

SB

16

HFIN

FILE

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Senator Gary Stevens Alaska State Legislature

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Sponsor Statement for CS for SSSB 16 (Updated April 5, 2005)

CS for SSSB 16: "An Act relating to the powers and duties of the Department of Transportation and Public Facilities; repealing the requirement for a long-range program of highway construction and maintenance; and repealing a requirement that public facilities comply with energy standards adopted by the Department of Transportation and Public Facilities."

While CS for SSSB 16 is essentially a housekeeping bill, this important measure will update several statutes related to the Department of Transportation and Public Facilities (DOT&PF).

Passage of this bill will remove the requirement that the department consider cost & benefits for all projects, but will add language requiring a cost-effectiveness analysis when evaluating new highways, airports, terminals, ferries, and other major components except those that only serve local needs. In the recent past, opponents of DOT&PF projects vital to the health and wellbeing of Alaska's citizens have utilized some of these obsolete statutes to halt construction, costing the state valuable time and money in litigation, while significantly increasing project costs.

This bill also removes language restricting the department's ability to pass along other grant funding it receives, such as money for the transit and scenic byways programs. It further clarifies that only grants authorized through Legislative appropriation may be awarded, and requires the department to retain its eligibility to receive federal funding.

Additionally, CS for SSSB 16 changes statute by removing the department from participation in setting "thermal and lighting energy standards." With other national and local organizations now responsible for such standards, DOT&PF no longer has a role in establishing these standards.

Changes in other laws, technology, budgetary changes and governmental reorganization have intervened in such a way to make portions of the existing powers and duties language obsolete. This bill will change the powers and duties for DOT&PF to reflect the world in which it now operates. I urge your support of this important measure.

ALASKA STATE LEGISLATURE



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Senator Gary Stevens

CS SS SB16 Section Analysis

Section 1:

This section contains two housekeeping measures concerning the department's powers. In AS 19.05.040(3) the word "it" is clarified by substituting the phrase "real property." In AS 19.05.040(13) the word "department" replaces the phrase "Highway Safety Planning Agency." The substitution of "department" for the phrase "Highway Safety Planning Agency" will broaden the department's ability to distribute and administer grant funds. The current language acts to restrict the department's ability to lawfully pass along other grant funding it receives, such as for the transit and scenic byways programs. It also clarifies that only grants authorized by appropriation by the Legislature may be awarded.

Section 2.

This section amends AS 44.42.020(a) and is largely a house keeping measure. The changes clean up sections of the powers and duties for DOT&PF to reflect the world in which it now operates. Changes in other laws, technology, budgetary changes and governmental reorganization have intervened in such a way to make portions of the existing powers and duties language obsolete. In addition it adds a duty to study, at least every four years, alternatives available to finance transportation systems in order to sustain and improve the state's transportation system.

Section 3.

AS 44.42.050(a) is amended to clarify the planning process and require the department to retain its eligibility to receive federal funding. The changes ensure that the State's transportation planning process will remain efficient and in line with current practice. The requirement for annual plan updates has been changed to "as the commissioner deems appropriate" in line with current funding, staffing levels available and federal requirements. Updating all transportation plans within the state on an annual basis would be wasteful of state and federal funds. Importantly, in response to a state court ruling, the section is amended to eliminate a mandatory consideration of costs and benefits that has been interpreted to require a formal process, significantly increasing planning and project costs.

Section 4.

This section amends AS 44.42.050(d) to bring the statute in line with current practice of the capital budget approval process and federal requirements. The requirement for a one-year capital budget instead of two years is consistent with current budget practice.

Section 5.

This section adds a new subsection (e) to AS 44.42.050 that requires a cost-effectiveness analysis when evaluating new highways, airports, terminals, ferries, and other major components for inclusion in the plan. It excludes a cost-effectiveness analysis for projects that involves rehabilitation and maintenance of an existing system or that primarily serve local transportation needs. This language replaces the cost benefit language to be deleted from AS 44.42.050(a) with a more practicable standard.

Section 6.

This section changes AS 46.11.900(8) by removing the department from participation in setting "thermal and lighting energy standards." DOT no longer has a role in establishing these standards; other national and local organizations are now responsible for such standards.

Section 7.

This section repeals duplicative language in AS 19.10.140, titled "Long-range program for highway construction and maintenance" and AS 46.11.010, titled "Thermal and lighting energy standards for public buildings. Repeal of AS 19.10.140 is consistent with the clarification of the planning process proposed in Section 3 of the bill. Repeal of AS 46.11.010 is consistent with the proposed language in Section 5 of the bill.

Section 8.

