

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

January 23, 2025

1:31 pm

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Löki Tobin, Vice Chair
Senator Jesse Kiehl
Senator Bert Stedman
Senator Mike Shower

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

OVERVIEW: OPENING REMARKS

- HEARD

PRESENTATION(S): DOT & PF DEPARTMENT OVERVIEW

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

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

POSITION STATEMENT: Co-presented a Department of Transportation and Public Facilities Department Overview.

KATHERINE KEITH, Deputy Commissioner
Department of Transportation and Public Facilities (DOTPF)
Anchorage, Alaska

POSITION STATEMENT: Co-presented a Department of Transportation and Public Facilities Department Overview.

ACTION NARRATIVE

[1:31:09 PM](#)

CHAIR BJORKMAN called the Senate Transportation Standing Committee meeting to order at 1:31 pm. Present at the call to order were Senators Kiehl, Stedman, Tobin, and Chair Bjorkman. Senator Shower arrived immediately thereafter.

OVERVIEW: OPENING REMARKS

[1:32:09 PM](#)

CHAIR BJORKMAN welcomed the committee and declared that safe and reliable transportation are key to Alaska's economy and quality of life. He said the Senate Transportation Standing Committee would look for friction points in Alaska's transportation networks and determine actions the legislature can make to help alleviate challenges.

CHAIR BJORKMAN said the committee would hear from state agencies, trade organizations, and other Alaska transportation stakeholders. Stakeholders would speak to the challenges they face and to the impacts of those challenges for their organizations and for all Alaskans. He sought cooperation from industry, stakeholder groups and agencies to propose solutions to help solve workforce challenges. He noted the legislature could pass legislation but opined that legislation that is not tailored to problems in the real world would not be helpful and would likely make things worse.

PRESENTATION(S) : DOT AND PF DEPARTMENT OVERVIEW

[1:33:06 PM](#)

CHAIR BJORKMAN announced the presentation titled Senate Transportation Committee: DOT AND PERMANENT FUND Department Overview.

[1:33:43 PM](#)

RYAN ANDERSON, Commissioner, Department of Transportation and Public Facilities (DOTPF), Juneau, Alaska, briefly introduced himself.

[1:34:11 PM](#)

COMMISSIONER ANDERSON moved to slide 1 and noted that transportation was of high interest to Alaskans. The state is geographically large and getting around is important to everyone. He indicated that the presentation would address key transportation issues for the state as well as potential opportunities. He added that the presentation would highlight

critical areas where the legislature could provide insight and support for the Department of Transportation and Public Facilities (DOTPF).

[1:36:07 PM](#)

At ease.

[1:36:19 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[1:36:26 PM](#)

COMMISSIONER ANDERSON moved to slide 2 and said Alaska faced significant challenges over the past years, including severe weather events such as the Glen Highway erosion, the Mendenhall River flood, the Ketchikan landslide, and a West Coast storm that brought unprecedented water levels, overtopping the runway for the first time on record in Kotzebue. He said Department of Transportation and Public Facilities (DOTPF) proactively used resources from across Alaska, including contractors, to respond to these unanticipated events.

COMMISSIONER ANDERSON said the DOTPF commercial compliance team was involved in mineral extraction and resource development projects in the Alaska Interior like the Willow project and the Dalton Highway, focusing on moving trucks safely on the highway. He stated that DOTPF was acting to address a tragic rise in highway and pedestrian fatalities.

[1:38:22 PM](#)

COMMISSIONER ANDERSON said the Statewide Transportation Improvement Program (STIP) team had shown resilience and innovation under intense scrutiny and media attention. He referred to slide 2 and said DOTPF remains committed to linking cities and communities for commerce and industry development as outlined in their enabling statutes.

[Original punctuation provided.]

MISSION: Keep Alaska Moving

Core Values

Integrity - Excellence - Respect - Safety

DOT&PF oversees a network of highways that link together cities and communities throughout the state, thereby contributing to the development of commerce and industry in the state, and that aids in the

extraction and development of its resources, and improves the economic and general welfare of the people of the state (AS 19.05.125)

[1:39:24 PM](#)

MS. KEITH KATHERINE KEITH, Deputy Commissioner, Department of Transportation and Public Facilities (DOTPF), Anchorage, Alaska, moved to slide 3, World Class Transportation Infrastructure: Alaska's Competitive Edge. Slide 3 shows a map highlighting resources and multimodal aspects of Department of Transportation and Public Facilities (DOTPF) infrastructure. The map indicated the following Alaska features:

