

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

February 16, 2021

1:34 p.m.

**MEMBERS PRESENT**

Senator Robert Myers, Chair  
Senator Mike Shower, Vice Chair  
Senator Click Bishop  
Senator Peter Micciche  
Senator Jesse Kiehl

**MEMBERS ABSENT**

All members present

**OTHER LEGISLATORS PRESENT**

Senator Roger Holland

**COMMITTEE CALENDAR**

OVERVIEW: ROADS AND HIGHWAYS

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

JOHN MACKINNON, Commissioner  
Department of Transportation and Public Facilities (DOTPF)  
Juneau, Alaska

**POSITION STATEMENT:** Presented a PowerPoint on Roads and Highways.

ROB CARPENTER, Deputy Commissioner  
Department of Transportation and Public Facilities (DOTPF)  
Juneau, Alaska

**POSITION STATEMENT:** Assisted in presenting a PowerPoint on Roads and Highways.

RYAN ANDERSON, PE; Regional Director  
Northern Region

Department of Transportation and Public Facilities (DOTPF)  
Fairbanks, Alaska

**POSITION STATEMENT:** Presented a PowerPoint on Roads and Highways for the Northern Region.

WOLFGANG JUNGE, PE; Regional Director  
Central Region

Department of Transportation and Public Facilities (DOTPF)  
Anchorage, Alaska

**POSITION STATEMENT:** Presented a PowerPoint on Roads and Highways for the Central Region.

LANCE MEARIG, PE; Regional Director  
Southcoast Region

Department of Transportation and Public Facilities (DOTPF)  
Juneau, Alaska

**POSITION STATEMENT:** Presented a PowerPoint on Roads and Highways for the Southcoast Region.

## **ACTION NARRATIVE**

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**CHAIR ROBERT MYERS** called the Senate Transportation Standing Committee meeting to order at 1:34 p.m. Present at the call to order were Senators Bishop, Shower, Micciche and Chair Myers. Senator Kiehl arrived as the meeting was in progress.

### **OVERVIEW: ROADS and HIGHWAYS**

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CHAIR MYERS announced that the only order of business would be an OVERVIEW: ROADS and HIGHWAYS. He noted the Department of Transportation & Public Facilities would present a PowerPoint.

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JOHN MACKINNON, Commissioner, Department of Transportation and Public Facilities (DOTPF), Juneau, Alaska, began a PowerPoint on Roads and Highways. He highlighted the significant span of responsibility and service of DOTPF roads and highways as shown on slide 2. This slide showed a map of Alaska superimposed on the Lower 48 that illustrates the immense size of Alaska. He listed the department structure: Statewide Aviation, Alaska International Airport System, Alaska Marine Highway System, Design and Engineering Services, Facilities Services Division,

Measurement Standards & Commercial Vehicle Compliance, Program Development, State Equipment Fleet. The department is divided into three regions: The Northern Region, headquartered in Fairbanks, the Central Region headquartered in Anchorage and the Southcoast Region headquartered in Juneau.

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COMMISSIONER MACKINNON provided the department's infrastructure statistics consisting of 11,894 lane miles of roads, 74 staffed maintenance stations, 235 rural state airports, 2 International airports, 12 Alaska Marine Highway System (AMHS) ferries, 35 ports of call, 835 DOTPF owned bridges, 7,371 pieces of state equipment & vehicles, 837 public buildings maintained, 9 weigh stations and the 2.5-mile Anton Anderson Memorial (Whittier) Tunnel.

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ROB CARPENTER, Deputy Commissioner, Department of Transportation and Public Facilities (DOTPF), Juneau, Alaska, assisted in presenting a PowerPoint on Roads and Highways. He reviewed the department's total FY 2021 operating budget of \$606,220,400 on slide 3. He referred to the pie chart identifying \$167,381.1 million in unrestricted general funds (UGF) and \$101,422.9 million in designated general funds (DGF), which includes the federal receipts of \$167,381,900. It also included the capital improvement project receipts which showed that a significant portion of the federal capital program actually flowed into the operating budget for design and engineering and consultants. The last segment of other funds in the amount of \$167,381,100 relates to airports, international airports, equipment fleet and marine highway funds.

