

ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE

May 1, 2025

1:03 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 186

"An Act relating to the use of apprentice labor in public construction projects; and relating to a report on the use of apprentice labor in public construction projects."

- MOVED CSHB 186(TRA) OUT OF COMMITTEE

OVERVIEW: METROPOLITAN PLANNING ORGANIZATION BOUNDARY PROCESS AND CONSIDERATIONS

- HEARD

OVERVIEW: TESTIMONY BY FAST PLANNING POLICY BOARD MEMBERS

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 186

SHORT TITLE: APPRENTICE LABOR IN PUBLIC PROJECTS

SPONSOR(S): REPRESENTATIVE(S) CARRICK

04/11/25	(H)	READ THE FIRST TIME - REFERRALS
04/11/25	(H)	TRA, L&C
04/24/25	(H)	TRA AT 1:00 PM BARNES 124
04/24/25	(H)	Heard & Held

04/24/25 (H) MINUTE (TRA)
04/29/25 (H) TRA AT 1:00 PM BARNES 124
04/29/25 (H) Heard & Held
04/29/25 (H) MINUTE (TRA)
05/01/25 (H) TRA AT 1:00 PM BARNES 124

WITNESS REGISTER

ANDY MILLS, Legislative Liaison, Special Assistant to the
Commissioner
Office of the Commissioner
Department of Transportation and Public Facilities
Juneau, Alaska

POSITION STATEMENT: Co-presented the PowerPoint, titled
"Metropolitan Planning Area Boundaries."

LAUREN LITTLE, Chief Engineer
Division of Project Delivery Services
Alaska Department of Transportation and Public Facilities
Juneau, Alaska

POSITION STATEMENT: Co-presented the PowerPoint, titled
"Metropolitan Planning Area Boundaries."

SCOTT CRASS, Member
FAST Planning Policy Board;
Borough Assembly
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Provided testimony during the overview of
the FAST Planning Policy Board and answered questions.

JACKSON FOX, Executive Director
Fairbanks Area Surface Transportation (FAST) Planning
Fairbanks, Alaska

POSITION STATEMENT: Answered questions during the overview of
the FAST Planning Policy Board.

KIM SOLLIEN, Executive Director
Matanuska-Susitna Valley Planning for Transportation
Palmer, Alaska

POSITION STATEMENT: Answered questions during the overview of
the FAST Planning Policy Board.

ACTION NARRATIVE

[1:03:32 PM](#)

CO-CHAIR TED EISCHEID called the House Transportation Standing Committee meeting to order at 1:03 p.m. Representatives McCabe, Stutes, Mina, Carrick, and Eischeid were present at the call to order. Representatives Tilton and Moore arrived as the meeting was in progress.

HB 186-APPRENTICE LABOR IN PUBLIC PROJECTS

[1:04:29 PM](#)

CO-CHAIR EISCHEID announced that the first order of business would be HOUSE BILL NO. 186, "An Act relating to the use of apprentice labor in public construction projects; and relating to a report on the use of apprentice labor in public construction projects."

[1:05:12 PM](#)

CO-CHAIR CARRICK, as prime sponsor, recapped HB 186. She reminded the committee that the proposed legislation is twofold. In reference to the operable term "practicable", she said the proposed legislation would ensure a percentage of labor on public projects with the cost of \$2.5 million, or over, is done by apprentices. She stated that the other purpose of the proposed legislation would be data gathering on apprenticeship utilization.

[1:05:57 PM](#)

REPRESENTATIVE MCCABE moved to adopt Amendment 1 to HB 186, labeled 34-LS0816\A.1, A. Radford, 4/23/25, which read as follows:

Page 1, line 1, following **"Act"**:

Insert **"relating to public construction contracts;"**

Page 1, following line 3:

Insert a new bill section to read:

"* Section 1. AS 36.05.005 is amended to read:

Sec. 36.05.005. Applicability. This chapter applies only to a public construction contract that exceeds **\$150,000** [\$25,000]."

Page 1, line 4:

Delete **"Section 1"**

Insert **"Sec. 2"**

Renumber the following bill section accordingly.

CO-CHAIR CARRICK objected.

[1:06:05 PM](#)

REPRESENTATIVE MCCABE spoke to Amendment 1. He began with the background on the Little Davis Bacon Act (LDBA) in Alaska, which requires contractors on public construction projects with the cost of \$25,000, or over, to pay prevailing wages. He pointed out that this threshold had been last updated in 2011; however, the cost of construction projects has increased "90 to 110 percent." To support local contractors, he expressed the understanding that other states have raised or eliminated this threshold. To reflect inflation and account for Alaska's unique geography, he stated that the proposed amendment would raise the threshold to \$150,000. He argued that a \$25,000 threshold would be unworkable in rural areas off the road system where there is not a large workforce. He continued that this would also reduce regulatory burdens on small projects, as LDBA compliance imposes significant administrative and reporting requirements, increasing project and engineering costs.

