

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

February 13, 2018

1:33 p.m.

MEMBERS PRESENT

Senator Bert Stedman, Chair
Senator Anna MacKinnon
Senator Click Bishop
Senator David Wilson
Senator Dennis Egan

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

OVERVIEW: Alaska Department of Transportation and Public Facilities Design and Constructions Update for the Northern Region

- HEARD

WITNESS REGISTER

RYAN ANDERSON, Northern Region Director
Alaska Department of Transportation & Public Facilities
Fairbanks, Alaska

POSITION STATEMENT: Provided an overview of the Alaska Department of Transportation & Public Facilities Northern Region transportation projects.

ACTION NARRATIVE

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CHAIR BERT STEDMAN called the Senate Transportation Standing Committee meeting to order at 1:33 p.m. Present at the call to order were Senators MacKinnon, Wilson, Egan, and Chair Stedman.

**OVERVIEW: Alaska Department of Transportation & Public
Facilities Design and Construction Update for the Northern
Region**

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CHAIR STEDMAN announced that the committee will hear from the Alaska Department of Transportation and Public Facilities (DOT&PF)-Northern Region regarding design and construction projects.

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RYAN ANDERSON, Regional Director, Northern Region, Alaska Department of Transportation & Public Facilities, Fairbanks, Alaska, addressed slide 2 in the presentation: Employee Spotlight-Bandy Milles, Northern Region Employee of the Year, and pointed out Ms. Milles' involvement with drone technology for DOT&PF.

He addressed slide 3: Northern Region Area, and referenced as follows:

- 124 Communities,
- 6 boroughs,
- Over 50 city governments,
- Over 100 tribes,
- 1 metropolitan planning organization (FMATS),
- 8,920 road-lane miles,
- 37 maintenance stations,
- 376 bridges,
- 101 airports.

He said the Northern Region has a vast boundary area that extends from the Arctic Ocean to the north, Bering and Chuckchi seas to the west, the Canadian border to the east, Yukon Delta and Alaska Range to the south, and the "pipeline corridor" south to Valdez.

He detailed that the Northern Region has several major routes: Dalton Highway, Elliott Highway, Steese Highway, Richardson Highway, Alaska Highway, Tok Cutoff, Parks Highway, and the Glenn Highway. He emphasized that DOT&PF focuses on partnering with local governments to receive good input and to move forward on projects with the region's 124 communities.

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He addressed slide 4: Regional Focus Areas, and referenced the points that he will cover in his presentation as follows:

- Results Based Alignment (RBA):

- 2018 Construction Season;
- 2017 Accomplishments;
- Leveraging Technology;
- Innovative Contracting,
- Project Teams Pilot Program.

MR. ANDERSON addressed slide 5: Results Based Alignment (RBA), and referenced as follows:

- Goal: A service delivery framework to measure the efficiency and effectiveness of the services delivered in support of our mission.
- Regional Measures for Project Delivery:
 - Programmed-dollars planned versus delivered.
 - Average project development time.
 - Design/construction costs at award.
 - CIP dollars: contracting versus in-house.

He addressed slide 6: RBA Program Dollars Planned Versus Delivered (FFY2016 vs FFY2017), and referenced as follows:

- FFY2016-Planned: \$217,861,000:
 - FHWA: \$170,303,000;
 - FAA: \$47,558,000.
- FFY2016-Delivered: \$168,132,175:
 - FHWA: \$93,489,628;
 - FAA: \$74,642,547.
- FFY2017-Planned: \$259,624,000:
 - FHWA: \$203,624,000;
 - FAA: \$56,000,000.
- FFY2017-Delieverd: \$190,295,000:
 - FHWA: \$143,132,000;
 - FAA: \$47,163,000.

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He addressed slide 7: RBA Average Project Development Time from Project Initiation to Bid. He explained that "modernize" denotes the more complex projects for road construction that may involve additional environmental processes. He added that "Preserve" identifies the mill-and-pave jobs. He explained the average project development time as follows:

- 04/01/16-09/30/16:
 - Modernize: 51 months,
 - Preserve: 56 months.

