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SENATE TRANSPORTATION COMMITTEE
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2/01/11 PRESENTATION: ALASKA MOBILITY COALITION

2/01/11 PRESENTATION: PORT MACKENZIE RAIL EXTENSION

2/08/11 PRESENTATIONS: MARINE TRANSPORTATION ADVISORY BOARD AND ALASKA MARINE HIGHWAY

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AVIATION 2011

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SENATE TRANSPORTATION COMMITTEE
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1/25/11 OVERVIEW: DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

<TARGET><BILL></BILL><SUBJECT>1-25-11 OVERVIEW DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES</SUBJECT><COMM>STRA27</COMM></TARGET>

Alaska Department of Transportation & Public Facilities

Overview

Presented to the House and Senate Transportation Committees

Marc Luiken, Commissioner

Mission

to provide for the safe and efficient movement of people and goods and the delivery of State services

Vision

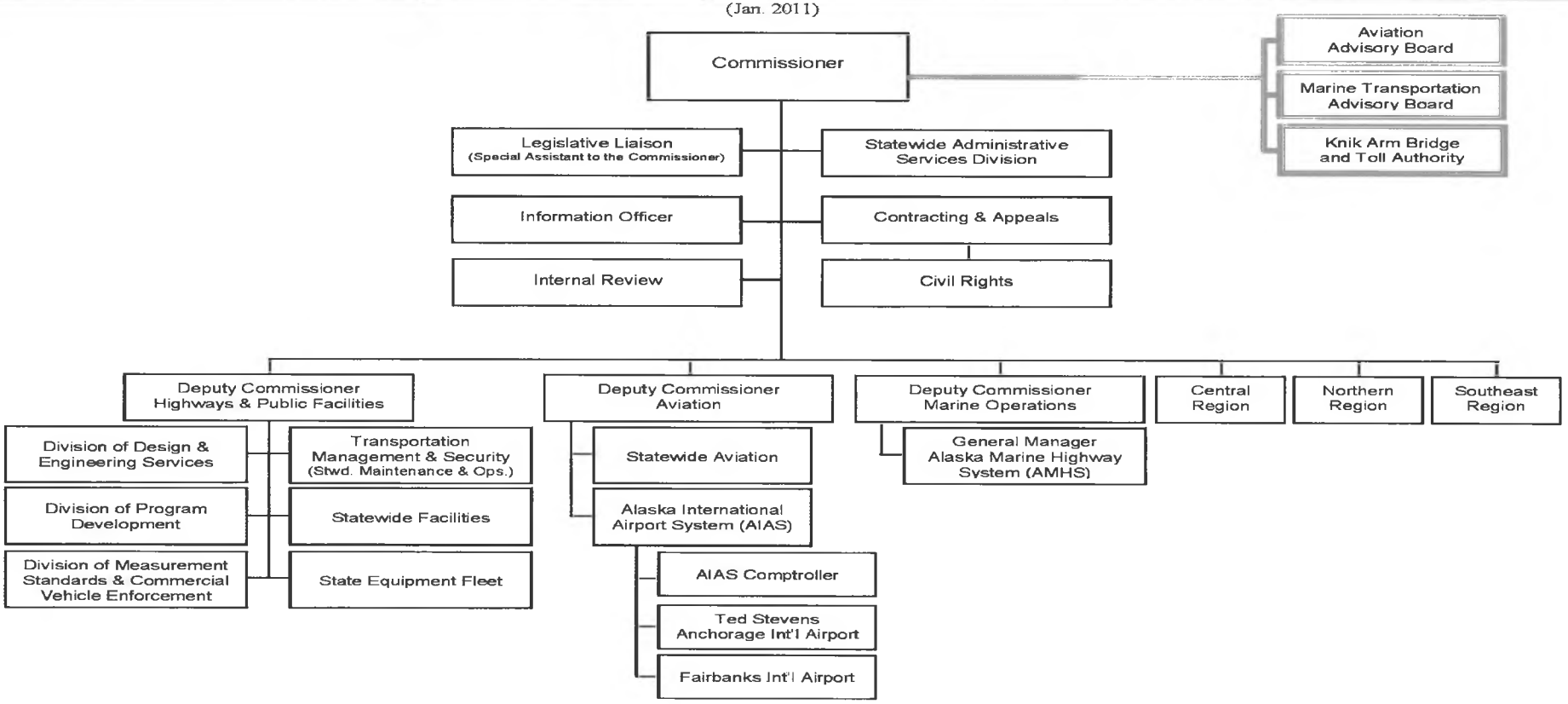
- Trusted performance-driven organization
- Collaborating with internal and external partners
- Delivering an efficient multi-modal transportation system and public facilities
- Enhancing the quality of life for Alaskans
- Promoting economic resource development

Values

- Integrity
- Transparency
- Outstanding service provided by
  - Continually developing our skills, tools, expertise
  - Developing internal/external relationships
  - Pioneering spirit: innovative ways of doing business
  - Adapting rapidly to opportunities and challenges
  - Quality work force

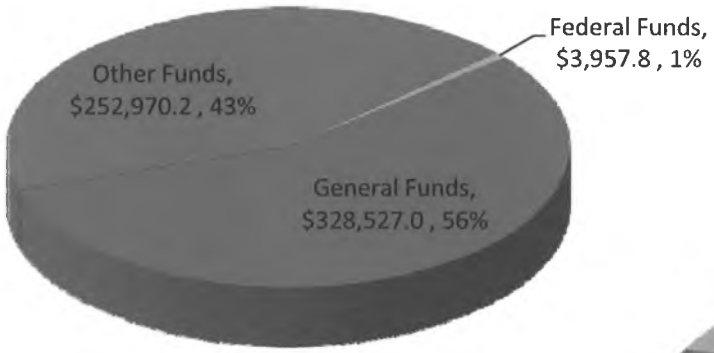
Organization

(Jan. 2011)

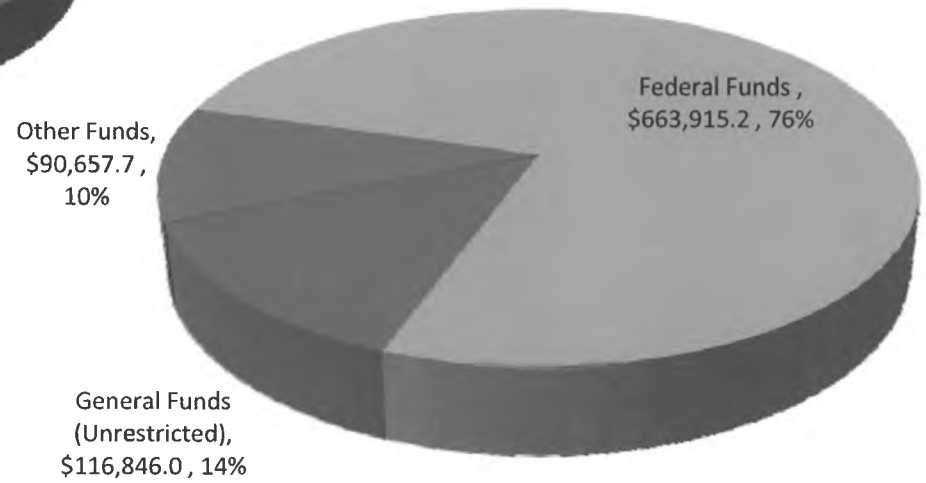


Funding

FY2012 DOT&PF Operating Budget
$585,455.0 Total Funds



FY2012 DOT&PF Capital Budget
$871,418.9 Total Funds



Project Prioritization

- Safety
- Asset Management System
  - Pavement, bridges, airports, ferries, transit, maintenance
- 2030 Long Range Transportation Plan
  - Regional Transportation Plans
- Aviation Improvement Program (AIP)
- State Transportation Improvement Program (STIP)

Governor's Priorities

- Jobs
- Safety
- Roads to resources
  - Foothills West – road to Umiat
  - Ambler mining district access
  - Western Access
- Deferred maintenance

Successes

FRONTIER

Challenges

- Needs exceed resources
- Federal funding/process
- Recruitment/retention
- AMHS
- Natural Disasters

511Alaska.gov

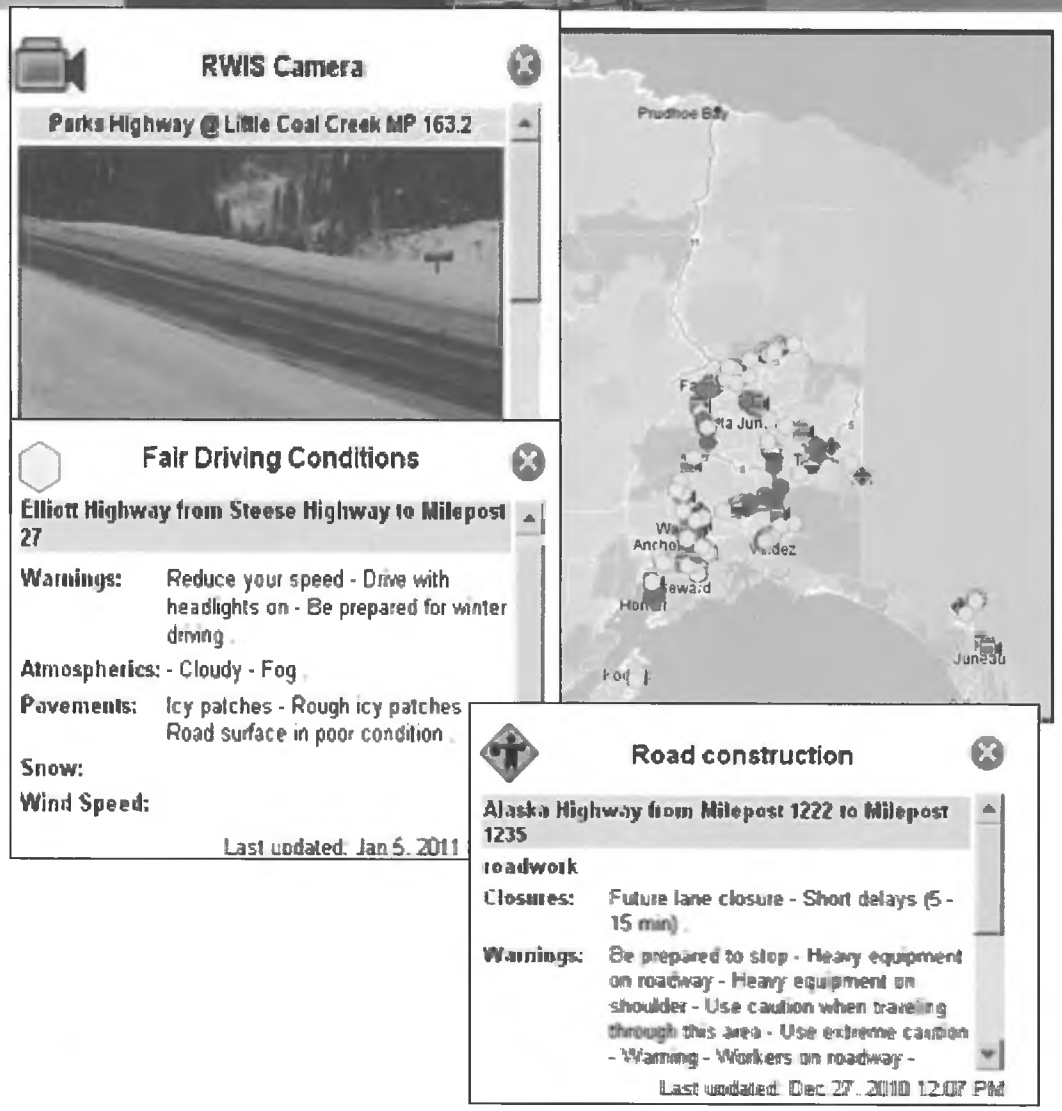
Current Information on Alaska's Roadways

- Weather Cameras
- Weather Watches
- Road Construction
- Future Construction
- Incidents
- Driving Conditions
- Available by Phone or
- on the web

Project Description

Project

GOV DELIVERY



Dalton Hwy Trip 2011 Tuesday June 21, 2011

Questions?

Central Region Change Summary

Reg	Need ID	Title	Change
CR	2186	Wood River Bridge	Updated description and revised funding in FFY11 and FFY13
CR	2324	MP 66.5 - 80 Rehabilitation- Chickaloon	Moved PH3 to FFY13
CR	2337	Ninilchik Village Bridge Replacement	Added PH3 FFY11
CR	2386	Iliamna to Nondalton Road Completion	Moved PH4 to FFY13
CR	2481	Mat-Su: Seward Meridian Rd. Improvements	Moved funding from FFY10 to FFY11, also increased PH4 and PH7
CR	2500	Mat-Su: Trunk Road Reconstruction	Moved PH4 from FFY12 to FFY11
CR	2620	MP 25 to 36 Reconstruction - Moose Pass to Sterling Wye	Moved PH2 to FFY11, moved PH3 to FFY 13
CR	2670	MP 157 to 169 Rehabilitation - Anchor Point to Baycrest Hill	Moved PH2 to FFY11, moved PH3to FFY13, moved PH4 to FFY 13
CR	2673	MP 45 to 60 - Sunrise Inn to Skilak Lake Road Construction	Revised funding in FFY13 and increased "After FFY13" total
CR	6087	Highway Safety Improvement Program/Safety Management	Increased Funding
CR	6460	AMATS CTP Program Allocation	Increased PH9 funding in FFY11
CR	6461	AMATS TRAAK Program Allocation	Increased PH9 funding in FFY11
CR	9299	AMATS CMAQ Allocation for Qualifying Air Quality Projects	Increased PH9 funding in FFY11
CR	9580	Rezanof Drive Rehabilitation	Increase PH2 in FFY11
CR	11921	MP 60 to 79 - Skilak Lake Road to Sterling Rehabilitation and Passing Lanes	Moved PH2 to FFY11
CR	11961	MP 44 to 52.3 Reconstruction - Lucus Road to Big Lake Cutoff	Added ACC and IM to FFY11 PH 2
CR	12640	MP 99 to 104 - Bird and Indian Improvements	Moved PH2 to FFY11, moved PH3 to FFY 12
CR	12641	MP 104 to 115 Passing Lanes - Indian to Potter	Moved PH4 and PH7 from FFY11 to FFY12
CR	15979	Boardwalk Improvements, Phase 2	Moved PH2 and increased it in FY11
CR	16057	Portage Glacier Road Embankment Stabilization	Added project to STIP
CR	17021	Guardrail End Treatment Upgrade	Moved PH4 and PH7 to FFY11
CR	17902	King Cove to Cold Bay Corridor	Funded design and construction
CR	18361	Glenn and Parks Highways Corridor ITS Project (IWAYS)	Slipped some construction funding from FY10 to FY11
CR	18784	Unalaska Marine Center Berth 1 Upgrades	Removed from STIP
CR	18903	Recreational Improvements	Moved PH 4 to FFY11
CR	18924	Pavement and Bridge Rehabilitation	Increased PH9 FFY11
CR	20235	Wideband Multimedia Mobile Emergency Communications Pilot	Removed from STIP
CR	20255	Knik Arm Crossing Anchorage Access Connections	Moved earmark funding from Construction to Right of Way
CR	20256	Knik Arm Crossing Toll Financed Bridge Facilities	Moved PH4 to FFY12
CR	22758	Mat-Su Off-System Bridges #s 1713, 1709, 1185, 1712	Moved PH2 to FFY11 and moved PH4 to FFY12
CR	23319	Hatcher Pass Scenic Overlook & Trailhead Construction Phase III	Moved PH2 to FFY11
CR	23335	Ridgecrest Drive Rehabilitation	Moved PH2 and increased in FFY11, moved PH3 to FFY12
CR	24493	Akutan Airport Access Road Project	Moved PH4 to FFY11
CR	24816	Central Region ITS Signal Control Upgradges	Moved some of FY10 PH9 to FFY11
CR	24838	MP 45-46 Realignment	Moved PH4 to FFY11
CR	25097	Mat-Su Arterial Road and Bridge Improvements	Moved some of FY10 PH9 to FFY11
CR	25436	Williamsport-Pile Bay Road Planning Study	Moved funding to FFY 11

Northern Region Change Summary

Reg	Need ID	Title	Change
NR	3640	MP 82 to Border	Added project to STIP
NR	3742	Nome-Council Road: MP 4 to 16	Changed PH3 and PH4 FFY11 to ILLU
NR	3887	MP 107.7 to 120.5 Rehabilitation (Minto Jct. Area)	Removed PH2 FFY11
NR	6173	MP 64 to 82 Reconstruction: Mosquito Fork to Walker Fork	Added project to STIP
NR	6382	MP 172 to 189 Rehabilitation - Tolsona River to Richardson Hwy. Jct.	Moved PH7 to FFY11, increased PH4 funding in FFY11
NR	6462	Highway Safety Improvement Program/Safety Management	Increased Funding
NR	6571	Campion Road Erosion Protection	Removed PH3 from FFY11, decreased PH3 in FFY12, Moved PH4 from "After FFY13" to FFY12
NR	6617	Shepard Point Road	Moved PH4 to FFY12
NR	6657	Airport/Cushman Intersection Improvements	Moved PH2 and increased in FFY12, reduced PH3 in FFY12, added PH7 to
NR	7371	New Weigh Station	Moved PH4 to FFY12
NR	10554	MP 228 One Mile Creek Bridge #0591	Changed ILLU funding in PH4 FFY11 to NHS
NR	10555	MP 257 to 265 Reconstruction & Jarvis Ck. Bridge #0595	Moved PH3 to FFY12
NR	15685	Airport Way (West) Improvements	Moved PH2 to FFY11, removed PH3 from FFY11 added PH7 to FFY11
NR	16556	Northern Region: Winter Trail Marking	Added project to STIP
NR	17662	FMATS CTP Program Allocation	Increased PH9 funding in FFY11
NR	17663	FMATS CMAQ Allocation	Increased PH9 funding in FFY11
NR	17681	FMATS TRAAK Allocation	Increased PH9 funding in FFY11
NR	18923	Pavement and Bridge Rehabilitation	Increased PH9 Funding in FFY11
NR	22298	MP 1309 Tok River Bridge Replacement #0506	Moved PH2 and PH3 to FFY12, Moved PH4 and increased in FFY 13
NR	22331	MP 163-185 Rehabilitation (NR Boundary to East Fork Chulitina)	Changed PH2 FFY12 funding to PSF
NR	22333	MP 239-263 Reconstruction (Nenana Canyon to Bear Creek)	Changed PH4 FFY11 from IM to AC in FFY11, added AC and IM in FFY12
NR	22360	MP 163-305 Passing Lanes	Increased PH2 FFY11, removed PH3 FFY11, removed PH7 FFY11, added PSF for PH7 in FFY12, changed all PH4 funding to PSF in FFY 13
NR	22401	Goldstream Road Rehabilitation	Increased PH2 FFY11, added PH7 FFY12, increased PH4 funding in FFY 13
NR	22406	MP 353-357 Access Improvements (Frontier Rd to Badger Rd)	Moved PH3 and ph7 to FFY13, added PH2 to FFY13
NR	22444	MP 11 - 18 Reconstruction	Changed PH2 FFY12 and changed PH4 FFY13 to PSF
NR	22447	MP 197 - 209 (Gold Creek to Dietrich)	Increased PH4 FFY11
NR	22451	MP 9-11 Reconstruction - 9 Mile Hill North	Moved PH2 to FFY11, increased PH4 FFY11
NR	22456	MP 267 Holden Creek Bridge Repair/Replacement	Moved and increased PH2 in FFY12, increased PH4 in FFY12
NR	22480	MP 289-305 Reconstruction (Kuparuk to Sag Camp)	Moved funding to After FFY13

Northern Region Change Summary, continued

Reg	Need ID	Title	Change
NR	23636	Livengood Creek Bridge #229 - Old Elliott Highway	Increased PH2 FFY11, removed PH4 from FFY11, added and increased PH4 in FFY12 and FFY13
NR	23675	Barge Landing Access Road and Boardwalk Improvements	Moved PH2 to FFY11 and FFY12
NR	24196	MP 201 Phelan Creek Bridge (#0579) Replacement	Increased PH4 FFY12
NR	24257	MP 75.6 Slana River Bridge #0654 Replacement	Increased PH2 FFY11, moved PH4 to "After FFY13"
NR	24515	Top of the World Hwy 0-13	Removed PH3 FFY11
NR	24518	MP 0 - 12 Rehabilitation (Fox to Haystack)	Moved PH2 to FFY13
NR	24519	Little Goldstream Creek Bridge Replacement (Br # 2080)	Moved PH2 to FFY11 with increase
NR	24575	65-74 Rehab	Moved PH2 to FFY13 with increase
NR	25756	Lakina River Bridge Replacement	Added project to STIP

Southeast Region Change Summary

Reg	Need ID	Title	Change made
SER	7174	Highway Safety Improvement Program/Safety Management	Increased funding
SER	8462	Gravina Access Construction	Moved design up to FY11
SER	12560	Salmon River Road Rehabilitation	Updated description and increased FH funding
SER	18363	Widen and Resurface, Eagle Beach to Bessie Creek	Changed all phases in FFY11 to ILLU
SER	22279	MP 21-25.3 Reconstruction & Chilkat Bridge Replacement	Changed PH3 and PH7 FFY12 funding to PSF. Also changed PH4 FFY13 funding to PSF
SER	22740	POW Island: Klawock to Hollis Pavement Rehabilitation and Culvert Replacement	Changed all phases in FFY11 to ILLU
SER	23375	Kake: Keku Road Rehabilitation	Adjusted scope
SER	23376	POW: Reconstruct NPOWI Hwy from Jct. with Coffman Cove Road north to Jct. with Naukati Spur Road	Funded with Earmark
SER	23395	Halibut Point Road Resurfacing, Drainage Improvements, and Bridge Replacement	Adjusted scope, increased construction costs
SER	23436	Cross Trail Construction - High School to Baranof, Charles, Yaw and Pherson Streets	Reduced construction match to that required
SER	24856	Elfin Cove Boardwalk Reconstruction Phase II	Moved PH2 and PH4 to FFY11 with increases
SER	24857	Fritz Cove Road Rehabilitation and Repair	Increased PH2 FFY11, removed PH3 FFY11, added PH2 and PH3 funding in FFY12, removed PH4 funding in FFY12, added PH7 to FFY12, added PH3 and PH4 to FFY 13 with increases
SER	25716	Port Alexander Boardwalk Reconstruction Phase II	Added project to STIP

Region (Look-up)	Community/Location	Description	Source	Type of Hub
Yukon-Kuskokwim	Aniak	Dock and Harbor Facility Improvement : Provide for dock and	DOT MRS Ports & Harbo	
Yukon-Kuskokwim	Anvik	Deadmen, Ramp, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Chefornak	Ramp, Dredging or Rock Removal, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Chevak	Deadmen, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Chuathbaluk	Deadmen, Staging Area, Ramp	Denali Commission Ph I	
Yukon-Kuskokwim	Crooked Creek	Deadmen, Staging Area	Denali Commission Ph I	
Yukon-Kuskokwim	Crooked Creek	Barge Landing: Barge landing & dock	USACE Survey	
Yukon-Kuskokwim	Eek	Deadmen, Staging Area, Ramp	Denali Commission Ph I	
Yukon-Kuskokwim	Emmonak	Deadmen, Staging Area, DockRamp	Denali Commission Ph I	
Yukon-Kuskokwim	Emmonak	Erosion Control Dike : Construct erosion control dike.	DOT MRS Ports & Harbo	
Yukon-Kuskokwim	Goodnews Bay	Deadmen, Staging Area, Dredging or Rock Removal	Denali Commission Ph I	
Yukon-Kuskokwim	Grayling	Deadmen	Denali Commission Ph I	
Yukon-Kuskokwim	Holy Cross	Deadmen, Staging Area	Denali Commission Ph I	
Yukon-Kuskokwim	Hooper Bay	Other	Denali Commission Ph I	
Yukon-Kuskokwim	Kasigluk	Deadmen, Staging Area, Ramp	Denali Commission Ph I	
Yukon-Kuskokwim	Kipnuk	Deadmen, Staging Area, DockRamp	Denali Commission Ph I	
Yukon-Kuskokwim	Kongiganak	Deadmen, Staging Area, DockRamp, Dredging or Rock Removal,(	Denali Commission Ph I	
Yukon-Kuskokwim	Kwethluk	Staging Area, DockRamp	Denali Commission Ph I	
Yukon-Kuskokwim	Kwigillingok	Deadmen, Staging Area, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Lower Kalskag	Deadmen	Denali Commission Ph I	
Yukon-Kuskokwim	Marshall	Deadmen, Staging Area, Ramp	Denali Commission Ph I	
Yukon-Kuskokwim	McGrath	Deadmen, Ramp	Denali Commission Ph I	
Yukon-Kuskokwim	Mekoryuk	Staging Area, Dredging or Rock Removal	Denali Commission Ph I	
Yukon-Kuskokwim	Mekoryuk	MEKORYUK BARGE FACILITY : Construct a barge loading facility	DOT MRS Ports & Harbo	
Yukon-Kuskokwim	Mekoryuk	Harbor Construction : Construct a medium draft port.	DOT MRS Ports & Harbo	
Yukon-Kuskokwim	Mountain Village	Deadmen, Staging Area, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Mountain Village	Small Boat Dock : Construct a 20' x 40' dock.	DOT MRS Ports & Harbo	
Yukon-Kuskokwim	Napaimute	Napaimute Barge Landing: Napaimute freight storage & barge	USACE Survey	
Yukon-Kuskokwim	Napaimute	Napaimute Barge Landing: Napaimute Freight Storage/Barge	USACE Survey	
Yukon-Kuskokwim	Napakiak	Staging Area, DockRamp, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Napaskiak	Deadmen, Staging Area, Ramp, Dredging or Rock Removal	Denali Commission Ph I	
Yukon-Kuskokwim	Nightmute	Staging Area, Dredging or Rock Removal	Denali Commission Ph I	
Yukon-Kuskokwim	Nunamiqua (Sheldon Pt)	Deadmen, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Nunapitchuk	Staging Area, Ramp, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Nunapitchuk	Erosion Control Feasibility Study : Corp of Engineers Program,	DOT MRS Ports & Harbo	
Yukon-Kuskokwim	Oscarville	Ramp	Denali Commission Ph I	
Yukon-Kuskokwim	Pilot Station	Deadmen, Ramp, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Pitkas Point	Deadmen, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Platinum	DockDredging or Rock Removal	Denali Commission Ph I	
Yukon-Kuskokwim	Quinhagak	Quinhagak Dock : Construct dock.	DOT MRS Ports & Harbo	
Yukon-Kuskokwim	Quinhagak (Kwinhagak)	DockDredging or Rock Removal	Denali Commission Ph I	
Yukon-Kuskokwim	Red Devil	Staging Area	Denali Commission Ph I	
Yukon-Kuskokwim	Russian Mission	Deadmen, Staging Area, Ramp, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Saint Marys	Deadmen, Dredging or Rock Removal Other	Denali Commission Ph I	
Yukon-Kuskokwim	Saint Marys	Boreal Fisheries Inc.: Finish pier to its approved length	USACE Survey	
Yukon-Kuskokwim	Saint Michael	Barge Facility : Create a barge docking facility at St. Michael.	DOT MRS Ports & Harbo	
Yukon-Kuskokwim	Scammon Bay	Deadmen, Staging Area	Denali Commission Ph I	
Yukon-Kuskokwim	Shageluk	Deadmen, Staging Area, Ramp, Other	Denali Commission Ph I	
Yukon-Kuskokwim	Sleetmute	Staging Area	Denali Commission Ph I	
Yukon-Kuskokwim	Stebbins	DockDredging or Rock Removal	Denali Commission Ph I	
Yukon-Kuskokwim	Toksook Bay	Ramp, Dredging or Rock Removal	Denali Commission Ph I	
Yukon-Kuskokwim	Tuluksak	Staging Area	Denali Commission Ph I	
Yukon-Kuskokwim	Tuntutuliak	Deadmen, Dock	Denali Commission Ph I	
Yukon-Kuskokwim	Tununak	Deadmen, Staging Area, Ramp, Dredging or Rock Removal Other	Denali Commission Ph I	
Yukon-Kuskokwim	Tununuak	Unnamed: Sanitation improvement under planning	USACE Survey	
Yukon-Kuskokwim	Tununuak	Unnamed: ATV Geo-Block trails	USACE Survey	
Yukon-Kuskokwim	Tununuak	Unnamed: Relocation of Airport	USACE Survey	
Yukon-Kuskokwim	Upper Kalskag	Deadmen	Denali Commission Ph I	
Yukon-Kuskokwim	Yukon River	Yukon River Small Boat Harbor Study : Conduct a reconnaisance	DOT MRS Ports & Harbo	
#N/A	Southeast - various	Terminal: Transfer Bridges and Pontoons : Repair transfer bridges	DOT MRS Ports & Harbo	
#N/A	Statewide	Statewide Harbors Pre-Construction : Conducts condition surveys	DOT MRS Ports & Harbo	
#N/A	Statewide	Statewide Deferred Maintenance - Harbors : Deferred maintenance	DOT MRS Ports & Harbo	
#N/A	Statewide	Barge Landing System Design : Denali Commission SAFETEA-LU	DOT MRS Ports & Harbo	
#N/A	Statewide	Corps of Engineers (COE) Program : Provides match for state and	DOT MRS Ports & Harbo	
#N/A	Statewide	Harbor Major Repairs : Maintenance and repair for DOT&PF-owned	DOT MRS Ports & Harbo	
#N/A	Statewide	Denali - Barge Landing System Design & Const Ph I-IV :	DOT MRS Ports & Harbo	

Region (Look-up)	Community/Location	Description	Source	Type of Hub
Southwest	Sand Point	Sand Point Harbor	DOT Harbor Grant	
Southwest	Sand Point	Sand Point Harbor	DOT Harbor Grant	
Southwest	Sand Point	Sand Point Harbor Float A	DOT Harbor Grant	
Southwest	Sand Point	Sand Point Harbor Expansion : Expand existing harbor for 27	DOT MRS Ports & Harbo	
Southwest	Sand Point	Denali - Harbor Main Float :	DOT MRS Ports & Harbo	
Southwest	Sand Point	Aleutians East Borough - Sand Point Harbor :	DOT MRS Ports & Harbo	
Southwest	Sand Point	City of Sand Point Harbor :	DOT MRS Ports & Harbo	
Southwest	Sand Point	Robert E. Galovin Small Boat Harbor: Replace Infrastructure in	USACE Survey	
Southwest	Sand Point	Peter Pan Seafoods, Inc: New Decking	USACE Survey	
Southwest	Sand Point	Robert E. Galovin Small Boat Harbor: Water & electricity & floats to	USACE Survey	
Southwest	Shemya	Lengthening fender panels	Denali Commission Ph II	
Southwest	South Naknek	Dock Maintenance	Denali Commission Ph I	
Southwest	St. George Island	St. George Island Harbor: Build two additional breakwaters and	USACE Survey	
Southwest	St. George Island	St. George Island Harbor: Fish Handling Facility St. George Harbor	USACE Survey	
Southwest	St. George Island	St. George Island Harbor: Warehouse - St. George Harbor	USACE Survey	
Southwest	St. George Island	St. George Island Harbor: Inter Island Ferry Service St. George to	USACE Survey	
Southwest	St. Paul Island	St. Paul Harbor or St. Paul Municipal Harbor: Small Boat Harbor	USACE Survey	
Southwest	St. Paul Island	St. Paul Harbor or St. Paul Municipal Harbor: Berth dredge	USACE Survey	
Southwest	St. Paul Island	St. Paul Harbor or St. Paul Municipal Harbor: SBH Infrastructure	USACE Survey	
Southwest	St. Paul Island	St. Paul Harbor or St. Paul Municipal Harbor: North Dock Repairs	USACE Survey	
Southwest	St. Paul Island	Saint Paul Harbor/ Municipal Harbor: Replace harbormaster's	USACE Survey	
Southwest	St. Paul Island	Saint Paul Harbor/ Municipal Harbor: Travel Lift	USACE Survey	
Southwest	St. Paul Island	Saint Paul Harbor/ Municipal Harbor: Ocean Outfall	USACE Survey	
Southwest	Togiak	Deadmen	Denali Commission Ph I	
Southwest	Togiak	River Harbor :	DOT MRS Ports & Harbo	
Southwest	Togiak	Togiak: Corps of Engr. Boat Harbor, Dock, dredged channel to	USACE Survey	
Southwest	Togiak	Togiak: BBEDC study for Dock & Boat Ramp	USACE Survey	
Southwest	Togiak	Togiak: Sea wall and Dock	USACE Survey	
Southwest	Togiak	Unnamed: Replace 25 year old timber seawall with seawall/dock	USACE Survey	
Southwest	Twin Hills	Deadmen, Staging Area	Denali Commission Ph I	
Southwest	Ugashik	Mooring Points (Dock or Shore)	Denali Commission Ph II	
Southwest	Ugashik	Public Dock : Conduct a feasibility study to construct a public dock.	DOT MRS Ports & Harbo	
Southwest	Williamsport	Channel Dredging and Barge Landing : Dredge channel and	DOT MRS Ports & Harbo	
Southwest	Womens Bay	Dolphins and/or Fenders	Denali Commission Ph II	
Southwest	Kodiak	Old Douglas Harbor	DOT Harbor Grant	Regional, Container
Southwest	Kodiak	City Float Deferred Maintenance : Reconstruct flotation, decking	DOT MRS Ports & Harbo	Regional, Container
Southwest	Kodiak	St. Herman's New Harbor Facilities : Construct inner harbor	DOT MRS Ports & Harbo	Regional, Container
Southwest	Kodiak	Pier 3 Cargo Terminal Repair : Denali Commission SAFETEA-LU	DOT MRS Ports & Harbo	Regional, Container
Southwest	Kodiak	St. Herman's Inner Harbor : Deferred maintenance on fire	DOT MRS Ports & Harbo	Regional, Container
Southwest	Kodiak	St. Paul Harbor : Replace/repair floats A through D, repair water	DOT MRS Ports & Harbo	Regional, Container
Southwest	Kodiak	Pier 1 - Ferry Dock: Replace w/l 3 years	USACE Survey	Regional, Container
Southwest	Kodiak	Pier 2 Fisherman's Terminal: Passenger Access Sidewalks	USACE Survey	Regional, Container
Southwest	Kodiak	Pier III Cargo Terminal: New Crane	USACE Survey	Regional, Container
Southwest	Kodiak	Transient Float – N.I. Channel: Kodiak Channel Transient Float	USACE Survey	Regional, Container
Southwest	Kodiak	St. Herman Harbor: Replace E-L floats	USACE Survey	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Robert Storrs Int' lHarbor	DOT Harbor Grant	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Robert Storrs International Harbor :	DOT MRS Ports & Harbo	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Small Boat Harbor Expansion : Expand the existing small boat	DOT MRS Ports & Harbo	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Unalaska Spit Dock Extension : Extend the existing pin-piled	DOT MRS Ports & Harbo	Regional, Container
Southwest	Unalaska (Dutch Harbor)	(LSA) New Small Boat Harbor : Construct a new small boat harbor	DOT MRS Ports & Harbo	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Iliuliuk River Skiff Float : Construct an 8' x 300' pin-piled, floating	DOT MRS Ports & Harbo	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Unalaska Marine Center Expansion : This project consists of	DOT MRS Ports & Harbo	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Navigation Improvements: Construction	USACE	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Westward Seafoods: Resurfacing concrete	USACE Survey	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Ballyhoo Wharf (Position 3 UMC): UMC Position 3	USACE Survey	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Marine Center Wharf (UMC Position 4-7): Position 4-7 fender	USACE Survey	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Marine Center Wharf (UMC Position 4-7): UMC back reach grading	USACE Survey	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Marine Center Wharf (UMC Position 4-7): UMC Position 4-7	USACE Survey	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Marine Center Wharf (UMC Position 4-7): Anode Replacement	USACE Survey	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Port of Dutch Harbor: New small boat harbor	USACE Survey	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Robert Storrs International Small Boat Harbor (Unalaska Small	USACE Survey	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Robert Storrs International Small Boat Harbor (Small Boat Harbor	USACE Survey	Regional, Container
Southwest	Unalaska (Dutch Harbor)	UMC USCG Wharf (Position 1&2 UMC): UMC back reach grading	USACE Survey	Regional, Container
Southwest	Unalaska (Dutch Harbor)	Westward Seafoods: Resurfacing concrete	USACE Survey	Regional, Container
Soutwest	Manokotak	Mooring Points (Dock or Shore)	Denali Commission Ph II	
Soutwest	Manokotak	Weary River Dock : Construction of dock at Weary River.	DOT MRS Ports & Harbo	
Soutwest	Manokotak	Igushik River Dock : Construct a dock on the Igushik River at the	DOT MRS Ports & Harbo	
Yukon-Kuskokwim	Bethel	Bethel small Boat Harbor	DOT Harbor Grant	Regional Hub
Yukon-Kuskokwim	Bethel	Brown's Slough Bank Stabilization : Denali Commission SAFETEA-	DOT MRS Ports & Harbo	Regional Hub
Yukon-Kuskokwim	Bethel	Bank Stabilization : Construct rock blanket slope protection in front	DOT MRS Ports & Harbo	Regional Hub
Yukon-Kuskokwim	Bethel	Denali - Small Boat Harbor Dredging	DOT MRS Ports & Harbo	Regional Hub
Yukon-Kuskokwim	Bethel	Beach #2: Petro port expansion	USACE Survey	Regional Hub
Yukon-Kuskokwim	Bethel	Beach #1: Resurface	USACE Survey	Regional Hub
Yukon-Kuskokwim	Bethel	City of Bethel Seawall Dock: East side of dock	USACE Survey	Regional Hub
Yukon-Kuskokwim	Bethel	City of Bethel Seawall Dock: Resurface the dock	USACE Survey	Regional Hub
Yukon-Kuskokwim	Bethel	Port of Bethel: Bethel City Dock study cond. survey	USACE Survey	Regional Hub
Yukon-Kuskokwim	Bethel	St. Paul Harbor: Dredge entrance channel USACE project	USACE Survey	Regional Hub
Yukon-Kuskokwim	Akiachak	Deadmen	Denali Commission Ph I	
Yukon-Kuskokwim	Akiak	Deadmen, Staging Area	Denali Commission Ph I	
Yukon-Kuskokwim	Alakanuk	Deadmen, Ramp	Denali Commission Ph I	
Yukon-Kuskokwim	Alakanuk	St. Herman Harbor: None planned but many floats are 25+ years	USACE Survey	
Yukon-Kuskokwim	Aniak	Deadmen, Staging Area, Dock	Denali Commission Ph I	
Yukon-Kuskokwim	Aniak	Flood Damage Protection : Corps of Engineers investigation of	DOT MRS Ports & Harbo	

