

ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE

March 26, 2013

2:11 p.m.

MEMBERS PRESENT

Representative Peggy Wilson, Chair
Representative Doug Isaacson, Vice Chair
Representative Eric Feige
Representative Lynn Gattis
Representative Bob Lynn
Representative Jonathan Kreiss-Tomkins

MEMBERS ABSENT

Representative Craig Johnson

COMMITTEE CALENDAR

HOUSE BILL NO. 176

"An Act relating to experimental vehicles."

- MOVED CSHB 176(TRA) OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 13

Urging the United States Congress and the President of the United States to complete the funding and acquisition of three additional National Security Cutters and to home port one of the cutters in Kodiak, Alaska.

- MOVED CSHJR 13(TRA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 176

SHORT TITLE: EXPERIMENTAL VEHICLE PLATES

SPONSOR(S): REPRESENTATIVE(S) THOMPSON

03/18/13 (H) READ THE FIRST TIME - REFERRALS

03/18/13 (H) TRA, FIN

03/26/13 (H) TRA AT 1:30 PM BARNES 124

BILL: HJR 13

SHORT TITLE: COAST GUARD NAT'L SECURITY CUTTER FUNDING

SPONSOR(S): REPRESENTATIVE(S) AUSTERMAN

03/15/13 (H) READ THE FIRST TIME - REFERRALS
03/15/13 (H) TRA
03/26/13 (H) TRA AT 1:30 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE STEVE THOMPSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 176.

JANE PIERSON, Staff
Representative Steve Thompson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the bill on behalf of Representative Steve Thompson, sponsor of HB 176.

SHELLY MELLOTT, Deputy Director
Director's Office
Division of Motor Vehicles (DMV)
Department of Administration (DOA)
Anchorage, Alaska

POSITION STATEMENT: Testified and answered questions on HB 176.

ALLISON EARHART, Attorney
Volkswagen Group of America, Inc. (VWGoA)
Herndon, Virginia

POSITION STATEMENT: Testified during the discussion of HB 176.

JIM DODSON, President
Fairbanks Economic Development Corporation (FEDC)
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 176.

JULIE EMSLIE, Project Manager
Cold-weather Testing
Fairbanks Economic Development Corporation (FEDC) Fairbanks
Economic Development Corporation (FEDC)
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 176.

MELANIE LESH, Staff
Representative Alan Austerman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified during the presentation of HJR 13.

CARL UCHYTIL Captain, Retired
U.S. Coast Guard (USCG)
Juneau, Alaska

POSITION STATEMENT: Testified in support of HJR 13.

ED PAGE, Captain, Retired
U.S. Coast Guard (USCG)
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HJR 13.

ACTION NARRATIVE

[2:11:02 PM](#)

CHAIR PEGGY WILSON called the House Transportation Standing Committee meeting to order at 2:11 p.m. Representatives Isaacson, Gattis, Kreiss-Tomkins, and P. Wilson were present at the call to order. Representatives Feige and Lynn arrived as the meeting was in progress.

HB 176-EXPERIMENTAL VEHICLE PLATES

[2:11:42 PM](#)

CHAIR P. WILSON announced that the first order of business would be HOUSE BILL NO. 176, "An Act relating to experimental vehicles."

[2:12:22 PM](#)

REPRESENTATIVE ISAACSON moved to adopt the proposed committee substitute (CS) for HB 176, Version U [labeled 28-LS0674\U, Strasbaugh, 3/18/13] as the working document. [Version U was before the committee.

