

**ALASKA STATE LEGISLATURE
JOINT MEETING
HOUSE TRANSPORTATION STANDING COMMITTEE
SENATE TRANSPORTATION STANDING COMMITTEE**

January 21, 2010

1:02 p.m.

MEMBERS PRESENT

HOUSE TRANSPORTATION

Representative Peggy Wilson, Chair
Representative Craig Johnson, Vice Chair
Representative Kyle Johansen
Representative Cathy Engstrom Munoz
Representative Tammie Wilson
Representative Max Gruenberg
Representative Pete Petersen

SENATE TRANSPORTATION

Senator Albert Kookesh, Chair
Senator Linda Menard, Vice Chair
Senator Bettye Davis
Senator Kevin Meyer
Senator Joe Paskvan

MEMBERS ABSENT

HOUSE TRANSPORTATION

All members present

SENATE TRANSPORTATION

All members present

COMMITTEE CALENDAR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES UPDATE

- HEARD

GOVERNOR'S COORDINATED TRANSPORTATION TASK FORCE

- HEARD

PREVIOUS COMMITTEE ACTION

No Previous Action to record

WITNESS REGISTER

FRANK RICHARDS, Deputy Commissioner
Office of the Commissioner
Department of Transportation & Public Facilities (DOT&PF)
Juneau, Alaska

POSITION STATEMENT: Presented an update on the Department of Transportation and Public Facility (DOT&PF) and answered questions.

JEFF OTTESEN, Director
Division of Program Development
Department of Transportation & Public Facilities (DOT&PF);
Chair, Governor's Coordinated Transportation Task Force (CTTF)
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of federal and state DOT&PF projects and answered questions as Chair of the Governor's Coordinated Transportation Task Force (CTTF)

JIM BEEDLE, Deputy Commissioner of Marine Operations
Marine Highway System (AMHS)
Department of Transportation & Public Facilities (DOT&PF)
Juneau, Alaska

POSITION STATEMENT: Provided testimony and answered questions during an update on the Department of Transportation and Public Facility (DOT&PF) update on the AMHS.

CAMILLE FERGUSON, Economic Development Director
Sitka Tribe of Alaska
Sitka, Alaska

POSITION STATEMENT: Presented the Governor's Coordinated Transportation Task Force draft report.

ANDRA NATIONS
Executive Director
Statewide Independent Living Council;
Representative, People with Disabilities
Governor's Coordinated Transportation Task Force (CTTF)
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the discussion of Governor's Coordinated Transportation Task Force (CTTF).

DAVID LEVY, Executive Director
Alaska Mobility Coalition
Anchorage, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of the Governor's Coordinated Transportation Task Force (CTTF).

ACTION NARRATIVE

[1:02:42 PM](#)

CHAIR PEGGY WILSON called the joint meeting of the House and Senate Transportation Standing Committees to order at 1:02 p.m.

Representatives Gruenberg, Johnson, Munoz, T. Wilson, Petersen, and P. Wilson, and Senators Paskvan, Meyer, Davis, Menard, and Kookesh were present at the call to order. Representative Johansen arrived as the meeting was in progress.

[1:02:52 PM](#)

CHAIR P. WILSON introduced new committee members, Representative T. Wilson, and Petersen. She stated that she has asked the Department of Transportation & Public Facilities (DOT&PF) to provide an update to the committees on major projects and funding issues.

Department of Transportation and Public Facilities update

[1:04:28 PM](#)

CHAIR P. WILSON announced the first item on the agenda is a Department of Transportation & Public Facilities (DOT&PF) update by DOT&PF, Deputy Commissioner Frank Richards.

[1:06:11 PM](#)

FRANK RICHARDS, Deputy Commissioner, Office of the Commissioner, Department of Transportation & Public Facilities (DOT&PF), introduced his staff members present and handed out reflectors for the DOT&PF Safe Routes to School program, funded by the Federal Highway Administration (FHWA). He said that the reflectors are distributed at schools so school children can be seen walking to and from school.

[1:09:02 PM](#)

MR. RICHARDS reviewed the overview items he planned to cover in his update on the American Recovery and Reinvestment Act of 2009 (ARRA) and the Jobs for Main Street Program. Additionally, he will discuss the comments by the Reason Foundation, the Governor's Initiatives, the FY 2011 Budget, and the DOT&PF's accomplishments, emergencies, and successes.

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MR. RICHARDS provided an ARRA update [slide 3]. He explained that of the \$264 million designated to Alaska, \$131.5 million was designated for highway transportation, \$73.4 for aviation, and about \$9.1 million for transit. The goal of the ARRA funding was to initiate project construction as quickly as possible. The state only has until February 2010 to obligate funds and to date has obligated about 75 percent of the federal ARRA funds. He reported that the DOT&PF has about five projects left to obligate. He applauded the DOT&PF's efforts to meet the federal guidelines. Thus far, the DOT&PF has expended about 25 percent of the federal ARRA funds placing it in the top half of states nationwide. In an effort to keep the public informed, the DOT&PF created and launched a new website, www.dot.state.ak.us/econstim that provides project specific details on the federal funding.

1:12:25 PM

MR. RICHARDS offered an update on the Gustavus Dock Project [slide 4]. The overall project is to provide bridge and trestle work, as well as construction of the pad that will allow "roll-on roll-off" freight transport. This project replaced a 1960s bridge and the federal ARRA funds came at just the right time. The project will be completed at the end of the summer.

