

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

January 30, 2025

1:02 p.m.

MEMBERS PRESENT

Representative Ashley Carrick, Co-Chair
Representative Ted Eischeid, Co-Chair
Representative Genevieve Mina
Representative Louise Stutes
Representative Kevin McCabe
Representative Elexie Moore

MEMBERS ABSENT

Representative Cathy Tilton

COMMITTEE CALENDAR

PRESENTATION: RURAL AVIATION SYSTEM UPDATE

- HEARD

PRESENTATION: OVERVIEW AND UPDATE OF THE STATEWIDE
TRANSPORTATION IMPROVEMENT PROGRAM

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

TROY LARUE, Director
Statewide Aviation
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Provided the Rural Aviation System Update presentation.

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

POSITION STATEMENT: Co-provided the Overview and Update of the Statewide Transportation Improvement Program presentation.

DOM PANNONE, Director
Program Management and Administration
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Co-provided the Overview and Update of the Statewide Transportation Improvement Program presentation.

ACTION NARRATIVE

[1:01:58 PM](#)

CO-CHAIR CARRICK called the House Transportation Standing Committee meeting to order at 1:02 p.m. Representatives Moore, McCabe, Mina, Eischeid, and Carrick were present at the call to order. Representative Stutes arrived as the meeting was in progress.

PRESENTATION: Rural Aviation System Update

[1:02:41 PM](#)

CO-CHAIR CARRICK announced that the first order of business would be the Rural Aviation System Update presentation.

[1:03:30 PM](#)

TROY LARUE, Director, Statewide Aviation, Department of Transportation & Public Facilities, began the presentation [hard copy included in committee packet], on slide 2, "Mission Statements," and stated that the mission statement of Department of Transportation & Public Facilities (DOT&PF) is "Keep Alaska moving through service and infrastructure"; the statement of Alaska International Airports Systems (AIAS) is "Keep Alaska flying and thriving"; and the statement of Statewide Aviation (SWA) is "Sustain and improve the quality of life throughout Alaska." To slide 3, he said AIAS reports to the commissioner of DOT&PF while SWA reports to the deputy commissioner. To slide 5, he emphasized that Alaska has 82 communities that are off the road system and dependent on aviation to receive supplies and transportation. He transitioned to slide 6 and asserted that the operating budget for SWA is shy of \$50 million in costs and \$11 million in revenue attained through leasing and fuel taxes. The division is looking at sand and chemical runway optimizations and doing more work with federal funding rather than the general fund. He emphasized the number of roles

individuals perform in rural airports and the amount of training that is required for each person.

1:07:30 PM

MR. LARUE, in response to questions from various committee members, stated that the Big Lake airport is a gravel runway and doesn't require the amount of sand or chemical treatments that paved runways do and instead ground crews are reshaping the runway and clearing snow. He acknowledged that sometimes the crews are unable to clear the runway as they are tending to higher priority roadways and mark the airport as closed or unattended. He alluded that a dashboard for pilots to monitor which airports are open or closed is not available yet. He stated that SWA is addressing the workforce challenges by using remote training, job sharing, peer exchanges, and after a recent wage adjustment from a collective bargaining agreement has seen an increase in staffing. He provided his understanding that the vacancy rate is improving and that most individuals who are leaving are going to higher paying jobs.

1:15:05 PM

MR. LARUE returned to the presentation on slide 7, titled "Federal Airport Funding," and professed that the increased funding from the bipartisan infrastructure legislation (BIL) has been used mostly to cover the increased costs from inflation. The match rate for SWA is 5 percent until federal fiscal year 2026 (FFY 26) compared to the historic 6.25 percent and for essential air service (EAS) airports the match rate remains at 5 percent. To slide 9, he broke down the categories of spending between rural airports and AIAS airports under the Airport Improvement Program (AIP) and BIL.

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MR. LARUE, in response to questions from various committee members, explained that EAS was created to subsidize communities that were financially unreasonable to access after former President Reagan deregulated the aviation industry. He stated that Chenega Bay Airport was the latest airport to be added to the EAS list and the Seward Airport is currently waiting to be added to the list. He explained that the \$70 million increase in FFY 26 was from discretionary allocations and outpaced inflation.

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MR. LARUE transitioned to slide 10 and discussed the impact of grant obligations on construction timelines in Alaska. He commented on the graph presented on slide 11 that the number of grants has increased over the last six years but the former projects were larger. To slide 12, he stated that the list was of all the upcoming airport projects in no specific order. He stated that the biggest challenge to deliver programs is the slow rollout in grants and that SWA has only received five years of federal funding twice, the last time being in 2018. He emphasized that having 84 percent of grants obligated in September hinders construction due to needing to transport materials during the summer and winter.