This section delays the effective date of Section 5 until July 1, 2006. The intent of the delay is to allow the department time to implement the requirement for cost-effectiveness analysis.

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSSSB 16(TRA)
 (S) Publish Date: 4/1/05

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
 Title Powers and Duties DOT/PF RDU Administration & Support
 Component Commissioner's Office
 Sponsor Sen. G. Stevens
 Requester Senate Transportation Component No. 530

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Nona Wilson
 Division: Legislative Liaison, DOT&PF
 Approved by: Mike Barton
 Agency: Commissioner, DOT&PF

Phone: 465-3904
 Date/Time: 3/21/05 11 52 AM
 Date: 3/21/2005

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSSSB 15(TRA)
(S) Publish Date: 4/1/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
Title "An Act relating to the powers and duties of the RDU Alaska State Troopers
Department of Transportation and Public Facilities..." Component AST Detachments
Sponsor Senator Gary Stevens
Requester Senate Transportation Component No. 2325

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 CF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Passage of this bill is not anticipated to have a fiscal impact on the Department of Public Safety.

Prepared by: Lieutenant Todd Sharp Phone 907-465-3223
Division Alaska State Troopers Date/Time 3/22/05 9 52 AM
Approved by: Commissioner William Tandeske Date 3/22/2005
Agency Department of Public Safety

**Information to Consider
On Questions Raised Concerning CS SSSB16
April 18, 2005**

Section 2, page 3, lines 27-31 & page 4 lines 1-2 delete (13):

Public Facilities Inventory for Small Local Government

DOT&PF's role in overseeing the building programs for smaller local governments has been inactive and unbudgeted for nearly 20 years. Retaining this language perpetuates a statutory duty that the department is not staffed or budgeted to perform.

Section 2, page 4, lines 5-11 delete (14):

Adopt Energy Performance Standards

DOT&PF's role in adopting energy performance standards has changed over time. This duty was first established after the energy crisis of the 1970's when no such standards existed. Overtime, national standards bodies have established such standards and they continue to update them based on the latest research and technology. DOT&PF is not staffed or budgeted to duplicate these efforts. Retaining this language perpetuates a statutory duty that the department is not staffed or budgeted to perform.

Section 2, page 4, lines 12-15 delete (15):

Planning Assistance to REAAs

DOT&PF's role in overseeing the building programs for REAA's has been inactive and unbudgeted for nearly 20 years. Retaining this language perpetuates a statutory duty that the department is not staffed or budgeted to perform.

Section 2, page 4, lines 23-25 New (15):

Study Finance of Transportation Systems:

Going back to statehood, the department has been proactive in the area of studying transportation finance. Statewide transportation plans written in the early 1960's had significant analysis of the trends and adequacy in revenue. More recently, just a few years ago, it was DOT&PF which studied the new financing concept known as *Garvee Bonds* which was eventually approved for the bonding of several projects.

Additionally, the department already studies and takes action in several key areas of transportation revenues:

- ferry passenger and vehicle revenues
- airport landing, fuel, and concession fees
- oversize and weight fees on highways
- toll revenue on bridges and tunnels
- traffic impact fees from local agencies and developers

Looking to the near future, there is a revolution occurring in how transportation projects are financed elsewhere. Tried and true revenue approaches, such as gas taxes and bonds, are being supplanted by new and innovative techniques such as time of day tolls, and tolls

based on the weight of vehicles. These new revenue approaches require an integration of technology in the roadway and with user vehicles. For example, the Oregon DOT is now experimenting with chips in vehicles that report on total mileage driven and a mileage fee to the state is deducted automatically when the vehicle is fueled.

The new duty being added does not bestow any further implementation power. DOT&PF is simply being told to "*study alternatives available to finance the transportation system.*" Asking DOT&PF to identify new concepts and opportunities for transportation finance does not usurp or overlap the powers of the Department of Revenue, for DOT&PF is not empowered to act upon these recommendations. As the agency charged with a responsibility for the statewide transportation system, authorizing them to *at least every four years study* the adequacy of the revenue needed to *sustain and improve the system* is reasonable. Should these recommendations move to implementation, the need for outreach and cooperation with Revenue, the Governor's office and Legislature is still essential.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

CSSSSB 16(TRA)
Before House Finance Committee

Prepared by:
Alaska Department of Transportation
and Public Facilities
May 2, 2005

Thank you Co-Chairs Chenault and Meyer:

I believe the legislation before you is some of the most important you will consider this year. While the bill is long and tedious, it addresses something we can all agree with. Transportation is vital to the state, and many important projects must continue to be built to serve the state. As my testimony will show, without this legislation, many such projects may be in jeopardy or costs of "process rather than pavement" will be higher.

