

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

January 28, 2025

1:57 p.m.

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

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: Presented a Department of Transportation and Public Facilities Overview.

ANDY MILLS, Special Assistant to the Commissioner
Office of the Commissioner
Department of Transportation and Public Facilities (DOTPF)
Juneau, Alaska

POSITION STATEMENT: Answered questions during Department of Transportation and Public Facilities overview.

ACTION NARRATIVE

[1:57:07 PM](#)

CHAIR BJORKMAN called the Senate Transportation Standing Committee meeting to order at 1:57 p.m. Present at the call to order were Senators Kiehl, Stedman, Shower, Tobin and Chair Bjorkman.

PRESENTATION(S) : DOT & PF DEPARTMENT OVERVIEW

[1:57:53 PM](#)

CHAIR BJORKMAN announced the continuation of the Department of Transportation and Public Facilities (DOTPF) Overview presentation.

[1:58:25 PM](#)

RYAN ANDERSON, Commissioner, Department of Transportation and Public Facilities (DOTPF), Juneau, Alaska, advanced to slide 10:

[Original punctuation provided.]

ALASKA INTERNATIONAL AIRPORT SYSTEM

Budget Info

(\$ in Thousands)

FY2026 International Airports \$127,019.7

- Fed \$1,008.4
- Other \$126,011.3

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

[2:00:34 PM](#)

COMMISSIONER ANDERSON advanced to slide 11 and reviewed facilities across the state:

[Original punctuation provided.]

DIVISION OF FACILITY SERVICES

Budget Info

(\$ in Thousands)

- FY2026 Division of Facilities Services \$104,429.5
- UGF \$21,235.4
- DGF \$545.0
- Fed \$160.1
- Other \$82,489.0

Overview

- 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 added that LED lighting conversions (in the Anchorage area) has resulted in notable savings.

[2:02:38 PM](#)

COMMISSIONER ANDERSON advanced to slide 12:

[Original punctuation provided.]

STATE EQUIPMENT FLEET

Budget Info

(\$ in Thousands)

FY2026 Statewide Equipment Fleet \$39,948.6

- UGF \$30.5
- Other \$39,918.1

Overview

- \$39,000.0 in Fleet Replacement in Capital Budget for FY2026
- 7,596 Assets Managed for State Agencies
- 889 Assets Managed for Universities, Housing, and Energy Sectors
- 51 Equipment Maintenance Shops
- 3,400 Active Fuel Cards
- \$5,500.0 in Fuel Costs in FY2024

Key Issues Ahead

- Legacy Systems
- Customer Service
- Deferred Maintenance
- Scalable Resourcing

COMMISSIONER ANDERSON stated that DOTPF has a long-term equipment replacement plan. One key issue relates to high vacancy rates in heavy-duty mechanic positions. The division is seeking ways to become more competitive in order to fill those positions.

[2:03:46 PM](#)

SENATOR KIEHL asked what steps DOTPF has taken to address the high heavy-duty mechanic vacancy rates.

[2:04:00 PM](#)

COMMISSIONER ANDERSON answered that a new bargaining agreement for the Labor, Trades and Crafts Unit, which included a 15 percent increase, went into effect on July 1. He indicated that any benefits from this will be seen with time. He explained that light-duty and heavy-duty class specifications may need further clarification (this may include an associated pay increase for heavy-duty class) to increase interest.

[2:05:11 PM](#)

SENATOR KIEHL pointed out that, in smaller communities, one mechanic must work on all vehicle classes. He acknowledged that the hiring difficulties also impact those positions. He turned

his attention to fuel cards and asked for clarification regarding the number of active fuel cards.

[2:05:58 PM](#)

COMMISSIONER ANDERSON answered that the Statewide Equipment Fleet manages active fuel cards for all state employees.

[2:06:14 PM](#)

SENATOR KIEHL shared his understanding that this is a charge-back structure.

[2:06:19 PM](#)

COMMISSIONER ANDERSON confirmed that this is correct.

[2:06:26 PM](#)

SENATOR TOBIN directed attention to fleet replacement. She commented that the Municipality of Anchorage fleet is experiencing difficulties related to aging equipment and asked about statewide DOT fleet needs.

[2:06:58 PM](#)

COMMISSIONER ANDERSON replied that there is a schedule to replace aging equipment. Operating costs increase as equipment ages and there is a threshold limit that determines when the equipment will be replaced. He said he would provide detailed information to the committee. He acknowledged that budget shortfalls do impact the decision to invest in new equipment; however, he indicated that this is not currently an issue. He noted that the mechanic shortage does result in repair delays.

