

ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE

April 5, 2016

1:04 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Shelley Hughes, Co-Chair
Representative Benjamin Nageak
Representative Louise Stutes
Representative Matt Claman
Representative Dan Ortiz

MEMBERS ABSENT

Representative Charisse Millett

COMMITTEE CALENDAR

HOUSE BILL NO. 21

"An Act relating to regional transit authorities."

- HEARD & HELD

HOUSE BILL NO. 186

"An Act relating to vehicle registration; relating to off-road system restricted noncommercial drivers' licenses; relating to off-road system eligible areas; and relating to motor vehicle liability insurance."

- MOVED CSHB 186(TRA) OUT OF COMMITTEE

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 144

"An Act relating to fees based on certain capital expenditures for oil and gas production and exploration, and fees based on the use of the James Dalton Highway by the operator of the Trans Alaska Pipeline System, to offset the cost of maintenance of the James Dalton Highway; and providing for an effective date."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: HB 21

SHORT TITLE: REGIONAL TRANSIT AUTHORITIES

SPONSOR(s): REPRESENTATIVE(s) JOSEPHSON

01/21/15 (H) PREFILE RELEASED 1/9/15
01/21/15 (H) READ THE FIRST TIME - REFERRALS
01/21/15 (H) TRA, CRA, FIN
04/05/16 (H) TRA AT 1:00 PM CAPITOL 17

BILL: HB 186

SHORT TITLE: RESTRICTED OFF HWY DRIVER'S LICENSE

SPONSOR(s): REPRESENTATIVE(s) KREISS-TOMKINS

04/10/15 (H) READ THE FIRST TIME - REFERRALS
04/10/15 (H) TRA, STA
03/24/16 (H) TRA AT 1:00 PM CAPITOL 17
03/24/16 (H) Heard & Held
03/24/16 (H) MINUTE(TRA)
04/05/16 (H) TRA AT 1:00 PM CAPITOL 17

WITNESS REGISTER

REPRESENTATIVE ANDY JOSEPHSON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 21, as prime sponsor.

JONATHAN CHURCH, Staff

Representative Andy Josephson

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Provided information and responded to questions during the hearing on HB 186.

SUSIE SHUTTS, Attorney

Legislative Legal Services

Legislative Affairs Agency

Juneau, Alaska

POSITION STATEMENT: Responded to questions during the hearing on HB 21.

MARTY MCGEE, State Assessor

Division of Community and Regional Affairs

Department of Commerce, Community, and Economic Development
(DCCED)

Anchorage, Alaska

POSITION STATEMENT: Responded to questions during the hearing on HB 21.

BARRET WILBUR, Staff
Representative Jonathan Kreiss-Tomkins
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided information and responded to question during the hearing on HB 186.

REPRESENTATIVE JONATHAN KREISS-TOMKINS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided information and responded to questions during the hearing on HB 186, as prime sponsor.

ACTION NARRATIVE

[1:04:11 PM](#)

CO-CHAIR SHELLEY HUGHES called the House Transportation Standing Committee meeting to order at 1:04 p.m. Representatives Ortiz, Stutes, Nageak, Foster, and Hughes were present at the call to order. Representative Claman arrived as the meeting was in progress.

HB 21-REGIONAL TRANSIT AUTHORITIES

[1:04:32 PM](#)

CO-CHAIR HUGHES announced that the first order of business would be HOUSE BILL NO. 21, "An Act relating to regional transit authorities."

[1:05:02 PM](#)

REPRESENTATIVE ANDY JOSEPHSON, Alaska State Legislature, explained that HB 21 is the child of a 2010 regional transit authority (RTA) bill introduced by Senator Charlie Huggins [SB 152, 26th Legislature]. The proposed legislation allows municipalities to create joint agreements and establishing a joint authority, which can be entered into by more than two municipalities. The bill language is based on existing statute under Title 29, governing port authority and regional solid waste management. The Matanuska-Susitna Borough (Mat-Su) initially requested legislative action and, he predicted, the major implications will be along the rail belt, where over half of the state's population resides.