MR. RICHARDS discussed the Glenn Highway Repaving Project to repair severe ruts [slide 5]. The work from Hiland Road to the Eklutna Interchange began June 12, 2009, and was completed on Oct 21, 2009. The scope of the project included milling off the existing surface, repaving, marking, and replacing any deficient guardrails. The next phases of resurfacing along the Glenn Highway will be from Airport Heights Drive to Hiland Road and the Eklutna Interchange to the Parks Highway Interchange, he stated.

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MR. RICHARDS briefed the committee on the Jobs for Main Street Act [slide 6]. On December 16th, 2009, the U.S. House of Representatives passed the Jobs for Main Street Act to create or save jobs in the U.S. The targeted investments of \$75 billion is designated for highways and transit, school renovation, hiring teachers, police, and firefighters, small business, job training and affordable housing; the key drivers of economic growth. He recapped that this bill has passed the U.S. House of Representatives, and will now be taken up by the U.S. Senate. The DOT&PF anticipates that this new bill will provide transportation highway funding at or about the same level as the last ARRA funding. Under the bill, fifty percent of the funding must be under contract by states within 90 days, instead of the requirement under the ARRA to obligate the funds within 120 days. The deadline is much tighter for the DOT&PF to capture the funds for Alaska.

1:15:01 PM

REPRESENTATIVE JOHNSON asked how this potential funding will mesh with the state's procurement process. He asked whether the state will be able to meet the 90 days deadline or if additional legislation will be needed to accept the federal funding.

MR. RICHARDS offered to cover the timeline later in the DOT&PF presentation. He discussed the Jobs for Main Street Act (Jobs Bill 2010) process [slide 7]. Based on the input from the Congress on the timeline, the DOT&PF requested projects from community and tribal governments. The DOT&PF must follow all the federal processes. Thus, the department has put a Surface Transportation Project on the street that the DOT&PF believes can be accomplished under the federal Title 23 processes. The DOT&PF has already received comments back from communities and is currently reviewing these projects and looks towards a future STIP amendment to capture the funding for them.

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CHAIR P. WILSON asked whether some communities thought their projects were ready, but when the department reviewed the projects they discovered that the communities had not met all the federal requirements.

MR. RICHARDS answered yes. Some communities thought they were ready but had not performed the necessary environmental documentation, the right-of-way certification, or the utility relocation. In some cases additional work needed to be done,

which sometimes surfaced when the department worked with the federal agencies.

MR. RICHARDS compared the ARRA timeline with the Jobs Bill 2010 timeline [slide 8]. The ARRA timeline allowed 120 days to obligate funds, which is the point at which the DOT&PF files any contractual documents with the FHWA to essentially confirm that the state has met all the requirements under the federal Title 23 regulations. The Jobs Bill 2010 allows 90 days for states to contract - which is the point at which the DOT&PF puts out a bid on the street, the contractors have bid, and the procurement process is initiated to certify the bids, prior to the construction phase. He offered the provisions tied to the transportation funding contain the most aggressive timeline, which all the states must meet, but the reason for this is that the Congress wants jobs on the street. At this point, the DOTPF believes the process can meet the timeline, but it will require all DOT&PF staff to do so. The Office of Management and Budget also believes it has the authority to work through the Legislative Budget and Audit process to capture funds.

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MR. RICHARDS, in response to Representative Johnson, stated that the federal government specifically did not want the ARRA funds to displace state-funded projects. He assured members that the DOTPF will fund projects that used the federal process and had not followed the general fund process.

[1:21:17 PM](#)

JEFF OTTESEN, Director, Division of Program Development, Department of Transportation & Public Facilities (DOT&PF), explained that initially the DOT&PF thought projects currently in the design project that were designated for ARRA funding could not be removed from the process to allow the DOT&PF to substitute other projects. However, in the end, it turned out that shuffling was permissible, and most states needed to do so in order to meet the federal deadlines. The DOTPF will need to use all available projects to meet the federal deadline since 45 days is a remarkably short deadline. He estimated that the average federal aid project takes 7 - 9 years to go through the entire process to construction completion.

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SENATOR PASKVAN asked for the number of projects throughout the state that the DOT&PF can use to meet the deadline, in terms of dollars and the number of projects.

MR. OTTESEN answered that \$166 million of DOT&PF projects has already been identified, which is well over half of the \$175 million in the anticipated projects. Many are projects are already underway and have had some design work done. Additionally, one class of work that can be performed very quickly is the re-pavement project work since very little environmental or permit work is required. The DOTPF also has projects in progress that would be included its regular 2010 project list.

SENATOR PASKVAN asked for the distribution of projects in the state.

MR. RICHARDS explained that 16 projects have been identified and are spread throughout the state, ranging from Southeast Alaska, Kenai, Anchorage, Fairbanks, and along the Richardson Highway. He described these projects as basically "mainline projects," including roads and highways that provide transportation for the greatest amount of traffic. He restated that the mill and overlay projects can be quickly certified and be ready for construction, including the Glenn Highway resurfacing projects.

[1:24:29 PM](#)

MR. RICHARDS, in response to Representative Johansen, explained that the federal funding for the Jobs Bill 2010 is subject to the Title 23 federal process, including the environmental, right-of-way certification, utility, and design processes just like any other federal project. If an existing project requires a change in scope, it would likely mean revisiting the environmental document. Since the federal timelines must still be followed, the environmental process could delay the project from inclusion in the initial 50 percent obligation list. Again, he emphasized that 50 percent of the funds must be placed under contract within 90 days. Thus, considering inclusion of any re-scoped projects in the mix would be difficult, he stated.

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REPRESENTATIVE JOHNSON asked if the Jobs Bill 2010 funding can be used to fund municipal projects such as Ketchikan or Fairbanks projects.