This bill contains both housekeeping and substantive measures.

Housekeeping:

To preserve time I will not address the house keeping measures other than to say they clean up sections of the powers and duties for DOT&PF to reflect the world we now operate within. Changes in other laws, technology, budgetary changes and governmental reorganization have intervened in such a way to make a part of our powers and duties language obsolete.

Specifically, I am referring to Sections 2, 4, 6 and 7 shown in grey as house keeping measures.

Substantive:

The remaining sections of the bill (Sections 1, 3, 5 & 8) are more substantive. They are directed at two specific goals:

- Ensuring that federal funds we receive for grant programs can lawfully be administered and awarded.
- Ensuring that the state's transportation planning process is efficient, in line with current practice and federal influence, and most importantly not subject to additional litigation using the same arguments used on the Iliamna to Nondalton project.

Section 1

The change to paragraph (13) is very important. Currently the department is operating without legal authority to issue grants other than from the Highway Safety Office. Yet we routinely receive federal funds for other purposes and award them in a grant process. The two most common examples of this occur in the area of Federal Transit funds for rural communities and transit vans for the elderly and disabled persons, and grants in the area of Scenic Byways.

Section 2

All but the last change in this section relates to natural evolution in the department's duties and technology. The department no longer has a building program that involves local governments. The department no longer sets energy standards; this is done by national standard groups and generally adopted by local government in their building codes. The addition of a new duty concerning the study of alternative financing mechanisms is important. There is a rapid change occurring in transportation finance nationally, and we believe it will become an increasingly important area of examination.

Section 3

From the department's perspective, this is the most important section in the bill. The language in this section has been the subject of litigation in state court. As now constructed it is both nearly impossible to fully comply with, and results in very expensive costs for project proponents.

The section now literally requires that the entire long-range transportation plan for the state, for all modes of transportation be updated annually. The department currently expends more than \$8 million annually on transportation planning but does not have the resources to meet even a five-year cycle of plan updating. The very lengthy process of plan preparation and the associated public process can take several years. We would not recommend enlarging the funding directed at planning nor adding the staff required to meet an annual cycle, thus we recommend the flexibility contained in this bill.

The removal of the requirement for "*consider means and costs of improving existing modes and facilities, state and federal subsidies, and the costs and benefits of new transportation modes and facilities.*" is also vital. This requirement has been at the heart of the litigation. A judge's ruling has now confirmed that a project selected for funding by the state must fulfill this requirement. Taken literally, this means:

- Every senior van, every bus, every repair to state ferries, every maintenance project to roads and every trail project must undergo a consideration of benefits and/or costs;
- No exceptions in current law apply to emergencies such as flood damage, or earthquake repairs;
- No exception can be applied to federally funded "projects" that are not easily measured, such as training, research, planning and bridge inspection;
- No exception in the current law permits projects that meet basic needs to be exempted, such as runway lights for small villages or a "make it black" project on rural subdivision roads; and,
- No exception exists for projects authorized by direct legislative appropriation, Congressional earmark or even by the voters through bond issues.

Due to the court ruling and the current language of the statute, the department recently adopted regulations that require a cost-effectiveness study for every project in the STIP scoring process. This requirement falls heavily on local governments, which must now undertake these studies before they request federal funds. But the legal advice of the

Department of Law was that we had no choice in this action. Should SB 16 pass as written we will immediately move to strike this provision from the regulations.

Section 4

The changes in this section are recommended. They update the process of submitting a capital budget including the STIP process to more closely follow both the practice of the Legislature and the federal agencies that fund the STIP.

Section 5

This section adds a new subsection (e) to AS 44.42.050 that requires a cost-effectiveness analysis when evaluating new highways, airports, terminals, ferries, and other major components for inclusion in the plan. It excludes a cost-effectiveness analysis for projects that involves rehabilitation and maintenance of an existing system or that primarily serve local transportation needs. This language replaces the cost benefit language to be deleted from AS 44.42.050(a) with a more practicable standard.

Section 6

This change is needed to reflect the changes in time that have caused the department to no longer have a role in the setting of thermal and lighting energy standards.

Section 7

This section assists the cleanup of statutes by dropping sections that are duplicative and thus confusing to the public and the department.

Section 8

This section delays the effective date of Section 5 until July 1, 2006. The intent of the delay is to allow the department time to implement the requirement for cost-effectiveness analysis.

Issues of Concerns with Mandatory Consideration of Costs and Benefits
Statement by Alaska DOT&PF
March 31, 2005

Statute is not clear as to what constitutes "*consideration of costs and benefits*"

- CBR (cost-benefit ratio) is but one method of engineering economics
- Other legitimate methods include NPW (net present worth), CEM (cost effectiveness measures) and EUAC (equivalent uniform annual cost)¹.
- Other societal mandates often left out of strict economic considerations including LEC (least environmental cost), (EJ) environmental justice and SCP (safety conscious planning).

