

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

February 29, 2024

1:33 p.m.

MEMBERS PRESENT

Representative Kevin McCabe, Chair
Representative Sarah Vance, Vice Chair
Representative Tom McKay
Representative Craig Johnson
Representative Jesse Sumner
Representative Louise Stutes
Representative Genevieve Mina

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION(S): DEPARTMENT OF TRANSPORTATION AND PUBLIC
FACILITIES STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM UPDATE

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

RYAN ANDERSON, Commissioner
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Gave the Statewide Transportation
Improvement Program (STIP) Update presentation.

ANDY MILLS, Legislative Liaison
Office of the Commissioner
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Answered questions during the Statewide
Transportation Improvement Program (STIP) Update presentation.

ACTION NARRATIVE

[1:33:52 PM](#)

CHAIR KEVIN MCCABE called the House Transportation Standing Committee meeting to order at 1:33 p.m. Representatives C. Johnson, McKay, Vance, Stutes, Mina, Sumner, and McCabe were present at the call to order.

PRESENTATION(S): Department of Transportation and Public Facilities Statewide Transportation Improvement program Update

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CHAIR MCCABE announced that the only order of business would be the Department of Transportation and Public Facilities Statewide Transportation Improvement Program (STIP) Update presentation.

CHAIR MCCABE noted that the major municipality planning organizations (MPOs) throughout the state were invited to attend today's meeting for discussion on how they collaborate with the department, and all offers had been declined. After sending follow-ups, he confirmed there had been no responses and said there would be "more to follow on that."

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RYAN ANDERSON, Commissioner, Department of Transportation & Public Facilities (DOT&PF), provided an introduction before moving into the Statewide Transportation Improvement Program (STIP) Update PowerPoint presentation [hard copy included in the committee packet]. He stated he would be going through DOT&PF's timeline through the STIP as well as challenges and ideas for the future. He moved to slide 2, titled "What is the Statewide Transportation Improvement Program (STIP)?" He noted the slide provided a brief rundown, which read as follows [original punctuation provided]:

- Required under 23 USC 135 and 23 CFR 450.218 and 17 AAC 05.155
- Four-year planning document
- Includes all federally funded surface transportation projects
- Fiscally constrained

- Contains other projects of regional/statewide significance

COMMISSIONER ANDERSON noted that the Alaska Marine Highway System (AMHS) is included in "highways."

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COMMISSIONER ANDERSON moved to slide 3, titled "How does the STIP Impact Projects on the Street?," which read as follows [original punctuation provided]:

Project Delivery Continues:

- Operating under a 2020-2023 STIP Extension until March 31, 2024
- Projects continue to be obligated under the extension - close to \$200M obligated this year
- Carry over projects continue - Estimated at over \$350M
- Over \$100M in projects currently advertising for construction this summer

COMMISSIONER ANDERSON continued to slide 4, titled "2024-2027 STIP Timeline Overview," which featured the DOT&PF STIP Timeline from December 2021 to February 2024. He said the slide provided an overall big picture timeline and showed the pieces of work DOT&PF focused on during these time periods.

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CHAIR MCCABE asked Commissioner Anderson to solidify for the public how the dialogue works between DOT&PF and the Federal Highway Administration (FHWA). He further referenced the significance of October.

COMMISSIONER ANDERSON replied that after resolving the public comment period outreach, DOT&PF started discussions with FHWA and worked through what the draft STIP had in it. He said that after realizing DOT&PF was not going to make October 1 [deadline] due to the volume of comments, the department received an extension to March 31 granted by FHWA.

CHAIR MCCABE noted DOT&PF having to deal with many comments and having to meet a deadline shortly thereafter. He asked Commissioner Anderson what was done as for answering and considering the comments.

COMMISSIONER ANDERSON confirmed that he read all the comments as he said he felt it was important, and DOT&PF responded to all the letters which he noted were mostly submitted electronically. He added that many comments were for issues that would be resolved in the future, and he reminded the committee that the STIP is a planning document.

CHAIR MCCABE offered his appreciation to DOT&PF for making a visit to Point Mackenzie and that the constituents there were pleased that the department came out to respond.

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REPRESENTATIVE MINA asked where fiscal constraint and the [electronic] STIP fits into the timeline with public commentary.

COMMISSIONER ANDERSON said that the discussions with FHWA were on how fiscal constraint was being looked at, and that happened after the public comment period.

REPRESENTATIVE MINA asked whether it was standard that assessing fiscal constraint happened after the public comment period.