REPRESENTATIVE MCCABE argued that Amendment 1 would be supportive of local economies, as a higher threshold would allow small and rural contractors to bid on public projects. He remarked that the integrity of LDBA would be maintained, as the proposed amendment would protect wages for medium- to large-scale projects, including projects under HB 186. He continued, stating that the 15 percent use of apprentices would not change, but the administrative burden on smaller contractors would be alleviated. He pointed out that these contractors often provide training to apprentices. He described this as "a pipeline" for apprentices, stating that the proposed amendment would encourage this. He summarized that Amendment 1 would reflect economic realities, promote rural participation, and ensure public dollars are spent efficiently. He added that raising the LDBA threshold would modernize the current statute, without undermining its core purpose. He stated it would also strengthen HB 186's goal of building a skilled workforce.

[1:10:44 PM](#)

CO-CHAIR CARRICK expressed opposition to Amendment 1, arguing that it is not relevant to HB 186. She stated that the bill is about apprenticeship utilization and public projects, but not

about LDBA. She expressed agreement that the threshold should be raised; however, she maintained that doing this is not within the scope of the proposed bill. She expressed hesitancy on adjusting LDBA without more context.

[1:12:13 PM](#)

REPRESENTATIVE MCCABE expressed the opinion that the amendment belongs in the proposed legislation because apprenticeships are a function of unions, and this would encourage apprenticeships, especially in small communities. He explained that contractors are not in smaller communities because they cannot afford the threshold; therefore, apprentices cannot build their hours there. He commented that Legislative Legal Services has advised the amendment would work with the policies in HB 186.

[1:13:55 PM](#)

REPRESENTATIVE STUTES expressed uncertainty on the proposed amendment.

[1:14:31 PM](#)

CO-CHAIR CARRICK maintained her objection.

[1:14:38 PM](#)

A roll call vote was taken. Representatives Tilton, McCabe, and Moore voted in favor of the adoption of Amendment 1 to HB 186. Representatives Stutes, Mina, Eischeid, and Carrick voted against it. Therefore, Amendment 1 failed by a vote of 3-4.

[1:15:12 PM](#)

REPRESENTATIVE STUTES moved to adopt Amendment 1 to HB 186, labeled 34-LS0816\A.2, A. Radford, 4/30/25, which read as follows:

Page 1, line 8:
Delete "\$2,500,000"
Insert "\$5,000,000"

REPRESENTATIVE MCCABE objected.

REPRESENTATIVE STUTES deferred to Co-Chair Carrick for comments on the amendment.

[1:15:40 PM](#)

CO-CHAIR CARRICK stated that Amendment 2 would increase the contract threshold in HB 186 from \$2.5 million to \$5 million. She reasoned this would decrease the number of projects that would need to meet the 15-percent threshold for apprenticeship labor hours, and in turn, this would lessen the burden on contractors and the Department of Transportation and Public Facilities. She stated that this change also takes in consideration the effects of inflation.

[1:17:08 PM](#)

REPRESENTATIVE MCCABE argued that Amendment 2 would shrink the number of projects; therefore, [reducing the need for apprentices]. He reasoned that "with the demise of Amendment 1," the number of projects would be lessened "on the other end" as well, and the requirement to use apprentices would be reduced all together. He expressed frustration because he concurs with a threshold increase, but he argued that it would need to be higher. He reiterated that Amendment 2 would reduce the use of apprentices, and he maintained his objection.

[1:17:56 PM](#)

REPRESENTATIVE STUTES requested clarification that the proposed bill would not "require" the use of apprentices; moreover, apprentices would be used only when "practicable".

CO-CHAIR CARRICK expressed agreement with the statement. She reminded the committee that data collection on apprenticeship utilization would also be included. She stated that, per Amendment 2, the proposed legislation's intent would remain the same, and the 15 percent apprenticeship usage would be a goal, not a requirement.

[1:19:15 PM](#)

REPRESENTATIVE MCCABE expressed the opinion that the word "practicable" is not firmly defined, leaving the "door wide open" for unions to make the 15 percent apprenticeship usage a requirement. He suggested that Legislative Legal Services would agree on this point.

[1:20:00 PM](#)

CO-CHAIR EISCHEID expressed support for Amendment 2, as it is a result of the committee's previous discussion on the proposed legislation.