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REPRESENTATIVE JOSEPHSON reported that the Matanuska-Susitna Valley, with 100,000 residents, is the fastest growing area in the state. One third of the Mat-Su residents commute to Anchorage for work. At about 6 a.m., hundreds of vehicles can be seen en route to Anchorage, and a commute of this magnitude has many associated costs, which include: road maintenance, vehicle maintenance, lost productivity, motor fuel, and worker stress. He relayed that individual fuel costs range from \$143 to \$351 per month, depending on gasoline prices. The long range plan of the Municipality of Anchorage (MOA) identifies the need for an RTA and includes the Mat-Su within the plan. He said that the Alaska Railroad Commission (ARRC) identified an RTA as being the next step toward examining a commuter rail system. Transportation problems do not stop and start at a city or municipal boundary, he opined, but rather extends well beyond. Thus, the goal of an RTA must be to produce a seamless and coordinated multimodal transportation system to meet the needs of a diverse population. A necessary topic for discussion is how areas with multiple governmental jurisdiction can work and plan together, he said, and offered Sutton as an example of an area where a commuter transits several local government jurisdictions prior to arriving entering Anchorage.

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REPRESENTATIVE JOSEPHSON named the current, Anchorage based, transit operators, which are: the People Mover, AnchorRIDES, and Share-A-Ride. He also identified the Mat-Su operators, which are: Mat-Su Community Transit (MASCOT), Valley Mover, and the Chickaloon Area Transit System (CATS). In 2010, the MOA and Mat-Su authorities contracted with RLS & Associates, Inc., to draft an RTA plan, which was to include: primary service, long range goals, grant administration, and financial management for administering Federal Transit Administration funds. He said that an RTA would allow for contracting with the existing, local transportation providers without assuming the companies' responsibilities in the areas of operations, maintenance, scheduling, safety, or training.

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REPRESENTATIVE JOSEPHSON said that the MOA/Mat-Su 2010 plan identified the following advantages of an RTA: new funding and transit services; assumption of grant administration, procurement, marketing, and other functions to supplement the efforts of the MOA, the Public Transportation Department, the

Mat-Su borough, Valley Mover, and MASCOT staff; and operation of new services would take advantage of the capabilities and infrastructure of existing public transit providers. Coordination under an RTA would result in enhancing the services throughout the jurisdictions that People Mover, Valley Mover, and MASCOT already serve. The disadvantages identified are the actions that are required at both the state and local levels: legislative passage of enabling statute; and appropriate local government actions for the creation of RTAs. The proposed bill establishes the statutory structure for an RTA, with language for governance that includes: self-funding; bonding; how an RTA would be dissolved; corporate status; state authorities; and stipulation for membership on the board, as well as board functions.

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REPRESENTATIVE JOSEPHSON said that any form of transit modality could be taken up by an RTA, and said he envisions a commuter, light rail system. He opined that what was happening in the Mat-Su was in need of a sophisticated make-over, and said the goal, under HB 21, is to create a sustainable, productive, enjoyable, and safe system to be completed over the next 25 years. The Glenn Highway hosts frequent accidents, which are followed by lane closures and delays. He opined that a mature economy requires a sophisticated transportation plan, and mentioned Seattle, San Francisco, and Denver as examples. He noted that a commuter rail system is not flawless, for example, unless Mat-Su commuters work in the immediate downtown Anchorage area, they will need another mode of transportation to arrive at their employment locale, which will require a discussion about regional transportation development.

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CO-CHAIR FOSTER asked whether there was a companion bill for HB 21 in the Senate and whether the sponsor has sought support from Senator Huggins.

REPRESENTATIVE JOSEPHSON answered that there is not a companion bill, and said he has not been in contact with Senator Huggins regarding HB 21. He pointed out significant changes proposed in HB 21, which did not exist in the original Senate bill, including compensation restrictions, bill page 9, and an environmental impact review, bill page 10. He said an RTA is as much about commerce as it is about transporting people.

1:15:24 PM

REPRESENTATIVE STUTES inquired whether there is currently rail service from Ted Stevens Anchorage International Airport to downtown Anchorage.

REPRESENTATIVE JOSEPHSON answered yes; however, it suffers from lack of use and he characterized the status of the Bill Sheffield Depot as murky. The airport train service is localized, providing access to the immediate downtown hotel area only, and is not what is envisioned for an RTA.

REPRESENTATIVE STUTES recalled having met several people that report frequent use of the airport commuter rail. She inquired whether the existing system could be connected to the envisioned Mat-Su commuter rail.