- 10/01/16-03/31/17:
 - Modernize: 86 months,
 - Preserve: 78 months.
- 04/01/17-09/30/17:
 - Modernize: 53 months,
 - Preserve: 33 months.

MR. ANDERSON addressed slide 8: RBA-Design/Construction Costs at Award Reported upon Project Bid Opening, and referenced as follows:

- 04/01/16-09/30/16:
 - Modernize: 26 percent,
 - Preserve: 17 percent.
- 10/01/16-03/31/17:
 - Modernize: 39 percent,
 - Preserve: 11 percent.
- 04/01/17-09/30/17:
 - Modernize: 7 percent,
 - Preserve: 9 percent.

He explained that the design cost "spikes" were attributed to projects that have been around for a long time. He noted that some projects have been around since the 1980s and having projects around for a long period of time drives costs up. He explained that projects are affected by changing regulations that requires work to be redone.

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He addressed slide 9: RBA-CIP Dollars to Contracting Versus In-house for July 1, 2016 - June 30, 2017 and referenced as follows:

- Contractor payments:
 - \$212.2 million,
 - 78 percent.
- Consultant payments:
 - \$19.6 million,
 - 7 percent.
- In-house design costs:
 - \$12.6 million,
 - 5 percent.
- In-house construction costs:
 - \$25.8 million,
 - 10 percent.

MR. ANDERSON summarized that contract work is approximately 85 percent of yearly expenditures. He explained that the Northern Region uses the information to balance in-house and contract work. He referenced a national report that transportation departments throughout the country contract-out 50 percent to 70 percent of their work for efficiency purposes.

He addressed slide 10: 2018 Construction Season, and referenced as follows:

- 25 rural Northern Region projects.
- 8 projects continuing into second year of construction.
- 6 new projects already bid.
- 9 new projects funded and will be ready to bid in time for 2018 season.
- 2 new projects will be ready to bid but are not currently funded.

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He addressed slide 11: 2018 Construction Season: Fairbanks-area projects, and referenced as follows:

- 14 projects.
- 2 projects continuing into second year of construction.
- 2 new projects already bid.
- 8 new projects funded and will be ready to bid in time for 2018 season.
- 2 new projects will be ready to bid but are not currently funded.

He addressed slide 12: 2018 Construction-Highways: Elliott Highway MP 0-12 Rehabilitation. He noted that the Elliot Highway is in poor condition, primarily due to frozen subsurface conditions. He provided road rehabilitation details to the committee. He disclosed that the project's cost will be between \$20 million to \$30 million and the build will occur in March 2018.

He addressed slide 13: 2018 Construction-Bridges: Alaska Highway MP 1309-Tok River Bridge Replacement. He emphasized that bridges are the Northern Region's focal point and noted that the region has 25 or 26 bridges that have deficiencies of some sort. He detailed that the Tok River Bridge at MP 1309 was built in 1944 and is a pinch-point on the Alaska Highway. He noted that the bridge's 15 foot, 11-inch clearance is the highway's lowest clearance and does restrict what can be hauled on the Alaska

Highway. He said the project will get bid on and go to construction the summer of 2018.

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MR. ANDERSON addressed slide 14: 2018 Construction-Fairbanks Area: Old Nenana Highway/Ester Hill Rehabilitation. He provided road rehabilitation details to the committee. He noted that project is an example of a community-supported project where a lot of community input was provided.

He addressed slides 15-16: 2018 Construction-Fairbanks Area: University Avenue Rehabilitation and Widening. He noted that the project has been around since the 1980s. He explained that a team approach was initiated to try new things to move the project forward. He disclosed that innovative contracting was attempted where a contractor was hired through the CMGC process that allowed for a contractor to be brought onboard during design to get work done quickly. He added that another approach tried was offering a new right-of-way incentives program to land owners to acquire right-of-way land from owners more quickly to keep the project going forward. He noted that the intent is also to replace the Chena River bridge as well.

He addressed slide 17: 2018 Construction - Fairbanks Area: Farmers Loop Resurfacing. He noted that the project started in 2017.