[1:20:38 PM](#)

REPRESENTATIVE MCCABE maintained his objection.

[1:21:09 PM](#)

A roll call vote was taken. Representatives Stutes, Mina, Eischeid, and Carrick voted in favor of the adoption of Amendment 2 to HB 186. Representatives Tilton, McCabe, and Moore voted against it. Therefore, Amendment 2 was adopted by a vote of 4-3.

[1:21:18 PM](#)

REPRESENTATIVE STUTES moved to report CSHB 186, as amended, out of committee with individual recommendations and the attached [zero] fiscal note.

[1:21:44 PM](#)

REPRESENTATIVE MCCABE objected.

[1:21:54 PM](#)

CO-CHAIR CARRICK recognized the concern that the usage of apprentices could decrease. She argued against the claim that apprentices are "sitting in lawn chairs" on a regular basis. She maintained that apprentices of today are the workforce of the state's future. She noted the loss of federal funding, as this relates to the loss of apprentices. She continued that the proposed legislation is a piece of the workforce goal to retain Alaskans in the state by supplying jobs in the future. She expressed support for apprentices, suggesting that they are doing the best work they can.

[1:23:37 PM](#)

REPRESENTATIVE STUTES asked whether there were any conversations concerning LDBA and wages during the research for the proposed legislation.

CO-CHAIR CARRICK replied that there were no conversations surrounding HB 186 and LDBA, but she has had these conversations

related to other legislation. She clarified the proposed legislation is "aspirational," offering a goal for a threshold, while Amendment 1 would have added a stricter requirement. She stated that the issues addressed by [Amendment 1] have been discussed, but not as a part of HB 186.

[1:25:29 PM](#)

REPRESENTATIVE MCCABE expressed disagreement, arguing that there is no current pipeline for apprenticeship programs, and this leaves only a limited number of apprentices. He expressed the opinion that an increase in smaller contractors would provide the needed pipeline for apprentices. He emphasized that apprenticeship programs need to be improved, and projects in smaller communities could do this.

[1:27:44 PM](#)

REPRESENTATIVE TILTON expressed appreciation for the attempt to increase the workforce in Alaska; however, she voiced the opinion that creating government mandates in the public and private sectors do not always achieve the sought-after goal. She concurred with Representative McCabe's comments concerning moving apprenticeships forward and not burdening smaller contractors.

[1:29:40 PM](#)

CO-CHAIR EISCHEID pointed out that everyone has the same interest in solving the problem; however, the approach has not been agreed upon. He observed that the proposed bill would create a target, not a mandate.

[1:30:56 PM](#)

A roll call vote was taken. Representatives Stutes, Mina, Eischeid, and Carrick voted in favor of the motion to report CSHB 186, as amended, out of committee with individual recommendations and the attached [zero] fiscal note. Representatives Tilton, McCabe, and Moore voted against it. Therefore, CSHB 186(TRA) was reported out of the House Transportation Standing Committee by a vote of 4-3.

[1:31:50 PM](#)

The committee took an at-ease from 1:31 p.m. to 1:37 p.m.

**OVERVIEW: Metropolitan Planning Organization Boundary Process
and Considerations**

[1:37:56 PM](#)

CO-CHAIR EISCHEID announced that the next order of business would be an overview by the Department of Transportation and Public Facilities on the Metropolitan Planning Organization Boundary Process and Considerations.

[1:38:26 PM](#)

ANDY MILLS, Legislative Liaison, Special Assistant to the Commissioner, Office of the Commissioner, Department of Transportation and Public Facilities (DOT&PF), co-presented the PowerPoint, titled "Metropolitan Planning Area Boundaries" [hard copy included in the committee packet]. He expressed the understanding that any discussion on metropolitan planning organizations (MPOs) and area boundaries would need to involve consultation and coordination between both DOT&PF and MPOs. He noted that statements have been made in past committee meetings concerning DOT&PF being uncooperative with MPOs on the Statewide Transportation Improvement Program (STIP) submissions. He said, "I would like to respectfully disagree or correct that." He noted that the department might not be engaging in the way MPOs would prefer. He maintained that the department seeks to coordinate and meet the needs of MPOs and, in turn, have MPOs that produce what the department needs in order to move forward. He expressed the need to correct the perception that there have been no meetings [between the department and MPOs]. He added that the department has met with MPOs, reiterating the opinion that these meetings were not the type of meetings that MPOs would prefer. He noted that this statement is a correction for the record.