- Petroleum Refineries
- International Airports
- Rural Airports
- Tunnels
- Ports
- Fisheries
- Forest
- Spruce Bark Beetle Damaged Forest
- National Highway System
- Railroad
- Trans Alaska Highway
- Proposed Alaska LNG Line
- Marine Routes
- Electric Transmission Lines

MS. KEITH highlighted Alaska's abundant natural resources, including renewable energy sources: tides and geothermal energy, biomass for biofuels, significant fisheries, and natural gas reserves on the North Slope and in Cook Inlet as well as carbon sequestration potential. These resources support the state's economy and residents. She emphasized that transportation is vital to connect these resources to communities. She emphasized DOTPF's vast multi-modal approach, which includes ports, bridges, and railroads. She said the presentation would indicate challenges and points of friction.

[1:41:06 PM](#)

COMMISSIONER ANDERSON moved to slide 4, a summary organization chart for Department of Transportation and Public Facilities (DOTPF), graphically illustrating the following elements of the department:

[Original punctuation provided.]

**Through Land Air, Sea: It Takes a Team
Commissioner**

- Deputy Commissioner

Strategic Assets

- Alaska International Airport System
- Alaska Marine Highway System
- Statewide Equipment Fleet
- Division of Facility Services

**Planning, Design, Construction, Maintenance and
Operations**

- Central Region
- Northern Region
- Southcoast Region
- Project Delivery
- Projects Management Office
- Measurement Standards and Commercial Vehicle Compliance

Cross-Functional Support

- Program Management and Administration
- Data Modernization and Administration
- Procurement
- Communications
- Legislative Office
- Civil Rights Office
- Statewide Aviation
- Safety, Emergency and Security

Boards

- Roads and Highways Advisory Board
- Executive Facilities Management Advisory Committee
- Alaska Marine Highways Operations Board
- Aviation Advisory Board

- STATEWIDE PERSONNEL AND DISTRIBUTION 3,445 permanent full-time, part-time and non-permanent positions in 8 labor unions in 80+ locations

COMMISSIONER ANDERSON said DOTPF was a large, multi-faceted organization, the largest [Alaska state department] with over 3,400 employees, eight labor unions, and 80 plus locations. The organization's strategic assets are in three regions and carry out the work of the department: planning, design, construction, maintenance, and operations. He explained that the Project Delivery Division was the backbone to DOTPF's standards and engineering work, and the Project Management Office was focused on project scope, scheduling and budget work. He said the Measurement Standards and Commercial Vehicle Compliance office operate the weigh stations, ensuring that the trucks on the road are legal. Cross-functional support for the entire department included program management, data, modernization and innovation, procurement, communications, legislative support, civil rights office, statewide aviation safety, emergency, and security He gave an example of the effectiveness of the civil rights office to address and resolve problems across divisions quickly.

[1:43:40 PM](#)

COMMISSIONER ANDERSON said DOTPF was adopting a matrix structure to better navigate federal regulations from the federal agencies: the Federal Aviation Administration (FAA), Federal Highway Administration (FHA), and Federal Transit Administration (FTA). He noted DOTPF also had advisory boards to provide oversight.

[1:44:00 PM](#)

CHAIR BJORKMAN reflected that the chart on slide 4 represented a wide variety of responsibilities and employees necessary to the economy and function of life in Alaska. He asked whether DOTPF was too large to effectively manage and meet its mission and whether it should be divided into smaller units that could be more easily managed.

[1:44:40 PM](#)

COMMISSIONER ANDERSON said that had been considered in the past. He discussed the Division of Facility Services as an example where organizational overlap works well. He compared office buildings accommodating 300 or 400 people with a maintenance shop where five or six maintenance and operations personnel are based. He said DOTPF was trying to organize better under its current structure, rather than splitting things off. He said DOTPF was working to eliminate silos and referred to the Mendenhall River flood event response. He said there was a big benefit to a structure where people know each other and can interact to send people and equipment where needed. He said there could be benefits to splitting some things out.

[1:46:42 PM](#)

COMMISSIONER ANDERSON moved to slide 5.

[Original punctuation provided.]

Workforce Development

FFY2024-FFY2027 STIP Funding: \$19,332.4 (100% federally funded under 23 USC 504(e))

Training Funding for FFY2025

- Employee Technical Training: \$1,040.0
- Construction/Industry Training: \$670.0
- Mechanics Training: \$379.0
- Commercial Driver's License (CDL) Training: \$356.0
- Safety and Maritime Workforce Training: \$284.0 each

University of Alaska Fairbanks, and DOT&PF Career Pathway Program for Planning, Design, Construction, Maintenance, and Operations \$718.0

- Education Enrichment
- Skill Development
- Networking Opportunities
- Credentialing System
- Rotational Structure
- Performance Evaluation

DOT&PF is developing Career Pathway Guides for all career options at the department.

