

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

March 18, 2010

1:02 p.m.

MEMBERS PRESENT

Senator Linda Menard, Vice Chair
Senator Bettye Davis
Senator Joe Paskvan

MEMBERS ABSENT

Senator Albert Kookesh, Chair
Senator Kevin Meyer

COMMITTEE CALENDAR

SENATE BILL NO. 152

"An Act relating to municipal transportation systems and to regional transit authorities."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 152

SHORT TITLE: TRANSPORTATION; TRANSIT AUTHORITIES

SPONSOR(s): SENATOR(s) HUGGINS

03/18/09 (S) READ THE FIRST TIME - REFERRALS

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WITNESS REGISTER

JODY SIMPSON
Staff to Senator Charlie Huggins
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Introduced SB 152 on behalf of the sponsor.

NICK SPIROPOULOS, Attorney
Mat-Su Borough,

POSITION STATEMENT: Testified in support of SB 152.

BRUCE CARR, Director
Strategic Planning
Alaska Railroad Corporation (ARRC)

POSITION STATEMENT: Testified that SB 152 is a step forward in developing a public transportation system in Alaska.

JENNIFER WITT, Chief of Planning
Central Region

Department of Transportation and Public Facilities (DOTPF)

POSITION STATEMENT: Testified that neither DOTPF nor the administration has taken a position on SB 152.

ALTON STAFF, Planning Manager
People Mover

POSITION STATEMENT: Was available to answer questions related to SB 152.

CHRIS ROSE representing himself

POSITION STATEMENT: Testified in support of SB 152.

MARK MASTELLER, representing himself

POSITION STATEMENT: Testified in support of SB 152.

BRAD SWORTS, Transportation Planning Manager
Mat-Su Borough

POSITION STATEMENT: Testified in support of SB 152.

TIAYA WAGGONER

Alaska Youth for Environmental Action

POSITION STATEMENT: Testified in support of SB 152.

CAITLIN HIGGINS, Executive Director

Alaska Conservation Alliance and

Alaska Conservation Voters

POSITION STATEMENT: Testified in support of SB 152.

LAMARR ANDERSON, Interim Executive Director

Mat-Su Community Transit (MASCOT)

POSITION STATEMENT: Testified in support of SB 152.

LOIS EPTEIN, Director

Alaska Transportation Priorities Project (ATPP)

POSITION STATEMENT: Testified in support of SB 152.

ALLI HARVEY, Program Director

Sustainable Communities

Alaska Center for the Environment (ACE)

POSITION STATEMENT: Testified in support of SB 152.

ACTION NARRATIVE

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VICE CHAIR LINDA MENARD called the Senate Transportation Standing Committee meeting to order at 1:02 p.m. Senators Paskvan, Davis, and Menard were present at the call to order.

SB 152-TRANSPORTATION; TRANSIT AUTHORITIES

VICE CHAIR LINDA MENARD announced the consideration of SB 152.

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JODY SIMPSON, Staff to Senator Charlie Huggins, introduced SB 152 on behalf of the sponsor. She spoke to the following sponsor statement: [Original punctuation provided.]

The Municipality of Anchorage and the Matanuska-Susitna Borough have approved a Memorandum of Agreement that commits both entities to cooperate in the development of a Regional Transit Authority ("RTA") for the purpose of increasing commuter service between the two communities.

It is important to plan for regional transit service in South-central Alaska now so that we are prepared for the future. Conservative estimates indicate that more than 14,000 people commute between Mat-Su and Anchorage every day and this number is projected to grow to 30,000 within 15 years. Fluctuating fuel costs and over-capacity roadways are driving the public demand for transit service to record highs.

Park-and-ride lots are overflowing and bus services in both Anchorage and Mat-Su are experiencing double-digit ridership growth, with over 700 people on a waiting list for vanpools.

Thousands of RTAs exist in communities large and small across the nation and are a proven effective and efficient approach to managing cross-jurisdictional service. These authorities plan and deploy multi-modal services that are funded by a variety of sources, including federal, state, and local contributions and "fare box" revenue.