[1:40:36 PM](#)

LAUREN LITTLE, Chief Engineer, Division of Project Delivery Services, Alaska Department of Transportation and Public Facilities, co-presented the PowerPoint, titled "Metropolitan Planning Area Boundaries." On slide 2, she overviewed the regulatory basis for MPO boundary updates. She explained that the Code of Federal Regulations (CFR) mandates when boundaries must be updated, aligning with the most recent census from the U.S. Census Bureau. She stated that, for this cycle, the deadline to have boundaries approved is the end of 2026. She added that the governor would need to approve this as well.

[1:42:23 PM](#)

MR. MILLS directed attention to the attached letters [copies included in the committee packet], as these explain CFRs and authorities mentioned throughout the presentation.

[1:43:14 PM](#)

MS. LITTLE moved to slide 3 and explained some of the significant consequences of missing the 2026 boundary-approval deadline. She pointed out that, in example, projects could be excluded from STIP and the Transportation Improvement Program (TIP). She added that there are also air quality components. She stated that projects might not be programed within the boundaries until the governor approves the compliant boundary.

[1:44:48 PM](#)

REPRESENTATIVE MCCABE expressed the concern that boundaries would not be approved. He questioned what would be stopping the approval.

MR. MILLS replied that the specific areas that require review and approval would be discussed later in the presentation.

REPRESENTATIVE MCCABE questioned the situation in Fairbanks where the board did not hold a required meeting.

MR. MILLS deferred the question to Ms. Little.

[1:46:23 PM](#)

MS. LITTLE responded that this is not a single issue, and communication has been the largest concern. She stated that conversations between the department and MPOs need to be had so there can be an understanding how the boundaries were created, what are the concerns, and how to work toward a resolution well before the deadline.

[1:47:32 PM](#)

REPRESENTATIVE MCCABE expressed the understanding that there has been resistance from the Fairbanks Area Surface Transportation (FAST) Technical Committee. He questioned whether the reluctance of this committee to have meetings has created an issue for DOT&PF.

MS. LITTLE responded that both the Anchorage Metropolitan Area Transportation Solutions (AMATS) and the FAST Planning Policy Board have not held meetings with the department on boundary agreements. She stated that both boards have tabled the discussions indefinitely.

MR. MILLS directed attention to [the concept of the Three Cs of transportation planning: continuing, comprehensive, and cooperative, which the Federal Aid Highway Act of 1962 mandated]. He stated that the department interacts with MPOs in this process, per federal requirement. However, this is not a requirement for MPOs, so the discussion has not been bidirectional.

[1:49:53 PM](#)

CO-CHAIR EISCHEID asked for clarification on what "reluctance" means in this case.

MR. MILLS clarified that "reluctance" could relate to setting an agenda or indefinitely tabling a conversation. He stated that his reference was to the process of the Three Cs, which is how the department engages, while MPOs engage using an operating agreement.

[1:51:10 PM](#)

REPRESENTATIVE MCCABE clarified his understanding that MPOs operate with an agreement between the mayor and the governor, while DOT&PF has its own way to operate. He corrected his previous reference to the "technical committee," as the "policy committee" had tabled the discussion. He expressed the understanding that the department is not "the big problem." He suggested that MPOs need to "get back to the table."

MR. MILLS expressed the opinion that MPOs and the department agree on more than they disagree on. He discussed the need for a solution on their impasse.

[1:53:35 PM](#)

MS. LITTLE moved to slide 4 and noted that federal regulations only focus on urbanization for MPOs. She pointed out that AMATS boundary proposal shows expansions into areas that could never be urbanized, such as the Chugach State Park and the corridors for the Glen Highway and Seward Highway. She stated that the

department is continuing to review and work with AMATS to understand the proposed boundary expansions. She moved to slide 5, which showed the boundary expansion proposed by AMATS for the Seward Highway. She pointed out the map included areas that could not be urbanized.

MS. LITTLE discussed the "robust" boundary proposal plan submitted by the FAST Planning Policy Board. On slide 6, she pointed out the [problems] found in the plan, as follows: legal descriptions that do not reconcile with geographic information system (GIS) data; the Chena River flood control bridges, which were not initially included in the FAST Planning's boundary; an area that was excluded on Farmers Loop; and the proposed expansion onto the Richardson Highway, with no potential for urbanization. She added that there were also questions around the growth models used to select the final boundary. She moved to slide 7, which further detailed the Chena Bridge and Richardson Bridge boundary changes and conflict.

[1:59:02 PM](#)

REPRESENTATIVE MCCABE questioned the public comments on FAST Planning's planning boundaries.

