

**ALASKA STATE LEGISLATURE**  
**SENATE TRANSPORTATION STANDING COMMITTEE**

February 4, 2016

1:02 p.m.

**MEMBERS PRESENT**

Senator Peter Micciche, Chair  
Senator Click Bishop, Vice Chair  
Senator Mike Dunleavy  
Senator Bert Stedman  
Senator Dennis Egan

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 92

"An Act relating to the use of headlights; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 132

"An Act requiring the electronic submission of a tax return or report with the Department of Revenue; relating to the motor fuel tax; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 92

SHORT TITLE: PROHIBIT DAYLIGHT MANDATORY HEADLIGHT USE

SPONSOR(S): SENATOR(S) STEDMAN

03/27/15	(S)	READ THE FIRST TIME - REFERRALS
03/27/15	(S)	TRA, JUD
02/04/16	(S)	TRA AT 1:00 PM BUTROVICH 205

BILL: SB 132

SHORT TITLE: ELECTRONIC TAX RETURNS & MOTOR FUEL TAX

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/19/16	(S)	READ THE FIRST TIME - REFERRALS
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01/19/16 (S) TRA, FIN  
01/26/16 (S) TRA AT 1:00 PM BUTROVICH 205  
01/26/16 (S) Heard & Held  
01/26/16 (S) MINUTE(TRA)  
02/04/16 (S) TRA AT 1:00 PM BUTROVICH 205

**WITNESS REGISTER**

SENATOR BERT STEDMAN  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 92.

RANDY RUARO, Staff to Senator Bert Stedman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Commented on SB 92 for the sponsor.

JEFF JEFFERS, State Traffic and Safety Engineer  
Department of Transportation and Public Facilities (DOTPF)  
Juneau, Alaska

**POSITION STATEMENT:** Said the department neither supports nor opposes SB 92.

DENNIS WATSON, Mayor  
City of Craig  
Craig, Alaska

**POSITION STATEMENT:** Supported SB 92.

BRIAN LYNCH, representing himself  
Petersburg, Alaska

**POSITION STATEMENT:** Opposed SB 92.

DAVID HANSEN, Lieutenant  
Alaska State Troopers  
Department of Public Safety (DPS)  
Anchorage, Alaska

**POSITION STATEMENT:** Commented on SB 92.

JOHN BINDER, Deputy Commissioner  
Statewide Aviation  
Department of Transportation and Public Facilities (DOTPF)

**POSITION STATEMENT:** Commented on SB 132.

JERRY BURNETT, Deputy Commissioner  
Department of Revenue (DOR)  
Juneau, Alaska

**POSITION STATEMENT:** Available for questions on SB 132.

LARRY DEVILBISS, representing himself  
Palmer, Alaska

**POSITION STATEMENT:** Opposed SB 132.

AVES THOMPSON  
Executive Director  
Alaska Trucking Association (ATA)  
Anchorage, Alaska

**POSITION STATEMENT:** Supported SB 132.

#### **ACTION NARRATIVE**

[1:02:02 PM](#)

**CHAIR PETER MICCICHE** called the Senate Transportation Standing Committee meeting to order at 1:02 p.m. Present at the call to order were Senators Bishop, Stedman, Dunleavy, Egan, and Chair Micciche.

#### **SB 92-PROHIBIT DAYLIGHT MANDATORY HEADLIGHT USE**

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**CHAIR MICCICHE** announced consideration of SB 92.

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**SENATOR BERT STEDMAN**, Alaska State Legislature, Juneau, Alaska, sponsor of SB 92, said this is a simple bill. He explained that over the years, proposals have been brought to the legislature (in 2009, SB 73 and HB 181, and in 2014, SB 115) requiring headlights on at all times and the legislature has decided not to do that by taking no action on the bills. The Department of Transportation and Public Facilities (DOTPF) made a regulatory decision to require headlights on throughout the Southeast Islands and this caught his office and his community by surprise.