[2:08:21 PM](#)

SENATOR TOBIN said she would like to see the replacement schedule as well as information related to upgrades. She emphasized the need for functioning equipment to address winter road conditions across the state.

[2:08:47 PM](#)

COMMISSIONER ANDERSON agreed and noted that winter road management varies by climate and region. He said that DOT relies on local staff to share what is working in a particular location. He said that local communities also have concerns about how winter conditions are managed (e.g. the use of salt, etc.).

[2:09:36 PM](#)

COMMISSIONER ANDERSON advanced to slide 13:

[Original punctuation provided.]

FY2026 Operating Budget Highlights

(\$ in Thousands)

Results Delivery Unit/FY2026 Governor

- Administration and Support: \$65,632.7
- Design, Engineering and Construction: \$132,942.5
- Facilities Services: \$104,429.5
- Highways, Aviation, and Facilities: \$174,708.5
- International Airports: \$127,019.7
- Marine Highway System: \$159,418.4
- State Equipment Fleet: \$39,948.6
- Total: \$804,099.9

FY2026 Operating: Unrestricted and Designated General Funds

Results Delivery Unit/FY2026 Governor

- Administration and Support: \$14,855.8
- Design, Engineering and Construction: \$2,041.1
- Facilities Services: \$21,780.4
- Highways, Aviation, and Facilities: \$136,129.8
- International Airports: \$0.0
- Marine Highway System: \$82,195.2
- State Equipment Fleet: \$30.5
- Total: \$257,032.8

COMMISSIONER ANDERSON noted that some areas (e.g. international airports) are self-funding.

[2:10:33 PM](#)

COMMISSIONER ANDERSON advanced to slide 14:

[Original punctuation provided.]

DELIVERING THE FY2026 FEDERAL CAPITAL PROGRAM

(\$ in Thousands)

Operating: \$804,099.0 (31 percent)

Capital: \$1,819,552.8 (69 percent)

- Surface Transportation Program: \$850,765.0 (47 percent)

- Airport Improvement Program: \$513,550.3 (28 percent)
- Marine Highway Annual Overhauls: \$26,400.0 (1 percent)
- Other Capital Projects: \$112,488.7 (6 percent)
- Rural Ferry Grants: \$139,272.6 (8 percent)
- State Funded Match for Federal Programs: \$138,076.1 (8 percent)
- Statewide Equipment Fleet Replacements: \$39,000.0 (2 percent)

Capital Budget Highlights:

- Alaska West Coast Resiliency Projects - DOT&PF: \$18,180.0
- Dalton Highway Aggregate Stockpiles: \$4,500.0
- Dalton Highway Heavy Maintenance Milepost 76 to 89: \$2,500.0
- Klondike - Industrial Use Highway Funding: \$309.9
- MH Trust: Coordinated Transportation and Vehicles: \$700.0
- Public Building Fund Deferred Maintenance, Renovation, Repair and Equipment: \$6,000.0
- Silvertip Camp Bunkhouse: \$325.0
- Statewide Federal Programs (Emergency Relief, Safety Grants, Comm. Veh. Enforcement, Transit): \$62,837.2
- Supervisory Control and Data Acquisition System Upgrade: \$100.0
- Ted Stevens Anchorage International 10MW Solar Array: \$10,000.0
- Williamsport Intermodal Connector Phase 2: \$2,666.6
- Winter Trail Grooming Grants: \$120.0
- Wood River Canyon Bridges and Trails: \$4,250.0

[2:11:01 PM](#)

COMMISSIONER ANDERSON noted that the Rural Ferry Grant program is under the Federal Transit Administration (FTA). With respect to individual capital budget projects, he said the Dalton highway has experienced heavy rainfall and rough conditions. The Klondike project is receipt authority. He briefly discussed how the Silvertip Camp Bunkhouse would enable DOTPF to manage challenging weather conditions. He briefly discussed how DOTPF is researching the benefits of using solar energy at airports.

He said that the Williamsport Intermodal Connector is important to the communities near Iliamna Lake as well as the Bristol Bay fishing industry. Winter trail grooming grants is receipt authority (snow machine registration receipts). He briefly discussed the Wood River Canyon bridges and trails program.