MS. LITTLE, in response, clarified that the public comments were specific to the gap on Farmers Loop, as it was not included on the boundary expansion. In response to a follow-up question, she expressed the understanding that the comments went directly to FAST Planning through a public outreach effort; however, she stated that she would follow up with an answer on the specific comments, when they were generated, and who they were directed to.

MR. MILLS, in response to a follow-up question, expressed his understanding that FAST Planning had received the comments.

[2:01:07 PM](#)

CO-CHAIR EISCHEID questioned the MPO process.

MR. MILLS deferred to the MPO representatives for their process.

[2:01:54 PM](#)

MS. LITTLE moved to slide 8 and provided a summary and timeline of correspondence between the involved entities concerning the boundary expansions, STIP, and TIP.

[2:02:50 PM](#)

MR. MILLS, in response to Representative McCabe, noted the timeline error in the first bullet on slide 8, as it should reflect "December 23, 2023."

[2:03:32 PM](#)

MS. LITTLE discussed MPO operating agreements, as seen on slide 9. She stated that these agreements are how the department and the MPO policy boards would interact, as they outline the basic regulatory framework. She added that every MPO has one of these, which determines the interaction with the department on projects, federal funding, and other topics. She pointed out that the agreements involve other government entities as well.

MS. LITTLE moved to slide 10 and explained the coordination between MPOs and DOT&PF concerning boundary updates and new requirements from the federal government. She stated that, historically, DOT&PF has been able to program the projects it funded; however, this has changed with federal requirements, and a new layer of coordination is needed with MPOs, especially on the National Highway System (NHS) projects. She pointed out that the department is the only entity that receives and allocates federal funding on this. She directed attention to the chart on the slide, which showed the coordinating projects and the deficiencies of the three MPOs in the state.

[2:07:45 PM](#)

MS. LITTLE, in response to Co-Chair Eischeid, clarified that the marks in the boxes on the chart were indications of deficiencies in agreements. In response to a follow-up question, she stated that the Matanuska-Susitna Valley Planning for Transportation (MVP) has the least deficiencies because it is the newest agreement. She added that it was modeled after the successes with FAST Planning and AMATS.

[2:08:58 PM](#)

REPRESENTATIVE MCCABE directed attention to the chart where it is noted that each of the three MPOs are missing the periodic reauthorization. He expressed the understanding that this denotes a signature between the governor and the mayor.

MR. MILLS expressed agreement with the statement.

REPRESENTATIVE MCCABE pointed out that the last time the plan for AMATS had been signed was by Governor Tony Knowles. He questioned the responsibility of updating the authorizations.

MR. MILLS affirmed that the signature on AMATS is from 2002. He expressed the understanding that this is considered a "base authorization." He discussed issues on other signatures on these documents. He expressed the importance for determining whether an agreement has been reauthorized, as federal requirements would be at stake.

[2:11:27 PM](#)

MS. LITTLE moved to slide 11 and briefly overviewed compliance with CFRs. She explained that the department is not being arbitrary, rather it is responding to federal changes. She moved to slide 12, which showed a timeline chart for boundary change approvals. She walked through the approval steps, including the revision of the boundary agreements, as this would in turn trigger the revision of maps, GIS boundaries, and documentation. The agreements would need to be submitted to the governor, with the final submission by the end of 2026 to the Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA). She expressed the importance of coordination on various topics to resolve conflicts on projects.

MS. LITTLE moved to the chart on slide 13 and addressed intergovernmental operating agreement approvals. She pointed out the importance of moving the agreements forward and incorporating the legal recommendations on federal requirements. She stated that this is the area where [MPOs and the department] need to work together on to coordinate projects and resolve conflicts. She gave an example of a conflict that arose with federal funding when an MPO cancelled a project. She pointed out that the federal funds for the project would need to be paid back and posed the question of who would pay back the funding. She reiterated that coordination needs to be clear in the operating agreements to avert unresolvable conflicts.

[2:15:45 PM](#)

REPRESENTATIVE MCCABE requested an example of a federally funded project cancelled by its MPO.

MS. LITTLE responded that the funding for the Crow Creek project has shifted to other projects. If this project were closed

without construction, per FWHA's rule, the money would have to be paid back. She stated that the FAST Planning Policy Board voted to remove the Safer Seward project, and federal funding has already been spent on this. This would require either a state payback or state funding to continue the project. She remarked that when this type of decision is made outside of the department's control, it is "hard to stomach."

[2:17:43 PM](#)

MR. MILLS underscored that the Safer Seward Highway project would be a clear example of an MPO boundary disagreement effecting an in-progress project. He discussed the issue with safety on the Seward Highway, emphasizing the importance of resolving the issue.

