

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

April 2, 2024

1:01 p.m.

MEMBERS PRESENT

Representative Kevin McCabe, Chair
Representative Sarah Vance, Vice Chair
Representative Louise Stutes
Representative Tom McKay
Representative Genevieve Mina

MEMBERS ABSENT

Representative Craig Johnson
Representative Jesse Sumner

COMMITTEE CALENDAR

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

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

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

POSITION STATEMENT: Co-presented a PowerPoint, titled "Statewide Transportation Improvement Program Update for House Transportation Committee."

KATHERINE KEITH, Deputy Commissioner
Department of Transportation and Public Facilities
Juneau, Alaska

POSITION STATEMENT: Co-presented a PowerPoint, titled "Statewide Transportation Improvement Program Update for House Transportation Committee."

ACTION NARRATIVE

[1:01:37 PM](#)

CHAIR KEVIN MCCABE called the House Transportation Standing Committee meeting to order at 1:01 p.m. Representatives McKay, Vance, Stutes, and McCabe were present at the call to order. Representative Mina arrived as the meeting was in progress.

PRESENTATION(S): Department of Transportation and Public Facilities Update on the Statewide Transportation Improvement Program

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CHAIR MCCABE announced that the only order of business would be the presentation titled "Alaska Department of Transportation & Public Facilities Statewide Transportation Improvement Program Update for House Transportation Committee."

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RYAN ANDERSON, Commissioner, Department of Transportation and Public Facilities, co-presented a PowerPoint, titled "Statewide Transportation Improvement Program Update for House Transportation Committee" [hard copy included in the committee packet]. He acknowledged that the Statewide Transportation Improvement Program (STIP) has been a high-interest topic, and he stressed the importance of understanding the program. He highlighted how the Department of Transportation and Public Facilities (DOT&PF) has been moving forward and said it continues with obligating the federal program this fiscal year. He spoke to awards for construction projects and that the department has not slowed down. With the partial approval of STIP, he said, the department is confident that the projects will happen. He moved to slide 2, titled "2024-2027 STIP Review," which showed a list of DOT&PF's STIP submission dates, legislative briefings, and a summary of the Federal Highway Administration (FHWA) correspondence. He described the contents on the slide as a summary of important milestones.

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COMMISSIONER ANDERSON moved to slide 3, titled "2024-2027 STIP FHWA Tiered Approach." He explained that DOT&PF received many questions regarding the three different tiers of a federal planning overview that STIP receives from FHWA and the Federal Transit Administration (FTA), and he briefly described the

differences between each tier as shown on the slide. Additionally, corrective actions under tier 1 included five findings that would be touched on during following slides, he said.

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CHAIR MCCABE asked whether DOT&PF was interested in pursuing different states' methods of submitting STIPs on a rolling basis rather than an annual one.

COMMISSIONER ANDERSON answered, "Absolutely" and said that is something that DOT&PF is working toward.

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REPRESENTATIVE MINA asked how often a given state may receive partial or full approval of its STIP.

COMMISSIONER ANDERSON said he would follow up with information at a later date. He noted that on the last STIP, DOT&PF received a planning findings recommendation, but he clarified that it was not corrective actions.

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REPRESENTATIVE VANCE asked whether including tribal consultation and improving tribal transportation were new requirements.

COMMISSIONER ANDERSON replied that the inquiries would most likely be covered in coming slides.

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COMMISSIONER ANDERSON resumed the presentation on slide 4, titled "2024-2027 STIP Narrative Changes," which further detailed the previously mentioned system of tiers as they relate to the state and federal regulations. The two areas of focus on the slide were the STIP revision process, and the maintenance and operations of the transportation system.

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CHAIR MCCABE asked about the process of amending the STIP in the case of emergency funding.

COMMISSIONER ANDERSON clarified that the amendment process would include a 30-day public notice and said that they often take months to be confirmed.

CHAIR MCCABE asked whether an amendment would cause a delay in construction while waiting for approval from the federal government.

COMMISSIONER ANDERSON concurred that was his understanding as well and said that if it came down to a critical situation, DOT&PF would look for projects to cut and move in order to make way for critical situations.