Enabling legislation is required to create RTAs. There is precedent in Alaska for forming multi-jurisdictional authorities: The Municipal Port Authority Act, Alaska Statutes 29.35.600 - .730, provides for the establishment of port authorities by one or more municipalities, and the Regional Solid Waste Management Authority Act, Alaska Statutes

29.35.800 - .925, provides for the establishment of regional solid waste management authorities. SB 152 will provide the framework to authorize the RTA and empower it to enter into contracts; accept contributions, grants, or loans from any public or private agency; incur obligations and issue bonds; and acquire, manage, and convey real property in furtherance of its mission.

The creation of an RTA is recommended in both the Anchorage and Mat-Su Borough Long Range Transportation plans, as well as in a 2002 Commuter Rail Study that was commissioned by the Alaska Railroad Corporation.

By planning regionally, we can best meet increasing demands on Alaska's busiest commuter corridor and manage the integrated system as it matures.

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MS. SIMPSON noted that this framework differs from the Regional Solid Waste Management Act and the Port Authority Act in two ways. First, the requirement for a public vote was not included in this legislation. Second, a taxing authority is not included. Ms. Simpson offered her understanding that, "By deleting this from the template that we have here in front of us, thereby we do have taxing authority for this RTA."

She highlighted key actions for transitioning to a regional transit authority including public involvement, identification of services and resources, and planning.

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CHAIR MENARD asked how many other states have established RTAs.

MS. SIMPSON offered to provide the information.

CHAIR MENARD asked what other municipalities have expressed an interest.

MS. SIMPSON replied received inquiries from the Fairbanks North Star Borough (FNSB) and the Southwest Alaska Municipal Conference (SWAMC). She added that the Interisland Ferry Authority was created years ago under the Port Authority.

CHAIR MENARD asked if she'd heard from the Kenai Peninsula.

MS. SIMPSON said no.

SENATOR PASKVAN asked where the taxing authority is found in the bill.

MS. SIMPSON replied, "The bill is silent on that at this point because the other templates include a section that says they will not have taxing authority. By virtue of omitting that for this bill, it is included."

SENATOR PASKVAN referred to AS 29.35.756 and pointed out that a taxing authority is not defined within the definitions of powers and duties.

MS. SIMPSON deferred further explanation to the Mat-Su Borough attorney.

SENATOR DAVIS expressed a desire to hear from Department of Transportation and Public Facilities (DOTPF).

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NICK SPIROPOULOS, Attorney, Mat-Su Borough, explained that the Alaska Constitution says the state may delegate taxing powers only to cities and boroughs and they must have a minimum level of tax-levying jurisdiction. When the bill was drafted Anchorage, which is a Home Rule municipality, was of the opinion that it might one day explore the idea of whether or not it could delegate taxing authority to the regional transit authority. He opined that as a second class borough, Mat-Su would not have that authority under state law.

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BRUCE CARR, Director of Strategic Planning, Alaska Railroad Corporation (ARRC), described SB 152 as a step forward in developing a public transportation system in Alaska. He reported that the sole purpose of the 2001-2002 report that the ARRC commissioned was to identify specific requirements for implementing commuter rail service between the Mat-Su Valley and Anchorage. The primary recommendation coming out of the report was to establish an RTA.

MR. CARR pointed out that current federal policy is shifting funds away from the federal highway system in favor of public transportation. Because the federal highway system in Alaska is 90 percent federally subsidized, this could have a significant impact on the availability of funds to maintain highways such as the Parks, Glenn, Richardson, and Sparrevohn. Mr. Carr encouraged the committee to include in the legislation the

ability for RTAs to use financial tools even if there are no plans to use them initially.

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JENNIFER WITT, Chief of Planning, Central Region, Department of Transportation and Public Facilities (DOTPF), said neither the department nor the administration have taken a position on SB 152. However, she was asked to provide information for the record.

MS. WITT highlighted that fare box receipts generally do not cover the cost of operation in public transportation systems. Ultimately support from local government is needed. This isn't addressed in the bill. The bill is also silent on the impact an RTA might have on the existing Anchorage Metropolitan Area Planning Solutions (AMATS). It could trigger the requirement to expand the AMATS boundaries to include those of the RTA, which would change the representation on the metropolitan planning organization (MPO). The unintended consequence is that because of the way DOTPF administers federal money to the MPO, the combined funding for Mat-Su Borough and Anchorage could be affected.