MR. CARPENTER reviewed the pie chart depicting the FY 2021 Capital Budget which totaled \$1,009,521 billion. The department typically has a \$1 billion Capital Improvement Budget, he said. Of the \$875,975,200 in federal receipts, a significant amount flows into the operating budget for design and engineering and the rest flows to construction, other phases of the program and federal aviation, he said. The UGF of \$65 million provided matching funds for the Federal Highway Administration (FHWA) and federal aviation programs and the smaller segments related to DGF and other funds.

MR. CARPENTER directed attention to the line graph that depicted the general fund (GF) operating budget for UGF and DGF. The red line depicts highways and aviation programs and the blue line depicts AMHS, he said. He explained that these programs

represent the largest portions of the budget that are general fund monies. The key takeaway is that as the fiscal environment has been more difficult, the general funds have declined significantly, he said.

MR. CARPENTER related that in FY 2019, AMHS had a \$40 million reduction during a period of general decline in maintenance and operations (M&O) as depicted in the red line. The department closed several highway maintenance stations. Currently, the department was tasked with reopening several highway maintenance stations, including the Silvertip Maintenance Station [covering the Seward Highway from Moose Pass through Turnagain Pass and the Hope Highway]. He mentioned several other closed stations [north of Valdez], including Chitina and Birch Lake maintenance stations. He related that DOTPF's position count totaled 3,338 positions, of which 2,920 were fulltime positions. Any reductions to the general fund budget will directly impact M&O services for roads, highways, rural airports and AMHS, he said.

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SENATOR SHOWER asked him to identify the vacancy rates. He asked him to describe the allocation and how that would affect the federal match.

MR. CARPENTER offered to get back to him on vacancy rates since the rates varied for each component. He emphasized that the department has experienced significant challenges in recruiting and retaining employees for M&O and AMHS. In terms of federal matching funds, the two operating programs on the line graph were different from the department's capital program, which is depicted on the pie chart. The state has always had significant match to acquire and obligate these funds. In fact, last year the department had a record year and obligated \$720 million in federal funds. However, this has tightened up over time so the department will request more match in the FY 2022 budget to ensure it can capture all available funding, he said.

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SENATOR BISHOP asked him to provide a graph from FY 2012-21 with the position reductions.

MR. CARPENTER agreed to do so.

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MR. CARPENTER reviewed the roads and highway funding and positions on slide 4. This slide depicted the FY 2020 DOTPF expenditures by fund source to capture the funds spent on roads

and highways. He turned to a pie chart that illustrated the total operating budget by major fund groups. He noted the DGF of \$88.9 million. This figure has been broken out further to show motor fuel tax receipts, which represents a major portion of the M&O for highways, he said. Just showing general funds would under depict the full authority the department needs to operate its roads and highways, he said. He directed attention to the \$34 million in motor fuel tax receipts used for M&O. He stated the remaining \$54 million was designated general funds (DGF), primarily consisting of AMHS revenue. He reviewed the regional FY 2020 Highway UGF and DGF expenditures by region: The Northern Region at \$43 million, the Central Region at \$29 million, and the Southcoast Region at \$10 million. He listed highway M&O expenditures at \$36 million and non-highway UGF and DGF expenditures at \$54.56 million. He reported AMHS expenditures of \$91 million. He noted the department considered AMHS as an extension of the highway system. AMHS component also included UGF of \$50 million with AMHS revenue of \$45 million.

MR. CARPENTER referred to a table that listed the funding sources for each of the regions. The Northern Region (NR) has approximately \$17 million in motor fuel tax receipts. He stated the key point was that declining motor fuel tax receipts reflected the hollow authority in the budget. It has caused unintended budget reductions and considerable difficulty in maintaining Alaska's highways. Lastly, the lower left table provided the PCN Count for Highways and Aviation by region: Central Region at 180, Northern Region at 322, Southcoast Region at 92 totaling of 594 positions, which represented 18 percent of the budget.

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SENATOR SHOWER referred to the breakdown for highways and aviation. He asked if he would provide a breakdown of AMHS expenditures by region.

MR. CARPENTER said he had not considered breaking out these figures for the system regionally, but he offered to research this and report back to the committee.