CHAIR MCCABE commented that the STIP's new requirements might cause serious delay in critical projects.

COMMISSIONER ANDERSON agreed that is a possibility of the STIP amendment process.

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COMMISSIONER ANDERSON continued the presentation on slide 5, also titled "2024-2027 STIP Narrative Changes," which further detailed the previously mentioned system of tiers as they relate to state and federal regulations. The slide highlighted the areas of funding and fiscal constraint, FHWA discretionary grants, and public involvement process. He moved on to slide 6, titled "2024-2027 STIP Appendices Changes," which explained the changes made to the appendices of the STIP plan. Featured were appendixes C through D, summarizing transportation performance management analysis, air quality conformance analysis, and fiscal constraint demonstrations by fund type.

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REPRESENTATIVE MINA asked if Appendix D of STIP was related to tier 1, item 5 on the STIP's air quality conformity.

COMMISSIONER ANDERSON confirmed that is correct.

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KATHERINE KEITH, Deputy Commissioner, Department of Transportation and Public Facilities, noted that metropolitan planning organizations (MPOs) had been a topic of interest in recent months and noteworthy benefits were increased partnerships and how to modernize the way in which documents

inform each other. She focused on tier 1, finding 1: MPO and other transportation improvement programs, which was featured on slide 7, titled "2024-2027 STIP Volume 1: Project Details." The slide displayed a table of various projects around the state in need of funding from the federal government and their resolution status in the regulatory approval process.

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REPRESENTATIVE MINA asked whether there was a way to determine which project is approved and which is not by using Appendix K of STIP.

MS. KEITH said she could provide a list to the committee, but most projects have been removed because they were included in the MPO lists.

REPRESENTATIVE MINA expressed her understanding that the three projects that were excluded from the MPO list were because they were not on STIP.

MS. KEITH replied that the two recently awarded discretionary grants were not currently on the MPO list because they were so recently rewarded.

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REPRESENTATIVE VANCE asked for clarification on what the federal government requires from the state when it is granting STIP approval.

MS. KEITH replied that all parties must be in agreement, and the short- and long-range planning documents all flow into each other to ensure that federal and state governments are in good standing. There must be alignment, and it must not slow down for projects that are critical for moving forward, she stated.

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MS. KEITH continued on slide 8, titled "2024-2027 STIP Volume 1: Project Details," which referred to Appendix B of STIP and its projects that were denied by the federal government. She expounded on some of the ways DOT&PF resolved those cases.

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MS. KEITH moved on to slide 9, also titled "STIP Volume 1: Project Details," which went through tier 1, finding 3: fiscal constraint, and referenced Appendix D. The contents included pending approvals and resolved cases of the Alaska Marine Highway System (AMHS) federal funding of its improvement projects. She added that the majority of the projects have been resolved, and that any projects included in tier 3 were not slowed down. She further touched on the leveraging of ferry toll credits so that the project moved forward at 100 percent federal funding.

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REPRESENTATIVE STUTES asked what DOT&PF's backup plan is if it is not allowed to use toll credits for AMHS.

MS. KEITH answered that the money split would be 90 percent federal funds and 10 percent state funds for AMHS. In response to a follow-up question, she noted that DOT&PF has been working on the toll credits for about a year and a half.

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COMMISSIONER ANDERSON addressed Representative Stutes and said that the first formal submittal to FHWA was on February 1, 2024, and the second submittal was on March 18, 2024. He added that DOT&PF was anticipating a response from FHWA as early as the current week.

REPRESENTATIVE STUTES clarified her understanding that if the toll credits are not approved, then the legislature would have to approve state-level match funds.

COMMISSIONER ANDERSON confirmed that was correct.

REPRESENTATIVE STUTES asked why DOT&PF is taking the lead on the Cascade Point project when Goldbelt, Inc. would be the one to execute the project.

COMMISSIONER ANDERSON explained that is Goldbelt land, so it must act as a liaison for the state-run AMHS.

REPRESENTATIVE STUTES asked whether a feasibility study had been done at Cascade Point.