[A screenshot of the DOT&PF Engineering Pathway is included on slide 5.]

COMMISSIONER ANDERSON said DOTPF considered maintenance and workforce issues by region. The northern region had a 15 percent vacancy rate, with some camps exceeding 20 percent vacancy. The central region, including Anchorage, had a six percent vacancy rate, while the South Coast region had an eight percent rate. Specific challenges included 40 percent vacancy, in areas like Cordova, Thompson Pass, and Valdez, and difficulties in hiring electricians statewide. The department is considering innovative solutions, such as alternative paths to obtain Commercial

Driver's Licenses (CDLs) for potential employees in remote locations (e.g. Hoonah). He noted regional differences in workforce needs and challenges and highlighted efforts to adapt training programs to address challenges.

[1:48:46 PM](#)

SENATOR TOBIN asked whether it would make a difference if the offroad CDL licensure was reinstated.

[1:49:06 PM](#)

COMMISSIONER ANDERSON said DOTPF is considering the offroad CDL. He said there are pilot programs in rural communities to take Division of Motor Vehicles (DMV) examiners to a community to test applicants for an offroad CDL. He said DOTPF would support the offroad CDL in areas where it is a good fit.

[1:49:41 PM](#)

SENATOR STEDMAN asked how DOTPF's vacancy rates compares with that of other states. He asked whether there was a specific area the legislature could address to decrease the vacancy rate.

[1:50:10 PM](#)

COMMISSIONER ANDERSON said interactions with American Association of State Highway and Transportation Officials (AASHTO) suggest that vacancy rates depend on location and availability of candidates and competition for qualified drivers. He noted there are high-paying trucking jobs in some Alaska locations (e.g. ore haul jobs near Tok). He said DOTPF does not compete well to fill equipment operator positions.

COMMISSIONER ANDERSON said Valdez and the Dalton Highway area also have stiff competition to hire equipment operators. There was an established trucking group for companies operating trucks on the Dalton Highway that was advocating for higher wages for DOTPF operators.

[1:51:39 PM](#)

COMMISSIONER ANDERSON reported workforce shortages, with vacancy rates at 11 percent for Anchorage International Airport, 13 percent for Fairbanks and 19 percent for the Division of Facility Services. He noted concern about the 24 percent vacancy rate for the statewide equipment fleet, particularly in heavy-duty mechanic positions. Filling similar positions was difficult for the private sector as well. To address workforce challenges, he said that the 2024 to 2027 Statewide Transportation Improvement Plan (STIP) has allocated \$19 million of federal funding for various training initiatives. Additionally, a

collaboration with the University of Alaska, Fairbanks is underway to prepare students for specific jobs like engineering, through internships and education tailored to industry needs.

[1:53:18 PM](#)

SENATOR TOBIN asked for the overall vacancy rate for DOTPF.

[1:53:35 PM](#)

COMMISSIONER ANDERSON estimated it to be 15 percent and said he would provide the committee with that information.

[1:53:46 PM](#)

SENATOR SHOWER asked whether the commissioner was aware of the Veteran Internships Providing Employment Readiness (VIPER) program.

[1:53:55 PM](#)

COMMISSIONER ANDERSON asked for more information.

SENATOR SHOWER noted the need for workforce development and that Alaska has several military bases, along with the highest per capita military veterans. He said there are over 50,000 veterans exiting the military per year. VIPER is a program centered in Anchorage and Fairbanks (and expanding nationwide) that provides training to veterans, enabling them to join the workforce. He opined that this would be helpful for the state.

[1:54:36 PM](#)

COMMISSIONER ANDERSON noted that DOTPF participates in the Army Partnership for Your Success (PaYS) program and said the VIPER program would be of interest.

[1:54:50 PM](#)

MS. KEITH moved to slide 6 and discussed the modernization of DOTPFs highway and bridge program, focusing on digital data access and real-time information. Key updates include an online permitting system launched in September 2024, live plow tracking on the 511 system, and a winter operations dashboard for public visibility.

[Original punctuation provided.]