[2:12:47 PM](#)

REPRESENTATIVE STEVE THOMPSON, Alaska State Legislature, speaking as sponsor of HB 176, stated that this bill is badly needed in the state. He recalled that about 10 years ago, while he was mayor in Fairbanks, he was trying to get a test track for winter testing of manufacturers of vehicles. He discovered large numbers of worldwide car manufacturers were using Interior Alaska for cold-weather testing, although most people did not

know the testing was occurring since the cars were disguised. He characterized auto manufacturer's testing as a pretty good sized industry. He reported three people in Fairbanks told him they test drive every winter in Fairbanks for different manufacturers. Volkswagen Group of America, Inc. (VWGoA) brought up test vehicles last winter, but needed to re-test and VWGoA the DMV indicated the vehicles would need to be titled and licensed since temporary licenses were not available for test vehicles. This bill would authorize license plates for up to 36 months to allow winter testing programs to occur. He offered his belief that the test driving is an important economic development driver that uses local mechanics, garages, warehouses, and drivers.

[2:15:21 PM](#)

JANE PIERSON, Staff, Representative Steve Thompson, Alaska State Legislature, on behalf of the sponsor, Representative Steve Thompson, stated this bill would give statutory authority for experimental vehicle plates to be issued by the Division of Motor Vehicles (DMV) to manufacturers or distributors for a 12-month period, with the ability for the license to be renewed for additional 12-month periods, for a maximum of 36 months. She clarified that this authority will be restricted to manufacturing or distributors and not just an individual who has built an experimental vehicle in a garage. When the vehicles leave Alaska they are relocated or destroyed since these vehicles cannot be titled due to their experimental nature. The bill would amend AS 28.10.181 related to registration of unique and special vehicles to be used for special purposes, and would create a special license plate the purposes of cold-weather experimental vehicles. She reiterated that this is a good economic driver for Interior Alaska.

[2:17:10 PM](#)

REPRESENTATIVE LYNN asked whether other type of testing can be done.

MS. PIERSON answered that according to DMV currently there isn't any other testing is going on in Alaska. She deferred to the department to expand on this.

REPRESENTATIVE LYNN said perhaps other types of testing should be happening.

MS. PIERSON answered that the sponsor would not have any problem with expanding the scope of the bill; however, she would like DMV to respond in case it raises any issues for the department.

[2:18:31 PM](#)

REPRESENTATIVE ISAACSON offered his support for HB 176. He understood that Minnesota is the only other state currently offering cold-weather testing. He reported that Minnesota charges \$50 for first four license plates and \$35 for each one thereafter. The plates expire each December 31 without any prorated fees. He asked for a comparison in DMV's fees in Minnesota and Alaska.

[2:19:54 PM](#)

SHELLY MELLOTT, Deputy Director, Director's Office, Division of Motor Vehicles (DMV), Department of Administration (DOA), stated that DMV currently charges \$90 for annual registration fees since the fees fall under commercial vehicle rates. In response to Representative Lynn's previous question, she said the department did not have any issue with going beyond cold-weather testing. The DMV has visited the facility and currently the testing is limited to cold-weather testing; however, the department does not have an issue with removing cold-weather from the bill.

[2:20:53 PM](#)

REPRESENTATIVE ISAACSON asked whether the \$90 covers a three year period per vehicle.

MS. MELLOTT answered the fee is every 12 months.

REPRESENTATIVE ISAACSON understood that Alaska's DMV fees would be higher than the ones Minnesota charges. He asked whether the DMV sets the fee structure.

MS. MELLOTT indicated the legislature sets the fees under AS 28.10.421, noting these vehicles are considered commercial vehicles.

REPRESENTATIVE ISAACSON asked whether a special category such as a vehicle testing category could be done in this bill.

[2:22:12 PM](#)

REPRESENTATIVE P. WILSON asked for clarification on the effect of removing "cold-weather" and whether that would allow the department to be more flexible with respect to experimental vehicle testing.

MS. MELLOTT answered yes; that the change would be more flexible.

[2:22:42 PM](#)

ALLISON EARHART, Attorney, Volkswagen Group of America, Inc. (VWGoA) stated that VWGoA is the parent company of the Volkswagen operations in the U.S. She offered VWGoA's support for this bill. She stated she is an in-house attorney for VWGoA and she specializes in licensing matters. She offered that HB 176 would allow VWGoA to continue to perform its cold-weather testing in Alaska. She summarized that VWGoA typically tests its vehicles in Alaska and apply for a one-year registration in order to do so; however, with more stringent EPA standards it has become necessary to bring the vehicles back for subsequent years for additional testing; however, the DMV does not have any provision available to allow for additional testing in subsequent years.