Region (Look-up)	Community/Location	Description	Source	Type of Hub
Southwest	Attu	Dolphins and/or Fenders	Denali Commission Ph II	
Southwest	Chignik	Mooring Points (Dock or Shore), Dolphins and/or Fenders	Denali Commission Ph II	
Southwest	Chignik	Chignik small Boat Harbor	DOT Harbor Grant	
Southwest	Chignik	Public Dock : Construct a 50' x 200' public dock in Chignik to	DOT MRS Ports & Harbo	
Southwest	Chignik	Inner Harbor : Construct inner harbor facilities to accommodate 105	DOT MRS Ports & Harbo	
Southwest	Chignik	Small Boat Harbor Breakwater : Construct breakwater, dredge	DOT MRS Ports & Harbo	
Southwest	Cold Bay	Dock Repair	Denali Commission Ph II	
Southwest	Cold Bay	Cold Bay Dock	DOT Harbor Grant	
Southwest	Cold Bay	Dock Electrification : Install approximately 2,150 feet of three-phase	DOT MRS Ports & Harbo	
Southwest	Cold Bay	Breakwater and Small Boat Harbor : Construct breakwater and	DOT MRS Ports & Harbo	
Southwest	Egegik	Deadmen, Other	Denali Commission Ph I	
Southwest	Ekwok	Ramp, Gravel Improvements	Denali Commission Ph I	
Southwest	False Pass	Dolphins and/or Fenders	Denali Commission Ph II	
Southwest	False Pass	False Pass Harbor	DOT Harbor Grant	
Southwest	False Pass	Public Dock Improvements : Improve the dock (175' x 40') by	DOT MRS Ports & Harbo	
Southwest	False Pass	Breakwater and Harbor : Construct a breakwater and harbor	DOT MRS Ports & Harbo	
Southwest	Igiugig	Ramp	Denali Commission Ph II	
Southwest	Igiugig	Public Dock : Design and construct a public dock and float plane	DOT MRS Ports & Harbo	
Southwest	Iliamna	New Dock, Other	Denali Commission Ph II	
Southwest	Iliamna	Iliamna Public Dock Modifications : Design, permitting and business	DOT MRS Ports & Harbo	
Southwest	Karluk	Dolphins and/or Fenders, New Dock	Denali Commission Ph II	
Southwest	King Cove	Robert Newman Boat Harbor: Completely redo King Cove Harbor	USACE Survey	
Southwest	King Cove	King Cove Small Boat Harbor Transient Dock: New decking &	USACE Survey	
Southwest	King Cove	Robert E. Newman Harbor: Narrow Entrance to cut down on swell	USACE Survey	
Southwest	King Cove	Small boat harbor floats A-C: Total float Replacement	USACE Survey	
Southwest	King Cove	Small Harbor Tee Dock: Some new fender pile & Bull rail	USACE Survey	
Southwest	King Cove	Robert E. Newman Harbor: 400 ft sheet pile dock along road to	USACE Survey	
Southwest	King Salmon	US Fish & Wildlife Service: Replace Old Dock Structures	USACE Survey	
Southwest	King Salmon	US Fish & Wildlife Service: Grade and surface boat ramp	USACE Survey	
Southwest	Kokhanok	Ramp	Denali Commission Ph II	
Southwest	Kokhanok	Small Boat Harbor : Conduct feasibility study.	DOT MRS Ports & Harbo	
Southwest	Larsen Bay	Dolphins and/or Fenders	Denali Commission Ph II	
Southwest	Larsen Bay	Inner Harbor Construction : Construct the float system and	DOT MRS Ports & Harbo	
Southwest	Larsen Bay	Small Boat Harbor : Fund match for the Corps of Engineers project	DOT MRS Ports & Harbo	
Southwest	Larsen Bay	Anton Larsen Bay Dock: Replace float	USACE Survey	
Southwest	Larsen Bay	Boat Harbor: We are in the process of putting new lights in harbor,	USACE Survey	
Southwest	Levelock	Mooring Points (Dock or Shore), Dolphins and/or Fenders, New Doc	Denali Commission Ph II	
Southwest	Levelock	Public Dock : Construct a public dock.	DOT MRS Ports & Harbo	
Southwest	New Stuyahok	Staging Area, Ramp	Denali Commission Ph I	
Southwest	Nikolski	Dredging or Rock Removal, Other	Denali Commission Ph II	
Southwest	Old Harbor	New Dock	Denali Commission Ph II	
Southwest	Old Harbor	Old Harbor City Harbor	DOT Harbor Grant	
Southwest	Old Harbor	Old Harbor Launching Ramp : Construct a small boat launch ramp.	DOT MRS Ports & Harbo	
Southwest	Old Harbor	Old Harbor Wharf : Construction of Wharf	DOT MRS Ports & Harbo	
Southwest	Old Harbor	City Dock Improvements : Complete improvements.	DOT MRS Ports & Harbo	
Southwest	Old Harbor	Small Boat Harbor Repairs : Replace floats, gangway and	DOT MRS Ports & Harbo	
Southwest	Old Harbor	Denail - City Dock Reconstruction :	DOT MRS Ports & Harbo	
Southwest	Old Harbor	Navigation Improvements: Reconnaissance	USACE	
Southwest	Old Harbor	City Dock: Old Harbor City Dock	USACE Survey	
Southwest	Old Harbor	Boat Harbor: Harbor Floats & Slips	USACE Survey	
Southwest	Old Harbor	Boat Harbor: Harbor Dredging and Channel	USACE Survey	
Southwest	Old Harbor	Old Harbor Port Facilities: New Dock	USACE Survey	
Southwest	Old Harbor	Old Harbor Port Facilities: Harbor & Channel Dredging	USACE Survey	
Southwest	Old Harbor	Old Harbor Port Facilities: Power (electrical meters) to commercial	USACE Survey	
Southwest	Old Harbor	Old Harbor Port Facilities: Harbor and channel dredging	USACE Survey	
Southwest	Ouzinkie	Dolphins and/or Fenders	Denali Commission Ph II	
Southwest	Ouzinkie	Inner Harbor : Construct inner harbor facilities in conjunction with	DOT MRS Ports & Harbo	
Southwest	Ouzinkie	Small Boat Harbor Breakwater : Provides match and local share for	DOT MRS Ports & Harbo	
Southwest	Perryville	Mooring Points (Dock or Shore), Ramp	Denali Commission Ph II	
Southwest	Perryville	Public Dock Construction : Design a public dock that will	DOT MRS Ports & Harbo	
Southwest	Pilot Point	Deadmen	Denali Commission Ph I	
Southwest	Pilot Point	Public Dock : Construct a new and upgraded public dock at Dago	DOT MRS Ports & Harbo	
Southwest	Port Heiden	Other	Denali Commission Ph II	
Southwest	Port Lions	New Dock,Other	Denali Commission Ph II	
Southwest	Port Lions	Port Lions small Boat Harbor	DOT Harbor Grant	
Southwest	Port Lions	Port Lions Electrical Replacement : Replace all abraded electrical	DOT MRS Ports & Harbo	
Southwest	Port Lions	Harbor Water for Floats : Install water system on floats.	DOT MRS Ports & Harbo	
Southwest	Port Lions	Harbor Fire Protection System : Install fire protection system.	DOT MRS Ports & Harbo	
Southwest	Port Lions	Port Lions Launching Ramp : Construct launch ramp.	DOT MRS Ports & Harbo	
Southwest	Port Lions	Spur Breakwater : Construct a rubble-mound breakwater and heavy-	DOT MRS Ports & Harbo	
Southwest	Port Lions	Dock Repairs/improvement : Replace damaged concrete float	DOT MRS Ports & Harbo	
Southwest	Port Lions	Denali - City Dock and Ferry Terminal Repairs :	DOT MRS Ports & Harbo	
Southwest	Port Lions	Navigation Improvements: Preliminary Engineering and Design	USACE	
Southwest	Port Lions	City Dock and Ferry Terminal: Port Lions City Dock and Ferry	USACE Survey	
Southwest	Port Lions	Port Lions Small Boat Harbor: Port Lions Small Boat Harbor	USACE Survey	
Southwest	Portage Creek	Mooring Points (Dock or Shore)	Denali Commission Ph II	
Southwest	Saint George	Widen entrance to harbor	Denali Commission Ph II	
Southwest	Saint George	East Landing Boat Ramp : Remove existing ramp. Dig back into	DOT MRS Ports & Harbo	
Southwest	Saint George	St. George Harbor South Breakwater repairs : South Breakwater	DOT MRS Ports & Harbo	
Southwest	Saint Paul	Dredging or Rock Removal	Denali Commission Ph II	
Southwest	Saint Paul	Harbor Improvements : Channel dredging to deepen and enlarge	DOT MRS Ports & Harbo	
Southwest	Sand Point	Mooring Points (Dock or Shore), Dolphins and/or Fenders, Dredging	Denali Commission Ph II	
Southwest	Sand Point	Sand Point Harbor	DOT Harbor Grant	

Region (Look-up)	Community/Location	Description	Source	Type of Hub
Southeast	Tenakee Springs	Skiff Float Installation : Provide float suitable for handling 8 skiffs,	DOT MRS Ports & Harbo	
Southeast	Tenakee Springs	Port Shed Repairs : Rebuild the east side of the dock shed,	DOT MRS Ports & Harbo	
Southeast	Tenakee Springs	Harbor Repairs : Work order to replace broken stringers in	DOT MRS Ports & Harbo	
Southeast	Tenakee Springs	Floating Breakwater Installation : Construct a third floating	DOT MRS Ports & Harbo	
Southeast	Tenakee Springs	Harbor Improvements : Provide harbor shed/office and fire	DOT MRS Ports & Harbo	
Southeast	Tenakee Springs	Float D Upgrade : Replace Float D with a heavy-duty float that is	DOT MRS Ports & Harbo	
Southeast	Tenakee Springs	City Dock: City Dock deck rehabilitation	USACE Survey	
Southeast	Tenakee Springs	City Dock: Marine Highway Tenakee	USACE Survey	
Southeast	Tenakee Springs	Tenakee Springs Boat Harbor: Replacement of 2 floats - (A&B) by	USACE Survey	
Southeast	Tenakee Springs	Tenakee Springs Boat Harbor: Feasibility study - freight barge	USACE Survey	
Southeast	Thorne Bay	Thorne Bay Main Harbor	DOT Harbor Grant	
Southeast	Thorne Bay	Harbor Grid Construction : Construction of grid.	DOT MRS Ports & Harbo	
Southeast	Thorne Bay	Tolstoi Bay Port Construction : Construct a barge landing facility	DOT MRS Ports & Harbo	
Southeast	Thorne Bay	Harbor Expansion : Extend breakwater, finger floats and utilities.	DOT MRS Ports & Harbo	
Southeast	Thorne Bay	Dock : Pile supported 40 x 100 general purpose dock with cargo	DOT MRS Ports & Harbo	
Southeast	Thorne Bay	Davidson Landing Float Replacement : Replace and expand the	DOT MRS Ports & Harbo	
Southeast	Thorne Bay	Denali - Davidson Harbor Landing Phase 1 Mooring Floats :	DOT MRS Ports & Harbo	
Southeast	Thorne Bay	Thorne Bay Harbor: Davidson landing harbor improvement	USACE Survey	
Southeast	Thorne Bay	Thorne Bay Harbor: Main harbor seaplane dock conversion	USACE Survey	
Southeast	Thorne Bay	Thorne Bay Harbor: Main harbor float approach refurbish / replace	USACE Survey	
Southeast	Thorne Bay	Thorne Bay Harbor: Breakwater for main harbor - construct	USACE Survey	
Southeast	Thorne Bay	Thorne Bay Harbor: Construct commercial dock for freight transfer	USACE Survey	
Southeast	Whale Pass	Whale Pass Float & Sea Plane Base	DOT Deferred Maintenar	
Southeast	Whale Pass	Boat Launch Ramp Construction : Construct boat launch ramp.	DOT MRS Ports & Harbo	
Southeast	Whale Pass	Boat Float Replacement : Replace community boat float.	DOT MRS Ports & Harbo	
Southeast	Whale Pass	Whale Pass: Dock Expansion – add additional slips	USACE Survey	
Southeast	Whale Pass	Whale Pass: Build breakwater around dock	USACE Survey	
Southeast	Whale Pass	Whale Pass: Seawall improvements. Replace old logs w/cement &	USACE Survey	
Southeast	Whale Pass	Whale Pass: Dock expansion - add additional slips	USACE Survey	
Southeast	Whale Pass	Whale Pass: Sea Wall - build sea wall to replace logs	USACE Survey	
Southeast	Whale Pass	Whale Pass: Break Water - around dock	USACE Survey	
Southeast	Wrangell	Dredging or Rock Removal,,	Denali Commission Ph II	
Southeast	Wrangell	Heritage Harbor Construction : Corp program match to construct a	DOT MRS Ports & Harbo	
Southeast	Wrangell	Fish and Game Float Electrical : Expand electrical system.	DOT MRS Ports & Harbo	
Southeast	Wrangell	Standard Oil Float Phase II : Upgrade and expand Reliance Harbor.	DOT MRS Ports & Harbo	
Southeast	Wrangell	Float Relocation and Upgrade : Relocate upgrade seaplane float to	DOT MRS Ports & Harbo	
Southeast	Wrangell	Upgrade In-town Pullout and Adjoining Dock : Design and construct	DOT MRS Ports & Harbo	
Southeast	Wrangell	Port Fill Placement : Fill behind dike at port.	DOT MRS Ports & Harbo	
Southeast	Wrangell	Inner Harbor Improvements : Maintenance dredge to original limits	DOT MRS Ports & Harbo	
Southeast	Wrangell	Travel Lift and Boat Haul-out Facility : Construct 150-ton boat haul-	DOT MRS Ports & Harbo	
Southeast	Wrangell	North/South Summer Float : Upgrade the existing float and add a	DOT MRS Ports & Harbo	
Southeast	Wrangell	Reliance Harbor : Extend dock by 60 x 100 feet and 600 LF. of	DOT MRS Ports & Harbo	
Southeast	Wrangell	Deep Draft Harbor Expansion : Provide a new harbor for deep draft	DOT MRS Ports & Harbo	
Southeast	Wrangell	Denali - City Dock Rehablitation :	DOT MRS Ports & Harbo	
Southeast	Wrangell	Wrangell Oil Inc.: Replace and re-secure outside whaler on	USACE Survey	
Southeast	Wrangell	Wrangell Oil Inc.: Replace and repair cross braces under length of	USACE Survey	
Southeast	Yakutat	Statter (AukeBay) Harbor	DOT Harbor Grant	
Southeast	Yakutat	Harbor Upgrade of Water/Electrical System : Major rehabilitation of	DOT MRS Ports & Harbo	
Southeast	Yakutat	Harbor Improvements : Extend float 200', construct two fingers	DOT MRS Ports & Harbo	
Southeast	Yakutat	Yakutat Ocean Cape Dock : Install catwalks to mooring dolphins.	DOT MRS Ports & Harbo	
Southeast	Yakutat	Unnamed: Bathrooms, boat haul out, fish cleaning	USACE Survey	
Southeast	Yakutat	Unnamed: Remove power pole from launch ramp	USACE Survey	
Southeast	Yakutat	Unnamed: Boat Haul out	USACE Survey	
Southeast	Yakutat	Unnamed: Power Grid	USACE Survey	
Southwest	Adak	Recommend fender pile repair	Denali Commission Ph II	Subregional Hub
Southwest	Adak	Small Boat Harbor Construction : Denali Commission SAFETEA-LU	DOT MRS Ports & Harbo	Subregional Hub
Southwest	Dillingham	Erosion Phase II : Construct 1200' of bulkhead near the boat dock.	DOT MRS Ports & Harbo	Subregional Hub
Southwest	Dillingham	Harbor Erosion Control : The harbor is separated from Nushagak	DOT MRS Ports & Harbo	Subregional Hub
Southwest	Dillingham	Small Boat Harbor Ramps : Denali Commission SAFETEA-LU	DOT MRS Ports & Harbo	Subregional Hub
Southwest	Dillingham	Erosion Phase III : Erosion control near Squaw Creek.	DOT MRS Ports & Harbo	Subregional Hub
Southwest	Dillingham	Small Boat Harbor Wharf/Bulkhead: Bulkhead Extension / Crane	USACE Survey	Subregional Hub
Southwest	Dillingham	Dillingham Small Boat Harbor: Bulkhead extension encompassing	USACE Survey	Subregional Hub
Southwest	Dillingham	Dillingham Small Boat Harbor: Breakwater on out channel to help	USACE Survey	Subregional Hub
Southwest	Naknek	Dock Dredging or Rock Removal, Other	Denali Commission Ph I	Subregional Hub
Southwest	Naknek	Port of BristolBay	DOT Harbor Grant	Subregional Hub
Southwest	Naknek	Naknek Fisherman's Dock and Harbor : Construct a dock and	DOT MRS Ports & Harbo	Subregional Hub
Southwest	Naknek	Bristol Bay Borough Freight Dock : Expand the Borough's existing	DOT MRS Ports & Harbo	Subregional Hub
Southwest	Naknek	Delta Western: Dock Replacement	USACE Survey	Subregional Hub
Southwest	Naknek	Alaska General Seafoods: Freezer Plant East Extension	USACE Survey	Subregional Hub
Southwest	Naknek	Alaska General Seafoods: Freezer Plant West Extension	USACE Survey	Subregional Hub
Southwest	Naknek	Port of Bristol Bay: Fisherman's Dock	USACE Survey	Subregional Hub
Southwest	Naknek	Ocean Beauty Seafoods: Dock Deck replacement	USACE Survey	Subregional Hub
Southwest	Naknek	Port of Bristol Bay: Fishery support center / community fish	USACE Survey	Subregional Hub
Southwest	Naknek	Port of Bristol Bay: Cold storage facility	USACE Survey	Subregional Hub
Southwest	Naknek	Port of Bristol Bay: Slurry ice delivery	USACE Survey	Subregional Hub
Southwest	Naknek	Ocean Beauty Seafoods: Piling replacement / cap replacement	USACE Survey	Subregional Hub
Southwest	Naknek	Alaska General Seafoods: Upriver dock extension	USACE Survey	Subregional Hub
Southwest	Afognak	Mooring Points (Dock or Shore), Dolphins and/or Fenders	Denali Commission Ph II	
Southwest	Akutan	Small Boat Harbor : Construct small boat harbor for home port 41	DOT MRS Ports & Harbo	
Southwest	Akutan	Akutan City Dock Fendering: Raise/improve fendering system on	DOT MRS Ports & Harbo	
Southwest	Akutan	Port/Ferry Dock Improvement : Upgrade the dock cathodic	DOT MRS Ports & Harbo	
Southwest	Akutan	Akutan City Dock Improvements : Install raised fender panel	DOT MRS Ports & Harbo	
Southwest	Akutan	Navigation Improvements: Construction	USACE	

Region (Look-up)	Community/Location	Description	Source	Type of Hub
Southeast	Klawock	Seaplane Float Maintenance : Work order to repair damaged float	DOT MRS Ports & Harbo	
Southeast	Kupreanof	Kupreanof Float	DOT Deferred Maintenar	
Southeast	Kupreanof	Float Improvements : Reconstruct and extend capacity of float.	DOT MRS Ports & Harbo	
Southeast	Kupreanof	Kupreanof State Float: Repair rotten pilings & water soaked floats	USACE Survey	
Southeast	Little Port Walter	NOAA facility: Dock plank replacement	USACE Survey	
Southeast	Little Port Walter	NOAA facility: Boat haul and float replacement	USACE Survey	
Southeast	Little Port Walter	NOAA facility: Personnel & Float plane dock replacement	USACE Survey	
Southeast	Little Port Walter	NOAA - Little Port Walter: Float cleaning	USACE Survey	
Southeast	Little Port Walter	Little Port Walter: Electrical service	USACE Survey	
Southeast	Loring	Float Repairs : Work order to replace decking, signs, and resecure	DOT MRS Ports & Harbo	
Southeast	Loring	Breakwater Float : Construct heavy duty float to replace existing.	DOT MRS Ports & Harbo	
Southeast	Metlakatla	Dolphins and/or Fenders	Denali Commission Ph II	
Southeast	Metlakatla	City Dock Improvements : Upgrade the approach and replace piles	DOT MRS Ports & Harbo	
Southeast	Metlakatla	Harbor Repair/Replacement : Work order to replace transition	DOT MRS Ports & Harbo	
Southeast	Metlakatla	Launch Ramp Replacement : Replace existing launch ramp at the	DOT MRS Ports & Harbo	
Southeast	Metlakatla	Haul-Out Improvements : Improvement and renovation of	DOT MRS Ports & Harbo	
Southeast	Metlakatla	Harbor Office Construction : Construct new harbor office that is	DOT MRS Ports & Harbo	
Southeast	Metlakatla	Work Float : Construct new 5000 square-foot work float at city float.	DOT MRS Ports & Harbo	
Southeast	Metlakatla	Grid Construction : Construct new grid for two boats up to 75 feet	DOT MRS Ports & Harbo	
Southeast	Metlakatla	Barge Ramp Improvements : Preliminary engineering and site	DOT MRS Ports & Harbo	
Southeast	Meyers Chuck	Ramp	Denali Commission Ph II	
Southeast	Meyers Chuck	Meyer's Chuck Float & Sea Plane Base	DOT Deferred Maintenar	
Southeast	Meyers Chuck	Harbor Repairs : Work order to add signage, repair fire breaks and	DOT MRS Ports & Harbo	
Southeast	Meyers Chuck	Grid Repairs : Refurbish the grid by replacing the deteriorated caps	DOT MRS Ports & Harbo	
Southeast	Naukati	Launch Ramp Improvements : Increase the grade and construct an	DOT MRS Ports & Harbo	
Southeast	Naukati	Klinau Cove Skiff Facility : Construct a gravel launch ramp and float	DOT MRS Ports & Harbo	
Southeast	Naukati	Floating Breakwater Installation : Construct and install a concrete	DOT MRS Ports & Harbo	
Southeast	Naukati	Grid Construction : Construct a grid 15 feet wide by 60 feet long, as	DOT MRS Ports & Harbo	
Southeast	Naukati	Harbor Facility Construction : Construct and install floats that can	DOT MRS Ports & Harbo	
Southeast	Pelican	Dolphins and/or Fenders, Other	Denali Commission Ph II	
Southeast	Pelican	Denali - Barge Facility Pelican : Develop/improve barge facility	DOT MRS Ports & Harbo	
Southeast	Pelican	Harbor Water and ADA Gangway : Construct new ADA gangway	DOT MRS Ports & Harbo	
Southeast	Pelican	Pelican Boat Harbor: Multi-use cargo dock/barge landing	USACE Survey	
Southeast	Pelican	Pelican Boat Harbor: Seaplane Mooring Dock	USACE Survey	
Southeast	Pelican	Pelican Boat Harbor: Alaska Marine Highway Terminal	USACE Survey	
Southeast	Pelican	Harbor: Breakwater expansion	USACE Survey	
Southeast	Pelican	Pelican Boat Harbor: Boat launch ramp	USACE Survey	
Southeast	Pelican	Pelican Boat Harbor: Fishermen's work float	USACE Survey	
Southeast	Pelican	Pelican Boat Harbor: Replace E float	USACE Survey	
Southeast	Pelican	Pelican Boat Harbor: Water distribution system	USACE Survey	
Southeast	Pelican	Pelican Boat Harbor: Dredging of inner harbor	USACE Survey	
Southeast	Pelican	Pelican Boat Harbor: Reconstruction of two oldest floats and	USACE Survey	
Southeast	Pelican	Pelican Boat Harbor: Public Access Hoist	USACE Survey	
Southeast	Petersburg	Dredging or Rock Removal	Denali Commission Ph II	
Southeast	Petersburg	Papke's Landing Float	DOT Deferred Maintenar	
Southeast	Petersburg	South Harbor	DOT Harbor Grant	
Southeast	Petersburg	Middle harbor	DOT Harbor Grant	
Southeast	Petersburg	South Harbor	DOT Harbor Grant	
Southeast	Petersburg	Petersburg Area Repairs : Work orders for Kurpreanof Harbor to	DOT MRS Ports & Harbo	
Southeast	Petersburg	South Boat Harbor Expansion : Enlarge basin by dredging adjacent	DOT MRS Ports & Harbo	
Southeast	Petersburg	Papke's Landing Rehabilitation : Extend float, add moorage, install	DOT MRS Ports & Harbo	
Southeast	Petersburg	Middle Boat Harbor Float Replacement : Major renovation of old	DOT MRS Ports & Harbo	
Southeast	Petersburg	North Boat Harbor Float Replacement : Replace North Boat Harbor	DOT MRS Ports & Harbo	
Southeast	Petersburg	Tour Ship Dock Construction, Preliminary Engineering : Preliminary	DOT MRS Ports & Harbo	
Southeast	Petersburg	Middle Harbor :	DOT MRS Ports & Harbo	
Southeast	Petersburg	South Harbor :	DOT MRS Ports & Harbo	
Southeast	Petersburg	Entrance Island Harbor Float Replacement : Work order to remove	DOT MRS Ports & Harbo	
Southeast	Petersburg	Petersburg Fisheries: Floor Replacement	USACE Survey	
Southeast	Petersburg	Petersburg Ferry Terminal: Dock bumper "donuts"	USACE Survey	
Southeast	Petersburg	City of Petersburg South Harbor: South Harbor cathodic protection	USACE Survey	
Southeast	Petersburg	Petersburg Fisheries: Cooling Tower	USACE Survey	
Southeast	Petersburg	Petersburg Fisheries: New float – dock system	USACE Survey	
Southeast	Petersburg	Petersburg Shipwrights, Inc.: 300 ton travel lift	USACE Survey	
Southeast	Petersburg	Tamico Inc: Float replacement	USACE Survey	
Southeast	Petersburg	Tamico Inc: Land expansion	USACE Survey	
Southeast	Petersburg	Tamico Inc: Dredging	USACE Survey	
Southeast	Point Baker	Ramp	Denali Commission Ph II	
Southeast	Point Baker	Point Baker Refuge Float & Sea Plane Base	DOT Deferred Maintenar	
Southeast	Point Baker	Point Baker Float Improvements : Provide additional capacity at the	DOT MRS Ports & Harbo	
Southeast	Point Baker	Point Baker Vessel and Seaplane Float: Harbor facilities upgrade.	USACE Survey	
Southeast	Port Alexander	Port Alexander Inner Float	DOT Deferred Maintenar	
Southeast	Port Alexander	Port Alexander Outer Float & Sea Plane Base	DOT Deferred Maintenar	
Southeast	Port Alexander	Port Alexander Harbor Repairs : Work order to replace approach	DOT MRS Ports & Harbo	
Southeast	Port Alexander	Inner Harbor Rehabilitation : Reinforce main floats with fendered	DOT MRS Ports & Harbo	
Southeast	Port Alexander	Back Dock: State of Alaska to repair approach to back dock	USACE Survey	
Southeast	Port Alexander	Front Dock: Front dock repairs, new floatation, pilings, some	USACE Survey	
Southeast	Port Protection	New Dock	Denali Commission Ph II	
Southeast	Port Protection	Port Protection Refuge Float & Sea Plane Base	DOT Deferred Maintenar	
Southeast	Saxman	Saxman Seaport: Roof replacement, large warehouse	USACE Survey	
Southeast	Tenakee Springs	Ramp, Other	Denali Commission Ph II	
Southeast	Tenakee Springs	Tenakee Springs Small Boat Harbor	DOT Deferred Maintenar	
Southeast	Tenakee Springs	A' and 'B' Float at Tenakee Springs SBH	DOT Deferred Maintenar	
Southeast	Tenakee Springs	Denali - Tenakee Springs Terminal Improvments : AMHS - Upgrade	DOT MRS Ports & Harbo	

Region (Look-up)	Community/Location	Description	Source	Type of Hub
Southeast	Angoon	Angoon Oil and Gas: New Pilings	USACE Survey	
Southeast	Auke Bay	Navigation Improvements: Reconnaissance	USACE	
Southeast	Baranof Warm Springs	Baranof Warm Springs Refuge Float & Sea Plane Base	DOT Deferred Maintenar	
Southeast	Baranof Warm Springs	Baranof Warm Springs Harbor Improvements : Extend the floats to	DOT MRS Ports & Harbo	
Southeast	Bartlett Cove	Glacier Bay Park Float : Extend existing dock to deeper water and	DOT MRS Ports & Harbo	
Southeast	Coffman Cove	Launch Ramp Float Installation : Install a float at the launch ramp to	DOT MRS Ports & Harbo	
Southeast	Coffman Cove	Float Repairs : Design is complete. Denali Commission funds	DOT MRS Ports & Harbo	
Southeast	Coffman Cove	Float Expansion : Expand harbor float system to provide additional	DOT MRS Ports & Harbo	
Southeast	Coffman Cove	Harbor: Harbor Expansion	USACE Survey	
Southeast	Coffman Cove	Harbor: Charter dock	USACE Survey	
Southeast	Coffman Cove	Harbor: Barge ramp and bulkhead	USACE Survey	
Southeast	Coffman Cove	Harbor: Northland Ferry	USACE Survey	
Southeast	Craig	South Cove Improvements : Provides new slips for small craft at	DOT MRS Ports & Harbo	
Southeast	Craig	Craig Harbor Expansion : Construct new public harbor with parking	DOT MRS Ports & Harbo	
Southeast	Craig	Craig City Dock and Grid : Dolphin piling construction.	DOT MRS Ports & Harbo	
Southeast	Craig	South Cove Uplands : Provides harbor office, restrooms, shower,	DOT MRS Ports & Harbo	
Southeast	Craig	South Cove Harbor Breakwater, PE : Preliminary engineering and	DOT MRS Ports & Harbo	
Southeast	Craig	North Cove Grid : Construct new grid in North Cove.	DOT MRS Ports & Harbo	
Southeast	Craig	North Cove Harbor Breakwater Spur Construction : Design and	DOT MRS Ports & Harbo	
Southeast	Craig	South Cove Harbor Loading Zone : Construct loading zone off of	DOT MRS Ports & Harbo	
Southeast	Craig	Navigation Improvements: Reconnaissance	USACE	
Southeast	Douglas	Douglas Boat Harbor: Dredging and float replacement	USACE Survey	
Southeast	Douglas	Douglas Boat Harbor: Floating Breakwater	USACE Survey	
Southeast	Douglas	Douglas Boat Harbor: Breakwater access / gangway	USACE Survey	
Southeast	Edna Bay	New Dock	Denali Commission Ph II	
Southeast	Edna Bay	Edna Bay Refuge Float & Sea Plane Base	DOT Deferred Maintenar	
Southeast	Edna Bay	Breakwater and Floats : Construct 250 feet of rubble-mound	DOT MRS Ports & Harbo	
Southeast	Elfin Cove	Ramp	Denali Commission Ph II	
Southeast	Elfin Cove	Elfin Cove Inner Float	DOT Deferred Maintenar	
Southeast	Elfin Cove	Elfin Cove Outer Float & Sea Plane Base	DOT Deferred Maintenar	
Southeast	Elfin Cove	Inner Harbor : Construct new stall floats.	DOT MRS Ports & Harbo	
Southeast	Excursion Inlet	Excursion Inlet Maintenance and Repairs : Work orders to install 4	DOT MRS Ports & Harbo	
Southeast	Funter Bay	Funter Bay Seaplane Float Repairs : Minor repairs to trestle,	DOT MRS Ports & Harbo	
Southeast	Gustavus	Gustavus Float	DOT Deferred Maintenar	
Southeast	Gustavus	Dock and Approach Replacement : Construct a transfer facility	DOT MRS Ports & Harbo	
Southeast	Gustavus	Gustavus Trestle and Dock Repairs : Work orders to reinforce	DOT MRS Ports & Harbo	
Southeast	Gustavus	Public Dock and Floats : Construct a breakwater float adjacent to	DOT MRS Ports & Harbo	
Southeast	Gustavus	Gustavus: Timber Mooring Floats : Supplement existing mooring	DOT MRS Ports & Harbo	
Southeast	Gustavus	Navigation Improvements: Reconnaissance	USACE	
Southeast	Gustavus	Gustavus Dray: New Dock	USACE Survey	
Southeast	Gustavus	Gustavus Dray: New tank farm & pipeline	USACE Survey	
Southeast	Gustavus	Gustavus Dray: Floating Breakwater	USACE Survey	
Southeast	Helm Bay	Helm Bay Refuge Float	DOT Deferred Maintenar	
Southeast	Hobart Bay	Entrance Island Refuge Float	DOT Deferred Maintenar	
Southeast	Hollis	Hollis Float & Sea Plane Base	DOT Deferred Maintenar	
Southeast	Hollis	Hollis Harbor : Work order for minor repairs to float and seaplane	DOT MRS Ports & Harbo	
Southeast	Hollis	IFA Ferry Terminal: Hollis Terminal dredging. Maintenance	USACE Survey	
Southeast	Hoonah	Mooring Points (Dock or Shore), Dolphins and/or Fenders, Ramp, O	Denali Commission Ph II	
Southeast	Hoonah	Hoonah Maintenance Dredging : Maintenance dredge harbor in	DOT MRS Ports & Harbo	
Southeast	Hoonah	Harbor Repairs : Repair spalling concrete decks in harbor and	DOT MRS Ports & Harbo	
Southeast	Hoonah	Denali - Barge Facility: Hoonah : Develop/improve barge facility.	DOT MRS Ports & Harbo	
Southeast	Hoonah	Hoonah Boat Lift : Construct marine travel lift to remove boats for	DOT MRS Ports & Harbo	
Southeast	Hoonah	Boat Harbor Expansion : Construct 18 new stalls for boats between	DOT MRS Ports & Harbo	
Southeast	Hoonah	Hoonah Tour Ship Dock : Design engineering for tour ship dock	DOT MRS Ports & Harbo	
Southeast	Hoonah	Hoonah Harbor and visitor Dock: Redecking of transient float	USACE Survey	
Southeast	Hoonah	Hoonah Ferry Terminal: State of Alaska - Channel Construction -	USACE Survey	
Southeast	Hydaburg	Hydaburg small Boat Harbor	DOT Harbor Grant	
Southeast	Hydaburg	Harbor Repairs : Work orders for electrical repair, remove two wood	DOT MRS Ports & Harbo	
Southeast	Hydaburg	Launch Ramp : Construct launching ramp, turn around and parking	DOT MRS Ports & Harbo	
Southeast	Hydaburg	Harbor Breakwater : Construct rubble-mound breakwater, 200 feet	DOT MRS Ports & Harbo	
Southeast	Hydaburg	City Dock Breakwater, PE : Preliminary Engineering to construct a	DOT MRS Ports & Harbo	
Southeast	Hyder	Dolphins and/or Fenders, New Dock	Denali Commission Ph II	
Southeast	Hyder	Hyder Inner Float & Sea Plane Base	DOT Deferred Maintenar	
Southeast	Hyder	Hyder Outer Float	DOT Deferred Maintenar	
Southeast	Hyder	Transfer Bridge and Dolphins : Design and construct a new transfer	DOT MRS Ports & Harbo	
Southeast	Hyder	Barge Ramp Construction : Construct a barge ramp to serve cargo	DOT MRS Ports & Harbo	
Southeast	Hyder	Small Boat Harbor Dredging : Dredge the small boat harbor to	DOT MRS Ports & Harbo	
Southeast	Hyder	Marine Terminal Construction : In conjunction with Innovative	DOT MRS Ports & Harbo	
Southeast	Hyder	Floating Marine Terminal and Staging Area : Construct 20,000 sq ft	DOT MRS Ports & Harbo	
Southeast	Kake	Fender piles on existing dock need replacement.	Denali Commission Ph II	
Southeast	Kake	Dock Repair : Minor repairs to the public dock, which is used for the	DOT MRS Ports & Harbo	
Southeast	Kake	Seaplane Float Replacement : Work order to replace float system	DOT MRS Ports & Harbo	
Southeast	Kake	Portage Cove Harbor Inner Harbor Expansion : Relocation of	DOT MRS Ports & Harbo	
Southeast	Kake	Kake Harbor Repairs : Work Order to replace broken bull rails,	DOT MRS Ports & Harbo	
Southeast	Kake	Portage Cove Harbor Breakwater and Expansion : Construct a	DOT MRS Ports & Harbo	
Southeast	Kasaan	Kasaan Harbor & Sea Plane Base	DOT Deferred Maintenar	
Southeast	Kasaan	Kasaan Harbor Repairs : Work orders to replace transition plates	DOT MRS Ports & Harbo	
Southeast	Kasaan	Kasaan Dock Replacement/ Repairs and New Grid : Dock	DOT MRS Ports & Harbo	
Southeast	Kasaan	Unnamed: Breakwater	USACE Survey	
Southeast	Kasaan	Unnamed: Harbor and dock upgrades	USACE Survey	
Southeast	Kasaan	Unnamed: Boat launch ramp	USACE Survey	
Southeast	Klawock	Harbor Deferred Maintenance : Construct breakwater to stop ice	DOT MRS Ports & Harbo	
Southeast	Klawock	Harbor Expansion : Construct new harbor facilities to provide	DOT MRS Ports & Harbo	