[2:14:41 PM](#)

SENATOR SHOWER commented that the Ted Stevens Anchorage International Airport has considered installing an additional runway and asked whether the solar project would impact this.

[2:15:08 PM](#)

COMMISSIONER ANDERSON replied that DOTPF (working closely with the Federal Aviation Administration (FAA)) has located several potential locations for the solar array that would not interfere with the runway expansion. He briefly discussed these.

[2:16:00 PM](#)

CHAIR BJORKMAN asked whether there have been changes related to how DOTPF handles volunteer work (i.e. in-kind contributions of labor) for snowmachine trails.

[2:16:32 PM](#)

COMMISSIONER ANDERSON replied that snowmachine trails are a recent addition to DOTPF. He explained that the department is reworking agreements to ensure Federal Highway Administration approval. He said that the department is working on both the snowmachine trails and ice roads to ensure all parties are comfortable with the agreements.

[2:17:23 PM](#)

ANDY MILLS, Special Assistant to the Commissioner and Legislative Liaison, Office of the Commissioner, Department of Transportation and Public Facilities (DOTPF), Juneau, Alaska, added that the snow grooming clubs have expressed desire to expand their operations. He noted that winter trails are not limited to recreational use. He explained that the intent is to leverage federal funding under the state transportation block grant (STBG). This would enable the snow grooming clubs to continue their operations. He emphasized that different federal programs have different requirements, which can be challenging; however, the aim is to use the receipt program to expand on what the clubs can offer to Alaskans.

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SENATOR SHOWER asked whether that would change the collection of user fees.

[2:19:34 PM](#)

MR. MILLS answered that it would not change the fee structure.

[2:20:03 PM](#)

CHAIR BJORKMAN noted that his constituents are not comfortable with the changes that the department has made and have concerns regarding how those changes will impact continued trail maintenance efforts. He encouraged clear communication going forward.

[2:21:04 PM](#)

COMMISSIONER ANDERSON advanced to slide 15:

[Original punctuation provided.]

PROJECT AND PROGRAM FUNDING

STATEWIDE TRANSPORTATION IMPROVEMENTPROGRAM (STIP) AND AIRPORT CAPITAL IMPROVEMENT PROGRAM (ACIP)

Statewide Transportation Improvement Program (STIP) Development:

- Project Delivery: Planners with Project Delivery supported MPO coordination and programs such as CTP and TAP.
- PMA: The federal-aid team under Program Management and Administration (PMA) verified eligibilities and funding availability.
- DMIO Data Management & Innovation Office (DMIO) Supported data input and management as well as developing GIS mapping to support transparency with the public.
- Regions: Regions provided information on realistic project costs and delivery schedules.

STIP FFY2024-2027 Amendment #2 Public Comment Period
Feb. 1-Mar. 3

COMMISSIONER ANDERSON briefly explained the STIP program and the various processes and challenges. He indicated that a two-year renewal is ideal. DOTPF works with FHA to ensure all requirements are met.

[2:24:32 PM](#)

SENATOR TOBIN asked for more information about DMIO.

[2:24:53 PM](#)

COMMISSIONER ANDERSON answered that prior to the creation of the Data Modernization and Innovation (DMIO) office, programmers and Geographic Information System (GIS) professionals were scattered throughout the department with varying levels of resources and training availability. DMIO brings all these professionals together to create continuity.

[2:26:06 PM](#)

COMMISSIONER ANDERSON advanced 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)

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
- Section 106 Compliance

August Redistribution

- \$19,200.0 FFY2024
- \$126,131.8 in Authority
- Projected to be Available to Alaska FFY2025

[Slide 16 also contains an infographic displaying award totals for FFY 2020 to FFY 2024.]

COMMISSIONER ANDERSON noted that this slide was discussed during the last presentation. He acknowledged contractors' concern related to project contracts. He emphasized that this is a project delivery challenge and is not necessarily tied to the STIP. He directed attention to the estimated contract awards and said DOTPF is focused on acceleration in order to get projects to contractors. He added that he has prepared a list of shovel-ready projects.

[2:27:05 PM](#)

COMMISSIONER ANDERSON advanced to slide 17:

[Original punctuation provided.]