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He addressed slide 18: Fairbanks Metropolitan Area Transportation System (FMATS) and detailed FMATS' participating organizations as follows:

- State of Alaska:
 - DOT&PF,
 - DEC;
- Fairbanks North Star Borough;
- City of Fairbanks;
- City of North Pole;
- Fort Wainwright;
- University of Alaska-Fairbanks;
- Fairbanks International Airport;
- Freight Industry;
- Alaska Railroad Corporation.

He explained that FMATS is the local Metropolitan Planning Organization (MPO) for the urbanized portion of the Fairbanks

North Star Borough. He detailed that FMATS was formed in April 2003 as a consensus-based transportation policymaking body after the Fairbanks area was listed in the Federal Register of Qualifying Urban Areas for the 2000 Census. He specified that the Federal Highway Administration (FHWA) and the Federal Transit Administration requires the establishment of MPOs to facilitate increased local control of transportation investments. He added that the code of federal regulations and the U.S. codes, Title 23, primarily stipulate the conditions of FMATS to receive federal funding. He explained that the MAP-21 followed by the FAST Act set the apportionments for FMATS and the federal funding that is received. He specified that FMATS shares in an overall apportionment with communities that are between 5,000 and 200,000 in population. He said FMAT funds are dedicated through the Transportation Improvement Program that is like the STIP and is approved through the FMAT's Technical and Policy Board who have members from the previously noted participating organizations. He disclosed that FMAT currently receives approximately \$8 million per year in surface transportation funds.

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SENATOR MACKINNON asked what population is required to form an MPO.

MR. ANDERSON replied that he does not know the exact number but noted that an MPO is based on "urban density."

SENATOR MACKINNON pointed out that the threshold for Fairbanks was 50,000 in addition to a density level. She noted that smaller communities funding is distributed differently.

CHAIR STEDMAN confirmed that there is Anchorage, Fairbanks, and everybody else.

MR. ANDERSON addressed slide 19: 2018 Construction-FMATS: 2018 Surface Upgrades. He explained that every year FMATS will go through and repair roads, replace pavement, and fix drainage problems. He explained that the program is a staple of a yearly road upkeep program. He detailed that the 2018 surface upgrades will address approximately 13 roads at a cost of \$3 million.

CHAIR STEDMAN addressed the life of asphalt and inquired if DOT&PF has experienced any asphalt-life issues in the Northern Region as far as excessive wear from studded tires or general wear-and-tear. He inquired on the region's rock sources, rock

densities, and hard aggregate supply levels to extend the life of asphalt.

MR. ANDERSON replied that Fairbanks has different considerations for asphalt as in other areas in the state. He noted that Fairbanks does not have as much studded-tire usage due to area's flat topography. He detailed that the Fairbanks area does have a lot of asphalt wear-and-tear from the cold and the freeze-and-thaw cycles. He added the Fairbanks area has a lot of undulating surfaces from frozen sub-surfaces and movement. He disclosed that the typical life of asphalt life in Fairbanks is approximately 10 to 15 years. He added that aggregate in Fairbanks is good with a lot of alluvial sources in the area. He noted that the Fairbanks areas does not have to struggle with sources for hard rock that Anchorage struggles with. He added that the aggregate sources in the rural areas is a different story where there is a challenge for materials and noted that some areas require rock to be barged in.

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SENATOR BISHOP joined the committee meeting.

SENATOR MACKINNON asked what oil product is being used on asphalt. She inquired if the oil product is Alaska-based.

MR. ANDERSON replied that a lot of products come from North Pole. He noted that DOT&PF does not specify in its contracts that oil products be Alaska-based and added that specifications are performance-based.

He addressed slide 20: 2018 Construction-FMATS: Yukon Drive Improvements. He provided construction details to the committee that will be occurring in the university area in Fairbanks.

He addressed slide 21: 2018 Accomplishments-FMATS: Noble Street Upgrades. He said Noble Street is one of Fairbanks' primary north-south connectors and noted that the major project required utility relocation with road rebuilding. He said projects like Noble Street are tough with the FMATS program when its annual apportionment is limited to \$8 million. He disclosed that the Noble Street project cost \$11 million to \$12 million.

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He addressed slides 22-24: Where to Find Construction Information. He detailed that construction and information is accessible on the DOT&PF website.