Region (Look-up)	Community/Location	Description	Source	Type of Hub
Southeast	Ketchikan	Airport Small Boat Dock Construction : Construct small boat dock	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Berth II Repairs : Repair the fender system on berth II.□	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Knudson Cove Launch Ramp Reconstruction : Construct an	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Denali - Knudson Cove Harbor Launch Ramp Replacement :	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Boat Launch Ramp Repair Bar Harbor : Repair launch ramp.	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Bar Harbor North Dredging : This project would reimburse city for	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Navigation Improvements: Reconnaissance	USACE	Regional Hub
Southeast	Ketchikan	Alaska General Seafoods: Replace ice house	USACE Survey	Regional Hub
Southeast	Ketchikan	Alaska General Seafoods: Upgrade fresh/frozen processing	USACE Survey	Regional Hub
Southeast	Ketchikan	Talbot's: Talbot's Float Plane Base POA-2006-688-1, POA-2006-	USACE Survey	Regional Hub
Southeast	Ketchikan	Trident Freezer Plant: Pile reinforcing	USACE Survey	Regional Hub
Southeast	Ketchikan	AMHS Ketchikan Ferry Terminal: Administration warehouse project	USACE Survey	Regional Hub
Southeast	Ketchikan	Bar Harbor South Floats 1-9: Deck & bullrail repairs to floats 7, 8, &	USACE Survey	Regional Hub
Southeast	Ketchikan	Berths 1 & 2: Repairs to piles & dredging	USACE Survey	Regional Hub
Southeast	Ketchikan	Berths 3 & 4: Corrosion repairs to pile caps	USACE Survey	Regional Hub
Southeast	Ketchikan	Ketchikan Ship Yard: Ship fabrication & assembly facilities at	USACE Survey	Regional Hub
Southeast	Ketchikan	Knudson Cove: Replace launch ramp	USACE Survey	Regional Hub
Southeast	Ketchikan	Thomas Basin: Replace finger floats on floats 2, 3, & 4	USACE Survey	Regional Hub
Southeast	Ketchikan	Thomas Basin: Replace finger floats on float 5	USACE Survey	Regional Hub
Southeast	Ketchikan	Air Marine Harbor: Dock Replacement	USACE Survey	Regional Hub
Southeast	Ketchikan	Bar Harbor North Floats 10-17: Replace access ramps & electrical	USACE Survey	Regional Hub
Southeast	Ketchikan	Bar Harbor South Floats 1-9: Replace floats 1, 8 & 9	USACE Survey	Regional Hub
Southeast	Ketchikan	Replace & repair launch ramp & replace grid	USACE Survey	Regional Hub
Southeast	Ketchikan	Berths 1 & 2: Replacement of wooden portions of Berth 1 & 2 with	USACE Survey	Regional Hub
Southeast	Ketchikan	Hole in the Wall: Replace access ramp, floats & breakwater	USACE Survey	Regional Hub
Southeast	Ketchikan	Ketchikan Ship Yard (KSY): A planning complete environmental	USACE Survey	Regional Hub
Southeast	Ketchikan	Thomas Basin: Replace Float1, access ramps & grids	USACE Survey	Regional Hub
Southeast	Sitka	ANB Harbor	DOT Harbor Grant	Regional Hub
Southeast	Sitka	ANB Harbor	DOT Harbor Grant	Regional Hub
Southeast	Sitka	Old Thomsen Harbor Rebuild : Replace harbor components that	DOT MRS Ports & Harbo	Regional Hub
Southeast	Sitka	Cresent Harbor Electrical Upgrade : Electrical upgrade of the main	DOT MRS Ports & Harbo	Regional Hub
Southeast	Sitka	Lightering Facility Breakwater Construction : Construct a	DOT MRS Ports & Harbo	Regional Hub
Southeast	Sitka	Sitka Harbor Repairs : Construct inner harbor repairs of existing	DOT MRS Ports & Harbo	Regional Hub
Southeast	Sitka	Thomsen Harbor Expansion (Inner Harbor Floats) : Construct inner	DOT MRS Ports & Harbo	Regional Hub
Southeast	Sitka	Sawmill Dock Reconstruction : Denali Commission SAFETEA-LU	DOT MRS Ports & Harbo	Regional Hub
Southeast	Sitka	Boat Ramp Beautification Project : Boat launch ramp beautification	DOT MRS Ports & Harbo	Regional Hub
Southeast	Sitka	Crescent Harbor ADA Upgrade : Upgrade existing facilities to ADA	DOT MRS Ports & Harbo	Regional Hub
Southeast	Sitka	Crescent Harbor, Navigation Improvements: Reconnaissance	USACE	Regional Hub
Southeast	Sitka	ANB Harbor: ANB replacement	USACE Survey	Regional Hub
Southeast	Sitka	Sitka Float Plane Dock: Complete replacement	USACE Survey	Regional Hub
Southeast	Sitka	Sitka Float Plane Dock: Sitka sea plane base	USACE Survey	Regional Hub
Southeast	Haines	NGP Lutak Dock Expansion	DOT Gas Line Needs	Subregional Hub
Southeast	Haines	New Boat Launch Ramp : Construct new launching ramp and float.	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Haines	Letnikof Cove Repairs : Repair approach float and replace	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Haines	NGP Haines Terminal Modifications : Haines Terminal Modifications	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Haines	NGP Lutak Dock Expansion : Lutak Dock Expansion	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Haines	Portage Cove Harbor Expansion : Relocate Portage Cove	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Haines	Lutak Dock and Fender : Replace fender system.	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Haines	Harbor Repairs : Repair or replace old boat grid, old concrete ramp,	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Haines	Navigation Improvements: Preliminary Engineering and Design	USACE	Subregional Hub
Southeast	Haines	Chilkoot Lumber Co., Inc.: Environmental cleanup from sawmill	USACE Survey	Subregional Hub
Southeast	Haines	Delta Western, Inc.: Paving, Fencing	USACE Survey	Subregional Hub
Southeast	Haines	Delta Western, Inc.: Lutak Dock	USACE Survey	Subregional Hub
Southeast	Haines	Letnikof Cove: Engineering assessment of floats, anchors. Piles,	USACE Survey	Subregional Hub
Southeast	Haines	Portage Cove Harbor: Portage Cove, small boat harbor expansion	USACE Survey	Subregional Hub
Southeast	Haines	Port Chilkoot Dock: Trestle and approach repair	USACE Survey	Subregional Hub
Southeast	Haines	Portage Cove Harbor: Dredging, uplands improvements	USACE Survey	Subregional Hub
Southeast	Haines	Portage Cove Harbor: Breakwater extension for better protection	USACE Survey	Subregional Hub
Southeast	Haines	Portage Cove Harbor: New boat launch	USACE Survey	Subregional Hub
Southeast	Haines	Letnikof Cove: Replace chains holding docks to bottom	USACE Survey	Subregional Hub
Southeast	Haines	Letnikof Cove: Replace floating breakwater and attached tank floats	USACE Survey	Subregional Hub
Southeast	Haines	Letnikof Cove: construct new seasonal timber floats	USACE Survey	Subregional Hub
Southeast	Haines	Lutak Dock: Major upgrades to accommodate gas pipeline	USACE Survey	Subregional Hub
Southeast	Haines	Chilkoot Lumber Co., Inc.: Dock repairs - fender piles redecking	USACE Survey	Subregional Hub
Southeast	Skagway	Skagway small Boat Harbor	DOT Harbor Grant	Subregional Hub
Southeast	Skagway	Skagway Harbor Deferred Maintenance : Work orders to seal	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Skagway	Basin Dredging and Improve Entrance : Dredge basin to original	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Skagway	Harbor Improvements : Install pumpout, add 14 water connections	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Skagway	Harbor Retaining Wall, Preliminary Engineering : Preliminary	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Skagway	Harbor	DOT MRS Ports & Harbo	Subregional Hub
Southeast	Skagway	Skagway Ore Terminal: See Skagway Port Development Plan	USACE Survey	Subregional Hub
Southeast	Skagway	Port of Skagway: Seawall – Railroad Dock (2 cruise ships)	USACE Survey	Subregional Hub
Southeast	Skagway	Port of Skagway: Small Boat Harbor Wave Barrier	USACE Survey	Subregional Hub
Southeast	Skagway	Port of Skagway: Port Gateway Project TIGGR Grant Pending - US	USACE Survey	Subregional Hub
Southeast	Skagway	Port of Skagway: Small Boat Harbor Phase 1B dredging and dock	USACE Survey	Subregional Hub
Southeast	Skagway	Skagway Small Boat Harbor: Skagway Small Boat Harbor Master	USACE Survey	Subregional Hub
Southeast	Skagway	Port of Skagway*: Ore dock improvements	USACE Survey	Subregional Hub
Southeast	Skagway	Port of Skagway*: Port expansion	USACE Survey	Subregional Hub
Southeast	Angoon	New Dock, Other	Denali Commission Ph II	
Southeast	Angoon	Angoon Dock Repairs : Repair and renovate the dock and	DOT MRS Ports & Harbo	
Southeast	Angoon	Harbor Repairs : Repair existing harbor deficiencies including	DOT MRS Ports & Harbo	
Southeast	Angoon	Denali - Barge Facility Angoon : Develop/improve barge facility	DOT MRS Ports & Harbo	
Southeast	Angoon	Launch Ramp : Construct launch ramp facility in Kootznahoo Inlet.	DOT MRS Ports & Harbo	

Region (Look-up)	Community/Location	Description	Source	Type of Hub
Southcentral	Point MacKenzie	Puget Sound: Rail line extension (to Parks Hwy) and rail off-load	USACE Survey	
Southcentral	Point MacKenzie	Juneau: Hill Reduction and Paving (2 Miles)	USACE Survey	
Southcentral	Point MacKenzie	Ketchikan: Ferry landing	USACE Survey	
Southcentral	Point MacKenzie	Puget Sound: Second rail loop (3 miles)	USACE Survey	
Southcentral	Point MacKenzie	Juneau: Road Connection & traffic loop for Knik Arm Bridge	USACE Survey	
Southcentral	Point MacKenzie	Ketchikan: Anchorage ferry landing	USACE Survey	
Southcentral	Port Graham	Port Graham Dock: New dock study; Denali commission feasibility	USACE Survey	
Southcentral	Port Graham	Port Graham Dock: Harbor Feasibility Study	USACE Survey	
Southcentral	Port Graham	Port Graham Dock: new dock	USACE Survey	
Southcentral	Seldovia	Jakolof Bay Float Access : Acquisition of 1.5 acres of uplands at	DOT MRS Ports & Harbo	
Southcentral	Seldovia	Harbor Basin Dredging : Dredge portions of the harbor.	DOT MRS Ports & Harbo	
Southcentral	Seldovia	Dock Phase I&II : Dock repair and maintenance and design for	DOT MRS Ports & Harbo	
Southcentral	Tyonek	North Forelands Dock: Barge Landing	USACE Survey	
Southcentral	Tyonek	North Forelands Dock: Fendering	USACE Survey	
Southcentral	Tyonek	North Forelands Dock: Extension to Cape Class Depth	USACE Survey	
Southcentral	Anchorage	Cook Inlet Navigation Improvements : Complete navigational	DOT MRS Ports & Harbo	Regional, Containe
Southcentral	Anchorage	Knik Arm Intermodal Terminals: Ferry : Final engineering, design	DOT MRS Ports & Harbo	Regional, Containe
Southcentral	Anchorage	Navigation Improvements: Feasibility of Harbor Deepening	USACE	Regional, Containe
Southcentral	Anchorage	North Star Terminal / Anderson Dock: Dock extension	USACE Survey	Regional, Containe
Southcentral	Anchorage	Port of Anchorage: Port of Anchorage Intermodal Expansion	USACE Survey	Regional, Containe
Southcentral	Anchorage	Port of Anchorage Terminal No. 2 Wharf: Port Expansion Project;	USACE Survey	Regional, Containe
Southeast	Juneau	Ramp	Denali Commission Ph II	Regional Hub
Southeast	Juneau	Funter Bay Cannery Float & Sea Plane Base	DOT Deferred Maintenar	Regional Hub
Southeast	Juneau	Funter Bay Refuge Float	DOT Deferred Maintenar	Regional Hub
Southeast	Juneau	Skagway small Boat Harbor	DOT Harbor Grant	Regional Hub
Southeast	Juneau	Aurora Harbor	DOT Harbor Grant	Regional Hub
Southeast	Juneau	Douglas Dock Reconstruction : Reconstruct dock, approach, hoist,	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Tee Harbor Launch Ramp and Parking Lot : Construct a new	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Douglas: Mayflower Island Causeway Upgrade : Work in	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Areawide Moorage Reconfiguration : Reconfigure all existing	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Areawide Electrical and Lighting : Retrofit wiring and lighting	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Juneau Harbor Repairs : Work orders for Auke Bay: Signs for ADA	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Auke Bay Commercial Landing Facility : Construct a marine loading	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Aurora Harbor Reconstruction : Reconstruct finger floats at #A-A-	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Douglas Harbor Expansion : Dredge turning basin and moorage	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Aurora Harbor ADA Improvements : Construct ADA improvements	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Auke Bay Breakwater : Construct additional breakwater at Auke	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Taku Harbor Repairs : Work order to replace stringers, floatation,	DOT MRS Ports & Harbo	Regional Hub
Southeast	Juneau	Alaska Glacier Seafoods: Dock/ice house expansion	USACE Survey	Regional Hub
Southeast	Juneau	Alaska Steamship Wharf: Cruise ship dock repairs	USACE Survey	Regional Hub
Southeast	Juneau	Auke Bay Commercial Loading Facility (ABCLF): Paving, Access	USACE Survey	Regional Hub
Southeast	Juneau	Auke Bay Ferry Terminal: Rebuild terminal building	USACE Survey	Regional Hub
Southeast	Juneau	Aurora Harbor Float: Float replacement	USACE Survey	Regional Hub
Southeast	Juneau	Don Statter Harbor: Statter Harbor launch ramp	USACE Survey	Regional Hub
Southeast	Juneau	Don Statter Harbor: Replacement of floats for Deharts and Statter	USACE Survey	Regional Hub
Southeast	Juneau	NOAA - Auke Bay Lab Facility: N/A	USACE Survey	Regional Hub
Southeast	Juneau	NOAA - Support Facility: N/A	USACE Survey	Regional Hub
Southeast	Juneau	North Douglas Harbor Facility: New float and parking restroom	USACE Survey	Regional Hub
Southeast	Juneau	Norway Point Float: Elect, water and dredging	USACE Survey	Regional Hub
Southeast	Juneau	Alaska Steamship Wharf: New cruise terminal	USACE Survey	Regional Hub
Southeast	Juneau	Auke Bay Commercial Loading Facility (ABCLF): Boat haul out	USACE Survey	Regional Hub
Southeast	Juneau	Aurora Harbor Float: Approach dock	USACE Survey	Regional Hub
Southeast	Juneau	Don Statter Harbor: Replacement of ways and boat lift	USACE Survey	Regional Hub
Southeast	Juneau	Don Statter Harbor: Charter boat landing	USACE Survey	Regional Hub
Southeast	Juneau	Harris Harbor: Replacement	USACE Survey	Regional Hub
Southeast	Juneau	Indian Point Dock - National Park Service: Ramp replacement	USACE Survey	Regional Hub
Southeast	Juneau	Indian Point Dock - National Park Service: Float replacement	USACE Survey	Regional Hub
Southeast	Juneau	Indian Point Dock - National Park Service: Crane repair	USACE Survey	Regional Hub
Southeast	Juneau	Indian Point Dock - National Park Service: Pier repair	USACE Survey	Regional Hub
Southeast	Juneau	Intermediate Vessel Float (IVF): Upgrade & replacement	USACE Survey	Regional Hub
Southeast	Juneau	Lightering Float: Dock replacement	USACE Survey	Regional Hub
Southeast	Juneau	National Guard Pier: Float replacement	USACE Survey	Regional Hub
Southeast	Juneau	NOAA - Auke Bay Lab Facility: Float cleaning	USACE Survey	Regional Hub
Southeast	Juneau	NOAA - Auke Bay Lab Facility: Electrical service	USACE Survey	Regional Hub
Southeast	Juneau	NOAA - Auke Bay Lab Facility: Dock plank replacement	USACE Survey	Regional Hub
Southeast	Juneau	NOAA - Support Facility: Dock piling repair and decking	USACE Survey	Regional Hub
Southeast	Juneau	NOAA - Support Facility: Dock & float electrical upgrades	USACE Survey	Regional Hub
Southeast	Juneau	Norway Point Float: Condos, shops, and developments	USACE Survey	Regional Hub
Southeast	Ketchikan	Dredging or Rock Removal	Denali Commission Ph II	Regional Hub
Southeast	Ketchikan	Mountain Point Float and Boat Ramp	DOT Deferred Maintenar	Regional Hub
Southeast	Ketchikan	Tongass Narrows South Harbor Construction : Local matching	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Thomas Basin Rebuild : Rebuild the float system in Thomas Basin	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Thomas Basin Float Rehabilitation : Replace deteriorated timber	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Denali - Thomas Basin Finger Floats :	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Bar Harbor South Piling Replacement : Replace 22 deteriorated	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Bar Harbor North Float Repair : Remove spalled concrete from the	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Ketchikan Shipyard Marine Dry-Dock Facility Improvements :	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Ketchikan Area Harbor Repairs : Work orders for Hole in the Wall:	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Thomas Basin Dolphin 1 : Widen entrance to basin to allow	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Hansen Float Expansion : Construct a 72' x 12' expansion to	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Ketchikan: Waterfront Reconfiguration : Replace floats, gangways	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	City Float Uplands : Develop plans and estimate costs to construct	DOT MRS Ports & Harbo	Regional Hub
Southeast	Ketchikan	Lewis Reef Industrial Complex Design : Engineering design for	DOT MRS Ports & Harbo	Regional Hub

Region (Look-up)	Community/Location	Description	Source	Type of Hub
Prince William Sound	Seward	East Harbor Reconstruction : Denali Commission SAFETEA-LU	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Seward	Coal ship loading dock: Fugitive dust control improvements	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Marine Center: ARRV Pier. Put in a wave barrier and dock	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Marine Industrial Center: Vessel Washdown Station for	USACE Survey	Regional Hub
Prince William Sound	Seward	Breakwater completion	USACE Survey	Regional Hub
Prince William Sound	Seward	Alaska Railroad East Dock: Basin dredging to increase mooring	USACE Survey	Regional Hub
Prince William Sound	Seward	Approach basin maintenance dredging to -30' MLLW	USACE Survey	Regional Hub
Prince William Sound	Seward	Alaska Railroad West Dock: Dredging of mooring basins to -42'	USACE Survey	Regional Hub
Prince William Sound	Seward	Maint. dredging of approach basin	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Small Boat Harbor: 2/Security Float - 870 linear feet of flats	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Small Boat Harbor: Replacement of D Float - Replace	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Small Boat Harbor: East Breakwater Extension - add 215	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Small Boat Harbor: Harbor Dredging - Local and Federal	USACE Survey	Regional Hub
Prince William Sound	Seward	Alaska Railroad East Dock: Expand dock to 315' wide from current	USACE Survey	Regional Hub
Prince William Sound	Seward	Alaska Railroad East Dock: Extend dock 400' south	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Marine Industrial Center: Repair of North Dock	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Marine Industrial Center: Dredging of SMIC Basin	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Small Boat Harbor: NE fish cleaning dock	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Small Boat Harbor: Replacement of A,B,C & S floats	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Small Boat Harbor: Replacement of launch ramps	USACE Survey	Regional Hub
Prince William Sound	Seward	Coal ship loading dock: Basin maintenance dredging	USACE Survey	Regional Hub
Prince William Sound	Seward	Seward Marine Center: Replace the warehouse	USACE Survey	Regional Hub
Prince William Sound	Valdez	Valdez/Uplands Development	DOT Gas Line Needs	Regional Hub
Prince William Sound	Valdez	Harbor Float Extension : Install a 8' x 100' concrete float and anchor	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Valdez	Harbor Retaining Wall Extension : Construct a timber faced	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Valdez	Valdez Small Boat Harbor Floats A-G Electrical : Replacing and	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Valdez	Valdez Dock Facility Improvements : This project will complete the	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Valdez	Harbor Boardwalk Extension : Extend 1,000' of boardwalk along	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Valdez	Harbor Oil/Water Separators Installation : Install two storm drains	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Valdez	Harbor Illumination : Install four high mast lights (125'+/-).	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Valdez	Harbor Boardwalk and Guardrail Improvements : Replace 500 feet	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Valdez	Navigation Improvements: Preliminary Engineering and Design	USACE	Regional Hub
Prince William Sound	Valdez	Valdez Ocean Dock: Complete sheet pile on front of dock	USACE Survey	Regional Hub
Prince William Sound	Whittier	Head of Passage Canal Industrial Park	DOT Gas Line Needs	Regional Hub
Prince William Sound	Whittier	Whittier Head of Passage Canal Industrial Dock/Harbor	DOT Gas Line Needs	Regional Hub
Prince William Sound	Whittier	Replace Whittier Marginal Wharf	DOT Gas Line Needs	Regional Hub
Prince William Sound	Whittier	Whittier Terminal and Yard Improvements	DOT Gas Line Needs	Regional Hub
Prince William Sound	Whittier	Harbor Repairs : Make general repairs.	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Whittier	Harbor Expansion : Construct boat harbor expansion of the Whittier	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Whittier	Small Boat Harbor Phase 1 :	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Whittier	Navigation Improvements: Feasibility	USACE	Regional Hub
Prince William Sound	Whittier	Barge Slip: Convert stern road ramp from rail only to rail & container	USACE Survey	Regional Hub
Prince William Sound	Chenega Bay	Ramp, Other	Denali Commission Ph II	
Prince William Sound	Cordova	North Containment Dock Cathodic Protection System : Provides	DOT MRS Ports & Harbo	
Prince William Sound	Cordova	Small Boat Harbor Expansion : Expansion of harbor.	DOT MRS Ports & Harbo	
Prince William Sound	Cordova	Breakwater Extension : Design and permitting for 180-foot armor	DOT MRS Ports & Harbo	
Prince William Sound	Cordova	Shepard Point Dock Oil Spill Response Project : Construct a deep	DOT MRS Ports & Harbo	
Prince William Sound	Cordova	Inner Harbor Boat Launch Ramp Replacement : Replaces the	DOT MRS Ports & Harbo	
Prince William Sound	Cordova	Small Boat Harbor Repairs : Major repairs or replacment of oldest	DOT MRS Ports & Harbo	
Prince William Sound	Cordova	Navigation Improvements: Reconnaissance	USACE	
Prince William Sound	Cordova	New Harbor Floats G-M: Replace "G" Float. Replace transient float	USACE Survey	
Prince William Sound	Cordova	3 Stage Dock: Redecking/bullrail replacement	USACE Survey	
Prince William Sound	Cordova	Municipal Dock (AKA - Oceandock): Bullrail replacement	USACE Survey	
Prince William Sound	Cordova	Old Grid Approach: Redecking / bullrail replacement	USACE Survey	
Prince William Sound	Cordova	Prime Select Seafoods: Fuel Buying Station for Direct Marketers &	USACE Survey	
Prince William Sound	Tatitlek	Anodes on dock	Denali Commission Ph II	
Prince William Sound	Tatitlek	Harbor Construction : Construct inner harbor for 32 vessels after	DOT MRS Ports & Harbo	
Southcentral	Homer	Harbor Float Repairs (E,F,G,H,J,A) : Repair harbor float decking,	DOT MRS Ports & Harbo	Subregional Hub
Southcentral	Homer	Homer Harbor Approach, Gangways and Grid : Design and replace	DOT MRS Ports & Harbo	Subregional Hub
Southcentral	Homer	Deepwater Dock Berth 1 Fendering System Upgrade : Structural up	DOT MRS Ports & Harbo	Subregional Hub
Southcentral	Homer	Homer Harbor Float Replacement (E,F,G,H,J,A) : Harbor float	DOT MRS Ports & Harbo	Subregional Hub
Southcentral	Homer	Dock Bulkhead (Wharf) Construction : Construct wharf bulkhead.	DOT MRS Ports & Harbo	Subregional Hub
Southcentral	Homer	Homer Spit Storm Erosion : Construct revetment on beach below	DOT MRS Ports & Harbo	Subregional Hub
Southcentral	Homer	City of Homer Fish Dock: crane replacement	USACE Survey	Subregional Hub
Southcentral	Homer	Homer Small boat harbor Systems 1 and 2: Ramp Three / Ramp	USACE Survey	Subregional Hub
Southcentral	Homer	System 5 Homer Small boat Harbor: Shore power pedestal	USACE Survey	Subregional Hub
Southcentral	Homer	System 5 Homer Small boat Harbor: Heat traced Potable Water	USACE Survey	Subregional Hub
Southcentral	Homer	System 5 Homer Small boat Harbor: Derelict Vessel removal	USACE Survey	Subregional Hub
Southcentral	Anchor Point	Harbor Feasibility Study : Determine feasibility of navigation and	DOT MRS Ports & Harbo	
Southcentral	Cook Inlet Nav Channel	Navigation Improvements: Reconnaissance	USACE	
Southcentral	Halibut Cove	Halibut Cove Refuge Float	DOT Deferred Maintenar	
Southcentral	Kenai	Kenai Municipal Harbor	DOT Harbor Grant	
Southcentral	Kenai	Boat Launch	DOT Harbor Grant	
Southcentral	Kenai	Pacific Star Seafoods: Pacific Star dock repair of sheetpile dock	USACE Survey	
Southcentral	Kenai	Pacific Star Seafoods: Dock repair; aging dock needs lots of work	USACE Survey	
Southcentral	Lime Village	Lime Village Boat Dock: Public boat dock w/ small shelter / storage	USACE Survey	
Southcentral	Nanwalek	Ramp, Other	Denali Commission Ph II	
Southcentral	Ninilchik	Ninilchik Small Boat Harbor	DOT Deferred Maintenar	
Southcentral	Ninilchik	Harbor Sheetpile Bulkhead : Construct a sheet pile bulkhead along	DOT MRS Ports & Harbo	
Southcentral	Ninilchik	Deep Creek Custom Packing, Inc.: Dredging has stopped	USACE Survey	
Southcentral	Ninilchik	Deep Creek Custom Packing, Inc.: Sheet pile	USACE Survey	
Southcentral	Ninilchik	Deep Creek Custom Packing, Inc.: Water/power/sewer	USACE Survey	
Southcentral	Point MacKenzie	Port MacKenzie: Barge Dock expansion (286 Acres)	USACE Survey	

Region (Look-up)	Community/Location	Description	Source	Type of Hub
Arctic	Barrow	Dock	Denali Commission Ph I	Regional Hub
Arctic	Barrow	Barrow Harbor Proposal Phase I : Reconnaisance and feasibility	DOT MRS Ports & Harbo	Regional Hub
Arctic	Barrow	Barrow Boat Dock: Search & rescue equipment	USACE Survey	Regional Hub
Arctic	Kaktovik	Deadmen	Denali Commission Ph I	
Arctic	Point Lay	Dredging or Rock Removal	Denali Commission Ph I	
Interior	Nenana	Port of Nenana: Bank Stabilization / Sheet pile Installation	USACE Survey	Regional Hub
Interior	Nenana	Port of Nenana: Dock infrastructure sheetpile installation	USACE Survey	Regional Hub
Interior	Nenana	Port of Nenana: Replace marine ways	USACE Survey	Regional Hub
Interior	Tanana	Deadmen	Denali Commission Ph I	Subregional Hub
Interior	Tanana	Docking Facilities : Feasibility study for floating dock and permanent	DOT MRS Ports & Harbo	Subregional Hub
Interior	Tanana	City Dock: Deadman / Tie offs	USACE Survey	Subregional Hub
Interior	Tanana	City Dock: Recycling Center	USACE Survey	Subregional Hub
Interior	Beaver	Deadmen, Ramp,	Denali Commission Ph I	
Interior	Fairbanks	Chena River Watershed : Provides matching funds for Corps of	DOT MRS Ports & Harbo	
Interior	Fairbanks	Pioneer Park Boat Launch: Dredge and harden boat launch	USACE Survey	
Interior	Fort Yukon	Deadmen	Denali Commission Ph I	
Interior	Manley Hot Springs	Hot Springs Landing (Tanana River): Hot Springs Landing	USACE Survey	
Interior	Manley Hot Springs	Hot Springs Landing (Tanana River): Boat launch & sanitary	USACE Survey	
Interior	Stevens Village	Deadmen	Denali Commission Ph I	
Northwest	Kotzebue	Dredging or Rock Removal	Denali Commission Ph I	Regional Hub
Northwest	Kotzebue	Swan Lake Boat Harbor : Dredge existing harbor shallow areas,	DOT MRS Ports & Harbo	Regional Hub
Northwest	Kotzebue	Denali - Swan Lake Harbor Improvements :	DOT MRS Ports & Harbo	Regional Hub
Northwest	Kotzebue	Deep Water Port : Preliminary engineering and cost feasibility study	DOT MRS Ports & Harbo	Regional Hub
Northwest	Kotzebue	Drake Construction Boatways: Sheetpile portion of landing	USACE Survey	Regional Hub
Northwest	Nome	Navigational aides to mark channel through harbor entrance— piling	Denali Commission Ph I	Regional Hub
Northwest	Nome	Port Projects : Port Causeway bridge repair. Small Boat Harbor	DOT MRS Ports & Harbo	Regional Hub
Northwest	Nome	Small Boat Harbor : Construct a small boat harbor for	DOT MRS Ports & Harbo	Regional Hub
Northwest	Nome	Small Boat Harbor Repairs : Fender system, utilities, restrooms and	DOT MRS Ports & Harbo	Regional Hub
Northwest	Nome	Nome Small Boat Harbor: Harbor lighting project	USACE Survey	Regional Hub
Northwest	Nome	Nome Small Boat Harbor: Electrical hookups	USACE Survey	Regional Hub
Northwest	Nome	Nome Small Boat Harbor: Additional docking space	USACE Survey	Regional Hub
Northwest	Nome	Port of Nome – Causeway: Additional c-cell dock	USACE Survey	Regional Hub
Northwest	Koyukuk	Deadmen, Staging Area, Other	Denali Commission Ph I	Subregional Hub
Northwest	Koyukuk	Koyukuk River Erosion : Preliminary engineering and assessment	DOT MRS Ports & Harbo	Subregional Hub
Northwest	Ambler	Deadmen, Staging Area	Denali Commission Ph I	
Northwest	Brevig Mission	Deadmen	Denali Commission Ph I	
Northwest	Brevig Mission	Docking Facility : Reconnaissaince and preliminary feasibility	DOT MRS Ports & Harbo	
Northwest	Buckland	Deadmen, Staging Area, Ramp	Denali Commission Ph I	
Northwest	Buckland	Streambank Erosion : Preliminary engineering and cost feasibility	DOT MRS Ports & Harbo	
Northwest	Buckland	Dock and Erosion of River Bank : Preliminary engineering and cost	DOT MRS Ports & Harbo	
Northwest	Deering	Staging Area, Ramp, Other	Denali Commission Ph I	
Northwest	Deering	Emergency Bank Protection : Provide funding to match Corps of	DOT MRS Ports & Harbo	
Northwest	Elim	Deadmen, DockRamp, Other	Denali Commission Ph I	
Northwest	Elim	Erosion Control : Erosion control along beach near bridge.	DOT MRS Ports & Harbo	
Northwest	Elim	Navigation Improvements: Feasibility	USACE	
Northwest	Galena	Deadmen, Other	Denali Commission Ph I	
Northwest	Galena	Dock Repair : Denali commission SAFETEA-LU section 1934	DOT MRS Ports & Harbo	
Northwest	Gambell	Ramp, Road to beach	Denali Commission Ph I	
Northwest	Gambell	Erosion Control PE : Preliminary engineering and cost feasibility	DOT MRS Ports & Harbo	
Northwest	Golovin	Deadmen, Dock	Denali Commission Ph I	
Northwest	Golovin	Boat Harbor : Design and construct a boat harbor in Golovin that is	DOT MRS Ports & Harbo	
Northwest	Kaltag	Deadmen, Ramp	Denali Commission Ph I	
Northwest	Kiana	Deadmen, Staging Area, Other	Denali Commission Ph I	
Northwest	Kivalina	Docking Facility : Preliminary engineering and cost feasibility study	DOT MRS Ports & Harbo	
Northwest	Kobuk	Deadmen, Staging Area, Other	Denali Commission Ph I	
Northwest	Kotlik	Deadmen, Staging Area, DockRamp,	Denali Commission Ph I	
Northwest	Kotlik	Kotlik Apoon Mouth Dredging : Dredge Apoon Mouth to allow barge	DOT MRS Ports & Harbo	
Northwest	Koyuk	Deadmen, Staging Area, Ramp, Other	Denali Commission Ph I	
Northwest	Koyuk	Small Boat Harbor Feasibility Study : Conduct river harbor feasibility	DOT MRS Ports & Harbo	
Northwest	Little Diomede	Preliminary Engineering : Diomede Island people are working with	DOT MRS Ports & Harbo	
Northwest	Little Diomede	Navigation Improvements: Feasibility	USACE	
Northwest	Noorvik	Deadmen, Staging Area, Ramp	Denali Commission Ph I	
Northwest	Nulato	Deadmen	Denali Commission Ph I	
Northwest	Ruby	Deadmen, Ramp	Denali Commission Ph I	
Northwest	Savoonga	Deadmen, DockRamp	Denali Commission Ph I	
Northwest	Savoonga	Navigation Improvements: Feasibility	USACE	
Northwest	Selawik	Staging Area, Other	Denali Commission Ph I	
Northwest	Shaktoolik	Staging Area, Ramp	Denali Commission Ph I	
Northwest	Shungnak	Deadmen, Staging Area	Denali Commission Ph I	
Northwest	Teller	Deadmen	Denali Commission Ph I	
Northwest	Unalakleet	Deadmen, Dock	Denali Commission Ph I	
Northwest	Unalakleet	Navigation Improvements: Feasibility	USACE	
Northwest	White Mountain	Deadmen, Other	Denali Commission Ph I	
Prince William Sound	Seward	Dolphins and/or Fenders, Other	Denali Commission Ph II	Regional Hub
Prince William Sound	Seward	Seward Eastward Dock Expansion/Tidelands Fill	DOT Gas Line Needs	Regional Hub
Prince William Sound	Seward	Seward Dredging	DOT Gas Line Needs	Regional Hub
Prince William Sound	Seward	Port of Seward Dock Extension	DOT Gas Line Needs	Regional Hub
Prince William Sound	Seward	Seward Small Boat Harbor	DOT Harbor Grant	Regional Hub
Prince William Sound	Seward	Seward Small Boat Harbor	DOT Harbor Grant	Regional Hub
Prince William Sound	Seward	North Dock Extension and Breakwater Construction : Construct an	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Seward	Seward Small Boat Harbor Expansion : Expand harbor by removal	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Seward	Harbor Improvements and Float Replacement : Provide electrical	DOT MRS Ports & Harbo	Regional Hub
Prince William Sound	Seward	Seward Dredging : Dredge approach basin and berthing area to	DOT MRS Ports & Harbo	Regional Hub

1/27/11 OVERVIEW: ALASKA RAILROAD CORPORATION

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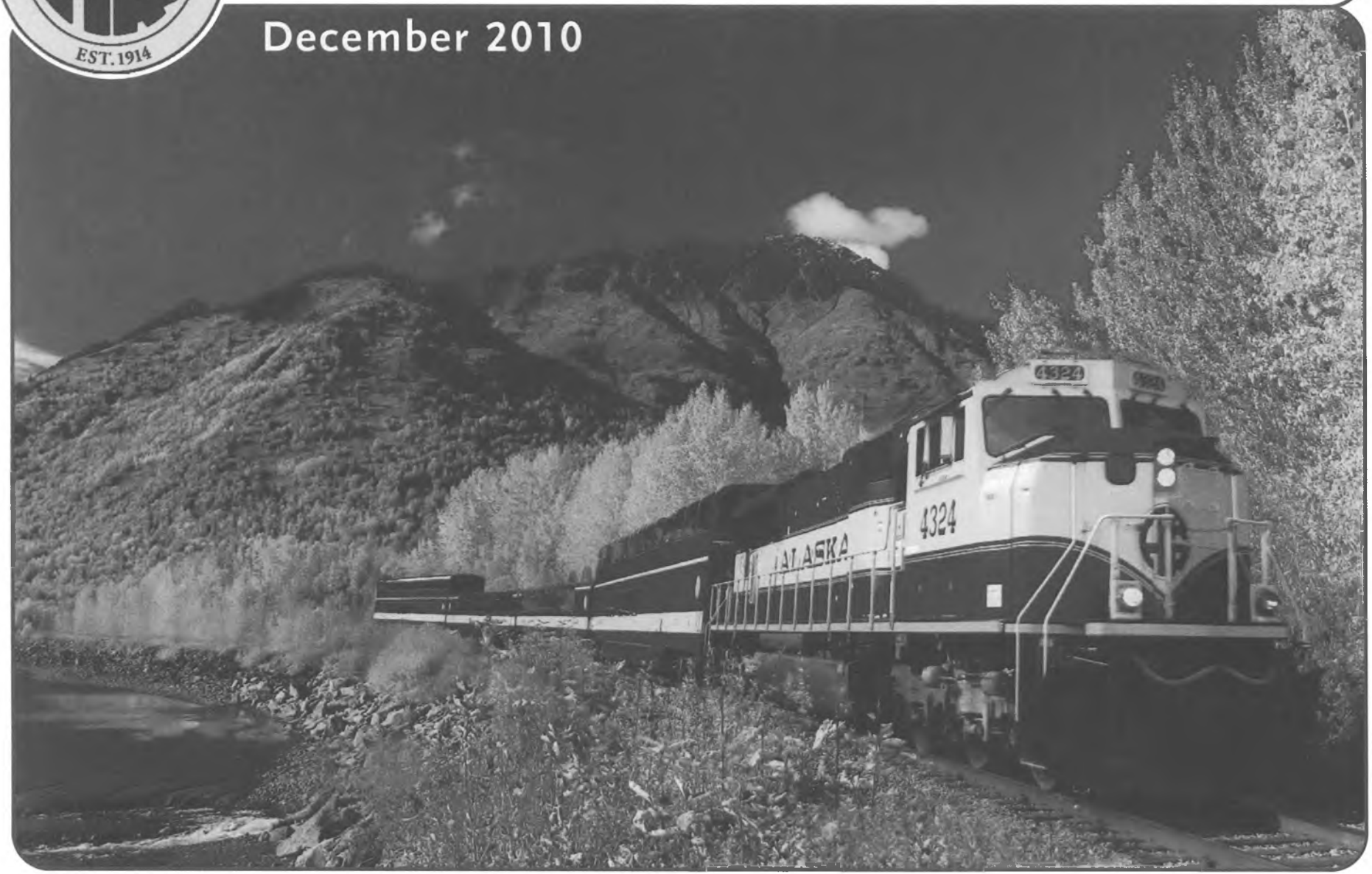
CORPORATION</SUBJECT><COMM>STRA27</COMM></TARGET>

Report to the State of Alaska

December 2010



ARRC President: A Look Ahead

The Alaska Railroad Corporation Act (AS 42.40.290) requires the Alaska Railroad Board of Directors to annually adopt a long-range capital improvement and program plan and to forward that plan to the governor and legislature. I am pleased to present the railroad's capital plan for 2011 through 2015.