Statute has little if no flexibility regarding consideration of costs and benefits

- Requires such consideration on every new project regardless of usefulness
- Puts at risk all projects currently in progress (even under construction) that were selected for capital budget without consideration the Superior Court believes is necessary.
- Effectively requires cost-benefit consideration for all projects since cost is required to be considered in all cases and must be put into some context.

Statute would divert public money to cost-benefit consideration even when not meaningful

- Many project categories are not well suited to C-B consideration:
 - Rural Alaska projects provided as a basic public service but serve a small population base such as airports or sanitation roads
 - Urban Alaska projects that serve non-traditional transportation needs such as buses, trails or beautification
 - "Projects" required to fulfill one or more federal or state mandates such as traffic data collection, or environmental mitigation

Statute applies to statewide transportation plan, prior to project selection for capital budget

- Strict interpretation may prevent the following methods of project selection unless added to the statewide transportation plan:
 - Projects nominated by local governments
 - Projects selected by members of Legislature or Congress (earmarks)
 - Projects that arise unexpectedly due to natural disasters or other external causes (example: new retail store needing access).

Statute does not apply to alternative selection during project development

¹ Fricker and Whitford, Fundamentals of Transportation Engineering, Pearson Prentice Hall, 2004

- C-B (or other engineering economic methods) are often used during project design to evaluate alternatives
- Such tools are often used to select among competing choices, even on projects with low overall economic benefits (example: airport layout for small village)
- Proposed change in statute does not affect this use of C-B consideration

Statute is being used to argue against projects with C-B ratio less than 1.0

- In Trout Unlimited lawsuit, the plaintiff's attorney argues state should not build projects with ratio less than 1.0
- Most rural and urban projects would be at risk of this interpretation
 - Ferry projects
 - Transit and bus
 - Trails and beautification
 - Environmental remediation
 - Low volume roads and bridges
 - Airport improvements and relocations
- While current statute does not mandate only projects with positive C-B ratio be selected, this appears part of the motive behind the lawsuit in question

Statute is not in touch with the reality of transportation needs in Alaska

- Alaska is inherently a place where low population and vast land area make transportation critical, but often requiring a subsidy.
- Ironically, the recent Congressional justification for Denali Commission funding for transportation argued that transportation in rural areas is vital to our future:

"... The majority of Alaskan communities remain unconnected. Alaska has been left far behind the rest of the Nation, with a road system that is no system at all. If the highway system is the Nation's skeleton, Alaska is still missing its arms and legs.

As a result, many Alaskan communities are punished with third-world conditions and an extraordinarily high cost of living, and the Nation as a whole is that much poorer because Alaska's tremendous natural wealth cannot be shared.

...²

Alaska has long-suffered the measure of costs versus benefits

Alaska has long suffered the punditry of being a place with high costs but low benefits. At the time of the Alaska purchase in 1867, Secretary of State, William H. Seward overcame national ridicule (the tag of "Seward's Folly" was applied) and strenuous objections to persuade Congress to proceed with the purchase of

² Senator Lisa Murkowski, US Senate Floor speech on amendment to S1072, February 12, 2004

Alaska for \$7.2 million. Similarly, for nearly 40 years after the federal-aid highway program was started in the early 1900's, Congress denied Alaska access to this funding, because it felt the transportation needs in Alaska were so great the federal program could not be exposed to such costs. Now, as then, important transportation needs in Alaska often must be built as a public good, even where indicators such as cost-benefit analysis are used to oppose such projects. In 1867, those who sought to deny the purchase of Alaska spoke of 'folly' as to the value of the Alaska purchase. For Alaskans today, the age old 'folly' argument seems to never really die!

Case Status:
In the Superior Court for the State of Alaska
Third Judicial District at Anchorage

Alaska State Council of)
Trout Unlimited, Robert B.)
Gillam,)
)
Plaintiffs,)
)
vs)
)
State of Alaska, Alaska)
Department of Transportation)
and Public Facilities,)
)
Defendants.)
_____)

Filed: July 25, 2002

Case: 3AN-02-0763CI

July 25, 2002 - Plaintiffs filed suit seeking "injunctive and declaratory relief against the Alaska Department of Transportation and Public Facilities (DOT&PF) for having violated AS 44.42.020 and AS 44.42.050 by scheduling for construction in 2003 a proposed, approximately 19-mile rural road¹ and bridge project from Iliamna, Alaska to Nondalton, Alaska in Southwest Alaska...."