CHAIR MENARD asked if she feels that the legislation would dilute AMATS.

MS. WITT replied it would complicate the decision-making and if Mat-Su became an MPO it would reduce the federal funding.

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SENATOR PASKVAN asked her to comment on Mr. Carr's statement that establishing RTAs fits with the federal policy shift away from federal highways toward public transportation.

MS. WITT said she agrees and DOTPF doesn't know how this will affect funding.

SENATOR DAVIS asked why DOTPF hasn't taken a position on the bill and what it is doing to assess whether or not establishing an RTA is the right direction to go.

MS. WITT deferred the question and offered her understanding that the administration has not taken a position.

SENATOR DAVIS mentioned the concern that an RTA could affect AMATS and asked if this has been a problem in other jurisdictions.

MS. WITT replied it's fairly clear that re-designation would have to occur to include the Mat-Su, but this hasn't been confirmed absolutely.

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SENATOR DAVIS questioned how DOTPF could have analyzed the fiscal impact as zero.

MS. WITT deferred to Ms. Simpson.

SENATOR DAVIS responded that she wants any information she has, but she also wants to hear from the department.

MS. SIMPSON said she has had a number of conversations with the department and at this time there is no request for state funding to put this in place. She provided examples of how transit authorities nationwide fund their efforts.

MS. SIMPSON acknowledged that DOTPF hadn't spent much time vetting the bill and that changes were likely. She cited an April 2009 letter from the MOA and the Mat-Su Borough to deputy commissioner Frank Richards describing how they would handle the potential expansion of the MPO. She added that Anchorage has applied for a \$284,000 block grant through the U.S. Department of Energy that would go toward developing an RTA. The Mat-Su Borough applied for a similar \$50,000 grant and she understands they have been appropriated.

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ALTON STAFF, Planning Manager, People Mover, said he is available to answer questions.

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CHRIS ROSE representing himself, told the committee that he is also the executive director of the Renewable Energy Alaska Project (REAP). He said there are many good reasons to establish RTAs and efficiency is high on the list. This basic structure is in place nationwide and is necessary to move Anchorage and Mat-Su into the 21 century of transportation. A lot of work has already been done to establish commuter rail service in the area, but the service can't be put in place without establishing an RTA. This has been a stumbling block for almost a decade. He pointed out how much money the community exports to buy gasoline and that those dollars could be re-circulated back into the community if more people were able to use public transportation.

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MARK MASTELLER, representing himself, said he is the director of Cascadia Region Green Building Council and a member of the Mat-Su Borough Planning Commission. He stated support for SB 152, the enabling legislation for establishing RTAs. This is a critical tool to help with energy conservation and transportation planning. He said he would like the legislation to provide the RTA with revenue raising authority.

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BRAD SWORTS, Transportation Planning Manager, Mat-Su Borough, stated support for SB 152 to allow creation of an RTA to regionally coordinate transit services for a more efficient and financially stable system. It will reduce congestion, increase safety, and reduce wear and tear on highways, he said. Public transportation in the area is already at capacity. Pursuant to signing the MOA, Anchorage and Mat-Su appointed representatives to work on the project and authorized funding requests for the RTA in their annual legislative budgets. He confirmed that the Mat-Su Borough has received \$50,000 to do planning for an RTA.

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TIAYA WAGGONER, Alaska Youth for Environmental Action, reported that about 14,000 cars commute between the Mat-Su Valley and Anchorage every day. By 2025 Mat-Su is projected to have a population in excess of 500,000 and she foresees more gridlock and more pollution contributing to global climate change. Public transportation between the Mat-Su Valley and Anchorage is already inadequate. She urged the committee to pass SB 152 in order to create an RTA and make it possible to develop a reliable transportation system in Alaska.

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CAITLIN HIGGINS, Executive Director, Alaska Conservation Alliance and Alaska Conservation Voters, said that SB 152 would allow RTAs and clear the way for municipalities to innovate and cooperate to meet transportation needs. Cities and boroughs could share resources, get the most from existing infrastructure, and ensure thoughtful decision making about transportation. According to the American Public Transportation Association, there were about 578 RTAs nationwide in 2007. The RTA in the Anchorage/Mat-Su area would decide on the best mix of public transportation options and would likely be the entity to operate commuter rail.