I joined the Alaska Railroad Corporation (ARRC) as the President and CEO in September 2010 and already I appreciate the railroad's significant role in the state's history and its future. While new to the Alaska Railroad, I have spent 37 years in the national and international rail industry. Through that experience I understand the importance of communicating and working with local government leaders. This report begins my dialogue with you.

CHRISTOPHER AADNESEN
PRESIDENT & CEO

The 2010 business year sets the stage for the railroad's outlook. We will emerge from 2010 better than expected even though our largest freight commodity, petroleum, underperformed based on budget forecasts. While rail passenger numbers are down from the peak a couple of years ago, 2010 passenger service revenue surpassed revenue expectations. Gravel and trailer/container businesses were both strong, and export coal volumes set another record year. Real estate lease and permit revenue continued steady growth. Incremental revenue growth coupled with tight expense control yielded total unaudited revenues at $174.2 million, total expense at $160.5 million, with corporate net income forecast to be $13.7 million. Audited results will true these numbers up by April 1, 2011.

Railroaders marked many significant accomplishments in 2010. On the transportation side, we developed a method to move export coal trains over Grandview Pass with a single train rather than breaking the train into several sections. This approach offered measurable safety gains and more efficient operations that benefit our customers and our bottom line. We also increased the length of our export coal trains to 75 cars to better serve Usibelli Coal Mine as it increases its capacity to meet demands of the growing export market.

The railroad also continued core infrastructure investments in 2010. Crews installed 43 additional miles of continuous welded rail and replaced 50,000 crossties. We completed important track realignment and retaining wall work in Healy Canyon and constructed bridge improvements along the system. Federal Stimulus funding accelerated rehabilitation work on the Anchorage Historic Depot and made passenger improvements possible at the Seward and Talkeetna depots. Stimulus funds also enabled installation of a Wheel Impact Load Detector to improve the safety of rail operations.

Improving safety was the driver behind another 2010 highlight. July 2010 marked the first time since 1983 that ARRC was allowed to use herbicides as part of an integrated vegetation management program. Without this crucial component to weed control, the Alaska Railroad was failing to live up to Federal Railroad Administration (FRA) safety standards. Thanks to a state-issued herbicide use permit and ARRC's implementation of an her-

ARRC President: A Look Ahead

bicide program on the south end of the rail corridor, the FRA has indicated it may consider suspending previously issued vegetation violations, which could save the railroad millions of dollars in fines.

Charting the course for capital spending over the next five years is a little like looking into a crystal ball. The Alaska and national economies appear to be slowly strengthening but the Alaska Railroad is not out of the woods yet. We are guardedly optimistic that improved Flint Hills Refinery forecasts will pan out. Our five-year revenue estimates hinge largely on this essential customer.

Looking forward, we will continue to improve the Alaska Railroad's safety systems, customer service, and infrastructure. This includes plans to modernize signal and train communication systems and is driven in large part by the Federal mandate to implement Positive Train Control by the end of 2015. We will pursue diversification of our revenue sources, working closely with customers and partners to identify new lines of business.

Renovating the Historic Freight Shed to Leadership Energy & EEnvironmental Design (LEED) standards is a major internally-funded project.

The information in this report provides a high-level snapshot of our long-range capital improvement plan. Particularly as the legislative session begins, I will make myself and my team available to provide a more in-depth look at our operation and our budget through one-on-one meetings, facility tours, or informational committee hearings in Juneau. Please contact our Vice President of Corporate and Government Affairs Wendy Lindskoog if you are interested in any or all of these avenues. You are always invited to stop by my office at our headquarters in Anchorage. I look forward to meeting Alaska's lawmakers and policy makers in the very near future and to working with you all to ensure the continued vitality of the state-owned Alaska Railroad.

AquaMaster herbicide is applied to the Seward Rail Yard in late July 2010.

Best regards,

Chris Aadnesen

President and CEO

Mission, Vision and Values

Alaska Railroad Mission

- Safety... Customer Service... Profitability

Alaska Railroad Vision

"Building a great Railroad across the Greatland."

An important element in fulfilling this vision is ARRC's success since 1996 in qualifying for federal funding...an entitlement afforded the railroad's public status and its passenger service mission. As a result, ARRC has been able to greatly accelerate long overdue mainline maintenance and upgrades.

In addition, other federal grants have funded facility improvements, such as intermodal facilities and docks; technology improvements, such as the collision avoidance system; and homeland security grants. These have come to the the Alaska Railroad via recent major federal legislation.

Alaska Railroad Values

We are a values based organization. Values are all about people, not things. We are all about taking care of our people. We believe who you are is as important as what you do. Character counts. Many of our values are embodied in our corporate Code of Conduct. Our fundamental core values consist of integrity, excellence, and service.

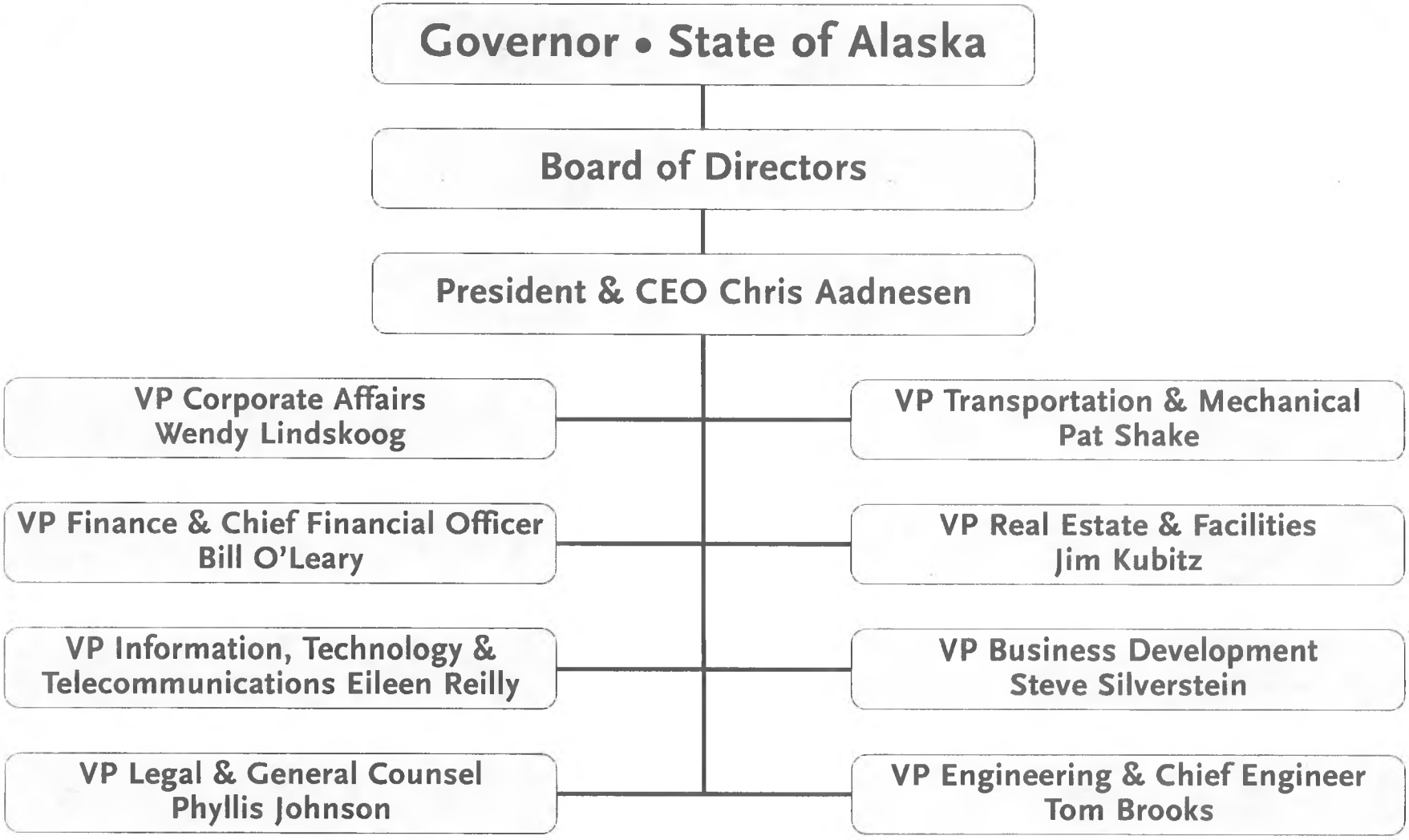
As a responsible partner, in order to accomplish the ambitious goals we set out for ourselves in conjunction with those of others along the railbelt, the ARRC must be a safe, secure, customer responsive, financially and environmentally sound, employee friendly corporation. We must provide a stable, reliable foundation that can be counted on to enhance the future economic growth of the state and the municipalities we support. If our corporate foundation is not sound, support for further state growth and development becomes problematic at best. Values and high standards are the building blocks of that foundation.

Alaska Central Railway owners pose in Seward. Circa 1902 to 1907.

Hurricane Bridge under construction. Circa 1921.

Brace work to stiffen the Loop District trestle at mile 48.3. Circa 1948.

Alaska Railroad Organizational Chart



Alaska Railroad Quick Facts

Purchase Price (January 5, 1985)

Paid to federal government	$22.3 million
Start-up costs & contributed capital	$11.9 million
Total Investment-State of Alaska	$34.2 million

Organization (following State purchase)

- Independent corporation owned by State
- Managed by a seven-member board of directors. Position qualifications are spelled out in law, members appointed by the Governor.
- Mandated to be self-sustaining, responsible for all its own financial and legal obligations

Financial Statistics

January 1-December 31, 2010* (estimated & unaudited)

Total Assets	$ 882.0 million
Total Revenues	$ 174.2 million
Total Expenses	$ 160.5 million
Forecasted Net Income (as of October)	$ 13.7 million
Budgeted Net Income	$ 8.4 million

Operating Data

Miles of main line	467
Miles of branch line	54
Miles of yards and sidings	130
Total miles of track	651
Freight cars (owned & leased)	1,160
Passenger cars	47
Locomotives	51

Operating Statistics

January 1-December 31, 2010 (estimated & unaudited)

Passenger ridership	404,000 passengers
Freight tonnage	6.6 million tons

Employees (as of December 2010) (estimated)

Number of year-round employees	657
Average years of service	12.3
Average age	46
Male	541
Female	116

Union Membership

Most of ARRC employees are members in one of five unions:

United Transportation Union	125
Transportation Communication Union	41
International Association of Machinists	63
American Federation of Govt. Employees	254
American Train Dispatchers Department	8

Benefits

- Corporation provides a defined benefit pension plan
- Corporation provides for health and life insurance
- Corporation provides for retiree medical benefits

** ARRC audits are normally complete by March 31.*

Five-Year Forecast — Operating Budget

(in millions)	2011 Budget	2012 Plan	2013 Plan	2014 Plan	2015 Plan	TOTAL
Net Operating Income	$ 11.3	$ 12.1	$ 12.1	$ 12.6	$ 12.4	$ 60.5
Net Income-Real Estate	8.3	8.1	8.5	8.4	8.3	41.6
Net Other Income (Expense)	(1.4)	(1.1)	(1.0)	(0.8)	(0.3)	(4.6)
Net Income	**$ 18.2**	**$ 19.1**	**$ 19.6**	**$ 20.2**	**$ 20.4**	**$ 97.5**

Five-Year Capital Project Plan — Internal Funding

(in millions)	2011 Budget	2012 Plan	2013 Plan	2014 Plan	2015 Plan	TOTAL
Nondiscretionary Projects	$ 14.9	$ 14.4	$ 16.2	$ 9.2	$ 7.0	$ 61.7
Continuing Program Projects	6.3	7.2	7.0	7.6	6.8	34.9
Strategic Business Initiatives	2.9	2.9	1.6	1.3	1.3	10.0
Ranked Projects	1.0	1.4	0.5	9.3	13.1	25.3
Total Internal Funding	**$ 25.1**	**$ 25.9**	**$ 25.3**	**$ 27.4**	**$ 28.2**	**$ 131.9**

Five-Year Capital Project Plan — Federal and Bond Funding

	2011	2012	2013	2014	2015	5-YR TOTAL
Federal Transit Administration						
Passenger Equipment: Rehabilitation	$ 530,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 2,530,000
Projects:						
Depot Improvements	—	—	—	—	300,000	300,000
Track Rehabilitation	8,328,206	6,666,152	8,965,478	11,797,879	14,482,177	50,239,892
Positive Train Control	3,557,000	7,335,000	6,1561,000	3,556,000	2,040,000	22,649,000
Track Project Subtotal	12,415,206	14,501,152	15,626,478	15,853,879	17,322,177	75,718,892
Bridge Replacements/Upgrades:						
Bridge at Mile Post 29.5 Trail Lake	579,000	—	—	1,000,000	—	1,579,000
Bridge at Mile Post 422.9 Little Goldstream	—	—	—	—	458,402	458,402
Bridge 447.7 Permafrost Bridge	—	—	—	—	300,000	300,000
Bridge Program Subtotal	579,000	—	—	1,000,000	758,402	2,337,402
Debt Service Subtotal:						
2006 Bond Issue Debt Service	7,520,266	7,513,216	7,519,254	7,503,586	7,486,648	37,542,970
2007 Bond Issue Debt Service	9,175,686	9,176,261	9,180,361	9,140,152	9,139,078	45,811,538
Debt Service Subtotal	16,695,952	16,689,477	16,699,615	16,643,738	16,625,726	83,354,508
Preventive / Safety / Security:						
Preventive Maintenance Reimbursement	9,888,331	9,987,214	10,087,086	10,187,957	10,289,836	50,440,424
Slope Stabilization - Area MP52	400,000	—	—	—	—	400,000
Transit Enhancements	208,660	214,920	221,367	228,008	234,849	1,107,804
Transit Security	208,660	214,920	221,367	228,008	234,849	1,107,804
Preventive/Safety/Security Subtotal	27,401,603	27,106,531	27,229,435	27,287,711	27,385,259	136,410,540
Total Federal Transit Administration	**40,395,809**	**41,607,683**	**42,855,914**	**44,141,591**	**45,465,838**	**214,466,835**
Less: Preventive Maintenance Reimbursement	(9,888,331)	(9,987,214)	(10,087,086)	(10,187,957)	(10,289,836)	(50,440,424)
Less: Debt Service Grants	(16,695,952)	(16,689,477)	(16,699,615)	(16,643,738)	(16,625,726)	(83,354,508)
Add: 2010 FTA funds for track rehab	6,628,853	—	—	—	—	6,628,853
Total FTA for Federal Capital Projects	**$ 20,440,379**	**$ 14,930,992**	**$ 16,069,213**	**$ 17,309,896**	**$ 18,550,726**	**$ 87,300,756**

Five-Year Capital Project Plan — Federal and Bond Funding (continued)

	2011	2012	2013	2014	2015	5-YEAR TOTAL
FTA Capital Grant Receipts 2007 Bonds						
Track Rehabilitation Program	$ 13,580,907	$ 12,341,552	—	—	—	$ 25,922,459
Other Federal Funds						
US DOT TIGGER II, Locomotive Emissions Reduction Program	1,380,000	—	—	—	—	1,380,000
FEMA Grants, flood related	2,450,635	—	—	—	—	2,450,635
FEMA Security Related Projects, Anchorage and Fairbanks	478,000	—	—	—	—	478,000
Total Other Federal Funds	**4,308,635**	—	—	—	—	**4,308,635**
TOTAL FEDERAL & BOND FUNDING	**$ 38,329,921**	**$ 27,272,544**	**$ 16,069,213**	**$ 17,309,896**	**$ 18,550,726**	**$117,532,300**

FIVE-YEAR CAPITAL PROJECT PLAN SUMMARY - TOTALS BY FUNDING SOURCE

(in millions)	2011 Budget	2012 Plan	2013 Plan	2014 Plan	2015 Plan	5-YEAR TOTAL
FTA Formula Funds (net of PM/Debt Svc)	$ 20.4	$ 14.9	$ 16.1	$ 17.3	$ 18.6	$ 87.3
FTA Bond Proceeds - 2007 issue	13.6	12.3	—	—	—	25.9
Other Federal (FEMA, US DOT TIGGER II	4.3	—	—	—	—	4.3
Internal Funds (ARRC Revenue)	25.1	26.0	25.3	27.4	28.1	131.9
Third Party Performance Settlement	—	2.7	—	—	—	2.7
Total Capital Program	$ 63.4	$ 55.9	$ 41.4	$ 44.7	$ 46.7	$ 252.1

Alaska Railroad 2011 Program of Projects

Established in 1923, the Alaska Railroad Corporation (ARRC) is the last of the full-service railroads in the United States, offering both freight and passenger services. From tidewater at Whittier and Seward to the heart of Interior Alaska, our route covers more than 500 miles. ARRC is a state-owned corporation, but it does not receive state funding to operate. ARRC relies on passenger, freight and real estate revenues to operate its trains and maintain tracks and facilities. About $55.9 million is budgeted in new spending for capital improvements in 2011. Detailed project fact sheets are also available online at **www.AlaskaRailroad.com**.

Federally-funded Projects

ARRC receives federal grant funding for capital infrastructure improvements and rehabilitation. Funding has been received from the Department of Defense (DOD), Federal Railroad Administration (FRA), Federal Transit Administration (FTA), Federal Highway Administration (FHWA), Transportation Security Administration (TSA), Federal Emergency Management Agency (FEMA), U.S. Forest Service (USFS) as well as other federal funding, such as "Stimulus" money from the American Recovery & Reinvestment Act of 2009. Most FTA, FHWA and FEMA funded projects require 9% to 25% matching funds from the Alaska Railroad. Although ARRC receives no direct funding from the state for capital or operating expenses, ARRC provides support to the Matanuska-Susitna Borough, City of Seward and Fairbanks North Star Borough to execute State of Alaska funded capital projects.

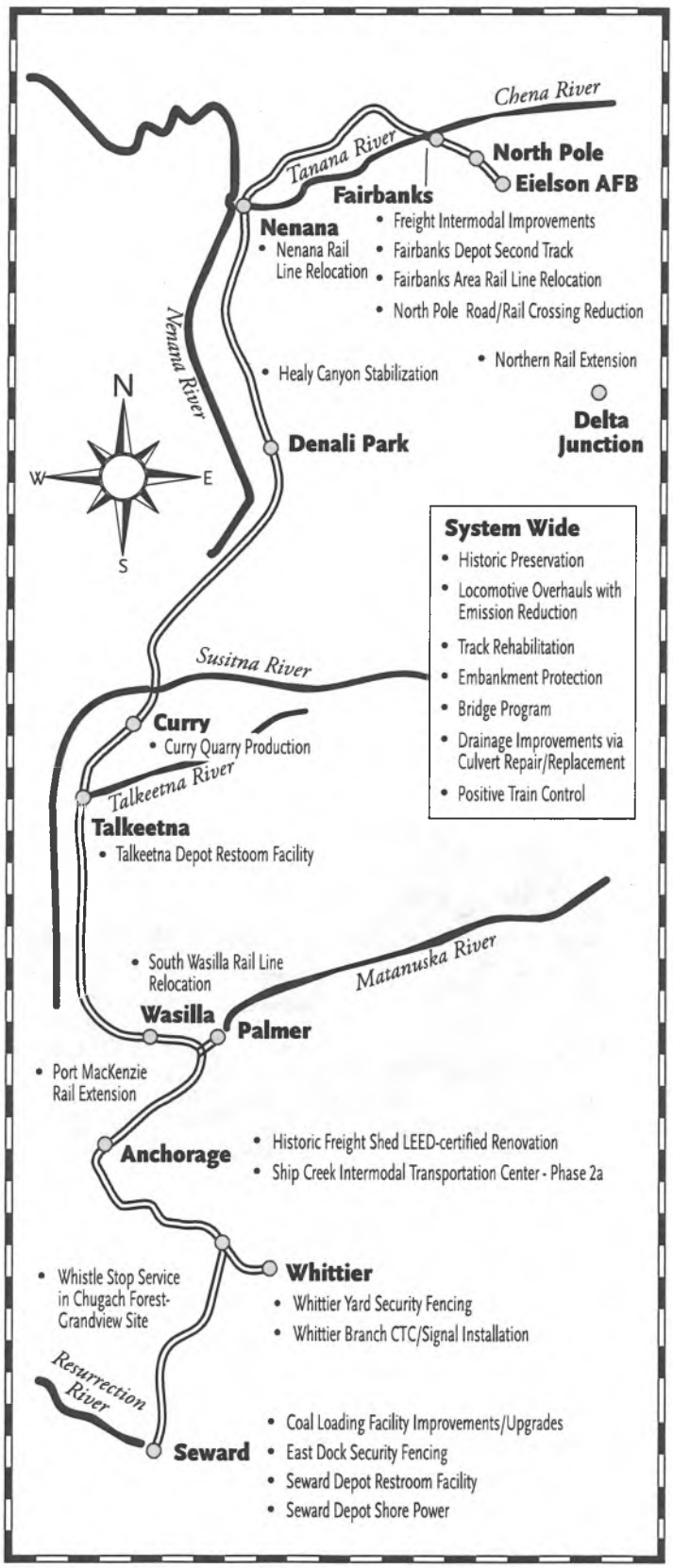
In 2011, ARRC expects to receive continuing FTA formula funding grants totaling $13.8 million (ARRC will contribute 9% of this amount). Other federal funds for 2011 include $2.93 million in FEMA-administered grants and a $1.38 million Stimulus-funded grant.

Internally-funded Projects

In addition to the match for federal funds, ARRC internal funds (funds generated by corporate freight, passenger and real estate revenues) support ARRC's ongoing expense activities as well as an annual capital program. In 2011, internal funds will provide $23.7 million toward capital improvements and capital rehabilitation activities.

Bond-funded Projects

In 2006, ARRC sold $76.1 million in revenue bonds with another $89 million bond sale in 2007. These funds are primarily used to accelerate track rehabilitation efforts. About $14.1 million will be spent in 2011. Bonds are repaid with FTA formula fund appropriations.



Frequently used acronyms:

- ARRC = Alaska Railroad Corporation
- ARRA = American Recovery & Reinvestment Act
- FEMA = Federal Emergency Management Agency
- FTA = Federal Transit Administration
- FRA = Federal Railroad Administration
- FHWA = Federal Highway Administration
- DOD = Department of Defense
- EA = Environmental Assessment
- EIS = Environmental Impact Study
- STB = Surface Transportation Board

Seward Coal Loading Facility

ARRC acquired the Seward Coal Loading Facility in 2003 and made subsequent improvements in order to increase facility efficiency, driving down the cost of operation, thus making Alaska's coal resources more competitive in the global market. ARRC completed an EA of proposed improvements and upgrades in 2004. FRA provided the original $9.54 million grant, with $8.3 million spent on acquisition and associated studies and $1.24 million used for inspections, repairs and improvements. ARRC is underwriting ongoing maintenance and capital improvements. In response to community concerns over coal dust problems resulting from unusual dry, windy weather in early 2007, ARRC and facility operator Aurora Energy Services (AES) modified operations and ARRC hired industry experts to analyze and recommend future capital improvements. Since 2007, ARRC and AES have spent more than $1 million on safety, operations and environmental improvements. $540,000 is budgeted for 2011.

A coal ship docks at the Seward Coal Loading Facility.

Seward Depot Improvements

Construction of a new restroom facility next to the Seward Depot will be complete in 2011. The 24.5-by-26-foot building houses separate men's and women's facilities. Also, a power hook-up was installed beside the track near the depot, allowing trains to plug-in to support onboard food and beverage service. This eliminates the need for locomotives to run their engines to supply power to a parked train. The $750,000 budget is funded 100% by ARRA Stimulus money via FTA.

ARRC's West (left) and East docks in Seward.

Seward East and West Dock Investments

ARRC built a new East Dock in Seward in 2000, and a section of the 640-by-200-foot East dock was expanded to 320 feet wide in 2007. Begining in 2001, the West Dock and terminal building have been substantially improved to support intermodal passenger activity. In 2010-2011 a 2,000-foot security fence is being installed around the East Dock, with $162,400 funded by ARRA Stimulus money. State revenues from the Cruise Ship Tax funded dredging around the docks in 2010 to accommodate larger ships.

Chugach National Forest Whistle Stop Service

ARRC and the U.S. Forest Service (USFS) are partners in developing a whistle stop service in the Chugach National Forest. Plans call for five recreational sites between Portage and Moose Pass that will be accessible by rail and interconnected by trail. Sites include a passenger rail platform, passenger shelter, toilets and interpretive signage. Other features may include picnic, camping and wildlife viewing facilities. The project purchased a self-propelled diesel multiple unit (DMU) rail car, which arrived spring 2009. The first stop site at Spencer was completed late summer 2007. The USFS recently completed preliminary design and engineering for the Grandview stop site and construction is scheduled in 2011. $1.8 million for Spencer funded by USFS and ARRC. The $5.35 million DMU was funded $4.7 million by USFS and $648,000 by FTA and ARRC. Construction of a pedestrian bridge over Placer River at Spencer ($1.6 million), and the Grandview site ($1.2 million) is scheduled for 2011 and funded by ARRA grants obtained by the USFS. Estimated $14 million is needed to complete all five site facilities.

The bi-level self-propelled "DMU" railcar is delivered in 2009.

Whittier Infrastructure & Master Planning

ARRC is pursuing a Whittier Master Plan to improve railroad infrastructure. Recent projects: **1)** built a pedestrian underpass (2002); **2)** built an equipment maintenance facility 02); **3)** improved Delong Dock (2002); **4)** built barge slip side-loading structures (2002); **5)** demolished the old transit shed (2003); **6)** built a cruiseship passenger spur and platform (2004); **7)** improved security with a yard office at the entrance, seasonal yard fence and video cameras (2006/07); and **8)** demolished the marginal wharf (2008). Barge Slip major modification began in 2009 with a $870,000 ramp extension and track/ground work funded by ARRC. The stern (front) unloading area was replaced in 2010 with the $4 million cost split between ARRC and Lynden. A security fence around the Whittier Yard will be installed in 2011 with a $311,224 Homeland Security grant and $82,000 from ARRC. Future actions recommended by the Master Plan include: **a)** construction of improved intermodal passenger and public use facilities; **b)** rail yard reconfiguration and track improvements to separate freight and passenger activity; and **c)** additional security measures including lighting and detection equipment for passenger facilities.

The Whittier barge slip stern (front) is replaced. The towers were removed and replaced by hydraulic devices to lower/raise the slip.

Whittier Branch CTC / Signal Installation

ARRC is incorporating the 12-mile Whittier Branch into the Centralized Traffic Control (CTC) network. Signals will be installed at sidings near Portage and at the west end of Portage Tunnel. Remote controlled power switches will be installed at the turn-around wye in Portage. $1.11 million project funded 91% by FTA and 9% by ARRC.

Ship Creek Intermodal Transportation Center

ARRC is pursuing an Intermodal Transportation Center (ITC) and associated improvements (pedestrian amenities, transit infrastructure, parking, track modifications, etc.) in the Ship Creek area. The ITC will facilitate connections from one transportation mode to another — rail, public transit, air, marine, bus, taxi, private vehicle, bicycle and pedestrian — and improve links to Anchorage's downtown business district meet passenger transit needs over the next 30 years. Phase e, completed 2007-2009, included utility relocation, new track and passenger platform construction, and track rehabilitation. Part of Phase Two (2a) began in 2010 to include Anchorage Historic Depot exterior improvements, electrical upgrades and boiler replacement. Phase 2a wraps up in 2011. Future phases will construct a service / office building, a new departure lounge over the tracks and an elevated covered walkway connecting to downtown. Approximately $23 million for conceptual and environmental work, preliminary design, and Phase One was funded 91% by the FTA and 9% by ARRC. Phase 2a cost of $7.94 million is funded by ARRA Stimulus money. ARRA Stimulus money also funded $300,000 in 2009-2010 to install an additional 1,000 feet of security fencing east of the depot. Total cost is estimated at $78 million.

Phase One of the Ship Creek ITC constructs two new tracks and a pedestrian platform next to the Anchorage Historic Depot.

Historic Freight Shed LEED-certified Renovation

The Alaska Railroad (ARRC) is renovating a historic freight shed in Anchorage's Ship Creek District. It is Alaska's first historic building to be reconstructed with the high environmental standards established by Leadership in Energy and Environmental Design (LEED) criteria. Originally built in 1941, the 36,000-square-foot heavy timber facility offers a "green" commercial office space in lower downtown, featuring a raised heated walkway and ample parking. The building core-and-shell was completed late 2009 and site construction wrapped up in summer 2010. ARRC signed leases with two tenants in 2010 for 93% occupancy by the end of 2011. The overall facility renovation cost $10.1 million and tenant space renovations are estimated at $2 million, funded by ARRC.

The Historic Freight Shed renovation nears completion.

South Wasilla Rail Line Relocation

ARRC plans to straighten curves along the main line track in South Wasilla, between ARRC MP 154 and 158. The track relocation would eliminate five at-grade crossings, reduce derailment risk, reduce operational and maintenance costs, and allow for faster train speeds. An EA of alternative relocation routes was completed in 2005. Land acquisition should be complete in 2011. $246,000 for conceptual engineering and the EA and $2.72 million for preliminary engineering and land acquisition, funded by 91% FTA and 9% by ARRC. $2.5 million to continue right-of-way land acquisition funded 91% by FHWA and 9% by ARRC. Total cost for construction of Phase One (MP 154 to 156) is estimated at $37 million.

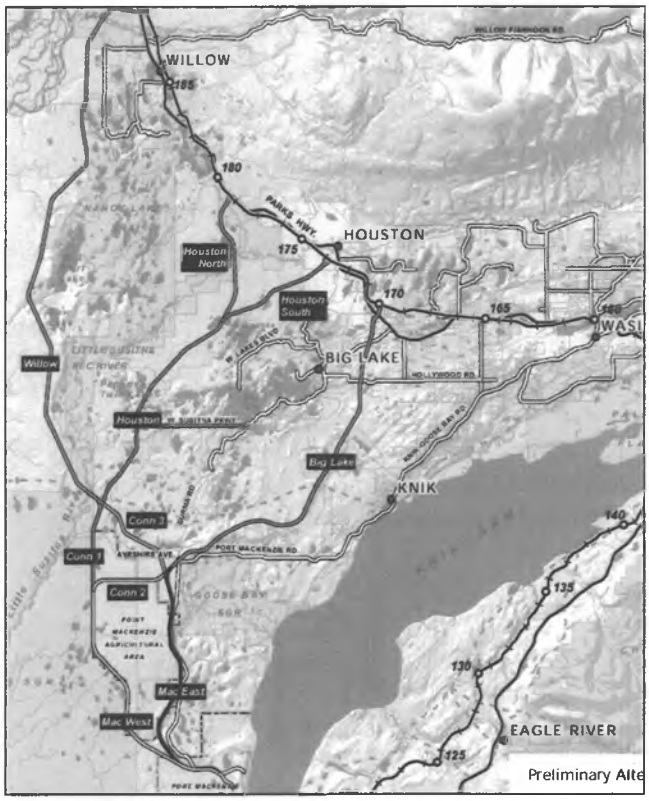
A large curve in the track slows train speeds in south Wasilla.

Port MacKenzie Rail Extension

The Mat-Su Borough and ARRC are partners in proposing a new rail line connecting Port MacKenzie to the existing main track at a point between Meadow Lakes and north of Willow. Three main routes were developed in 2007, ranging from 30 to 45 miles long, depending on a connection near Big Lake, Houston or Willow. Extensive public involvement activities were conducted in summer and fall 2007 to obtain citizen and agency input. In early 2008, ARRC submitted an application to the STB, the federal agency with authority over rail extensions in the United States. STB is conducting the environmental impact study (EIS) as required by the National Environmental Policy Act (NEPA). STB hired a third party contractor (ICF International) to begin the EIS in early 2008; completion is expected in 2011. The State of Alaska appropriated $27.5 million (2007/2008) to support the NEPA process and $37 million (2010) to pursue design and construction. Depending on the route selected, an additional $170 to $240 million is needed to complete design and construction.

Talkeetna Depot Restoom Facility

In 2011, construction will be completed on a 26-by-24.5-foot restroom facility about 20 feet from the existing Talkeetna Depot. The building houses separate men's and women's restrooms for passengers and employees. With modern plumbing and electrical systems, the new facility will eliminate the need to rent port-a-potties. The $500,000 budget is funded by ARRA Stimulus money.



Potential Port MacKenzie Rail Extension routes.

Curry Quarry Ballast & Riprap Production

The Alaska Railroad's track rehabilitation, embankment protection and other construction activities are supported by rock material production at the Curry Quarry. The quarry was developed 2005-2007, and a three-year production contract for ballast and riprap followed in 2007-2009. The quarry was dormant in 2010. Production resumes spring 2011.

Healy Canyon Safety & Reliability Program

Healy Canyon lies between Denali Park Station and Healy. The tracks follow the Nenana River gorge on a narrow grade with two tunnels. The area has steep slopes and erosion-prone soil. ARRC proposed a series of projects to: **1)** stabilize the track bed in Healy Canyon; **2)** control the rock fall problems; **3)** "daylight" (remove the top of) Moody Tunnel; **4)** realign tracks around Garner Tunnel; and **5)** realign the tracks to straighten the corridor. Total cost is estimated at approximately $71 million. $2.9 million in FRA funds were used to address track realignment and the slide zone around Garner Tunnel in 2005. $5.2 million in FTA grants and FTA-backed revenue bonds were used to daylight Moody Tunnel, which was completed in 2009. About $5.86 million was spent in 2009/2010 to stabilize several areas (MPs 352.9, 354.1, 355.2 and 357) in the canyon, with a combination of funding from FEMA, FRA, ARRC and the Alaska Division of Emergency Services. ARRC continues to seek funding to pursue future stabilization projects, including completion of MP 352.9.

Nenana Rail Line Relocation

ARRC proposes to realign the railroad main track around downtown Nenana, following a route outside of the existing right-of-way, north of the airport and southeast of town, near the Parks Highway. The track structure through Nenana would be maintained to support port activities. ARRC completed an EA of three alternative realignment routes and a "no action" alternative in 2004. Right-of-way acquisition was complete in 2009. A hydrology study completed in 2010 will be used to pursue flood plain permits in 2011. $1 million budget for the EA funded 91% by the FTA and 9% by ARRC. $1.04 million for land acquisition funded by 91% FHWA (administered via FTA) and 9% ARRC. $350,000 for the hydrology study funded by ARRA Stimulus funding. Estimated $31 million budget for construction and land acquisition. Funding for construction has not yet been identified.

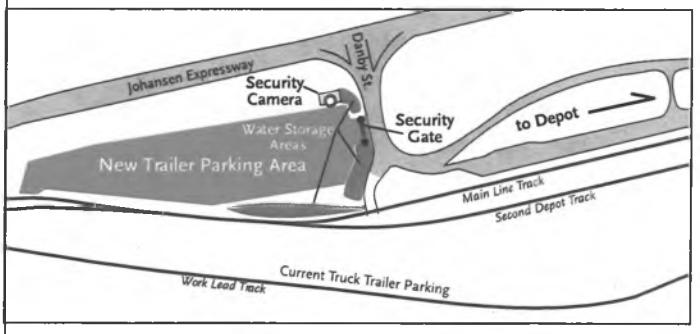
Fairbanks Depot Second Track

ARRC built a new depot in Fairbanks in 2005. Original plans called for two passenger tracks adjacent to the depot. The second track will be completed in 2011. The new 3,000-foot track will provide staging for passenger trains, improving operations efficiency and reducing equipment wear-and-tear. The second track cost of $1.2 million is funded by ARRA Stimulus money administered via an FTA grant.

A second track is constructed parallel to the existing track by the Fairbanks Depot.

Fairbanks Freight Intermodal Improvements

ARRC and ADOT/PF are improving the freight intermodal area of the ARRC Fairbanks Rail Yard to enable faster pick-up and drop-off by truck operators, and to enhance safety and security of train/truck operations. Improvements to Danby Street intersection area include: **a)** moving and improving at-grade crossings; **b)** constructing a centralized trailer parking area near the entrance and adjacent to Danby; **c)** realigning Danby Street access; and **d)** improving drainage. Construction began in 2010 and will be complete in 2011. The $2 million budget is funded 91% by FHWA and 9% by ARRC. In 2011, the railroad also plans to install a rolling chain-link gate with ID card reader access and a video security camera at the entrance of the new trailer parking area, with funding from a FEMA-administered grant. Future improvements call for 100-foot high mast lighting to be added incrementally and funded annually by ARRC.