May 1, 2003 - Plaintiff's filed for a preliminary injunction that defendants be restrained from constructing or contracting to construct the Iliamna - Nondalton project.

January 5, 2004 - Preliminary injunction granted to Plaintiffs. DOT&PF was ordered to **cease any action to construct, contract to construct, or produce final design of the Iliamna-Nondalton road and bridge project until the economic costs of the project are considered in the next revision to the "Southwest Regional Transportation Plan" as required by AS 44.42.050, or until further order of this court.** (Emphasis added.)

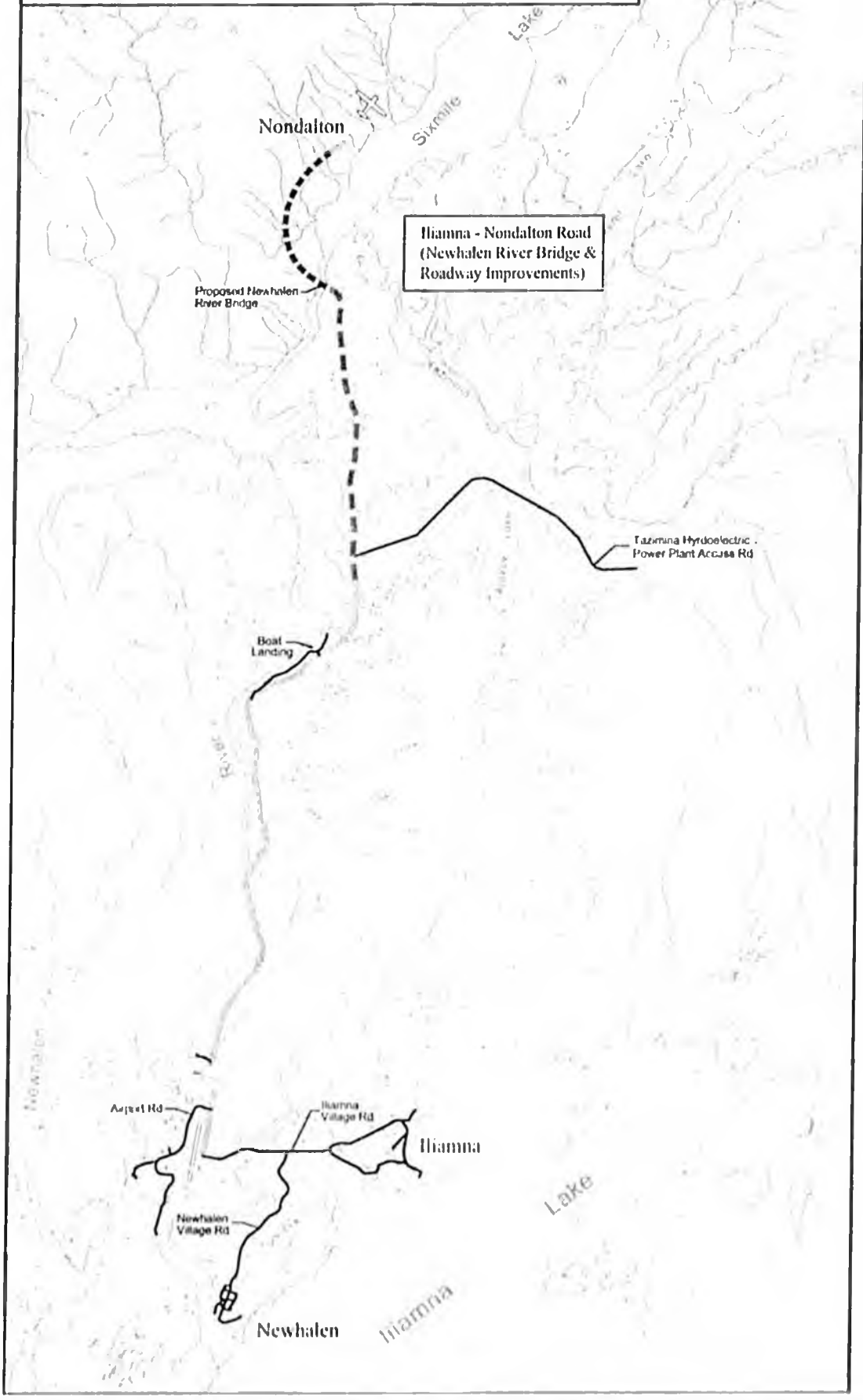
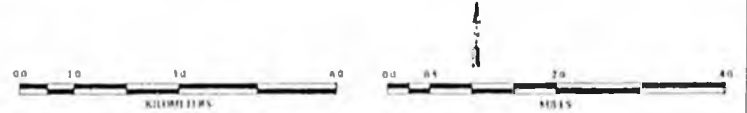
September 30, 2004 - "Southwest Alaska Transportation Plan" was revised. The revision consisted of extracting the Iliamna-Nondalton Road/Bridge project and the Aleknagik/Wood River Bridge project from the Plan baseline and subjecting them to the cost effectiveness methodology used to evaluate the other capital projects in the Plan. The two projects were subjected to an economic analysis that was incorporated into the Plan.