HIGHWAYS

FY2026 Budget

(\$ in Thousands)

- Design, Engineering, & Construction
\$132,942.5
- Highways, Aviation, & Facilities
\$174,708.5
- Administration & Support \$65,632.7
- UGF \$101,339.4, DGF \$51,687.3, Fed \$4,431.4,
Other \$215,825.6
- **11,900** Lane Miles of DOT&PF Roads/Highways
- **80** Staffed Maintenance Stations
- **851** DOT&PF-Owned Bridges
- **9** Weigh Stations
- **3** Tunnels, incl. Anton Anderson Memorial Tunnel
(2.5 mi)
- **750** Miles of Sidewalks

Key Issues Ahead

- Dalton Highway and Industrial Activities on Highways
- Bridge Conditions
- Bicyclist and Pedestrian Safety / Complete Streets
- Project Cost Escalation
- Planning Authority on National Highway System Routes
- Deferred Maintenance
- Right-of-Way Management
- Emergency Relief Funding
- Deicing Chemicals on Highways

MS. KEITH explained that the new systems aim to improve efficiency and transparency, integrating data and information from various sources like APEX and STIP. She emphasized the multi-layered nature of construction projects represented in APEX, STIP, and the Highway Safety Improvement Program. She emphasized the importance of digital tools in asset management, enabling better planning and investment decisions based on real-time data and public feedback.

[2:00:43 PM](#)

MS. KEITH emphasized that safety is a high priority and provided examples. She drew attention to recent pedestrian fatalities in

Anchorage and said digitization is not the answer. She said DOTPF is partnering with Anchorage Vision Zero and Anchorage Metropolitan Area Transportation Solutions (AMATS) to find solutions. She highlighted a public alert system to facilitate immediate reporting of traffic issues and said it also helps DOTPF make informed decisions for corrective actions. She said quick Emergency Medical Services (EMS) response improves crash outcomes and DOTPF funded and provided Jaws of Life kits to EMS providers across the state. DOTPF is also working to expand medical evacuation (medevac) sites along rural high-speed routes. She discussed the challenge of addressing all identified safety needs with limited and unpredictable available funds, noting that project cost escalation is a recurring theme.

[2:04:08 PM](#)

COMMISSIONER ANDERSON addressed points on slide 6 related to highways and bridges. He noted the Rabbit Creek overcross bridge collapse in Anchorage and said the bridge team is diligently working to determine the root cause of the collapse and is checking on similar 1970s era bridges around the state. He stated that DOTPF is working to determine planning authority on National Highway System routes alongside Municipal Planning Organizations (MPOs). He noted concerns about deferred maintenance and right of way management. He said DOTPF had seen success with the abandoned vehicle program and was now addressing abandoned buildings and homeless encampments.

[2:05:40 PM](#)

MS. KEITH moved to slide 7:

[Original punctuation provided.]

RURAL AIRPORT SYSTEM

(\$ in Thousands)

- **237** State-Owned and Operated Rural Airports
- Over **300** Air Carriers
- Over **140** Communities (82%) without Road Access
- **\$163,623.8** in FFY2024 from Airport Improvement Program
- Essential Air Service FFY2024 provides **\$39,268.7** over 65 communities
- **\$81,150.9** in FFY2024 from Bi-Partisan Infrastructure Law

Key Issues Ahead

- Project Cost Escalation
- Airport Lighting Systems
- Airport Weather Observation Systems (AWOS)
- Federal Aviation Administration (FAA) Reauthorization
- Employee Housing
- Increasing Cost of Rural Airport Maintenance Contracts
- Civil Rights and FAA Findings
- Gustavus Airport Security
- PFAS Transition
- Parking at Airports

MS. KEITH said capital funding for airports comes primarily through the Federal Aviation Administration's (FAA) Airport Improvement Program (AIP) and the bipartisan infrastructure law in the form of airport infrastructure grants and some terminal grants. In FY24, 70 grants were executed; this is expected to increase to 73 in FY25. FY23 anticipates \$190 million in AIP funds and \$40 million from the infrastructure law. Last year, 16 projects went out for construction, with eight expected this year.

[2:07:27 PM](#)

MS. KEITH said challenges included outdated airport lighting systems and weather reporting systems. She said DOTPF distributed emergency lighting kits to rural hub airports to quickly address lighting outages and was implementing eight lighting improvement projects at various airports to replace aging lighting systems. She said 50-60 of 153 automated weather observation systems (AWOS) and automated surface observation systems (ASOS) stations were often out. She said work was underway with the Federal Aviation Administration (FAA) and National Weather Service (NWS) to find solutions for the AWOS and ASOS weather reporting station issues.

[2:09:54 PM](#)

MS. KEITH said employee housing is also a concern, particularly at Kotzebue. She said DOTPF's capital budget request for FY 26 included provision for employee housing in some areas. She noted the impact of data collection required by the expansion of the Airport Concession Disadvantaged Business Enterprises (ACDBE) program. DOTPF is dedicating a position to ensure compliance with the ACDBE as part of its Civil Rights awareness and response.