SENATOR BISHOP asked Mr. Anderson to address its "511" weather information on the DOT&PF website. He opined that DOT&PF's weather information is better than the National Weather Service's information. He pointed out that the National Weather Service is coming to DOT&PF for weather information.

MR. ANDERSON explained that DOT&PF is testing new technologies in Fairbanks that includes mounting sensors on maintenance trucks to identify road weather conditions; for example, sensors indicate when to apply de-icing chemicals. He detailed that DOT&PF has an agreement with the University of Colorado to allow DOT&PF to get its own weather forecast based on sensors and equipment located around Fairbanks. He concurred that the National Weather Service has approached DOT&PF in accessing its weather sensors for forecasting.

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He addressed slide 25: 2017 Construction Season-Northern Region, and referenced accomplishments as follows:

- 40 active construction projects in 16 communities.
- Over \$300 million in active construction contracts.
- Over \$100 million in active design contracts.

He addressed slide 26: Accomplishments-Highways: Parks Highway MP 239-252. He specified that the project started north of Denali Park to Healy. He noted that a canyon area on the highway is safer after the project was completed.

He addressed slide 27: Accomplishments-Highways: Richardson Highway MP 337-Eielson Air Force Base (AFB) Intersection. He disclosed that DOT&PF had discussions with the Air Force regarding the F-35 aircraft that will be coming to Eielson AFB. He revealed that the Air Force asked for assistance in establishing a south-base access along the Richardson Highway. He said the project added turning lanes and reconfigured the area to provide an intersection to support equipment and supply deliveries to the base.

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He addressed slides 28-30: Accomplishment-Bridges:

- Taylor Highway MP 64-Chicken Creek Bridge.
- Tok Cutoff MP 75-Slana Creek Bridge.
- Richardson Highway:
 - MP 235 Ruby Creek,

- o MP 295 Banner Creek.

MR. ANDERSON disclosed that seven bridge projects were completed in 2017 and the focus on bridges continues.

He addressed slide 31: Leveraging Technology: Drones:

- Development of Low Distortion Projections and remote sensing to support surveying and engineering.

He said DOT&PF is focusing on drone technologies to become better at acquiring imagery as well as allowing the department to share data. He detailed the use of drone technology as follows:

- Susitna River Bridge:
 - o Drone used to monitor foundation movement.
- Survey projects in Fairbanks to acquire horizontal and elevation data.
- Check the progress of construction projects, measure aggregate stockpiles, and to monitor coastal erosion on the western coast in the villages of Shishmaref and Point Hope.
- Drone projects for surveying have been cost effective where costs on some projects have been three times less than a typical survey.

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He addressed slide 32: Innovative Contracting-Construction Manager/General Contractor (CMGC), and referenced as follows:

- Risk Management:
 - o Project risks are shared and can be minimized when worked through collaborative team effort.
 - o DOT&PF retains control over design and contract administration.
- Cost/Value:
 - o Risks identified in advance, overall project cost savings, and cost certainty.
 - o Maximizes innovation and efficiencies.
 - o Improved quality with invested contractor as partner.
- Schedule/Funding:
 - o Permitting assistance on specific contractor methods.
 - o Collaboration to expedite schedule.
 - o Cost certainty allows for flexibility in creating work packages to align with funding.

MR. ANDERSON explained that the intent of CMGC is to leverage the great experience of DOT&PF's contractors. He explained that CMGC is an alternative procurement method that is allowed by FHWA where a contractor is selected for a project early in the design phase. He said CMGC allows the department to include the contractor in early project decisions. He added that CMGC allows DOT&PF and the contractor to equally share a project's risk. He revealed that contractors that are involved in projects in the design phases are coming up with innovative solutions for problems; example, there was innovative thinking in how to replace the Chena River Bridge for the University Avenue project in Fairbanks. He added that a contractor assisted on a project to determine material sites. He pointed out that involving contractors early in a project's design has also helped with permitting. He admitted that CMGC is not a procurement method for every project, but for certain projects the CMGC is something that DOT&PF continues to test. He detailed that DOT&PF currently has three active CMGC contracts and the department is working on putting together two more.

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SENATOR BISHOP asked if the chance for a claim is less for the CMGC process.