[2:24:08 PM](#)

REPRESENTATIVE ISAACSON understood this bill would be adequate, but perhaps removing "cold-weather" would allow other experimental vehicle testing; however, perhaps the committee should not worry about adjusting fees at this time. He asked whether this would be adequate to keep VWGoA in business in Alaska.

MS. EARHART answered yes.

[2:24:47 PM](#)

JIM DODSON, President, Fairbanks Economic Development Corporation (FEDC) stated that FEDC has been promoting cold-weather testing for more than 20 years. He characterized it as a growing industry that creates jobs and helps to diversify the economy in Interior Alaska and in the state. He reported the FEDC has partnered with the City of Valdez and the community of Big Delta to attract the cold-weather automotive industry in Alaska to do their cold-weather testing. Today at least four car manufacturers have been performing cold-weather testing in Fairbanks. The FEDC has advertised Fairbanks as the most accessible, reliable, and affordable place in the nation to do

cold-weather testing. This industry creates more than 200 jobs annually in Fairbanks and it is a growing industry. In fact, it represents an industry that the state has not had to invest money to attract. The state has the natural weather to attract cold-weather testing. He urged members to support HB 176 as it is rewritten.

[2:26:13 PM](#)

REPRESENTATIVE GATTIS asked whether Fairbanks is the least expensive place in the nation to do the testing.

MR. DODSON answered that one factor is the accessibility and reliability of cold-weather. For example, a manufacturer may go to Minnesota to perform tests, but if cold-weather doesn't materialize, the company has lost the opportunity to conduct testing.

CHAIR P. WILSON remarked she lived in Tok for four years and she recalled experiencing 78 below zero degree weather without a wind-chill factor.

[2:27:22 PM](#)

JULIE EMSLIE, Project Manager, Cold-weather Testing, Fairbanks Economic Development Corporation (FEDC) Fairbanks Economic Development Corporation (FEDC), stated that everyone thinks of Alaska, especially Interior Alaska, as being cold. She said that Interior Alaska experiences consistent cold-weather conditions which are difficult to find anywhere else in the world. She explained that the weather, combined with the facilities and vibrant service industry has become a prime location for companies to cold-weather test its products. This testing brings significant, positive impacts to the community of Fairbanks. She estimated that cold-weather testing generates \$500 million annually for the local economy. She pointed out that the automotive testing industry heavily utilizes Interior Alaska for cold-weather testing. In fact, it was recently brought to the FEDC's attention that some of the local automotive testing companies have encountered issues with Alaska's current vehicle titling and registration regulations. As previously stated, this has largely becoming problematic due to changes in federal regulations on emissions. She said that Alaska's current laws are incompatible with what the car testing companies need to do to perform their work. She offered her belief that HB 176 offers a solution to this problem and the

bill would remove the barrier to automotive testing, but will also not infringe on the DMV's mission, as well.

2:29:19 PM

REPRESENTATIVE LYNN asked whether the cold-weather testing will change emission systems and if any provision allows for experimental types of emission systems. In response to a question, he repeated his question and clarified that one emission system may perform better in the cold than others. He wondered if an alternative system might run afoul of emissions testing in Alaska, although he acknowledged he was uncertain about emissions.

MS. MELLOTT answered that she is not aware of all the types of testing being done. She recalled that part of the reason to perform testing beyond 12 months was due to the requirement by the EPA for longer periods of emissions testing.

CHAIR P. WILSON pointed out she is somewhat familiar, recalling it has something to do with the types of gasoline used. She further recalled Alaska has been working on a [federal] exemption. She suggested that it might be necessary to revisit [emissions].

2:31:39 PM

REPRESENTATIVE KREISS-TOMKINS wondered how Fairbanks was partnering with Valdez on cold-weather testing.

