

1/11/06

OVERVIEW:
KNIK ARM &
GRAVINA
ISLAND
BRIDGES

HFIN

FILE

BRIDGE 1/1/10



KNIK ARM BRIDGE AND TOLL AUTHORITY

2015



KNIK ARM CROSSING PROJECT

KABATA is governed by a seven-member Board comprised of three private citizens, two regional legislators and two state commissioners. The Alaska State Legislature authorized KABATA, the project proponent, to undertake the permitting, design, financing, and construction and then to own, operate, and maintain the crossing as a toll road.

This Annual Report is submitted in compliance with AS 19.75 to inform the Governor and the Legislature on the status and prospects of the project. This Annual Report will be available to the public on the project web site at www.knikarmbridge.com, or through the KABATA office at 907-269-6698.

Pursuant to AS 44.99.210, this publication was released by the Knik Arm Bridge and Toll Authority at a cost of \$2.30 per copy to provide information and encourage participation, and was printed in Anchorage, Alaska.

PROFESSIONAL PHOTO CREDITS

Ken Graham / AccentAlaska.com
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Michael Jones / AlaskaStock.com

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Mission The Knik Arm Bridge and Toll Authority will develop, stimulate, and advance the economic welfare of the state and further the development of public transportation systems in the vicinity of the Upper Cook Inlet with construction of a bridge to span Knik Arm and connect the Municipality of Anchorage and the Matanuska-Susitna Borough.

It is my pleasure and honor to present the Alaska Legislature with the 2005 Annual Report on the progress of the Knik Arm Crossing Project. This marks the second full year of activity for the Knik Arm Bridge and Toll Authority (KABATA) established by the legislature in 2003 to oversee the project. It has been a busy and fruitful year in moving the project closer to reality.

In January 2005 the Federal Highway Administration (FHWA) published the Notice of Intent on the project and proceeded to develop an Environmental Impact Statement (EIS). FHWA moved promptly to assemble 10 cooperating agencies and 13 participating agencies to form the core group for compliance with the National Environmental Policy Act (NEPA), as applied to the Knik Arm Crossing Project.

Throughout the spring and summer FHWA and KABATA organized and conducted a public involvement program with many presentations to and discussions with the public and community groups. Working with the cooperating and participating agencies they organized an interdisciplinary team to closely examine environmental, scientific, and geophysical aspects of the project including potential short-term and long-term impacts on Anchorage and Mat-Su communities and the natural environment. A noteworthy effort was the government-to-government negotiations with Alaska Native Tribes in the Upper Cook Inlet region.

Providing the structure and mandate for an effective process with dedication to information sharing, FHWA is to be commended for its capable leadership of the project. The "Scoping Summary Report: Comments, Issues and Alternatives" was published in November 2005 and a draft EIS, submitted in December 2005, is currently undergoing FHWA review.

As the year ends, KABATA is focused on developing a realistic and comprehensive financing plan that reflects accurate cost estimates specific to the chosen crossing alternative. Legislative approval of project financing will be necessary in this session to keep the project on schedule.

As Chairman, I am proud of the work done this year and look forward to 2006. We are moving closer to the reality of a bridge that both fills a current need and creates a bridge to the future.



George Wuerch
Chairman

Meeting the Need

Alaska is growing. Living in a state with vast space and few roads, Alaskans are gifted and cursed with breathtaking beauty and few roads to explore and set roots in the far-reaching lands. Population is growing, and the link between Anchorage, the Mat-Su Valley and beyond is rapidly being outpaced by increasing traffic and a growing concern for safety.

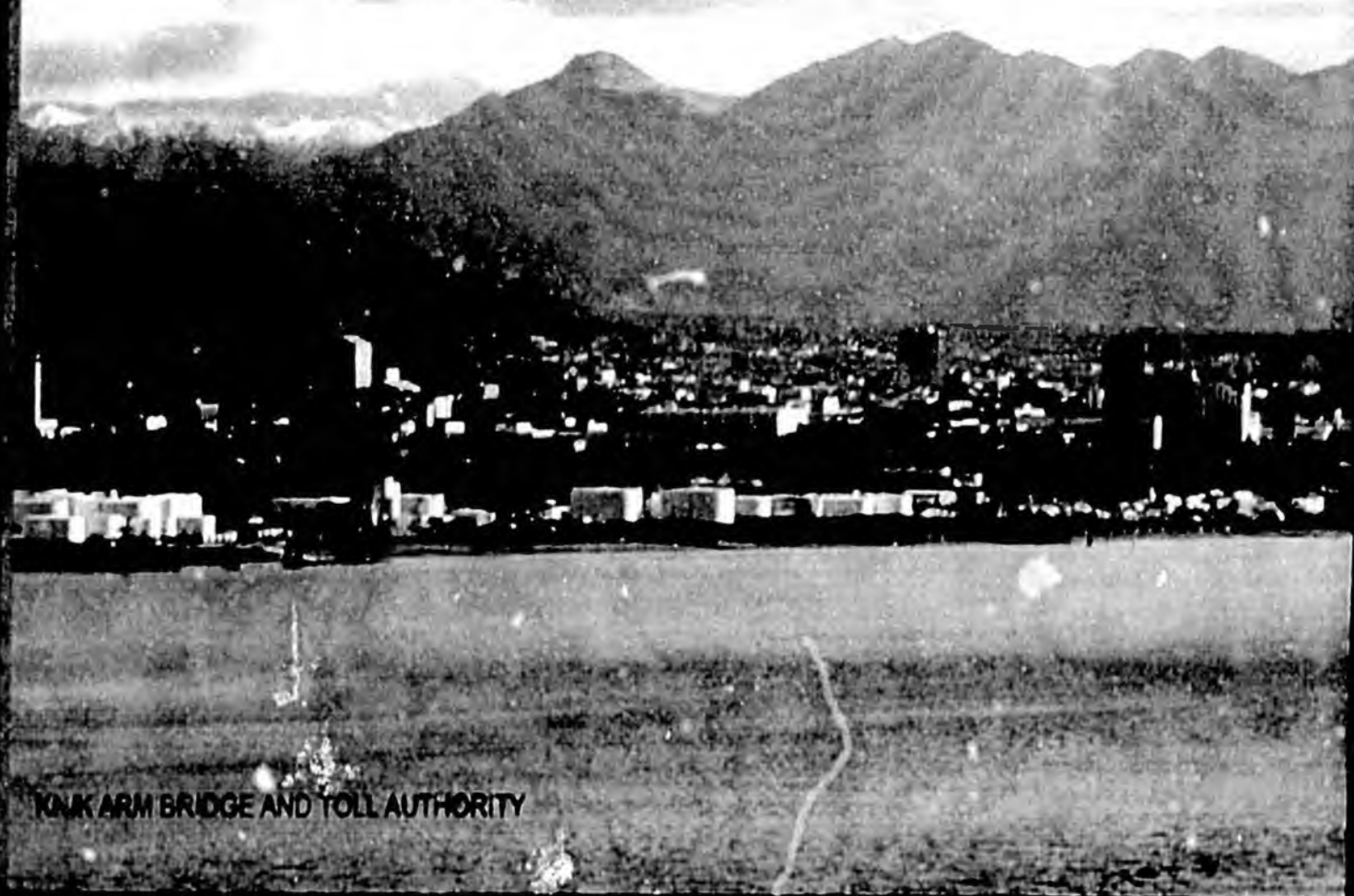
Anchorage is approximately two miles from Port MacKenzie and its adjacent industrial Port District in the Matanuska-Susitna (Mat-Su) Borough across the Knik Arm. Although this physical separation consists of a short span of waterway, the only current surface transportation access between the Municipality of Anchorage (Anchorage) and the Port MacKenzie area is by 80 miles of existing roadway around the head of the 30 mile-long Knik Arm.

More than 80 years of documented transportation, land use, and economic plans and studies for the Upper Cook

Inlet region of Alaska have addressed the need to connect Anchorage with the Mat-Su by providing an efficient and convenient means to cross the Knik Arm. After years of discussion by those who know Alaska best—its residents—the project is again under consideration.

Access to both the undeveloped areas, and more intensively developed centers of economic and cultural activity in Southcentral Alaska may soon be a reality as the proposed Knik Arm Crossing Project is designed, permitted, financed and constructed.

This report outlines current and future development steps leading to a new access route between Anchorage and the Mat-Su. Engineers and planners have been busy studying Knik Arm and its surrounding physical, human and natural environment. What they are finding is that a safe, cost-affordable and environmentally sound bridge can be built.



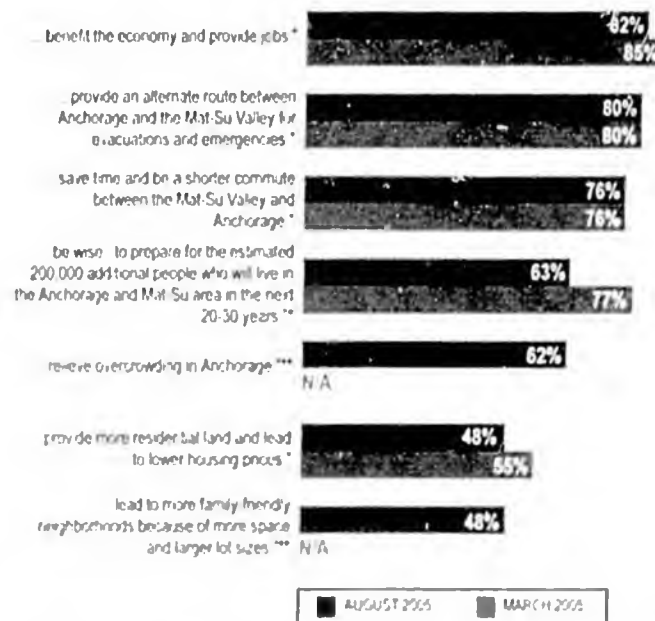
The Right Track

Area-Wide Survey

Alaskans want to be sure that projects reflect their needs. Residents want to be assured and have confidence that funds are used appropriately, that projects are done safely, and that the design will be environmentally sound, and built to last. KABATA commissioned resident and commuter surveys to evaluate public opinions about the proposed project.

Results of the March and August 2005 surveys show overwhelming concern about current traffic congestion, potential emergency access and future population growth. Over eighty percent of people interviewed supported the project to encourage economic growth and provide jobs. Additionally, in terms of safety, eighty percent of residents surveyed believe that an alternative access route is necessary for evacuation and emergencies.

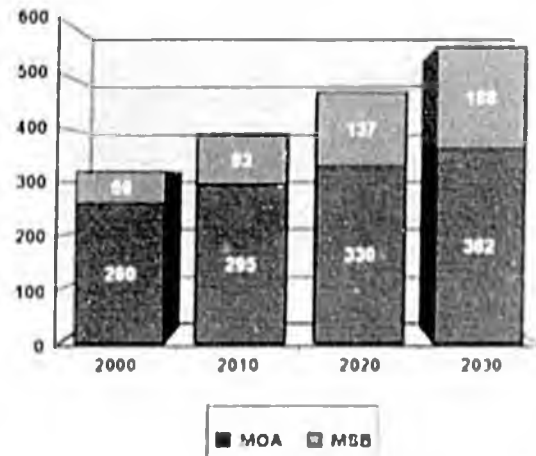
The Knik Arm Crossing Project would...



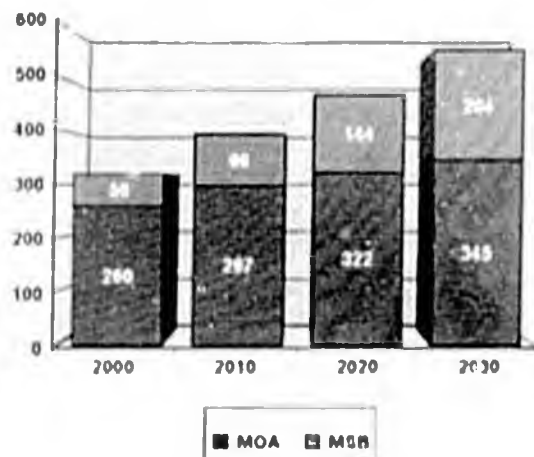
- * Question asked as "be a wise investment to prepare for future population growth" in March 2005
- ** Question was asked only in August 2005

Find these surveys on the KABATA website (www.knikarmbridge.com) under the "Library" then "Project Documents" links

Population Forecast - No Bridge



Population Forecast - With Bridge



While the Municipality of Anchorage (MOA) has grown at a compound rate of 2.4% per year, the Mat-Su Borough (MSB) has grown nearly three times as fast - at a rate of 7.3% per year. In 2000, the combined MOA and MSB population was approximately 320,000. In 30 years, the regional population is expected to increase by an additional 194,000 people. Furthermore, economists believe that the primary employment center will remain in the MOA while the MSB will be home for more and more of our growing population. The result equals more traffic on an already crowded Glenn Highway and increasing housing prices as competition for good, accessible land grows.

Traffic planners project that Glenn Highway traffic north of Muldoon will be 65,640 vehicles per day with the project, and 93,100 vehicles per day without the project in 2030.

Source: "Memorandum on the Economic and Demographic Impacts of a Knik Arm Bridge" Institute of Social and Economic Research, University of Alaska, September 2005, prepared for the Northern Economics as input to the KABATA EIS.

Purpose and Need

The proposed project would further the development of transportation systems in the Upper Cook Inlet region by providing improved vehicular access and surface transportation connectivity between Anchorage and the Mat-Su, through the Port MacKenzie District. A financially feasible and efficient crossing would meet the needs for:

- ▶ Improved regional transportation infrastructure to meet existing and projected population growth and locally adopted economic development, land use, and transportation plans, and as directed by the Alaska State Legislature in Alaska Statutes chapter 19.75;
- ▶ Regional transportation connectivity for the movement of people, freight and goods to, from, and distribution between Anchorage, the Mat-Su, and Interior Alaska; and,

Safety and transportation system redundancy for alternative travel routing and access between regional airports, ports, hospitals, and fire, police, and disaster relief services for emergency response and evacuation.

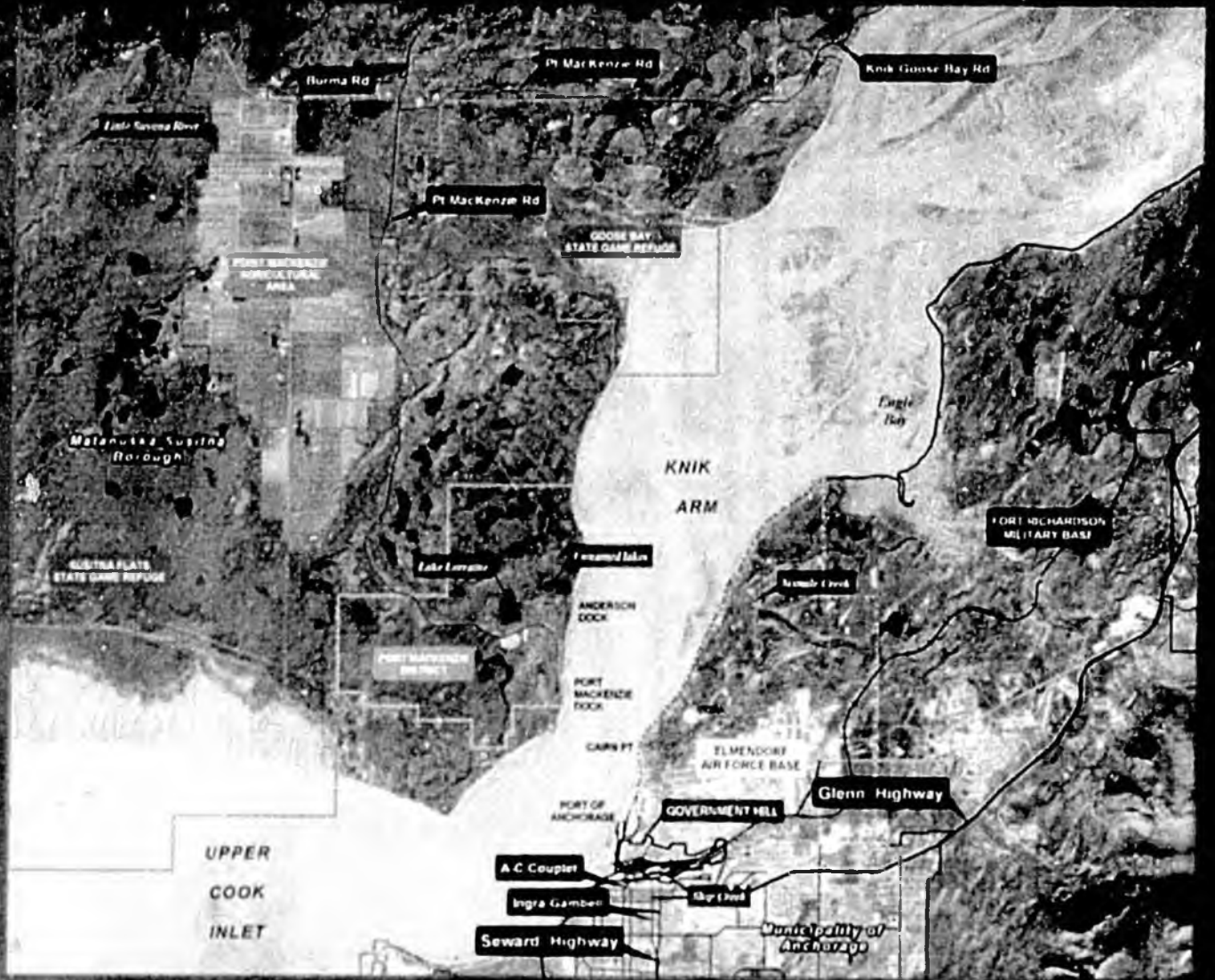
“

The congestion issues are not going away. In fact, with projected population growth, traffic issues will only worsen unless we create alternatives that safely provide relief.