MR. ANDERSON replied that he agreed. He explained that through the CMGC process the price of the contract is negotiated and estimating includes an estimator group from the state, an independent estimator, and the contractor to come with the project's cost. He said the idea is if there is a risk area that requires more work, the issue is addressed during design to reduce the risk where the groups involved agree prior to moving forward. He summarized that the hope is a project sees less change orders and less claims.

He addressed slide 33: Pilot Program: Project Delivery Teams-Teaming in Construction for Time and Cost Savings (TICTACS). He addressed the desired program outcomes as follows:

- Improved delivery timeframes.
- Reduced project costs and greater cost certainty.
- More adaptive project delivery processes recognizing Alaska's constantly changing transportation needs.

He explained that TICTACS is a pilot program to address how to keep working and achieving time and cost savings on projects. He said everyone working to deliver capital projects are challenged

everyday by whether the project is environmental in regulatory processes that require starts and stops, or how organizational structures are formed to find pinch-points when something needs to get done. He noted that some DOT&PF projects take up to eight years to get done. He said the department questioned itself as to what would happen if a project was completed in eight months and what kind of approach would be required. He explained that the new process would require a team approach to get the desired program outcomes of an improved delivery timeframes, reduced project costs, greater cost certainty, and to have a more adaptive project delivery process that recognizes the constantly changing transportation needs of Alaska. He said DOT&PF-Norther Region put a focus on TICTACS and experienced good results.

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MR. ANDERSON addressed slide 34: Pilot Program: Project Delivery Teams-Teaming Successes, and referenced as follows:

- Condensed environmental approval timelines.
- Time savings with focused planning.
- Cost savings with shorter time frames.
- Actively involved communities.
- Innovative contracting.
- Leveraging technology.
- Management team:
 - DOT&PF Planning Team,
 - State Agencies Team,
 - DOT&PF Environmental Team,
 - Federal Agencies Team,
 - DOT&PF Engineering Team,
 - Construction Contractor Team,
 - Local Hire/Economic Development Team,
 - FHWA/FAA Team.

He said DOT&PF began a different approach by developing project demonstration teams centered around a core management team where other entities were brought in to be part of team early on. He detailed that not only were core competencies for managing construction considered, but also to bring in outside entities to contribute their knowledge and expertise as part of the team.

He emphasized that all team members must work towards mutual goals and operate by a set of rules. He disclosed that the team has regular check-in meetings and address "task trackers." He emphasized that success is measured with the team being honest when success is not occurring. He said information sharing is a

primary tenant of the team approach where technology is used for information sharing amongst the team.

MR. ANDERSON noted that when DOT&PF-Northern Region came up with the team approach, the DOT&PF commissioner liked the approach, but required that the team approach prove results. He detailed that the DOT&PF-Northern Region came up with 21 projects for the demonstration team to work on and disclosed that amazing successes have occurred over the past year.

He said an example of the team approach is a project in Kivalina that entailed an evacuation and school site access road, a challenging project that required an environmental document to be completed. He shared that team approach brought in the community as well as state and federal agencies early in the process. He revealed that the team was able to complete the Kivalina's environment document in 11 months. He noted that environmental documents like the one in Kivalina can take years to complete. He said the Kivalina project was big success for the team approach that required a focused group of people from both DOT&PF as well as the private sector and outside agencies to move forward.

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SENATOR EGAN thanked the "public facilities" part of DOT&PF for all the work they did on the state's "world class" Alaska State Museum in Juneau, [Father Andrew P. Kashevaroff State Library, Archives, and Museum]. He said the \$140 million project was on time and under budget.

CHAIR STEDMAN noted that a project's overview from the Southcoast Region of DOT&PF will occur at an upcoming committee meeting.

He asked if the team approach that Mr. Anderson addressed is being done in other DOT&PF regions.

MR. ANDERSON replied that the team approach is strictly a pilot program in the Northern Region. He explained that the Northern Region is documenting how the team approach is being done as well as the successes and challenges. He added that the Northern Region is sharing information with other regions during the pilot program process.

He pointed out that the time savings on Kivalina's environmental document project provided cost savings. He noted that design

costs are typically 5 to 10 percent or more, but the Kivalina project's design cost was less than 1 percent.

