the Anchorage airport.

[SB 304 was held over]

HB 397-APPROP: ANCHORAGE SIGNAL UPGRADE

CO-CHAIR GATTO announced that the final order of business would be HOUSE BILL NO. 397, "An Act making an appropriation for an upgrade of signal system emergency devices in Anchorage, contingent upon matching funds from the Municipality of Anchorage; and providing for an effective date."

JOHN KIEWIK, Anchorage Municipality, said Anchorage may have 80,000 more people by the year 2020. There are now more vehicles in Anchorage than people--a problem for emergency responders at intersections. The bill will help, he stated.

[2:53:11 PM](#)

CO-CHAIR GATTO asked about the "opticoms," which were bulkier and more expensive. He asked the cost of installation of "one of these."

MR. KIEWIK said the intersection cost is about \$15,000, and the placement of the light on the apparatus is about \$1,100 per vehicle, but that part is completed. He said Anchorage only needs the intersection installs.

[2:54:15 PM](#)

MR. KIEWIK said, in response to Representative Neuman, one fifth of the intersections in Anchorage have the system in place.

BOB KNIEFEL, Traffic Engineer, Municipality of Anchorage, said that 45 intersections have the pre-emption system installed and there are approximately 200 intersections left, and many are on the state roads. He is asking for two thirds of the money from the state, and the municipality will pay for the rest.

CO-CHAIR GATTO asked for proof of the value of the system.

MR. KIEWIK said it can't be measured until the system is installed. He said the system is good for public safety. "Under state law, at a red light, it's pretty much an at-will type thing as far as an emergency vehicle going through. Someone may or may not yield the right of way," he said.

[2:57:04 PM](#)

CO-CHAIR GATTO said he wants to quantify the safety factor.

MR. KIEWIK said there is a timing mechanism which allows for a pedestrian to walk across the intersection; it doesn't change instantly and allows time for a driver to react.

CO-CHAIR GATTO asked if the green light stays on until the vehicle goes through.

MR. KNIEFEL said it will hold the green light as long as the truck is emitting a signal, and that amount of time is not really measured beyond several seconds. He said he is not trying to provide a much shorter response time, but just a safer response.

[3:00:37 PM](#)

[HB 397 was held over.]

ADJOURNMENT

There being no further business, the House Transportation Standing Committee meeting was adjourned at [3:01:18 PM](#).