**SENATOR STEDMAN** said if this was a statewide regulation including everybody rather than just a particular area of the state, it would be one thing, but it is targeted at one community and it is not supported by most of the public. When he asked for an analysis of accidents throughout Alaska, he found that Sitka and Ketchikan regions had minimal traffic deaths. The targeted area doesn't have many roads or high speed limits and this requirement doesn't really fit, unlike Central Alaska and Fairbanks that have the vast majority of the population.

He pointed out that the underlying concern of this bill is when the legislature takes an affirmative action not to take action and an agency by regulation imposes its will over the will of the legislature.

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RANDY RUARO, Staff to Senator Bert Stedman, Alaska State Legislature, Juneau, Alaska, sponsor of SB 92, explained that SB 92 has two sections, both intended and advised by Legislative Legal as the way to pull this specific policy issue back to the legislature from an otherwise very broad generic grant of authority to the agencies to accomplish this by regulation. He said the other existing headlight rules would remain in place.

MR. RUARO said his research revealed that the National Highway Traffic Safety Administration has looked at the issue numerous times and in 2008/9 it found evidence of the benefit of using daytime headlights. However, another report found that daytime headlights actually seemed to increase involvement in two car passenger vehicle fatalities in all crashes. He thought the science is probably debatable, and if the reports were weighed the scales would probably lean towards a safety benefit.

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SENATOR STEDMAN added that it takes money and man hours to put up signs and maintain them and the legislature is trying to hold back budgetary growth and help the department in the most critical areas around the state. Little things like this agitate elected officials.

If he felt as a senator for the area that there were safety corridor issues and high death ratios on the highways in the area, he might be a little more understanding, but 2010 death statistics indicate that of the 52 people who died in accidents statewide, only one was in his area and one was in Juneau - that includes all of Southeast. In 2011, there were 63 deaths: three in Juneau and none south of Juneau. In 2012, there were 54 deaths; one in his communities and one in Juneau. In 2013 there were no deaths in Southeast and 49 statewide. The math just doesn't work, he said.

SENATOR STEDMAN said other things can be done to focus on safety issues. He was also concerned about how one region of the department took action on this and the other ones opted out, and the region that took action on it doesn't have the fatalities behind it that other areas of the state do. He summarized that

this is a simple bill that brings authority back to the legislature.

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SENATOR DUNLEAVY asked how this regulation would be handled in the unincorporated areas where there are no boroughs or cities and basically where the legislature is the assembly.

SENATOR STEDMAN replied that most of geographic area he represents, which includes Prince of Wales Island (PWI), is unincorporated. He didn't see any difference in the highways on the PWI from the ones in Ketchikan or Sitka.

SENATOR DUNLEAVY asked if those signs would be removed if this bill passed.

SENATOR STEDMAN answered yes; he doesn't want to pay Department of Transportation and Public Facilities (DOTPF) to maintain them. He'd rather see DOTPF fix a pothole.

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SENATOR BISHOP asked if this bill applies statewide.

SENATOR STEDMAN answered yes.

SENATOR STEDMAN said when he looks at the DOTPF workload dealing with roads and airports in Southeast, it is minimally staffed. When he looks at the Troopers who are also minimally staffed, they deal with fish and game violations, black tar heroin issues and domestic violence issues, and he didn't want the Department of Public Safety to be taken away from dealing with these serious social issues by chasing somebody around who didn't turn their headlights on.

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JEFF JEFFERS, State Traffic and Safety Engineer, Department of Transportation and Public Facilities (DOTPF), Juneau, Alaska, said the department neither supports nor opposes SB 92. It is prepared to proceed according to the legislature's direction on this issue.

He explained that current headlight use regulatory signs were installed in accordance with the existing provisions of 13 AAC 04.010 and are not intended to represent a statewide requirement for daytime headlight use. The department sees value in retaining the current latitude in 13 AAC 04.010 in order to retain the low-cost site specific countermeasure of daytime

headlight use. Studies indicate a 5 to 15 percent reduction in multi-vehicle crashes with headlights on during daytime hours for head-on, side-swipe, and angle-type crashes.