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COMMISSIONER MACKINNON reviewed slide 5. He reported that the department let about \$500 million in construction contracts annually. The construction season runs from mid-April to mid-October. He emphasized that this provides important jobs for the construction companies and families. Due to COVID-19, his team sat down with contractors to develop a mitigation plan for urban

and rural communities. He reported that the construction season went off almost without a hiccup. He acknowledged that several cases arose, but none jeopardized the program or project completion. The department will continue to use its protocols, he said. He highlighted that the department must follow federal rules for FHWA, which are complicated. He remarked that DOTPF used to say that a state dollar is worth a dollar and federal dollar was worth about \$.75 due to all the requirements. Mr. Carpenter talked about unrealized motor fuel receipts which has created a problem in maintenance. The maintenance operations were not designed to handle the peak conditions. He reported that the state has experienced serious weather conditions in northern Lynn Canal. Further, Turnagain Pass had record snowfall and icy conditions not seen since the early 80s. These occurrences put the department behind on road maintenance but eventually it will catch up, he said.

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COMMISSIONER MACKINNON turned to the issue of recruitment and retention. He characterized this as affecting nearly every sector of the department. For example, Local 71 supplies M&O equipment operators, but since their wages are \$3-5 per hour less than the private sector pays, it is not easy to recruit or retain equipment operators. He highlighted that the department has aging equipment and it lacks spares. He emphasized that weather issues, aging equipment, and lack of spares, have created challenges. For example, the department cannot just buy equipment on demand since the lead time for a plow truck is about nine months, he said.

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SENATOR SHOWER asked if the department had negotiated any agreements with other states to share or lease equipment. He asked if this was a viable option.

COMMISSIONER MACKINNON said he was unsure whether DOTPF can get equipment from the Lower 48, but it does move equipment between maintenance stations. He offered to research equipment loans and report back to the committee.

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RYAN ANDERSON, PE; Regional Director, Northern Region, Department of Transportation and Public Facilities (DOTPF), Fairbanks, Alaska, began a PowerPoint on Roads and Highways for the Northern Region. He reviewed the statistics on slide 6, such that the region has 8,450 road lane miles, 90 maintained airports and 390 bridges. The Northern Region is composed of 8

maintenance districts with 322 fulltime and seasonal staff in its 37 maintenance stations serving 124 communities, 6 boroughs, 50 city governments, 100 tribal communities and one Metropolitan Planning Organization (MPO), he said. The MPO consisted of the mayors of the City of Fairbanks, the Fairbanks North Star Borough (FNSB), the City of North Pole, city council and borough assembly representatives, DOTPF, and Department of Environmental Conservation (DEC) members. The department's design and construction team consisted of 200 fulltime and 70 seasonal employees that has historically delivered \$200-250 million in construction contracts for the region.

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MR. ANDERSON reviewed the Northern Region's overall budget for the Highways and Aviation M&O funding from FY 2013 to FY 2020 depicted in bar graphs on slide 7. The region uses federal and state funding sources, he said. Every district has highway and aviation funding components, he said. The annual expenditures for the Northern Region in FY 2020 were about \$80 million. He highlighted that the unrestricted general funds (UGF) have declined significantly. These reductions have been replaced with other restricted or designated general funds. Deferred maintenance allocations also declined during this period. The Northern Region previously had a capital appropriation for heavy maintenance for the Dalton Highway, which is depicted in the green bar, he said. However, the use of federal funds has increased. The specific activities eligible for federal funding include asphalt repairs, asphalt leveling, resurfacing, crack sealing, banding, dust management, drainage controls and striping, but the department cannot use federal funds for snow removal, routine maintenance such as road grading, or vegetation clearing, he said.

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MR. ANDERSON turned to slide 8 and reviewed some department innovations. The entire DOTPF team has developed a road priority system with performance targets for winter storm response time, he said. Roads are classified from Priority 1 to Priority 4 depending on the average daily traffic counts and various factors. For example, the target times for Priority 1 roads was set at 12 hours but the average response time was 10 hours. The goal for Priority 2 roads was set at 18 hours, but the actual response time was 26 hours. The region works to use technology to improve the target times, he said. He directed attention to the photo on the left of the slide that depicted a device that allows the operators to obtain information including air temperature, pavement temperature, and relative humidity. This

technology provides weather, road, and temperature information to the Northern Region before it sends out crews so it can allocate its resources, he said. He indicated that the Northern Region has had success using this technology.