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MR. LARUE, in response to questions from Representative McCabe, used Kipnuk Airport as an example to describe the process of building an airport project. He emphasized the amount of preparation that is required to transport materials through barges and ice roads. He stated that SWA talks to congressional delegates and federal departments about issues with the 4-year funding cycle.

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MR. LARUE moved to slide 14 and stated the sources of federal funding for AIP come from cargo entitlements, primary and non-primary passenger entitlements, state apportionments, Alaska supplemental, discretionary, and supplemental discretionary. To slide 15, he stated that Alaska did not ask for enough funding in the 2018 Federal Aviation Administration (FAA) Reauthorization but has seen significant improvements in the most recent reauthorization and requested FAA to acknowledge the Cold Weather Early Start form. In response to a question from Representative McCabe, clarified that the Cold Weather Early Start form has existed for a long time but nobody knows how to use it.

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MR. LARUE returned to slide 15 and stated that the FAA weather instruments reporting is opaque about whether a system is functional, so SWA built its own public dashboard to monitor FAA weather systems. He added that other states in the union also expressed frustration with the current monitoring system and he opined that weather instruments will move away from expensive

Automated Surface Observing Systems (ASOS) or Automated Weather Observing Systems (AWOS) to cheaper alternatives.

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MR. LARUE, in response to questions from various committee members, agreed with Representative McCabe that aircraft flying under instrument flight rules need to have a weather report from ASOS/AWAS systems to file for a landing in an airport and that SWA is requesting a federal aviation regulations change to ease weather reporting requirements. He explained that in Yakutat planes couldn't land due to the weather system being unavailable and recently an alternative system to ASOS/AWOS was installed. He clarified that the FAA is writing new regulations to allow non-ASOS/AWOS systems to be used.

[1:43:59 PM](#)

MR. LARUE transitioned to slide 16 and discussed the Don Young Alaska Safety Initiative (DYASI), which he emphasized Alaska needs due to the state holding 44 percent of all mid-air collisions in the United States. He stated that a section of DYASI prevents the FAA from restricting funding to airport rehabilitation, resurfacing, or reconstruction of the full length and width of existing runways. To slide 17, he stated the AIP Handbook restricts many eligibility requirements due to advisory circulars changing from advisory to regulatory. Discussions with FAA over changing the AIP Handbook have brought forth the idea to create an Alaska specific handbook.

[1:48:24 PM](#)

MR. LARUE, in response to questions from various committee members, stated that Alaska has received some extension to continue the use of leaded aviation gas and acknowledged the environmental impact of the fuel. He said SWA is not in charge of looking at additional methods to reduce lead exposure, but is supportive of industry changes.

[1:51:34 PM](#)

MR. LARUE moved to slide 18 and stated that new equipment would be a priority purchase if SWA had the additional funding. He said it is looking at rotating or refurbishing low-hour equipment around the state and the biggest challenge is long lead times and not receiving Buy America waivers. To slide 19, he discussed the 22-69 percent increase in costs of equipment

and materials. To slide 20, he discussed the climate challenges and solutions facing many rural airports in Alaska. To slide 21, he attested to the challenges of hiring new workers, emphasizing electricians, and that SWA has improved recruitment and retention.

[1:56:20 PM](#)

MR. LARUE, in response to a question from Representative Stutes, said he did not have data on the difference in pay between working for the State of Alaska and private industry.

[1:56:54 PM](#)

MR. LARUE transitioned to slide 22 and discussed the challenges with maintaining the aging and expensive lighting systems. In response to a question from Representative McCabe, provided his understanding that vandalism of lighting systems has been reduced to half.

[1:59:08 PM](#)

MR. LARUE moved to slide 23-24 and stated that advanced air mobility in Alaska is improving the safety of the state's airspace. To slide 25, he described the Strengthening Mobility and Revolutionizing Transportation (SMART) grants and the two awarded projects: Alaska Rural Remote Operations Workplan (ARROW) and Scalable Operations with Advanced Remote Technologies (SOAR). He stated that SOAR partnered with Native and rural villages to improve mapping and access to tribal transportation funding.