He said the department acknowledges the frustrations generated by the South Coast Region 2014 headlight use signs project and adjusted their procedures for erecting the signs. They revised their Alaska Traffic Manual in 2015 to require DOTPF commissioner approval before erecting headlight use signs. Only one other regulatory sign in Alaska requires commissioner approval.

He explained that the department recognizes that any regulatory sign or requirement reduces the public's right to choose how they behave or operate their motor vehicles, but like speed limits and stop signing they believe the safety benefit and desire to bring Alaskans home at the end of the day alive and uninjured is a societal benefit that significantly outweighs the impact on the reduction of the public's rights.

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SENATOR BISHOP asked if this would affect the state receiving federal funding if it were to become law.

MR. JEFFERS replied not to his knowledge, but this particular project was implemented in accordance with 13 AAC, which has been in place for some time as a highway safety improvement project, which is federally funded. It's uncertain whether the state would have to reimburse the federal agency for its participation. He said they implemented this project based on safety data analysis, which they consider a systemic process that analyzes data looking for highways with similar characteristics for which a safety counter measure can have benefit, and then apply appropriate and affordable countermeasures over a number of locations. In this case, all these highways are rural, two-lane highways and they happen to be in the South Coast Region. It was not their intent to extend this beyond the rural segments or to infringe on the legislature's intent in their choice not to advance bills regarding statewide fulltime headlight use.

SENATOR STEDMAN said his understanding is that the federal grant was available for all the regions of Alaska, but the Southeast Region is the only one selected to participate, and the others opted out. He asked if that is correct.

MR. JEFFERS answered not quite. He explained that the Highway Safety Improvement Program is a federally funded program. States are mandated to use the funds to improve spot locations as well as to make system-wide improvements for enhancing safety. Reducing and eliminating fatal and major injuries is their goal. The funding which comes to the headquarters is distributed to the regions based on their nominations of projects. In that year, about \$30 million was distributed statewide; about \$100,000 or less was used for signage in this project. Had this funding not been used for this particular signing project, it would have been used elsewhere in the state.

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SENATOR STEDMAN said the former commissioner didn't know about this project until it was basically done and his phone was ringing. He added that he understands the concern about traffic deaths in the safety corridors, because they have had hearings and funding requests and have taken affirmative action throughout the Railbelt trying to deal with the heavy traffic and the highway deaths. But it's not a rural issue, quite frankly. He couldn't recall any hearings on safety corridor issues in Southeast Alaska where the biggest highway is the Egan Highway in Juneau. The rest are basically two lane roads with 35-45 mph speed limits. While it fits the grant, it doesn't fit the region. There is no question that under 13 AAC they had the authority to do this, but it comes back to the umbrella issue of who is setting the policy, the agencies or the legislature.

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SENATOR MICCICHE asked if this grant is a net positive or a negative to the General Fund (GF).

MR. JEFFERS answered that it cost the state about \$2,000 due to the matching funds that are applied to federal funding of different types.

CHAIR MICCICHE asked what other kinds of decisions the DOTPF makes on making Alaska's highways safer that the legislature does not weigh in on.

MR. JEFFERS answered that the department is given latitude in the regulations or statute to implement traffic control devices around the state highway system to improve safety and to control and manage traffic. They routinely install traffic signals, alter their operation, mark pavement, install signs, and increase and decrease speed limits in accordance with the needs of the traveling public. This is one of the elements that is a

tool in their toolbox when it comes to cross center line crashes. Rural two-lane highways have basically run off the road accidents, angle crashes and head-on collisions. The department has a limited quiver of options for dealing with things like this. The price tag increases rapidly, but a short list includes center line rumble strips, delineation or signing and marking curve warning signs, widening or straightening of roadways, divided highway passing lanes, and slow vehicle turnouts. Each option is a little more invasive and a little more expensive than the option they chose in this case. It is a relatively low effectiveness countermeasure given that they expect to see a 5 to 15 percent crash reduction. Even if it prevents one minor injury accident it will be a net benefit from the cost standpoint. This is one of the ways they evaluate where to spend the federally provided funds for the Highways Safety Improvement Program. They are distributed to projects that are selected based on their benefit cost. In this case, while it was a relatively low benefit cost, the project was also low net cost and the hope is that the benefit is greater than the imposition on the public.