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MR. ANDERSON referred to a photo of a tow plow that would allow one operator to clear more lane miles of roadway, which has been successful. The department continues to seek innovative solutions, he said.

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MR. ANDERSON discussed the Northern Region's Capital Program on slide 9. He said the Northern Region anticipates a very healthy construction season similar to last year. He reported the \$225 to \$250 million in contracts would span 46 projects in 11 communities, of which 35 were highway projects and 11 were airport projects. He reported 9.03 percent was for matching funds and about 6.5 percent for airports. He indicated the Statewide Transportation Improvement Program (STIP) and the FAA's Airport Improvement Program publications listed these projects.

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CHAIR MYERS asked if the match would flow from the state to the federal government.

MR. ANDERSON replied that the state highway match was state funding to match federal dollars.

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MR. ANDERSON highlighted that slide 10 listed the Northern Region's construction projects. These projects are diverse ones, ranging from airport and road projects in Utqiagvik, Kotzebue, and Nome to airport projects in Kotlik, Stebbins and highway projects in Nulato and Shageluk, he said. He noted several highway projects on the Parks and Richardson Highways. He directed members to maps on the department's website at: <http://www.dot.state.ak.us/nreg/projects>.

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MR. ANDERSON reviewed the Fairbanks Area 2021 construction projects. The Northern Region is focused on improving safety and asset condition and reducing operating costs, he said. This includes working on upgrading lighting systems to LEDs for the past five years, he said. One big project was the 3rd Street and

Steese Highway reconstruction, which will move forward this summer.

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CHAIR MYERS noted Senator Kiehl joined the meeting.

MR. ANDERSON reviewed slide 13 that depicted the Richardson Highway 2021 projects, just north and south of Glennallen. DOTPF usually reviews its projects on a corridor basis, he said. However, concern about trucker traffic transiting Glennallen headed to Fairbanks caused the department to seek ways to lessen that impact, he said.

MR. ANDERSON reviewed the Chena Hot Springs Road Improvements on slide 13. This area is problematic due to drainage, permafrost, and poor soils so roads in the region typically have a 10-15-year life span, he said. This project will run from the Steese Highway to Nordale Road.

MR. ANDERSON reviewed the University Avenue Bridge Replacement on slide 14. This bridge was built in 1963. This project was part of an ongoing three-year University Avenue widening project. This project would complete the upgrades to University Avenue from College Road to Airport Way.

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MR. ANDERSON reviewed the Wendell Avenue Bridge Replacement project on slide 15, noting that this bridge was built in 1953. It will be demolished and rebuilt and the project should be completed in the fall, he said.

MR. ANDERSON reviewed the Dalton Highway MP [Milepost] 36-414 Paving Project on slide 16. He highlighted that the Northern Region M&O crew has struggled to maintain this road due to the aggregate materials. This project would include an insulated embankment, reduce M&O grading work, and consist of single lane traffic using pilot cars. It should be completed this fall, he said.

MR. ANDERSON turned to a photo of the Dalton Highway Drill Rig Move on slide 17. He characterized this project as a big success.

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CHAIR MYERS asked how that drill rig move impacted the department financially and if oil companies covered the costs.

MR. ANDERSON answered that the oil companies covered all costs and provided all the engineering work. The department required bonding and acted as the approval agency, he said.

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WOLFGANG JUNGE, PE, Regional Director, Central Region, Department of Transportation and Public Facilities (DOTPF), Anchorage, Alaska, began a PowerPoint on Roads and Highways for the Central Region by reviewing a map on slide 18. He said the Central Region is comprised of the state's most urban areas, Anchorage, Mat-Su, and Kenai and 80 Western and Southwest Alaska rural communities. It is also the most populous region with over 290,000 in Anchorage, 100,000 in Mat-Su, 55,000 in Kenai, and over 15,000 in rural Alaska, he said. The Central Region has a robust aviation network, including the Ted Stevens International Airport and a network of hubs in Bethel, Dillingham, and Homer. In addition, over 69 airports serve the rural communities, he said. The Central Region owns and operates the longest tunnel in North America, the Anton Anderson Memorial (Whittier) tunnel. This tunnel consists of a 2.5-mile road and rail tunnel that connects Whittier to the National Highway System (NHS), he said.