”

Debbie Ossiander
Anchorage Assembly
AMATS Committee
Regional Transportation Planning
Organization

Study Area for the Knik Arm Crossing



This year brought shape and breadth to a project intended to solve many transportation challenges facing Alaskans. The investigation, completed in 2005, established a firm foundation of project information. This work was done through the objective and regulated National Environmental Policy Act (NEPA) process, which required an Environmental Impact Statement (EIS).

The EIS Scoping Process determined the range of actions, alternatives, and resulting impacts to be considered in the EIS. Input was solicited from the public, agencies, local government and tribes. More than 1,000 comments were received, prompted by a wide variety of outreach tools. This extended scoping process was established to allow the project to respond and evolve based on public input.

The "Summary Scoping Report, Comments, Issues and Alternatives" was published in November 2005, and is available at www.knikarmbridge.com. The Draft EIS, completed in December 2005, is currently undergoing FHWA review. It is expected to be available to the public in January 2006 with another series of public meetings. Copies of the Draft EIS will be available electronically as a CD or online, and in hard copy at area libraries.

- The following list of events and tools highlights the intensity of the scoping process.
- Agency interdisciplinary team meetings (6)
 - Agency one-on-one meetings (13)
 - Comment database (1,000)
 - Community Council presentations/attendance (8)
 - Government-to-Government (tribal) consultation (1)
 - House hold surveys (2)
 - Mailing list (3,104)
 - Media outreach
 - Meeting advertisements and other notifications
 - Native Corporation meetings (1)
 - Newsletters (4)
 - Newspaper inserts (2 statewide)
 - Public Scoping meetings (2 locations, 2 times)
 - Press releases (4)
 - Principals Working Group meetings (5)
 - Study area tours (24)
 - Small group (agency and other entities) meetings (41)
 - Speakers' Bureau and presentations (20 organizations)
 - Tribal scoping meetings/workshops (6)
- Project website: www.knikarmbridge.com

“

I am confident that the National Environmental Policy Act process has been open, inclusive, comprehensive and responsive.

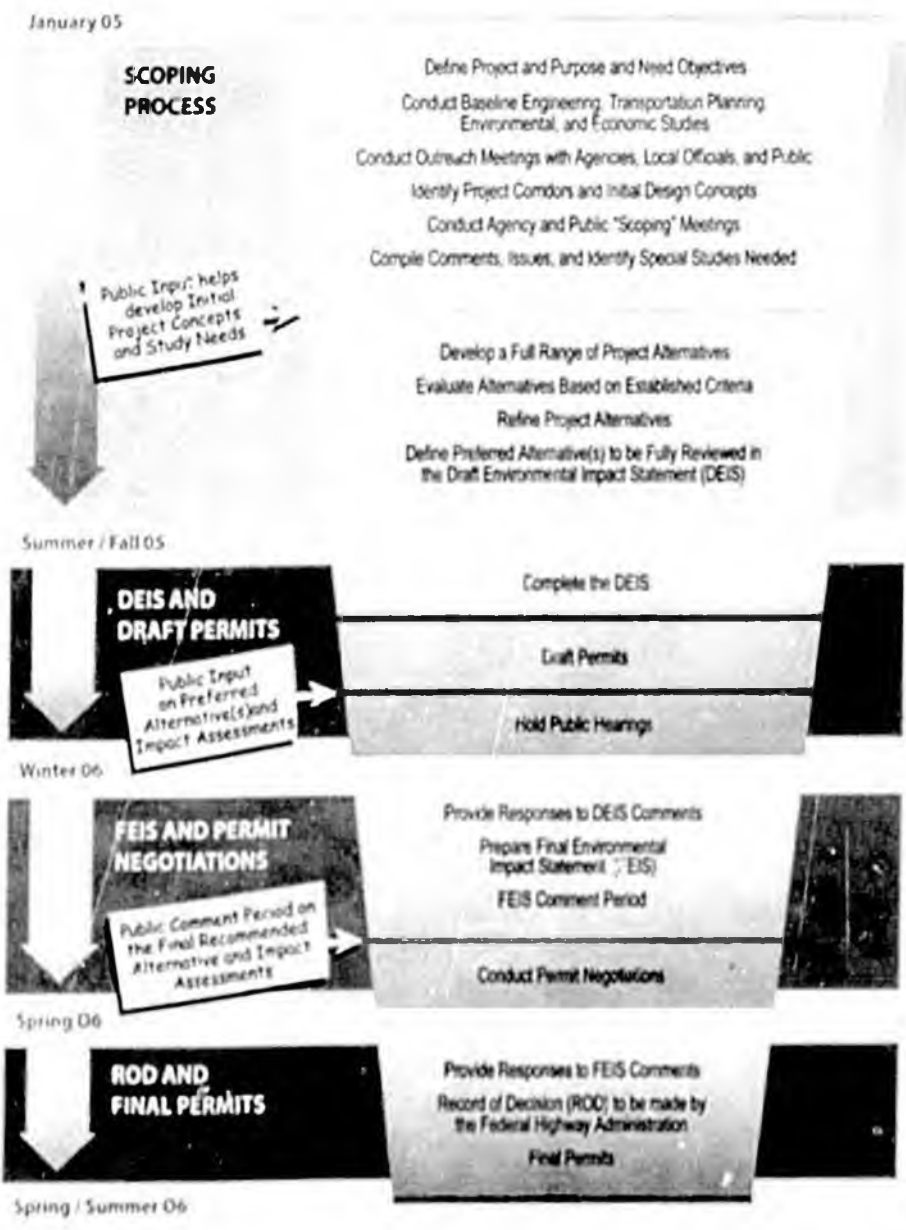
”

Edne Vinson
Environmental Project Manager
for FHWA



All Alaskan NEPA Project Team

Process



Knik Arm Crossing Environmental Impact Statement & Permitting Process

Studies and Fieldwork

From wildlife biology to seismic design criteria, the EIS is a comprehensive and thorough analysis of issues related to development of the Knik Arm Crossing Project. Directed by FHWA, information is carefully collected, compiled, and made available to the public, as well as local, state and federal agencies.

As an outcome of the project, many studies initiated through this project will serve future generations with observations and information added to knowledge of the Knik Arm area. Technical Reports on shorebirds, belugas, fisheries and hydrology will be released in early 2006.

Birds to Whales

Five species of salmon were collected (Chinook, pink, chum, sockeye, and coho) as well as the invertebrates that they eat. During ice-free conditions between summer of 2004 and 2005, marine life was sampled at eleven different sites in the Knik Arm.



Observers studied baseline conditions to characterize beluga whale movement patterns and habitat use. Whale movements were found to be influenced by tides and season. The highest sighting rates in Knik Arm were in September. Whales appear to ride the ebbing tide down the Knik Arm, and the flowing tide up the Knik Arm.

Gulls, ducks, and shorebirds shared the area with eagles nesting along the tidal flats. Local bird experts provided spotting and identification skills as well key insights into habitat requirements.

Physical Studies

Geotechnical borings from previous work on the dock at Port MacKenzie, and a detailed site-specific seismic analysis, provided insights into the probability and magnitude of earthquakes in the project corridor.

Gravelly soils are more than satisfactory for construction, and not Bootlegger's Clay found to the south. No earth faults were identified in this area. The bridge would be designed to meet seismic standards, and to resist the forces of ice, currents, tides and wind, while protecting current port facilities.

Human Studies

Agency, tribal and other local experts defined the presence of cultural and historical resources, considered designs to mitigate potential impacts, and proposed additional special studies for the Draft EIS. With military staff, the project team analyzed security requirements and protection of military mission and facilities in the Port of Anchorage and Elmendorf Air Force Base areas.

Socioeconomic Studies

Traffic planners collaborated with local government to develop the first regional transportation planning model integrating Mat-Su and Anchorage area traffic patterns and information.

A geographic information systems (GIS) model was developed by the project team. Anchorage and Mat-Su. This tool

profiled land use changes over time, noting that population growth would continue to increase with or without a Knik Arm Bridge.

Households and commuters were surveyed to measure public support and identify potential concerns. Over 66 percent were in favor of the project, citing the need to open more land, shorten commutes and stimulate economic development.

“
We created the first integrated traffic model as a tool that accurately reflects future growth and transportation needs across the region.
”

John McPherson
HDR Transportation Planner

Engineering

The engineering team worked with the regulatory agencies to define the proposed bridge location, length and type. The location was determined based on considerations of military operations and existing facilities, logical landing points on both sides, and the relationship to existing ports and roads. The bridge orientation would be aligned with the currents in the Knik Arm to minimize challenges from ice floes and scour.

The minimum length of the bridge would be about 8,200 feet. Hydraulic analyses have found that there would be no appreciable increase in current tidal flow with the 8,200-foot bridge option, which is key to protecting against scour. The bridge would be concrete or steel with piers and a low profile to minimize

impacts to surrounding military and civil air and marine operations. The Coast Guard and other area-wide vessel operators have helped to determine the minimum bridge deck height to allow at least 50 feet of clearance for vessels.

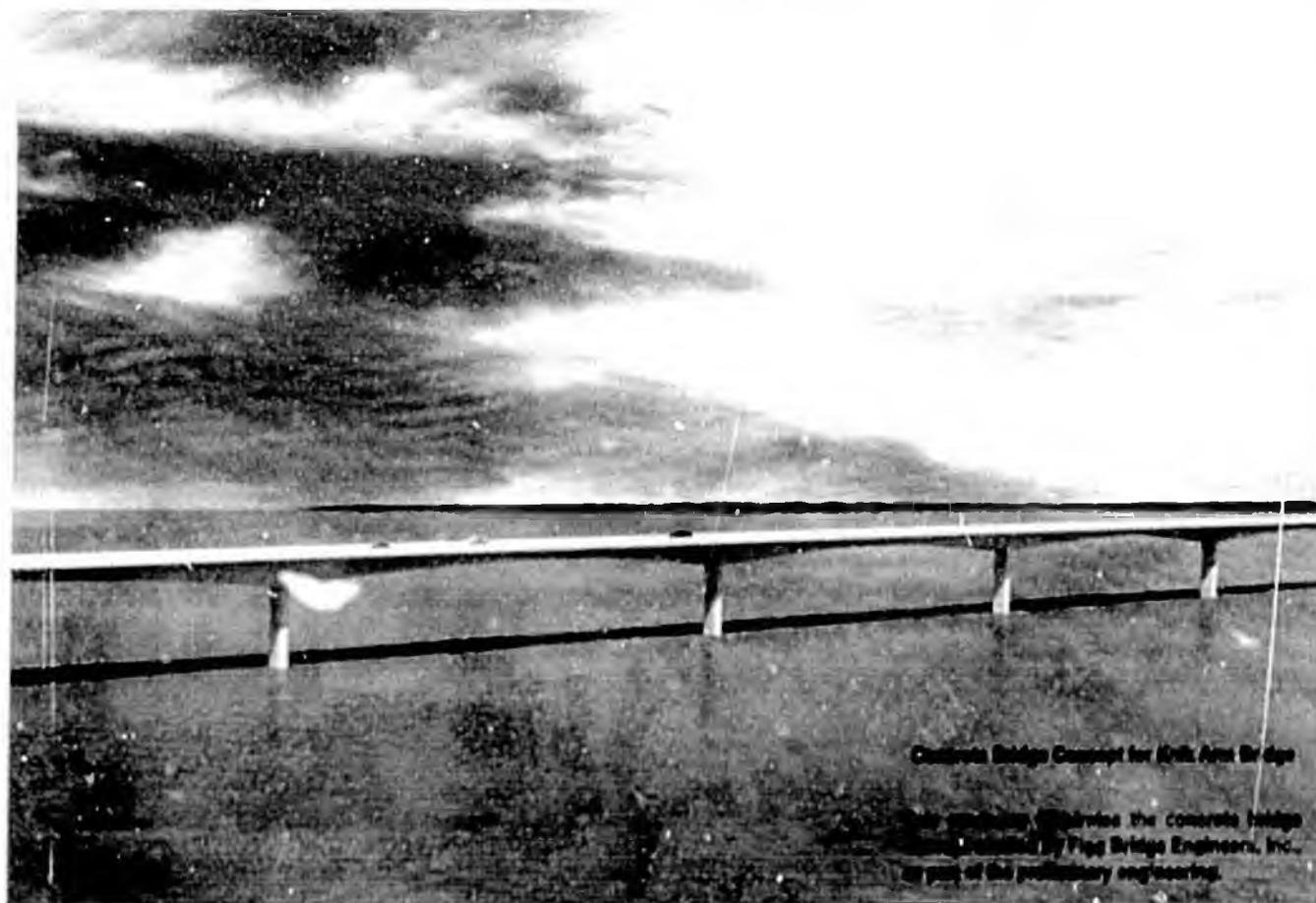
The bridge is designed to be expandable to accommodate four lanes of traffic. It would be two to three lanes on day of opening. Expandability and cost are key factors in defining the final bridge design.

Cost Estimates

The past several years have proven a challenge for controlling construction costs. Steel, concrete and petroleum-based construction commodities and activities have been increasing at two to three times the historic rate, including commodity spikes associated with

the 2005 hurricane season. Currently, day of opening project cost estimates are around \$600 million. This cost is based on estimates of engineering and quantities from three separate engineering firms. This cost includes construction of the bridge itself; the approaches east to Government Hill and the A/C Couplet, and west to Burma Road; design; project management; and right-of-way acquisition. Options to materially reduce total project costs are actively and continually being pursued. As alternative routes are evaluated, there will be a continued evaluation of alternative project delivery methods, cost-sharing strategies and potential sources of lower cost construction materials.

With continued cost-control discipline, an affordable Knik Arm bridge could be constructed.



Concrete Bridge Concept for Knik Arm Bridge

The rendering illustrates the concrete bridge design provided by Figg Bridge Engineers, Inc., as part of the preliminary engineering.

Review and Development of Alternatives

The goal of KABATA is to build a safe, affordable, and environmentally sensitive Knik Arm bridge. The project team has reviewed and evaluated a large number of alternative routes, crossing concepts, and engineering data.

The project team developed preliminary corridors based upon an initial study area. The public and agencies were instrumental in helping to develop the range of modes, termini options and roadway alternatives analyzed for the Knik Arm Crossing Project.

The interactive scoping process led to more than 20 new alternatives in response to public and agency comments.

Alternative modes were expanded to include assessment of ferry and rail.

A future corridor connection to Ingra Gambell Couplet was added to respond to concerns of community cohesion, traffic and mobility.

A Northern Access Corridor was added to the northern side of Port MacKenzie District, to avoid adverse impacts to the port's operations.

A Southern Crossing Corridor was added to increase the separation from beluga whale activity and from critical military operations.

Additional roadway alternatives were added to minimize impacts to the Port of Anchorage, the Government Hill community, downtown businesses, and the intertidal area of Knik Arm.

A bored tunnel was included, in addition to a cut-and-cover tunnel access through Government Hill.

Bridge types and lengths were added to respond to concerns of cost and environmental impact.

After substantial study and consultation with stakeholders, several of the roadway alternatives were screened out because they proved unacceptably disruptive to military mission and operations, or were not technically reasonable to build. Evaluation of alternative routes will continue to maintain focus on an affordable, buildable and environmentally sound crossing project.

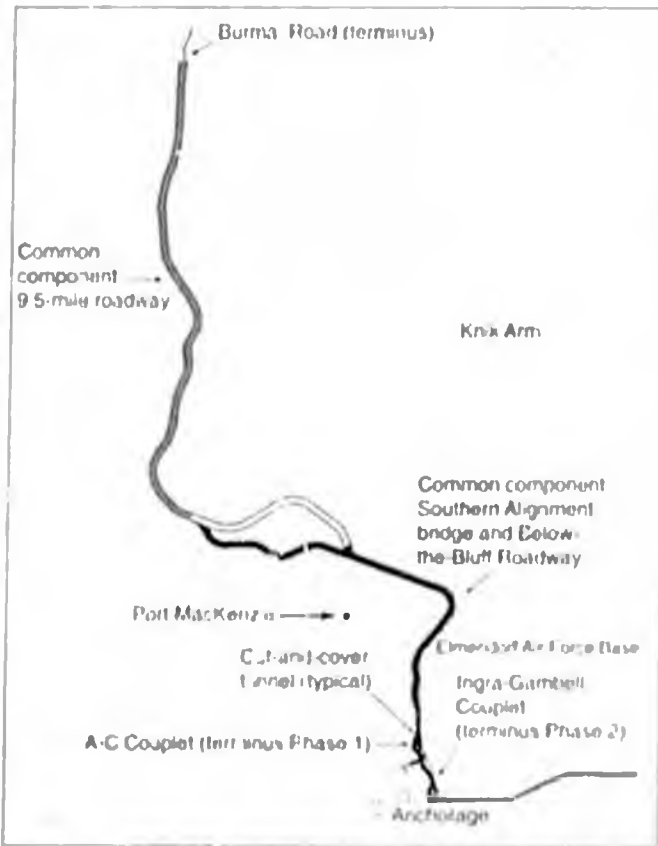


Figure 1 The proposed project begins at Burma Road with two approach corridors near Port MacKenzie, and ends in Downtown Anchorage.