COMMISSIONER ANDERSON answered that that is what DOT&PF is doing right now.

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REPRESENTATIVE STUTES asked when public input comes into play for proposed projects such as Cascade Point.

COMMISSIONER ANDERSON said there is not a formal process for public input, but who would enable a said comment period to move forward is undetermined at this moment.

REPRESENTATIVE STUTES asked how construction on the Cascade Point ferry terminal could start in 2025.

COMMISSIONER ANDERSON said that the ferry terminal's construction date was shifted to 2026 due to the mentioned delays.

REPRESENTATIVE STUTES shared her presumption that there is an agreement with Goldbelt, Inc. on the development of the ferry terminal.

COMMISSIONER ANDERSON replied yes, there is a Memorandum of Understanding (MOU) with Goldbelt, Inc.

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REPRESENTATIVE MINA referred to appendix D on slide 9 and asked what the word "resolved" means in its context.

MS. KEITH replied that "resolved" means that the original comments that FHWA or FTA made to DOT&PF were acknowledged and the changes were made.

REPRESENTATIVE MINA asked for a distinction between which projects have been removed and which ones have been resolved.

MS. KEITH said right now, another step must happen for any distinction to be made between the two.

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REPRESENTATIVE VANCE clarified that if a project was removed from STIP, it isn't necessarily dead and may be picked up in a different long-term state improvement plan.

MS. KEITH said projects that are within the MPO boundary that were previously removed from STIP could be re-added to STIP in later years if adequate corrections were made.

REPRESENTATIVE VANCE asked Ms. Keith to describe the difference between a "project" and a "program."

MS. KEITH answered that "programs" are a group of projects, and a "project" is an individual project.

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CHAIR MCCABE revisited the Cascade Point ferry terminal project and asked for an encapsulation of public and private party development.

COMMISSIONER ANDERSON explained that there have been some misconceptions as to what the goal is for Cascade Point, mainly that it is not a replacement for the existing Auke Bay ferry terminal and added that Cascade point was mainly looked at as a resiliency for the system, both in redundancy and cost. He noted the other piece is that the run from Juneau to Haines and Skagway is a very popular route.

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CHAIR MCCABE asked whether the legislature would have to make up for lost funding if a feasibility study determined that the Cascade Point project was over budget.

COMMISSIONER ANDERSON clarified that it would come before the legislature. If funding moved forward with the project there would be robust public discussion, he said.

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REPRESENTATIVE STUTES asked whether electric ferries could run from Cascade Point to Skagway or Haines.

COMMISSIONER ANDERSON said that that is a stretch, but something to keep in mind because of its future feasibility.

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REPRESENTATIVE VANCE asked at what point tribal consultation would be involved in the development of the Cascade Point ferry terminal.

COMMISSIONER ANDERSON answered that DOT&PF had many opportunities to work with tribal governments and would make every effort to keep an open line of communication between the state and Tribal governments when possible.

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MS. KEITH touched on the prospect of electric ferries and continued to slide 10, titled "2024-2027 STIP Volume 1: Project Details," which displayed another list of projects awaiting STIP approval and corrections. The outstanding items she pointed out on the slide were in relation to bridge and tunnel work.

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MS. KEITH proceeded to slide 11, titled "2024-2027 STIP Volume 1: Project Details," which gave "modified deep dives" into certain proposed and approved projects listed in STIP. It detailed advance construction conversion (ACC), project estimates, asset management metrics, previous obligations, project scores, and STIP ID connections. She summarized how they are used to explain a given project.

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CHAIR MCCABE expressed his excitement for the prospect of the work that may be achieved under the proposed STIP.

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REPRESENTATIVE VANCE shared her hope that life expectancy of the roads would grow with an improvement in road and highway infrastructure construction and management strategies.

MS. KEITH shared her agreement that the goal of DOT&PF is to raise the life expectancy of the roads and infrastructure.

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MS. KEITH backtracked to slide 11 to reiterate the methods for how projects are analyzed.