MS. EMSLIE answered it relates to snow levels since Valdez receives lots of snow whereas Fairbanks does not so Fairbanks has partnered with Valdez to accommodate all of the cold-weather testing needs. She stated that [Valdez] has also attended trade shows and the FEDC can also refer companies to Valdez who are primarily interested in testing vehicles [in snow conditions].

REPRESENTATIVE KREISS-TOMKINS was curious if any other ways exist to make Alaska's bad weather economical.

2:32:57 PM

CHAIR P. WILSON, after first determining no one else wished to testify, closed public testimony on HB 176.

2:33:08 PM

REPRESENTATIVE ISAACSON made a motion to adopt Conceptual Amendment 1, to remove "cold-weather" on page 1, lines 6, 7, and 11 of HB 176.

REPRESENTATIVE FEIGE objected for purpose of discussion.

CHAIR P. WILSON recapped the reason for Conceptual Amendment 1, which is to expand the bill to allow for additional vehicle testing. She advised that the DMV and the VWGoA did not anticipate any issues arising by taking out "cold-weather."

REPRESENTATIVE FEIGE removed his objection.

There being no further objection, Conceptual Amendment 1 was adopted.

[2:34:12 PM](#)

REPRESENTATIVE ISAACSON moved to report the proposed committee substitute (CS) for HB 176, labeled [28-LS0674\U, Strasbaugh, 3/18/13], as amended, out of committee with individual recommendations and the accompanying zero fiscal note. There being no further objection, the CSHB 176(TRA) was reported from the House Transportation Standing Committee.

The committee took a brief at-ease.

HJR 13-COAST GUARD NAT'L SECURITY CUTTER FUNDING

[2:35:00 PM](#)

CHAIR P. WILSON announced that the final order of business would be HOUSE JOINT RESOLUTION NO. 13, Urging the United States Congress and the President of the United States to complete the funding and acquisition of three additional National Security Cutters and to home port one of the cutters in Kodiak, Alaska.

[2:37:12 PM](#)

MELANIE LESH, Staff, Representative Alan Austerman, Alaska State Legislature, on behalf of the sponsor, stated that HJR 13 would urge the U.S. Congress and the President of the U.S. to complete the funding and acquisition of three additional National Security Cutters (NSCs) and request one of the cutters should be homeported in Kodiak. She explained HJR 13 aims to raise awareness that the U.S. Coast Guard is in the process of replacing 12 high-endurance cutters with eight technologically

advanced NSCs and stressing the necessity to deliver all eight vessels. The sponsor wishes to highlight the strategic importance of Alaska in the region and focus on the importance of the increasing role in the Arctic with more open water in the summer resulting in increased maritime traffic. She stated that Kodiak is the nearest USCG port and would be the base of operations for vessels such as the Bertholf, which is one of the three completed NSCs which patrolled the Arctic this past summer in Operation Arctic Shield. She related that the USCG assists the U.S. Department of Defense's national defense efforts with its specialized capabilities in the region and elsewhere.

[2:39:07 PM](#)

MS. LESH said that recently, at a national military conference the three chiefs met to discuss the maritime strategic issues, including the Commandant of the USCG, Admiral Robert Papp; the Commandant of the U.S. Marine Corps, General James Amos; and the Chief of Naval Operations, Admiral Jonathan Greenert. The main topic of discussion was the Commander-in-Chief's strategic guidance which, in part, requires that the U.S. military will, of necessity rebalance towards the Asia-Pacific region. In conclusion, HJR 13 has been designed to send a reminder to the Congress and the U.S. President to complete the program of record for the funding and acquisition of three additional NSCs cutters. She recognized two retired U.S.C.G. captains in the room here to testify on the resolution.