Fairbanks Freight Intermodal Site Plan

Fairbanks Area Rail Line Relocation

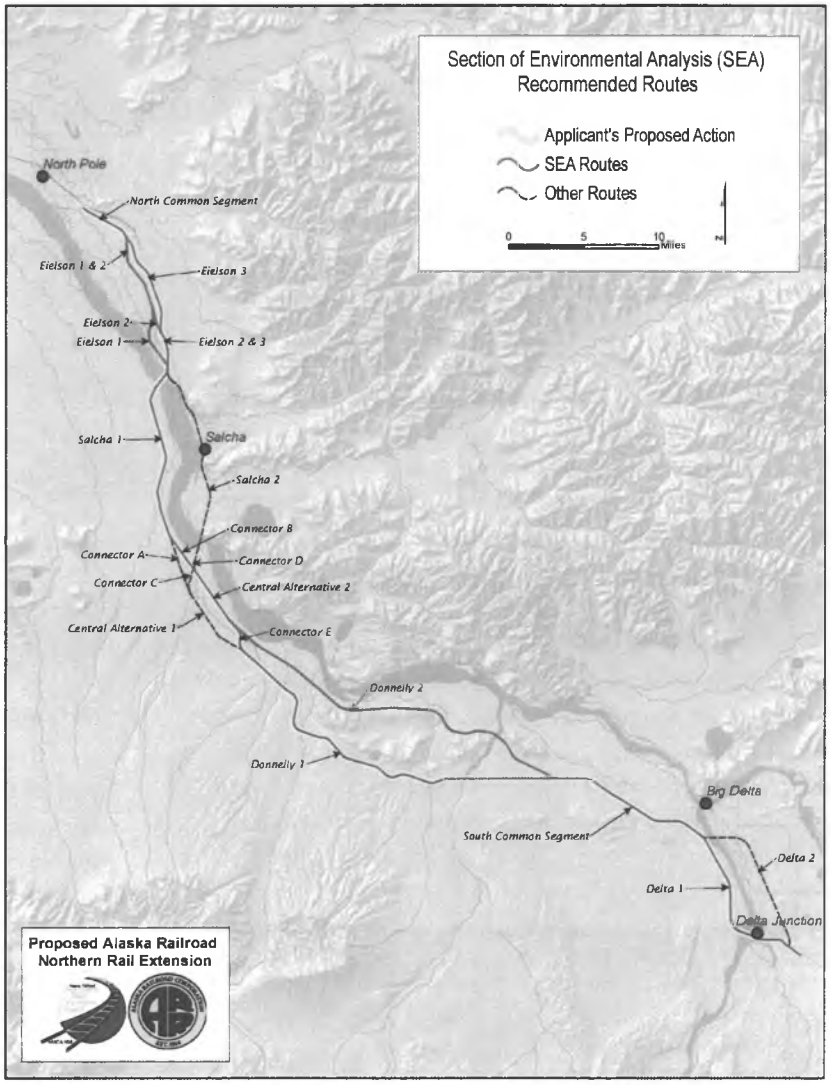
ARRC is analyzing options to: **a)** realign and improve safety of the main line and branch track, including potential realignments outside the more populated areas of Fairbanks and **b)** realign and improve the Eielson Branch, from the new Fairbanks depot to the end of the branch near Eielson AFB. The Fairbanks Area Rail Line Relocation will likely require an EIS. As a pre-cursor to the EIS, ARRC conducted an Alternatives Analysis (AA) in 2007-2008 that capitalizes on the findings of previous reconnaissance and engineering studies. The AA recommends a three-phased approach. ARRC also commissioned a *North End Rail Public Transportation Study and Operation Plan* to explore options for passenger rail and commuter service. Findings indicate low demand for Fairbanks-North Pole commuter service and results are inconclusive for Fairbanks-Denali service options. The AA and transportation study were funded by $450,000 in grants from FHWA and FTA with 9% from ARRC. Funding sources are being sought for NEPA environmental work to include an EIS.

North Pole Road/Rail Crossing Reduction

ARRC, in cooperation with the FRA, is initiating an EA and preliminary engineering for a proposed project to reduce at-grade road/rail crossings by realigning an 8-mile section of the Eielson Branch that currently runs through North Pole, between Richardson Hwy milepost 9 and the Chena River floodway. This project is essentially Phase One of the three-phased Fairbanks Area Rail Line Relocation. The EA is expected to be complete by the end of 2011. Funding of $1 million comes from FHWA funds reallocated by the Fairbanks Metropolitan Area Transportation System (FMATS) and the Alaska Department of Transportation & Public Facilities.

Northern Rail Extension

ARRC proposes to extend its main line track from North Pole / Eielson AFB, about 80 miles southeast to Delta Junction. The project would offer: **a)** commercial freight service supporting communities and commerce in the corridor; **b)** a passenger transportation alternative to the Richardson Hwy; **c)** support of military training; and **d)** support of regional tourism. ARRC initiated the conceptual development in 2004. The STB initiated an EIS in 2005. A draft EIS was released for public comment in December 2008. The final EIS was released in late 2009 and the STB approving a license to construct and operate a rail extension on January 5, 2010. Design of Phase One, Tanana River Crossing, got underway in 2010. Construction is scheduled to begin in 2011. The EIS, preliminary engineering and design was funded by $16.5 million in DOD appropriations, administered by the FRA. DOD appropriated another $44.2 million in 2007 and $60 million in 2008 for planning, engineering, environmental work, design and to begin construction on the first phase of the project. The State of Alaska appropriated $40 million toward Phase One in 2010. Entire rail line cost is estimated at $650 to $850 million; later phase funding is not yet identified.



Proposed and recommended routes identified in the Northern Rail Extension EIS.

Passenger Rail Cars and Locomotives

ARRC has 45 passenger-related railcars, including 30 coaches, six diners, six baggage cars, two business cars (charters) and one DMU. ARRC also has 53 locomotives: 28 SD70MACs (12 equipped with head-end-power to supply electricity to passenger cars), 15 GP40s, eight GP38s and two cab/power cars. ARRC upgrades older equipment and buys newer equipment to meet current and future passenger demands. In 2011, several passenger cars will be upgraded with new lighting, public address systems, batteries, signs, carpeting, wall-covering, seat upholstery and restroom refurbishment, thanks to a $530,000 grant funded 91% by FTA and 9% by ARRC. Four GP40 locomotives will be overhauled to include installation of engine idle reduction systems, and installation of a Tier-0-plus kit to improve fuel efficiency and reduce emissions; funded by a $1.4 million FTA "TIGGER" (Stimulus-funded) grant and $328,000 by ARRC.

Left to Right: GP-38-2, GP 40-2 and SD70MAC locomotive.

Positive Train Control

ARRC is developing a multi-phased program to design, develop, and implement a communication-based train control system that uses data radio communications between train dispatchers and train crews, or dispatchers and roadway workers. The Positive Train Control (PTC) project is comprised of a Computer Aided Dispatch (CAD) system, an on-board computer system, VHF packet data radio technology, and GPS locator technology. The PTC will provide improved information for decision-making, and will also detect infrastructure failure and potential operations violations quickly, and intervene when necessary. The PTC is being accomplished in phases, each achieving incremental safety benefits. The total cost is estimated to be more than $70 million. To date, FRA has funded $15.74 million; $4.48 million has come from FTA-backed revenue bonds; and FTA grants (91% FTA and 9% ARRC) account for $29 million. An additional $2 million was provided in 2009-2010, funded by ARRA Stimulus funding.

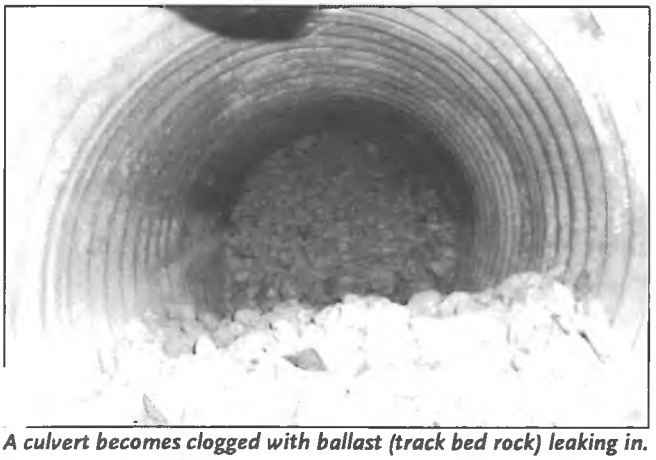
Matanuska River Bridge is undergoing rehabilitation work.

Bridge Program

ARRC's 500-plus miles of main line track include about 160 bridges that cross barriers ranging from streams to gulches. ARRC's 2011 Bridge Program calls for major maintenance, overhaul and replacement needed to maintain railroad integrity, safety and efficiency. In 2011, ARRC plans to complete replacement of two aging bridges (Little Goldstream Creek at MP 432.1 and Ship Creek at MP 115.1) and to design replacement of three culverts at Indian Creek (MP 88.1). A new bridge may be constructed over Skookum Creek Drainage (MP 59.4, near Portage). Upgrades and rehabilitation are also planned for five other bridges. In addition, a "rock shed" will be installed at the tunnel about 50 miles rth of Seward to protect against falling rock and ice. Fund- g includes $1.69 million by FTA, $1.25 million by ARRC and $1.19 by FEMA.

Drainage Improvement/Embankment Protection

ARRC will repair or replace up to nine culverts along the northern half of the rail corridor. Several culverts in this area are at risk of washout, collapse or clogging. ARRC also plans to install riprap and armor rock to fortify track embankment that is susceptible to high water events, including flooding. Culvert repair/replacement budget is $1.05 million funded by ARRC. Embankment protection work is supported by a $2.45 million grant funded 75% by FEMA and 25% by ARRC.



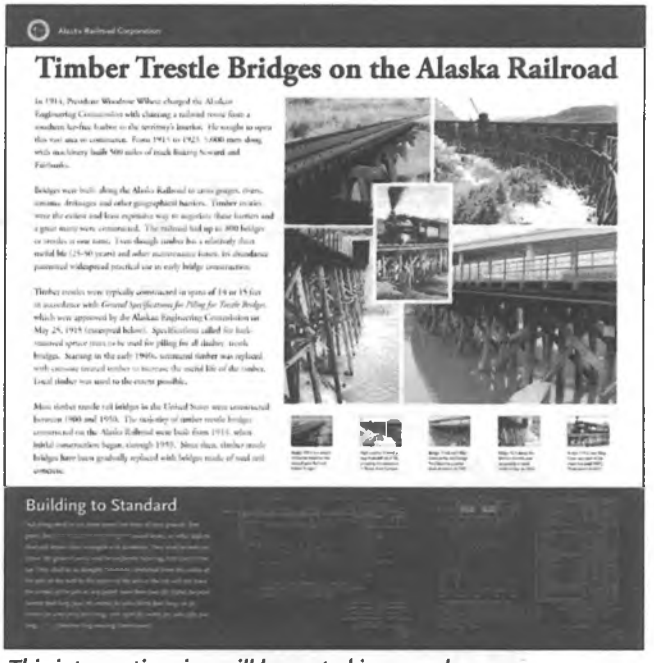
A culvert becomes clogged with ballast (track bed rock) leaking in.

Track Rehabilitation

ARRC continues an aggressive track rehabilitation program in 2011 that calls for replacement of rail, ties and ballast in areas of critical need. Each year, ARRC converts several miles of track into continuously welded rail, which dramatically decreases maintenance costs and improves ride quality. ARRC also replaces a portion of its nearly two million wooden ties (50,000 ties in 2011), and installs concrete ties along curves and other high-use stretches (none in 2011). ARRC also plans to resurface many miles of track using 70,000 tons of ballast rock. For 2011, $14.1 million is funded through the sale of ARRC revenue bonds backed by FTA formula funds; $8.3 million is funded by FTA grants (91% FTA; 9% ARRC); and $665,000 is funded by ARRC.

Historic Preservation

ARRC supports historic preservation efforts that are related to railroad assets and infrastructure. Some ARRC assets are historic properties and are listed on the National Register of Historic Places and more than 50 ARRC properties are eligible for listing on the National Register. ARRC often consults with state and federal historic preservation agencies to mitigate impacts from capital projects that may adversely impact historic assets. Mitigation often takes the form of educational materials, including brochures, interpretive signage, archived photos and documentation.



This interpretive sign will be posted in several common-use passenger railcars as part of a public education effort.

Integrated Vegetation Management Program

The Alaska Railroad pursues an integrated vegetation management program to protect the millions of dollars invested each year in its infrastructure. Uncontrolled weeds pose safety risks to ARRC operations and employees, including: **a)** vegetation makes track and train inspection difficult; **b)** plants hinder automated equipment operation; **c)** overgrown weeds hide walking hazards, contributing to slips, trips and falls; **d)** roots create uneven, heaving surfaces, again posing walking hazards for track workers; and **e)** vegetation accelerates rail and tie deterioration. Public safety is also impacted by uncontrolled weeds: **a)** overgrown bushes block line-of-sight; **b)** vegegation can obscure signs and signals that warn the public; **c)** plants cause heaving and slippery conditions at road/rail crossings; and **d)** dry vegetation can fuel brush fires.

The railroad has always, and wil continue to use mechanical and manual methods to clean the ballast, cut and clip brush, mow grass and weeds, saw roots and trim limbs, etc. Mechanical and manual methods achieve limited and temporary success. ARRC has also tested many alternative and experimental methods of controlling weeds (including steam, hot water, radient heat, abrasion, flaming and burning), with no lasting success. Herbicides provide an additional tool to help maintain safe operations and regulatory compliance, and to protect infrastructure investments. The railroad seeks to control vegetation with a combination of mechanical and chemical methods, using herbicides in the most critical and difficult areas.

In 2008, ARRC commissioned herbicide research to provide scientific information about use in Alaska's environment. Results indicate that herbicides behave the same as in other climates, and the glyphosate-based herbicide AquaMaster does not linger or migrate in the soil. In 2009, ARRC applied for a Department of Environmental Conservation (ADEC) permit to use herbicides in the Seward yard and along 30 miles between Seward and Indian. The permit was approved in spring 2010 and AquaMaster was applied selectively within the permitted area with good results. ARRC is currently applying for additional permits for herbicide use in the Anchorage Yard, Healy Yard, Fairbanks Yard and along the Eielson Branch.

Ineffective mechanical/manual control in Seward yard prior to herbicide application.

current as of 1/05/2011

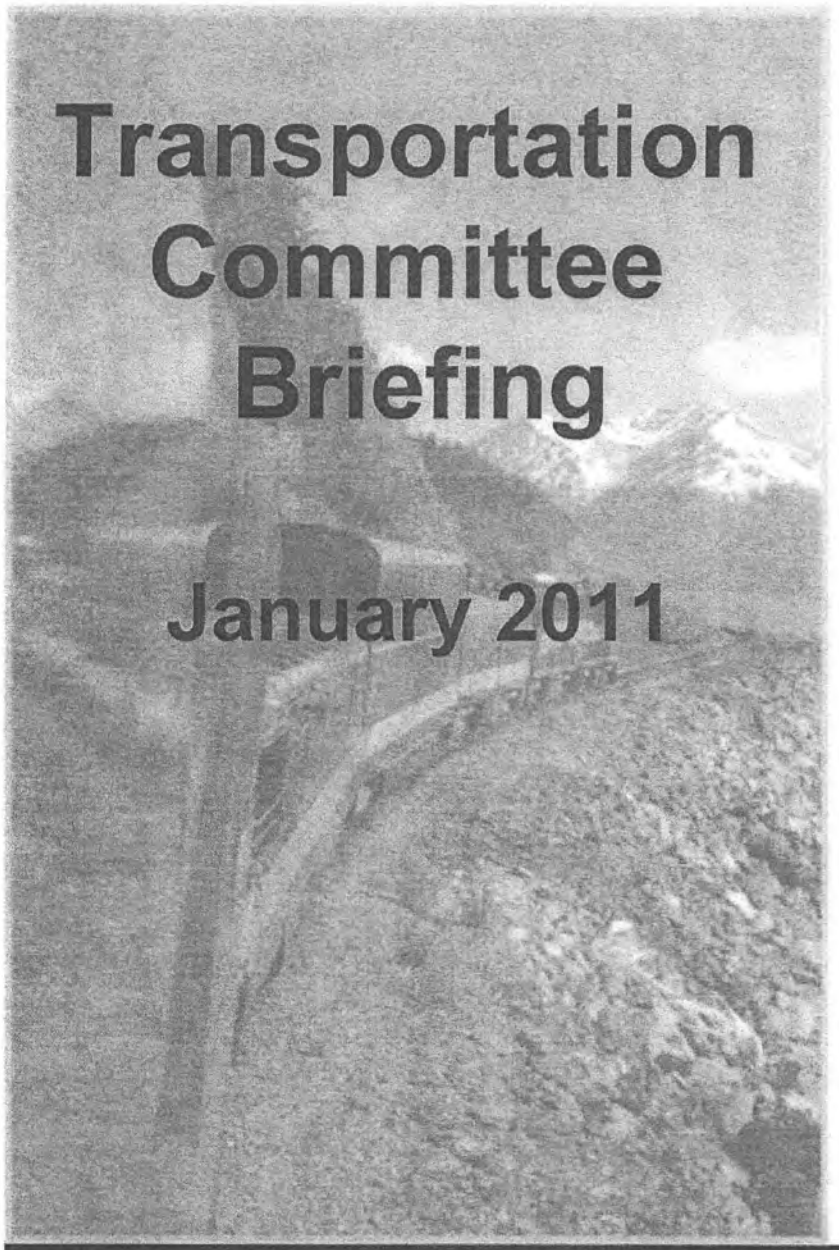
Alaska Railroad Corporation 2011 Program of Projects

At the beginning of each calendar year, ARRC conducts project open house events in Anchorage, Fairbanks, the Mat-Su Valley and Seward to inform the public about the proposed Program of Projects (POP) for the year. While these events provide a good forum for residents to comment on any or all projects, the public is not limited to commenting at these events. Public input is accepted year-round, and in a variety of formats as outlined at the right. Detailed project descriptions are provided within fact sheets that are created for major federally-funded and internally-funded capital improvement efforts. These fact sheets are accessible at the Alaska Railroad web site **ww.AlaskaRailroad.com** (click on "Capital Projects").

Public Input:

Public comment on any or all of these projects may be submitted via:

- Mail to: Capital Projects
  Alaska Railroad Corporation
  P.O. Box 107500
  Anchorage, AK 99510-7500
- E-mail to *public_comment@akrr.com*
- Fax to (907) 265-2365
- Call Stephenie Wheeler at (907) 265-2671
  ARRC's TTY/TTD 265-2620
  or voice 265-2494 or Alaska Relay TTY
  800-770-8973 or voice 1-800-770-82555



Transportation Committee Briefing

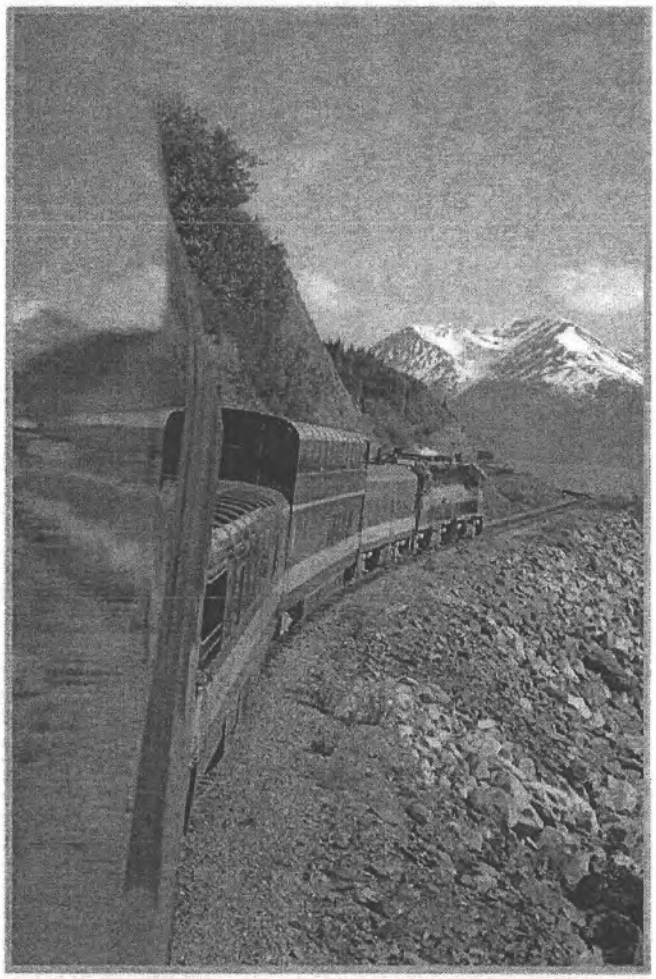
January 2011

Briefing Contents

- Corporate Information
- Budget Highlights
- Project News
- ARRC Statewide Issues

Handouts

- December 2010 State Report
- Program of Projects Summary
- 2011 Real Estate Customer Service Action Plan



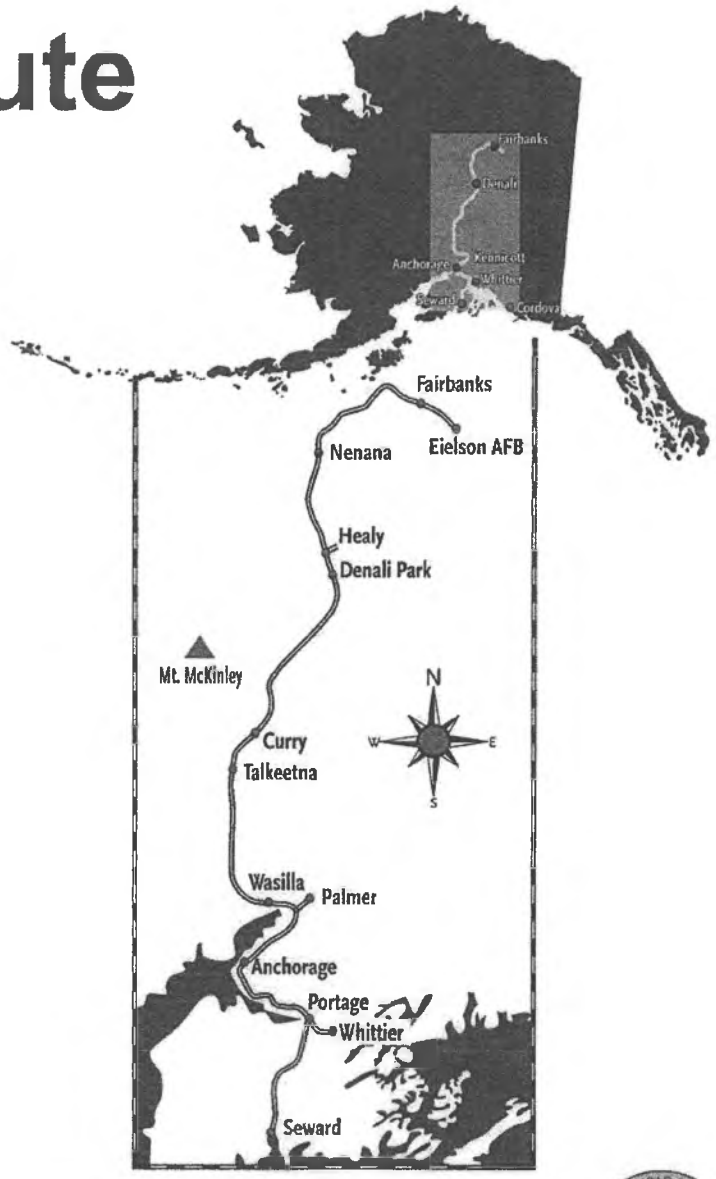
ARRC Corporate Information

Alaska Railroad Corporation

- Railroad built by the federal government (1914 – 1923)
- Purchased by the State of Alaska for $22 million in January 1985
- Self-supporting, State-owned corporation
- Full-service railroad serving ports and communities from the Gulf of Alaska to Interior Alaska

Our Route

- 469 miles of mainline track, Seward to Fairbanks
- Full-service passenger and freight railroad serving communities from the Gulf of Alaska to Fairbanks.



Different from Other State Agencies

The Alaska Railroad Corporation Act of 1984 established an independent state-owned corporation that is governed by a seven-member board of directors appointed by the Governor. The President and CEO of the corporation reports to the board. Although ARRC is not covered under the State's Executive Budget Act, the state government ensures oversight of ARRC's operation and management practices through the following controls:

- The ARRC Board of Directors is responsible for initiating both a financial and a performance audit each year conducted by independent auditors and management companies. The annual performance audit is conducted by a recognized railroad management expert to ensure that ARRC is being managed and operated effectively and efficiently.
- The Legislative Budget and Audit Committee can review ARRC's operation, management and financial practices.
- ARRC must file an oversight report with the Legislature and Governor before it undertakes certain expansion, reduction, or diversification of services.
- Legislative approval is required for certain corporate actions, such as sale or transfer of the Railroad's entire interest in land, or leasing land for longer than 55 years.
- ARRC's procurement procedures are required to be substantially equivalent to state procurement requirements.
- ARRC employees and directors are subject to the Executive Branch Code of Ethics.
- ARRC's spill prevention and response plans are filed and regulated by the State and ARRC is required by state law to show sufficient financial responsibility to respond to spills.
- Bond authorizations must be approved by the Legislature.
- ARRC is required by law to submit an annual report with audited financial statements
- ARRC is required by law to adopt a long-range capital improvement plan each year and shall share that plan with the Governor and Legislature.
- ARRC is defined as an interstate commerce carrier by the Federal Alaska Railroad Transfer Act of 1982 (ARTA).

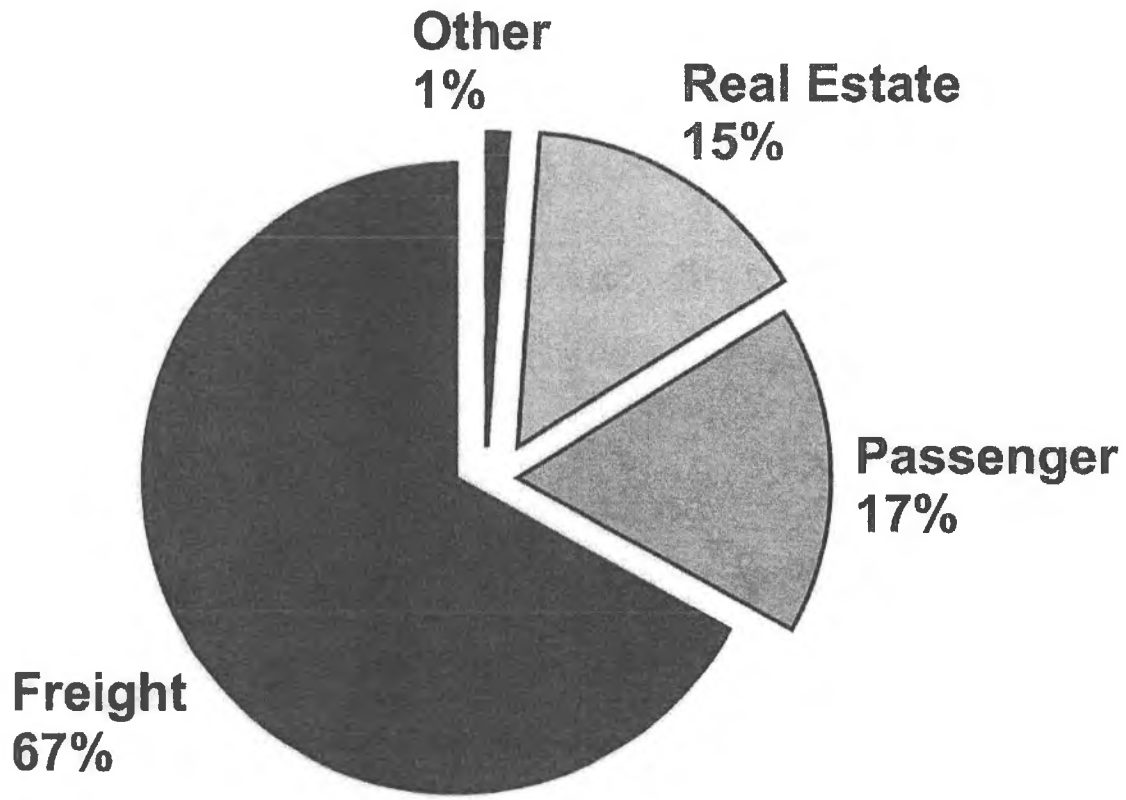
Alaska's Railroad

- Contributes to health care, business services, and retail payrolls
- Principal transport for heavy and/or bulk commodities to tidewater
- Major mover of jet fuel to Anchorage International Airport
- Viable passenger alternative to long-distance driving
- Supports the U.S. military with the transport of equipment to and from the "DOD Strategic Port" of Anchorage
- Potential to reduce pressure on State road system … commuting
- Potential to significantly contribute to the Alaska Natural Gas Pipeline

Creates 3,000 jobs and $150 million in payroll across the State

Source: "Economic Significance of Alaska Railroad", December 2004, ISER report, University of Alaska

2010 Sources of Customer Revenue*

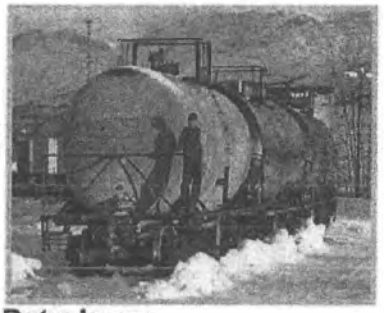


*Preliminary/unaudited

Freight Business

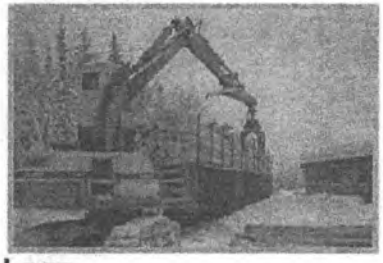
- Moved 6.3 million tons of freight overall in 2010, compared to 6.2 tons in 2009 (2% increase)
- Anticipate 3.5% overall freight growth over 2010
- Moved just under 1 million tons of export coal in 2010; anticipate moving nearly 1.1 million tons in 2011

Oilfield pipe


Petroleum

Military

Coal

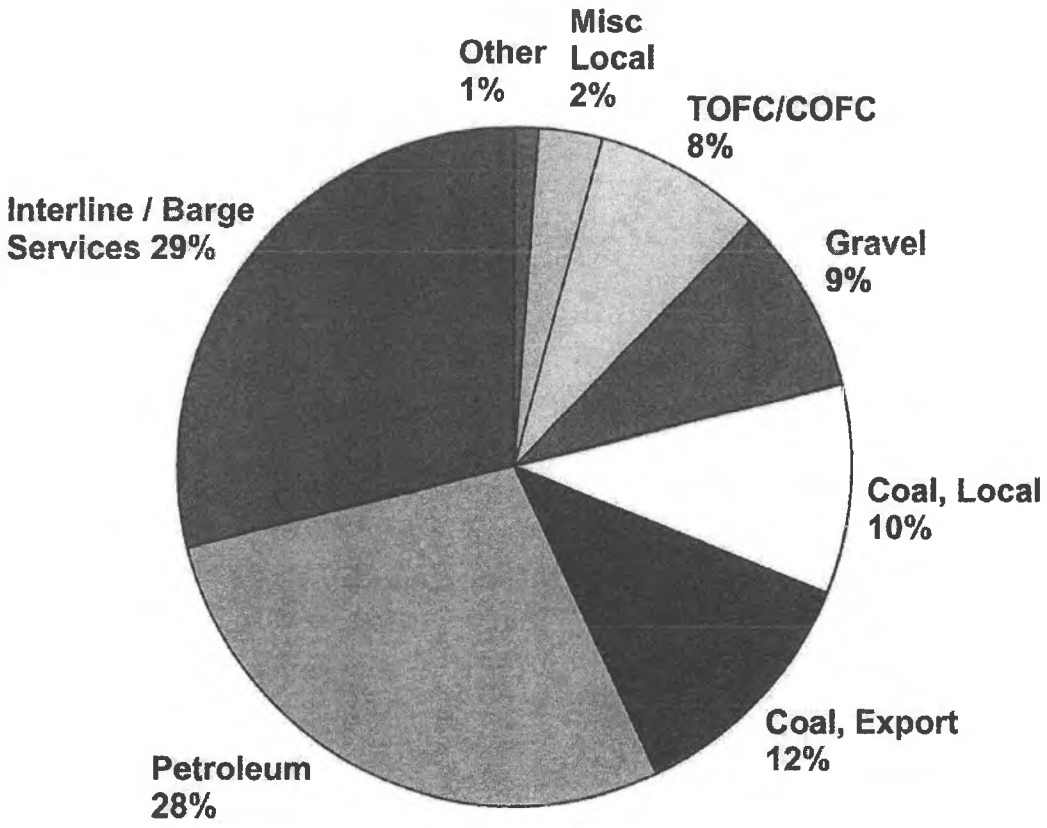

Logs

Gravel

Interstate Barge

Trailers

2010 Freight Revenue Mix*

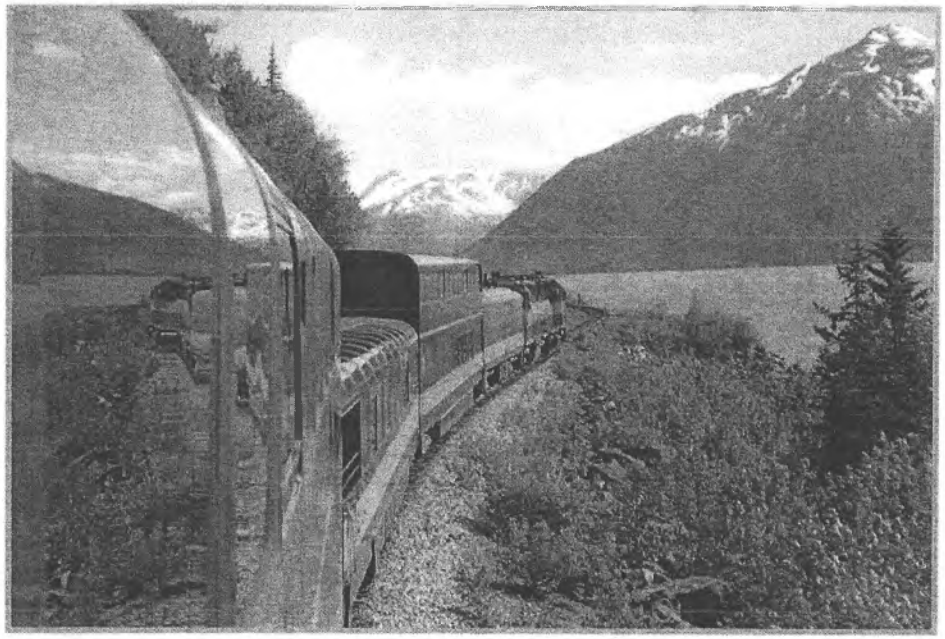


*Preliminary/unaudited

TOFC: Trailer on Flat Car
COFC: Containers on Flat Car

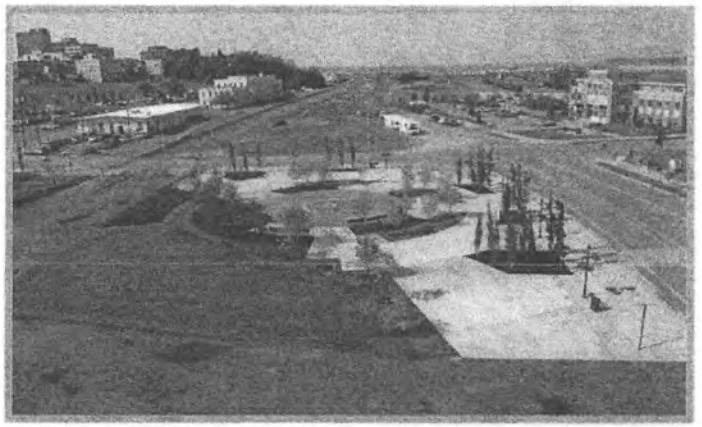
Passenger Business

- Moved 405,000 passengers in 2010, compared to 471,000 in 2009 (14% decrease)
- For 2011, we anticipate 3.2% passenger growth over 2010



Real Estate

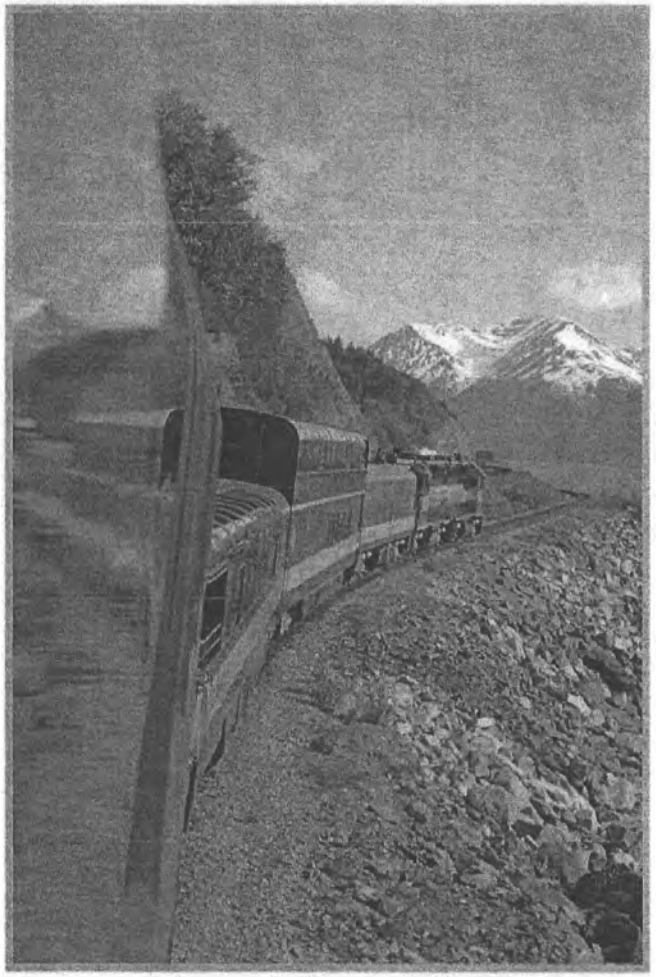
- Property Development
- Leases and Permits
- Dockage and Wharfage
- Facilities Maintenance and Management
- Revenue from Real Estate activities are key component to ARRC being self-sustaining
  - 2010: 69% of corporate net income derived from real estate



Top: Ship Creek basin includes highly valuable leasable land. Bottom: upland from the Seward freight dock is being developed

Capital Funding Sources

- ARRC Earnings
  - Provides required match for federal funds
  - Essential for freight-related improvements
- USDOT/Federal Transit Administration
  - Formula Funds, Grants
  - 9-20% ARRC Match Required
- Other Federal Agencies – (Dept of Defense, FEMA, FHWA, Homeland Security, etc)
- Federal funds allocated to ARRC do not affect federal funding for other state transportation projects
- ARRC federal match is *not* from State of Alaska general fund or gas tax...match is solely from ARRC earnings.