[2:18:59 PM](#)

REPRESENTATIVE MCCABE expressed concern that the state could be responsible for repaying federal funding.

MS. LITTLE clarified that while the state could be "on the hook" to repay federal dollars, the match was from the local municipality; however, the federal payback would be around 90 percent of the funds.

CO-CHAIR EISCHEID asked whether the state has already paid back any federal funds.

MS. LITTLE, in response, clarified that this has not happened up to date; however, if procedures are not rectified, this would be a potential for current projects that MPOs changed.

MR. MILLS noted the term "non-PAR," which refers to when a partner does not sign off on an agreement. In this case the state would be "on the hook" to repay federal funds, as the state must conform to federal requirements in numerous areas. In response to a follow-up question, he pointed out that some examples of federal partners would be FHWA and FTA.

[2:22:06 PM](#)

REPRESENTATIVE MCCABE referenced the discussion and the reauthorization that have been postponed indefinitely by FAST Planning. He questioned whether this would be the issue concerning the possible reimbursement of federal funds.

MS. LITTLE, in response, clarified that the reauthorization resolution is the agreement that would need to be worked through for the updates on the operating agreement. She continued that when the department brought the need for this forward to the FAST Planning Policy Board, the board voted to postpone the discussion indefinitely; therefore, the department and this MPO cannot find resolution because the conversation will not occur.

[2:23:17 PM](#)

MR. MILLS concluded the presentation.

[2:23:29 PM](#)

CO-CHAIR EISCHEID asked whether DOT&PF could have done something different to change the conflict with MPOs.

MR. MILLS responded that there are many factors in the interplay of this relationship. He expressed the belief that every entity is working to advance the infrastructure programs; however, "we are just at odds with the interpretation." He continued that this is why something needs to be put in writing, with all parties at the table. From the department's perspective, he expressed the belief that a hard dynamic has been created because MPOs did not receive the engagement they sought. He pointed out that problems have existed between DOT&PF and its federal partners, but through communication, this has improved over the past year. He suggested that, if the department and MPOs could work together, instead of focusing on their disagreements, this could also happen.

CO-CHAIR EISCHEID suggested that the answer could be worked through by focusing on the future, not the past.

[2:26:33 PM](#)

REPRESENTATIVE MCCABE expressed the opinion that the crux of the problem is the "blurred lines of responsibility" and the question of "who works for who?"

[2:27:08 PM](#)

CO-CHAIR CARRICK related that in an attempt to understand the relationship between the entities, she made a chart, which resulted in the question of whether the concern should be the authority structure.

MR. MILLS responded, "We all work for the people"; however, there is a structure and recognizing this could help in understanding the mission.

CO-CHAIR CARRICK commented on the complicated matter at hand. She expressed the understanding that in the relationship between the federal partners, the department, and MPOs, no entity works for the other. She expressed the understanding that MPOs must consult with the Federal Highway Administration (FHA), while receiving funds through DOT&PF, and DOT&PF would make allocation decisions and receive funds through FHA, but it must consult with MPOs. She continued that FHA must consult with MPOs on the funds that are allocated to DOT&PF. She questioned the veracity of these statements.

MR. MILLS responded that he would follow up after the meeting with an answer in writing. He pointed out that there are roles and responsibilities, and every entity listed has this. He suggested that the interplay of the roles and responsibilities are not completely understood by each. He stated that the department is working to codify responsibilities to reduce complications in the future, and this could be done in the operating agreements. He expressed hope that this work would yield positive results and better coordination in the future.

CO-CHAIR CARRICK made the observation that there is a tendency to look at the problem from the top down, starting with federal highways, moving to DOT&PF, and then to MPOs. She continued that during disputes, the next organization down should not be blamed, as there is room for improvement for each entity.

[2:32:33 PM](#)

CO-CHAIR EISCHEID made closing comments.

OVERVIEW: Testimony by FAST Planning Policy Board Members

[2:32:54 PM](#)

CO-CHAIR EISCHEID announced that the final order of business would be the Testimony by FAST Planning Policy Board Members overview.

[2:34:05 PM](#)

SCOTT CRASS, Member, FAST Planning Policy Board and Borough Assembly, Fairbanks North Star Borough, stated that he has been

on the board for two years, and, over the past year and a half, the Department of Transportation and Public Facilities (DOT&PF) has asserted that the metropolitan planning organizations (MPOs) do not have authority over projects on the National Highway System (NHS). He suggested that this is the result from the denial of federal funding for the new projects that DOT&PF has proposed in the Statewide Transportation Improvement Program (STIP). He argued that the new, NHS projects on the Richardson Highway should have been in coordination with the Fairbanks Area Surface Transportation (FAST) Planning. Because FAST Planning was not involved, the projects were not included in its Metropolitan Transportation Plan (MTP) or its Transportation Improvement Program (TIP).