COMMISSIONER ANDERSON replied that there were different ways FHWA looked at fiscal constraint than in the previous STIP, which is why DOT&PF had more consultations, and it is a process that continues.

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REPRESENTATIVE STUTES asked how long DOT&PF used the eSTIP before the department discovered it was not working well.

COMMISSIONER ANDERSON explained that staff worked with eSTIP, a platform provided by a vendor, starting in December 2021, and in May [2023], he said, it was brought to his attention the numbers weren't adding up.

REPRESENTATIVE STUTES observed that would mean it took almost two years to figure out it wasn't working.

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ANDY MILLS, Legislative Liaison, Office of the Commissioner, Department of Transportation & Public Facilities, explained that December 2021 marked the development stage of the eSTIP and DOT&PF was not utilizing it. When it was apparent in May [2023] it was not producing results that could be relied upon, the decision point became clear.

REPRESENTATIVE STUTES reiterated her observation that it was approximately an 18-month time period.

MR. MILLS confirmed that was the timeframe that the eSTIP was under development. He added that that timeframe is not uncommon for a large and complex platform.

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COMMISSIONER ANDERSON moved to slide 5, titled "The ESTIP Problem (Dec. 2021-April 2023)," which read as follows [original punctuation provided]:

Why a New Platform?

- Previous STIPs were built from individual spreadsheets
- Cloud Based
- Modern Tool for DOT&PF & MPOs (Metropolitan Planning Organization)
- Improved planning functionality
- Dec. 2021: RFP signed - work begins
- April 2022: Certification test shows financial information not accurate
- May 2023: Team stops work on E-STIP given flaws are deemed beyond correction with remaining time in federal fiscal year

COMMISSIONER ANDERSON added that the new platform was due to looking for better functionality and efficiency.

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REPRESENTATIVE STUTES sought clarity whether it took 13 months to figure out that the eSTIP wasn't working.

COMMISSIONER ANDERSON pointed out a misstatement on slide 5 where April 2022 should read April 2023.

CHAIR MCCABE asked whether there was an original STIP program.

COMMISSIONER ANDERSON confirmed there was and it could be found online.

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REPRESENTATIVE STUTES asked for clarity that the requirements for the STIP have not changed.

COMMISSIONER ANDERSON confirmed that is correct. He further explained that what DOT&PF wanted was a "database" where the public could access it and provide their comments and could also tie in with the MPO side.

CHAIR MCCABE presumed it was a big platform so people could access the requirements that have not changed, see what the projects are, and could then go and make a comment tying in with the MPOs also. He offered his understanding "that all fell apart" when the platform development failed.

COMMISSIONER ANDERSON said that is correct, when numbers were not adding up, DOT&PF pivoted to another platform with the same functionality.

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REPRESENTATIVE MINA asked whether there were other states that pursued eSTIP.

COMMISSIONER ANDERSON said there were one or two using the specific product, and one had success.

REPRESENTATIVE MINA asked whether there were specific staff at DOT&PF who worked on the eSTIP versus the actual STIP.

COMMISSIONER ANDERSON replied that in terms of the eSTIP, there was a group focused on entering the data and managing the systems, but the information is spread amongst many groups in the department.

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REPRESENTATIVE C. JOHNSON asked how long after the program went live did it take to figure out if any comments were lost.

COMMISSIONER ANDERSON confirmed that the eSTIP never went live due to the numbers not adding up. The public comment period was under a different platform and no comments were lost, he said.

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REPRESENTATIVE VANCE expressed her thanks towards the creation of the platform and wished to offer clarity that the previous failed platform had nothing to do with public interface. She said she was of the understanding that the program is an internal document the department can work with, and an added feature is that the public can add input.

COMMISSIONER ANDERSON confirmed that was the goal and added that department employees would be able to interface with the program as well.

REPRESENTATIVE VANCE opined that it seemed like a linear document going to a multidimensional document resulting in people gaining a better understanding of where projects are going.

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COMMISSIONER ANDERSON proceeded to slide 6, titled "May 2023 Decision Point," which read as follows [original punctuation provided]:

- May - July 2023: New STIP Development
- Commissioner's office involvement
 - 30 person DOT&PF Multidisciplinary Team
 - Focus on
 - Technology
 - Engagement
 - Fiscal Constraint
 - Project Delivery
 - Programming & Planning

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REPRESENTATIVE MINA asked what positions make up the "30 person DOT&PF Multidisciplinary Team" as shown on the slide.

COMMISSIONER ANDERSON provided examples of the multitude of teams relating to different areas of DOT&PF.

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CHAIR MCCABE brought up the engagement piece in reference to the MPOs.