ARRC Budget Highlights

2010 Financial Snapshot

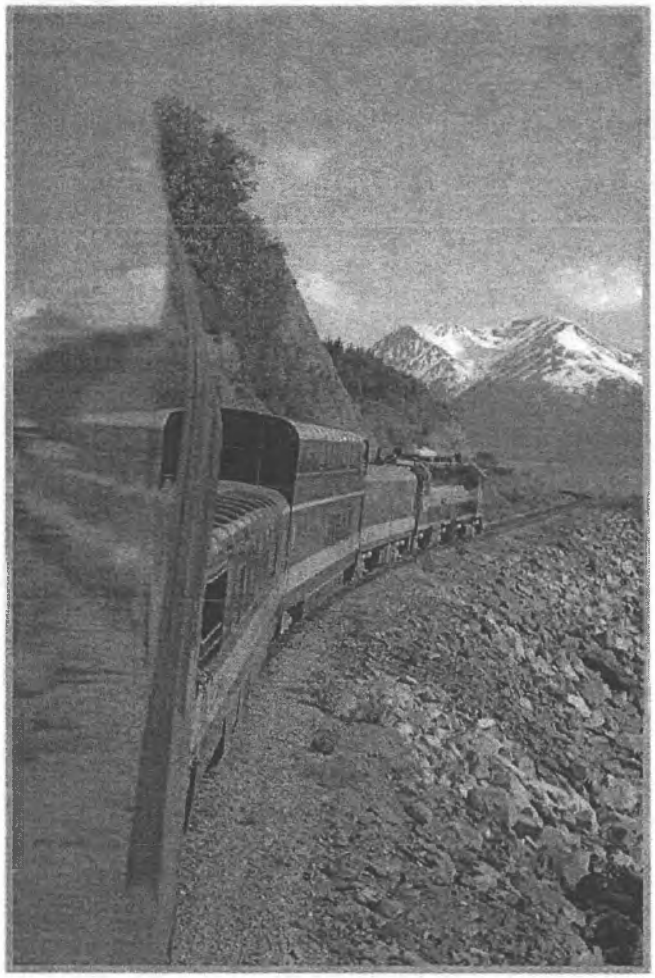
- 2010 Plan – prepare for uncertain future
  - Petroleum haul anticipated to be half that of 2003
  - Passenger: cruise ship redeployments
  - Impact of significant 2009 ARRC personnel downsizing
  - Budgeted net earnings: $8.4 million
    - $4.3 million loss from train operations
- Preliminary 2010 numbers exceed expectations
  - Petroleum performed worse than expected, offset somewhat by Trailer on Flat Car (TOFC) and Gravel hauls
  - Passenger revenue did not fall as far as anticipated
  - Solid expense control offset rising fuel costs
  - Year-end boost from tax credit legislation approved by Congress
  - Preliminary, unaudited net earnings: $13.7 million
    - $700,000 loss from train operations

2011 Overview – Operating Budget

- ARRC financial situation still fragile
  - Net loss on core train operations 2006 – 2010
    - Calculated without impact of non-traditional fund sources such as tax credits and federal grant reimbursements of operating expenses
  - Corporate net earnings rely on real estate for stability and sustainability
- Market uncertainty/expense pressures persist
  - Flint Hills projecting growth, but off to rough start
  - Export Coal – strong global demand, tempered by environmental issues
  - Moderate passenger growth seen
  - Fuel, benefit cost increases dragging on bottom line
- ARRC Board approved earnings budget of $18.2 million
  - Contingency plans in place if revenue does not materialize

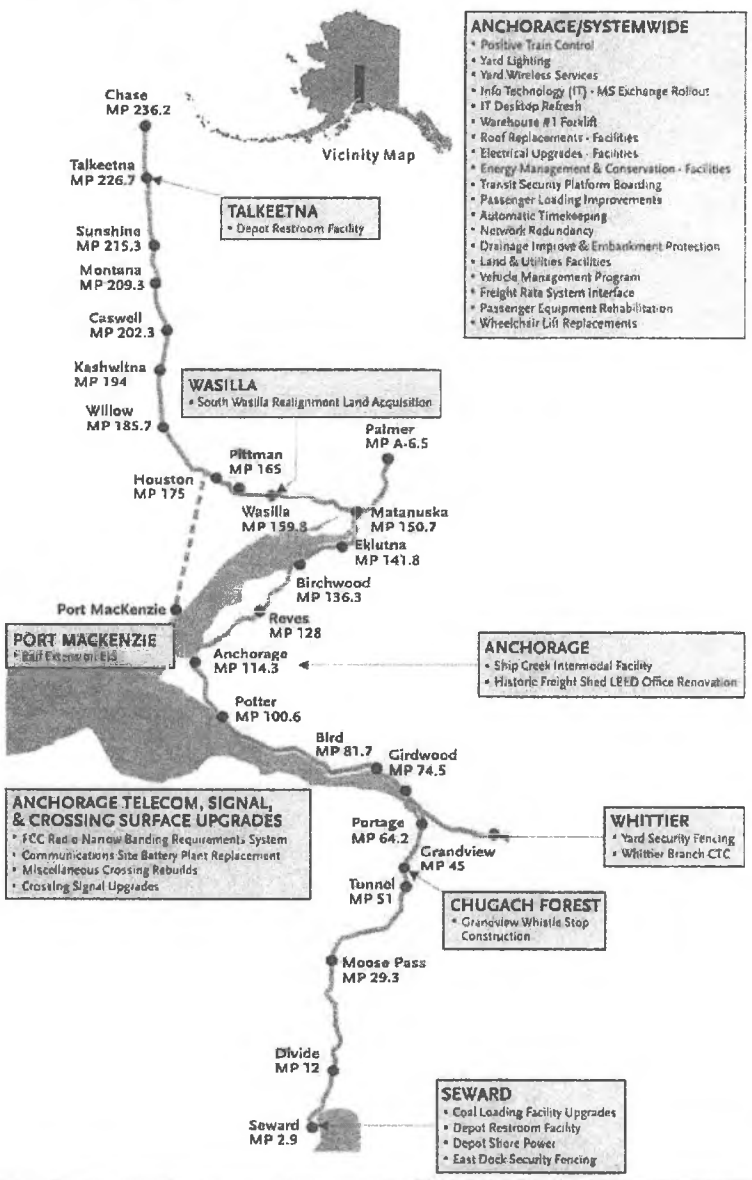
2011 Overview – Capital Budget

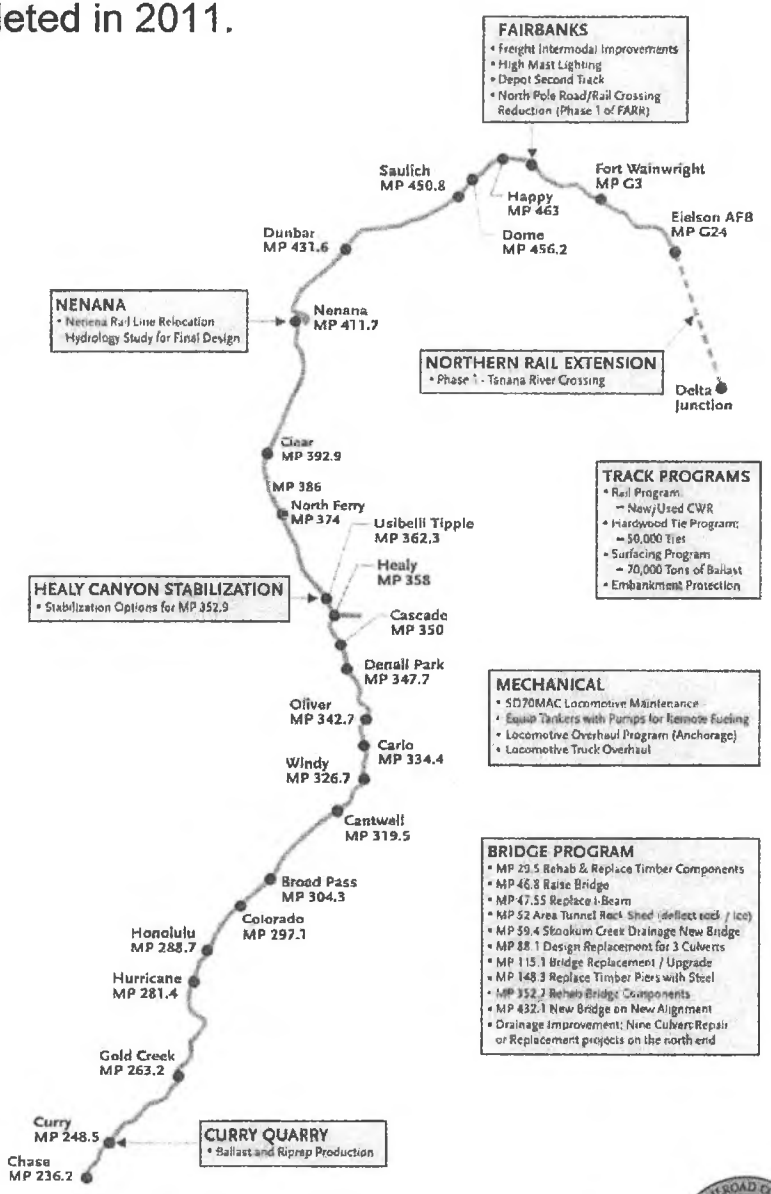
- **$63.4 million** in new spending for capital projects in 2011
  - $25.1 million from Alaska Railroad generated cash flow from earnings
  - $20.4 million from FTA formula funds (railroad match of 9% included)
  - $13.6 million from Federal Transit Administration (FTA) bond proceeds
  - $4.3 million from other sources – Federal Emergency Management Agency and USDOT grants
- Highlights:
  - Vast majority of funds allocated to non-discretionary capital maintenance to existing infrastructure
    - Sixth year of seven-year accelerated track rehabilitation program focused between Anchorage and Fairbanks
    - Unfunded federal mandate of Positive Train Control
    - Bridge rehabilitation and equipment, vehicle, and freight car replacements are other major components
  - Funding phased based upon revenue/earnings achievement



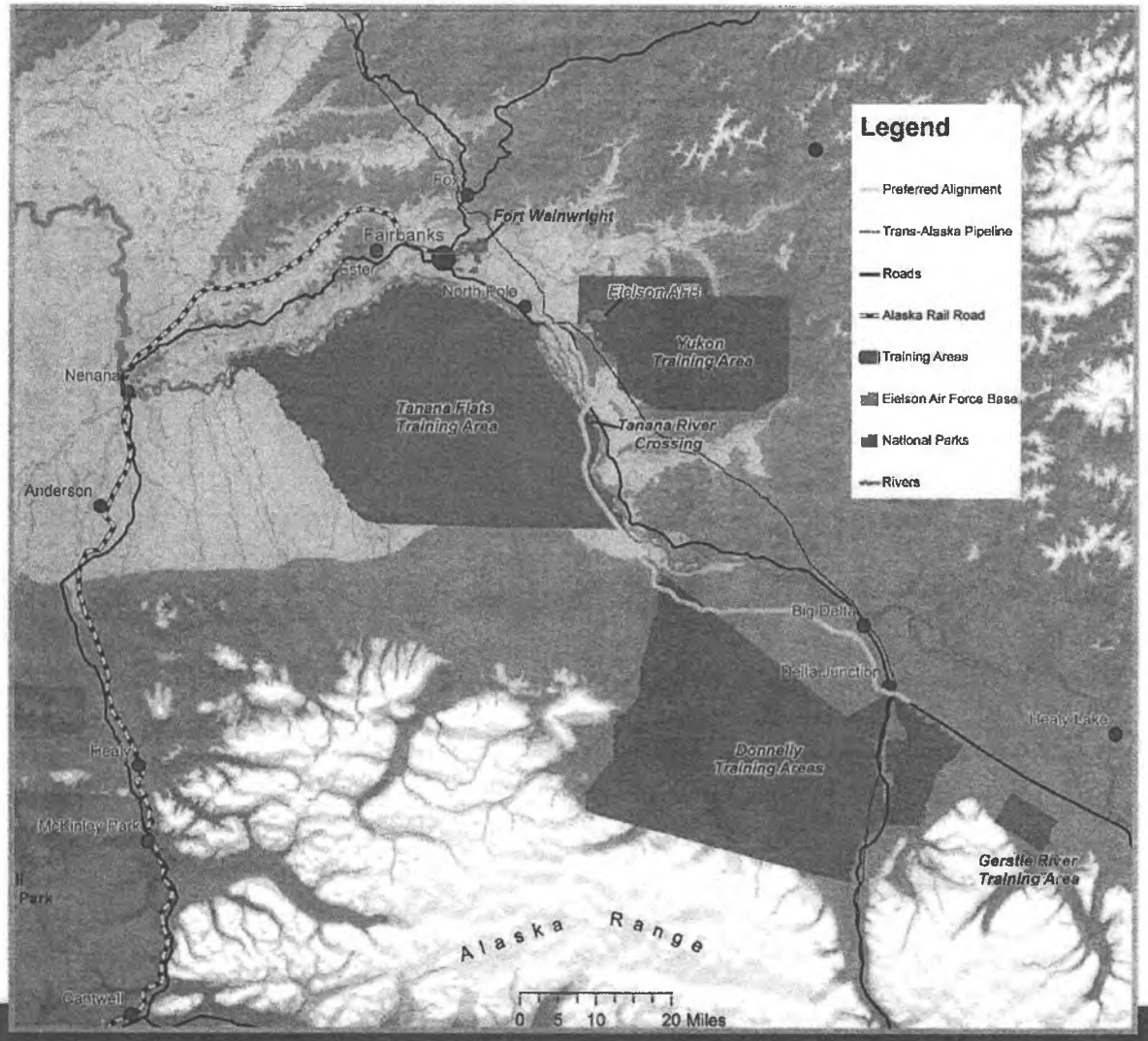
ARRC Project News

Capital projects to be started, continued or completed in 2011.

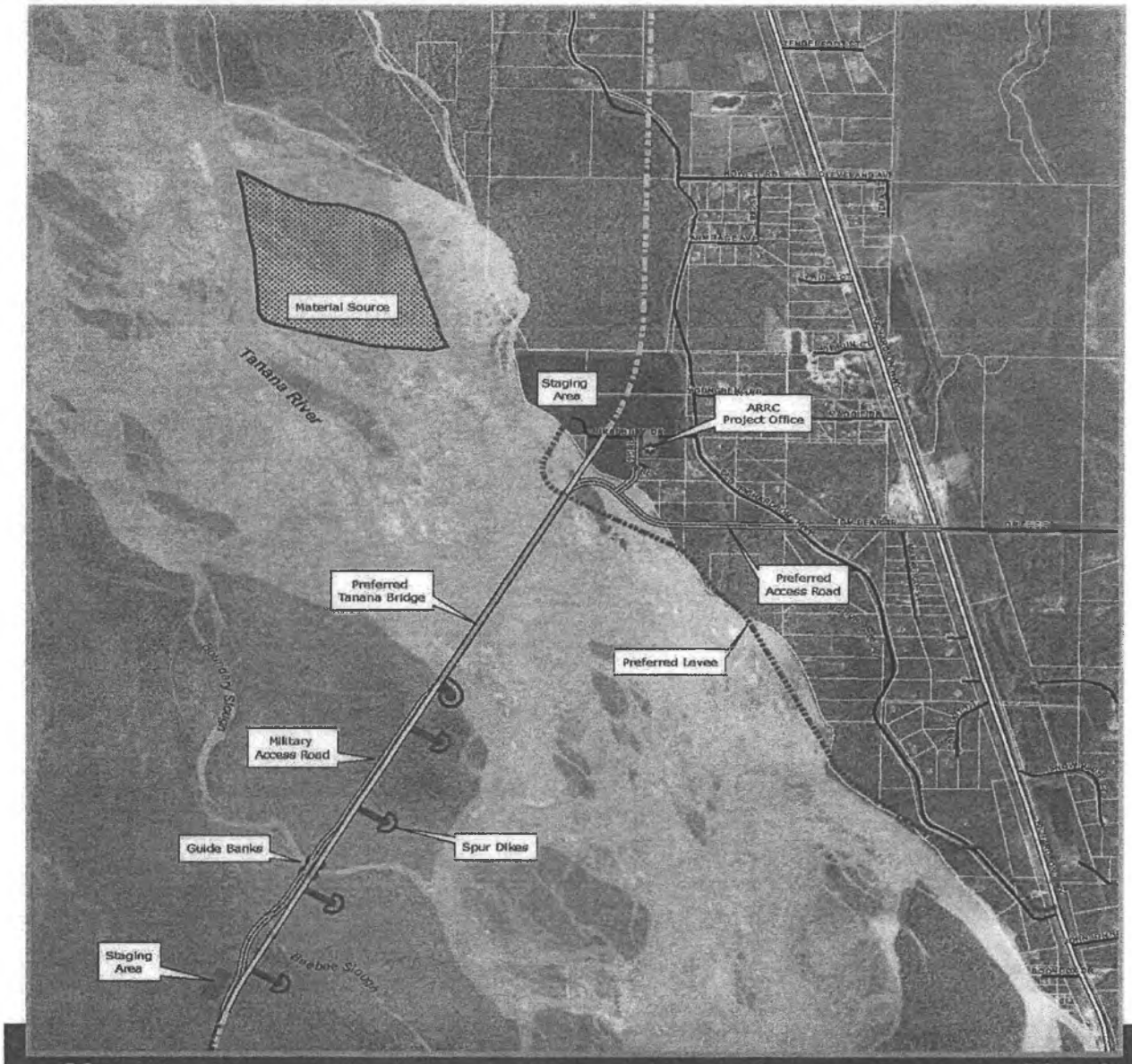




Northern Rail Extension (NRE)



- Construct an 80-mile rail line between North Pole and Delta Junction
- Surface Transportation Board (STB) completed EA in 2009 and approved license in early 2010.



- Project to be accomplished in 4 phases
- Phase One is the bridge crossing over the Tanana River near Salcha

NRE Tanana Crossing Status

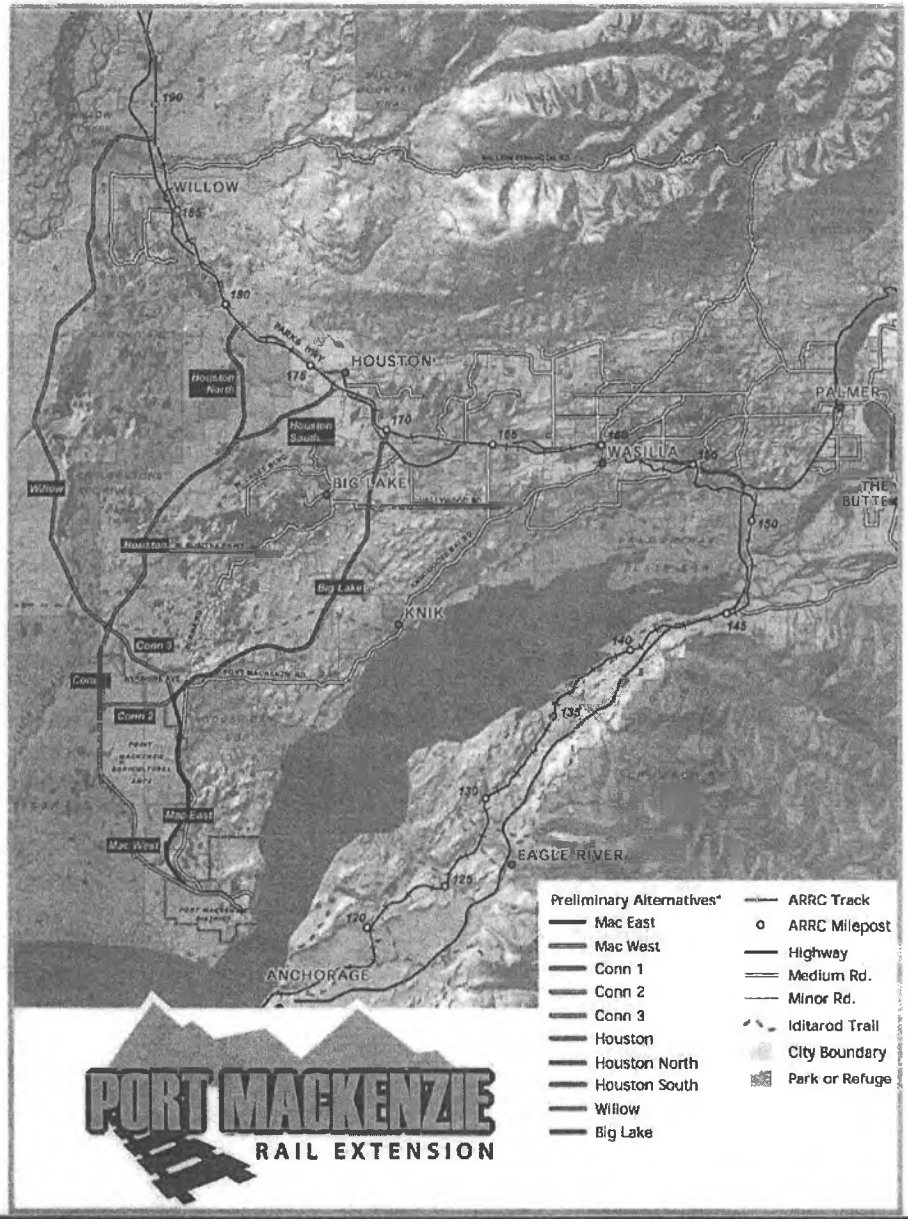
- Design 90% complete, CM/GC contractor on board
- Estimated Cost: +/- $185 million
  - Costs have escalated for several reasons:
    - Final design greatly increased levee costs
    - Permitting required additional scope, such as side channel bridges, as well as additional engineering
    - River erosion changed the project construction scope
- Current Funding:
  - 2008 DOD/FRA grant $44.2 million, expires 2013
  - 2009 DOD/FRA grant $60.0 million, expires 2014
  - $40 million state funding FY 2011, expires in 2015
  - Total $144.2 million

NRE: Getting to Construction

- Find Additional Funding – shortfall estimated at $20 - $60 million depending upon bridge revisions
- Obtain the Permits:
  - Currently a struggle with EPA/USACE
  - Timely issuance
- Federal Funding Agencies Approval:
  - Military: approve final plans
  - Federal Railroad Administration (FRA):
    - Final project plan as approved by military
    - Project financing plan
- Above steps required before ARRC Board can approve moving to construction

Tanana Crossing Timing

- Funding is needed by early summer 2011
  - Federal funds are expiring
  - The Tanana River is moving, increasing costs
  - General cost escalation as economy recovers
  - ARRC Board of Directors will need to make a "go/no go" decision at its May meeting



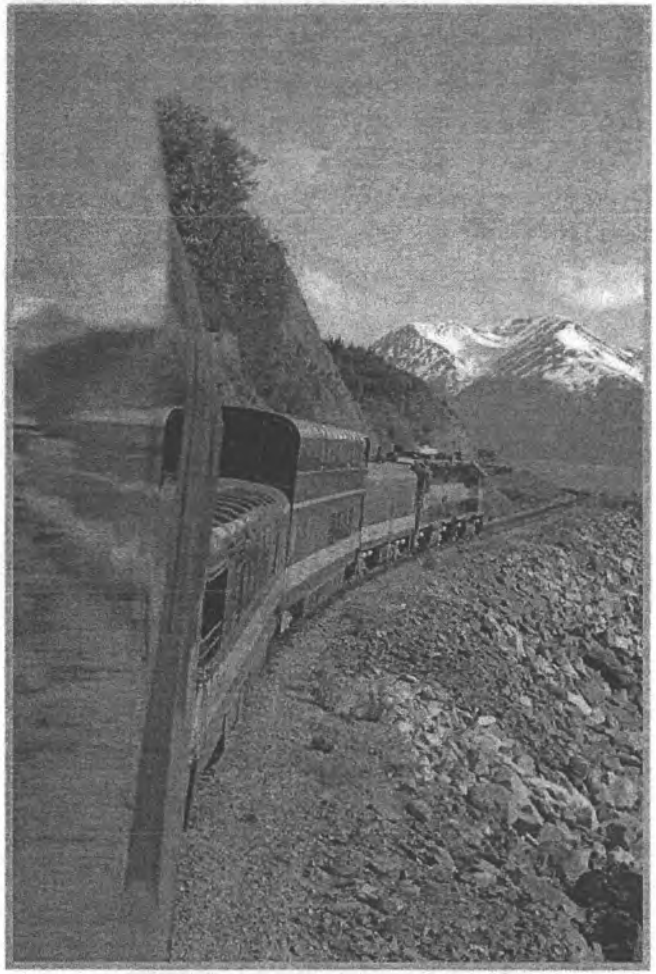
Port MacKenzie Rail Extension

- Construct a 30- to 45-mile rail line to connect the port to the main line
- As port owner, Mat-Su Borough (MSB) is project "sponsor"
- As an operating railroad, ARRC is the project "applicant"
- Surface Transportation Board (STB) is federal agency responsible for U.S. rail extensions

Port MacKenzie Rail Extension

Position: ARRC supports the rail extension to Port MacKenzie in its role as a tool for statewide economic development

- ARRC is a contractor to MSB providing project management and technical advice to the project
- STB is conducting the Environmental Impact Study (EIS)
- Draft EIS released for public review in spring 2010
- Final route selection will be identified in Final EIS, expected by spring 2011
- Project ready to begin ROW acquisition and construction
- State Legislature appropriated $27.5 million (2007/2008) to fund an EIS, and $37 million (2010) to begin design and construction



ARRC Statewide Issues

North Pole Refinery

Position: ARRC believes the continued existence of the North Pole Refinery (NPR) is a critical component to the State's energy picture and is a mainstay of ARRC's revenue stream.

- Flint Hills Resources represents the railroad's single most important customer from a revenue and profitability standpoint
- NPR business model is under serious scrutiny by ownership
- ARRC continues to urge the State to do what it can to support this important aspect of the state's economy
- The viability of the Alaska Railroad and numerous other Alaska stakeholders is tied to the refinery's success or failure

Executive Budget Act

Position: ARRC does not support legislation subjecting ARRC to the requirements of the Executive Budget Act

- ARRC loses flexibility to operate in dynamic, market driven business environment
- ARRC's obligations under current contracts and long-term agreements, including bond covenants, may be compromised
- ARRC operates on a calendar year as do most businesses; state fiscal year splits ARRC's business cycle
- State could assume all liability for ARRC operations as a result of taking over financial and legal obligations of ARRC
- Federal legislation, Alaska Railroad Transfer Act, may be violated as it requires that ARRC retain control of its funds and budget

Sale of ARRC Lands (2010 HB 357)

Status: ARRC's Board of Directors are developing a Board Rule to guide decisions regarding land sales in compliance with HB 357 (passed in 2010). The draft Board Rule is currently available for review and is on the agenda for the Feb. 16, 2011 ARRC Board meeting.

- A significant portion of Railroad lands are right-of-way, terminal areas, port properties, communication sites, material sites and other properties that are essential to current and/or anticipated rail operations and are not available for sale.
- The Railroad owns valuable "non-operating" lands that are available for long term lease to predominantly commercial and industrial tenants.
- Real Estate revenue has historically represented the majority of ARRC's net income, enabling ARRC to operate as self-sustaining entity without state operating subsidies.
- The Railroad owns certain "non-operating" lands that may not be necessary for railroad purposes and which ARRC may consider selling.
- The Legislature retains the right to approve land swaps or sale of land to another party

Seward Coal Loading Facility

Position: ARRC believes the Seward Coal Loading Facility is an important economic facility to the State and will continue to operate and invest in it to achieve economic benefits while complying with applicable environmental standards and meeting community needs

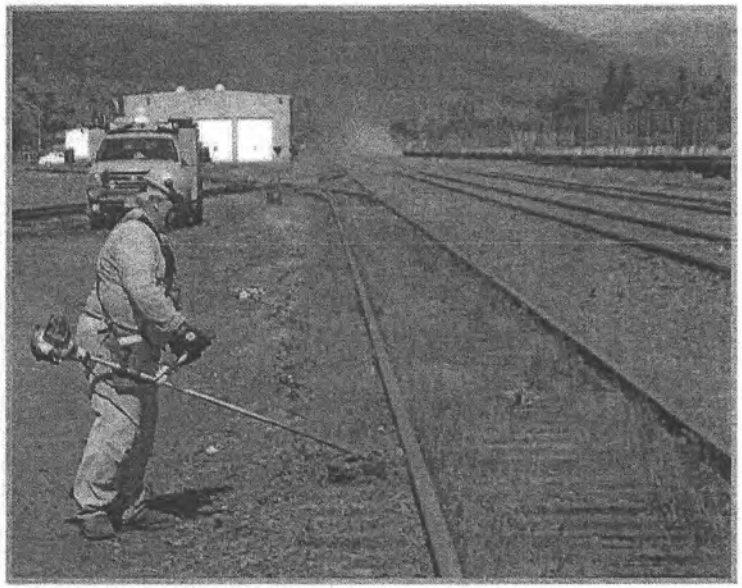
- The facility has been operating since 1984 as a public/private facility
- ARRC purchased the facility with federal funds in 2003
- ARRC has spent $1.34 million on safety, efficiency and environmental improvements since 2003, with additional expenditures planned for 2011
- ARRC continues to work with DEC and the community to mitigate dust by installing additional dust control equipment and instituting operating procedures such as shutting down operations if certain weather conditions are experienced, primarily high winds
- ARRC entered into a mutually-agreed Compliance Order with DEC and recently completed three Supplemental Environmental Projects (SEP's) designed to further reduce dust emissions
- ARRC is vigorously defending a Clear Water Act lawsuit involving the facility brought by environmental groups

Vegetation Management

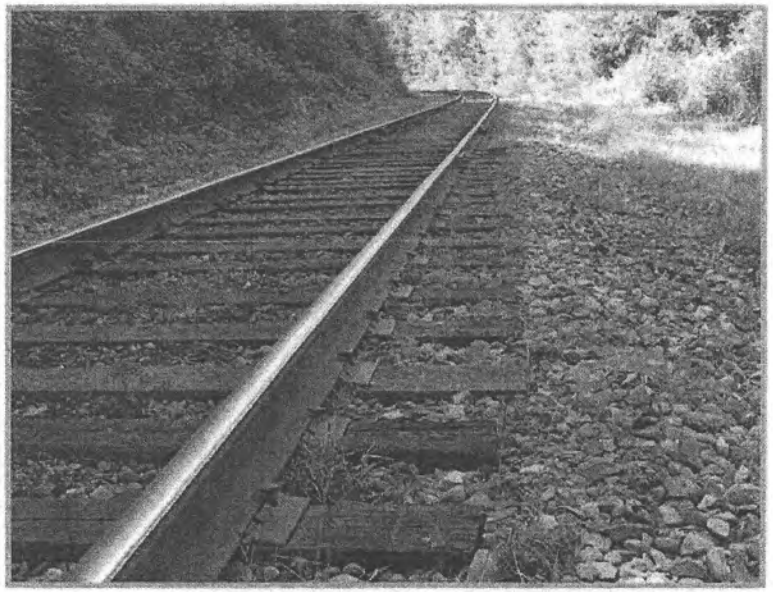
Position: ARRC must have an effective vegetation management and control program — to include the use of herbicides — in order to operate safely

- Railroad industry regulator FRA requires adequate vegetation control
- ARRC is gaining ground, federal safety inspection violations were down in 2010
- Herbicides are a necessary part of the vegetation control program:
  - ADEC approved herbicide permit for Seward-to-Indian in 2010
  - ARRC will apply for ADEC herbicide permits in 2011 to include:
    - Anchorage rail yard
    - Fairbanks and Healy areas
- Non-herbicide methods will continue to be the primary means of control

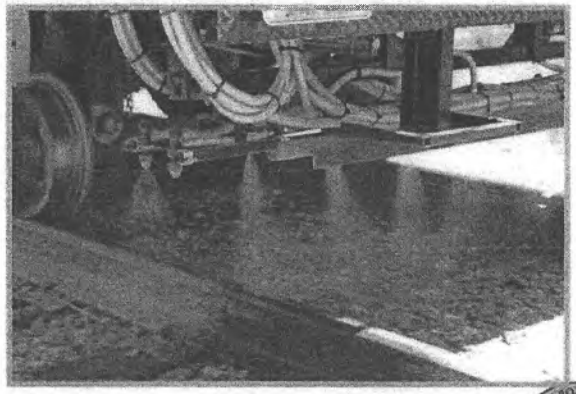
Vegetation Management



Manual vegetation control (weed trimming/mowing) In the Seward Yard is not adequate or lasting.



Controlled spray application (right) of water-approved AquaMaster herbicide provides effective and lasting control along stretch between Seward and Indian in 2010 (above right)



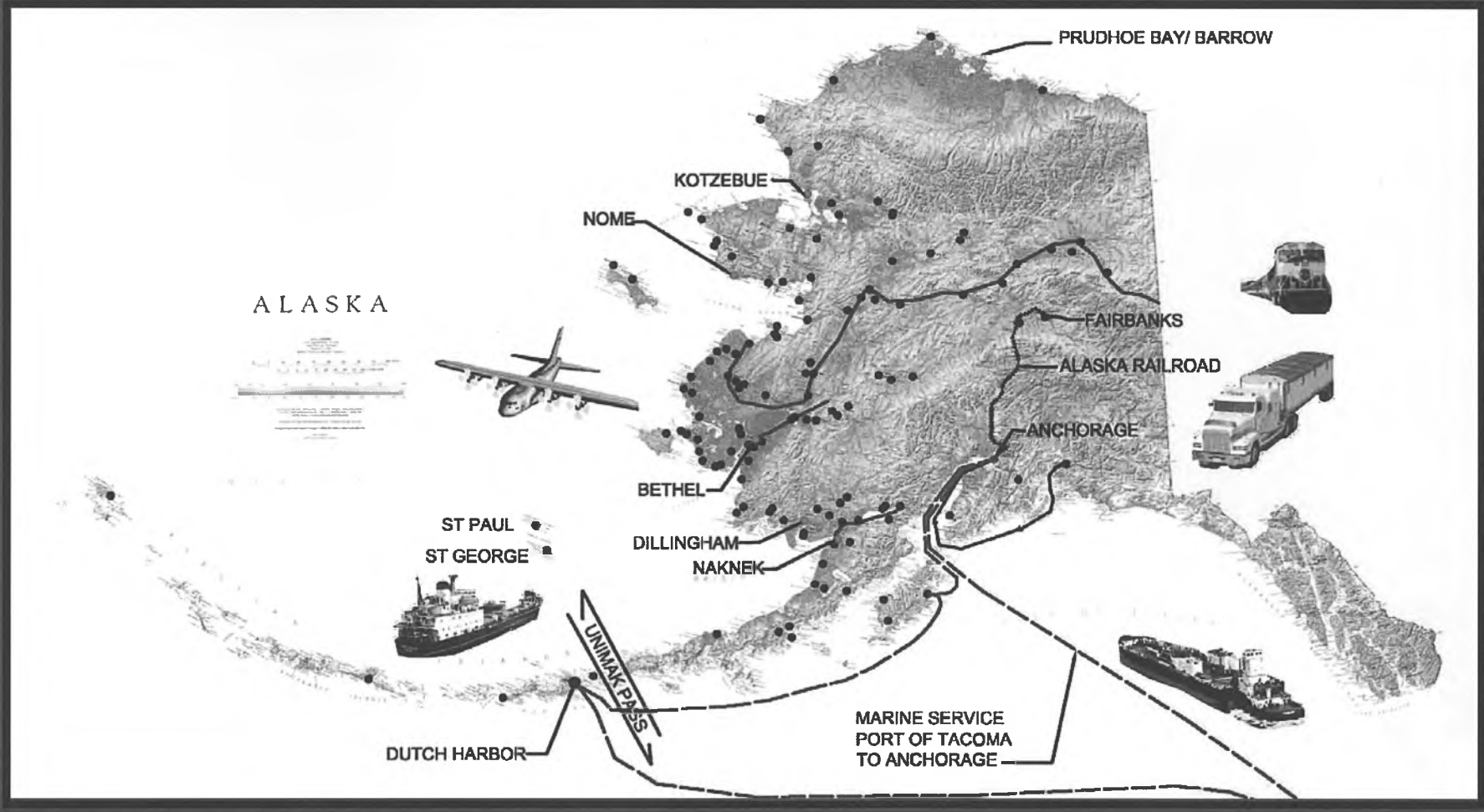
1/27/11 PRESENTATION: PORT OF ANCHORAGE

<TARGET><BILL></BILL><SUBJECT>1-27-11 PRESENTATION
PORT OF ANCHORAGE</SUBJECT><COMM>STRA27</COMM></TARGET>

PORT OF ANCHORAGE

Alaska's Port. Alaska's Future.

Cargo Distribution in Alaska



PORT OF ANCHORAGE

If you eat it, wear it or drive it, it probably came through here…..

➢120,000 containers annually

- 90% of merchandise goods for the Railbelt and interior Alaska
- 100 million pounds of by pass mail items
- Serving over 140 villages in rural Alaska
- 90% of new automobiles
- 85% of the cement for concrete along road system

PORT OF ANCHORAGE

If you eat it, wear it or drive it, it probably came through here…..

- **11 million barrels of fuel annually**
  - 80% of the jet fuel for Ted Stevens Anchorage International Airport
  - 100% of the jet fuel for Elmendorf Air Force Base
  - 90% of fuel used by vehicles, water craft and general aviation in the Railbelt
  - 2/3rd of all fuel used by the military in Alaska
  - 100% of the Aviation Gasoline used in Alaska (including Southeast!)

- **1.7 million barrels of fuel are shipped from POA to rural Alaska.**

PORT OF ANCHORAGE

Military Support

- Designated by the **Department of Defense** as a **National Strategic Seaport**. Only 19 ports in the United States have this designation.

- Supported over 20 deployments since 2005 including Stryker Brigade deployments to Iraq and Afghanistan.

- The POA provides essential fuel supplies, vehicles and almost all of the goods used on a daily basis from the commissary to office supplies.

PORT OF ANCHORAGE

2010 in Review

- The port received over 500 ship calls in 2010, a 30% increase from 2009.
- Welcomed the first major cruise ship to make regular port calls in Anchorage.
- Created 500 jobs related to the expansion project
- Port stakeholders and the expansion project spent $70 million on annual payroll

We expect an even busier 2011, especially at our petroleum berths which provide critical gasoline, heating oil, and jet fuel to communities throughout Alaska.

PORT OF ANCHORAGE

Intermodal Expansion Project

PORT OF ANCHORAGE

Phasing Plan

DRAFT v2

LEGEND

PHASE NAME
F/B-S
Usable Area
(F) FILL (B) BULKHEAD / SETTLEMENT (S) SURFACING, DOCKCAP, FENDERING, MOORING AND UTILITIES

Photo update 21 Jun 2010.

PORT OF ANCHORAGE

Port Expansion Team

Federal Lead Agency

MARAD

US DOT Maritime Administration

•Responsibilities include contracting authority, oversight and quality assurance and managing funding.

Project Owner

Port of Anchorage

Municipality of Anchorage

•Responsibilities include securing funding and coordinating the construction phasing to fit the port's needs.

Project Manager

ICRC

Integrated Concepts & Research Corps.

•Responsibilities include development, project management, design, construction and permitting.

Design & Construction Subcontractors

PORT OF ANCHORAGE

The Expansion Project is moving forward with clear changes in place.

- The Port is requiring a major review of the contract between MARAD and ICRC. The new contract structure must provide clear accountability and absolute protection from faulty construction and oversight.

- The Port is requiring additional financial protection to assure the work is completed on time with outstanding workmanship.