January 14, 2005 - The preliminary injunction was lifted. It is unclear at this time whether the remaining causes of action filed in the lawsuit will be litigated.

¹ The road already exists, in different forms and (absent the bridge), from Iliamna to Nondalton. Going north from Iliamna, roughly the first 11.5 miles is paved, the next 4.5 miles to the site of the proposed bridge is a gravel road and the remaining 2.5 miles from the other side of the river to Nondalton is in the form of a pioneer road.

Iliamna-Nondalton Proposed Road Improvements January 2005

- | | | | |
|---|--------------------------------|---|--------------------------------------------------------------------|
| — | City / Town / Village | — | Existing Road (to be improved & resurfaced) |
| — | Roads | — | Existing Pioneer Road / ATV Trail (construct to roadway standards) |
| — | Existing Road (resurface only) | | |





Alaska State Legislature

Senate Majority Web: www.akrepublicans.org

Sponsor: Senator Gary Stevens
Current Version: CS SS SB 16 (TRA)
Contact: Doug Letch, 465-4925

Fact Sheet for: Senate Bill 16

Short Title: POWERS/DUTIES DOT&PF/TRANSPORTATION PLAN

Summary:

- Deletes the requirement that the Department of Transportation and Public Facilities participate in setting thermal and lighting energy standards.
- Includes other statutory clean-up language requested by DOT&PF.
- Deletes the requirement that the DOT&PF conduct a cost benefit study for projects where such studies are not warranted.

Benefits:

- Allows DOT&PF to proceed in a more timely manner with projects for which a cost benefit study is not required.
- Updates DOT&PF statutes to respond to circumstances as they actually exist today.

Background:

- Opponents of DOT&PF projects often manipulate obsolete statutes, such as a requirement that the department conduct a cost-benefits analysis, to halt construction of many projects vital to the health and wellbeing of Alaska residents. This has cost the state valuable time and money in litigation while significantly increasing project costs. SB 16 eliminates this requirement and cleans up other statutory language no longer appropriate to DOT&PF's functions.

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

3132 CHANNEL DRIVE
JUNEAU, ALASKA 99801-7898

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PHONE: (907) 465-3900

March 17, 2005

The Honorable Gary Stevens
Alaska State Legislature
State Capitol, Room 103
Juneau, Alaska 99801-1182

Dear Senator Stevens:

Thank you for taking the time to meet with my staff on this important legislation. As you know, the state statutes governing transportation planning have recently been used in litigation to halt or at least slow down the accomplishment of strongly supported transportation improvements.

Tragically, the litigation induced delay of the project to build a road and bridge between Iliamna and Nondalton may have led to the drowning deaths of two young men who recently attempted to cross the Newhalen River and broke through the ice. A third person only narrowly averted his death by struggling back to shore.

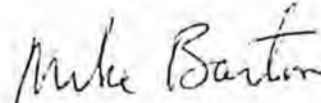
The state has spent more than \$200,000 in legal costs, and at least another \$100,000 in planning costs to comply with the court interpretation of the transportation planning duty found in AS 44.42.050(a). The current draft of CS SSSB 16 would modify this transportation planning duty to a more reasonable standard, and one that is not as readily used to halt important transportation projects. Of course, these state costs are trivial in comparison to the loss of life and physical dangers forced on Alaska citizens who must travel across thin ice in the dark of winter to seek basic consumer goods and services.

Aside from the obvious gravity of what might have been avoidable loss of life, the current statute language remains a tool available to any person or group seeking to halt or delay other needed transportation projects. This legislation is needed to ensure that the roads, buses, trails, airports, ferries and other basic transportation needs are not needlessly halted for reasons of process rather than substance.

My staff stands ready to discuss the specifics of this legislation and why we endorse its passage. I would also note that we have recently begun the administrative process to change the regulations (17 AAC 05.120-990) that govern the transportation project selection. This change, which is driven by the court ruling in question, has increased the costs of nominating projects for every community in the state. Should CS SSSB 16 become law, we will immediately take steps to remove this new and expensive regulatory burden on our communities.