REPRESENTATIVE JOSEPHSON described the access that the airport commuter currently provides via a downtown connection to the Alaska Railroad for service to Denali Park and Fairbanks. He shared that the proposed legislation is to transport people and commerce between Anchorage and Mat-Su locations, without restrictions for including other, outlying, local governments that might choose to join or form an RTA.

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REPRESENTATIVE ORTIZ inquired about the current availability of public transportation between Anchorage and Mat-Su destinations.

REPRESENTATIVE JOSEPHSON deferred.

1:18:41 PM

JONATHAN CHURCH, Staff, Representative Andy Josephson, Alaska State Legislature, responded that the People Mover provides periodic trips into Anchorage from a parking share lot located near the Palmer hospital. To a follow-up question he stated his believe that it offers regularly scheduled service five days a week. The route offers service from the Mat-Su and along the Glenn Highway with stops in Eagle River. He offered to provide further information regarding ridership/usage.

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CO-CHAIR HUGHES shared that on dark early mornings with ice, wind, and snow, being on a commuter train would be nicer than

driving a personal vehicle, and offered her understanding that commuter trains had to be heavily subsidized. She asked for clarification regarding funding an RTA, whether the service would have the ability to generate revenue other than via fares, and the types of subsidies available.

MR. CHURCH responded that Federal Transit Administration (FTA) funds could be accessed.

CO-CHAIR HUGHES asked whether FTA funding is based on ridership.

MR. CHURCH offered to provide further information.

CO-CHAIR HUGHES asked whether all municipalities have transportation powers; directing attention to the bill page 2, line[s] 27 [and 28], which reads:

Creation of the authority is an exercise of a municipality's transportation system powers.

MR. CHURCH deferred.

[1:22:52 PM](#)

SUSIE SHUTTS, Attorney, Legislative Legal Services, Legislative Affairs Agency, responded that transportation powers depend on the municipality. She said that general-law municipalities could exercise properly acquired powers as specified in statute and not otherwise prohibited. Further, home-rule municipalities may exercise all powers not prohibited by law or charter, and as per authority described under AS 29.35.200 and AS 29.35.210. Thus, municipalities are allowed to provide transportation systems.

CO-CHAIR HUGHES asked Mr. McGee whether the municipalities in the populated areas all have transportation powers.

[Due to a technical difficulty, Mr. McGee was unable to respond.]

[1:24:23 PM](#)

REPRESENTATIVE JOSEPHSON said that, relative to financing an RTA, HB 21 does not address bonding authority, or stipulate whether bonds would be through investment or revenue. The immediate vision is for enhancement of the existing line and development of a light rail system, which could then be expanded

upon. He pointed out that HB 21 carries a zero fiscal note because it proposes a legal framework to facilitate a cooperative RTA system between joint municipalities.

CO-CHAIR HUGHES inquired as to whether polling was conducted in the Mat-Su to ascertain the level of interest for a commuter rail.

MR. CHURCH answered that no study has been conducted of which he is aware; however, personal experience indicates that development of a commuter rail is a regular topic of conversation in the Mat-Su.

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REPRESENTATIVE NAGEAK asked for clarification whether, with all the back and forth traffic to Anchorage for jobs, Wasilla is considered a bedroom community.

CO-CHAIR HUGHES offered that, although Wasilla and Palmer did not like that particular characterization, they are both considered bedroom communities.

REPRESENTATIVE NAGEAK asked whether a system could allow users to bring their personal vehicles on the commuter trains.

MR. CHURCH answered that a train service to Whittier has allowed users to load their cars on to freight beds, but that type of rail service may not be part of the vision for a commuter, light rail train.

[1:28:03 PM](#)

REPRESENTATIVE JOSEPHSON said that the previously mentioned study, completed by RLS & Associates, Inc., contains public surveys under Appendix H.

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CO-CHAIR HUGHES asked about the range of the proposed fares and the amount that a light rail fare might need to be subsidized to make it affordable.

REPRESENTATIVE NAGEAK echoed concern for subsidizing the service, and questioned the level of ridership that could be expected between Wasilla and Anchorage.

CO-CHAIR HUGHES restated her question regarding the scope of transportation powers held by municipalities.