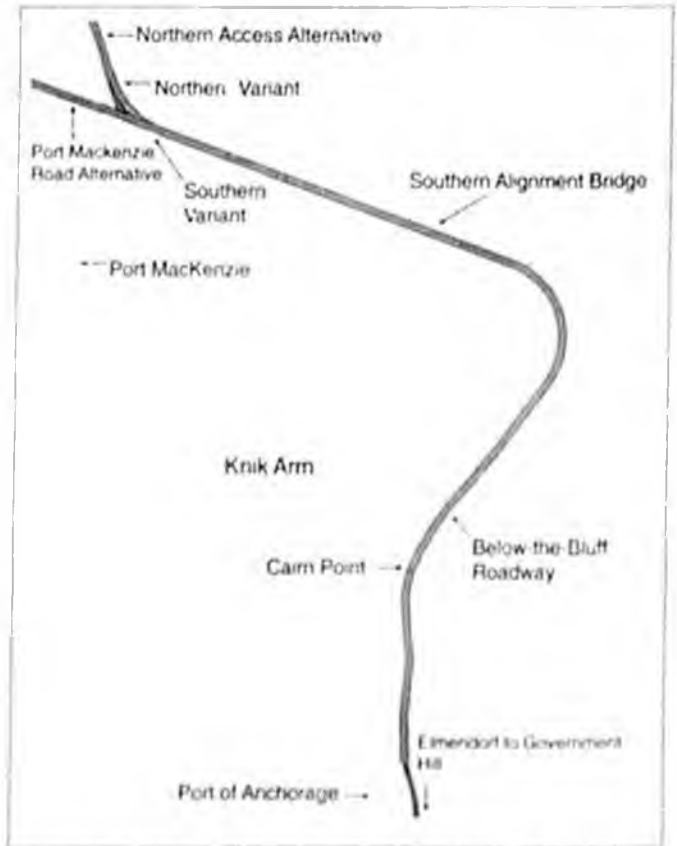


Figure 2 The Southern Alignment bridge alternative and Below-the-Bluff Roadway alignment are highlighted in orange.

Reasonable Alternatives Carried Forward for Draft EIS

FHWA based its choice of reasonable alternatives on the ability to meet projected traffic demand, provide the greatest flexibility and opportunity to travel, provide the shortest travel times, lowest user costs, and least impacts on the communities in the Study Area.

The project team screened a wide range of possible alternatives against criteria for (1) purpose and need and (2) technical merit. The roadway mode with a pile-supported span bridge was found to be the most reasonable mode for the proposed project. Roadway alternatives could accommodate mass transit and ride-sharing transportation options, which are important to regional mobility.

The project team determined that the following corridors were reasonable for linking Anchorage and the Mat-Su through a bridge across Knik Arm and through associated approach roadways.

Figure 1: Mat-Su Approach Corridors

Point MacKenzie Road
Northern Access Road

Figure 2: Crossing Corridor

Southern Crossing including the Below-the-Bluff Roadway

Figure 3: Anchorage Approach Corridors

Erickson Street Alternative including Ingra/Gambell and A/C Couplets

Figure 4: Degan Street Alternative

Including Ingra/Gambell and A/C Couplets

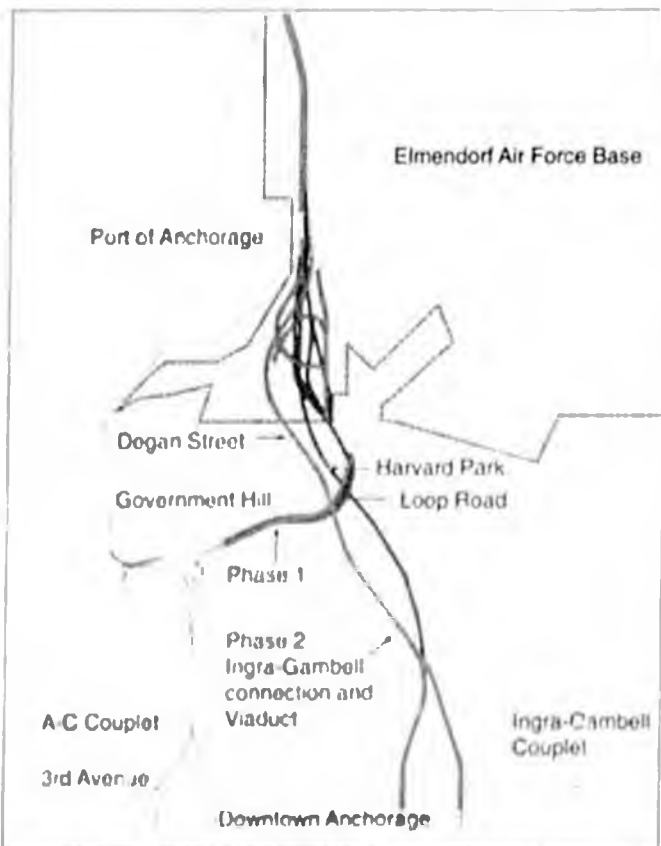


Figure 3 The Erickson Street Alternative alignment is shown in orange. Phase 1 connects to the A/C Couplet, while Phase 2 connects to the Ingra/Gambell Couplet.

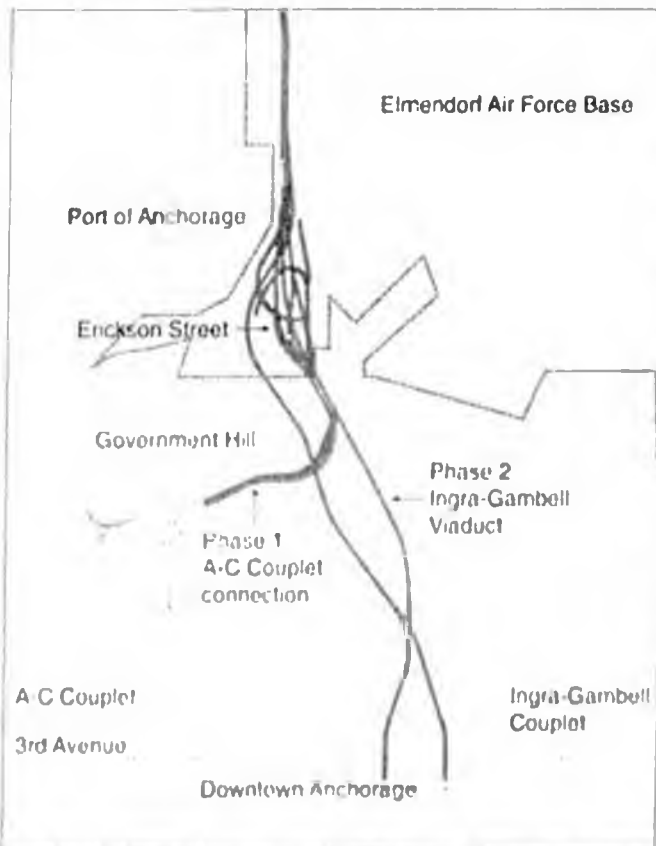


Figure 4 The Degan Street Alternative alignment is shown in orange.

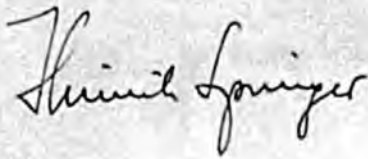
LETTER FROM THE EXECUTIVE DIRECTOR

The Knik Arm Bridge and Toll Authority (KABATA) will produce independently audited financial statements at the completion of the planning, design, and construction phases when toll operations formally commence, or sooner if financing arrangements to be entered into require such independent audit of KABATA. For periods prior to such independent audit requirement, the State of Alaska Department of Transportation & Public Facilities (DOT&PF) budget, accounting, and reporting procedures are being used by KABATA.

KABATA entered into a Memorandum of Agreement (Agreement) with the DOT&PF effective September 30, 2004. The Agreement pertains solely to the pre-construction phase of the project, including transportation planning, preliminary engineering, environmental and permitting, final engineering design and reconnaissance, utilities and right-of-way phases of the project. It also sets forth procedures and responsibilities for interacting with FHWA.

In addition to other responsibilities under the Agreement, DOT&PF provides technical, professional, administrative and clerical support to KABATA to meet both the State and Federal financial and other regulatory requirements. An audit covering both State and Federal requirements is part of DOT&PF's yearly internal review and audit procedure performed by their internal review function in the Office of the Commissioner.

Respectfully Submitted,



Heinrich Springer
Executive Director

KABATA Contracts with Financial Advisor

The Knik Arm Bridge and Toll Authority (KABATA) has entered into a professional services contract with Kevin Hemenway to serve as Senior Financial Advisor. A resident of Anchorage, Alaska, Mr. Hemenway brings fifteen years of practical experience as a Chief Financial Officer, Treasurer, Controller, and Consultant, and, six years of hands-on experience as a Certified Public Accountant. Mr. Hemenway most recently worked at Alaska Communications Systems. Prior to moving to Alaska, Mr. Hemenway served as Chief Financial Officer, Treasurer, and Controller at Atlantic Tele-Network, Inc., in St. Thomas, U.S. Virgin Islands. He previously held positions as a Certified Public Accountant at both Deloitte & Touche and Grant Thornton.

As Senior Financial Advisor, Mr. Hemenway will provide independent financial advisory services to KABATA related to the authorization, sale, issuance, and delivery of commercial revenue bonds. He will also aid KABATA with the selection of its bond counsel, audit team, underwriting team and banking institution.

Wilbur Smith Associates Analyzes Toll Revenues

Wilbur Smith Associates (WSA) prepared for KABATA an analysis of potential toll revenues, to determine their capacity to support debt service on proposed bonds for construction of the bridge and approaches. WSA worked with the technical studies produced for the DEIS, including regional traffic models, survey information from households and commuters, and forecasts of population and employment. The WSA analysis included development of maintenance and operations costs, preliminary operating expenses and capital costs for a toll collection system, and estimation of potential toll revenues.

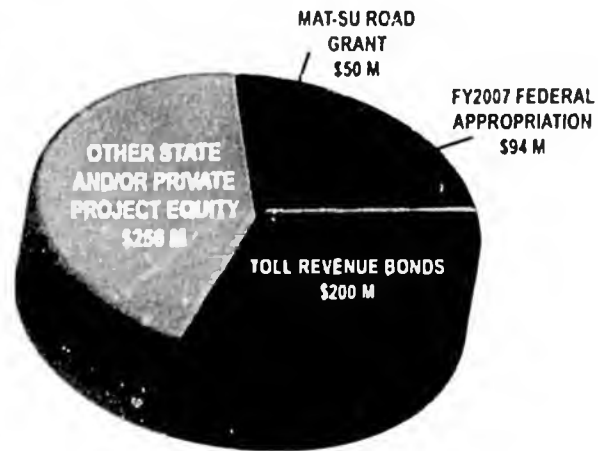
The conclusion of the Preliminary Traffic and Toll Revenue Study was that the net toll revenue stream would be satisfactory to support bonding for approximately \$200 million in debt, and to pay for operations and maintenance over the life of the Knik Arm Crossing, assuming a toll of \$3 to \$5 per passenger vehicle.

Complete report is available on the website
www.knikarmbridge.com

Fund Sources

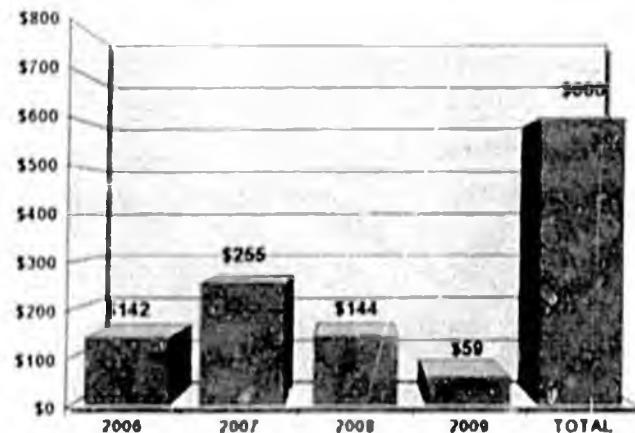
Construction cost for the Knik Arm Crossing Project is estimated at approximately \$600 million in opening day dollars. As discussed, the WSA analysis indicates \$200 million of that cost could be funded by toll revenue bonds, or other toll-backed debt financing sources. Congress allocated over \$2.1 billion of Federal Highway funds to Alaska in the SAFETEA-LU transportation bill, to be paid out over five federal fiscal years. In the administration's FY2007 budget submission, Governor Murkowski has requested of the legislature that \$94 million of this federal transportation funding be committed to the Knik Arm Crossing Project, representing 4% of Alaska's federal transportation allocation. KABATA has also suggested that a separate grant of approximately \$50 million be provided to the Mat-Su Borough to upgrade and pave the Port MacKenzie Road to provide a modern, safe and convenient connection to the west side of the project. This is included in the \$600 million estimate. An additional \$256 million would need to be generated from other State or private equity sources in order to complete project funding.

PRO FORMA PROJECT FUNDING - \$600 MILLION



DRAFT STATE TRANSPORTATION PLAN (STIP)
Anticipated Project Spending by Federal Fiscal Year

The draft State Transportation Improvement Plan (STIP) for the Knik Arm Crossing Project has anticipated \$600 million to be spent over the next four federal fiscal years ending September 30, 2009. The STIP for the Knik Arm Crossing Project is a planning document of the Alaska Department of Transportation and Public Facilities. Actual funding of the project is subject to State and Federal budget appropriations and the ability of KABATA to issue bonds or other debt financing backed by toll revenues. The chart below depicts the anticipated spending by federal fiscal year.



AUTHORIZATIONS

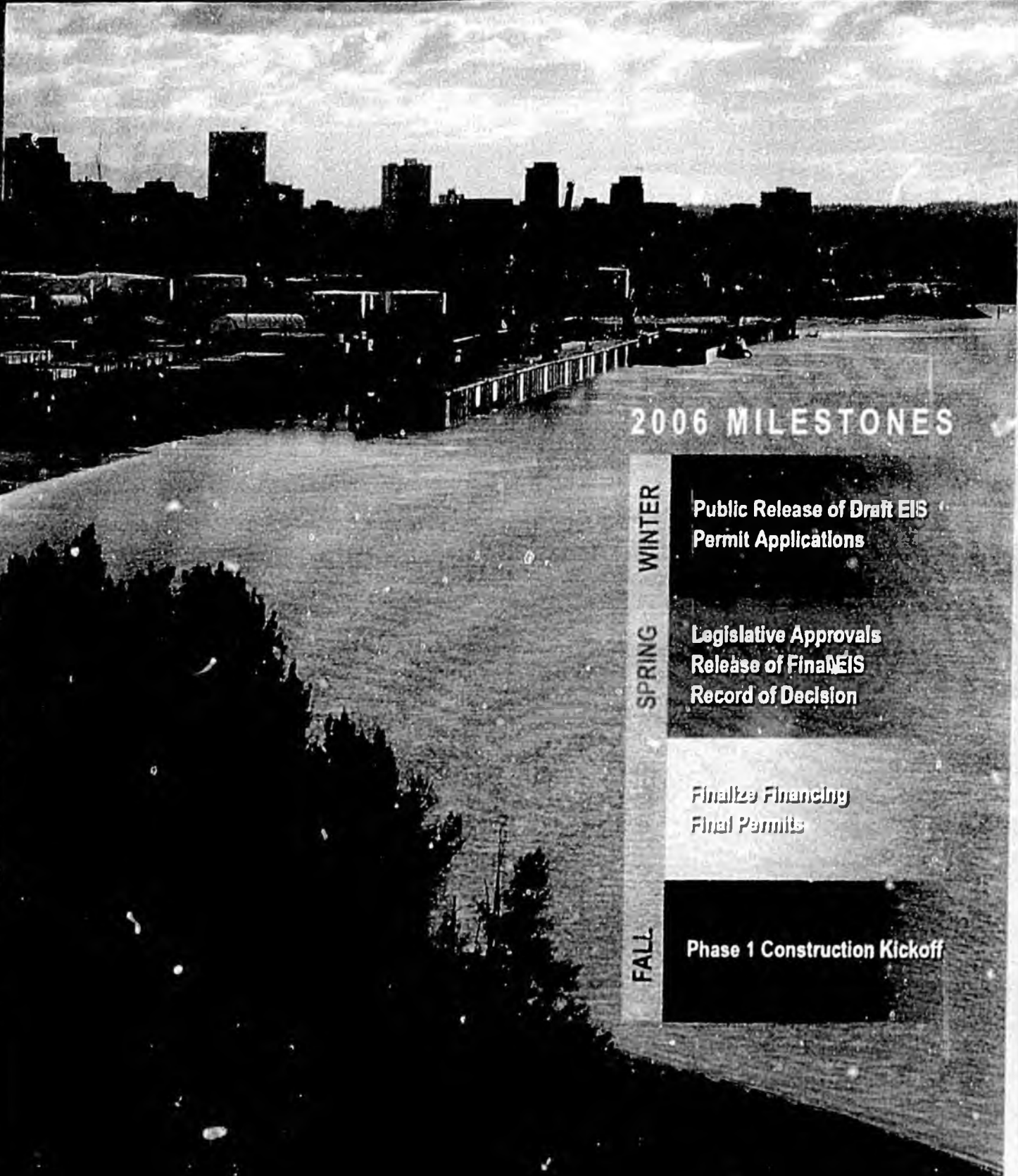
	Millions
The Federal Highway Administration (FHWA) has authorized reimbursement of advanced construction funds for the planning and environmental phases of the project, of which \$10.6 million was repaid through two special earmark appropriations and \$7.6 million will be repaid through future appropriations.	\$ 18.2
SAFETEA-LU FHWA Earmark for 2005	2.0
Total Authorizations	\$ 20.2