- The Port is developing an oversight committee consisting of the Port, MARAD, ICRC, and appointees from the city, US Army Corps of Engineers and others. This will allow us to react quickly and appropriately to issues as the project moves forward.

PORT OF ANCHORAGE

Thank You

For more information visit www.muni.org/departments/port

PORT OF ANCHORAGE

Funding

The expansion project is funded through a combination of port revenues, state and federal funds.

-$279 million received to date:

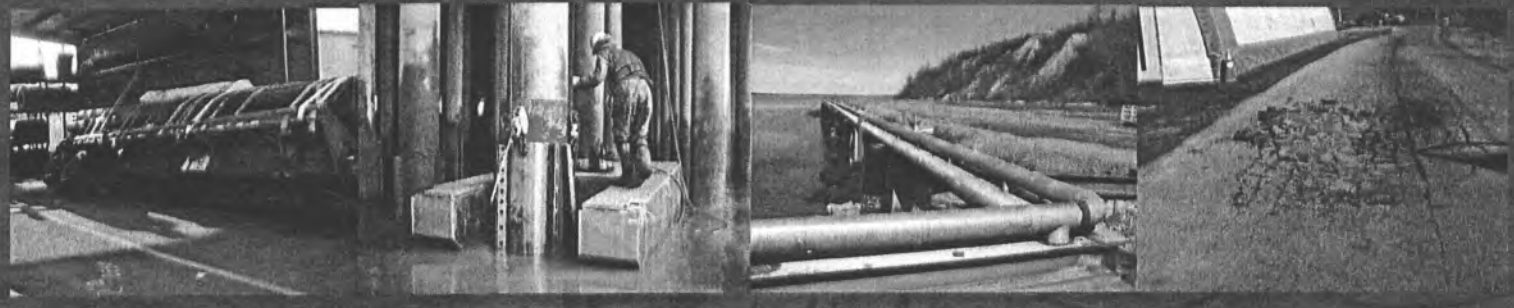
Federal Funds	$138,676,634
State Funds	$ 91,290,164
Port of Anchorage Funds	$ 49,109,836

- The Port of Anchorage covers all of its own operational costs and puts all of the additional revenue, $4 - $5 million annually, towards the expansion project.
- The Port also qualifies for a $75 million line of credit.

PORT OF ANCHORAGE

In 2002 the Port began a long and expensive permitting process. Since that time the following projects have been successfully completed:

- Filled 70 acres of new land
- Constructed 5 mile long road from the POA to Elmendorf to transport gravel. This road is alread used for military deployments relieving congestion on public roadways.
- Performed road and drainage replacements
- Extending the rail line
- Installing new fuel pipeline
- Built a floating dock used by the Coast Guard for Emergency Response
- Burying and extending power lines
- Mitigated an environmental runoff problem for Elmendorf



PORT OF ANCHORAGE

The current project cost is $1 billion. This is much higher than the initial estimate, however there have also been many changes to the original design. The largest contributing factors are listed below:

- Design Changes –

  The initial design underwent a rigorous permitting and review process that resulted in recommendations to the existing design. These changes cost money.

  -Increasing tail wall length

  -Addition of two essential facilities that will remain operational following a maximum contingency earthquake or other catastrophic event.

  -Increased linear dock space in the North End to accommodate customer needs

- Galvanized Steel –

  Using Galvanized (or coated) steel rather than the regular steel calculated in the initial estimate increased the cost of steel by about 30%. This is expensive, but it significantly prolongs the project life and is ultimately a good investment in an area that has some of the highest corrosion rates in the world.

- Increased Overhead
- Increased labor, fuel & materials cost
  - 2008 Steel Prices soared 60%
- Increased Dredging Costs
- Beluga Whale & Marine Mammal Mitigation

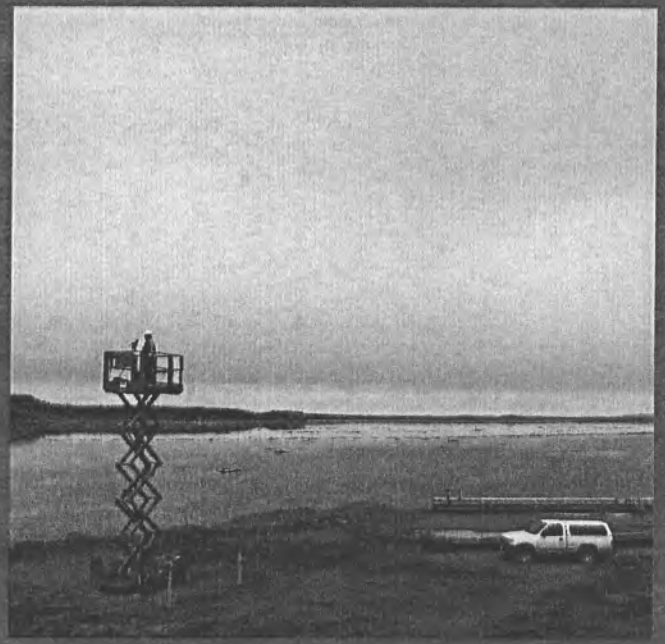
PORT OF ANCHORAGE

Beluga Whales

The Marine Mammal Mitigation aspects of our construction permit are onerous and expensive. We estimate that direct costs are $5 million annually with substantially more indirect costs.

Mitigation measures include:

- Shutting down for two hours on either end of low tide.
- Shutting down if a whale enters our "zone"
- Shutting down if the monitors cannot observe the water (fog or sun glare)
- Restrictions on the use of vibratory hammers and impact hammers
- Until the 2010 construction season we were required to shut down for two one-week periods during the summer for fish smolt.



There are five observers stationed on rented scissor lifts every second we are under construction and there is an additional look-out on Elmendorf manned by Alaska Pacific University students. The marine mammal observes and costs associated with these activities are around $100,000 a year.

PORT OF ANCHORAGE

PORT OF ANCHORAGE

Alaska's Port. Alaska's Future.

January 21, 2011

The Honorable Albert M. Kookesh
Alaska State Senate
State Capitol, Room 11
Juneau, Alaska 99801

Dear Senator Kookesh:

The Port of Anchorage has received some very negative press over the past few days and I wanted to address some of the issues raised regarding this important project.

The Port first became aware of the construction problems in May of 2009 and worked diligently through the 2010 construction season to identify the full extent of the problem. As a result, we had to modify the work plan for this past construction season and did not accomplish what was hoped. These setbacks are frustrating, but they are not insurmountable. The project is moving forward and we are fixing the affected areas and will finish this phase of the project as scheduled.

Going forward, we are demanding major changes by our federal lead agency, the Maritime Administration, and the contractor charged with developing the project. These changes are summarized in the attached compass piece, but they include increased protection for the Port for faulty work, the creation of an oversight committee that can respond quickly to issues as they arise, increased oversight and accountability by project managers and additional financial protection for the Port.

This is one of the largest ongoing construction projects in Alaska and far too often the integrity of the project and the Port's value to the state are lost in the accompanying debate. The Port of Anchorage is a vital economic engine for 80% of Alaska and this project alone puts nearly 500 people to work every year. This Port and this project are too important to fail.

I recognize that you may have further questions regarding this project and I take those very seriously. Please do not hesitate to contact me directly if I can address any of your concerns. Ultimately this is about economic development, it's about jobs, and it's about investing in infrastructure today that will serve generations of Alaskans tomorrow.

Sincerely,

Bill Sheffield
Port Director

rs. He wants to simplify tax rates, both individual corporate, close loopholes and provide the kind of ainty that will shake some of that $2 trillion into the nomy.

Infrastructure investment. Begich argued there's ieed to get into a wrangle over another "stimulus" gram. You stimulate the economy by spending public ney on nuts-and-bolts public works as we always have vater, sewer, highways, ports, bridges. That provides k for private contractors, speeds commerce and ands opportunity. It's no secret that American infra- ucture is aging, and it shouldn't be a partisan matter ebuild.

Energy policy. This is particularly key for Alaska, Begich, like his Alaska colleagues Sen. Lisa Mur- ski and Rep. Don Young, wants to see oil and gas elopment. Drilling in the Beaufort in 2011? His op- sm dims a little, but lights up again at the notion of ?. National Petroleum Reserve? Begich says current is-Alaska pipeline problems may provide him with a nger argument for above-ground river crossings into NPR-A — easier to maintain and repair.

Begich stressed that Arctic oil exploration would and-in-hand with close scrutiny and continued arch. He repeated what he's said before about Alas- experience — we investigate, permit, litigate and eal. That's exasperating, but in the long run good. I'd rather do it the way we do it, work our way ugh a painful process," he said. In the end, we miti- risks and produce more safely than most other oil hes on the planet.

Deficit reduction. Here's where the warning comes. re will be pain, Begich said. But for the United States restle its massive debt to ground will take from 10 to ears if we do it right — by coordinating tax reform, rgy policy and infrastructure investment, and by ecting everything to review, cutting gradually and intelligence. He favors spending caps.

People are not ready," Begich said. "But we have to t talking about it."

he senator provided a pragmatist's overview. As ys, the details will be home to the devil. And Begich es Congress and the administration have about n months before the next presidential election cycle s in and makes everything harder.

t's a good thing he's an optimist.

TTOM LINE: Begich sees a tough but drivable road to a thriving economy.

COMPASS: *Other points of view*

Anchorage port project too vital to fail

By BILL SHEFFIELD

The facts are that $265 million has been spent or obligated on the port expansion to date and the majority of those dollars were spent on successful aspects of the project.

The Port of Anchorage expansion project is too important to fail. The Anchorage Daily News and I can certainly agree on that. However, I disagree with the article in Sunday's paper that implies there is a billion dollars in wasted funding and that the project is failing.

The facts are that $265 million has been spent or obligated on the port expansion to date and the majority of those dollars were spent on successful aspects of the project. It took more than 5 years, and a hefty sum, for the port to secure its permit. During this time the port was rebuilding roads, a rail line, repairing disintegrating pipelines and culverts, burying and extending power lines, installing a new pipeline, building a floating dock used by the Coast Guard, and mitigating a vexing runoff problem for Elmendorf.

To date, nearly 70 acres of new land in the north and south end have been filled. We have constructed a 5-mile haul road from Elmendorf Air Force Base to the port to transport gravel fill for this project. This road will be used for military deployments relieving congestion on public roadways. All of these projects have been successfully completed with little fanfare or acknowledgment.

In regard to leadership, let me clear up any ambiguity. Because federal funds are involved, the Municipality of Anchorage entered into a memorandum of understanding with the federal Maritime Administration (MARAD) to be the lead federal agency on this project. MARAD contracted with Integrated Concepts and Research Corporation (ICRC) to develop the Port. ICRC, in turn, contracted with design professionals and contractors. MARAD and ICRC have responsibility for quality assurance and the design professionals, PND Engineers, Inc., are responsible for providing a fully functional design for the project. The Port of Anchorage is the owner of the project, responsible for securing funding and coordinating construction phasing to fit the needs of the port and its customers.

It has become clear over the past 12 months that there are some oversight problems and protection issues not adequately addressed by this arrangement. The port has responded aggressively to these issues and has demanded that the following actions be implemented before the start of the 2011 construction season.

- The port is demanding a major review of the contract between MARAD and ICRC in anticipation of the April renewal date. The new structure must provide clear accountability and absolute protection from faulty design, construction and oversight.
- The port is ordering a forensic investigation be performed as soon as possible to establish the cause and extent of the damaged sheet pile installed prior to 2010.
- The port is requiring additional financial protection to assure the work is completed on time with outstanding workmanship.
- The port is developing an oversight committee consisting of the port, MARAD, ICRC, and appointees from the city, U.S. Army Corps of Engineers and others.

In short, we are establishing an oversight framework with clear expectations from our project partners. We expect progress and demand change. The current construction contractor was able to successfully install sheet pile cells in areas that were discovered damaged starting in May of 2009, indicating to us that the project can be constructed as designed.

While we are frustrated with the progress to date, we remain confident in the integrity of the facility and in the need to complete its construction as soon as possible. This project is about the future of this state and the next five generations of Alaskans that will rely on it. And that's why it is simply too important to fail.

Former Gov. Bill Sheffield is director of the Port of Anchorage. He also has served as president and CEO of the Alaska Railroad, founded and owned a hotel chain and involved in various public and private enterprises.

Letters to the Editor

hool rules infringe on students' edom to hug and wear sandals

The state Senate will again be governed by a bipartisan coalition made up of 10 Democrats

Columnist trivializes a national tragedy in very flippant manner

California with computer sciences.

We need to keep our creative young people

2/01/11 PRESENTATION: KNIK ARM BRIDGE AND TOLL AUTHORITY

<TARGET><BILL></BILL><SUBJECT>2-01-11 PRESENTATION KNIK ARM BRIDGE AND TOLL AUTHORITY</SUBJECT><COMM>STRA27</COMM></TARGET>

KNIK ARM CROSSING

Delivering Statewide benefits, regional connectivity and economic growth.

www.knikarmbridge.com

Presentation to the Alaska Legislature
Joint Transportation Committee Meeting

February 1, 2011

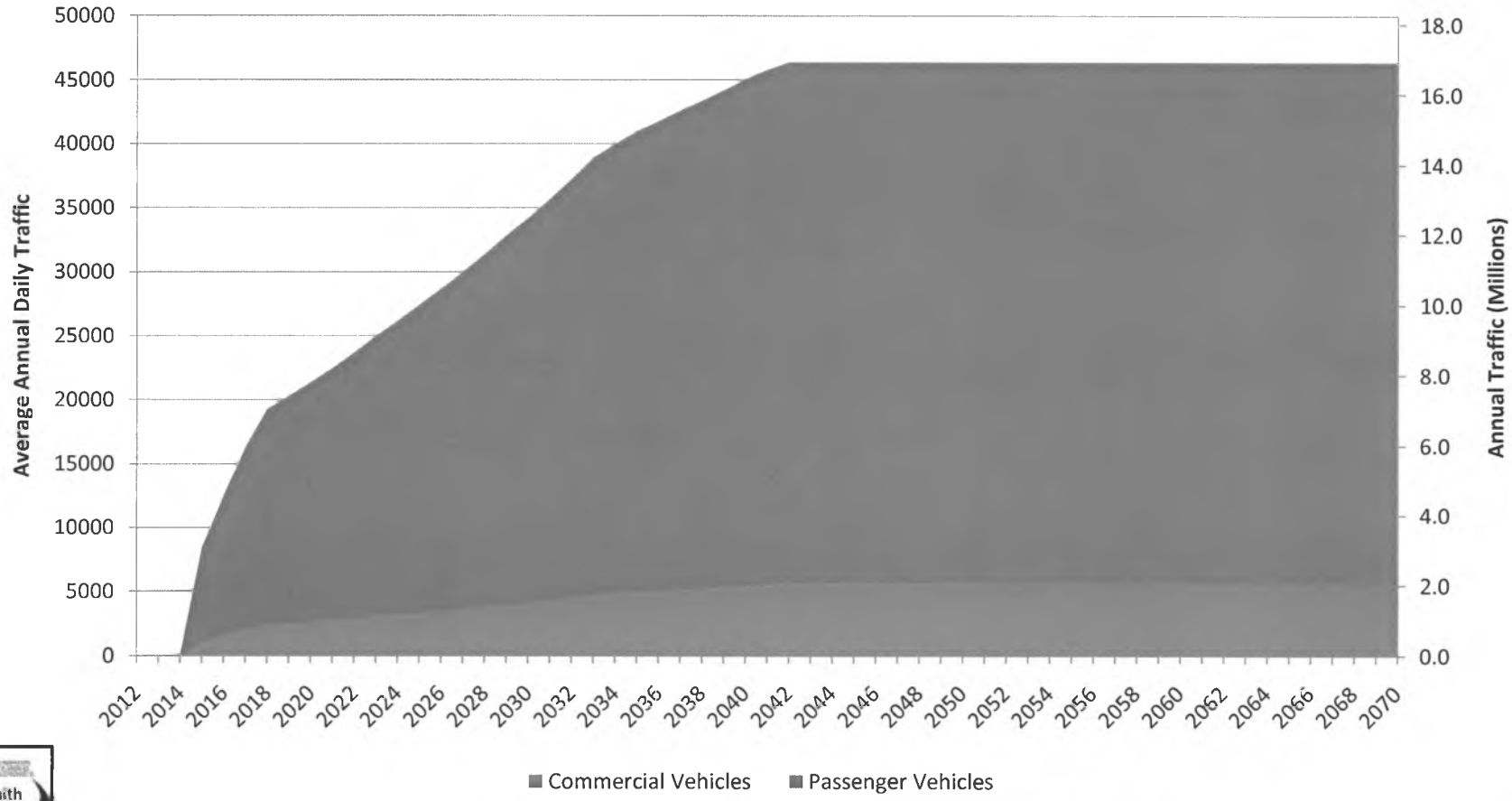
Knik Arm Toll Bridge
Good for Alaska

- Connects Alaska's Infrastructure
- Supports Resource Development
- Provides Jobs and Supports Economic Growth
- Alternative Corridor for Safety
- Helps Fund Future Transportation Statewide

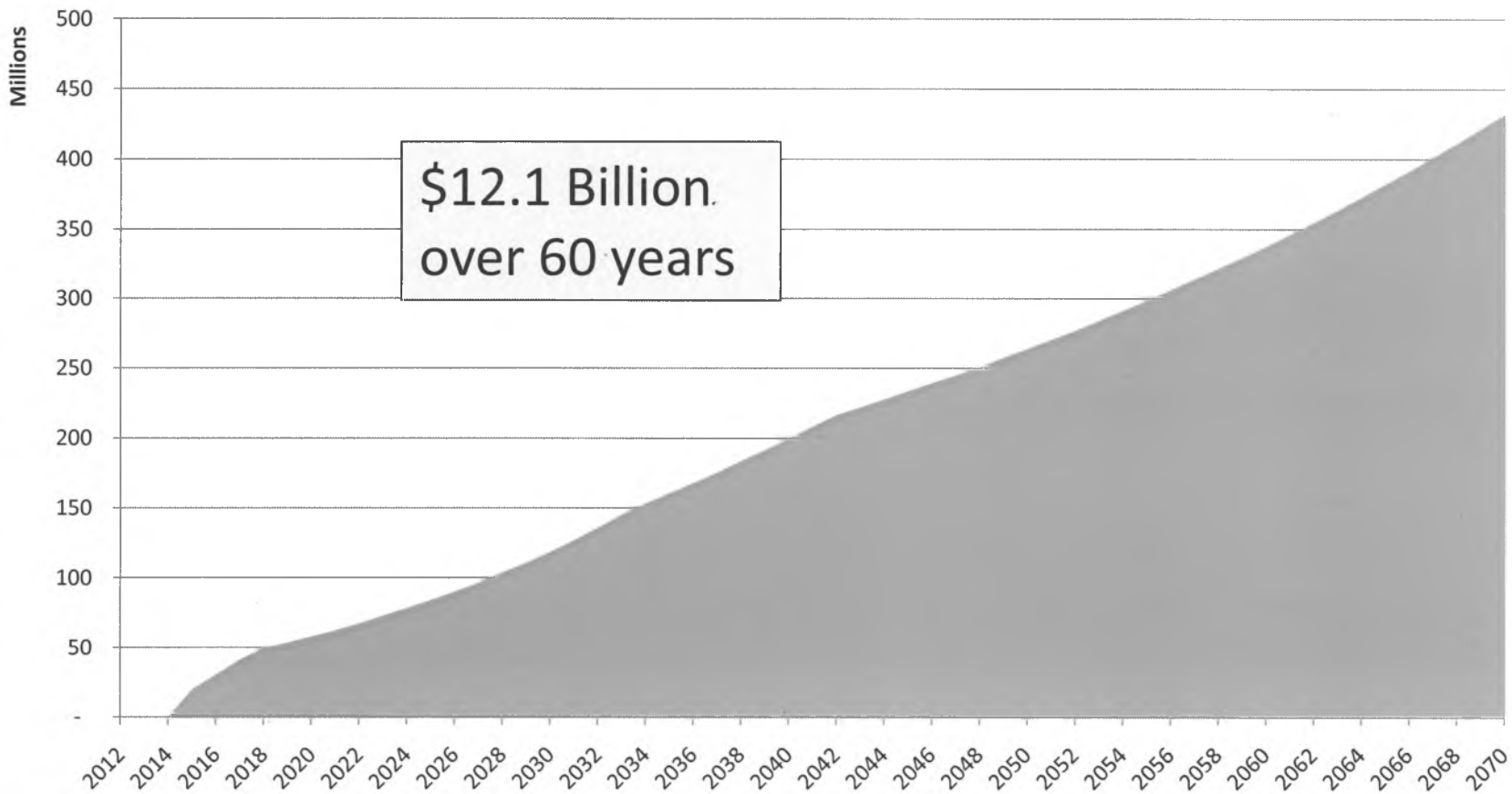
Immediate Benefits

- Immediate Economic Stimulus
  - $700 million of infrastructure and 5,000 construction-related jobs
- Public Benefits First 10 Years:
  - $326 million lower cost of freight to Interior
  - $303 million savings to commuters
  - 1,900,000 fewer metric tons of carbon emissions
  - $30 million savings associated with Goose Creek Correctional Center
- Alternative to Glenn Highway for Safety
- Connects Port of Anchorage and Port MacKenzie to Better Serve the State
- Ties Together State's Transportation Network

Base Case Traffic Forecast
Assuming 2015 Opening



Projected Toll Revenue

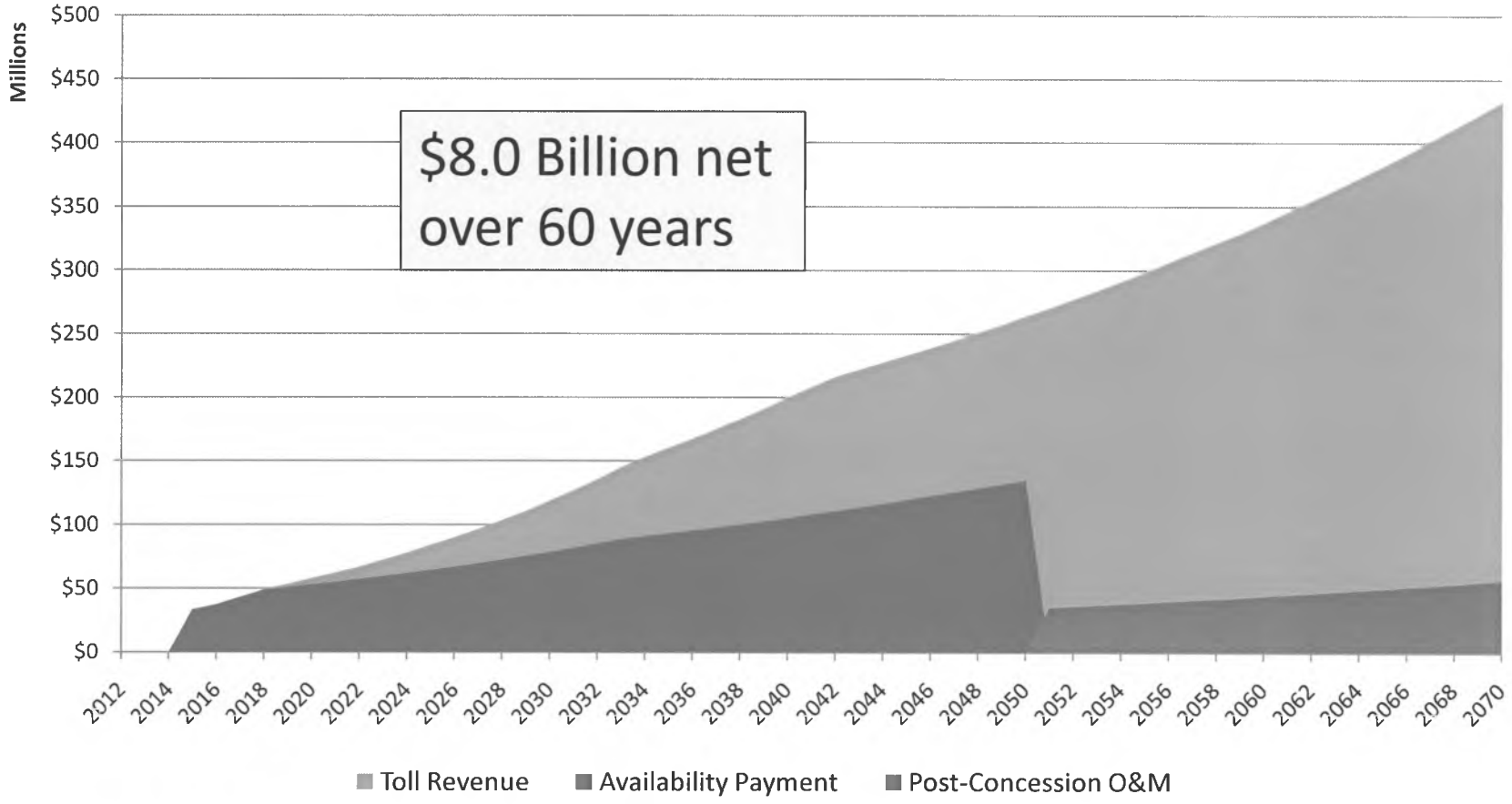


Toll Facility Revenue "Waterfall" Flow of Funds

Toll Revenue

Graphic concept courtesy FHWA TIFIA program.

Projected Net Revenue After Availability Payment / O&M



Availability payment includes KABATA oversight costs during the concession term.

Plan View
4. Bridge
Knik Arm
Matanuska-Susitna Borough
Cook Inlet
N
Miles

Bathymetry and Tides

Late Season 1

Oscillated Drilled Shaft Operation

Closing the Gap - Late Season 2

Foundation Wrap Up - Season 2

The Future

www.knikarmbridge.com

KNIK ARM CROSSING

Concept Rendering

The AlaskaPoll ®

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Information for Solutions

- Market Research
- Public Opinion Analysis
- Political and Government Research
- Focus Groups

ALASKA STATEWIDE PUBLIC ATTITUDES AND PERCEPTIONS

Knik Arm Bridge and Toll Authority

January 2011

Methodology

Overview

During the period January 6-16, 2011, six hundred three (n=603) Alaskans were interviewed regarding their views concerning a Knik Arm Crossing toll bridge.

Research Design

A random sample design was featured which provided that all households listed in the most current telephone directory for each community had essentially an equal chance of being interviewed.

Sample Plan

A statewide representative sample was designed to provide sufficient respondents in each region for independent geographic sub-group analysis.

	Sample Size
Rural	n=40
Fairbanks	n=64
Matanuska-Susitna	n=179
Anchorage	n=222
Kenai Peninsula	n=56
Southeast	n=42
TOTAL	n=603

For statewide analysis, the geographic regions were combined and weighted in proportion to their percentage of the total population.

Rural	8%
Fairbanks	16%
Matanuska-Susitna	15%
Anchorage	41%
Kenai Peninsula	8%
Southeast	12%
TOTAL	100%

Sample Selection

Individual respondents were randomly selected from current telephone subscribers listed in the most current directory for each community.

Measurement History

Citizen opinion measurements by the Dittman Research & Communications Corporation have proven to be perfect predictors of U.S. Senate and Gubernatorial election results in Alaska for the past forty years.

The AlaskaPoll

DITTMAN RESEARCH & COMMUNICATIONS CORPORATION

Knik Arm Bridge and Toll Authority
Alaska Statewide Public Attitudes and Perceptions

January 2011
(n=603)
Preliminary Findings

- **Overall, statewide awareness of the Knik Arm Crossing remains high (89%).**

Question:	Answer:	Statewide	Anchorage/ Mat-Su
"Have you ever heard or read anything about a proposed bridge between Anchorage and the Matanuska-Susitna Borough called the Knik Arm Crossing?"	Yes	89%	97%
	No	11%	3%

- **And by far, the largest percentage of Alaskans (60%) feel it is time to build a bridge between Anchorage and the Mat-Su Valley.**

Question:	Answer:	Statewide	Anchorage/ Mat-Su
"...What is your personal opinion -- do you feel it is or is not getting close to the time to build a bridge between Anchorage and the Matanuska-Susitna Valley?"	Is	60%	65%
	Is not	31%	30%
	Unsure	9%	5%

- **However, most Alaskans statewide reported they didn't know the Federal government had recently approved construction.**

Question:	Answer:	Statewide	Anchorage/ Mat-Su
"...Were you aware the Federal government had approved construction of the Knik Arm Bridge?"	Yes	37%	46%
	No	62%	54%
	Unsure	1%	--

- **On a statewide basis, three out of four Alaskans (75%) believe the Knik Arm Bridge will lead to more jobs and a better economy.**

Question:	Answer:	Statewide	Anchorage/ Mat-Su
"...What is your opinion, do you feel building the Knik Arm bridge will or will not help lead to more jobs and economic growth?"	Will	75%	77%
	Will not	19%	20%
	Unsure	6%	3%

- **And strong majorities (64-77%) also believe a Knik Arm Bridge will provide community connectivity and access to natural resources; meet projected population and transportation needs; save time, money, and provide jobs; and provide a second connection for emergencies and evacuation.**

	Good Reason	Not Good Reason	Unsure
Provide community connectivity and access to natural resources	64%	33%	3%
Meet projected population and transportation needs of Anchorage and the Mat-Su Borough	72%	24%	4%
Save time, money and provide jobs now	73%	25%	2%
Provide a second connection between Anchorage and the Mat-Su Valley for emergencies and disaster evacuation	77%	21%	2%
Construction costs are likely to rise & it will be more expensive later	68%	29%	3%

- **In total, by far, the largest number of Alaskans (62%) report they believe "now" is a good time to build the Knik Arm Bridge.**

Question:	Answer:	Statewide	Anchorage/ Mat-Su
"Overall, when everything is considered, would you say now is a good time to build a Knik Arm bridge, should we wait until later, or should it never be built?"	Now is good	62%	64%
	Wait until later	17%	17%
	Never be built	15%	16%
	Unsure	6%	3%

- **If, for some reason, the Knik Arm Bridge isn't built in the near future, approximately four out of five Alaskans (79%) believe it should continue to be included in the region's long-range transportation plan.**

Question:	Answer:	Statewide	Anchorage/ Mat-Su
"Regardless of whether or not you support building the Knik Arm Bridge at the present time, do you feel it should or should not continue to be included in Southcentral Alaska's long-range transportation plan?"	Should	79%	79%
	Should not	18%	20%
	Unsure	3%	1%

Final statewide research results will be available January 28, 2011.

FHWA SIGNS RECORD OF DECISION FOR KNIK ARM CROSSING

December 15, 2010

Making History:
A Bridge to Alaska's Future

KNIK ARM BRIDGE AND TOLL AUTHORITY

2010 ANNUAL REPORT

KNIK ARM BRIDGE & TOLL AUTHORITY

KABATA'S MISSION

The Knik Arm Bridge and Toll Authority (KABATA) 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."

Alaska Statute 19.75.011

Pursuant to AS 44.99.210, the 2010 Annual Report was released at a cost of $5.59 per copy, and the 2010 Comprehensive Annual Financial Report DVD was released at a cost of $3.70 per copy, by the Knik Arm Bridge and Toll Authority to provide information and encourage participation. Both were produced in Anchorage, Alaska.

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The Knik Arm Bridge and Toll Authority (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 to undertake the permitting, design, financing, and construction, and then to own, operate, and maintain the crossing as a toll bridge.

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

LETTER FROM THE CHAIRMAN

Dear Alaskans,

I am pleased to report that KABATA has taken the necessary steps needed to secure the Record of Decision (ROD) from the Federal Highway Administration (FHWA), the lead agency overseeing this project. The ROD is a major project advancement and, coupled with the already approved Final Environmental Impact Statement (FEIS), is another significant step to move the bridge project forward. The ROD allows the project to move from the planning and environmental phase into the next phase, in which the State of Alaska conducts its due diligence for bridge design, finance options, construction, operations, and maintenance.

The past year's focus has been on an exhaustive and lengthy review of the project by the FHWA, which is tasked with review and analysis of the Knik Arm Bridge at the federal level. In addition, there were many issues to be addressed and reconciled by a large number of governmental and resource agencies as part of the ROD review. The Biological Opinion by the National Marine Fisheries Service (NMFS) was completed as a requirement for the FHWA to issue the ROD. I extend sincere thanks to the FHWA and NMFS for their cooperative and timely efforts in addressing the Cook Inlet beluga whale under the Endangered Species Act.

I anticipate that the year ahead will be a busy one, as the scope of KABATA's work shifts from involvement with governmental agencies to increasing discussions with the State and interested private partners. The finance and engineering teams of KABATA will be keenly focused on the best possible path to move the project forward. The Knik Arm Crossing is an essential project for the State of Alaska that will provide economic opportunities for future generations.

I look forward to this next year as KABATA meaningfully advances its mission of delivering a bridge to Alaska's future.

Michael L. Foster

Michael L. Foster, P.E.
Chairman of the Board of Directors

An Early History of the Knik Arm Crossing

In 1923, the Alaska Railroad studied a causeway that shortened the route to Fairbanks. Since then multiple studies have been conducted to explore a Knik Arm Crossing. More than 80 years of transportation, land use, and economic plans for the Upper Cook Inlet region of Alaska have proven the concept will support economic growth and development for the entire State of Alaska.

The Lure of Tent City

In early 1915, a city of white tents and log cabins rose on the banks of Ship Creek at the site of what is now downtown Anchorage. With federal funding guaranteed by President Woodrow Wilson, construction began on the Alaska Railroad, and thousands of railroad and construction workers, families, freight haulers, restaurateurs, hoteliers, and other service providers moved into the new town site.

LETTER FROM THE EXECUTIVE DIRECTOR

Dear Alaskans,

I am very pleased with the progress of the project this year. The KABATA team has focused on evaluating environmental issues in order to secure a Record of Decision on the Environmental Impact Statement (EIS) for the project. The culmination of these studies was finalized in a No Jeopardy Biological Opinion by National Marine Fisheries Service on the Cook Inlet beluga whale and a Record of Decision by the Federal Highway Administration. Completing an EIS and obtaining the Record of Decision on such a significant infrastructure project is truly a milestone.

Three years ago I discovered that the vision for crossing Knik Arm was not a new one; it has been talked about and studied for decades. We continue to recognize the citizens and community leaders who have identified the importance of a good transportation system to support economic opportunities and responsible growth in Alaska. From businesses to boroughs and municipalities—the bridge is viewed as a complementary, necessary, and sustainable project that will deliver benefits from both transportation and resource development perspectives.

As I look to 2011, our team's efforts will focus on design activities, necessary discussions with the private sector on project delivery mechanisms, procurement options, and the associated business case for each. We will also start design, engineering, and the right-of-way work necessary to complete permitting and satisfy the conditions that will be needed for successful project delivery.

Indications are that Alaska's economy remains robust although in a delicate balance. History has confirmed that, in Alaska, with large projects comes stability. We must ensure our policy decisions keep Alaska a desirable place to conduct business and insist that opportunities for good jobs stay in Alaska. Transportation infrastructure is a necessary element for a robust economy and the KABATA staff remains committed to doing its part to make the crossing part of Alaska's history.

Andrew J. Niemiec
Executive Director

LETTER FROM THE CHIEF FINANCIAL OFFICER

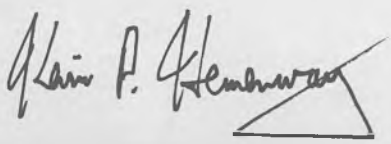
Dear Alaskans,

2010 was an exciting year for the Knik Arm Crossing Project. Before KABATA, Alaskans had studied the crossing for more than 80 years. Over the past six years KABATA has been engaged in preliminary engineering and environmental clearances for the bridge. I am happy to report that this phase of project development is complete. We look forward to procurement and financing during 2011, so construction could commence as early as 2012. I am confident Alaskans will be driving across the bridge in just a few years to access housing, jobs, recreation, and economic opportunities. Freight will be moving across the bridge to supply citizens throughout our state. We will see firsthand the convenience and necessity of this new link in our transportation network and look back and wonder how we ever lived without it.

The Knik Arm Toll Bridge will provide about $700 million of much-needed infrastructure for our state. It's a high price tag, but as a toll bridge most of the costs will be borne by those using it rather than taxpayers at large. Toll revenues will not only serve as a means to repay project financing, but will ensure the facilities are well maintained for future generations.

Throughout its existence, KABATA has been accountable and transparent to the public not only in project development, but in all of our financial activities. Once again, our auditors provided an unqualified opinion on KABATA's financial statements for the fiscal year ended June 30, 2010. We also received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the fourth consecutive fiscal year for our 2009 Comprehensive Annual Financial Report (CAFR). The auditors' opinion, our financial statements, and notes thereto are included in the attached CAFR and on our Web site. I encourage you to review these together with the rest of the CAFR.

I am grateful for the support Alaskans have shown for the Knik Arm Toll Bridge. The KABATA team and I look forward to serving you over the coming year and delivering this essential project as soon as possible.



Kevin P. Hemenway
Chief Financial Officer

Knik Arm Crossing Day

On March 21, 1981, the Anchorage Chamber of Commerce coordinated a Knik Crossing Day to build support for a connection from Anchorage to the lower Mat-Su.

Representatives from the Municipality of Anchorage, Anchorage Chamber of Commerce, City of Wasilla, Mat-Su Borough, and State Legislature were flown by helicopter across the Knik Arm. The idea of a crossing has had widespread support for more than 30 years.

LETTER FROM THE GOVERNOR

"We wish to point out very strongly *that to make the port 100 percent effective, the causeway should also be built...and the Chamber of Commerce could do Anchorage no greater service than to continue to push for it at every opportunity."*

July 2, 1957
Anchorage News

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Governor Sean Parnell
STATE OF ALASKA

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www.gov.alaska.gov
Governor@alaska.gov

Dear Alaskans,

Alaska is a storehouse of natural resource riches and human capital. Jobs and new development rely, in part, on a solid transportation network, and the Knik Arm Bridge is an important link in Alaska's regional transportation infrastructure.

The Knik Arm Crossing project can leverage the strength of both the public and private sectors to benefit Alaskans. The toll-financed bridge would be paid for by its users. Public-private partnerships such as this could serve as a viable model for expanding our transportation network to meet the needs of Alaska.

Alaska's transportation infrastructure requires regional connections and alternate corridors between our largest population centers. Reducing congestion on our highest volume highways and improving access to the north from the Port of Anchorage will increase access and create opportunities for businesses and residents. I look forward to working with you on improving access to opportunities for Alaskans.