[1:29:41 PM](#)

MARTY MCGEE, State Assessor, Division of Community and Regional Affairs, Department of Commerce, Community, and Economic Development (DCCED), referred to the response received from Legislative Legal Services citing that, under statute, there is a possibility for any municipality to acquire transportation authority; however, he declined to offer an estimate for how many local governments have pursued those powers.

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CO-CHAIR HUGHES requested further information regarding how the eligibility of municipal powers may/may not be affected by the adoption of HB 21.

1:30:32

MR. CHURCH paraphrased the written testimony of support for HB 21, received from Tim Sullivan, Manager, External Affairs, Alaska Railroad Corporation (ARRC) which read as follows [original punctuation provided]:

ARRC has supported, and continues to support, the concept of providing daily commuter rail transportation between the Mat-Su Valley and Anchorage. Over the past decade, ARRC has constructed a depot at the Palmer Fairgrounds, invested over \$100 million in straightening track to shorten the commute, and purchased two building in Wasilla with the plan to convert them into a transit hub.

In 2014, ARRC modeled a demonstration project to provide daily winter rail service between Wasilla and Anchorage. Just like every commuter service in the world, some of which are subsidized by up to 90%, ARRC's model determined that a 3-year demonstration project would face an approximate \$7 million loss. This loss would need to be subsidized through funds raised by an RTA or other source. ARRC is not in a position to absorb these costs.

MR. CHURCH added that HB 21, as proposed, does not seat a member of the ARRC to the RTA board, which is an oversight that the ARRC would like to see corrected in the final draft.

[1:32:11 PM](#)

REPRESENTATIVE JOSEPHSON relayed that AARC estimates that a three year demonstration project would cost about \$7 million dollars, and he offered to investigate affordability of that project and report on the associated consumer interest. He underscored that ARRC supports HB 21, and agreed to provide further information to include fare estimates, ridership, and FTA offset costs.

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CO-CHAIR HUGHES inquired further as to the genesis of HB 21: inspiration from Senator Huggins, requests received from municipalities, or personal insights by the sponsor.

REPRESENTATIVE JOSEPHSON opined that the current level of commuter traffic is not safe, efficient, or sustainable. He estimated that ridership of the existing van services probably alleviates less than one percent of the vehicles from the road, and, as in many major urban cities, the Anchorage commuter traffic requires attention. He said that the Mat-Su Transportation Advisory Board (TAB) expressed interest in the development of HB 21, and he credited Senator Huggins for the initial revelation.

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CO-CHAIR HUGHES asked whether there were any letters of support from municipalities.

MR. CHURCH said a letter of support was received from the Anchorage Metropolitan Area Transportation Solutions (AMATS) [The designated Metropolitan Planning Organization (MPO) for transportation required for receipt of federal highway or transit assistance. AMATS is the MPO for the Anchorage Bowl and Chugiak-Eagle River areas when federal transportation funds are used.].

CO-CHAIR HUGHES inquired whether there other municipalities have indicated an interest, such as Fairbanks or Juneau.

MR. CHURCH speculated on the possibility of seasonal interest from Fairbanks and the Mate-Su for transporting season workers.

CO-CHAIR HUGHES noted the current train service to and from those areas.

MR. CHURCH responded that winter train service is limited to weekends only and, during the busy summer months, despite the expanded, daily service, securing seats could be difficult.

[1:37:47 PM](#)

CO-CHAIR HUGHES asked whether Anchorage operates a municipal bus service.

MR. CHURCH answered yes.

[1:38:48 PM](#)

MR. MCGEE stated that there would be some, minimal taxation consequences with the passage of HB 21, due to the fact that any property owned by an RTA would be tax exempt.

[1:39:08 PM](#)

REPRESENTATIVE JOSEPHSON directed attention to the bill, page 8, line 26, subsection (c) authorizing a municipality to invoke payment in lieu of taxes (PILT). He paraphrased the language which reads:

(c) Notwithstanding the provisions of (a) of this section, an authority and the municipalities participating in the authority may enter into agreements under which the authority agrees to pay the participating municipalities' payments in lieu of taxes and special assessments on real and personal property of the authority that is within the taxing jurisdiction of the municipality.

CO-CHAIR HUGHES asked whether HB 21 stipulates how an RTA governing board would be seated and whether it includes the Department of Transportation & Public Facilities (DOTPF).