[2:03:35 PM](#)

MR. LARUE, in response to questions from various committee members, stated that the cost of transporting graders is usually not significant if the delivery is scheduled alongside other projects. Mission critical incentive pay was only provided in positions that demonstrated recruitment issues, which helped reduce vacancy. He affirmed that airport rescue and fire fighting trucks are required only in part 139 airports, which serve aircraft with greater than 30 passenger seats. He explained that Alaska was able to receive some Buy America waivers during the COVID-19 pandemic but is unable to receive more.

[2:08:26 PM](#)

The committee took an at-ease from 2:08 p.m. to 2:16 p.m.

**PRESENTATION: Overview and Update of the Statewide
Transportation Improvement Program**

[2:16:04 PM](#)

CO-CHAIR CARRICK announced that the final order of business would be the Overview and Update of the Statewide Transportation Improvement Program presentation.

[2:17:06 PM](#)

KATHERINE KEITH, Deputy Commissioner, Department of Transportation & Public Facilities, began the Overview and Update of the Statewide Transportation Improvement Program presentation [hard copy included in committee packet] on slide 10, titled "Request for Written Clarification," and discussed the communications the Department of Transportation & Public Facilities (DOT&PF) has been having with the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), Alaska Railroad Corporation, metropolitan planning organizations (MPO), and other stakeholders on correcting and clarifying various corrective actions.

[2:20:27 PM](#)

MS. KEITH, in response to questions from various committee members, explained that the process of designating urban area through the U.S. Census requires the governor's signature to be finalized, and that the current designations in process have been submitted to DOT&PF in November 2023 and have not been sent to the governor due to minor technical issues. She stated that any change to MPO boundaries requires the approval of the governor, and that DOT&PF is working towards collecting all historical approvals. She clarified that the governor does not have the power to dissolve MPOs as they are required to exist under federal law, and that DOT&PF abides by the "three C" process.

[2:35:56 PM](#)

MS. KEITH returned to the presentation on slide 17 and discussed the communication with federal partners over pipeline readiness for contracts. She clarified from the graphs that the depicted decrease in obligations is within normal fluctuations and the

decrease in contract awards was intentional from DOT&PF. To slide 18, she stated that the contractor payments are increasing year-on-year while the program balance index is decreasing. To slide 19, she explained that DOT&PF needs to use advanced construction funds to maintain funding sustainability with construction.

[2:42:52 PM](#)

DOM PANNONE, Director, Program Management and Administration, Department of Transportation & Public Facilities, further explained the advantages of using advanced construction on slide 19. To slide 20, he compared the August redistributions of Alaska to various other states.

[2:46:04 PM](#)

MR. PANNONE, in response to a question from Co-Chair Carrick, stated that DOT&PF received \$19.2 million out of the \$71.4 million it applied for and emphasized that the funding was not lost as it carries over. He explained the delta between the received and applied funds as DOT&PF did not have projects that met the specific requirements for some funding sources.

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MS. KEITH emphasized that the discrete fund sources are only applicable to certain project goals, which DOT&PF did not have ready.

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CO-CHAIR CARRICK commented that the delta between funding applied for and received was greater in FFY 24 than any previous year.

[2:49:49 PM](#)

MS. KEITH, in response to a question from Representative Stutes, stated the lack of funding for the Cooper Landing bypass was due to an estimated increase in cost and to allow smaller projects to be awarded.

[2:53:18 PM](#)

MR. PANNONE, in response to a question from Representative Stutes, described the delta between funding applied for and

received was caused by DOT&PF and the FHWA disagreeing on what projects could be completed and various STIP issues.

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MS. KEITH, in response to a question from Representative McCabe, stated that the new practice of requiring projects that fall inside MPO boundaries to be included in local TIPs prevented some projects to go forward. She stated that DOT&PF has received a memo from FHWA that Alaska is eligible for up to \$120 million for the upcoming year.

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CO-CHAIR CARRICK, in response to the question from Representative McCabe, clarified the semantics that MPOs are not outside influences and are partners per federal regulations. She summarized the presentation that Alaska does not have "shovel ready" projects in the scale seen in previous years.

[2:58:38 PM](#)

REPRESENTATIVE STUTES expressed excitement for the Alaska Marine Highway System presentation.

[2:58:52 PM](#)

REPRESENTATIVE MCCABE commented his desire for Advocates for Safe Alaska Highways to look at the Interior gas utility vehicles that drive up the Parks Highway.

[2:59:55 PM](#)

CO-CHAIR EISCHEID opined that DOT&PF should be more clear with the public about the funding situation as infrastructure and construction jobs are important to residents of Alaska.

[3:01:40 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 3:01 p.m.