As the federal government dedicates more funds to public transportation, Alaska can expect to receive less federal

transportation funding for roads. Forming regional transit authorities would give communities an advantage in attracting federal transportation funds and help them get the most out of these funds through wise expenditures.

MS. HIGGINS encouraged the committee to include in the bill the ability for the RTA to raise revenue to ensure ongoing reliable funding of transit. Public transportation reduces congestion and road maintenance while it increases safety, and cuts down on particulate and greenhouse gas pollution. Promoting RTAs brings Alaska one step closer to safer, less congested roads and a healthier environment.

MS. HIGGINS encouraged the committee to pass SB 152 or a similar bill this year. It creates more transportation options. By planning regionally Alaskans can better meet increased demands on transportation and manage an integrated system into the future, she said.

LAMARR ANDERSON, Interim Executive Director, Mat-Su Community Transit (MASCOT), related that MASCOT is a nonprofit organization that provides public and partransit in the Mat-Su Valley and commuter service to Anchorage. Between 70 and 80 percent of their service is to meet transit needs of seniors, the disabled, and human service agency clients. The need for community public transportation is abundantly clear, but operational funding is the Achilles' heel, he said.

MR. ANDERSON said that MASCOT is a prime example of the problem of Alaska's sustainable operational funding sources for public transit organizations. Due to a shrinking supply of eligible matching funds, MASCOT has had to cut its drivers, vehicle hours and miles traveled by about half since last fall. Needs haven't changed, just the ability to meet these needs. In Alaska only federal and local funds are available for operational expenses and the federal funds require a local match. Local nonprofits have been very supportive, but local funding is limited and provides no assurance of long-term continuity and sustainability. "Senate Bill 152 would be a significant remedy of help and addition to the equation, not just for MASCOT, but for all public transit in the state."

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LOIS EPTEIN, Director, Alaska Transportation Priorities Project (ATPP), said she is an engineer and she is paying attention to regional transit authorities nationwide. She reported that as of 2007 the American Public Transportation Association had

identified 578 RTAs located in every state except Wyoming and Alaska. It would make sense for Alaska to move in this direction, she said. It would make for a smarter and more efficient decision-making process.

ALLI HARVEY, Sustainable Communities Program Director, Alaska Center for the Environment (ACE), said ACE is fully in support of SB 152, the enabling legislation to allow formation of regional transit authorities. ACE focuses primarily on quality of life issues in Southcentral Alaska and this bill is a giant step forward. Thousands of people commute daily between Mat-Su and Anchorage, which is expensive and time consuming. It is important that there are other options available for these people to get to their jobs. The Alaska Center for the Environment encourages the committee to move SB 152 from committee, she said.

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SENATOR MENARD closed public testimony.

SENATOR DAVIS said she certainly supports the bill and believes it's needed. That's been the overwhelming testimony, but DOTPF isn't providing any guidance for moving forward and doesn't have any more information to provide than it did a year ago when the bill was first introduced. For example, the bill doesn't address the taxing authority or planning. Public testimony may be closed but, "At this point I'm not ready to move this bill out of this committee," she stated. Maybe finance will address some of these questions, but the transportation department should be driving this legislation and it isn't even taking a stand.

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SENATOR PASKVAN echoed Senator Davis' comments. The fact that the department's chief planner for the region has taken no position on the bill is troubling, he said. If the federal government is going to be moving subsidies away from highways toward regional transportation authorities, then DOTFP should provide the committee with their understanding of that and their plans for the future.

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MS. SIMPSON related that the bill was introduced late last session and the municipalities renewed their MOA in October. The sponsor didn't want to do more work on the bill until that had been signed so it's not DOTPF's fault that a year has passed. This conversation is just beginning.

CHAIR MENARD stated support for the bill.

SENATOR PASKVAN said he thinks there is unanimous support for the bill, but it needs work. He asked the sponsors intention.

MS. SIMPSON replied the sponsor realizes that this is a new issue and although it has great support, there are a lot of questions to address. Clearly, DOTPF needs to be a part of the conversation.

CHAIR MENARD announced she would hold SB 152 awaiting clarifying information from the Department of Transportation and Public Facilities (DOTPF).

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There being no further business to come before the committee, Chair Menard adjourned the meeting at 2:12 p.m.