EXPENDITURES

	Millions
2002/2003 Expenditures, Primarily by DOT&PF	\$ 1.1
2004 Expenditures, Primarily Contracted Professional Services	3.8
2006 Forecast Expenditures, Primarily Contracted Professional Services	12.1
Total Expenditures	\$ 17.0
Estimated Project Cost Through Construction	\$ 600

HIGHLIGHTS of 2005 and 2004 EXPENDITURES

Contractor / Subcontractor	Thousands	
	Forecast 2005	Actual 2004
HDR Alaska, Inc.	\$ 4,058	\$ 611
URS Corporation	2,150	541
LGL Alaska Research Associates, Inc.	1,276	505
PMO Incorporated	1,184	615
Northern Economics	587	35
RISE Alaska, LLC	467	236
All Others (approximately 23 in 2005, 12 in 2004)	1,866	600
Sub-Total Contractors	11,368	3,143
KABATA General and Administrative Costs	750	619
Total Expenditures	\$ 12,138	\$ 3,762



2006 MILESTONES

WINTER

Public Release of Draft EIS
Permit Applications

SPRING

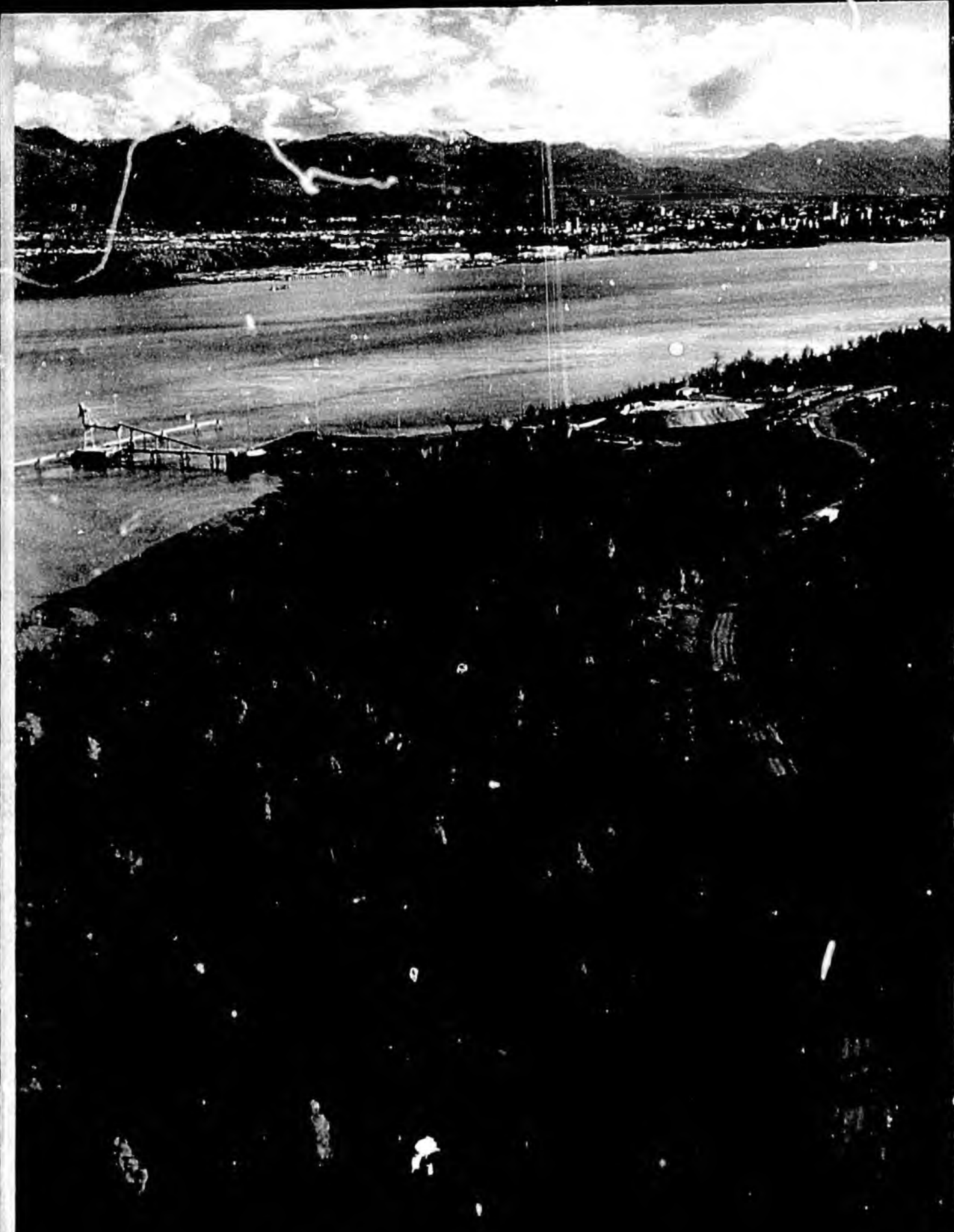
Legislative Approvals
Release of Final EIS
Record of Decision

Finalize Financing
Final Permits

FALL

Phase 1 Construction Kickoff

Port of Anchorage

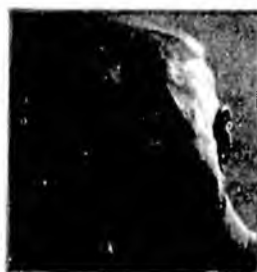


Port MacKenzie

KABATA BOARD AND STAFF



George Wuerch
Chairman



Henry Springer
Executive Director
Staff



Darcie Salmon
Vice Chairman



Darryl Jordan
Deputy Executive Director/
Program Manager
Staff



Senator Lyda Green



Dale Paulson
Director of Regulatory and
Environmental Affairs
Staff



Representative
Bill Stoltze



William A. Greene
Project Counsel



Mike Barton
Commissioner of DOT&PF



Betty Fauber
Administrative Manager
Staff



Bill Corbus
Commissioner of Revenue



Amanda Torres
Administrative Clerk
Staff



Dave Haugen
Vice President
Lynden, Inc.



A Bridge to Alaska's Future Moves Forward

Dear Fellow Alaskans:

A little over two and one-half years ago the Alaska Legislature created the Knik Arm Bridge and Toll Authority to build a bridge to connect the Municipality of Anchorage with the Matanuska-Susitna Borough. The Knik Arm Crossing Project will serve over 50 percent of Alaska's population and create new opportunities for businesses and provide access to attractive residential neighborhoods for the expected growth in population.

Last summer, Congress passed the transportation bill, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). The Alaska Congressional Delegation: Senator Stevens, Senator Murkowski, and Congressman Young, are all to be thanked for their help in obtaining funding for Alaska's transportation needs.

The Federal Highway Administration is also to be commended for preparing a Draft Environmental Impact Statement in a timely and effective manner. With their help as the federal lead agency, this project will soon be a reality.

Expanding the state's transportation infrastructure is a high priority in my administration. A good road network is essential to economic prosperity. I am confident that the Legislature's decision to form a toll authority for this project will produce a bridge to Alaska's future.

Sincerely yours,

A handwritten signature in cursive script, reading "Frank H. Murkowski".

Frank H. Murkowski
Governor





KNIK ARM BRIDGE and TOLL AUTHORITY

550 West 7th Avenue, Suite 1850

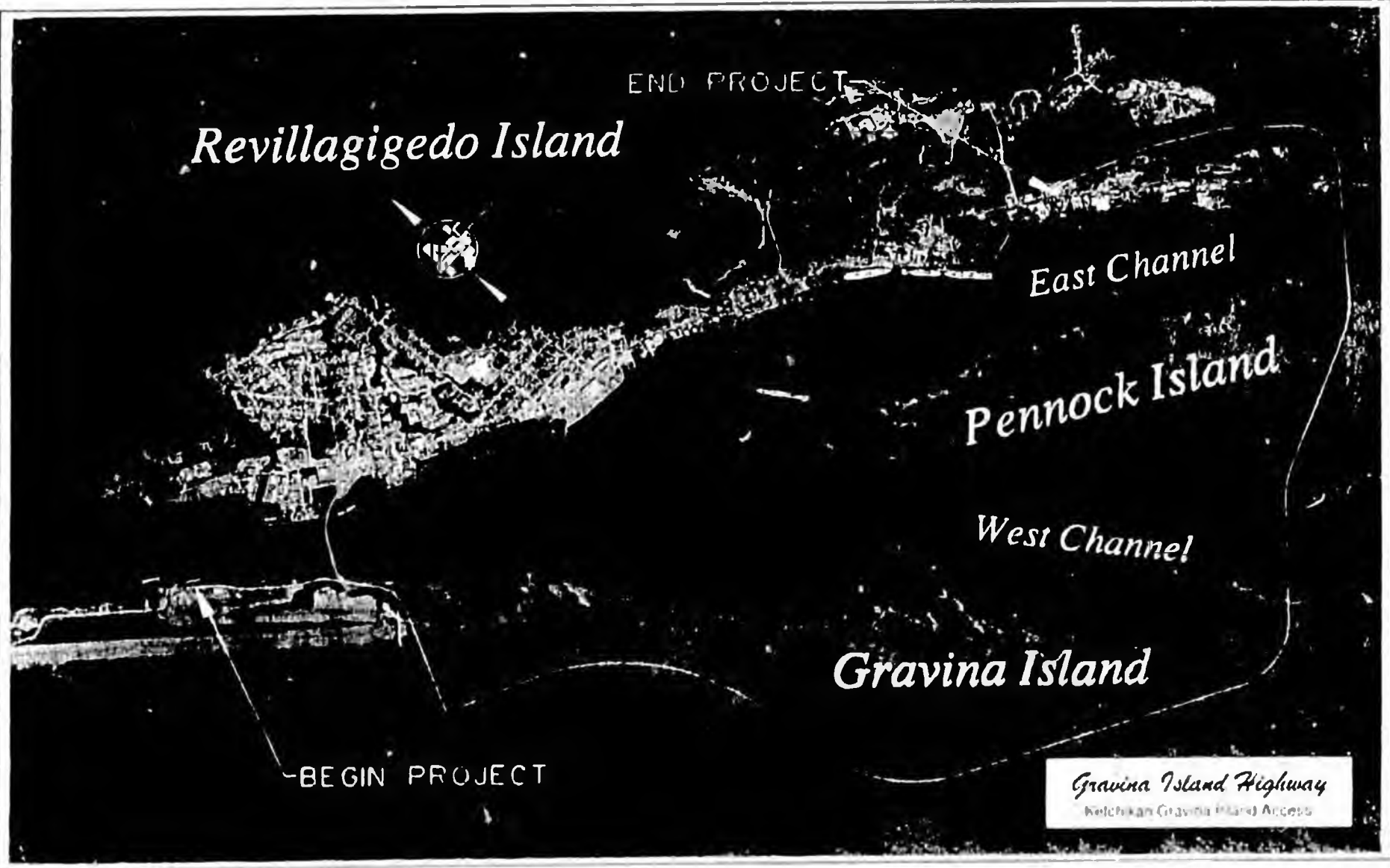
Anchorage, AK 99501

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KABATA



END PROJECT

Revillagigedo Island

East Channel

Pennock Island

West Channel

Gravina Island

BEGIN PROJECT

Gravina Island Highway
Ketchikan Gravina Island Access



Gravina Island Highway

CONTACTS

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G R A V I N A I S L A N D H I G H W A Y O V E R V I E W

PROJECT DESCRIPTION

With the publication of the final environmental impact statement (EIS) and federal approval received in September 2004, the Alaska Department of Transportation has begun the final step in the project to construct access from Revillagigedo Island to Gravina Island. This project is intended to provide a roadway link from Ketchikan to Gravina Island across the two channels of *Tongass Narrows*, an active waterway used by vessels that range in size from recreational craft to large ocean-going cruise ships. The waterway is also an active year-round seaplane basin.

The proposed Gravina Island Highway (see map on back) begins at the *Ketchikan International Airport* parking lot on Gravina Island and extends south around the end of the runway and up the hill to an intersection with the *Seley-Lewis Reef Road* (to be built in 2005 by the Department). From here, the Gravina Island Highway proceeds southeasterly to the *West Channel bridge* crossing of *Tongass Narrows*. After crossing the channel, the roadway traverses *Pennock Island* easterly and crosses the *East Channel bridge* to *Revilla Island*. Here, the highway turns northwest, side hilling its way down to an intersection with the *South Tongass Highway*. The total length of the new roadway is 7.0 miles, incorporating almost 1.2 miles of structures.

EXISTING FACILITIES

The principal modes of transportation to Ketchikan are airplane, including floatplane, and ship, no "hard link" surface transportation is available between Revilla and Gravina islands, or to other locations in Alaska or Outside. Currently the borough-

operated ferry system provides the only transportation to Gravina Island. Regularly scheduled airline service and ferry connections by the *Alaska Marine Highway System* link Ketchikan to rest of the State and the Lower 48.

PROJECT PURPOSE AND NEED

For some time, there has been keen interest in building a bridge access to Gravina Island.

The purpose of the project, as defined in the EIS, is to improve surface transportation between Revilla and Gravina islands.

The need for improving access is threefold.

- To provide Ketchikan and its residents more reliable, efficient, convenient, and cost-effective access for vehicles, bicycles, and pedestrians to borough lands and other developable or recreation lands on Gravina Island in support of the borough's adopted land use plans.
- To improve the convenience and reliability of access to the Airport for passengers, airport tenants, emergency personnel and equipment and shipment of freight.
- To promote environmentally sound, planned long term economic development on Gravina Island.

POPULATION AND TRAFFIC

The current population of Ketchikan is about 14,800, with future projections for 2025 of 18,300 residents. The figures reflect a medium level economic scenario that best reflects a reasonable growth in the Borough. These forecasts were used as the basis for the Project traffic analysis. By 2025, the Gravina Island Highway is anticipated to

attract more than 8,000 vehicle trips daily between Ketchikan and the Airport and adjacent development areas on Gravina Island.

ALIGNMENT AND TYPICAL SECTION

The landscape of Gravina Island is a gently rolling wetland with relief that varies only slightly from the Airport to the East Channel bridge. The maximum desirable grade is 7 percent, but the majority of the grades are well below this limit. The grade on Revilla Island is more difficult; it rises steeply from *Tongass Narrows*, with elevations exceeding several thousand feet. The approach from the East Channel bridge will proceed downhill on an 8 percent grade to South Tongass Highway.

The Gravina Island Highway will be a paved rural facility with two 12-foot driving lanes and 8-foot shoulders, for a total width of 40 feet within a controlled-access corridor. The speed limits will most likely be 55 MPH on Gravina and Pennock Islands, and 40 MPH on Revilla Island.

The structures crossing *Tongass Narrows* will be of near record proportions. The potential bridge type and height are dictated by the larger vessels and the presence of Airport and floatplane operations.

SCHEDULE

To ensure a timely delivery, the Department expects this project to be advertised for design and construction to progress concurrently – known as a design-build procurement. A multi-disciplined team will be awarded the contract to develop the work for substantial completion by 2009, with final Departmental acceptance in 2010.



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handout 1/11/06



November 18, 2005

Representative Kevin Meyer
Co-Chair, House Finance Committee
716 W. 4th Avenue Ste 310
Anchorage, Alaska 99501-2133

Dear Representative Meyer:

Enclosed you will find a copy of Resolution No. 05-2160 in support of funding and construction of the Gravina Island project, which was unanimously adopted by the Ketchikan City Council last evening.

First, the City is requesting that the Governor and Legislature use these funds for the Gravina Island and Knik Arm projects and include funds for both the projects in the upcoming state capital budget.

Second, we have heard repeated concern that the Alaska Department of Transportation has inappropriately used the STIP process to distort the impact that the two projects would have on other state priorities in the next few years. People who are familiar with DOT actions with respect to the bridge projects, including inflated cost estimates, inaccurate schedules for funding requirements, and misleading public pronouncements (including per capita comparisons, a technique which has been rejected even by federal transportation planners), have described the Department's actions in sum as "developing a worst case scenario and shouting it from the rooftops." The result has been unnecessary alarm in other communities about the potential loss of local projects. We expect the final STIP to be a realistic and accurate planning document.