[2:11:30 PM](#)

MS. KEITH said the budget included funds to transition and clean out airport equipment previously contaminated by per- and polyfluoroalkyl substances (PFAS). She said the plan is to start with the international airports and move to Part 139 airports after demonstrating successful [remediation] methods.

[2:12:13 PM](#)

COMMISSIONER ANDERSON noted the FAA re-authorization of funds included many benefits for Alaska, including the ability to share FAA funded equipment with rural communities. He credited Alaska's congressional delegation and said he expects progress with issues like the ability to lengthen runways.

[2:12:58 PM](#)

MS. KEITH moved to slide 8, which includes a map of Alaska illustrating M-5 Alaska, a maritime route which extends from Puget Sound, Washington to Unalaska in the Aleutian Islands and M-11 Alaska, the Arctic Gateway Marine Route.

[Original punctuation provided.]

WATERWAYS

- 33,900 Miles of Shoreline
- 765 Ports and Harbors
- 58 Used for Commercial Purposes
- 5 Ports Among Nation's Busiest by Volume
- 0 Port Facilities Owned by DOT&PF
- 16 DOT&PF-Owned harbors
- 1 Set of Breakwaters

Key Issues Ahead

- Ice Roads and Federal Funding
- Governance of Ports in Alaska
- Resiliency of Multi Modal Connections

MS. KEITH discussed the importance of navigable waterways in Alaska, including ports, harbors, and ice roads. She noted only 16 of the ports statewide are owned by the state of Alaska. She highlighted the Arctic Gateway Marine Route (M11) and explained it was part of the federal marine highway system, making communities and maritime facilities along the route eligible for federal funding through the Maritime Administration (MARAD). She said DOTPF was working to communicate the availability of M11

Arctic Gateway Marine Route funding to communities along the coast.

[2:15:47 PM](#)

MS. KEITH emphasized the need to federalize the ice roads program, which is currently supported by state funds. The ice roads are critical for rural communities. She stated that ice roads are part of the multi-modal transportation system, which is critical for ports resiliency. She said DOTPF is investigating the use of formula funds for barge landings and ports infrastructure, which, she said, is allowable.

[2:16:36 PM](#)

SENATOR SHOWER said a deep-water port in northwest [Alaska] was previously funded and pointed to national security and economic development benefits. He noted that this project is not currently funded and asked whether a deep-water port was included in future infrastructure plans.

[2:16:58 PM](#)

COMMISSIONER ANDERSON emphasized the need for a comprehensive view of Alaska's port system, and the role of the Department of Transportation (DOT) in governance. He noted the significance of the Northwest Passage and ongoing major projects (e.g. the hardening of the shore in Utqiagvik) and the development of deeper water ports in Kotzebue and Nome. He said the integration of these projects with the Port of Alaska is key. He said the M11 route is creating opportunities through successful application of the MARAD funding program.

[2:18:14 PM](#)

COMMISSIONER ANDERSON moved to slide 9.

[Original punctuation provided.]

Alaska Marine Highway System

Budget Info

(\$ in Thousands)

FY2026 Marine Highway System: \$159,418.4

- UGF: \$61,440.9
- DGF: \$20,754.3:
- Fed: \$76,242.1
- Other: \$981.1

2024 Operations

- 9 Ferries
- 35 Ports of Call
- 3,500-Mile Coastal Route
- 33 Terminals
- 53,111 Vehicles Moved
- 118,212 Passengers Transported
- 4 Ships Over 50 Years Old

Key Issues Ahead

- Maritime Workforce
- Federal Transit Administration/Federal Highway Administration Coordination
- M/V Matanuska Decision
- Long Range Planning
- Capital Investment in Vessels and Terminals
- Modernization and Customer Service
- Trooper Ride-Alongs (Columbia)

COMMISSIONER ANDERSON said the Alaska Marine Highway System (AMHS) faces challenges with workforce and vessel reliability, including the Kennecott's major emissions project. He commended Director Tornga for ensuring that the remaining ships are running reliably. He said the rural ferry program, funded by the Federal Transit Administration (FTA), are progressing with projects like the Tustumena replacement vessel and the Tazlina crew quarters, though compliance with the Buy America program is complex. He said there is over \$400 million in grants allocated to supporting new vessel projects. He noted the challenge to determine the future of the 60-year-old Matanuska. He said the long-range ferry plan is forthcoming, with \$170 million in grants for docks and ferries. A modern reservation system and Wi-Fi on vessels, including the Columbia, are being developed. Safety measures include hiring retired troopers for vessel ride-alongs.