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MR. JUNGE reviewed the Central Region operating budget on slide 19. He said M&O is largely funded with state general fund monies. The significant drop in funding levels in FY 2015-2016 was a reflection of the regional boundary shift. That change included reallocating federal funds from the U.S. Air Force to the Southcoast Region to keep the King Salmon airport operational for use as a diversion airport.

MR. JUNGE reported that the Central Region's funding was derived from taxes, including the aviation fuel tax, motor fuel tax, motor rental tax, and program receipts from preventative maintenance programs. He reported that the Whittier Tunnel obtained its funding through the State Transportation Improvement Program (STIP), which is funded by the Federal Highway Administration (FHWA) and the receipt authority for toll collection. The tunnel was converted to a multi-use rail and road tunnel 20 years ago. He stated that expenditures to keep it certified have increased annually. Due to COVID-19, the tunnel has experienced much lower toll receipts. Design & Construction operating budgets are largely funded by federal funds through the Capital Improvement Program (CIP) and indirect cost allocation plan funds/overhead rates charged to each of the federally funded projects. Each division receives a small amount

of general funds to cover costs not permissible under the permit program and the Indirect Cost Allocation Program, he said.

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MR. JUNGE reviewed the Central Region Capital Budget on slide 20. He reported the overall 2020 construction program received over \$196 million in construction payments. The FY 2021 anticipated funding of \$460 million will fund 40 construction projects either awarded or going out for bid across all modes, including highway and aviation, he said. The M&O's budget includes over \$7 million for preventative maintenance on its highway and airport infrastructure, he said. The state highway match funds at 9.03 percent were required to receive federal funds. However, the 6.25 percent Airport Match was waived by the Federal Aviation Administration (FAA). The Central Region anticipated receiving \$340 million for the State Transportation Improvement Program (STIP).

MR. JUNGE said the Central Region anticipated receiving \$120 million for the Airport Improvement Program (AIP), \$6.8 million for AIP Preventative Maintenance and \$13 million for the 2021 FHWA Preventative Maintenance Program. He highlighted that preventative maintenance actions were limited to preapproved tasks and locations as authorized by the federal funding partners.

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MR. JUNGE reviewed Maintenance Innovations and accomplishments on slide 21:

Innovations:

Increased Brine Use in Kenai and Anchorage  
Week On/Week Off Schedules in Bethel  
20 Hour Coverage on Seward Highway  
Birchwood Now Seasonally Staffed

MR. JUNGE said brine use on highways increases highway safety. The Bethel rotation schedule also helped the department fill positions in Bethel, which is critical to keeping airports open. The Central Region worked to improve the Turnagain Pass, which has helped improve the department's response time and prevented highway closures despite snow levels. The existing Birchwood Airport Maintenance Facility staffing has resulted in better service to the Glenn Highway north of Eagle River.

MR. JUNGE reviewed the accomplishments on slide 21:

Accomplishments:

Knik Goose Bay Road Paving

Bridge Access Paving

Glenn Highway MP 115 (partnership w/Northern Region M&O)

Skilak Lake Road Drainage & Surface Repairs

MR. JUNGE reported that the Knik Goose Bay Road Paving project completed last summer repaved 8 miles of rutted roadway to improve safety in advance of a larger reconstruction project that will be bid out later this year. The Bridge Access Road on the Kenai was paved using [the Coronavirus Aid, Relief, and Economic Security] CARES Act funding to eliminate rutting and increase safety. The Glenn Highway MP 115 north of Palmer is challenging due to poor subsurface conditions including permafrost and poor drainage, he said. Thus, the Central Region partnered with the Northern Region to mill, level, and chip seal the road. He explained the Skilak Lake Road Drainage & Surface Repairs project, which connected 4.5 miles of surface and drainage repairs along the recreational access road adjacent to the Sterling Highway. This road provided a critical link during the 2018 Swan Lake fires and serves as a detour route.

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CHAIR MYERS asked if the department has evaluated the brine usage and how it would affect vehicles.

MR. JUNGE offered to report back to the committee.