Finally, I would be remiss if I did not express the opinion of many people in Ketchikan that we are tired of seeing national media, politicians from other states, and various groups malign Alaskans in general, and residents of Ketchikan in particular, as nobodies from nowhere. Your efforts to prove them wrong will be appreciated.

Sincerely,

Bob Weinstein
Mayor

Ketchikan City Council

CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 05-2160

A RESOLUTION OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA REAFFIRMING SUPPORT FOR THE GRAVINA ISLAND ACCESS PROJECT, URGING THE GOVERNOR TO BEGIN CONSTRUCTION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Gravina Island represents the best opportunity for future growth of our community and Southern Southeast Alaska; and

WHEREAS, the Gravina Island Access project, including the Ralph M. Bartholomew Veterans Memorial Bridge, has been a community priority for over 30 years; and

WHEREAS, the Gravina Island Access project was overwhelmingly supported by a 2-1 vote of the people of Ketchikan, and, in addition, federal funding for both the Gravina Island and Knik Arm projects was supported by 65% of all Alaskans in a recent poll; and

WHEREAS, construction of the Gravina Island Access project will allow the implementation of the Gravina Island Development Plan which was recently completed by local government and which provides access to non-federal land for commercial, industrial, residential, and recreational purposes, specifically providing for land and infrastructure to support fisheries development, the wood products industry, and tourism; and

WHEREAS, the Council has through resolutions adopted in 1997, 2003, and 2004 previously supported the project in light of its long-range economic benefits to our community; and

WHEREAS, Ketchikan suffered a great economic loss as a result of federal policy changes on the Tongass National Forest which resulted in the decimation of a vibrant timber industry, from which the community is still struggling to recover; and

WHEREAS, after the significant decline of the local timber industry the Gravina Island Access project took on a more critical role in Ketchikan's economic recovery; and

WHEREAS, in 1998 over \$20 million in federal TEA-21 funds were made available for this project and authorized and matched by the Alaska Legislature, to date \$9.2 million in federal funds and \$2.3 million in state funds have been spent on the project scoping and EIS, and a record of decision has been issued; and

WHEREAS, the Alaska Congressional Delegation has fought long and hard for funding for these projects and has provided funding for the projects in both the TEA-21 and in the SAFETEA-LU legislation as passed by the Congress just recently; and

WHEREAS, in his inaugural State of the State address Governor Murkowski identified the Gravina Island Access and Knik Arm projects as his top statewide priorities, and

WHEREAS, Governor Murkowski consistently thereafter identified both the Gravina Island Access and Knik Arm projects as priorities for federal funding earmarks in his requests to the Alaska Congressional delegation; and

WHEREAS, Governor Murkowski consistently thereafter identified both the Gravina Island Access and Knik Arm projects as priorities for federal funding earmarks in his requests to the Alaska Congressional delegation; and

WHEREAS, despite the loss of earmarks the Alaska Congressional delegation has been successful in its efforts to keep funding intact for both the Gravina Island Access and Knik Arm projects; and

WHEREAS, delays in completing the projects will result in additional economic harm to the community as well as increased construction costs for the project.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska, as follows:

Section 1. The Council of the City of Ketchikan, Alaska urges Governor Murkowski to reaffirm his support for the Gravina Island Access and Knik Arm projects as transportation priorities and to assure that construction plans are in the final 2006-2008 STIP.

Section 2. The Council of the City of Ketchikan, Alaska urges Governor Murkowski and the Alaska State Legislature to use federal funds as intended by the Alaska Congressional delegation, specifically by including sufficient federal and state funds in the FY 2007 capital budget to keep the Gravina Island Access and Knik Arm projects on schedule.

Section 3. The Council of the City of Ketchikan, Alaska requests that Governor Murkowski instruct the Alaska Department of Transportation to move both the Gravina Island Access and Knik Arm projects to construction as soon as possible.

Section 4. The Council of the City of Ketchikan, Alaska expresses its sincere thanks to the Alaska Congressional Delegation for its long efforts to provide funding for these projects and urges the Delegation to communicate to the Governor and the Alaska State Legislature its clear intention that funding provided in the SAFETEA-LU bill be authorized and spent for both projects as originally intended.

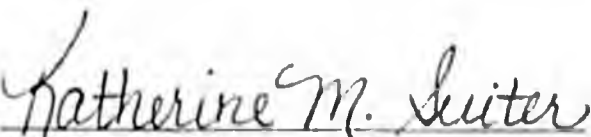
Section 5. This resolution is effective immediately upon passage and approval.

PASSED AND APPROVED this 17th day of November, 2005.



Bob Weinstein, Mayor

ATTEST:



Katherine M. Suiter
City Clerk

Primer on the Federal Highway Program for Alaska

House Finance
January 2005

Abbreviations

- SAFETEA-LU – Name of most recent highway authorization bill, passed in August 2005 and addressing federal program through 2009.
- STIP – Statewide Transportation Improvement Program
- NHS – National Highway System
- AHS – Alaska Highway System
- CTP – Community Transportation Program
- TRAAK – Trails and Recreational Access for Alaska
- STP – Surface Transportation Program, a kind of federal funding
- MPO – Metropolitan Planning Organization (2 in Alaska)
 - AMATS – Anchorage Metropolitan Area Transportation Solutions
 - FMATS – Fairbanks Metropolitan Area Transportation System
- HTF – Highway Trust Fund
- PM – Preventative Maintenance
- M&O – Maintenance and Operations



STIP Issues

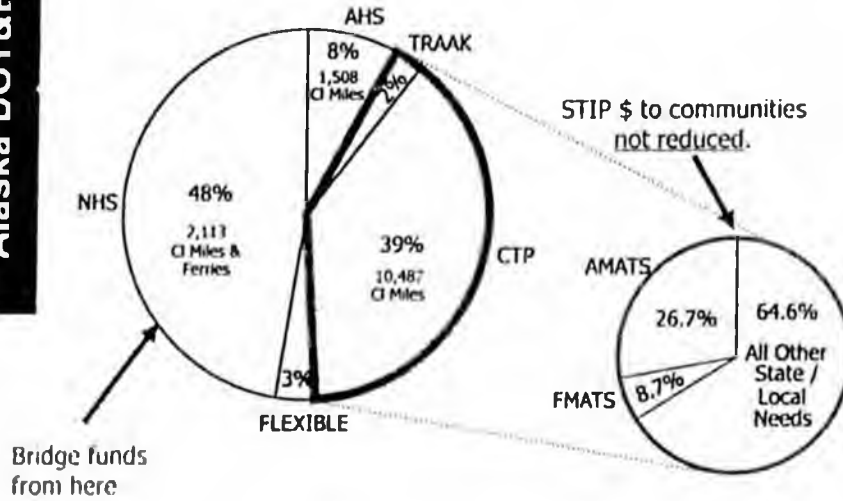
- Explanation of how the bridge funding was determined.
- Eligibility of STIP funds in Alaska has grown substantially.
- STIP funds to address road needs is limited by several factors.



Bridge Math Explained

- Explain the \$91 M and \$93.6 M allocations:
 - 'Renamed' bridge earmarks are flexible
 - No project named, very flexible eligibility (= to STP)
 - Funds subject to Alaska STIP regulations.
 - State formula allocates funds to NHS, local needs, etc
 - 48% of funds allocated to NHS, subject to use on two bridges.
 - Further reduction to 85% to address expected shortfall in appropriations.

Distribution of Federal-Aid Transportation Formula Funds Per 17 AAC 05.155-200



Bridge funds from here

STIP \$ to communities not reduced.

December 2005

Providing for the Movement of People and Goods and Delivery of State Services

Bridge Math Shown

- Knik Arm
 - \$229.4 M* in earmarks
 - @48% = \$110.1 M
 - @85% = \$93.6 M in capital budget
- Gravina Island
 - \$223 M* in earmarks
 - @48% = \$107.0 M
 - @85% = \$91 M in capital budget

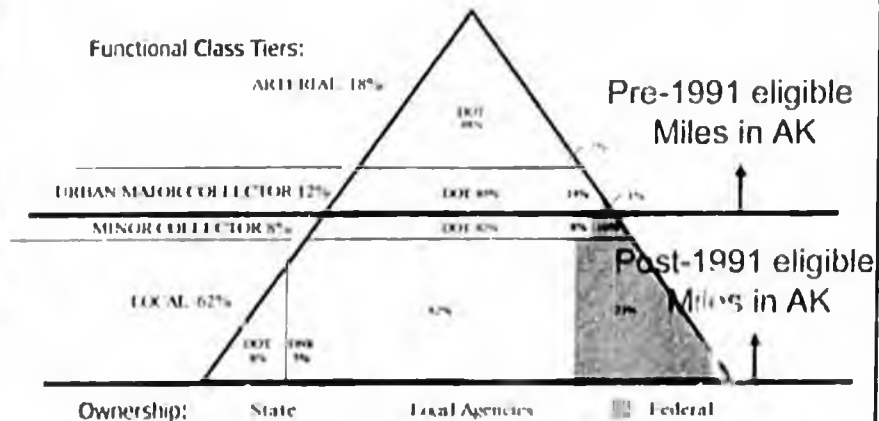
48% is the regulatory portion of unrestricted STIP funds allocated to the NHS program
 85% accounts for less than full appropriations to fund the earmarks, based on status of the Highway Trust Fund and past appropriation history.

* Funds authorized to each bridge over 5-year life of SAFETEA-LU.

Mission Statement

- Providing for the movement of people and goods and the delivery of state services.
- All roads are not equal in this regard.

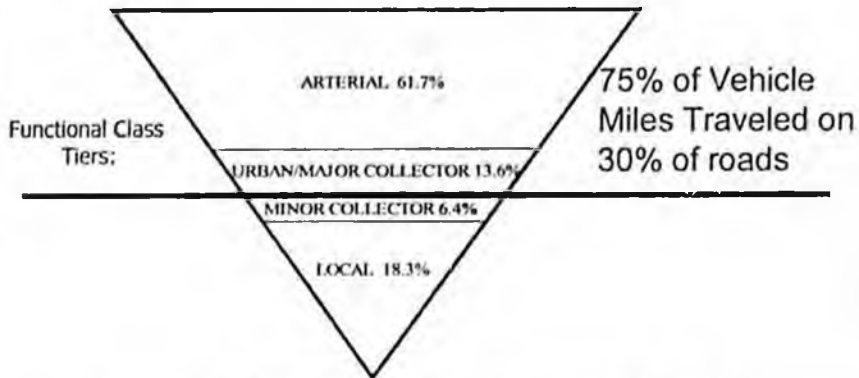
ALASKA PUBLIC ROAD MILES:
Arterial, Collector, and Local Road Mileage by Ownership
As of December 2003



Impact: Eligibility of funds more than tripled!



ALASKA PUBLIC ROAD MILES:
Distribution of 2003 VMT by Functional Class
(13,540,000 vehicle miles traveled)

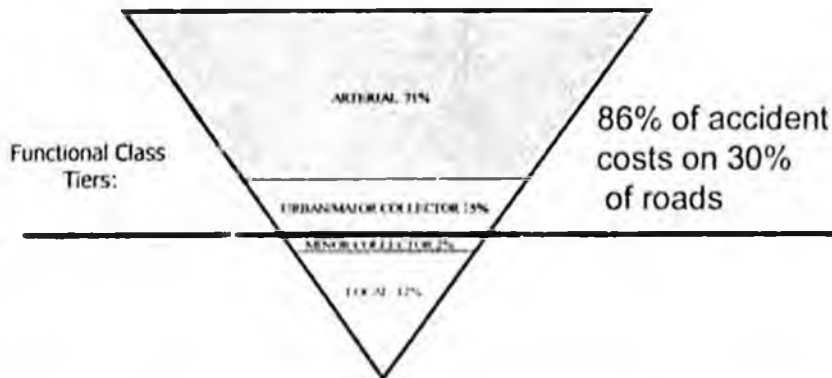


Impact: Only 30% of the highways carry most of the traffic.

Enabling for the Movement of People and Goods and Delivery of State Services



ALASKA PUBLIC ROAD MILES:
Distribution of 2003 Accidents by Functional Class



Impact: Fixing major roads can best address safety.

Enabling for the Movement of People and Goods and Delivery of State Services



Eligibility Issues (1)

- Nationwide, only 20-30% of highways eligible for federal STIP funds.
- In Alaska, 100% of roads and highways are eligible (due to Federal law unique to Alaska).
- Impact: We are trying to address more needs than funds can serve.

Providing for the Movement of People and Goods and Delivery of State Services



Eligibility Issues (2)

- Alaska distributes more STIP funds to local needs than any other state!
 - AMATS/FMATS and other communities get >40% under state-formula
 - US average is < 20%
- Impact: High level roads are less well funded than they would be if national formula and eligibility was followed.

Providing for the Movement of People and Goods and Delivery of State Services



Eligibility Issues (3)

- Some earmarks have further shrunk funding for Alaska's highway program.
- Parking garage, loan repayments, rail, port and shipyard and other types of projects were earmarked from Alaska's highway dollars.
- Further, most of the earmarks are not fully funded.
- Impact: While worthy projects, these non-highway earmarks have subtracted from original purpose of federal-aid highway program.
- Partial funded earmarks create an "expectation" of future STIP dollars.

Providing for the Movement of People and Goods and Delivery of State Services



Eligibility Issues (4)

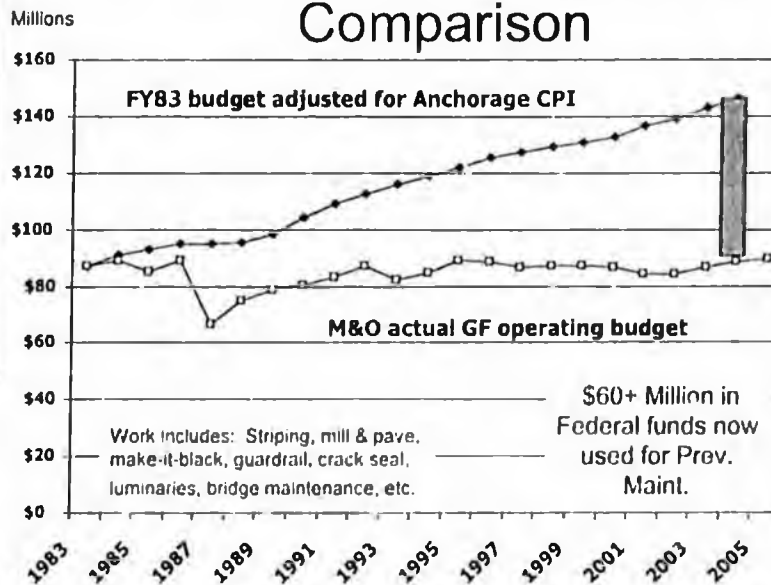
- Operations and preventative maintenance have shifted to federal funds over past two decades.
- Since late 80's budget pressure to preserve GF has shifted considerable costs to STIP.
- Impact: Many fewer rehabilitation, safety and capacity projects are possible.

Providing for the Movement of People and Goods and Delivery of State Services

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Alaska DOT&PF

M&O Operating Budget And CPI Comparison



Providing for the Movement of People and Goods and Delivery of State Services

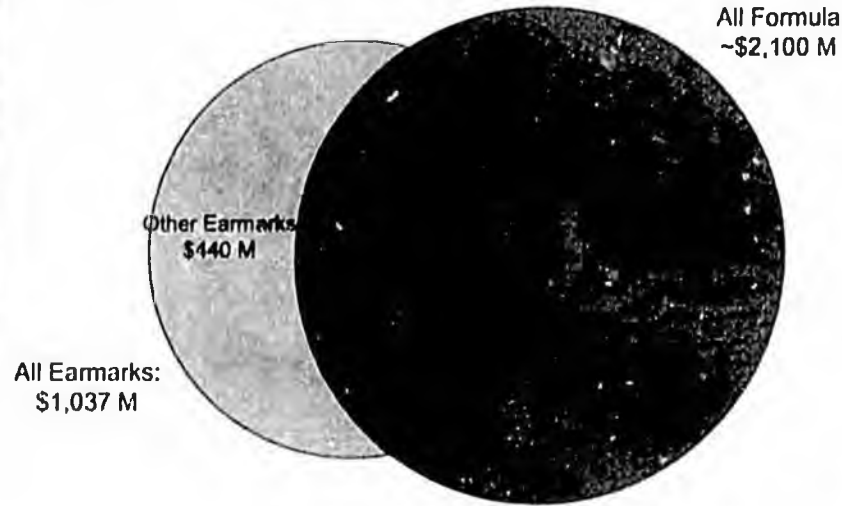
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Alaska DOT&PF

Dollars are Limited (1)

- SAFETEA-LU earmarks were much more extensive than just two bridges.
- Another \$269 M in earmarks were deductive too. In addition, > \$440 M in earmarks were non-deductive.
- Impact: The loss of STIP funds to bridge earmarks is only part of the picture.