CHAIR MICCICHE asked if he had any statistics on the proportion of vehicle accidents or injuries versus fatalities.

MR. JEFFERS answered that fatal injuries are rare and they are not the only consideration used in looking at potential countermeasures. Last year there were 50 fatal injuries and a total of 12,000 non-fatal accidents and injuries. He explained that the difference between a fatal injury and a minor injury might be the age of the occupant, the kind of vehicle they are riding in, the speed they are traveling, a moment in which they are not wearing their seatbelt, or whether they strike the rear passenger door or T-bone into the driver's side.

CHAIR MICCICHE asked if he had an analysis to justify that daylight headlight usage reduces accidents.

MR. JERRERS answered yes in the sense that the northern latitude countries of Finland, Norway, Sweden, Iceland, Denmark, and Canada are all embracing, and have embraced over the last 35 years, the use of headlights or daylight running lights during daytime hours, and they aren't reversing their position to his knowledge. One of the reasons DOTPF is interested is because Alaska has the low angle sun and the long twilight periods. He explained that the Southeast project installed signs on main roads with a lot of driveways accessing them.

CHAIR MICCICHE said when he starts all of his vehicles, except for the 1982 Ford plow truck, the lights come on and that must have been done for a reason. He said he had offered to provide the Senator - and to install - an automatic headlight switch for his truck, but he hadn't taken him up on it, yet. He asked if the industry recognized the automatic switches as a benefit.

MR. JEFFERS offered his belief that the industry did it on its own as a safety measure, although a legislative effort was made that was denied.

SENATOR BISHOP asked if it is sufficient to require the use of headlights one half hour before and after sunrise and sunset. He was taught that the most dangerous time to fly an airplane or drive a car is at sunrise and at sunset, because depth perception is skewed.

MR. JEFFERS offered to do some research, but said the requirement is actually one-half hour after sunset.

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CHAIR MICCICHE opened public testimony.

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DENNIS WATSON, Mayor, City of Craig, Craig, Alaska, supported SB 92. He has lived on Prince of Wales Island for 42 years and is the general manager of the Interisland Ferry Authority. He was flabbergasted when this started: without any warning a DOTPF employee from the safety of his desk had decided they all had to drive with their headlights on. He did not visit the area to see what was really going on and did not provide any public process. The Mayor said he talked to the fellow several times and was told that there is nothing he could do about it.

MAYOR WATSON said being a community leader, he has a real problem with that. He said there are two main causes of traffic accidents on PWI and it has to do with speeding and driving impaired. Neither of these has anything to do with driving with headlights on in the daytime. The Police Chief does not believe it is necessary and the Troopers on the island don't support it. He asked a deputy commissioner of Public Safety who said had DOTPF come to them first, they would have suggested that this was not necessary on PWI. There should have been a public process. DOTPF should not act unilaterally, and laws are not needed without good backup behind them. He urged the committee to pass the bill.

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BRIAN LYNCH, representing himself, Petersburg, Alaska, opposed SB 92 and was in favor of 24 hour headlight use. He said this appears to be government overreach and he understands the problem with that, but for him, it is a safety issue. He lives on Mitkof Highway in town near a very misleading curve. Often when he leaves his driveway, vehicles just appear on his rear, and a couple of times it has been a fully loaded dump truck. Without headlights on, he wouldn't be able to see them even if they were not exceeding the speed limit. He drives with his headlights on all the time no matter where he is in town. He has also thought about petitioning DOTPF to try to reduce the speed limit on Mitkof Highway, but this would really seriously impact Alaska Marine Lines when they are running fish from the processors in town during a big summer season.