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MR. JUNGE recapped the Central Region Construction on slide 22. The 153 Central Region staff are responsible for all highway and aviation projects, he said. In an average year, the construction section will oversee 40 to 50 projects in urban and rural settings with consultants providing administration on about 40 percent of its projects, he said. DOT&PF's goal is to minimize construction impacts to the traveling public while delivering much needed capital improvements to the transportation infrastructure, he said. He reiterated that the Central Region anticipated a construction budget of over \$400 million for highway and aviation projects over several seasons. These projects included highway safety improvements, pavement preservations, earthquake repairs, road rehabilitations and road reconstruction projects. The Anchorage Metropolitan Area Planning Organization (AMATS), a coalition between the state and the Municipality of Anchorage, oversees all federal projects, he said.

MR. JUNGE reviewed the 2021 Anchorage Central Region Construction projects listed on slide 22. The FHWA required DOTPF to have a Municipal Planning Organization (MPO). The Anchorage MPO will oversee 14 federally-funded construction projects this season, with the largest project being the O'Malley Road Reconstruction Phase II estimated at \$30 million, he said.

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SENATOR KIEHL asked if the project would include a bike path.

MR. JUNGE answered yes.

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MR. JUNGE reviewed the 2021 Kenai Peninsula Construction projects. He indicated the Central Region has five major projects, including that the Sterling Highway Milepost (MP) 45 to 60 near Cooper Landing. He anticipated the total costs of this project at nearly \$500 million, scheduled to be completed in 2025. This year work will focus on the western end of the alignment and on the new alignment that was cleared last year, he said. In addition, work will begin on the Seward Highway MP 17-22.5 Rehabilitation Project, he said.

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MR. JUNGE reviewed the Mat-Su's 2021 Construction projects on slide 24. He said the Mat-Su has 15 construction projects this year, with the largest project as the Parks Highway Phase III project from Pittman Road to Big Lake Road. He predicted that due to the Mat-Su Valley's population increase, the Mat-Su would likely qualify for an MPO, consisting of the Mat-Su Borough (MSB), the City of Wasilla and the City of Palmer. Until the MPO is officially named, DOTPF refers to it as MMATS, he said. DOTPF has provided the MSB with \$100,000 for its planning efforts.

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SENATOR SHOWER pointed out that the Bogart Road and Engstrom Road roundabout was not on the list. However, this project has consistently been a priority for the Mat-Su legislators. He characterized this as a dangerous intersection and asked for the status of the project.

MR. JUNGE answered that the Central Region estimated the project would be included in the 2023 or 2024 construction projects. He characterized this project as a challenging one. First, the area has historic farms surrounding the area so environmental

clearances would be needed. Secondly, relocation of one of the fire stations would require right-of-way acquisitions. He assured Senator Shower that the Central Region has been working with the MSB to move this important project forward.

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SENATOR SHOWER remarked that the Bogart Road roundabout was safety related. He emphasized that the MSB continued to be the fastest growing areas in the state. In fact, the MSB's population now exceeds Fairbanks, he said. He stressed the need to mitigate road traffic and manage growth in the Mat-Su Valley.

MR. JUNGE offered his view that the new MPO would help since it will provide dedicated funding to be used within the MPO. He reported that he meets with the MSB manager monthly. He remarked he has heard anecdotally that the MSB Assembly was considering putting the issue of becoming a first-class borough on the ballot. He said DOTPF will open a district office in the Mat-Su, which he thought would help facilitate Mat-Su projects.

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MR. JUNGE reviewed several projects on slides 25-29. The Seward Highway MP 75-90 project would replace the remaining five bridges constructed shortly after the 1964 Earthquake. He described the degradation of the road and bridges. This project would also remove some curves and add pedestrian accommodations. This project would widen the highway, add turning and passing lanes, improve geometry and replace five bridges. The project will start this spring and take two summers to complete, he said. He estimated the planning costs at \$80-90 million. Part of the project will include a pavement overlay along the Portage curve to remediate the issues until the full project can be built, he said.

MR. JUNGE reviewed the Sterling Highway Project MP 45-60. In 2019, this longstanding project reached a final environmental study. The department plans to begin construction this summer from Skilak Lake Road to MP 56, he said. He pointed out the Central Region planned to use innovative contracting methods on most of the project phases to leverage local contractors to get this out more quickly. He characterized it as one of the largest transportation projects in the state.