COMMISSIONER ANDERSON replied that with the MPOs, one of the mistakes made was a requirement meeting with MPOs before the STIP but during the public comment period the department engaged the MPOs.

CHAIR MCCABE referred to staff that advises the MPOs.

COMMISSIONER ANDERSON explained the makeup of boards and said three individuals at DOT&PF are MPO coordinators.

CHAIR MCCABE offered his opinion that it did not seem fair to state that DOT&PF was not involved with the MPOs at all.

COMMISSIONER ANDERSON affirmed that the department was involved with MPOs on a daily basis.

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REPRESENTATIVE MINA inquired about the multidisciplinary team during the 2020 to 2023 STIP.

COMMISSIONER ANDERSON replied he could provide an answer at a later date. He continued on slide 7, titled "New STIP Platform: Shift of Modern Tools (timeline reference)," which read as follows [original punctuation provided]:

Open-Source Platform

- Cloud based
- Multiple users
- Intuitive
- Glitches worked out

New tools for public and staff

- Tables
- Dashboards
- Spreadsheets
- Workflow

Public could select projects based on region, investment area, legislative district or type of project.

Staff tools to link to project delivery, track cost increases, Legislative Authority.

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REPRESENTATIVE STUTES asked whether people would be enabled to see items that were previously on the STIP but did not make it to the new one.

COMMISSIONER ANDERSON replied absolutely.

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REPRESENTATIVE VANCE pointed out the investment area and whether it included a local government contribution breakdown.

COMMISSIONER ANDERSON replied that DOT&PF can track third-party match and get a total value.

REPRESENTATIVE VANCE stated she did not understand what the ask is from the Federal Government to be able to meet requirements and asked for more clarity on how to overcome this hurdle.

COMMISSIONER ANDERSON replied there are many discretionary grant opportunities and there is more money available now than has ever been in the past. He said DOT&PF could use the help of local governments to "make this case." He said when the first STIP amendment is in place, the issue could be addressed.

CHAIR MCCABE asked if it was a federal requirement on the last STIP to show the revenue coming in for matching.

COMMISSIONER ANDERSON stated that the rules changed a bit on DOT&PF, and the department assumed it would always get a certain amount of money; however, the government is much stricter about it now.

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COMMISSIONER ANDERSON moved to slide 8, titled "45 Day Public Notice (July 20 - Sept. 3)," which read as follows [original punctuation provided]:

STIP Outreach:

- Publication in statewide newspapers
- Statewide STIP mailer
- Public meeting

Mass communication:

- Press releases/earned media
- Social media
- Radio PSAs to rural Alaska

Targeted outreach:

- Presentations to civic, trade groups
- Direct email to cities, boroughs, tribes
- Direct email to transportation related NGOs (Non-Governmental Organizations)
- Direct contact with underserved communities
- MPOs (Metropolitan Planning Organizations)
- Joint House & Senate Transportation Committee Presentation

COMMISSIONER ANDERSON proceeded to slide 9, titled "Consultations After Public Notice (Sept. 4 - Jan.)," which showed a timeline of MPO and FHWA consultations between the end of the public notice and going into January. He continued on slide 10, titled "Resolution of Public Comments," which showed a bigger picture about the public comments.

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COMMISSIONER ANDERSON moved to slide 11, titled "Fiscal Constraint/Project Delivery Corrections," which read as follows [original punctuation provided]:

Existing Challenges

- Over \$3B programmed
- Project Estimates & Schedules
- Inflation and Large Projects
- Legacy Projects

New Challenges

- New Interpretations
- Fiscal Constraint - Overprogramming
- NHS routes/MPO TIPS
- Amendments and Administrative Modifications

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CHAIR MCCABE asked whether World War II bridges would be legacy projects.

COMMISSIONER ANDERSON referred to three old bridges on the Alaska Highway and, as new activities occur, they were identified as needing to be replaced.

CHAIR MCCABE also questioned who MPOs work for and report to.

COMMISSIONER ANDERSON explained that an MPO is initiated through an operating agreement that is signed by all local leaders.

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REPRESENTATIVE VANCE opined that it seemed like a lack of flexibility with the STIP, and she expressed concern that contractors will over project to account for inflation.

COMMISSIONER ANDERSON confirmed that DOT&PF had some big challenges with rural Alaska projects, and some had to be cancelled because the bids were higher than anticipated.

REPRESENTATIVE VANCE pointed out that if a project goes over 20 percent, then there must be an amendment submitted that could take three to six months. She asked what the current over projection that DOT&PF is currently dealing with.