MR. CRASS stated that federal regulations are clear - to be eligible for federal highway and transit funding, the projects must be included in the MPO's MTP and TIP. He noted that the Anchorage Metropolitan Area Transportation Solutions (AMATS) has also been denied federal funding for projects proposed by DOT&PF in the STIP, as these should have been coordinated with AMATS. He explained that the dispute with FAST Planning has escalated to the point where the department will not approve FAST Planning's new metropolitan planning area (MPA) boundary, which had been unanimously adopted by the Planning Policy Board in 2023. He added that the board's department representative had been included in this process.

2:35:50 PM

MR. CRASS expressed the opinion that there are two issues behind the department's non-approval of the MPA boundary. The first issue concerns the funding from the Federal Highway Administration (FHWA) for the bridge replacement on the Richardson Highway. The problem is that the bridge is outside of the old MPA boundary, but inside the new MPA boundary. He stated that the second issue involves linking the new MPA boundary approval with an updated operating agreement. He pointed out the department's demand for FAST Planning to accept the department's proposed edits on the operating agreement. He expressed the opinion that this would take the decision-making authority away from the policy board for local transportation projects on NHS.

MR. CRASS, concerning the first issue, argued that DOT&PF had succeeded in its efforts regarding the bridge replacement by traveling to Washington D.C. and meeting with the FHS executive director, who overruled the Alaska's federal division office on

the project. He added that Alaska's federal division office had originally required DOT&PF to coordinate the project with FAST Planning.

MR. CRASS directed attention to the second issue, which is the department's attempt to make the new MPA boundary approval contingent on FAST Planning accepting the edits on the operating agreement. He argued that there are no federal provisions linking the department's demand for MPOs to accept edits on an operating agreement. He stated that FHS staff have reviewed the regulations, along with FAST Planning staff, and they all agree that [MPA and the operating agreement] are separate documents with separate approvals. He noted that 2021 had been the last time the MPA boundary changed, and the governor had approved this, and the operating agreement was updated. He maintained that DOT&PF is withholding the new MPA boundary from the governor's office for approval, for the department's consideration.

MR. CRASS summarized the problem. He began by pointing out that federal regulations are clear - all projects proposed for federal transit funding, including NHS funding, must be included in the MPO's Metropolitan Planning Program (MPP) and TIP to be eligible. Therefore, MPO's policy boards have the authority to accept or reject projects, including those on NHS. He argued that there has been no undercutting of DOT&PF's responsibilities to participate in project planning; however, the decision-making authority is with the MPO's policy board, of which the department is a voting member. He stated that a list of projects provided by the department for the incorporation in TIP should not guarantee incorporation. He maintained that this would be a decision made by the MPO policy board on a project-by-project basis. He noted that FAST Planning and AMATS have exercised this authority in the past.

[2:38:54 PM](#)

CO-CHAIR EISCHEID expressed the understanding that there is a dispute over the interpretation of federal regulations and authorities. He questioned whether lawyers have been involved in settling the dispute, and he questioned the path forward.

MR. CRASS replied that the policy board considered obtaining legal counsel; however, without legal [precedent] it would be an impasse.

CO-CHAIR EISCHEID questioned FAST Planning's indefinite tabling of the discussion.

MR. CRASS, in response, stated that the policy board tabled the issue indefinitely because the edits would erode local control. He expressed the opinion that there was no path forward with the department's proposed edits. He identified the policy board as consisting of the two local mayors, a member from DOT&PF, a member from the state Department of Environmental Conservation, a member from the Fairbanks North Star Borough, and the chair from the Fairbanks City Council. He pointed out that the municipal leadership has a strong desire to retain local control on project planning.

CO-CHAIR EISCHEID questioned whether MPOs could change the path to come to an agreement or a solution.

MR. CRASS expressed difficulty with a path forward because the department's proposed changes to the operating agreement are a nonstarter for certain members of the policy board. He pointed out that developing operating agreements is an intensive and costly process, and opening this to change would take an immense effort, especially with the perspective of reducing local control.

[2:43:15 PM](#)

JACKSON FOX, Executive Director, Fairbanks Area Surface Transportation (FAST) Planning, added that FAST Planning's last operating agreement had been updated in 2018, and it took over a year and four attorneys to negotiate the agreement. He pointed out that there had been many disagreements, and not everybody "got their way." In negotiating the current agreement, he said it would need to go through two city councils and the assembly, which would bring in more opinions and stalemates. He expressed the opinion that for the current process, there is not a high chance of success.