MR. OTTESEN related that Anchorage will receive a specific fraction of the anticipated \$175 million or about \$19 million. The Municipality of Anchorage uses the AMATS Board process to obtain its funding, which contains the same accelerated federal timeline. Communities with projects that have followed the federal process are eligible for inclusion. However, communities do not typically follow the more burdensome federal process, so their projects are usually not eligible for federal funding, he stated.

REPRESENTATIVE JOHNSON asked for copy of the DOT&PF's proposed project list.

MR. OTTESEN related that last year, Fairbanks ended up not receiving funding based on specifics in the federal formula, so the DOT&PF funded Fairbanks projects from its regular program funds. It may well happen again this year, although efforts are being made to amend the federal formula to address the issue. In further response to Representative Johnson, he agreed that Anchorage and Fairbanks are the only communities in Alaska that follow the Metropolitan Area Transportation Solutions (MATS) process.

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MR. OTTESEN clarified that Alaska's federal funding is received by the state in four categories. The categories include MATS, transportation enhancements, and smaller communities. He detailed that about 3 percent of the funding is designated for transportation enhancements to fund items such as sidewalks and trails, and about 30 percent is designated for communities with populations under 5,000. An overarching requirement for the federal transportation ARRA funding has been to give priority to communities in economic distress. Last year, the goal was a soft goal but this year the DOT&PF anticipates that this goal will be a firmer goal. States must use the federal criteria to determine which communities are designated as ones in economic distress, he offered.

[1:30:30 PM](#)

REPRESENTATIVE JOHNSON expressed interest in providing funding for specific communities are under economic distress. He asked whether communities that have already been declared as emergency situations will be eligible for funding. He also requested a list of the applicable federal statutes and regulations that apply.

[1:31:47 PM](#)

REPRESENTATIVE T. WILSON asked whether a borough that has already filed for economic distress relief would be eligible for the Jobs Bill 2010 funding.

MR. RICHARDS explained that he was not aware of any provision in the Jobs Bill 2010 that allows for a certain percentage of funding to be targeted for economic distress. The economic distress was a soft target, identified in last ARRA bill as an emphasis that the Congress placed on states, but the Congress did not specify any dollar amount. He was unsure whether unemployment rates are defined in any emergency provisions and deferred to the state or federal Department of Labor to provide these rates. He related that the Jobs Bill 2010 funding is in currently before the U.S. Senate so changes may still occur in the bill. For example, the Fairbanks North Star Borough is actively pursuing the Fairbanks Metropolitan Transportation System (FMATS) issue be addressed by the Congress so that it may receive funding. In response to Chair Wilson, Mr. Richards offered to seek information on the unemployment rates for the committee.

[1:33:27 PM](#)

MR. OTTESEN related that last year the DOT&PF was allowed to make a case for a subset of a census area or a borough as an area in distress. He suggested that the state could also make the case that pockets of distress occur within a census area that has not been identified as a distress area.

[1:34:24 PM](#)

SENATOR PASKVAN asked whether the DOT&PF anticipates any problems as a result of the compressed schedules, and if the DOT&PF will have enough shelf-ready projects later, say two to five years from now, since all the available projects may already be funded from the federal stimulus funds.

MR. RICHARDS agreed that the extra federal money has funded many of the shelf-ready projects and has allowed the DOTPF to build projects a year or so in advance. The DOT&PF's design and construction and the department's consultants are striving to re-establish projects and get them ready for additional funding to avoid that issue.

1:36:03 PM

MR. RICHARDS discussed the performance of the State Highway System in Alaska [slides 8 - 11]. He offered that many members may have already received a report from the Reason Foundation, which is a report on the nation's highways. The report states that Alaska's highways are the worst in the nation. He said that the DOT&PF takes exception to that analysis. The Reason Foundation did not take into account the extensive gravel highways or the unique characteristics of Alaska's rural interstate system as compared to interstate highways in the middle U.S. states or along the Lower 48 coastal states. Alaska's interstate system is not a controlled access four-lane highway, but is a two-lane rural road with driveways and side streets directly accessing the highway. Thus, traffic pulls gravel on the roadway, he explained. The Reason Foundation made its determination on the roughness index. He recalled the committee's recent tour of Alaska's roads in the DOT&PF van so members have an idea of the road conditions. The Reason Foundation concluded that Alaska's highways were rough, including the gravel roads. He suggested that one cannot compare a four-lane interstate 95 highway with the Dalton Highway with areas of discontinuous permafrost and the specific challenges of that road. The report also took into account the per mile funding that penalized the state's capital and operating costs since the funding included the AMHS capital costs into the per mile calculation, but did not include the run length of the marine highway. Thus, it tipped Alaska over and dropped it down considerably from where it should have been. He concluded that the Reason Foundation's reasoning was flawed.

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MR. RICHARDS acknowledged he has tried to work with the Reason Foundation to address the DOT&PF's specific disagreements with their report. He said, "We're proud of our highway system and the people that work on it, the Marine Highway System that we have, and the services we provide to all Alaskans so we took offense at this report."

MR. RICHARDS, in response to Chair Wilson, agreed that the DOT&PF will not report on gravel road roughness.

MR. RICHARDS reviewed the Governor's Initiatives [slide 12]. He pointed out that DOT&PF has nearly \$775 million in deferred maintenance across the modes, for highway, aviation, facilities, AMHS, ports, and harbors. The DOT&PF continues its work on the

designated Alaska Highway Safety Corridors (HSC) to make the roads safer, and the DOT&PF has also advanced its efforts on the road to Umiat and Nome, as well as improving the crime lab with \$75 million to take that building to construction. Again, the state is improving the Dalton Highway due to its importance to the state.