FEDERAL PROGRAM CHALLENGES

- Federal Aviation Administration (FAA) Reauthorization
 - Airport Improvement Program Handbook Changes
 - Runway Length Allowances
 - Equipment Sharing
- Civil Rights
 - FAA Disadvantaged Business Enterprise
 - (DBE)/Airport Concession (ACDBE) Reviews & Progress
 - Federal Highway Administration (FHWA): Not Meeting DBE Goals
- Blended Federal Funding
 - Alaska Marine Highway System Rural Ferry Program
- Buy America Build America
 - Utilities Challenges
 - Uncertainties if Materials are Available
- Eligibilities with Challenges to Implement
 - Ice and Snow Roads
 - PROTECT Program

Work Continues on STIP Practices

DOT&PF and FHWA Teams continue to work together to address remaining issues and changes in practices. Most recently DOT&PF met with FHWA leadership in Washington D.C. November 2024 to discuss the program.

COMMISSIONER ANDERSON emphasized that there have been many positive results from federal programs, as well. He briefly discussed the issues of runway length and equipment sharing. He stated that DOTPF has had several civil rights reviews in recent years and briefly discussed these. He stated that DOTPF is not meeting its Disadvantaged Business Enterprise goals and is working to improve this. He briefly explained that blended federal funding can create challenges when funding sources have different rules and requirements. He briefly discussed the challenges related to utility agreements, e.g. moving power lines and facilities to allow for road widening or realignment.

[2:31:09 PM](#)

SENATOR TOBIN asked for an update on tribal consultation and tribal transportation improvement programs, which were part of the STIP corrective actions.

[2:31:28 PM](#)

COMMISSIONER ANDERSON replied that it is a large task to reach out to Alaska's more than 200 tribes. He indicated that, while it is challenging, DOTPF is working to improve communications. The Statewide Transportation Improvement Program (STIP) involves written correspondence with tribes to address concerns. The department previously had a liaison for tribal communications and is now building a team of individuals who have the training and experience needed to forge stronger relationships with Alaska's Indigenous communities. He added that DOTPF is working to create a policy that would institutionalize the methodology moving forward. He stated that this is a priority, and the department is meeting federal STIP requirements.

[2:32:56 PM](#)

SENATOR SHOWER asked if there is regulatory relief to ensure project continuation, given that DOTPF is not meeting Disadvantaged Business Enterprise (DBE) goals. He asked what happens when those goals are not met.

[2:33:16 PM](#)

COMMISSIONER ANDERSON shared his understanding that if DOTPF continues to fall short on the DBE goals, the requirements will become more stringent. Currently, it is a "good faith" effort with no enforcement action; however, there could be enforcement action in the future. He offered to research this and provide a detailed answer at a later time.

[2:34:12 PM](#)

COMMISSIONER ANDERSON moved to slide 18:

[Original punctuation provided.]

LOOKING AHEAD - MODERN, RESILIENT, AGILE

GATEWAY FOR GLOBAL OPPORTUNITY

- Transportation, Energy, and Economic Development

CONNECTING COMMUNITIES

- Infrastructure, Supply Chains, and Strategic Assets

DEVELOPING RESOURCES, DELIVERING OPPORTUNITY

- Securing Alaska's Future through Responsible Resource Development

FROM THE LAST FRONTIER TO THE FUTURE OF TRANSPORTATION

- Positioning Alaska to Lead in Future Transportation Solutions

ADVANCING MOBILITY, PRESERVING OUR INFRASTRUCTURE

- Lasting Infrastructure that Safely Serves All Users

COMMISSIONER ANDERSON said that DOTPF is considering the future, and Alaska's potential for energy leadership. He briefly discussed connecting communities and noted the importance of addressing resiliency-related challenges. He turned his attention to resource development and said there is a demand for Artificial Intelligence (AI) data centers - and surmised that there will be an associated demand for the minerals required to sustain these. He pointed to DOTPF's role in ensuring access to the necessary resources. He concluded by discussing technology. He emphasized that DOTPF is taking steps to ensure it is not lagging in this area.

[2:36:11 PM](#)

SENATOR STEDMAN asked about a project connecting Yukon to the Kuskokwim River and the potential project connecting Fort MacMurray, Canada by rail to Alaska (to transport oil and military products). He asked if DOTPF is currently considering either of these.

[2:37:07 PM](#)

COMMISSIONER ANDERSON answered that the Yukon-Kuskokwim Road Connection project was part of the STIP Amendment 1. It is currently in the design stage. He said that a delegation recently came to Alaska from Canada in an effort to restart the Alberta to Alaska Rail project. DOTPF supports these projects.