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COMMISSIONER ANDERSON continued the presentation on slide 12, titled "2024-2027 STIP Volume 1: Project Details." He focused

on the Chena Bridges Replacement but noted the project was taken out due to being within the "non-attainment" area. He further explained how the projects were reviewed and studied for conformity to various local requirements.

CHAIR MCCABE asked whether there would be a 30-day public comment period for the projects mentioned on slide 11.

COMMISSIONER ANDERSON confirmed that was correct, and he added that any change in a project would have to go through the STIP amendment period. He proceeded to slide 13, titled "Project Allocations to Replace Programs." The slide showed two programs that were removed, titled the Community Transportation Program (CTP) and the Transportation Alternatives Program (TAP). He said a scoring effort was completed and the projects were able to be incorporated based on a combination of scores and sub allocations in funding; therefore, projects could be added.

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MS. KEITH presented slide 14, titled "Project Allocations to Replace Programs," which featured a sustainable transportation program, frontier roads, trails and bridges, and the Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) project. She noted some projects of interest and studies that pertained to sustainability. She said the funding would allow DOT&PF to work on mitigation strategies.

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COMMISSIONER ANDERSON briefly illustrated other programs in the January submittal that were revised after the comments. He noted the removal of the PROTECT program and referred to Kachemak Bay Drive and the tsunami route.

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REPRESENTATIVE VANCE asked Commissioner Anderson to expand further on Kachemak Drive.

COMMISSIONER ANDERSON explained that the PROTECT program had specific things that enhance the resiliency of a tsunami evacuation route and make sure it can accommodate multiple users. It is called a "reconstruction," he confirmed.

REPRESENTATIVE VANCE asked whether the funding is current or "hopeful."

COMMISSIONER ANDERSON affirmed it was program funding in STIP.

REPRESENTATIVE VANCE asked whether the \$5.3 million was in addition to the funding that was already there for the research 1 (R1) resurfacing.

COMMISSIONER ANDERSON offered to get back to the committee with an answer.

REPRESENTATIVE VANCE commented that if she was making a capital budget request it must be for the best use of the funds.

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REPRESENTATIVE MINA asked what "ledger" meant.

MS. KEITH replied that currently, it is used to indicate that the department is transferring funds from PROTECT into the surface transportation block grant. From an accounting perspective, you would see a ledger transaction showing the moving of funds, she explained.

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CHAIR MCCABE offered his observation that it seemed like FHWA did not like the fact that DOT&PF had one grouping of projects into a program called "sustainable transportation." He said FHWA is willing to fund projects, but not as a group, he opined.

COMMISSIONER ANDERSON responded that DOT&PF liked the program flexibility for the state, being that projects could be transferred "between the line" to keep things going. The FHWA wanted to see more specifics, he said. He added that DOT&PF was still allowed to do programs in certain areas, and he referred to one of the bridge programs.

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MS. KEITH continued on slide 15, titled "2024-2027 STIP Volume 2: TIPS Incorporated by Reference." She said the slide highlighted an example of when DOT&PF shares the updated and final STIP with the submitted changes, and it would be clear to the public. The ledger on the slide showed the transaction of funds, she added. She further noted that the department had

work to do across some of the fund categories to make sure the TIPS are fiscally constrained and that the programs are clearly aligned.

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CHAIR MCCABE offered his understanding that DOT&PF would be corralling all TIPS, amongst other programs, and questioned whether they would need to be present each year to describe projects to the legislature. He noted some groups have not been forthcoming with attending hearings.

MS. KEITH clarified that all the projects are still under DOT&PF and therefore the department still has the responsibility.

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COMMISSIONER ANDERSON reiterated that there is a lot of work to do with MPOs. In order to meet the FHWA intent, STIPs and TIPS must be tied together with MPOs and, in addition, there is a requirement to develop stronger policy as to how DOT&PF and MPOs work together. He briefly summarized agreements in process.

CHAIR MCCABE noted one of the agreements was signed by a previous mayor from approximately one or two decades ago and he proclaimed, "It should probably be updated."

COMMISSIONER ANDERSON affirmed that the agreement being referred to was signed by a former governor.