[2:40:22 PM](#)

CARL UCHYTIL, Captain, Retired, U.S. Coast Guard (USCG), stated that he is a retired USCG captain who sailed in Alaska's waters and served as the commanding officer of the icebreaker Polar Sea. He commended the committee and said he wholly supports the committee for taking action to encourage the federal government and Department of Homeland Security to maintain a NSC presence in Alaska. Having an NSC specifically homeported in Alaska would not only provide a multi-missioned platform to serve the coastal communities in times of need, but perhaps more importantly, would build mission capacity for the Alaskan resident crew to better understand the unique challenges faced by mariners sailing in the Bering Sea and the Gulf of Alaska. He thanked members for their support for the USCG in Alaska.

[2:41:19 PM](#)

REPRESENTATIVE ISAACSON asked whether three NSCs would provide enough support and if one NSC will provide enough coverage in Alaska.

CAPTAIN UCHYTIL stated one liberty he has as a retired Captain, he cannot speak on behalf of the USCG's needs, but he can speak frankly and provide his opinion based upon his three decades of service in the USCG. Certainly, Alaska has 3,300 miles of coastline. Thus, to adequately cover Alaska would require more than three NSCs, he said.

[2:42:47 PM](#)

REPRESENTATIVE ISAACSON realized that the resolution does not empower any demand since it is not an executive order. He recalled Captain Uchytel is a retired ice breaker captain.

CAPTAIN UCHYTIL answered yes; that he served half of his time on icebreakers. He understood the resolution has to do with NSCs so if this were a different venue he would tout the needs of the nation and encouraged Alaska to build and sustain a viable icebreaker fleet.

[2:43:51 PM](#)

REPRESENTATIVE ISAACSON asked whether it is feasible to support an icebreaker homeport in Alaska.

CAPTAIN UCHYTIL stated that the NSCs have very high technical, high-demand shore side needs to meet the requirements of the crew, which doesn't mean it couldn't be built in a port such as Kodiak, but it probably does not yet exist to really maintain the NSC. Similarly, staff and technical support to maintain the icebreakers would need to be developed.

[2:45:03 PM](#)

REPRESENTATIVE ISAACSON asked for clarification on whether he is saying Alaska does not currently have the technical expertise for the NSC.

CAPTAIN UCHYTIL answered that the expertise could be built but it does not currently exist.

REPRESENTATIVE ISAACSON suggested that passage of the resolution would encourage the build out.

2:45:41 PM

REPRESENTATIVE FEIGE said HJR 13's supporting documents indicate that the NSC is a legend class of the USCG's fleet. He asked what vessels are currently based in Kodiak.

MR. UCITEL answered that the USCG's cutter Munro is a 378 foot high-endurance cutter, which are part of a class of 12 cutters built in the 1960s or 1970s. The USCG has been in the process of decommissioning these 12 vessels and will replace them with the eight NSCs. He said that only five of the eight NSCs have been funded so part of this resolution is to encourage the federal government to build the remaining three vessels. He remarked that his son is currently assigned to the Munro in Kodiak.

2:46:46 PM

REPRESENTATIVE LYNN asked why not include the Under Secretary of the Treasury and the U.S. President among those receiving a copy of the resolution.

CAPTAIN UCHYTIL answered that the USCG falls under the Department of Homeland Security; that at one point the USCG was under the U.S. Department of the Treasury, then U.S. Department of Transportation, and now falls under the jurisdiction of the Department of Homeland Security.

2:47:27 PM

ED PAGE, Captain, Retired, U.S. Coast Guard (USCG), stated that he served in the U.S. Coast Guard for 30 years. He said he served on the U.S. Coast Guard Cutter Boutwell in 1973 in Alaska. He appreciated the resolution, noting he has been retired for 12 years, but served in Anchorage, Ketchikan, and Juneau. The USCG feels appreciated by Alaskans, which makes sense since Alaska is a maritime state. He characterized the USCG's relationship as being a symbiotic and good relationship with the state. He applauded the legislature's efforts to work to obtain the presence of more USCG cutters. He pointed out his perspective is different from Captain Uchytel's perspective since he served on USCG cutters for many years in Alaska. He pointed out his work has been in the field of marine safety programs, relating he was the Chief of Marine Safety for the Pacific Area and for Alaska. He explained that he was involved in allocating cutters and enforcement oversight in fisheries. Clearly, the enormity of Alaska makes the challenge even greater