[2:38:14 PM](#)

SENATOR TOBIN acknowledged the continued changes from the federal administration and asked DOTPF's perspective on projects like Reconnecting Communities in light of these. She pointed toward the highway that bifurcates the Fairview neighborhood in Anchorage and asked about the department's commitment to working with the community to address this. She indicated that the department needs to acknowledge its culpability in previous actions and its responsibility to move forward with the community to find a solution.

[2:38:57 PM](#)

COMMISSIONER ANDERSON answered that there have been efforts to hear community concerns. He said that the Planning and Environmental Linkages (PEL) study has brought concerned parties together for discussions. He shared his belief that the incoming Secretary of Transportation would make safety a top priority and stated that the Fairview area is an important safety project. He noted the pattern of pedestrian fatalities and indicated that the intention is to create a DOTPF program that has zero roadway fatalities. He expressed excitement about projects that increase mobility without sacrificing pedestrian access (e.g. tunnels). He shared his belief that the incoming administration and DOTPF would continue to focus on solving these safety problems.

[2:40:53 PM](#)

SENATOR TOBIN noted the interest in continuing to direct traffic from Matsu into Anchorage but opined that a tunnel exit in Government Hill would potentially be met with skepticism.

[2:41:14 PM](#)

COMMISSIONER ANDERSON briefly discussed tunnels, emphasizing that the location of the tunnel entrance (portal) is important. He suggested that this could resolve some of the Government Hill issues. He said that a bridge over the Knik Arm could resolve some of the beluga whale concerns. He noted that additional research is needed to determine whether this is feasible. He indicated that tunnels are safe in earthquakes and added that other states and countries are utilizing tunnels more.

[2:42:25 PM](#)

SENATOR SHOWER stated that tunnels are safer during earthquakes. He stated that the Matsu Borough would be willing to discuss these issues with the committee.

[2:42:52 PM](#)

CHAIR BJORKMAN brought up winter highway safety concerns. He asked how DOTPF is adapting its seasonal response in order to improve road conditions as winter weather becomes increasingly erratic due to a changing climate.

[2:43:33 PM](#)

COMMISSIONER ANDERSON acknowledged that there have been severe ice events recently. He said that maintenance and operations crews have the appropriate equipment to manage winter roads. He briefly described the available tools. He pointed out that weather changes quickly in Alaska and encouraged drivers to exercise caution when driving in winter weather. He said DOTPF will continue to evolve its management methods.

[2:45:34 PM](#)

CHAIR BJORKMAN asked whether Department of Transportation and Public Facilities (DOTPF) needs additional resources (equipment and workers) to effectively manage severe weather events.

[2:45:54 PM](#)

COMMISSIONER ANDERSON noted that the question of how to scale up for extreme weather events was discussed the previous year. One issue is having additional workers who only have work part of the year. This was addressed previously by appropriations for contracting. He stated that DOTPF has been successful in utilizing contractors for these extreme weather events. He added that DOTPF is the right size, with this exception.

[2:47:31 PM](#)

CHAIR BJORKMAN surmised that more contract work in the summer would lead to greater availability of contractors in the winter.

[2:47:52 PM](#)

COMMISSIONER ANDERSON replied that the winter work requires a different set of equipment than summer highway maintenance work. He said that DOTPF expects more contractors to respond to the winter work as it becomes a regular source of winter work.

CHAIR BJORKMAN asked if supplemental contractors are sent to DOTPF before seeking other winter work (e.g. with municipalities or private businesses).

COMMISSIONER ANDERSON replied that the contracts have response times and are done in lots. He briefly described this process.

[2:48:11 PM](#)

MR. MILLS noted that there have been three solicitations for supplemental contracts. He explained that the second and third solicitations were to ensure coverage for the Matsu and the Kenai areas. He said that the contracts contain minimums.

[2:48:54 PM](#)

CHAIR BJORKMAN shared his understanding that industry representatives want guaranteed funds regardless of whether they are needed, because they have the equipment and workers ready to go. He asked for confirmation of this understanding.

[2:49:16 PM](#)

MR. MILLS replied yes.

[2:49:22 PM](#)

COMMISSIONER ANDERSON clarified that there are minimums in the contract and if those minimums have not been met by the end of the month, DOTPF finds work for those contractors to complete.

CHAIR BJORKMAN thanked Commissioner Anderson and Mr. Mills for their presentation.

[2:50:16 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Transportation Standing Committee meeting at 2:50 p.m.