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CHAIR MICCICHE, finding no further comments, closed public testimony. He asked Mr. Hansen if he had experience with statewide Alaska Highway safety issues and headlights improving safety during the daytime.

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DAVID HANSEN, Lieutenant, Alaska State Troopers, Department of Public Safety (DPS), Anchorage, Alaska, said that he is currently assigned as Lieutenant and Deputy Commander of the Alaska Bureau of Highway Patrol, which works closely with DOTPF in collaborating with the highway safety corridors. He said the requirement of headlight use at all times, particularly in the highway safety corridors, has been shown to reduce collisions based upon historical DOTPF statistics. It is worth the time spent on patrol doing that type of enforcement.

He said in 2012-2015, Alaska State Troopers and Wildlife Troopers wrote 200 (13 AAC 04.010) (c) citations for not using headlights in safety corridors. Using a rough figure of about 10 minutes per traffic stop resulted in about 33 hours spent by DPS in a four-year time span. So, especially during breakup when vehicles take on the same color as the road, having headlights on is beneficial in keeping the road safer.

CHAIR MICCICHE asked how he would divide that effectiveness between country two-lane roads versus the larger state highways.

LIEUTENANT HANSEN responded that their concentrated effort has been on the safety corridors, and he doesn't have statistics on

the smaller roads. He knows from personal experience that it is easier to see oncoming vehicles if their headlights are on.

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SENATOR STEDMAN said he wasn't aware of any safety corridors in Southeast Alaska and there is a cost to maintaining the signs. He would rather see DOTPF fixing potholes. In 2010-2014, he and Senator Egan collectively have 10 percent of the state's population and had 3.5 percent of the highway deaths. Policies need to be made in the legislature by elected officials, especially when they have taken affirmative action on three bills at least in the last few years.

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CHAIR MICCICHE commented that when he was a small town mayor some of the decisions that DOTPF made were very frustrating. However, changing the thickness of the striping did slow vehicles down on part of their highway. They went through the headlight issue a couple of years ago. Probably the frustration they are hearing has more to do with the public process than the fact. He recommended that the department provide some outreach to the involved communities.

He held SB 92 in committee.

#### **SB 132-ELECTRONIC TAX RETURNS & MOTOR FUEL TAX**

[1:47:00 PM](#)

CHAIR MICCICHE announced consideration of SB 132. He invited Mr. Binder to come forward and address the open questions from the last hearing. One was the percentage of the gap between revenue and expenses at airports in Alaska that would be covered by the proposed increase in the jet fuel and aviation gas taxes. Senator Stedman also requested more background information on airport costs in his district.

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CHAIR MICCICHE reconvened the meeting and asked Mr. Binder to discuss how much of the general fund (GF) gap will be filled by increasing the aviation fuel tax by \$14 million.

JOHN BINDER, Deputy Commissioner, Statewide Aviation, Department of Transportation and Public Facilities (DOTPF), explained that the GF subsidy that goes to the rural aviation system (247

airports not including Anchorage and Fairbanks International) totals about \$39 million. The rural system also generated \$5.7 million in revenues in FY15 based on land rent, leases and those sorts of things. That brings that number down to around a \$33 million subsidy. The aviation fuel tax is collected by DOR and goes directly into the GF; in FY15 it was about \$4.1 million. The projected aviation fuel tax increase would bring in \$9.5 to 10 million more. That would leave a remaining GF subsidy of \$19 to 20 million per year to the rural airport system.

CHAIR MICCICHE asked if that is minus the municipal airports that sell fuel.

MR. BINDER answered that is correct. He added that of the \$14 million that comes in, about \$200,000 would go back to seven communities that own and operate their airports (as part of a revenue sharing program through DOR).

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JERRY BURNETT, Deputy Commissioner, Department of Revenue (DOR), Juneau, Alaska, advised that DOR had gone through its prepared testimony at the last meeting and he had provided a written response to the questions from the last hearing.