[2:21:45 PM](#)

SENATOR KIEHL noted the poor condition of the Tustumena and asked how many people were working to get the Tustumena replacement out to bid.

[2:22:34 PM](#)

COMMISSIONER ANDERSON answered that the Tustumena is well-cared for and is a safe ship. He said that Director Tornga is working alongside a dedicated DOTPF engineer and experienced consultants to see the Tustumena replacement project through construction.

He said there are also Federal Transit Administration (FTA) consultants working on this project. He pointed out complexities related to access to rural ferry program funds and navigating Federal Transit Authority (FTA) requirements that are more suited to bus and transit projects. He said delays are not due to a lack of resources and suggested that a presentation for the committee on DOTPF's capital program for AMHS is warranted.

2:24:25 PM

SENATOR KIEHL affirmed that he would like a presentation on DOTPF's capital program.

2:24:47 PM

SENATOR STEDMAN requested that DOTPF provide a detailed Tustumena construction schedule, preferably a Gantt chart, to track progress and identify delays. He said the cost of holding the Matanuska at dock and equipping it with a sprinkler system for housing purposes must be determined and he questioned whether the Matanuska is likely to return to service. He acknowledged that it will be a difficult decision to decommission the Matanuska; however, decommissioning may be necessary to better allocate resources. He suggested the Senate Transportation Standing Committee consider whether to decommission the vessel.

SENATOR STEDMAN said the committee and DOTPF could cooperate to review the capital investment of the Marine Highway Program (including the allocation of federal funds between operations and capital expenditures), thereby reducing the workload for the Senate Finance Committee and providing documentation and recommendations for capital and operating budget expenditures. He encouraged increased legislative participation in budget preparation beyond the Senate Finance Committee.

SENATOR STEDMAN emphasized the importance of increasing ridership on AMHS and addressed employee-related issues. He noted the importance of reviewing current workforce issues, such as the number of interviews and hires, and salary levels. He noted concern that some labor groups involved in the marine highway are not competitive with other labor force groups in the state, which could affect recruitment and retention. He highlighted the need for licensed personnel on ships and the competitive nature of AMHS labor contracts compared to other ferry systems. He concluded that working with Department of Transportation and Public Facilities (DOTPF) to preload this information would position the legislature to have productive discussions.

[2:28:24 PM](#)

COMMISSIONER ANDERSON noted that Department of Transportation and Public Facilities (DOTPF) is currently in negotiations with all three marine labor unions.

[2:28:40 PM](#)

SENATOR KIEHL asked whether ferry system management representatives are present at the union negotiating tables.

[2:29:21 PM](#)

COMMISSIONER ANDERSON replied yes.

[2:29:28 PM](#)

SENATOR STEDMAN advocated for the committee to come up to speed with master ship agreements and the way they affect the state's flexibility to negotiate as the owner and manager versus the labor organizations. He shared his understanding that some master agreements expire when ships are changed out, creating an opportunity to draft new agreements.

[2:30:16 PM](#)

COMMISSIONER ANDERSON moved to slide 10.

[Original punctuation provided.]

ALASKA INTERNATIONAL AIRPORT SYSTEM

Budget Info FY2026 International Airports
(\$ in Thousands)

- **\$127,019.7** Fed \$1,008.4, Other \$126,011.3
- **9.5 Hours from 90 percent of the Industrialized World**
- **Ted Stevens Anchorage International Airport (ANC)**
 - Ranked **Second** Busiest Cargo Airport in North America
 - Ranked **Fourth** in Landed Cargo Weight Globally
 - ~20,000 Passengers in a Single Day; Record in FY2024
 - **Five** New Cargo Carriers in FY2024
- **Fairbanks International Airport (FAI)**

- Diversionary Airport with an 11,800-foot runway
- **Sixty** cargo and passenger aircraft diversions in FY2024
- **Key Issues Ahead**
 - Air Cargo Growth & Infrastructure Investment
 - Passenger Service Expansion
 - Alaska International Airport System Restructure
 - Sustainable Aviation Fuel Initiative
 - Solar Initiative
 - PFAS Transition

COMMISSIONER ANDERSON highlighted the record growth of air cargo and passenger activity at Alaska's international airports over the past two years, particularly in Anchorage. There is opportunity for Fairbanks to continue to grow as well. He said infrastructure improvements are now possible as longstanding legal conflicts on development areas have been resolved. He noted that taxiway development and expanding apron and cargo hard stand areas would contribute to expansion and make the airports better able to serve carriers that have expressed interest in Alaska operations. Fuel demand from new carriers with interest in Alaska is encouraging work and research toward sustainable fuels, including the potential for fuel from fish waste or woody biomass.