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REPRESENTATIVE VANCE referred to slides that covered the sharing of processes for projects between MPOs, as well as a new detailed, integrated platform that she said she strongly supported. She shared that a concern was raised about data security, and she asked whether there are system requirements to protect and maintain security.

MS. KEITH recognized that cyber security is something DOT&PF are constantly keeping in mind, and one collaborated project is an infrastructure portal where information is strongly protected.

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REPRESENTATIVE MINA acknowledged she was unsure about the timeline for the first amendment for TIP and asked where the Matanuska-Susitna ("Mat-Su") MPO would fit into the process.

MS. KEITH answered that the Mat-Su Planning Organization had been off to a great start and is very engaged in how everything is playing out. She said finding a balance over the next couple of years is one of Mat-Su's goals, also looking to create its own scoring system.

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CHAIR MCCABE commented that Mat-Su has surpassed Fairbanks in terms of size of MPO and inquired how to find the balance between Mat-Su, Fairbanks, and Anchorage.

MS. KEITH highlighted that the slide showed percentages that are broken out, and she referred to how DOT&PF splits between the areas based on the ratio of population, and then they are split. There are agreements between all three MPOs as far as splitting up funding, she confirmed.

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MS. KEITH moved to slide 16, titled "Volume 3: Engagement Summary Volume 4: Project Selection." She noted that Volume 3 had not changed from the previous submission, but Volume 4 was new and explained how the state selects projects along with the backup information and measurable data. She noted that it would be continually updated as DOT&PF moved forward.

CHAIR MCCABE commented that he would be more excited if the Federal Railroad Administration (FRA) were mentioned. He shared that he asked Senator Sullivan several times about funding for rail and notably Point MacKenzie, and the answer is always, "Can you get it in the STIP?" He inquired whether rail would ever be in STIP.

MS. KEITH said there is federal funding for rail with a substantial amount that comes through for maintenance-related operations that amount to approximately \$50 million per year, but it does not include expansion funds.

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REPRESENTATIVE MINA referenced Volume 3 and whether it included all public comment submitted online.

MS. KEITH confirmed that was current.

REPRESENTATIVE MINA noted that a "find" feature was not available for one to search for public comment and suggested that it would be helpful for the public to be able to search for other comments.

MS. KEITH replied that the department had worked hard to make sure documents were accessible and would work to make that happen.

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COMMISSIONER ANDERSON moved to slide 17, titled "2024-2027 STIP - Tier 2 and Tier 3 Focus Moving Forward," which provided a summary of tier 2 findings, many tied to MPOs. He stated there would be more to come.

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MS. KEITH moved to slide 18, titled "Next Steps," which highlighted projects moving forward. She noted quarterly meetings with MPOs to ensure they are working together to resolve outstanding findings and to make it seamless for the public.

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COMMISSIONER ANDERSON concluded on slide 19, which showed contact information. He noted that the changes in technology and funding requirements were creating more demand for the department and that they have much work to do.

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REPRESENTATIVE MINA referenced the STIP amendment for the tier 2 findings and whether it would happen within six months.

COMMISSIONER ANDERSON affirmed that the goal is to get the amendment as quickly as possible, but DOT&PF would have to work with MPOs, and he reiterated that it was a requirement that they work together.

REPRESENTATIVE MINA referred to fiscal constraint and the inflation factor and asked whether it was still 1.5 percent for federal funding.

COMMISSIONER ANDERSON responded that there is a 3 percent inflation rate. He stressed that inflation was a "tough thing" right now.

REPRESENTATIVE MINA sought confirmation that the inflation rate adjustment from 1.5 to 3 percent was only for the federal funding estimates. She inquired how changing the inflation rate would impact project costs.

MS. KEITH explained that it was 3 percent across the board on the federal forecasts, and project costs that include federal and state funding are also at the 3 percent rate. She added that it affects the project costs but also helps DOT&PF keep current.

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REPRESENTATIVE STUTES thanked the presenters for their hard work and acknowledged the overwhelming amount of effort it takes to create the required document.

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CHAIR MCCABE thanked the presenters and discussed future business.

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ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:56 p.m.