5 Year Earmarks & Formula



Authorized levels

Providing for the Movement of People and Goods and Delivery of State Services

Bridge Earmarks by Type (in Millions, 5-year Authorization*)

• Gravina Island	• Knik Arm
– Subtractive \$148	– Subtractive \$179.4
– Additive \$75	– Additive \$50
– Total \$223 M	– Total \$229.4

Authorized dollars will generally arrive in 5 equal installments, between 2005 and 2009. Due to federal budget process, appropriations are expected to actually provide only 85% of the authorized amounts.

Providing for the Movement of People and Goods and Delivery of State Services



Dollars are Limited (2)

- Other changes in law have reduced funding.
- Several new federal category* of funds, and enlarged existing set-aside categories have shrunk funding to regular program.
- Impact: Approximately \$25 M of annual funds previously flexible in nature were made restrictive.

*Eligibility for federal hwy. funds are set by the "apportionment" or category. Each apportionment type has unique eligibility rules.

Providing for the Management, Improvement, and Delivery of State Services



Dollars are Limited (3)

- Highway Trust Fund (HTF) not delivering as expected.
- 2005 appropriations delivered only 80% of authorization; lowest in decades.
- Several national reports suggest HTF is facing continued difficulty.
- Impact: The HTF is the principal source of Alaska highway funds thus this apparent downturn is of utmost concern!

Providing for the Management, Improvement, and Delivery of State Services



Dollars are Limited (4)

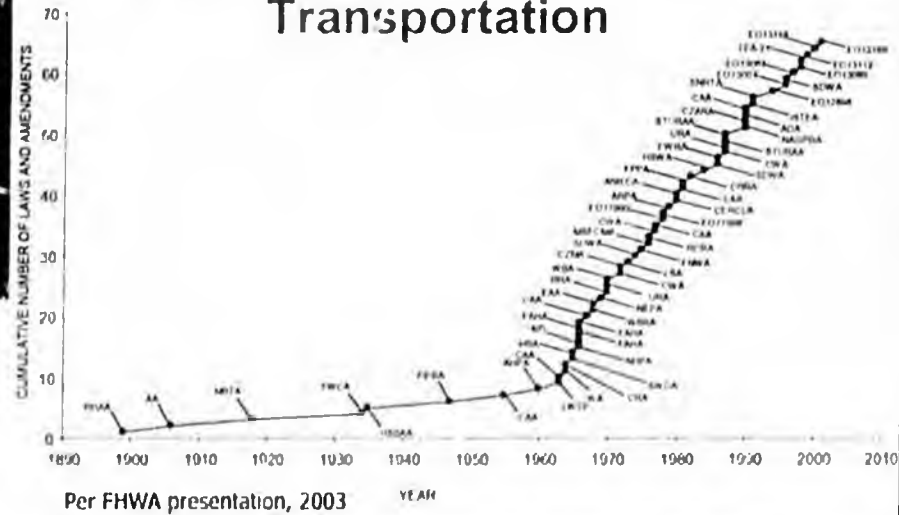
- Construction inflation has ramped up sharply.
- All major inputs to construction such as labor, right-of-way, commodities (energy, steel, cement, asphalt) are up sharply. National estimate is 30% or greater!
- Impact: As project costs rise, the number of transportation projects the STIP can fund drops.



Dollars are Limited (5)

- Process and new legal requirements for federal funds continues to expand.
- This takes more time and money; some new requirements add significant costs.
- Impact: More is spent on intangibles, or non-transportation work, thus less on pavement.

Federal Environmental Requirements Affecting Transportation



Provided for the Measurement of People and Goods and Delivery of State Services

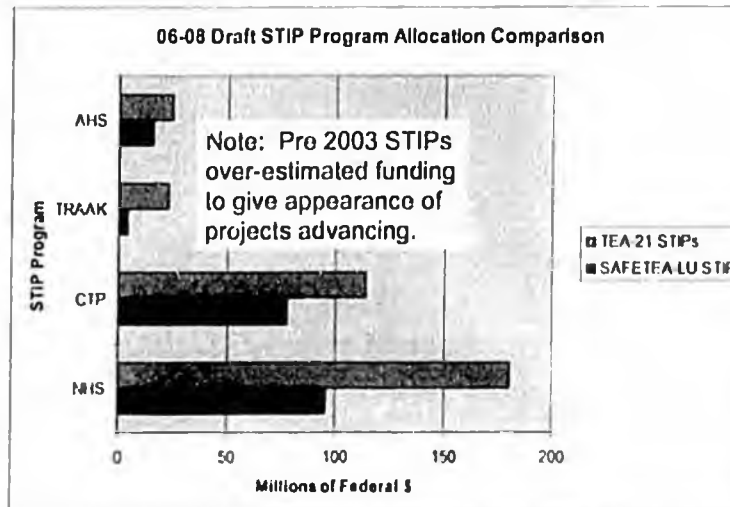
Dollars are Limited (6)

- Alaska's STIP funds are reduced due to safety laws that do not meet federal goals.
- Open container and repeat offender laws cause deduction* of 3% of flexible funds.
- Impact: One significant project (~\$12 M) is lost each year.

*Deducted funds are returned to the Alaska highway safety program, but only certain safety work, or education and enforcement type projects may be funded.

Provided for the Measurement of People and Goods and Delivery of State Services

Project Funds Lower Today



Providing for the Maintenance of Transportation and Goods and Delivery of State Services

Is STIP Funding Adequate? (1)

- Backlog of work is significant
 - Needs List identifies more than \$10 Billion in projects.
 - Alaska flexible STIP addresses 1.5 - 2% of identified projects; 50+ years to address needs as identified today.
- Impact: STIP funding is not adequate!

Providing for the Maintenance of Transportation and Goods and Delivery of State Services

Is STIP Funding Adequate? (2)

- Years needed to perform work on entire mileage of each system:
 - National Highway System: 66 years
 - Community Trans. Program: 125 years
 - Alaska Highway System: 132 years
- Above ratios assume no expansion of system miles.
- Calculation based on average cost per mile of \$1 M per mile, except NHS at \$2 M per mile.

Providing for the Movement of People and Goods and Delivery of State Services

Alaska vs. Other States

- **Alaska**
 - STIP funds all roads
 - No dedicated state funds for construction
 - Local gov'ts expect STIP to pay for local roads
 - Tolls used sparingly (Whittier Tunnel, Knik)
- **Other States**
 - STIP funds top 20%
 - State taxes fund other state/local needs
 - Local gov'ts use local funds on local roads
 - Tolls rapidly expanding
 - (Many states now using tolls)

Providing for the Movement of People and Goods and Delivery of State Services



STIP Shortfall to Regular Projects Stems From Many Causes

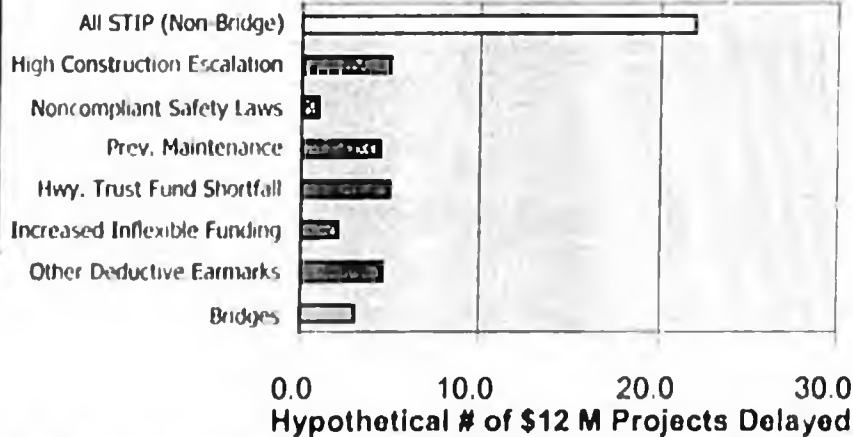
- Over the 5-year life of the bill, the two bridges represent ~\$184.6 M or \$36.9 M per year.
- Other factors, as explained, have resulted in far more lost project funding:

	5 Year Totals
- Other deductive earmarks*	\$269 M
- Reduced flexible funds*	\$125 M
- Hwy Trust Fund shortfall (est.)*	\$300 M
- Preventative maintenance	\$260 M
- Noncompliant safety laws	\$60 M
- Construction escalation (est.)*	\$300 M
- Total 5-year lost spending potential:	\$1,315 M or \$263 M each year!

* These factors have emerged since the previous 04-06 STIP was prepared.



One Year: Hypothetical # of \$12 M Projects Delayed



Issues in red emerged since prior STIP



Key Takeaways

- Alaska relies on STIP funds for larger universe of projects than any other state!
- Alaska shares more STIP funds as % with local governments than any other state.
- STIP funds have effectively shrunk as a result of several factors beyond two bridges.
- State has no supplemental fund source for highway program which magnifies the current downturn in STIP funds.
- Highway Trust Fund is not robust!

List of SAFETEA-LU Earmarks by House Election District

<u>Sec.</u>	<u>No.</u>	<u>Req</u>	<u>House District</u>	<u>Place</u>	<u>Project Description</u>	<u>Earmarks Authorized through FY 2009</u>	<u>% Federal Share</u>
1702	1760	SE	1	Coffman Cove	Coffman Cove IFA ferry terminal or IFA vessel debt repayment for MV Prince of Wales Ferry	\$3,200,000	90.97%
1702	3673	SE	1	Ketchikan	Improve marine Intermodal facilities in Ketchikan	\$14,000,000	90.97%
1702	3686	SE	1	Coffman Cove	Coffman Cove road paving in Coffman Cove	\$375,000	90.97%
1702	3714	SE	1	Ketchikan	Ketchikan: Improve marine dry-dock and facilities	\$2,000,000	90.97%
1934	13	SE	1	Ketchikan	Ketchikan: Improve marine dry-dock and facilities	\$20,000,000	90.97%
3044	416	SE	1	Ketchikan	Improve marine inter-modal facilities in Ketchikan	\$14,000,000	80.00%
3044	553	SE	1	Ketchikan	Ketchikan, Alaska-Transit Needs	\$250,000	80.00%
1702	1938	SE	2	Bradfield	Planning, design, and EIS of Bradfield Canal Road	\$2,000,000	90.97%
1702	2260	SE	2	Sitka	Make necessary improvements to Indian river Road in City and Borough of Sitka	\$2,000,000	90.97%
1702	3681	SE	2	Petersburg	Various Road Improvements in Petersburg	\$2,000,000	90.97%
1702	3712	SE	2	Wrangell	Wrangell: Road improvements	\$4,000,000	90.97%
1702	3713	SE	2	Petersburg	Petersburg: Road improvements, including but not limited to design, engineering, permitting, and construction	\$1,500,000	90.97%

Summary includes all SAFETEA-LU earmarks except those originally assigned to the two major bridges.
High priority (deductive) earmarks are shaded.

10-11-1

List of SAFETEA-LU Earmarks by House Election District

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1702	3715	SE	2	Bradfield	Southeast: Planning, design, and EIS of Bradfield Canal Road	\$2,000,000	90.97%
1702	3720	SE	2	Sitka	Sitka: Improvements to Indian River Road, including but not limited to design, engineering, permitting and construction	\$500,000	90.97%
1934	6	SE	2	Petersburg	Petersburg: Road improvements, including but not limited to design, engineering, permitting, and construction	\$500,000	90.97%
1934	11	SE	2	Sitka	Sitka: World War II Causeway Trail and Multi-use Pathway projects	\$1,000,000	90.97%
3044	616	SE	2	Sitka	Sitka, Alaska-Transit Needs	\$250,000	80.00%
3044	664	SE	2	Wrangell	Wrangell, AK-Ferry Infrastructure	\$1,000,000	80.00%
1702	3687	SE	5	Craig	Port Saint Nicholas road improvements in Craig	\$3,000,000	90.97%
1702	3691	SE	5	Hoonah	Intermodal ferry dock in Hoonah	\$2,000,000	90.97%
1702	3696	SE	5	Metlakatla	Metlakatla: Walden Point Road	\$5,000,000	90.97%
1702	3716	SE	5	Gustavus	Gustavus: Dock replacement for the Alaska Marine Highway	\$3,000,000	90.97%
3044	541	SE	5	Hoonah	Hoonah, AK-Intermodal Ferry Dock	\$2,000,000	80.00%
1702	3707	N	6	McCarthy	Upgrades for Road Access to McCarthy, AK, for design, engineering, permitting and construction	\$5,000,000	90.97%

Summary includes all SAFETEA-LU earmarks except those originally assigned to the two major bridges.
High priority (deductive) earmarks are shaded.

List of SAFETEA-LU Earmarks by House Election District

<u>Sec.</u>	<u>No.</u>	<u>Req</u>	<u>House District</u>	<u>Place</u>	<u>Project Description</u>	<u>Earmarks Authorized through FY 2009</u>	<u>% Federal Share</u>
1702	3708	N	6	Dalton Highway	Upgrades on the Dalton Highway, for design, engineering, permitting and construction	\$4,500,000	90.97%
1702	3710	C	6	Crooked Creek	Crooked Creek: Road to Donlin Mine, for design, engineering, permitting and construction	\$2,000,000	90.97%
1934	3	N	6	Dalton Highway	Upgrades on the Dalton Highway, including but not limited to design, engineering, permitting and construction	\$500,000	90.97%
1934	7	N	6	Tanana	Tanana: Dust Control Mitigation	\$500,000	90.97%
1934	12	C	6	McGrath	McGrath: Road erosion control along the Yukon River	\$500,000	90.97%
1702	3717	N	12	Richardson Highway	Upgrades on the Richardson Highway, including but not limited to design, engineering, permitting and construction	\$4,500,000	90.97%
1934	4	N	12	Richardson Highway	Upgrades on the Richardson Highway, including but not limited to design, engineering, permitting and construction	\$500,000	90.97%
1702	1847	C	35	Seward	Ferry Infrastructure at Seward Marine Center	\$3,000,000	90.97%
1934	9	C	35	Homer	Homer: Intermodal deep-water dock facility improvements	\$2,000,000	90.97%
1702	446	C	36	Lake Iliamna	Westside development Williamsport-Pile Bay Road	\$5,000,000	90.97%
1702	2474	AMH	36	Kodiak	Kodiak, AK Construction of AMHW ferry terminal and approach	\$7,500,000	90.97%
1702	3705	C	36	Lake Iliamna	Transportation Improvements in Cook Inlet for the Westside development/ Williamsport-Pile Bay Road	\$2,000,000	90.97%

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High priority (deductive) earmarks are shaded.

List of SAFETEA-LU Earmarks by House Election District

<u>Sec.</u>	<u>No.</u>	<u>Req</u>	<u>House District</u>	<u>Place</u>	<u>Project Description</u>	<u>Earmarks Authorized through FY 2009</u>	<u>% Federal Share</u>
1702	161	C	37	False Pass	False Pass Road construction from small boat harbor dock to airport and town.	\$3,000,000	90.97%
1702	400	AMH	37	Unalaska	Unalaska, AK Construction of AMHW ferry terminal including approach, staging, and upland improvements	\$7,500,000	90.97%
1702	777	C	37	Akutan	Construct linking road from airport to port in Akutan	\$1,500,000	90.97%
1702	3191	C	37	Naknek	Construct access road and a bridge crossing the Naknek River terminus points in South Naknek-King Salmon Highway	\$3,000,000	90.97%
1702	3679	C	37	King Cove	Upgrade city roads and construct a road and acquire a hovercraft to transit the bay between King Cove and Cold Bay in King Cove	\$3,700,000	90.97%
1702	3684	C	37	Aleknagik	Float Plane Road in Aleknagik	\$1,000,000	90.97%
1702	3693	C	37	Bristol Bay Borough	Improvement to Lake Camp Road in Bristol Bay Borough	\$3,000,000	90.97%
1702	3698	C	37	Bristol Bay Borough	Bristol Bay: Transportation improvements to the access road and a bridge crossing at the Naknek River	\$3,000,000	90.97%
1702	3701	C	37	Aleknagik	Aleknagik: Wood River Bridge, or design, engineering, permitting and construction	\$3,000,000	90.97%
1702	3702	C	37	Chignik	Chignik: Inter-Village Road, for design, engineering, permitting and construction	\$5,000,000	90.97%
1702	3718	C	38	Bethel	Bethel: Dust Control Mitigation for Rural Roads	\$1,500,000	90.97%

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High priority (deductive) earmarks are shaded.