[2:33:08 PM](#)

MS. KEITH said Alaska Airlines and Atlas [Air, Inc] approached Department of Transportation and Public Facilities (DOTPF) in the past year to indicate their interest in sustainable aviation fuel (SAF) at Ted Stevens International Airport. She emphasized that Europe requires that two percent of carriers' fuel be SAF and said there is a limited supply globally. The US produced just over 100 million gallons of SAF last year. Alaska's unique geography and resources make it well-suited to provide SAF. DOTPF applied for, and was awarded, a low tier grant for planning related to developing SAFs. This could be followed by a more substantial grant, possibly combined with a Department of Energy low interest loan toward construction, provided there continues to be interest from carriers. She noted that SAF and renewable diesel are required for international shipping by the International Maritime Organization.

[2:34:40 PM](#)

SENATOR TOBIN noted her recent visit to the National Renewable Energy Laboratory (NREL) in Denver where she learned about NREL's Alaska work with the [federal] Department of Defense (DOD) on sustainable aviation fuels, particularly for small aircraft. She encouraged DOTPF collaboration with NREL, pointing out they were already doing the work and were already funded by Alaska's federal partners.

[2:35:08 PM](#)

COMMISSIONER ANDERSON concurred that sustainable fuels work is exciting. He also noted initiatives to install ten megawatt solar arrays at the airports to diversify energy supply sustainably.

COMMISSIONER ANDERSON gave a brief update on efforts to remove PFAS from the airports, and to appropriately dispose of them. Efforts will begin with the international airports and proceed to part 139 airports in rural areas.

[2:36:10 PM](#)

SENATOR STEDMAN requested a presentation on sustainable aviation fuels, including developments and innovation from other North American efforts.

[2:37:15 PM](#)

SENATOR SHOWER advocated for increased in-state oil refinement. He acknowledged the potential for biomass fuels, but highlighted engine compatibility challenges and the reality that biofuels are still blended [with petroleum fuels]. He said increased extraction of minerals and oil would be required to support future technological and sustainable fuel advances.

[2:38:37 PM](#)

COMMISSIONER ANDERSON moved to slide 11.

[Original punctuation provided.]

Division of Facility Services

Budget Info

FY2026 Division of Facilities Services
(\$ in Thousands)

- \$104,429.5
- UGF \$21,235.4, DGF \$545.0, Fed \$160.1, Other \$82,489
- **827** Public Facilities Spanning **50** Communities

- Serving **Multiple** State Agencies
- **44** Contracts Awarded in 2024 for over **\$43,000.0** in Facility Improvements
- **180** Projects Underway
- 360-Degree Cameras for Virtual Building Walkthroughs
- Developing Digital Twins

Key Issues Ahead

- Legacy Systems
- Customer Service
- Deferred Maintenance

COMMISSIONER ANDERSON highlighted the Key Issues Ahead from slide 11. DOTPF is moving away from Legacy Systems to modernize and streamline inventories, work orders and good systems for tracking work. Customer Service is a priority as well as addressing deferred maintenance for facilities.

[2:39:16 PM](#)

CHAIR BJORKMAN requested to advance to the Statewide Transportation Improvement Plan (STIP) portion of the presentation.

[2:39:59 PM](#)

COMMISSIONER ANDERSON moved to slide 16.

[Original punctuation provided.]

FFY2025 Construction Program Outlook
(\$ in Thousands)

FFY2025 Construction Contracts Awarded
Contracts Awarded to Date: \$123,729.5
Estimated Contract Awards: \$694,000.0 - \$1,083,000.0

How We Improve

- **Tentative Advertise List Accountability**
- **Agile Methods:** High-level engagement to remove obstacles
- **Improved Management Systems:** Tracking project schedules and estimates (Project Delivery Plan)

[Slide 16 includes a chart, graphically illustrating the following data for CONTRACT AWARDS TOTAL:]

FFY20: 115 Projects

Key Issues

- Utility Agreements and Buy America Build America
- Bureau of Land Management Highway Easement Deeds
- Late Federal Aviation Administration Grant Awards
- Late Congressional Release of Funds
- Project Cost Increases

August Redistribution

- \$19,200.0 FFY2024
- \$126,131.8 in Authority
- Projected to be Available to Alaska FFY2025
- Confidence about STIP progress.