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CHAIR STEDMAN noted that the Southcoast Region has had projects that have been out for 10 years and getting the projects down to 5 or 4 years would be a huge success. He commented as follows:

I think it would be incredible if we could turn projects that fast, we could actually be more proactive in manipulating the economy in downturns; it would be a very valuable tool for us as policymakers to have because if we try to respond to a downturn now we can't get a project out in time, by then the economic course has moved on and it makes it challenging.

I think it is a good idea, I don't know who came up with the process to try this pilot program, but I think it is a good idea. I think it would be nice to have a report back in a year or what have you from DOT&PF on how successful it was and if it is successful, what the plans are on spreading it to other regions because it seems like the Northern Region is the stellar region of the state as far as relationships with contractors and productivity.

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MR. ANDERSON emphasized that communication is key to the team approach. He added that the other benefit from the team approach is having a group of people that are familiar with a project that mitigates challenges from overturn when people may leave for one reason or another.

CHAIR STEDMAN recognized that DOT&PF's regions vary in size and noted the Northern Region's sheer size and scale that it must deal with. He asked how many contractors the Northern Region has with \$10 million or more in bonding capacity.

MR. ANDERSON replied that he did not know the exact number but noted that a recent project in western Alaska received seven bidders. He noted that depending on the project, the Fairbanks area typically receive 5 to 10 bidders.

CHAIR STEDMAN asked that the committee receive a response back from DOT&PF's other regions regarding the number of contractors with bonding capacity of more than \$10 million. He admitted that

he was concerned about the number of contractors in the Southcoast Region. He opined that competition is good, and a region does not want to be down to one contractor. He asked if the Northern Region has approximately a half-dozen contractors that meet the criteria he previously noted.

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MR. ANDERSON replied correct.

He addressed slide 35: Pilot Program: Project Delivery Teams, and referenced as follows:

- Focus on Planning:
 - Active federal involvement in planning processes.
 - Focusing on project planning will result in projects that are better-defined with greater cost certainty.
- Team Support:
 - Active participation in multidisciplinary teams.
 - Advocating for federal agency participation at all phases of project development.
- Flexibility to Perform Concurrent Processes:
 - Reduce duplicative efforts.
 - Allow for environmental document and permit application public reviews to run concurrently.
- Innovative Contracting:
 - Alternative procurement.
 - Ability to fully integrate alternative procurement processes at the team's discretion.
- Community Economic Development:
 - Community involvement.
 - Provide flexibility to maximize local involvement in projects.

CHAIR STEDMAN asked if Mr. Anderson has been with the Northern Region for the entirety of his DOT&PF career.

MR. ANDERSON answered yes.

CHAIR STEDMAN asked if the regions cross-train the management to different regions or is Mr. Anderson "siloes" into the Northern Region.

MR. ANDERSON replied that DOT&PF does have some cross-training going on. He noted that there has been talk about a more "programmatic" way to do cross-training. He disclosed that resources are shared at times, primarily with construction,

bridge design and some of the other functions. He noted that DOT&PF personnel are moved around to gain experience.

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CHAIR STEDMAN asked how DOT&PF's regions communicate what is working and what is not working.

MR. ANDERSON explained that the regions meet on a quarterly basis for a performance measure that is results-based. He explained that the regions look at results and review measures regarding design costs, time to get projects out, construction cost, maintenance, and safety.

CHAIR STEDMAN commented that he was an advocate of the team approach. He remarked that getting projects down close to a year is a huge benefit to the organization and state.

MR. ANDERSON agreed with Chair Stedman.

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SENATOR WILSON asked if the projects he mentioned that go back to the 1980s were either project ideas or projects that were started and never completed.

MR. ANDERSON replied that the projects from the 1980s that Senator Wilson mentioned is a combination of starting and stopping, perhaps there was a loss of funding and a project is put on the shelf for a while. He admitted that when a project is pulled back out there may have been regulation or design standard changes that require a redo. He said DOT&PF is trying to get out of the project-shelfing cycle and noted three projects that have been around for a long time have been completed over the past two years. He pointed out that the Fairbanks' University Avenue Rehabilitation and Widening Project is an example of a project that has been around for a long time that will get done in 2018.