[2:44:48 PM](#)

REPRESENTATIVE MCCABE opined whether MPOs should be dissolved, with the authority given to DOT&PF. He questioned the contact FAST Planning has with FHWA.

MR. FOX responded that all three MPOs have regular communication with FHWA and Federal Transit Administration (FTA) staff, as all required planning documents must be approved by these agencies.

He stated that quarterly meetings are held each year between the three MPOs, DOT&PF, and the federal partners. In response to a follow-up question, he stated that if there were no MPOs, planning for urban sections would not receive federal funding until new organizations were created to replace these.

[2:47:25 PM](#)

REPRESENTATIVE MCCABE commented that the Matanuska-Susitna (Mat-Su) Borough has received federal money for the last two decades without its MPO. He stated that three months ago, he had requested emails and communication records between FAST Planning and FHWA, and he received the minutes from only one meeting. He requested copies of any emails or other communications. He expressed the understanding that trucking issues were the beginning of the problems and he questioned this.

MR. FOX responded in the affirmative. He explained that a year and a half ago, an ore haul through an urbanized area had been announced, and this had caused significant outcry within the community. He stated that there were bridge replacement projects planned to support the ore haul, but FAST Planning was not included in this. He stated that this was the beginning of the divergence with DOT&PF.

[2:49:42 PM](#)

CO-CHAIR EISCHEID, in reference to the Mat-Su Borough's MPO, questioned whether the borough had met the MPO requirements until the most recent census from the U.S. Census Bureau.

[2:50:11 PM](#)

KIM SOLLIEN, Executive Director, Matanuska-Susitna Valley Planning (MVP) for Transportation, clarified that the Mat-Su Borough had not reached the urban-area population density threshold to create its MPO until the census was certified in 2022. The MPO was formed within one year of the designation.

[2:50:37 PM](#)

REPRESENTATIVE MCCABE expressed the understanding that having this is not a requirement.

CO-CHAIR EISCHEID interjected, stating that federal funding would not be received without an MPO designation.

REPRESENTATIVE MCCABE expressed the understanding that some federal money could be received, but not all.

[2:51:20 PM](#)

CO-CHAIR CARRICK expressed the opinion that Fairbanks needs the federal highway funding, which requires MPOs, both legally and functionally. She expressed the understanding that consultation is required between MPOs and FHWA, from development to going forward. She asked for clarification.

MR. FOX responded in the affirmative. He expressed the opinion that FAST Planning has a positive relationship with federal agencies, with frequent communication.

CO-CHAIR CARRICK, in her understanding of the relationship between the entities, stated that MPOs make allocation decisions and receive funds through DOT&PF, and MPOs consult with FHWA. She questioned the relationship problem concerning this, from the MPOs perspective.

MR. FOX affirmed her description. He added that all the funding goes through DOT&PF, and then MPOs would consult with the federal partners for planning approvals for spending the funds. He acknowledged that DOT&PF is the fiscal steward of the funding, so the department could be at risk concerning funding issues where it has no participation. On what is not working, he opined that the primary issue is the top-down approach, where the federal funding goes to DOT&PF, and then to MPOs. With this, he pointed out that the department asserts that it has the decision-making authority over the funds.

[2:54:54 PM](#)

CO-CHAIR CARRICK expressed agreement; however, she pointed out that because of the nuances, the situation is more complex than simply a top-down approach. She reiterated the question concerning what MPOs could be doing to address the problem.

MR. FOX referred to the Three Cs of transportation planning, mentioned earlier in the meeting. He stated that this outlines procedures and protocols on agency interaction. He advised the committee that finishing this document would help setup expectations of each entity, but the terms must be decided. He recommended that the document be proscriptive, so new parties could easily understand it in the future. He expressed the understanding that each MPO is committed to this process. In

response to a follow-up question, he stated that the document is on the agenda for the next quarterly review, as all parties should be present. He expressed the hope that the document would be completed in 2025.

[2:58:01 PM](#)

REPRESENTATIVE MCCABE, concerning the trucking issue, questioned whether FAST Planning should be able to regulate commercial traffic on federal highways.

MR. FOX expressed the understanding that regulating freight haul through the community would not be within its authority; however, it is something FAST Planning would have liked involvement in from the start, as traffic impacts in the community need to be reduced.

[2:59:01 PM](#)

CO-CHAIR EISCHEID gave final comments. He provided his understanding that the idea behind MPOs was to give local input into transportation planning, because in the past the federal partners have done projects without consulting local communities.

[3:00:46 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 3:00 p.m.