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SENATOR MEYER expressed concern with state roads not being maintained. He inquired as to whether the problem with contractor providing street cleaning in Anchorage has been rectified.

MR. RICHARDS responded that he would cover that in his presentation. In further response to Senator Meyer, he answered that he would cover fatalities on the Seward Highway from Anchorage to Seward and the Kenai Peninsula during his discussion of the designated Highway Safety Corridors (HSC).

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MR. RICHARDS discussed the FY 11 budget [slide 13]. He explained that the operating budget is about \$542 million, of which \$236 million is general fund monies, and \$306 million is federal funding.

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MR. RICHARDS, in response to Senator Menard, related that the department currently has 3,400 employees, including its in-house surveyors and one architect.

SENATOR MENARD expressed concern about outsourcing professional services, which could be held for another discussion. Some constituents have complained that some of the professional services could be performed by the private sector.

MR. RICHARDS suggested that the DOT&PF outsources a tremendous amount of work. He recalled that over 70 percent of the DOT&PF's design work in the Central Region is performed by its consultants. The department is expanding its construction management and oversight services so that over 40 percent is performed by consultants. Members of the consulting community provide important services to the DOT&PF. He expressed confidence that the DOT&PF is working with its partners in the consulting community. In further response to Senator Menard, he

agreed that the programs have rapidly expanded, but the employee level for design and construction has not grown. He offered to discuss this matter further.

[1:45:31 PM](#)

MR. RICHARDS, in response to Representative Johansen, explained that the DOT&PF requests general fund matching funds in different proportions for its highway, aviation, and transit programs. He reported \$8.6 in matching funds for aviation and \$36 million in matching funds for highways for a total of \$45 million, although he might have missed some matching funds in his quick analysis today.

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MR. RICHARDS, in response to Representative Munoz, stated that the Congress has delayed action on the highway reauthorization bill due to its efforts on health care, climate change, and federal stimulus funding. He estimated that the FY 10 federal funding would be similar to FY 09 federal receipts. In further response to Representative Munoz, he explained that the initial continuation was a month, but was then extended to six to eight weeks.

MR. OTTESEN answered that the Congress has had three extensions on the SAFETEA-LU, and recently extended it to end of January. The state anticipates a fourth extension soon. Additionally, a year-long extension is contained in the Jobs Bill 2010 that would extend SAFETEA-LU through 2010.

[1:48:47 PM](#)

MR. RICHARDS turned to accomplishments [slides 14 - 17]. He provided an updates on the A and B concourses projects at the Ted Stevens International airport, which were performed on schedule and under budget. He noted the single security checkpoint [slide 16].

MR. RICHARDS explained the Fairbanks Passenger Terminal enhancements also came in on schedule and under budget [slide 18]. This project also won the 2009 design award by the local chapter of the American Institute of Architects. He highlighted the Fairbanks Runway Reconstruction and Cargo Stand Construction [slide 19]. The project was completed for \$43 million, without incident. The heavy cargo apron also allows heavier planes to

land and provides service to trans-Pacific carriers in the event flights need to be diverted to the airport.

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MR. RICHARDS discussed the Dowling Road Extension [slide 20]. He explained that this was a general fund project that connects Abbott Road and Dowling Road and provides a new east to west corridor to shift traffic away from the congested Lake Otis and Tudor intersection. The project was completed within three years, which shows the benefits of state-funded projects.

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SENATOR MEYER offered his appreciation for completion of the Dowling Road Extension between Lake Otis Parkway and Elmore Road since it helps move traffic east to west. He inquired as to whether the next phase of the project, extending Dowling Road from Arctic Boulevard to Minnesota Road is still in the plans.

MR. RICHARDS provided an update on the Dowling Road West Project, which is the next planned phase. He explained that a portion of the proposed roadway will traverse wetlands and will require an extensive environmental impact statement (EIS). He related that the next phase is the environmental portion of the work. He explained that this project is part of the Connect Anchorage Initiative, which provided nearly \$800 million in roadwork to help address congestion in Anchorage and allow for better traffic flow to bypass some of the more congested intersections. The next phase of Dowling Road West is in the environmental phase and will require the DOT&PF to seek appropriation for construction once the estimates are firm for environmental costs.

SENATOR MEYER also expressed his appreciation for the DOT&PF's public meetings with the Community Councils. He suggested that the completed project will further relieve the traffic congestion at the Tudor Road and Lake Otis Parkway intersection.

MR. RICHARDS anticipated that the Dowling Road Extension projects will reduce traffic by 15,000 vehicles per day.

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MR. RICHARDS, in response to Representative Johansen, answered that general fund monies can be used for deferred maintenance, the AMHS vessel, and terminal overhaul, and for highway facility

projects, including \$5 million for the Highway Safety Corridor (HSC). Additionally, a variety of other projects can be funded from general fund, such as the Roads to Resources Initiatives and Americans with Disabilities Act compliance, bunk house replacement, and anti-icing programs. In further response to Representative Johansen, he answered that these projects appear on the appropriations list.

REPRESENTATIVE JOHANSEN asked for the criteria that the DOT&PF uses to determine which projects will be general fund only projects.

MR. RICHARDS answered that project work previously described is built into the DOT&PF program with a timeline, including initiatives such as the Connect Anchorage Initiative, the EIS for Dowling Road West, or the Seward Highway Expansion. Much of the funding is used for initiatives such as the Roads to Resource that will help create jobs. The DOT&PF works through the process and presents its recommendations to the Governor's office, and then awaits authorization for general fund expenditures in the fiscal year.