List of SAFETEA-LU Earmarks by House Election District

<u>Sec.</u>	<u>No.</u>	<u>Reg</u>	<u>House District</u>	<u>Place</u>	<u>Project Description</u>	<u>Earmarks Authorized through FY 2009</u>	<u>% Federal Share</u>
1702	3719	N	39	Nome	Nomc. Dust Control Mitigation for Rural Roads	\$1,500,000	90.97%
1702	1073	N	40	Point Hope	Emergency evacuation road at Point Hope in North Slope Borough	\$3,000,000	90.97%
1702	3680	N	40	Kotzebue	Municipal Road Paving - Kotzebue	\$2,000,000	90.97%
1702	3690	N	40	Barrow	Access Roads for the Barrow Arctic Research Center in Barrow	\$3,000,000	90.97%
1702	3692	C	40	Shishmaref	Construction of relocation road in Shishmaref	\$5,000,000	90.97%
1702	3703	N	40	Kotzebue	Kotzebue: Cape Blossom Road, for design, engineering, permitting and construction	\$5,000,000	90.97%
1702	3709	N	40	Kotzebue	Kotzebue: Municipal Road Paving Project	\$2,000,000	90.97%
3044	596	N	40	North Slope Borough	North Slope Borough, AK-Transit Purposes	\$2,000,000	80.00%
1702	2002	C	50	Anchorage	Providence Hospital Public Access Road	\$3,000,000	90.97%
1702	2283	C	50	Whittier	For Completion of the Shotgun Cove Road, from Whittier, Alaska to the arca of Decision Point, Alaska	\$4,000,000	90.97%
1702	3020	C	50	Anchorage	Construction of and improvements to roads at Alaska Pacific University	\$3,000,000	90.97%
1702	3317	C	50	Anchorage	Anchorage Traffic Congestion Relief	\$5,000,000	90.97%

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High priority (deductive) earmarks are shaded.

List of SAFETEA-LU Earmarks by House Election District

<u>Sec.</u>	<u>No.</u>	<u>Req</u>	<u>House District</u>	<u>Place</u>	<u>Project Description</u>	<u>Earmarks Authorized through FY 2009</u>	<u>% Federal Share</u>
1702	3678	C	50	Anchorage	Intermodal facility improvements at the Port of Anchorage	\$25,000,000	90.97%
1702	3682	C	50	Anchorage	Construction and Improvements at Alaska Pacific University	\$3,000,000	90.97%
1702	3685	C	50	Girdwood	Olympic Circle road paving in Girdwood	\$500,000	90.97%
1702	3697	C	50	Anchorage	Anchorage: Traffic Congestion Relief	\$5,000,000	90.97%
1702	3721	C	50	Anchorage	Anchorage: handicapped and pedestrian access construction, surfacing and other improvements for 2006 National Veterans' Wheelchair Games	\$2,000,000	90.97%
1702	3725	C	50	Anchorage	Anchorage: Transportation Improvements to the Creekside development	\$3,000,000	90.97%
1702	3726	C	50	Anchorage	Anchorage: Dimond Center Intermodal Facility, including but not limited to design, engineering, permitting, and construction	\$2,500,000	90.97%
1702	3727	C	50	Anchorage	Anchorage: Transportation needs for Glacier/Winner Creek Development	\$1,000,000	90.97%
1934	5	C	50	Anchorage	Anchorage: Intermodal facility improvements at the Port of Anchorage	\$7,000,000	90.97%
1934	8	C	50	Anchorage	Anchorage: Dimond Center Intermodal Facility, including but not limited to design, engineering, permitting, and construction	\$500,000	90.97%

Summary includes all SAFETEA-LU earmarks except those originally assigned to the two major bridges.
High priority (deductive) earmarks are shaded.

List of SAFETEA-LU Earmarks by House Election District

<u>Sec.</u>	<u>No.</u>	<u>Req</u>	<u>House District</u>	<u>Place</u>	<u>Project Description</u>	<u>Earmarks Authorized through FY 2009</u>	<u>% Federal Share</u>
1934	10	C	50	Anchorage	Anchorage: Study, design, and engineering of Knik crossing approach routes to minimize traffic congestion	\$2,000,000	90.97%
3044	422	C	50	Anchorage	C Street Expanded bus facility and inter-modal parking garage, Anchorage, AK	\$5,000,000	80.00%
3044	425	C	50	Anchorage	CITE Non-profit Services Center inter-modal parking facility, Anchorage, AK	\$3,000,000	80.00%
3044	427	C	50	Anchorage	Alaska Native Medical Center Intermodal parking facility	\$5,000,000	80.00%
3044	436	C	50	Anchorage	Intermodal facility improvements at the Port of Anchorage	\$25,000,000	80.00%
3044	466	C	50	Anchorage	Anchorage-Transit Needs	\$1,000,000	80.00%
1306		N	60	Fairbanks	Freight Demonstration Project	\$5,000,000	90.97%
1702	494	N	60	North Pole	Citywide pavement rehabilitation in City of North Pole	\$1,000,000	90.97%
1702	2746	N	60	Fairbanks	Road Improvements in City of Fairbanks	\$5,000,000	90.97%
1702	2937	N	60	North Star	Road Improvements and upgrades to service road areas and miscellaneous projects within Northstar Borough	\$5,000,000	90.97%
1702	3704	N	60	Fairbanks	Fairbanks: Tanana River Bridge Replacement, for design, engineering, permitting and construction	\$5,000,000	90.97%
1702	3706	N	60	Fairbanks	Fairbanks/North Star Borough: Road improvements to service roads and other misc.	\$5,000,000	90.97%

Summary includes all SAFETEA-LU earmarks except those originally assigned to the two major bridges.
High priority (deductive) earmarks are shaded.

List of SAFETEA-LU Earmarks by House Election District

<u>Sec.</u>	<u>No.</u>	<u>Reg</u>	<u>House District</u>	<u>Place</u>	<u>Project Description</u>	<u>Earmarks Authorized through FY 2009</u>	<u>% Federal Share</u>
1702	3723	N	60	North Pole	AK-North Pole: Homestead Road/North Pole High School Boulevard Extension Project	\$500,000	90.97%
1702	3724	N	60	Fairbanks	Fairbanks: O'Connor Road Bridge Replacement	\$250,000	90.97%
3044	423	N	60	Fairbanks	Morris Thompson Cultural and Visitors Center Intermodal parking facility, Fairbanks, AK	\$2,500,000	80.00%
3044	597	N	60	North Star	North Star Borough, AK-Transit Purposes	\$1,000,000	80.00%
5401		N	60	Fairbanks	National University Transportation Centers, Univ. of AK	\$16,000,000	50.00%
1702	1047	C	70	Mat-Su	Bridge over Fish Creek in Matanuska-Susitna Borough	\$1,000,000	90.97%
1702	1661	C	70	Mat-Su	Bogard/Sheldon Extension in Matanuska-Susitna Borough	\$4,000,000	90.97%
1702	1975	C	70	Mat-Su	Point MacKenzie in Matanuska-Susitna Borough plan and design road access	\$1,000,000	90.97%
1702	3401	C	70	Wasilla	Wideband multimedia mobile emergency communication pilot project Wasilla, Alaska	\$5,000,000	90.97%
1702	3688	C	70		Construction of a road between Lake Lucille and Big Lake in Matanuska-Susitna Borough	\$2,000,000	90.97%
1702	3689	C	70	Mat-Su	Hatcher Pass Ski Development in Matanuska-Susitna Borough	\$1,000,000	90.97%
1702	3700	C	70	Mat-Su	Construction of a ferry between Anchorage and Port MacKenzie	\$5,000,000	90.97%

Summary includes all SAFETEA-LU earmarks except those originally assigned to the two major bridges.
High priority (deductive) earmarks are shaded.

List of SAFETEA-LU Earmarks by House Election District

<u>Sec.</u>	<u>No.</u>	<u>Reg</u>	<u>House District</u>	<u>Place</u>	<u>Project Description</u>	<u>Earmarks Authorized through FY 2009</u>	<u>% Federal Share</u>
3044	574	C	70	Mat-Su	Matsu, Alaska-Transit Needs	\$500,000	80.00%
1702	547	SE	80	Juneau	Planning, design, and construction of Juneau access roads in Juneau, Alaska	\$15,000,000	90.97%
3044	236	SE	80	Juneau	Juneau, Alaska--transit bus acquisition and transit center	\$1,500,000	80.00%
3044	550	SE	80	Juneau	Juneau-Transit Bus Acquisition and Transit Center	\$1,500,000	80.00%
1702	137	C	90	Kenai Pen Borough	Keystone Drive Road Improvements	\$1,000,000	90.97%
1702	3683	C	90	Kenai	Various Road Improvements in the City of Kenai	\$1,000,000	90.97%
1702	3695	C	90	Kenai Pen Borough	Soldotna: Keystone Drive Road Improvement in Soldotna	\$3,000,000	90.97%
1702	3711	C	90	Kenai	Kenai: Borough road improvements	\$2,500,000	90.97%
1702	2263	SW	99	Alaska RR	Realign rail track to eliminate highway-rail crossings and improve highway safety and transit times	\$5,000,000	90.97%
1702	3694	SW	99	Gas Pipeline	Study on the feasibility of constructing a natural gas pipeline from the North Star Borough to South Central Alaska along the existing transportation corridors	\$2,000,000	90.97%
1702	3699	SW	99	Statewide	Statewide. Road culvert replacement and repair to improve fish habitat	\$5,000,000	90.97%

Summary includes all SAFETEA-LU earmarks except those originally assigned to the two major bridges.
High priority (deductive) earmarks are shaded.

List of SAFETEA-LU Earmarks by House Election District

<u>Sec.</u>	<u>No.</u>	<u>Reg</u>	<u>House District</u>	<u>Place</u>	<u>Project Description</u>	<u>Earmarks Authorized through FY 2009</u>	<u>% Federal Share</u>
1702	3722	SW	99	Statewide	Statewide: Mobility coalition--job access transportation	\$250,000	90.97%
1801		AMH	99	Statewide	Ferry Boats & Ferry Terminals	\$50,000,000	80.00%
1907		SW	99	Statewide	Pavement Markings Demonstration Program AK/TN	\$2,000,000	100.00%
1934	1	SW	99	Denali Commission	Denali Commission for docks, waterfront development projects and related transportation infrastructure	\$20,000,000	90.97%
1945		SW	99	Statewide	Production of a documentary about infrastructure that demonstrates advances in AK	\$2,950,000	100.00%
1960		SW	99	Denali Commission	Village Road Program	\$60,000,000	90.97%
3011		SW	99	Denali Commission	Docks, waterfront development projects & related transportation infrastructure.	\$20,000,000	80.00%
3011		AMH	99	Statewide	New fixed guideway systems and extension of projects utilizing ferry boats & ferry boat terminal, or approaches to ferry boat terminals; split between Alaska and Hawaii	\$35,200,000	80.00%
3036		SW	99	Alaska RR	Improvements to AK Railroad Passenger Operations	\$4,811,150	50-80%

Total: \$585,736,150

Summary includes all SAFETEA-LU earmarks except those originally assigned to the two major bridges.
High priority (deductive) earmarks are shaded.

Summary of SAFETEA-LU Earmarks by House Election District

Earmark totals through FY 2009	Deductive Earmarks Totals through FY 2009	% Deductive	House Election Districts	Location
\$53,825,000	\$19,575,000	36.37%	1	Ketchikan
\$16,750,000	\$14,000,000	83.58%	2	Sitka / Wrangell / Petersburg
\$15,000,000	\$13,000,000	86.67%	5	Cordova / Southeast Islands
\$13,000,000	\$11,500,000	88.46%	6	Interior Villages
\$5,000,000	\$4,500,000	90.00%	12	Richardson / Glenn Highways
\$5,000,000	\$3,000,000	60.00%	35	Homer/Seward
\$14,500,000	\$14,500,000	100.00%	36	Kodiak
\$33,700,000	\$33,700,000	100.00%	37	Bristol Bay / Aleutians
\$1,500,000	\$1,500,000	100.00%	38	Bethel
\$1,500,000	\$1,500,000	100.00%	39	Bering Straits
\$22,000,000	\$20,000,000	90.91%	40	Arctic

Summary includes all SAFETEA-LU earmarks except those originally assigned to the two major bridges.

Summary of SAFETEA-LU Earmarks by House Election District

Earmark totals through FY 2009	Deductive Earmarks Totals through FY 2009	% Deductive	House Election Districts	Location
\$105,500,000	\$57,000,000	54.03%	50	Anchorage-general - 17 Eagle River, 18 Anchorage-Military, 19 Anchorage-Muldoon, 20 Anchorage-Mt. View/Wonder Park, 21 Anchorage-Baxter Bog, 22 Anchorage-University/Airport Heights, 23 Anchorage-Downtown/Rogers Park, 24 Anchorage-Midtown/Taku, 25 Anchorage-East Spenard, 26 Anchorage-Turnigan /Inlet View, 27 Anchorage-Sand Lake, 28 Anchorage-Bayshore/Klatt, 29 Anchorage-Campbell/Independence Park, 30 Anchorage-Lore/Abbott, 31 Anchorage-Huffman/Ocean View, 32 Chugach State Park
\$46,250,000	\$21,750,000	47.03%	60	Fairbanks-general - 07 Fairbanks-Farmer's Loop / Steese Highway, 08 Fairbanks-Denali / University, 09 Fairbanks-City of Fairbanks, 10 Fairbanks / Fort Wainwright, 11 North Pole
\$19,500,000	\$19,000,000	97.44%	70	MatSu Areawide - 13 Greater Palmer, 14 Greater Wasilla, 15 Rural Mat-Su, 16 Chugiak / Southern Mat-Su
\$18,000,000	\$15,000,000	83.33%	80	Juneau Areawide - 03 Juneau Downtown/Lemon Creek/Airport, 04 Juneau Mendenhall Valley/Out the Road
\$7,500,000	\$7,500,000	100.00%	90	Kenai Areawide - 33 Kenai / Soldotna, 34 Rural Kenai
\$207,211,150	\$12,250,000	5.91%	99	Statewide
\$585,736,150	\$269,275,000	45.97%	Total	

Summary includes all SAFETEA-LU earmarks except those originally assigned to the two major bridges.

Primer on the Federal Highway Program for Alaska

House Finance
January 2005

Abbreviations

- SAFETEA-LU – Name of most recent highway authorization bill, passed in August 2005 and addressing federal program through 2009.
- STIP – Statewide Transportation Improvement Program
- NHS – National Highway System
- AHS – Alaska Highway System
- CTP – Community Transportation Program
- TRAAK – Trails and Recreational Access for Alaska
- STP – Surface Transportation Program, a kind of federal funding
- MPO – Metropolitan Planning Organization (2 in Alaska)
 - AMATS – Anchorage Metropolitan Area Transportation Solutions
 - FMATS – Fairbanks Metropolitan Area Transportation System
- HTF – Highway Trust Fund
- PM – Preventative Maintenance
- M&O – Maintenance and Operations

STIP Issues

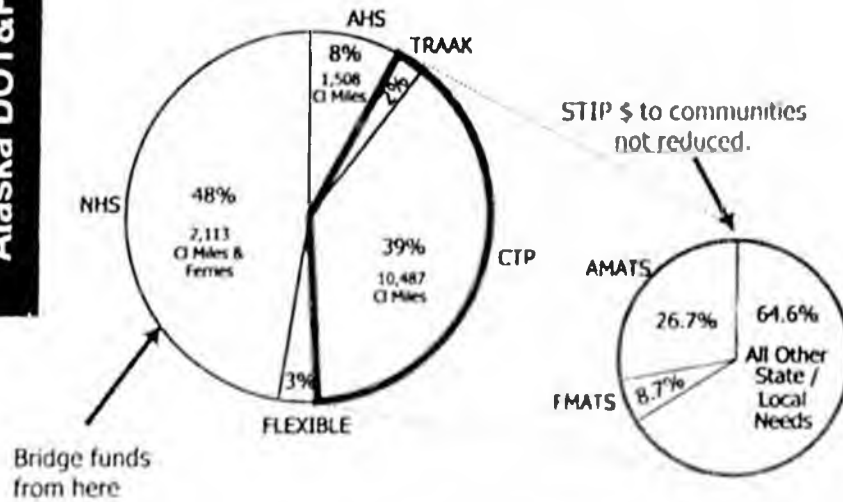
- Explanation of how the bridge funding was determined.
- Eligibility of STIP funds in Alaska has grown substantially.
- STIP funds to address road needs is limited by several factors.

Providing for the Movement of People and Goods and the Safety of State Services

Bridge Math Explained

- Explain the \$91 M and \$93.6 M allocations:
 - 'Renamed' bridge earmarks are flexible
 - No project named, very flexible eligibility (= to STP)
 - Funds subject to Alaska STIP regulations.
 - State formula allocates funds to NHS, local needs, etc
 - 48% of funds allocated to NHS, subject to use on two bridges.
 - Further reduction to 85% to address expected shortfall in appropriations.

Distribution of Federal-Aid Transportation Formula Funds Per 17 AAC 05.155-200



December 2005

Providing for the Movement of People and Goods and Delivery of State Services

Bridge Math Shown

- Knik Arm
 - \$229.4 M* in earmarks
 - @48% = \$110.1 M
 - @85% = \$93.6 M in capital budget
- Gravina Island
 - \$223 M* in earmarks
 - @48% = \$107.0 M
 - @85% = \$91 M in capital budget

48% is the regulatory portion of unrestricted STIP funds allocated to the NHS program
 85% accounts for less than full appropriations to fund the earmarks, based on status of the Highway Trust Fund and past appropriation history.

* Funds authorized to each bridge over 5 year life of SAFETEA LU.