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MR. JUNGE reviewed the Knik Goose Bay Road Reconstruction Project. When a two-lane road exceeds 10,000 cars per day it breaks, he said. This road is the number one priority for the

Central Region and will consist of widening the road to a divided four lane road, he said. He reported that the final details to relocate utilities neared completion. The Central Region has begun negotiations on right-of-way acquisition with several property owners. The Central Region also included an acquisition incentive program to encourage property owners to sign within the first 90 days of the project. He anticipated the overall cost of the project would be \$150 million. Utility relocations should be completed over the winter and the first phase should be bid later this year. The construction will begin in the 2022 construction season, he said.

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SENATOR KIEHL asked him to elaborate on the incentive program.

MR. JUNGE responded that DOTPF was allowed to coordinate with its federal funding partners on projects of high importance. The Knik Goose Bay Road was designated as a safety corridor due to its significant traffic. The department has the option to offer additional incentives above and beyond the fair market value to the property owners to accelerate the acquisition process, he said. DOTPF can offer up to a 20 percent increase in the offer, he said. A property owner must sign within 90 days or the offer will be retracted, he said.

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SENATOR KIEHL expressed an interest in discussing this further outside the committee to better understand any past experiences and anticipated cost savings.

MR. JUNGE elaborated that the Central Region used the incentive program in the Glenn Highway MP 34-42 Phase I project located by the fairgrounds. He reported that of the 40-50 parcels, only one owner declined and the department moved forward with eminent domain. He characterized the incentive program as a huge success. He explained that costs are evaluated but differed per project. He offered his belief that the Glenn Highway acquisition costs were \$5 million of the \$50 million project. This program avoids attorneys and litigation, which is to the benefit of both parties, he said.

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SENATOR SHOWER asked if each property owner is informed of the incentive and asked for a status report on the project.

MR. JUNGE agreed everyone receives the same incentive program offer.

MR. JUNGE explained that the first phase would range from Main Street to Fairview Loop and Phase II would cover the stretch from Fairview Loop to Settlers Bay.

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LANCE MEARIG, PE, Regional Director, Southcoast Region, Department of Transportation and Public Facilities (DOTPF), Juneau, Alaska, began a PowerPoint on Roads and Highways for the Southcoast Region. He stated this region would span from Florida to San Diego if the state were superimposed on a map of the Lower 48. The region has substantial coastline. The Southcoast Region consists of 20 maintenance stations, 44 maintained airports, 17 seaplane bases, 15 harbors, 96 communities, 12 boroughs, 52 city governments and 60 tribes.

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MR. MEARIG reviewed the Southcoast Region's Operating Budget on slide 29, which depicted bar graphs from FY 2013 to FY 2020. He reiterated earlier comments that the significant increase from FY 2015-2016 was due to DOTPF's reorganization. The Southeast region became the Southcoast Region, absorbing the Kodiak-Aleutians District and Southeast Alaska District, he said. Thus, the Southcoast Region's budget increased by \$23 million.

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MR. MEARIG reviewed the Southcoast Region Capital Budget on slide 30. Typically, the Southcoast Region's federal funding consisted of \$80 million in federal funding. However, the Southcoast Region has recently experienced record construction seasons. He anticipated another strong year this year with projected contract values ranging from \$140 to \$175 million for 30 projects in 12 communities. He reported that the region has 26 highway projects and 4 airport projects. He reported the state match was the same as for other regions.

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MR. MEARIG reviewed the winter storm response on slide 31. He said DOTPF manages its roads on a priority basis. He reported the region had 123 events and met its targets 63 percent of the time. The Southcoast Region has done well on response time for Priority 1 and 2 roads, but not so well on Priority 3 and 4 roads. He reported that the Southcoast Region experienced tremendous snow at high elevations. An avalanche closed the Klondike Highway nearly every week in December and January. In fact, one massive avalanche reached a depth of 20 feet. The Southcoast Region moved some equipment via AMHS system whenever

possible. For example, the Southcoast Region moved equipment from Juneau to Haines to help respond to the storm and landslides in late November and early December. Typically, the Southcoast Region works with what it has in each maintenance community and station, he said.