[1:58:20 PM](#)

MR. RICHARDS, in further response to Representative Johansen, explained that the DOT&PF has developed plans in multiple areas of the state, including Southeast Alaska, Northwest Alaska, Southwest Alaska, and the 2030 plan. The DOT&PF obtains input during the project development process, identifies issues, receives input from the regions, and then determines which projects to include in the capital plan.

[1:59:40 PM](#)

MR. RICHARDS highlighted the Sitka Roundabout Project [slide 21]. He explained that this project reduced congestion and accident rates at the intersection of Sawmill Creek Road, Halibut Point Road, and Lake Street. The intersection serves 11,000 vehicles per day and the roundabout should make the intersection much safer. He discussed the North Pole Interchange [slide 22]. This project addressed a long-standing need at the intersection of the Richardson Highway and Dawson Road. This project provided a bridge over Dawson Road and a safer intersection. The project was completed for \$19.7 million, at about 9 percent below the contractor's bid amount.

[2:00:44 PM](#)

REPRESENTATIVE T. WILSON asked whether the DOT&PF examines the effect construction projects will have on businesses or if the community must review the impact.

MR. RICHARDS explained that the DOT&PF uses an extensive process to involve the communities and provide community input. In further response to Representative T. Wilson, he explained the process the department uses to notify the public, including that the DOT&PF mail notices, publishes notices in the newspapers, and also assists people who are interested in a specific project to sign up to receive e-mail notifications.

[2:02:40 PM](#)

SENATOR PASKVAN asked whether the department currently experiences projects being uniformly consistently underbid, requested the per lane mile costs, and if the DOT&PF expects stability in construction costs.

MR. RICHARDS responded that in mid 1990s the DOT&PF experienced a high inflationary period, but in 2008 experienced the effects of worldwide impacts. Last year the bid amounts generally came in lower than the engineers projected estimates, which is unusual in a competitive market. He related that the cost per mile is not standardized, that each project is different since the specific requirements in projects may include culvert, guardrail, or embankment needs which will affect the overall project cost. Additionally, the costs are not consistent around the state, since some regions have discontinuous permafrost while other regions do not have permafrost considerations.

[2:05:05 PM](#)

SENATOR PASKVAN clarified that he is more interested in stabilization than in the overall costs and asked whether the DOT&PF anticipates stability or instability in the cost analysis, not for the overall lane mile costs.

MR. RICHARDS responded that asphalt costs pose challenges. The costs of asphalt are much higher than in the Lower 48, which is a variable that cannot be projected. The DOT&PF attempts to contain costs to maximize the number of projects it can undertake.

[2:06:48 PM](#)

CHAIR P. WILSON asked what happens to any excess funding when the project costs come in lower than expected.

MR. RICHARDS answered that the process for stimulus fund authorization provides a good example. As projects came in under budget, the DOT&PF was able to present additional projects to the Legislative Budget and Audit committee for approval.

2:08:00 PM

MR. RICHARDS, in response to Representative Johansen, answered that the FHWA policy requires annual financial reporting on all projects over \$100 million. Additionally, the DOT&PF engineers adjust their estimates in the regular program, for example, to adjust for actual asphalt costs. In further response to Representative Johansen, he related that the DOT&PF has a significant number of projects over \$100 million.

2:10:38 PM

MR. RICHARDS described the successes of the AMHS, including vessel fuel savings [slide 23]. He explained that the AMHS has had 92 percent of on-time departures, and has released its winter and spring schedules ahead of time. The AMHS has instituted power management and fuel savings systems that have resulted in 10 to 14 percent fuel savings. The systems are on the M/V Aurora, the M/V Tustumena, and the M/V Matanuska and will soon be installed on the M/V Kennicott and the M/V Columbia during major refurbishments. He remarked that the AMHS anticipates it will provide wireless service on the vessels.

CHAIR P. WILSON recalled the AMHS anticipated it would have a 10 to 20 percent cost savings due to limiting the vessel speeds.

2:12:19 PM

JIM BEEDLE, Deputy Commissioner of Marine Operations, Marine Highway System (AMHS), Department of Transportation & Public Facilities (DOT&PF), recalled that the AMHS has the most experience with the Power Management and Fuel Savings Systems on the M/V Aurora in Prince William Sound. The process involves a cooperative effort between the engineers and the deck and is most effective on the longer ferry routes. Initially, system installations on the M/V Matanuska caused problems, but the addition of a controllable pitch prop system on this vessel should make the system work well. Thus, the AMHS does not have hard figures yet, but hopes to see better results on the M/V

Kennicott and the M/V Columbia, especially due to the longer runs.

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SENATOR MEYER referred to the M/V Susitna that is being built in Ketchikan. He inquired as to whether more projects will be performed in state.

MR. BEEDLE referred to the Alaska Class Ferry Update to answer part of the question. The AMHS has completed the preliminary design process, but has held conversations with the attorney general's office, who have urged the AMHS to work with the shipbuilder on the final design to avoid problems such as the ones the state had with the M/V Kennicott, and to help insure bonding. Thus, the shipyard will review the process in advance to be sure it can comply with the specifications to reduce risk. He related that the AMHS is completing a Request for Proposal (RFP), which he believed will be let in mid-February. The Ketchikan shipyard, Alaska Ship and Drydock, Inc. (ASD), is aware that the bid will be competitive, but ASD believes it can offer a competitive bid in that process.

SENATOR MEYER asked whether Alaskan companies would receive a five percent preference on any bids.