[2:43:00 PM](#)

COMMISSIONER ANDERSON said that DOTPF has had discussions with the Association of General Contractors (AGC) regarding concerns. He noted that 2022 was a high year for construction contract awards. He briefly discussed project delivery.

[2:46:29 PM](#)

SENATOR KIEHL noted the pause on infrastructure spending at the federal level. He inquired about the level of concern DOTPF has regarding the pause and its impact on scheduled projects.

[2:47:03 PM](#)

COMMISSIONER ANDERSON said that he recently spoke with the local Federal Highway Administration (FHA) office regarding this issue. He stated that the funding disbursement pause was lifted. He indicated that DOTPF would continue moving forward with programs as planned; however, he noted that the overall impacts are unclear at this time.

[2:47:51 PM](#)

SENATOR TOBIN asked about a social media post that differed from the presentation slide. She also asked about the marked increase in the estimated contract award from that of previous years. She wondered what is included in this number.

[2:48:52 PM](#)

COMMISSIONER ANDERSON answered that West Susitna access was included. He acknowledged the need for clarity and transparency. He explained that construction contract award amounts are

determined during the bidding process. There are various obligation costs associated with the estimates, as well.

[2:49:58 PM](#)

CHAIR BJORKMAN commented that construction contractors around the state have concerns regarding perceived discrepancies between DOTPF's projected contract amounts and the contract amounts they are seeing. He encouraged conversation between DOTPF and Associated General Contractors of Alaska (AGC) to discuss this. He emphasized that AGC contractors are very concerned about this issue. He indicated that AGC would be contacting the department regarding this issue. He asked for information regarding the number of projects that are ready to go and whether there are enough projects to qualify for the upcoming redistribution of funds and federal highway dollars.

[2:52:40 PM](#)

COMMISSIONER ANDERSON said he would provide this information. He noted that there are challenges moving ahead with relevant projects due to a lack of utility agreements, etc. He opined that it is important for people to know the cause for any delays. DOTPF takes these issues seriously and is working with AGC on contractor payments. He explained how contractor payments work and how this has helped to identify any discrepancies. He stated that the department is actively working to reconcile these issues.

[2:54:46 PM](#)

SENATOR STEDMAN noted that there have been concerns from lending institutions, as well. He opined that it may be beneficial for the committee to consider different projects by region, in order to better understand the projects and needs across the state.

[2:55:48 PM](#)

CHAIR BJORKMAN referred to earlier discussion related to advanced construct (AC) funds and stakeholder concerns about a recent payment that was significantly larger than what is typically paid out. He asked for information regarding this payment and how it compares to typical AC payment amounts.

[2:56:32 PM](#)

COMMISSIONER ANDERSON said that he would provide the exact numbers. He recalled that the amount was about \$140 million. He pointed out that this number must be considered alongside the AC work that was done. He explained that AC payments are contracted and the payment is borrowed against future funds. He stated that there is always a balance. He briefly explained DOTPF spending

for both federal aviation and federal highways. This includes up front state spending that is later reimbursed by grant funding. He said that for AC, the target budget is under \$200 million. He indicated that guidance from the legislature and the governor is welcome and added that the department seeks to make responsible decisions when dealing with federal treasury dollars. He noted that STIP includes AC projects and briefly explained that AC is a tool to address slippage and to ensure that shovel-ready projects are available. The department is shifting its practices in response to new FHA requirements.

[2:58:36 PM](#)

CHAIR BJORKMAN noted that stakeholders have expressed concern that fewer shovel-ready projects were available, causing funds to go towards AC payments.

[2:59:01 PM](#)

COMMISSIONER ANDERSON indicated his understanding. He added that Cooper Landing bypass is a shovel-ready project; however, the required fund type causes constraints. He indicated that additional information related to fund types could be provided if needed.

[2:59:31 PM](#)

CHAIR BJORKMAN opined that many people are interested in the fund types that are in the same group as - and thus competing with - the Cooper Landing bypass project.

[3:00:13 PM](#)

SENATOR STEDMAN opined that a hearing on the Anchorage port project is needed and suggested that the shippers be invited to communicate their needs (to maximize volume across the port and minimize consumer costs) to the committee at that time.

[3:00:54 PM](#)

CHAIR BJORKMAN agreed.

[3:00:58 PM](#)

SENATOR SHOWER commented that the Matsu Borough would be willing to give a report on Port Mackenzie.

[3:01:19 PM](#)

CHAIR BJORKMAN noted his goal for the work of the committee and communicating with the public. He added that the policies and budget priorities selected by the legislature allow DOTPF to meet its constitutionally mandated mission.

3:02:32 PM

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Transportation Standing Committee meeting at 3:02 p.m.