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MR. MEARIG reviewed slide 32, Southcoast Region Construction Projects. This slide lists the upcoming construction projects from FY 2021 to FY 2022 and is available on the department's website, he said.

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SENATOR KIEHL said he appreciated DOTPF's responsiveness and flexibility to the early December storm. He characterized it as impressive. He asked him to discuss the bigger repairs required because of the storm.

MR. MEARIG answered that the Southcoast Region was still assessing the damage. The region received an extension from FHWA for those corridors and can use FHWA's emergency relief funding well into the summer. This funding is only available for use on major collector and above classifications of roadway, he said. This would cover basically the Haines highway from the ferry terminal to the Canadian border, but nothing else in Haines. To respond in case Federal Emergency Management Agency (FEMA) funding becomes available on the minor roads, the Southcoast Region has worked quickly to provide an initial damage assessment. He estimated the region would need about \$13 million in funding for repair work on minor roads, which he hoped FEMA would cover. He advised that the Southcoast Region cannot manage within its current budget. However, planning is ongoing and work will be done as funding becomes available and as weather allows this spring, he said.

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MR. MEARIG highlighted projects on slides 33-35, beginning with the Haines Highway reconstruction MP 12-20. He described the prior project phases on the Haines Highway, including pavement rehabilitation from Haines to 3 mile and major construction on MP 3-12. Some project work was done last fall, but the major portion will resume this spring and finish in the fall 2022, he said. He cautioned that potential traffic delays of up to 20 minutes and full road closures for bridge work would occur. He said another project phase for MP 20-22 and potentially from MP 23 to the border will be needed He highlighted that the current focus has been on repairs from the airport to MP 23.

MR. MEARIG reviewed the Katlian Bay Road project on slide 34. He explained that this GO [General Obligation] bond project began in 2019. He reported that the project was 35 percent complete. This included 7 miles of new road construction past Stargavin and the ferry terminal on Halibut Point Road in Sitka. The rugged terrain has made construction difficult. Thus, he anticipated the project would be completed in 2023.

MR. MEARIG reviewed the Mendenhall Loop Road Capacity Improvements on slide 35. This project involved two roundabouts at Stephen Richards Memorial Drive and the intersection to the Floyd Dryden Middle School. He reported that both roundabouts are operational with some clean up work needed. He commented that due to the pandemic and few visitors, the crews were able to finish this two-season project in one season. DOTPF worked with public and local officials to enable the contractor to complete both roundabouts last summer.

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COMMISSIONER MACKINNON turned to the contact information for the three regional directors on slide 36.

[2:58:28 PM](#)

SENATOR SHOWER asked for the total COVID-19 funding. He asked if DOTPF has made any effort to purge any buildings as a means of cost savings.

[2:59:24 PM](#)

COMMISSIONER MACKINNON answered that DOTPF needs statutory changes to make it easier to dispose of facilities. Most of the facilities were armories in rural Alaska. However, the department is hoping to do so.

[2:59:52 PM](#)

MR. CARPENTER reported on the Coronavirus Aid, Relief and Economic Security (CARES) Act funding of \$111 million from the Federal Transit Administration the Federal Aviation Administration. He stated that the majority of the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA) funding in the amount of \$124 million from Federal Highway Administration (FHWA) and \$55 million from Federal Transportation Administration has yet to be allocated out.

[3:00:59 PM](#)

CHAIR MYERS asked what would happen if DOTPF's response time goals for filling potholes or clearing roads were not met. He

related his understanding that some things such as weather were factors not in the department's control.

MR. CARPENTER deferred to the regional directors for specific responses. He said the department is not fined but the regions strive to improve on their response times. He indicated that the public provides the department with feedback through complaints.

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COMMISSIONER MACKINNON said the department reviews its response times when it consistently fails to meet them to see if the goals were realistically set. He emphasized that highway safety was one of the department's highest priorities. DOTPF continues to make road improvements to make highways safer, but it cannot control driver behavior, he said.

[3:04:17 PM](#)

There being no further business to come before the committee, Chair Myers adjourned the Senate Transportation Standing Committee meeting at 3:04 p.m.