MR. BEEDLE explained that the preference is not specifically for Alaskan companies, but is considered an inter-port bid differential. In instances in which a ship needs refurbishing or is built out-of-state, for example, if a company in Florida or Washington was awarded a bid, the cost for shipping from that state to Alaska would be added to the bid cost. Thus, when the work is performed in state, such as in Seward or Ketchikan, the additional shipping costs are not added in so it works to the in state shipper's advantage.

MR. BEEDLE discussed the vessel overhaul or refurbishing process. The state provides Capital Budget funds to AMHS for safety certification of vessels, which covers the routine maintenance to insure passenger safety. In Southeast Alaska, most of the vessels are serviced for the general overhauls at the ASD in Ketchikan. However, if a Capital Improvement Project (CIP) is awarded to an out of state shipyard, the vessel receives its overhaul at the same time since the CIP process is a federal fund process and bids are awarded to the lowest bidder without any preference offered. However, the state still accrues cost savings in the process. Thus, the M/V Kennicott is

currently in Bellingham for a CIP, but will also receive its overhaul, which takes about six week to complete.

2:19:33 PM

CHAIR P. WILSON recalled some complaints from constituents on bid awards and remarked that it is helpful for her to know the process the AMHS uses.

MR. BEEDLE commented that the AMHS has already developed negotiated prices with the ASD on specific costs of services, which helps when the AMHS develop its Capital Improvement Budget (CIB). He characterized the Alaska Marine Highway System's relationship with the ASD as a good working relationship. In response to Representative Johansen, he agreed that the ASD is owned by AIDEA, but is operated by a private company in Ketchikan.

2:21:18 PM

MR. RICHARDS discussed the Highway Safety Corridors (HSC) [slide 24]. He explained that the DOT&PF and the Department of Public Safety (DPS) uses the "3 Es" approach consisting of education, engineering, and enforcement on the HSC. The Alaska Highway Safety Office (AHSO) has also developed a series of advertisements to help educate to consumers, such as the "Click It or Ticket" campaign. The DPS created the Bureau of Highway Patrol (BHP), which is currently in its second year of operation, with 28 officers assigned to the HSC whose specific task is to conduct patrols for safety issues. This specific enforcement is funded by the AHSO, and the \$4.8 million effort has resulted in reductions in major accidents. Additionally, fatalities are down 40 percent on the Seward Highway and Parks Highway Safety Corridors.

2:23:56 PM

REPRESENTATIVE JOHNSON recalled 12 fatalities happened this year on the Seward Highway between Anchorage and Seward or on the stretch of the Seward Highway enroute to the Kenai Peninsula. He remarked that this was an extraordinary high number of accidents and asked how the department statistics could possibly reflect a reduction in accidents.

MR. RICHARDS responded that the Seward Highway Safety Corridor does not encompass the entire Seward Highway, just the portion of the highway from Potter Marsh to the Turnagain Pass.

2:26:09 PM

REPRESENTATIVE JOHNSON recalled that the DPS has been encouraging drivers to phone in any drivers engaging in reckless or hazardous behavior. He asked for the DOT&PF's position on pending legislation for the "zero tolerance" bill or the ban on cell phones while driving bill.

MR. RICHARDS responded that he has not yet read the pending bills, but offered to do so and to report the department's position to the committee.

2:27:49 PM

SENATOR MENARD remarked that the DOT&PF is the largest department that the committee never seems to complete any overviews in one session. She suggested that the committee might consider breaking up future overviews into segments.

2:28:22 PM

MR. RICHARDS asked to address Senator Meyer's earlier question. He then referred members to slide 37, and to Anchorage Street Sweeping. He explained that the federal Environmental Protection Agency (EPA) issued new requirements for street sweeping and storm sewer management in an effort to keep the streams clean to meet the Clean Water Act guidelines. The DOT&PF and the Municipality of Anchorage must comply with the multi-sector general permitting. The DOT&PF must sweep main highways two times by June 1, 2010 and two more times by October 1, 2010. Secondary roads must also be swept once by June 1, 2010, and twice by October 1, 2010. The DOT&PF will promulgate regulations and has developed new contracts but anticipates that it will need an additional \$2.2 million in operating funds to comply with the federal unfunded mandate. In response to a question, Mr. Richards explained that the federal government can impose a \$32,000 per day penalty for non-compliance, although the EPA has not specifically set out a penalty for not meeting the street sweeping multi-sector permit requirements.

2:30:46 PM

SENATOR MEYER asked what efforts can be taken to reduce the deaths on Seward Highway. He expressed concern that the department is only tracking fatalities on certain sections.

MR. RICHARDS responded that the DOT&PF tracks all fatalities statewide. He explained that the statewide fatalities dropped 24 percent, which is the highest in the nation.

[2:32:04 PM](#)

The committee took an at-ease from 2:32 p.m. to 2:33 p.m.

[2:33:23 PM](#)

REPRESENTATIVE GRUENBERG related his understanding that \$110,000 worth of wire that was being shipped on the M/V Matanuska was recently stolen. He asked what process or procedures the AMHS uses, noting that he did not need an immediate response.

[2:33:44 PM](#)

Governor's Coordinated Transportation Task Force

[2:33:58 PM](#)

CHAIR WILSON announced the next item on the agenda, a draft report on the Governor's Coordinated Transportation Task Force.

[2:34:11 PM](#)

CAMILLE FERGUSON, Economic Development Director, Sitka Tribe of Alaska, explained that the Governor signed Administrative Order 243 on October 14, 2008 creating the Governor's Coordinated Transportation Task Force (CTTF) to study and make recommendations on how the state can coordinate cost-effective, community-based transportation services to persons with special needs.