I applaud your attention to this matter, and by copy of this letter to Senate leadership and committee chairs assigned to consider this legislation I hope to encourage its passage. I understand the Representative Elkins is considering introducing a companion bill, and have copied him on this letter to illustrate our support and the statewide urgency for this legislation.

Sincerely,



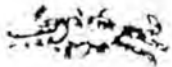
Mike Barton
Commissioner

cc: Senator Ben Stevens, Senate President
Senator Charlie Huggins, Chair, Senate Transportation
Representative Jim Elkins, Chair, House Transportation
Kevin Jardell, Legislative Director, Office of the Governor
Linda Hay, Deputy Legislative Director, Office of the Governor
Nona Wilson, Legislative Liaison, DOT&PF

NATIVE VILLAGE OF PORT LIONS
Port Lions Traditional Tribal Council

P.O. Box 69
Port Lions, Ak 99550
Ph: (907) 454-2234
Fx: (907) 454-2434

April 15, 2005



Honorable Gary Stevens
State Capitol, Room 103
Juneau, Alaska 99801-1182

Dear Senator Stevens,

I am writing to express the support of CSSSSB16 by the Port Lions Traditional Tribal Council. This bill will remove a large burden that currently impedes our ability to submit projects to Alaska Department of Transportation and Public Facilities (DOT) for inclusion in the Statewide Transportation Improvement Program (STIP).



Under current law (AS 44.42.050) DOT must consider cost and benefits for each project it wishes to build. The burden of this statute falls most heavily on local governments which often nominate projects for STIP funding and now must have a cost benefit study done in advance of the state scoring the project.

CSSSB16 will change that by requiring a "cost-effectiveness" analysis for projects that are new (not rehab or maintenance) and that are not serving local needs. This exempts most of the projects that local governments might request, since many projects meet one of the two exceptions. Yet, new routes of transportation will still be required to have a cost-effective study. While cost-effectiveness is a less demanding type of analysis, less than a formal cost-benefit analysis, it is much more suitable for decisions that are being made 5 to ten or even 20 years prior to implementation.



Additionally, project opponents have used the current language in litigation to halt long planned, locally supported, safety enhancement projects scheduled for construction in rural areas. Enactment of CSSSSB16 would institute a more reasonable standard and prevent future litigation and life-threatening delays of this type.

We urge you to pass this important legislation.

Sincerely,

Wayne Lukin
Tribal Transportation Coordinator



cc: Governor Murkowski
Commissioner Barton

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

April 5, 2005

Honorable Gary Stevens
State Capitol, Room 103
Juneau, AK 99801-1182

Dear Senator Stevens:

Murkowski

I am writing to express Aleutians East Borough's support of CSSSSB16. This bill will remove a large burden that currently impedes our ability to submit projects to Alaska Department of Transportation and Public Facilities (DOT) for inclusion in the Statewide Transportation Improvement Program. (STIP).

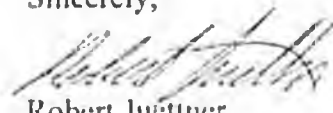
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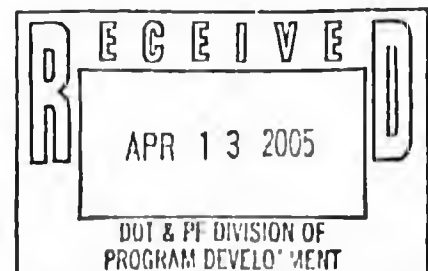
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We urge you to pass this important legislation.

Sincerely,



Robert Juettner



cc: Governor Murkowski (Office of the Governor, P.O. Box 110001, Juneau, AK 99801-0001)

Commissioner Barton (Department of Transportation and Public Facilities, 3132 Channel Drive, Juneau, AK 99801-7898)

CLERK/PLANNER
P.O. BOX 349
SAND POINT, AK 99661
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(907) 383-3496 FAX
e-mail: AEBCLERK@aci.com

BOROUGH ADMINISTRATOR
3380 C STREET, SUITE 205
ANCHORAGE, AK 99503-3953
(907) 274-7555
(907) 276-7569 FAX
e-mail: aebanc@aci.net

FINANCE DIRECTOR
P.O. BOX 49
KING COVE, AK 99612
(907) 497-2588
(907) 497-2386 FAX
e-mail: aebfinance@aci.com



Lake and Peninsula Borough

P.O. Box 495
King Salmon, Alaska 99613

Telephone: (907) 246-3421
Fax: (907) 246-6602
April 5, 2005



The Honorable Gary Stevens
State Capitol, Room 103
Juneau, AK 99801-1182

Dear Senator Stevens:

I am writing to express the Lake and Peninsula Borough's support for CSSSSB16. This bill will remove a large burden that currently impedes our ability to submit projects to Alaska Department of Transportation and Public Facilities (DOT) for inclusion in the State-wide Transportation Improvement Program. (STIP).