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CHAIR MICCICHE acknowledged that and stated that public testimony would remain open while awaiting a new committee substitute (CS). The logic of the CS is to convince Alaskans that the legislature is not in the tax business, but the state has a fiscal gap that everyone has to work through together. The CS will reflect a reduction in that tax should the price per barrel of oil return to a normal range.

MR. BURNETT said the department shares many of the same concerns about taxation and they are discussing taxes, because the state needs additional funds to balance the budget.

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LARRY DEVILBISS, representing himself, Palmer, Alaska, said he farms beef cows, and last year, fuel was by far his largest expense; he spent 50 percent more on that than fertilizer. So, the increase in tax will have an impact on him. He was concerned that electronic filing will require extra paperwork and that the 12 cent off-road exemption has to also be applied for. "That is probably equally as ominous to me as the extra charge," he said.

MR. BURNETT explained that the bill requires taxpayers to file electronically, but it does not change the paperwork requirement for getting the off-road exemption.

CHAIR MICCICHE said the committee understands the frustration that comes with the feel of someone reaching into your pocket, and he belongs to a team that feels strongly that significant reductions are still required. Legislators are trying to manage a gap that is unlikely to go away even if they are very successful.

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SENATOR DUNLEAVY asked what the anticipated revenues are from this bill.

MR. BURNETT answered the total anticipated new revenues from this bill is \$49 million.

SENATOR DUNLEAVY asked how much is currently brought in.

MR. BURNETT answered around \$40 million. He pointed out that the increase on aviation jet fuel tax is more than double the current tax.

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AVES THOMPSON, Executive Director, Alaska Trucking Association (ATA), Anchorage, Alaska, testified in support of SB 132. He said that one of their priorities for 2016 is development of a balanced, durable, long-term, fiscal plan utilizing cuts to state government, use of Permanent Fund earnings and taxes if required. The fuel tax increase proposed in SB 132 is acceptable to the ATA within the framework of the long-term, fiscal plan. They believe that action is critical in this legislative session.

MR. THOMPSON said the ATA has long supported a fuel tax increase if the funds could be dedicated to transportation needs. They know that won't happen in this bill, but they feel strongly that they need to help resolve the fiscal issues by doing their part.

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CHAIR MICCICHE said his understanding is that a letter from ATA will be forthcoming.

MR. THOMPSON said he would follow up with a letter.

SENATOR DUNLEAVY asked Mr. Burnett what exempted categories there will be.

MR. BURNETT replied that the exempted category is off-road use: construction, farming, and ATVs; a school bus working under a private contract with the local school district would not necessarily be exempt.

SENATOR DUNLEAVY noted that those costs will likely be passed along to the school districts.

MR. BURNETT said they would expect the cost of this type of tax to be passed on to the ultimate consumer in one way or another.

SENATOR STEDMAN informed his constituents that a tax bill will not automatically move from committee. It might not have the votes or be in a different form.

SENATOR BISHOP asked if the marine fuel tax stays the same in the bill.

MR. BURNETT answered that the marine fuel tax changes from 5 cents a gallon to 10 cents a gallon in this bill. It is accounted for separately and it would apply to commercial fishermen, but not to the Alaska Marine Highway System.

SENATOR STEDMAN asked for a regional breakdown of fuel consumption in the state.

MR. BURNETT responded that the department taxes at the distributor level, but there should be local government tax records for communities that charge a local tax on fuel.

SENATOR DUNLEAVY asked if additional administration would have to be put in place to handle the additional tax.

MR. BURNETT answered that no additional overhead would be needed.

CHAIR MICCICHE asked him to explain the system as it is now, because this bill is just changing the numbers on the existing form.

MR. BURNETT explained that the current system, which is taxed at the distributor level, will be used but just the tax rates will change. There will be some implementation costs for programming

and forms, but over time using electronic filing it will be less costly.

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CHAIR MICCICHE found no further questions and held SB 132 in committee awaiting a committee substitute. Public testimony was open.

[2:05:52 PM](#)

**ADJOURNMENT**

The Senate Transportation Standing Committee meeting was adjourned at 2:05 p.m.