COMMISSIONER ANDERSON explained that in urban areas, the department was doing better seeing 5 to 10 percent, but in rural Alaska, over 20 percent was often seen.

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REPRESENTATIVE STUTES inquired about how issues on the contract would be dealt with in reference to requirements, and whether it is a nationwide issue.

COMMISSIONER ANDERSON replied that after DOT&PF did research, it found that Washington was one of the states that had an exception.

REPRESENTATIVE STUTES offered her understanding that only certain states must abide.

COMMISSIONER ANDERSON said it's a "negotiated thing," and STIPs are different depending on the state.

[2:32:16 PM](#)

REPRESENTATIVE MINA asked whether recommendations mentioned in the federal bindings document on fiscal constraint [included in the committee packet] had been included in the update to the STIP.

COMMISSIONER ANDERSON responded that there was a fair amount of work done over the past few weeks putting that piece together and having multiple people review it. He said the new STIP would have a summary of DOT&PF's overall state budgets.

REPRESENTATIVE MINA asked what the new interpretations were.

COMMISSIONER ANDERSON replied that the big one was overprogramming. He explained that in the past, the STIP included more projects, and some could slip a year; therefore, DOT&PF calls that "overprogramming."

REPRESENTATIVE MINA sought clarity of FHWA's planning memorandum ("memo") from 2017 and asked whether there are new interpretations.

COMMISSIONER ANDERSON stated that regulations and laws have not changed, but how DOT&PF was asked to present things in the STIP this time was different.

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CHAIR MCCABE offered his understanding that the rules of the FHWA, on its website since the early 2000s, say one thing but do not speak to how business is done in Alaska.

MR. MILLS replied that approval that was granted before by the same FHWA office is not being granted this time without a change.

CHAIR MCCABE noted the remoteness of Alaska and that it has different challenges.

[2:38:00 PM](#)

COMMISSIONER ANDERSON proceeded to slide 12, titled "Formal STIP Submittal and Federal Findings." He noted that he would not spend much time on the slide, but he directed attention to the chart showing STIP revision thresholds. He proceeded to slide 13, which he stated was an important slide, titled "Moving Forward: Tier 2&3." The slide read as follows [original punctuation provided]:

Action Areas:

- New DOT&PF Policy Addressing:
 - DOT&PF/MPO Coordination
 - TIP Management - Consistency
 - Performance Targets
- DOT&PF Dedicated Team focused on MPOs
- Tackle State of Alaska - MPO Planning Authority Conflict
- AMATS Transportation Management Area (TAM) Certification Review

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COMMISSIONER ANDERSON concluded on slide 14, titled "Moving Forward - Rolling STIP," which read as follows [original punctuation provided]:

Rolling STIP

Instead of every three years, it's an ongoing iterative process, building the capacity inside the department and allowing us to create greater layers of understanding with the public.

COMMISSIONER ANDERSON noted that the slide also featured states with rolling (annual) STIPs, which were Washington, Montana, California, Nebraska, Minnesota, and Texas.

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MR. MILLS added that some states had approvals in the January timeframe, and therefore were not worried about the October timeframe. He said rolling STIPs allow the luxury of time to work through issues.

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REPRESENTATIVE MINA asked about the scoring process and if anything would be updated in this STIP.

COMMISSIONER ANDERSON confirmed there is a scoring section in the STIP, and DOT&PF is working though every project sheet having an indicator of the scoring method for that project.

[2:43:33 PM](#)

CHAIR MCCABE asked whether salt brines on the roads on the Kenai Peninsula were better or worse than salt.

MR. MILLS replied that he became a brine expert due to extensive work on the Kenai Peninsula. He gave examples of products that are more corrosive, such as calcium chloride, and said that on the Kenai Peninsula in particular, DOT&PF had worked on a reduction plan and continues to work with legislators on what is successful. He said from a brine-use perspective, there is a literature review in progress.

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REPRESENTATIVE STUTES referred to slide 6, which spoke to fiscal constraints, and expressed her interest in any funds appropriated for match funds for 2024 that had been expended in 2023 and are not currently available. She added that she was particularly interested in the AMHS.

COMMISSIONER ANDERSON replied absolutely, and that he would provide the information to the committee at a later date.

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REPRESENTATIVE VANCE noted that the issue of brine has been a "hot topic," and there are many interested parties in the reduction plan. She offered her understanding that it is not safe to automatically stop the use of brine until there are further alternatives. She thanked Mr. Mills and Commissioner Anderson for being available and for working with local governments.

[2:54:08 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:54 p.m.