Under current law (AS 44.42.050), DOT must consider cost and benefits for each project it wishes to build. The burden of this statute falls most heavily on local governments which often nominate projects for STIP funding and now must have a cost benefit study done in advance of the state scoring the project.

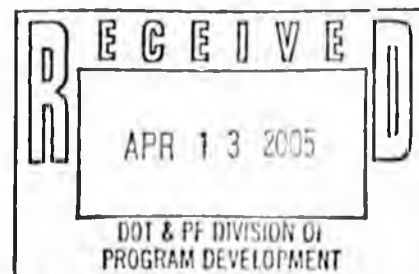
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We urge you to pass this important legislation.

Sincerely,


Glen Alsworth Sr.
Mayor



cc: Governor Murkowski (Office of the Governor, P.O. Box 110001, Juneau, AK
99801-0001)

Commissioner Barton (Department of Transportation and Public Facilities, 3132
Channel Drive, Juneau, AK 99801-7898)



Old Harbor Tribal Council

P.O. Box 62, Old Harbor, Alaska 99643
Phone: (907) 286-2215 Fax: (907) 286-2277

April 11, 2005

Honorable Gary Stevens
State Capitol, Room 103
Juneau, AK 99801-1182

Dear Senator Stevens:

I am writing to express the Old Harbor Tribal Council's support of CSSSSB16. This bill will remove a large burden that currently impedes our ability to submit projects to Alaska Department of Transportation and Public Facilities (DOT) for inclusion in the Statewide Transportation Improvement Program. (STIP).

Under current law (AS 42.050), DOT must consider cost and benefits for each project it wishes to build. The burden of this statute falls most heavily on local governments which often nominate projects for STIP funding and now must have a cost benefit study done in advance of the state scoring the project.

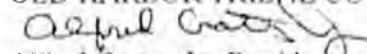
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We urge you to pass this important legislation.

Sincerely,
OLD HARBOR TRIBAL COUNCIL


Alfred Cratty, Jr., President

cc: Governor Murkowski (Office of the Governor, P.O. Box 110001, Juneau, AK 99801-0001)
Commissioner Barton (Department of Transportation and Public Facilities, 3132 Channel Drive, Juneau, AK 99801-7898)



Southwest Alaska Municipal Conference

3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7360 f: 907.562.0438 www.swamc.org

Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

April 5, 2005

Senator Gary Stevens
State Capitol, Room 103
Juneau, AK 99801-1182

Dear Senator Stevens:

On behalf of Southwest Alaska Municipal Conference Board of Directors and Southwest Alaska communities, we are writing to express our support of CSSSSB16. This bill will remove a large burden that currently impedes our ability to submit projects to Alaska Department of Transportation and Public Facilities (DOT) for inclusion in the Statewide Transportation Improvement Program. (STIP).

Under current law (AS 44.42.050), DOT must consider cost and benefits for each project it wishes to build. The burden of this statute falls most heavily on local governments which often nominate projects for STIP funding and now must have a cost benefit study done in advance of the state scoring the project.

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We urge you to pass this important legislation.

Sincerely,

Glen Gardner, President
Board of Directors

cc: Governor Frank Murkowski
Commissioner Mike Barton, DOT&PF
Senator Gary Stevens

pc: SWAMC Board of Directors
Jeff Ottesen, Director of Program Development, DOT&PF
Allen Kemplen, Southwest Planner, DOT&PF

April 6, 2005

Honorable Gary Stevens
State Capitol, Room 103
Juneau, AK 99801-1182

Dear Senator Stevens:

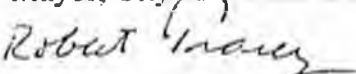
I am writing to express City of Nondalton support of CSSSSB16. This bill will remove a large burden that currently impedes our ability to submit projects to Alaska Department of Transportation and Public Facilities (DOT) for inclusion in the Statewide Transportation Improvement Program. (STIP).

Under current law (AS 44.42.050), DOT must consider cost and benefits for each project it wishes to build. The burden of this statute falls most heavily on local governments which often nominate projects for STIP funding and now must have a cost benefit study done in advance of the state scoring the project.

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We urge you to pass this important legislation.

Sincerely,
Robert Tracey
Mayor, City of Nondalton


cc: Governor Murkowski (Office of the Governor, P.O. Box 110001, Juneau, AK
99801-0001)

Commissioner Barton (Department of Transportation and Public Facilities, 3132
Channel Drive, Juneau, AK 99801-7898)