REPRESENTATIVE JOSEPHSON responded that HB 21 stipulates the RTA board membership, which includes a seat for DOTPF.

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MR. CHURCH pointed out that authorizing language is contained in the bill, page 2, subsection (d), and further, paragraph (2) indicates that the commissioner of DOTPF or the commissioner's designee will serve as a member of the board. He clarified that the policy board for a metropolitan planning organization (MPO) is required, in order to receive federal funding, for areas with populations in excess of 50,000. The Mat-Su does not qualify for an MPO he said, and predicted that it may following the 2020 census.

CO-CHAIR HUGHES said she would like to know whether the designation hinged on an actual census, and opined that the Mat-Su population is close to 100,000.

CO-CHAIR HUGHES announced that public testimony would remain open.

[HB 21 was held over.]

The committee took an at-ease from 1:42 a.m. to 1:44 a.m.

HB 186-RESTRICTED OFF HWY DRIVER'S LICENSE

[1:44:52 PM](#)

CO-CHAIR HUGHES announced that the final order of business would be HOUSE BILL NO. 186, "An Act relating to vehicle registration; relating to off-road system restricted noncommercial drivers' licenses; relating to off-road system eligible areas; and relating to motor vehicle liability insurance."

[1:45:57 PM](#)

BARRET WILBUR, Staff, Representative Jonathan Kreiss-Tomkins, Alaska State Legislature, described the changes in the proposed committee substitute CS (HB) for 186. As originally drafted, HB 186 removed existing criteria, regarding insurance and registration exemption for non-commercial driver's licenses, which has been held in statute for some time. Thus, by retaining the original criteria in statute in the CS, she ascertained, HB 186 will only affect off-highway non-commercial driver's licenses.

[1:47:39 PM](#)

CO-CHAIR FOSTER moved to adopt CSHB 186 Version 29-LS0725\E, Martin, 3/24/16, as the working document.

[1:47:53 PM](#)

CO-CHAIR HUGHES objected for discussion purposes. With no ensuing discussion, she subsequently removed her objection and Version E was before the committee.

[1:48:21 PM](#)

REPRESENTATIVE KREISS-TOMKINS, Alaska State Legislature, said there was talk about this statutory subject matter being incorporated into an omnibus criminal justice reform bill. He explained how a technical linkage with language in an omnibus criminal justice reform bill relates to driver's licenses allowing for violation citations to be issued to residents living in rural communities previously excluded through statute for off-highway driver's licenses.

REPRESENTATIVE NAGEAK asked whether off-road systems means locales not connected to a road system.

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REPRESENTATIVE KREISS-TOMKINS answered yes. He said eligibility for off-highway driver's licenses is basically for communities off the road system, and which lack a DMV office. He said there were some inadvertent exclusions to which rural communities were allowed to have off-highway driver's licenses; inadvertent exclusions which HB 186 seeks to remove, particularly for those communities having access to the ferry system and which have Department of Transportation & Public Facilities (DOTPF) traffic counts greater than 500.

[1:50:08 PM](#)

REPRESENTATIVE NAGEAK inquired whether HB 186 would affect commercial driver's licenses.

REPRESENTATIVE KREISS-TOMKINS responded no, and said that the proposed legislation only relates to personal non-commercial driver's licenses.

CO-CHAIR HUGHES asked how HB 186 will effect existing communities, and which communities will be added to the eligible list with passage of HB 186.

REPRESENTATIVE KREISS-TOMKINS responded that the communities immediately effected include: Seldovia, Angoon, Kake, Hoonah, potentially Sand Point, and any rural community noted by DOTPF to have a traffic count exceeding 500. He explained that the proposed legislation removes the potential of future exclusion for rural communities.

CO-CHAIR HUGHES asked whether currently listed communities are to be retained.

REPRESENTATIVE KREISS-TOMKINS answered yes.

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CO-CHAIR HUGHES closed public testimony after ascertaining no one wished to testify on HB 186.

[1:52:25 PM](#)

CO-CHAIR FOSTER moved to report CSHB 186, 29-LS0725\E, Martin, 3/24/16, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 186(TRA) was reported from the House Transportation Standing Committee.

[1:53:03 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 1:53 p.m.