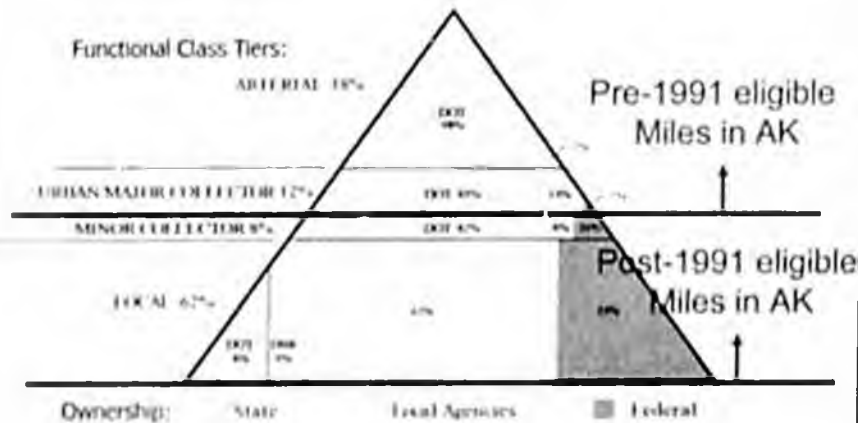
Providing for the Movement of People and Goods and Delivery of State Services

Mission Statement

- Providing for the movement of people and goods and the delivery of state services.
- All roads are not equal in this regard.

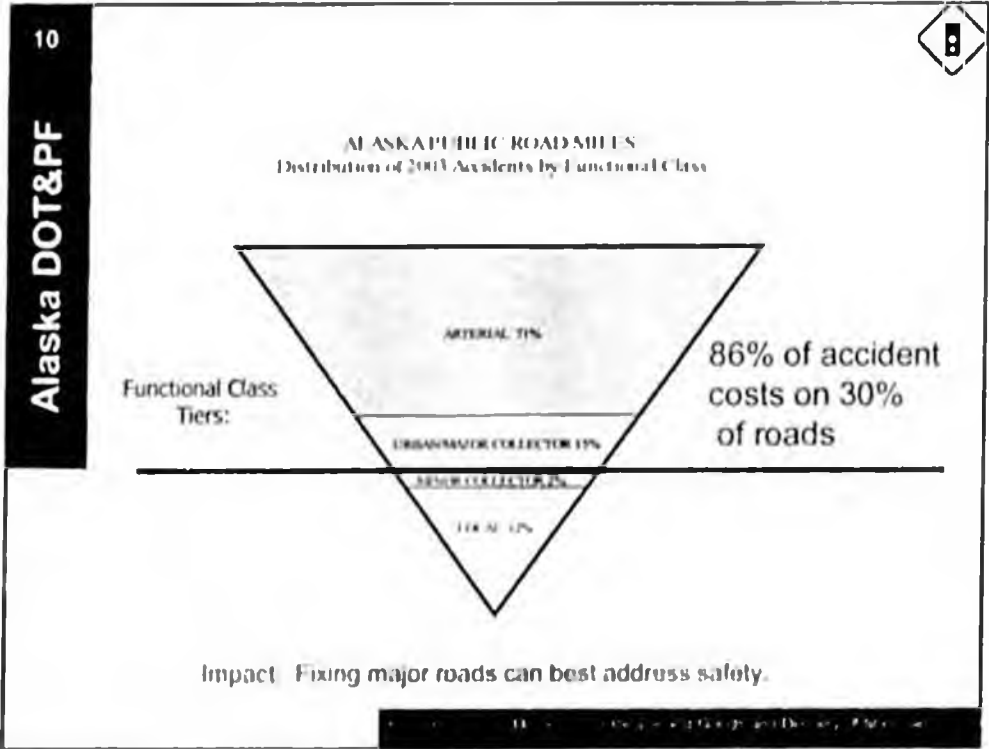
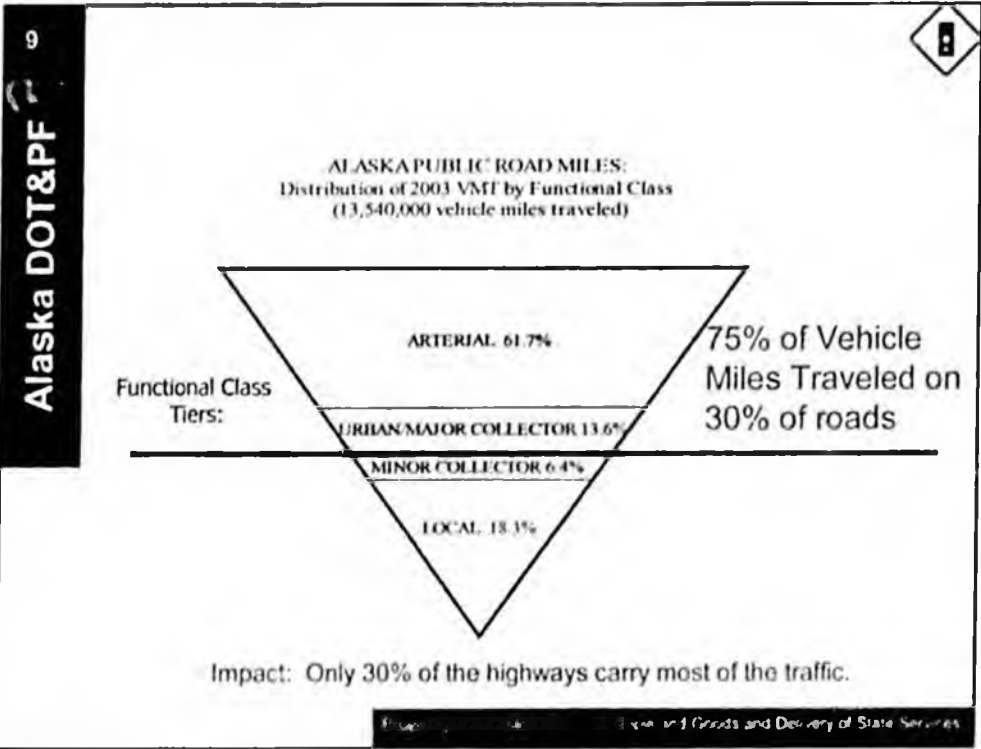
Providing for the Movement of People and Goods and the Delivery of State Services

ALASKA PUBLIC ROAD MILES
Arterial, Collector, and Local Road Mileage by Ownership
As of December 2003



Impact: Eligibility of funds more than tripled!

Providing for the Movement of People and Goods and the Delivery of State Services



Eligibility Issues (1)

- Nationwide, only 20-30% of highways eligible for federal STIP funds.
- In Alaska, 100% of roads and highways are eligible (due to Federal law unique to Alaska).
- Impact: We are trying to address more needs than funds can serve.

Providing for the Movement of People and Goods and Delivery of State Services

Eligibility Issues (2)

- Alaska distributes more STIP funds to local needs than any other state!
 - AMATS/FMATS and other communities get >40% under state-formula
 - US average is < 20%
- Impact: High level roads are less well funded than they would be if national formula and eligibility was followed.

Providing for the Movement of People and Goods and Delivery of State Services



Eligibility Issues (3)

- Some earmarks have further shrunk funding for Alaska's highway program.
- Parking garage, loan repayments, rail, port and shipyard and other types of projects were earmarked from Alaska's highway dollars.
- Further, most of the earmarks are not fully funded.
- Impact: While worthy projects, these non-highway earmarks have subtracted from original purpose of federal-aid highway program.
- Partial funded earmarks create an "expectation" of future STIP dollars.

Providing for the Movement of People and Goods and Delivery of State Services

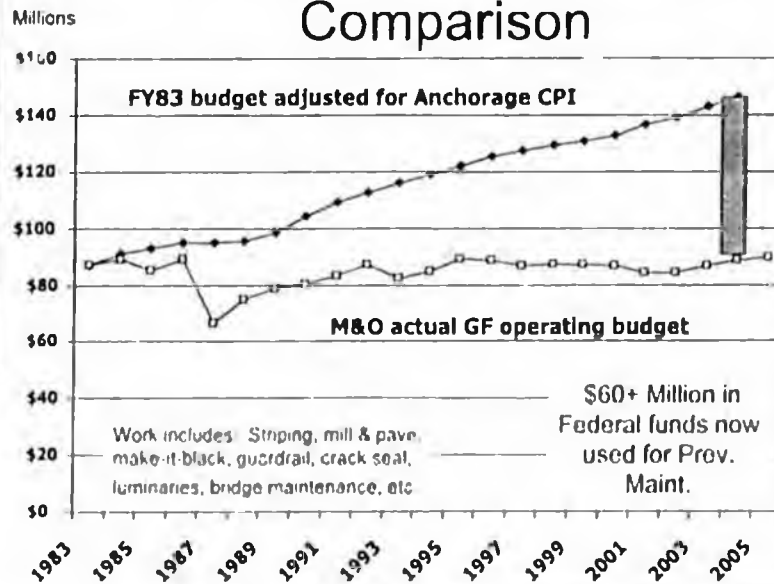


Eligibility Issues (4)

- Operations and preventative maintenance have shifted to federal funds over past two decades.
- Since late 80's budget pressure to preserve GF has shifted considerable costs to STIP.
- Impact: Many fewer rehabilitation, safety and capacity projects are possible.

Providing for the Movement of People and Goods and Delivery of State Services

M&O Operating Budget And CPI Comparison

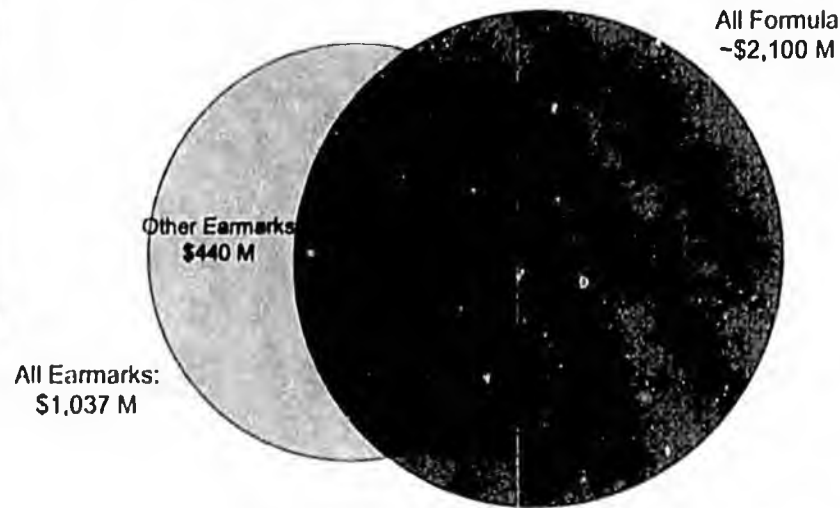


Department for the Movement of People and Goods and Delivery of State Services

Dollars are Limited (1)

- SAFETEA-LU earmarks were much more extensive than just two bridges.
- Another \$269 M in earmarks were deductive too. In addition, > \$440 M in earmarks were non-deductive.
- Impact: The loss of STIP funds to bridge earmarks is only part of the picture.

5 Year Earmarks & Formula



Authorized levels

Providing for the Maintenance of People and Goods and Delivery of State Services

Bridge Earmarks by Type

(in Millions, 5-year Authorization*)

• Gravina Island	• Knik Arm
– Subtractive \$148	– Subtractive \$179.4
– Additive \$75	– Additive \$50
– Total \$223 M	– Total \$229.4

*Authorized" dollars will generally arrive in 5 equal installments, between 2005 and 2009. Due to federal budget process, appropriations are expected to actually provide only 85% of the authorized amounts.

Providing for the Maintenance of People and Goods and Delivery of State Services



Dollars are Limited (2)

- Other changes in law have reduced funding.
- Several new federal category* of funds, and enlarged existing set-aside categories have shrunk funding to regular program.
- Impact: Approximately \$25 M of annual funds previously flexible in nature were made restrictive.

*Eligibility for federal hwy. funds are set by the "apportionment" or category. Each apportionment type has unique eligibility rules.

Providing for the Movement of People and Goods and Delivery of State Services



Dollars are Limited (3)

- Highway Trust Fund (HTF) not delivering as expected.
- 2005 appropriations delivered only 80% of authorization; lowest in decades.
- Several national reports suggest HTF is facing continued difficulty.
- Impact: The HTF is the principal source of Alaska highway funds thus this apparent downturn is of utmost concern!

Providing for the Movement of People and Goods and Delivery of State Services

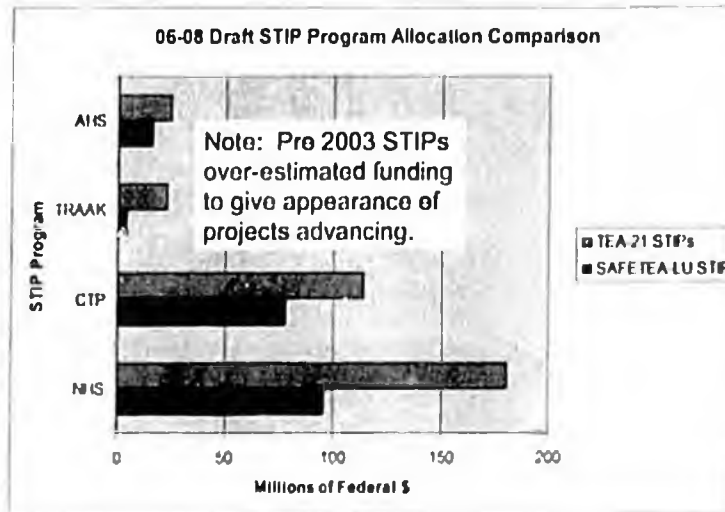
Dollars are Limited (4)

- Construction inflation has ramped up sharply.
- All major inputs to construction such as labor, right-of-way, commodities (energy, steel, cement, asphalt) are up sharply. National estimate is 30% or greater!
- Impact: As project costs rise, the number of transportation projects the STIP can fund drops.

Dollars are Limited (5)

- Process and new legal requirements for federal funds continues to expand.
- This takes more time and money; some new requirements add significant costs.
- Impact: More is spent on intangibles, or non-transportation work, thus less on pavement.

Project Funds Lower Today



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Is STIP Funding Adequate? (1)

- Backlog of work is significant
 - Needs List identifies more than \$10 Billion in projects.
 - Alaska flexible STIP addresses 1.5 - 2% of identified projects; 50+ years to address needs as identified today.
- Impact: STIP funding is not adequate!

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Is STIP Funding Adequate? (2)

- Years needed to perform work on entire mileage of each system:
 - National Highway System: 66 years
 - Community Trans. Program: 125 years
 - Alaska Highway System: 132 years
- Above ratios assume no expansion of system miles.
- Calculation based on average cost per mile of \$1 M per mile, except NHS at \$2 M per mile.

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Alaska vs. Other States

- **Alaska**
 - STIP funds all roads
 - No dedicated state funds for construction
 - Local gov'ts expect STIP to pay for local roads
 - Tolls used sparingly (Whittier Tunnel, Knik)
- **Other States**
 - STIP funds top 20%
 - State taxes fund other state/local needs
 - Local gov'ts use local funds on local roads
 - Tolls rapidly expanding
 - (Many states now using tolls)



STIP Shortfall to Regular Projects Stems From Many Causes

- Over the 5-year life of the bill, the two bridges represent ~\$184.6 M or \$36.9 M per year.
- Other factors, as explained, have resulted in far more lost project funding:

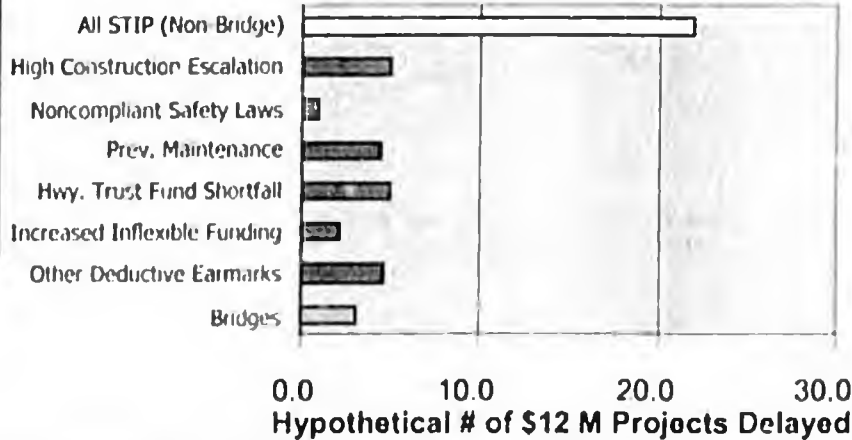
	5 Year Totals
- Other deductive earmarks*	\$269 M
- Reduced flexible funds*	\$125 M
- Hwy Trust Fund shortfall (est.)*	\$300 M
- Preventative maintenance	\$260 M
- Noncompliant safety laws	\$60 M
- Construction escalation (est.)*	\$300 M
- Total 5-year lost spending potential:	\$1,315 M or \$263 M each year!

* These factors have emerged since the previous 04-06 STIP was prepared.

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One Year: Hypothetical # of \$12 M Projects Delayed



Issues in red emerged since prior STIP

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Key Takeaways

- Alaska relies on STIP funds for larger universe of projects than any other state!
- Alaska shares more STIP funds as % with local governments than any other state.
- STIP funds have effectively shrunk as a result of several factors beyond two bridges.
- State has no supplemental fund source for highway program which magnifies the current downturn in STIP funds.
- Highway Trust Fund is not robust!