and exacerbating that problem is the growing body of water due to the environmental warming and climate change. Additionally, Alaska has more traffic and more activity with offshore exploration. He explained he was on some of the drilling platforms in 1984 when they initially performed exploratory drilling in the Chukchi Sea, but things have changed substantially since then. He said the USCG's presence is important, just as having policemen on the highway deters motorists from speeding.

[2:49:57 PM](#)

CAPTAIN PAGE said that the USCG's presence and monitoring is important, but when something happens the USCG will provide an effective response to help prevent loss of life, property, and environmental harm. Thus it seems logical that with the opening up of more water in Alaska, the USCG must have more USCG cutters. In fact, it is one of the metrics used to determine where cutters should go and how to allocate them. He emphasized the USCG considers the size, the issues, how important the issues are in determining the USCG's role. Certainly, considering the reconnoitering Alaska's waters [the USCG has discovered] other nations, such as China, have a great interest in tapping Alaska resources just offshore.

[2:51:07 PM](#)

CAPTAIN PAGE anticipated it could happen that the U.S. will extend its borders further, which could increase the USCG's jurisdictional areas. He emphasized that the USCG is the right agency and resource to carry this mission out. He offered his support for HJR 13, which he said is appropriate, needed, and timely. He offered his belief that Alaska also impacts the rest of the nation, in particular, Alaska's resources has national ramifications. The fisheries, resource protection, and oil production development are all national issues, he said. He offered his belief that people in Maine, Boston and New York are paying attention and the USCG is best suited to ensure it is done.

[2:52:26 PM](#)

CHAIR P. WILSON asked him to assess how many ships Alaska needs [for adequate coverage of Alaska's waters].

CAPTAIN PAGE replied that with more vessels sailing in the Alaska's waters enroute to the Far East, and with more vessels

using the Northern sea route and the Northwest passage that even with three [vessels] the fleet will be stretched for resources. He pointed out these ships typically have six months of maintenance annually and servicing. He concluded that the proposed three vessels represent a good presence and is realistic in terms of the nation's status and resources.

[2:53:59 PM](#)

CHAIR P. WILSON said that Kodiak is a long way from the Bering Sea. She wondered if Alaska will need another port that is better situated for impacts in the arctic.

CAPTAIN PAGE answered that the real challenge will be to support the vessels, which is why the USCG likes to comingle vessels, which helps provide technical support to maintain the vessel. He suggested that spreading them out is less effective. As a practical matter, due to the speed of vessels, a vessel is only 24 hours away from any point.

[2:55:20 PM](#)

REPRESENTATIVE KREISS-TOMKINS pointed out that three NSCs are built, five are funded, and eight are planned. He asked whether he knew where the other NSCs will be homeported, and whether there is a possibility any others may be stationed in Kodiak.

CAPTAIN PAGE said was unsure. He offered his belief that the USCG will try to accommodate all the maritime interests in the country. The Alaska's Congressional Delegation has been influential and the USCG has been quite responsive to the needs of Alaska; however, he was unsure.

[2:56:19 PM](#)

CHAIR P. WILSON, after first determining no one else wished to testify, closed public testimony on HJR 13.

[2:56:35 PM](#)

REPRESENTATIVE LYNN moved to adopt Conceptual Amendment 1, on page 2, line 20, to include the President of United States, [Barack Obama], and the [U.S.] Secretary of Homeland Security, [Janet Napolitano], to the list of people to receive the resolution. There being no objection, Conceptual Amendment 1 was adopted.

[2:57:20 PM](#)

REPRESENTATIVE ISAACSON moved to report HJR 13, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, the CSHJR 13(TRA) was reported from the House Transportation Standing Committee.

[2:57:52 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:57 p.m.