[2:34:52 PM](#)

MS. FERGUSON related a personal scenario in which she suffered a travel delay to attend this hearing. Several wheelchair bound people were also on her airline flight. She offered that her comparison of her own needs as compared to those in wheelchairs highlighted for her the need for coordinated efforts for transportation.

[2:36:02 PM](#)

MS. FERGUSON named some CTTF members and support group present at this hearing, including Jeff Ottesen, Chair of the CTTF, Eric Taylor, DOT&PF, and David Levy, Alaska Mobility Coalition.

2:36:56 PM

MS. FERGUSON related that the CTTF was asked to examine the state's coordinated transportation, and to make recommendations to the legislature. The task force looked at a broad range of special transportation needs for persons, including persons with disabilities, senior citizens, preschool children participating in a head start program, public school students, low-income individuals, and those without access to existing, workable transportation opportunities. She remarked that Juneau has a great Care-A-Van service but none were at the airport to assist the wheelchair bound travelers, which emphasizes the need for better coordination [slide 2].

2:38:57 PM

MS. FERGUSON discussed persons with special needs [slide 4]. She explained that 25 percent, which is a large percentage of Alaskans, fall into the category of persons with special needs asked on an Alaska census survey taken in 2008 that identified poverty status adults and children, seniors over the age of 60, civilians with a disability, and veterans with a disability. Over 44,000 Alaskan homes are on public assistance. The state is large, and more than 150,000 people live off the state highway system [slide 5]. She described the extra efforts a disabled person living in rural Alaska must take to attend a conference.

2:40:41 PM

MS. FERGUSON outlined some of Alaska's transportation providers that provide assistance for the disabled to get to jobs, medical appointments, school, and social events [slide 5].

2:42:34 PM

MS. FERGUSON highlighted the types of services that provide human service transportation [slide 6].

MS. FERGUSON discussed the providers [slide 7]. This specific slide outlines sources of funding such as the Federal Transit Administration, and the National Council on Disability. It also outlines some of the agencies that serve people ranging from the

DOT&PF to non-governmental organizations or non-profit organizations. This slide is in a graphic format that better helps to illustrate the populations for special needs. Sometimes the same person is disabled and is also a low income person, she stated.

[2:44:02 PM](#)

CHAIR P. WILSON asked for a larger copy of slide 7 to distribute to members.

MS. FERGUSON agreed to do so.

[2:44:20 PM](#)

MS. FERGUSON highlighted coordination of services [slide 8]. Coordination of services is the efficient and effective use of local, state, and federal transportation resources. It includes working together across sectors to broaden transportation options, and helps insure the connectivity between them.

MS. FERGUSON explained that roads are highways, but in Southeast Alaska, including communities such as Sitka, access is obtained by the AMHS [slide 9].

[2:46:43 PM](#)

MS. FERGUSON identified CTTF members and the groups or organizations they represent [slide 10]. Jennifer Beckman, low income individuals, Patricia Branson, Senior citizens, Rebecca Hilgendorf, the Department of Health and Social Services, Glenn Miller, Municipal Transportation departments, Andra Nation People With Disabilities, and Cheryl Walsh, the Department of Labor & Workforce Development. She related that she represented transportation providers that receive federal funding for Indian Tribes, and as previously mentioned, Jeff Ottesen, chaired the task force and also represented the DOT&PF. She identified the ex officio members as Marcia Hoffman-Devoe, LSCW, U.S. Department of Veterans' Affairs, Rick Krochalis, U.S. Department of Transportation, Federal Transit Administration, Region X, and Christopher Mandregan, Jr., the U.S. Department of Health and Social Services, Alaska area Native health service.

[2:48:30 PM](#)

MS. FERGUSON outlined Administrative Order 243 tasks [slide 12]: Identify state, federal, and local government agencies and

private entities; identify barriers to coordination; recommend the removal of barriers; propose changes in statutes or regulations; develop mechanisms and incentives to coordination; identify available financing; and develop a mechanism to insure that services are coordinated.

[2:50:33 PM](#)

MS. FERGUSON reported the process used [slide 13]. The CTTF completed all seven tasks, conducted five face-to-face meetings, held six teleconferences, shared resource information, and conducted public comment period. She remarked that the public comment was very important to the CTTF.

[2:51:34 PM](#)

MS. FERGUSON reviewed the four CTTF recommendations, as follows [slide 14]:

1. Enact a statute to institutionalize and require coordination of community-based transportation services
2. Make specific state funds available to support operation expenses.
3. Enrich and enhance the human-service public transportation coordination planning processes by revising, and updating coordination planning guidance documents and providing increased technical assistance.
4. Fund and conduct a statewide needs assessment of Alaskans with special needs to clearly identify the scope of the transportation need.

[2:54:54 PM](#)

REPRESENTATIVE GRUENBERG related that some proposals were previously given to him during a meeting. He referred to number 4. He explained that the Alaska Mobility Coalition provided him with draft legislation.

MS. FERGUSON agreed that the Alaska Mobility Coalition prepared draft legislation.

REPRESENTATIVE GRUENBERG asked for the process to conduct a statewide needs assessment outlined in the fourth recommendation.

MS. FERGUSON responded that the process to provide the needs assessment still needs to be assessed.

[2:56:22 PM](#)

REPRESENTATIVE GRUENBERG suggested that if the CTF wants assistance from the legislature that it would be helpful to have the specifics outlines, such as providing a draft bill or something specific the legislature can assist the CTF to accomplish.