SENATOR BISHOP noted that he was recently in Fairbanks and commended DOT&PF for hauling snow from the city's major thoroughfares. He referenced slide 35 regarding the "Community Economic Development" point and asked if local involvement also includes native corporations.

MR. ANDERSON replied yes. He said there are areas where tribes contribute match funds, maintenance funds, and right-of-way land for projects.

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SENATOR WILSON addressed community involvement regarding a possible public-private partnership on the Parks Highway north of Willow. He noted that Willow has a maintenance facility and suggested that DOT&PF focus should be south to Palmer and recommended a private partnership for maintenance north of Willow should be considered for a more responsive highway service. He added that a private partnership should also be considered for other areas north of Fairbanks as well.

MR. ANDERSON answered that on the Parks Highway for the area noted by Senator Wilson there is a maintenance station in Cantwell that covers a 30-mile area to the north and south. He noted that staffing has been reduced but disclosed that there is no plan by DOT&PF for a public-private partnership.

SENATOR MACKINNON addressed tribal governments being able to match money. She asked if DOT&PF was assisting regional corporations or tribal governments in going after a specific set of federal funds. She asserted that there is a separate pot of money that Alaska has not competed well for regarding federally designated grants for tribes.

MR. ANDERSON answered that Transportation Investment Generating Economic Recover (TIGER) Grant Funds is a funding source that DOT&PF and the tribal governments have applied for on several projects. He said DOT&PF typically likes to have communication with the tribes as well as other groups that includes cities. He said everyone working together when applying for federal grants is important so that entities are not competing with one another.

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SENATOR MACKINNON asked of the TIGER Grant Funds is outside of the normal funding stream.

MR. ANDERSON replied that the TIGER Grant Funds is a separate program and said he believes the fund is administered by FHWA.

CHAIR STEDMAN asked that the department respond to the committee's inquiries on major funding sources.

SENATOR MACKINNON addressed slide 15: 2018 Construction-Fairbanks Area: University Avenue Rehabilitation and Widening. She noted that Mr. Anderson addressed incentives for right-of-way acquisition. She asked that Mr. Anderson further explain about incentives as well as who pays for the incentives.

MR. ANDERSON answered that he will get back to Senator MacKinnon regarding incentives. He explained that typically the incentive is time sensitive that is allowable by the FHWA so that federal funds can be used. He detailed that the program offers cash incentives if a landowner responds to an offer by DOT&PF in a certain amount of time.

SENATOR WILSON addressed bridge projects and noted that Mr. Anderson mentioned that the Northern Region has 26 bridges under construction or repair. He asked if DOT&PF has a priority or degradation status for bridges in the Northern Region as well as on the state level as well.

MR. ANDERSON replied that DOT&PF does have a statewide list that prioritizes bridges. He noted that environment regulatory requirements are factors that adds to the time for a project to be delivered.

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CHAIR STEDMAN opined that there is a reasonable chance the state is going to have a gas-line that will be a huge construction project where DOT&PF will be at the core in moving goods and materials to the North Slope. He asked if the Northern Region has considered preparing for the potential gas-line as well as its aftermath.

MR. ANDERSON replied that DOT&PF has discussed the gas-line project. He noted that DOT&PF has a statewide map that shows projects that are scheduled in the proposed gas-line corridor. He said when the gas-line construction becomes clearer, DOT&PF will look at the projects in the gas-line corridor that make sense to construct before or after the project.

CHAIR STEDMAN said the committee will ask DOT&PF to return and provide an overview specifically on the gas-line project regarding preparation for construction. He said a gas-line overview will provide committee members with a better idea of what is going on as well as to address mundane topics that will allow the Senate Finance Committee to focus on pertinent issues.

CHAIR STEDMAN thanked Mr. Anderson and reminded him to provide continued feedback on the Northern Region's pilot program for project delivery teams. He emphasized that if the Project Delivery Teams Project works, he would like to see implementation in other regions.

2:39:00 PM

There being no further business to come before the committee, Chair Stedman adjourned the Senate Transportation Standing Committee at 2:39 p.m.