[2:56:58 PM](#)

ANDRA NATIONS, Executive Director, Statewide Independent Living Council; Representative, People With Disabilities, Governor's Coordinated Transportation Task Force (CTF), pointed out the CTF's first recommendation is to enact a statute to coordinate transportation services. An important component of that recommendation is a request to create a semi-permanent commission to continue the CTF's mission. She related while the administrative order was signed in October, that the full CTF was initially formed in February. She stated that the tasks were complex and the CTF did not have enough time to accomplish its work, especially with respect to identifying unmet needs.

[2:58:49 PM](#)

CHAIR P. WILSON asked for the end date of the CTF.

MS. NATIONS explained that the CTF will make its recommendations to the Governor by January 31, 2010. She related that a commission would likely be able to accomplish its work in 18 months.

[2:59:27 PM](#)

REPRESENTATIVE GRUENBERG asked whether the commission Ms. Nations is referring to was contained in the draft bill that was presented to him by some of the CTF members during an informal meeting.

[3:00:00 PM](#)

DAVID LEVY, Executive Director, Alaska Mobility Coalition, stated that former Governor Palin signed an administrative order creating the CTF, and asking for local communities, state government, tribes, and non-profits around the state to review transportation issues. The administrative order was signed in

October 2008, and the CTTF was organized in March 2009. One of the recommendations acknowledges that is hard to capture the diverse challenges in Alaska in nine months. The CTTF recommends long-term analysis of transportation needs, either by an additional administrative order to span another 18 months, or to create a permanent task force that could take a longer term review of transportation in the state. In response to Chair Wilson, he recalled conversations with the DOT&PF that funding would cost about \$50,000 to cover the group, but it would be federal funding, with no additional amount of general fund monies required.

3:01:50 PM

JEFF OTTESEN, Director, Division of Program Development, Department of Transportation & Public Facilities (DOT&PF); answered that he represented the DOT&PF on the CTTF, and was also the chair of the CTTF. He explained that the Federal Transit Administration requires the state to proceed with coordinated transportation. Thus, the FTA is very supportive of the state's CTTF. He recalled that Rick Krochalis, Regional Administrator, FTA, Region X, was an active ex officio member. He participated in CTTF's teleconferences, read their documents, and provided editing comments to the task force. He emphasized that the FTA will fund this effort because the agency wants transportation needs coordinated statewide. The federal government funds many programs [listed on slide 7]. Thus, the FTA wants coordinated efforts to avoid duplication and provide better service, he said.

3:03:24 PM

MR. OTTESEN, in response to Chair Wilson, agreed that the FTA will fund a continuation. Ultimately, the CTTF would like to provide the legislature with a package, which was not possible to produce in the scope of the CTTF timeframe. Coordination is as good as two people within two agencies, and if one retires, the coordination of services may end.

MR. OTTESEN, in response to Representative Gruenberg, related that he had not looked at the draft bill that the Alaska Mobility Coalition provided to legislators.

3:04:38 PM

REPRESENTATIVE JOHNSON asked for the reason that the fourth CTTF recommendation was not prioritized as the first recommendation

since it seemed to him that the CTTF needs assessment would be required initially in order to clearly identify the scope of services.

MR. OTTESEN pointed out that the transportation needs are quite large, but specifically identifying the population is difficult as people fit into more than one category. Additionally, the TCCF does not know how well people are served. For example, Juneau has excellent Care-a-Van service but other communities do not.

3:05:43 PM

REPRESENTATIVE JOHNSON stated that due to the overlap in categories, the 25 percent figure is not likely an accurate number. He remarked that he does not believe one in four Alaskans fall into the special needs category.

MR. OTTESEN explained that the CTTF discounted the number.

REPRESENTATIVE JOHNSON asked to review the statistics. He maintained his view that recommendation four should be moved to the first recommendation.

3:06:30 PM

CHAIR P. WILSON stated she attended some of the meetings. He inquired as to whether some of the coordination could be initiated now.

MR. OTTESEN responded that some coordination has been occurring during the past ten years. He related that his staff has performed some outreach services, but many parts of the state's special transportation needs are still not served. He thought the lack of coordination in services is because nothing in state law requires state agencies to do so.

3:08:01 PM

SENATOR PASKVAN asked for clarification of the slide that defines public school students in the category of special needs. He believed that designation needs further clarification. Additionally, he asked whether private schools also have special needs students that should be identified.

SENATOR KOOKESH suggested that the state needs this work performed. He thanked the CTTF for its work. He remarked that

disagreeing with the numbers is not the issue and maintained the importance of the CTTF's efforts.

REPRESENTATIVE T. WILSON stated that she has also attended meetings in Fairbanks. She agreed the CTTF needs more time to complete its work. She agreed that the fourth recommendation should be moved up in their list of priorities.

[3:10:13 PM](#)

REPRESENTATIVE GRUENBERG agreed with the CTTF time constraints. He observed that the CTTF seems to be part way through the process and may not yet be at the point of providing details to the legislature. He recommended the CTTF develop a plan, including a timeline so the Governor and legislature can better understand the needs and assist them.

CHAIR P. WILSON also agreed with member's assessment of the CTTF's recommendations. She stated that she would welcome the specifics of what the CTTF needs.

MR. OTTESEN acknowledged the suggestions and agreed with the remarks.

[3:13:37 PM](#)

MS. FERGUSON concluded her presentation by mentioning other draft recommendations [slide 15]. She related that other draft recommendations at an operational level have been proposed by the group and are being maintained in draft form, pursuant to more study and public involvement. She said she appreciated the feedback and committee member suggestions.

[3:15:01 PM](#)

ADJOURNMENT

There being no further business before the committee, the joint House and Senate Transportation meeting was adjourned at 3:15 p.m.