Best regards,

Sean Parnell

Sean Parnell
Governor of Alaska

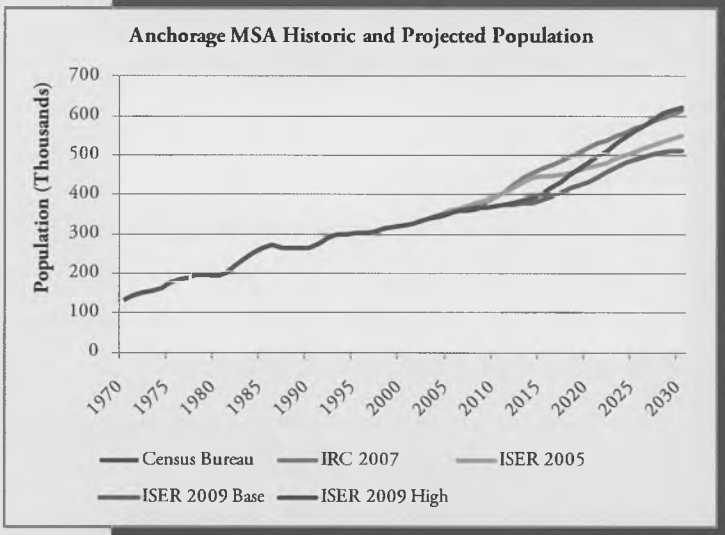
KNIK ARM CROSSING: A BRIDGE FOR ALASKA'S FUTURE

Alaska is a young state with a transportation infrastructure insufficient to serve our citizens and access our resources effectively. Our state represents 17% of the land area of the United States but has only 12,468 miles of public roads, ranking it number 47 among the 50 states. For more than 80 years, Alaskans have gazed across the Knik Arm of Cook Inlet and envisioned a crossing to provide a shorter route to the Matanuska-Susitna Borough, Fairbanks, and the Interior to facilitate the movement of people and freight and provide access to land and resources.

Since its selection as the site of the Alaska Railroad in 1915, Anchorage has evolved to be the transportation, commercial, and financial hub to most of Alaska. Presently, 54% of Alaskans live within 50 miles of the proposed Knik Arm Crossing. Population forecasts indicate that the regional population is expected to grow between 145,000 and 250,000 people over the next 20 years. That's about 50% more people in the region. But Anchorage is still connected to the rest of the state by only a single highway.

Recognizing the state's significant and strategic transportation needs, the Alaska Legislature established the Knik Arm Bridge and Toll Authority (KABATA) in 2003 as a public corporation and an instrumentality of the State of Alaska under the Alaska Department of Transportation and Public Facilities (ADOT&PF). The specific purpose of KABATA is "... to 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" (Alaska Statute 19.75 [AS 19.75]). The Knik Arm Crossing is a high priority for the state in meeting Alaska's transportation needs and improving its economic competitiveness. As a toll bridge, most of its costs will be paid by bridge users.

The Knik Arm Crossing will be built in two phases. Phase I includes a minimum 8,200-foot toll bridge and approximately 18 miles of two-lane approach and connector roads and associated facilities. It also includes an approximately 800-foot cut-and-cover tunnel on the Anchorage side of the bridge designed to minimize neighborhood impacts. Phase I costs have been estimated at $700 million and have been subjected to a Federal Highway Administration (FHWA) Major Projects Cost Estimate Review. Future phases will include expansion to



KNIK ARM CROSSING: A BRIDGE FOR ALASKA'S FUTURE (CONTINUED)

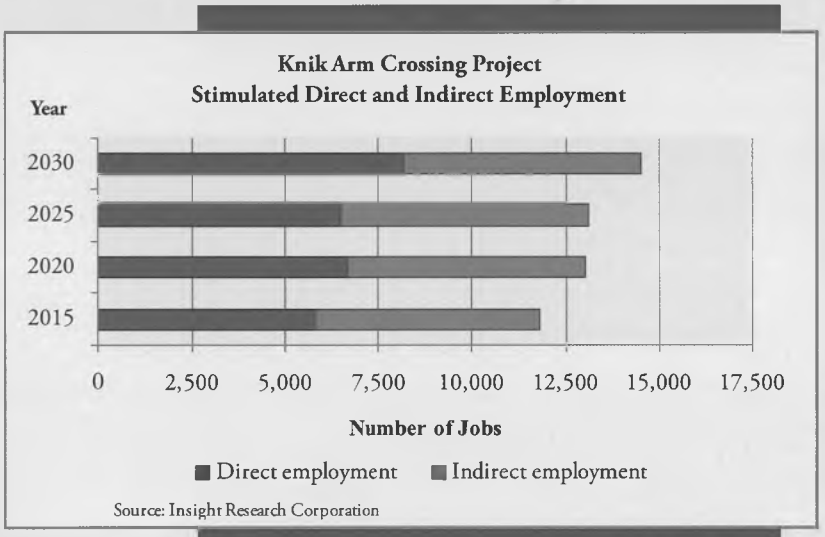
four lanes and construction of a second connection in Anchorage to meet projected traffic demand, with the design meeting National Highway System Standards.

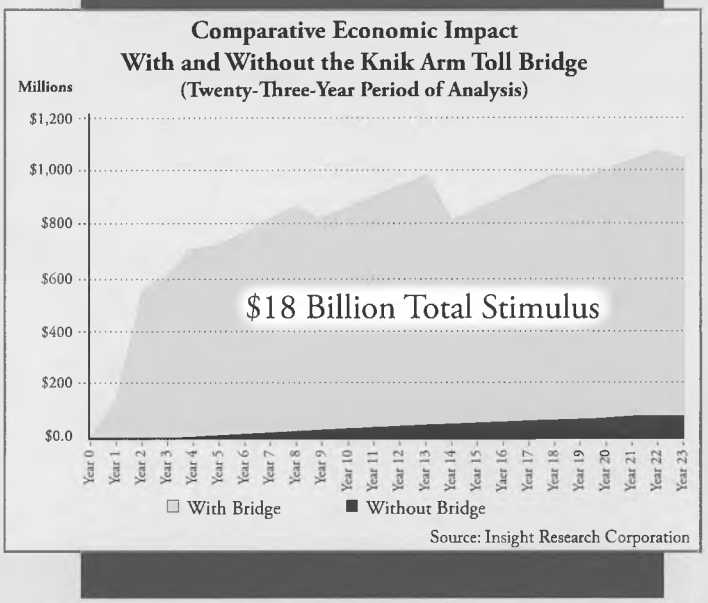
An Essential Project

The Purpose and Need in the Environmental Impact Statement (EIS) confirmed the essential nature of the Knik Arm Crossing and legislative mandate contained in AS 19.75, stating:

"The 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 Matanuska-Susitna (Mat-Su) Borough through the Port MacKenzie District, with a financially feasible and efficient crossing to 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, as directed by the Alaska State Legislature in AS 19.75.
- Regional transportation connectivity for the movement of people and the movement of freight and goods to, from, and between the Municipality of Anchorage, the Mat-Su Borough, and Interior Alaska.
- 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."





Knik Arm Crossing Creates Jobs and Promotes Economic Activity

In 2007, Insight Research Corporation (IRC) studied the projected socio-economic impacts of the Knik Arm Crossing and predicted that the bridge will:

- Generate more than 5,000 construction-related jobs and 3,000 indirect jobs during construction.
- Enable 14,000 additional permanent direct and indirect jobs in the region by year 20 of bridge operation.
- Support $18 billion of incremental economic activity over the first 23 years.
- Produce $1.2 billion of tax increment to local governments over the first 23 years of operation.

Since the Knik Arm Crossing is designed for a seventy-five to one-hundred-year life, these economic benefits will continue to accrue to generations of Alaskans.

2010 KNIK ARM CROSSING PROGRESS

NHS Designation—Connecting People and Goods

During 2010 the Knik Arm Crossing was designated an intermodal connector on the National Highway System by FHWA. It has been planned to integrate with the regional transportation network, including highways, ports, airports, and rail, to support domestic and international commerce, and to improve the economic competitiveness of Alaska. Some of the Knik Arm Crossing's key intermodal connections and traffic drivers that are presently undergoing development or expansion include:

The Port of Anchorage

The Port of Anchorage receives approximately 90% of the container freight arriving in Alaska and serves 85% of Alaska's citizens. Much of that freight is destined for the Mat-Su Borough, Fairbanks, the Interior, and the North Slope. The Knik Arm Crossing will become the primary route for truck freight out of the Port of Anchorage to points north and provide intermodal connectivity between the Port and other transportation facilities in the region. Northbound freight will be able to avoid traveling downtown and competing with traffic on the already congested Glenn Highway.

Port MacKenzie

Port MacKenzie is a strategic port that will facilitate and serve resource development projects on the horizon such as the proposed Alaska Gas Pipeline. The Port MacKenzie industrial district includes 8,940 acres of developable industrial land and is the logical location for industrial expansion. Port MacKenzie is presently 82 miles from downtown Anchorage via the existing transportation network. The Knik Arm Crossing will provide intermodal connectivity for Port MacKenzie and access to its industrial district, which will be only 5 road miles from downtown Anchorage. The bridge

Port of Anchorage with bridge rendering

"The Knik Arm Bridge is transformative *to the region. Its multi-modal connectivity for the movement of people and freight and the network redundancy and connectivity it provides for safety and security fit perfectly with the department's mission."*

Frank Richards
Deputy Commissioner for Highways and Public Facilities, Alaska Department of Transportation and Public Facilities

Port MacKenzie

2010 KNIK ARM CROSSING PROGRESS (CONTINUED)

relieves Anchorage's industrial land shortage by providing ready access to the industrial land in Port MacKenzie.

Alaska Railroad Corporation

Alaska Railroad Corporation (ARRC) is headquartered in Anchorage, and its main rail yard is adjacent to the Port of Anchorage and the proposed Knik Arm Crossing. The ARRC and Mat-Su Borough are planning a $200 to $300 million rail spur to Port MacKenzie. Nearly 5 million tons of freight are projected to be carried annually by rail to and from Port MacKenzie within 10 years of the rail spur opening. The Knik Arm Crossing will serve as an intermodal connection for the ARRC rail yards on each side of the crossing and between the Port of Anchorage, Port MacKenzie, and other components of the National Highway System in Alaska.

Goose Creek Correctional Center

Goose Creek Correctional Center (GCCC) is a 1,536-bed medium-security state prison now under construction in the Mat-Su Borough for an estimated cost of $245 million. Once opened, this facility will employ approximately 600 people. GCCC is 72 miles from the courts, jails, supplies, and workforce in Anchorage via the existing road network, but only 9 miles from the Knik Arm Crossing. The bridge will save the State of Alaska money in operating the GCCC and provide easy access to workforce and supplies.

"We want to see progress; *that social growth, that economic growth, that environmental growth. We want to see [this] happen sustainably. It's not only our right, but our responsibility."*

Richard Porter
Executive Director, Knik Tribal Council

The Alaska Railroad

Goose Creek Correctional Center

2010 KNIK ARM CROSSING PROGRESS (CONTINUED)

Tolling Agreement Signed by KABATA, ADOT&PF, and FHWA

In November 2010, KABATA entered into a tolling agreement as required under federal law. The basic terms of the tolling agreement with FHWA and ADOT&PF ensure that the project will be maintained to a high standard and that any surplus toll revenue will be reinvested in eligible transportation infrastructure, including roads, bridges, transit, and trails. In the future, the Knik Arm Crossing will not only be self-sustaining—it could also fund other transportation needs around the state.

Progress on Section 106 of the Historic Preservation Act

Archaeologists from the Mat-Su Borough and the Knik and Eklutna Tribes are recording evidence of a time when all travel was by foot. During 2010, they surveyed nearly 900 acres and recorded 36 new historic and archaeological sites. Some of the information gained included discovery of the technology of early times, which will be preserved for future generations to study and enjoy. KABATA worked with FHWA to develop a Programmatic Agreement that facilitated a collaborative working relationship between the Knik and Eklutna Tribes, the Mat-Su Borough, the Municipality of Anchorage, and the State Historic Preservation Office.

Protecting the Cook Inlet Beluga Whale

The Cook Inlet beluga whale has been a major focus of KABATA's field work and environmental studies during the past year. Research conducted includes whale behavioral responses to structures and passage. In response to concerns that belugas may be hesitant to swim under the bridge, KABATA conducted a search that revealed that belugas actually swam under 14 bridges within the Cook Inlet area and under approximately 35 bridges worldwide.

Acoustic studies were conducted due to the beluga's dependence on sound to find prey, keep track of one another, and navigate the murky waters of glacial melt in the Cook Inlet. Two weeks of scientific sound monitoring found that ambient noise in the Inlet is higher just from the movement of tides than what was once believed to be harmful or cause harassment to these whales. KABATA also engaged a team of marine construction experts that developed construction and design techniques that minimize the impacts and protect the beluga whale.

Beluga whale

The culmination of these studies was documented in the Biological Assessment (BA) and the Letter of Authorization (LoA) application. During 2010, FHWA, a lead agency for this project, submitted the BA to the National Marine Fisheries Service as required under the Endangered Species Act, and submitted the LoA in compliance with the Marine Mammal Protection Act, both of which are important milestones for the progress of the Knik Arm Crossing.

This comprehensive research and engineering has shown that the Knik Arm Crossing can be constructed in a way that is both environmentally friendly and still affordable.

2010 KNIK ARM CROSSING PROGRESS (CONTINUED)

Engineering

During 2010, marine construction experts helped develop techniques, a schedule, and a cost estimate for bridge construction that address the unique challenges of Knik Arm and minimize impacts to the beluga whale. Alaska's Knik Arm area poses engineering challenges including ice, extreme tidal flows, earthquake activity, glacial silt, short construction seasons, and endangered species mitigations. As a result of this effort, KABATA has a practical, constructible project.

In September, members of the KABATA project team traveled to Vicksburg, Mississippi to work with the U.S. Army Corps of Engineers' physical model of the Knik Arm Crossing. While in Vicksburg, the team used the model to simulate the bridge length and observe the effects of different currents, tides, siltation, and other environmental factors that could be affected by the bridge design. This was a joint effort that brought related Knik Arm projects together with representatives from KABATA, the Port of Anchorage, Port MacKenzie, Senator Huggins' Office (Mat-Su Borough), the Coast Guard, and several divisions of the U.S. Army Corps of Engineers. This collaboration was instrumental in providing new information and insights for running the numeric model and refining the bridge design for permitting.

Right-of-Way

During this past summer, KABATA updated lidar aerial photo survey information and staked the project alignment through the Port of Anchorage. This updated survey information will help expedite future final design and right-of-way efforts, and with a Record of Decision, right-of-way acquisition can begin.

Public Outreach

Throughout 2010, KABATA has been dedicated to informing the public of project developments by providing various presentations throughout the state. KABATA held their Board of Directors meetings in Anchorage, Wasilla, Juneau, Kenai, and Fairbanks to provide updates as well as receive input from communities that will benefit from the Knik Arm Crossing.

Rendering of in-water construction

Knik Arm Crossing: An Historical Beginning

1910s
Anchorage founded as Alaska Railroad town

1920s
Alaska Railroad studies causeway across Knik Arm to shorten route to Fairbanks

1930s
Mat-Su agricultural colonization; Glenn Highway constructed

1950s
Alaska becomes a state; study of a causeway and tidal power plant across Knik Arm is conducted

1960s
Oil discovered in Prudhoe Bay; Parks Highway begins construction

2010 KNIK ARM CROSSING PROGRESS (CONTINUED)

KABATA video on YouTube

A series of videos complete with bridge animation was launched last summer on the popular Web site YouTube, as well as provided on DVD and local television. The videos bring the bridge to life and envision the positive effects the Knik Arm Crossing will have on Alaska's transportation system and economy. The videos can be found embedded on the project home page (www.knikarmbridge.com) and on KABATA's YouTube page (search "Knik Arm Crossing Project" on www.youtube.com). The videos are also provided on the DVD included with this report.

> "Every great city in the world *has been tied into a body of water. . . and with that goes ferries, docks, and bridges."*
>
> Bill Noll
> Former Commissioner,
> Alaska Department of Commerce, Community,
> and Economic Development

Record of Decision

The decision to build the Knik Arm Crossing is a culmination of years of environmental analyses and engineering to determine whether it is in the best public interest for the federal government to approve the development of the project through a Record of Decision. This outcome is an assurance to Alaskans and the nation that the proposal is environmentally sound, feasible from an engineering standpoint, and economically viable.

Receiving the Record of Decision is an important milestone in the advancement of this project. In short, it recognizes the Knik Arm Crossing as a viable and essential project.

LOOKING AHEAD TO 2011

Obtaining the Record of Decision on the Final Environmental Impact Statement re-establishes certainty and KABATA's focus on project delivery. KABATA's expectation for 2011 is to advance the project toward construction by acquisition of remaining permits, advancing right-of-way, and finalizing procurement activities for a Public-Private Partnership. KABATA intends to utilize the innovation and financial resources of the private sector to deliver the Knik Arm Crossing in Alaska's best interests.

1970s	1980s	2000s	2010s...
Study of Knik Arm geology recommends bridge crossing as feasible; residential settlement "Seward's Crossing" is proposed across Knik Arm, with monorail crossing	First environmental study of Knik Arm determines project is economically feasible	Updated engineering and environmental studies conducted	Bridge construction and opening planned

"The project will *improve regional transportation infrastructure to meet existing and projected population growth and will improve the movement of people and freight between the Municipality of Anchorage, the Mat-Su Borough, and Interior Alaska."*

Congressman Don Young
U.S. House of Representatives

KABATA BOARD AND STAFF

Board

Michael L. Foster, P.E., *Chairman*

Janet Kincaid, *Board Member*

Dave Haugen, *Board Member*

Senator Linda Menard, *Board Member*

Representative Mark Neuman, *Board Member*

Frank Richards, *Deputy Commissioner for Department of Transportation and Public Facilities, Board Member*

Jerry Burnett, *Deputy Commissioner for Department of Revenue, Board Member*

Staff

Andrew J. Niemiec, *Executive Director*

Kevin P. Hemenway, *Chief Financial Officer*

Dale Paulson, *Deputy Executive Director of Project Development*

Loran Frazier, P.E., *Chief Engineer*

Edrie Vinson, *Environmental/Section 106 Liaison*

Corene Alvarado, *Administrative Manager*

Amanda True, *Administrative Clerk*

Professional Photo Credits:

Anchorage: All-America City © Alaska Division of Community and Regional Affairs
Alaska Museum of History and Art
Alaska Pacific University
Beluga photo courtesy of National Oceanic and Atmospheric Administration
Goose Creek Correctional Center photo by Patty Sullivan/MSB
Railroad photo by Tom Charlesworth/Alaska Railroad Corporation
U.S. Geological Service

FINANCIALS

To review the Comprehensive Annual Financial Report (CAFR), please insert the attached DVD into your CD-ROM or DVD drive. The DVD also includes several videos about the project.

KABATA Receives Financial Reporting Award for Fourth Consecutive Year

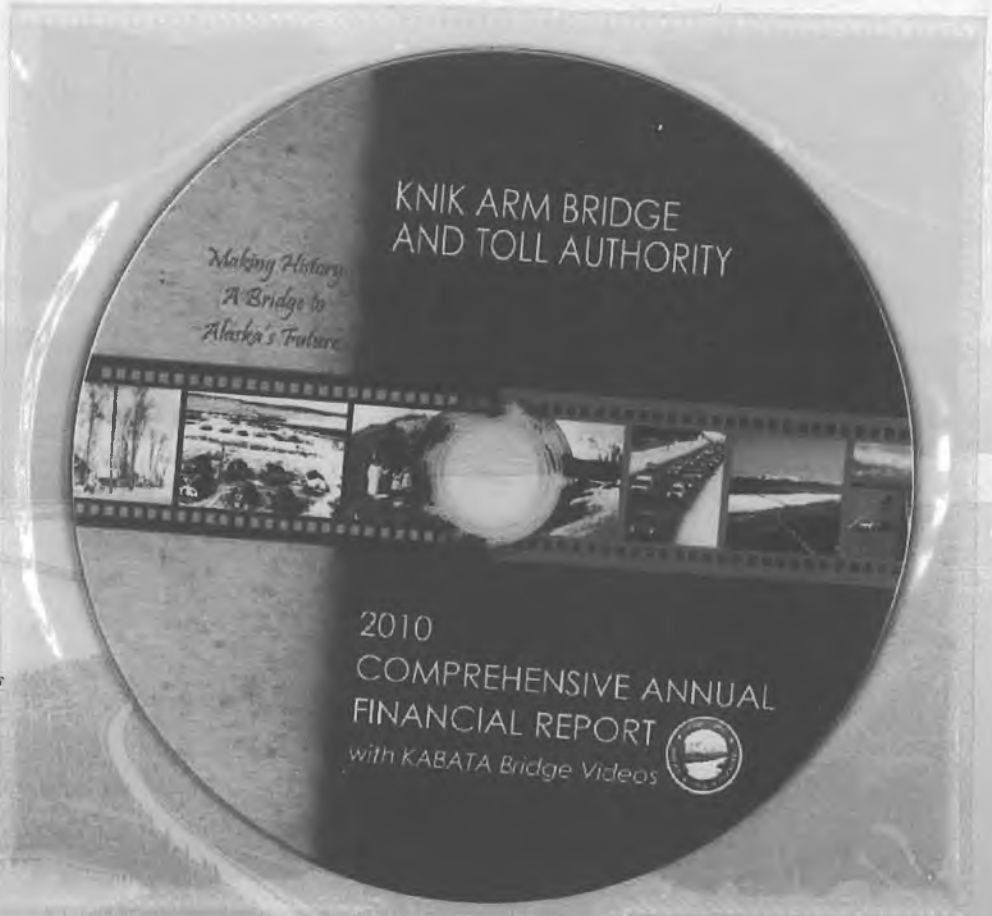
For the fourth consecutive fiscal year in a row, KABATA has earned the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada.

The award is the highest form of recognition in the area of governmental accounting and financial reporting, and represents a significant accomplishment. The CAFR was judged by an impartial panel to meet the high standards of the program, including demonstrating a constructive spirit of full disclosure to clearly communicate its financial story and motivate users and groups to read the CAFR.

A Certificate of Achievement is valid for a period of one year only. KABATA believes that the current CAFR continues to meet the Certificate of Achievement program's requirements, and this year's CAFR has been submitted to GFOA to determine its eligibility for another certificate.

"This innovative toll facility *not only provides essential transportation infrastructure for Alaska, it leverages limited public funds to create jobs, stimulate economic growth, and enhance livability."*

Senator Linda Menard
Alaska State Legislature



INSTRUCTIONS:

To view the CAFR, place the disc in your computer and choose "Open." Then click on the CAFR pdf file.

To view the KABATA bridge videos, place the disc in your computer and choose "Play." Then select one of the two videos. You may also view the videos by placing the disc in your DVD player.

Knik Arm Bridge and Toll Authority

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• www.knikarmbridge.com

2/01/11 PRESENTATION: ALASKA MOBILITY COALITION

<TARGET><BILL></BILL><SUBJECT>2-01-11 PRESENTATION ALASKA MOBILITY COALITION</SUBJECT><COMM>STRA27</COMM></TARGET>

AMC Presentation to the Alaska Senate and House Transportation Committee

February 1, 2011

Juneau, AK

Alaska State House and Senate Transportation Committee Presentation

Discussion Topics

- What is AMC?
- The Going is Good Public Awareness Campaign
- Legislative Priorities

ALASKA MOBILITY COALITION
Mission Statement

Alaska
Mobility
Coalition

Achieving mobility through community appropriate transportation services.

http://www.alaskamobility.org/

Alaska State House and Senate Transportation Committee Presentation/What is AMC?

- Weekly updates
- Monthly newsletter

http://archive.constantcontact.com/fs096/1102230218437/archive/1104096707578.html

Annual report

http://www.alaskamobility.org/index.php?option=com_content&view=article&id=33&Itemid=32

- AMC Website

http://www.alaskamobility.org/index.php?option=com_content&view=article&id=3&Itemid=66

- AMC Facebook Page

http://www.facebook.com/pages/Alaska-Mobility-Coalition/71663593409

AMC Member Organizations for 2010/2011

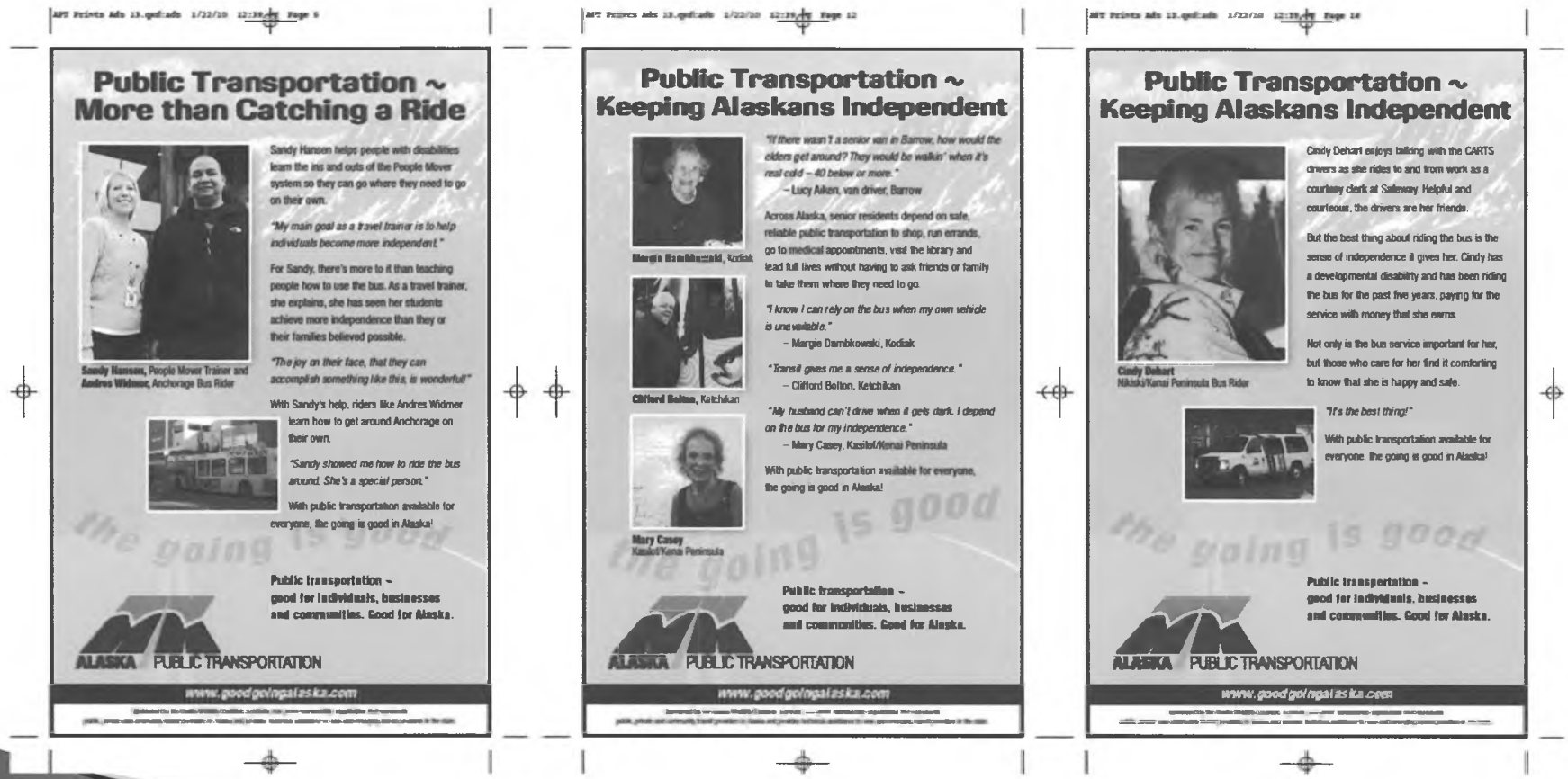
- AARP
- Access Alaska
- Alaska Center for the Environment
- Alaska Community Services
- Alaska Department of Transportation
- Alaska Direct Bus Line
- Alaska Mental Health Trust
- Alaska Railroad
- Alaska State Independent Living Council
- Alaska Trucking Association
- Bethel Transit
- Bristol Bay Native Association
- Brooks and Associates
- Capital Transit – Juneau
- CARTS – Kenai
- Center for Community
- Connecting Ties
- Copper River Native Association
- Dimond Center Mall
- Disability Law Center
- Ecology and Environment
- EK Coaches
- Fairbanks Resource Agency
- Glacier Valley Transit
- Governor's Council on Disability and Special Education
- HDR Alaska
- Independent Living Center, Inc
- InterIsland Ferry Authority
- ITS Alaska
- Juneau Economic Development Council
- Ketchikan Gateway Borough
- LSC Consultants
- MAC Transit – Fairbanks
- Manley Village Council
- MASCOT – Wasila
- Mat-Su Borough
- Mat-Su Services for Children and Adults

AMC Member Organizations for 2010/2011

- Mobilitat
- Montana Western Transit Institute
- Municipality of Anchorage/People Mover
- MV Transit
- Organized Village of Kasaan
- REACH – Juneau
- RLS and Associates
- Routematch
- Schetky NW Sales
- Senior Citizens of Kodiak
- Sitka Tribe of Alaska
- Southeast Alaska Independent Living
- Southeast Senior Services
- State of Alaska/ADA program
- Tanana Chiefs Conference
- Trailercraft
- Trapeze Software
- UAA School of Engineering
- USKH
- Valley Movers
- Van Tran
- VPSI

Alaska State House and Senate Transportation Committee Presentation- Good Going Alaska

http://www.alaskamobility.org/material/apt/apt_ongo.pdf



Public Transportation ~ More than Catching a Ride

Sandy Hanson, People Mover Trainer and **Andres Widmer,** Anchorage Bus Rider

Sandy Hanson helps people with disabilities learn the ins and outs of the People Mover system so they can go where they need to go on their own.

"My main goal as a travel trainer is to help individuals become more independent."

For Sandy, there's more to it than teaching people how to use the bus. As a travel trainer, she explains, she has seen her students achieve more independence than they or their families believed possible.

"The joy on their face, that they can accomplish something like this, is wonderful!"

With Sandy's help, riders like Andres Widmer learn how to get around Anchorage on their own.

"Sandy showed me how to ride the bus around. She's a special person."

With public transportation available for everyone, the going is good in Alaska!

Public transportation ~ good for individuals, businesses and communities. Good for Alaska.

ALASKA PUBLIC TRANSPORTATION

www.goodgoingalaska.com

Public Transportation ~ Keeping Alaskans Independent

Margie Dambkowski, Kodiak

"If there wasn't a senior van in Barrow, how would the elders get around? They would be walkin' when it's real cold – 40 below or more."

– Lucy Aiken, van driver, Barrow

Across Alaska, senior residents depend on safe, reliable public transportation to shop, run errands, go to medical appointments, visit the library and lead full lives without having to ask friends or family to take them where they need to go.

"I know I can rely on the bus when my own vehicle is unavailable."

– Margie Dambkowski, Kodiak

Clifford Bolton, Ketchikan

"Transit gives me a sense of independence."

– Clifford Bolton, Ketchikan

Mary Casey
Kasilof/Kenai Peninsula

"My husband can't drive when it gets dark. I depend on the bus for my independence."

– Mary Casey, Kasilof/Kenai Peninsula

With public transportation available for everyone, the going is good in Alaska!

Public transportation ~ good for individuals, businesses and communities. Good for Alaska.

ALASKA PUBLIC TRANSPORTATION

www.goodgoingalaska.com

Public Transportation ~ Keeping Alaskans Independent

Cindy Dehart
Nikiski/Kenai Peninsula Bus Rider

Cindy Dehart enjoys talking with the CARTS drivers as she rides to and from work as a courtesy clerk at Safeway. Helpful and courteous, the drivers are her friends.

But the best thing about riding the bus is the sense of independence it gives her. Cindy has a developmental disability and has been riding the bus for the past five years, paying for the service with money that she earns.

Not only is the bus service important for her, but those who care for her find it comforting to know that she is happy and safe.

"It's the best thing!"

With public transportation available for everyone, the going is good in Alaska!

Public transportation ~ good for individuals, businesses and communities. Good for Alaska.

ALASKA PUBLIC TRANSPORTATION

www.goodgoingalaska.com

Alaska State House and Senate Transportation Committee/Bus Ads

http://www.alaskamobility.org/index.php?option=com_content&view=article&id=24&Itemid=63

Alaska State House and Senate Transportation Committee-
Good Going Alaska radio ads

http://www.alaskamobility.org/index.php?option=com_content&view=article&id=25&Itemid=62

Alaska Public Transportation Generic Radio 60.mp3

Alaska State House and Senate Transportation Committee/Legislative priorities

- State Partnership in Public Transportation in Alaska (Sponsor – Senator Johnny Ellis)

Alaska State House and Senate Transportation Committee/Legislative Priorities

- Alaska Community and Public Transportation Advisory Board (Sponsor – Representative Cathy Munoz)

QUESTIONS???

Bill Herman, Senior Program Officer
Mental Health Trust Authority
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My role: Trust designee on Governor's Coordinated Transportation Task Force
What I'd like Committee members to know and support:

- Coordinated Transportation is using existing vans and community systems via collaboration and dispatching to provide expanded transportation services
  - 94% of Alaskans support coordinated transportation (Dittman survey 2009)
  - Coordination has potential for saving the State money thru more efficient transportation
- Coordinated Transportation and Bus Transit are critical for quality of life of an important sector of Alaskans:
  - Beneficiaries are 5-8% of Alaskans
  - Trust beneficiaries frequently use this transportation
    - To access work sites to meaningfully contribute to society
    - For health care needs
    - For quality of life and hope
  - A conservative estimate: 42% of ridership are Trust beneficiaries
  - Vast majority of us will become elderly & disabled at some point in our life
- The Trust has been supporting coordinated transportation since 1996
  - Trustees recognize the importance of transportation to beneficiaries
  - Trust funding of $250,000 to $500,000 per year with varying matches from general fund/mental health (capital)
  - 700 to 800 Trust beneficiaries yearly directly impacted
  - Matches estimated $1-2 million of Federal Transit dollars (capital & operating) that would otherwise be lost to the State
  - 42% of est. 7 million rides = 2.9 million rides by Trust beneficiaries
- A state operating subsidy is critical
  - Coordinated transportation systems struggle for operating support
  - Alaska is one of the few states that doesn't provide an operating subsidy
  - 2010 Trust Advocacy Summit: strong support for $3 million State contribution

Opposition and Support for a State operating subsidy

- Opposition: all the competing interests regarding the State operating budget
- Support:
  - Alaska Mobility Coalition representing riders, advocates and providers
  - All those involved in the Trust's Advocacy Summit:
    - Alaska Mental Health Trust Authority
    - Governor's Council on Disabilities and Special Education
    - Alaska Commission on Aging
    - Alaska Mental Health Board
    - Governor's Advisory Board on Alcoholism and Drug Abuse
    - Alaska Brain Injury Network
    - Provider & peer organizations related to all Trust beneficiary groups:
      - Senior service providers
      - Developmental disabilities service providers
      - Behavioral health provider groups (mental illness & substance abuse)
      - Brain injury service providers
      - Consumer consortium

2/01/11 PRESENTATION: PORT MACKENZIE RAIL EXTENSION

<TARGET><BILL></BILL><SUBJECT>2-01-11 PRESENTATION PORT MACKENZIE RAIL EXTENSION</SUBJECT><COMM>STRA27</COMM></TARGET>

Port MacKenzie Rail Extension

Ken Graham

Symbols show mineral deposits

A rail link from the Alaska Railroad mainline to the deep draft dock at Port MacKenzie will significantly boost the export of Alaska's strategic minerals, coal, cement, and other natural resources, helping diversify the Alaska economy.

Patty Sullivan/MSB

Photos: the ship, the deepest draft vessel ever in Upper Cook Inlet at Port MacKenzie; Above: 2010 haul road and rail loop construction at Port Mac moved 1.9 million cubic yards of dirt.

Funding Plan:

ON SCHEDULE UNDER BUDGET

Already funded-$62 million

2011 Governor's budget-$20 million
2011 Requested appropriation-$55 million, pays for half of rail embankment
2012 Appropriation request-$63.5 million, build rest of embankment
2013 Appropriation request-$43 million, placement of rails, completes project
2014 Ribbon cutting

Port MacKenzie is an exporting port for bulk natural resources. Port MacKenzie complements the Port of Anchorage, where consumer goods are imported.

Description & Justification: $55 million

The Port MacKenzie Rail extension will bring tremendous economic benefit to Alaska through economic diversification, state revenues, and new jobs. The production of bulk resources is heavily dependent on low transportation costs. This new rail link will shorten the distance to tidewater and lower transport costs to such an extent that minerals now idle will be profitable to mine and export. The value of mineral production is projected to be nearly $1 billion a year over 100 years, according to ISER, Institute of Social & Economic Research. Three mining companies say the Asian market is poised now for Alaska minerals such as molybdenum, lead, zinc, and copper. Also, a 1.5 billion ton limestone deposit near Livengood could be mined to produce a new export: Portland cement. A world-class cement manufacturing plant would be built in the Interior. Alaska would supply up to 15 percent of our nation's demand for cement. With the rail link, Alaska coal becomes more competitive on the world market. Usibelli Coal Mine estimates it will likely export up to 4 million tons of coal a year through Port MacKenzie. State revenues are estimated to reach $300 million annually in taxes, royalties, and fees. Some 3,000 construction related jobs and 4,000 mining jobs will be created. The Alaska Pipeline project will gain $100 million in transport savings by shipping heavy pipe north through Port MacKenzie.

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2010-2012
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ADN April 2009

NO. 4 — Resolutions of Support

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IFS0588

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Port MacKenzie Rail Extension
Funding it now makes sense

- In light of the national recession, the faster the rail is completed, the faster we are able to add up to 4,000 permanent mining and logistics jobs to the Alaska economy.

- Additionally, construction will provide up to 3,000 jobs, beginning December 2011.

- Due to the economic downturn, bids for railbed construction work have been coming in significantly below engineering estimates. By avoiding a construction delay, we can take advantage of this window, building more rail miles for less money.

- With Alaska's rapidly declining oil production, the need to diversify our economy is urgent. The rail extension will provide less expensive transport for bulk materials and minerals from Interior Alaska to tidewater. This transportation link will lower the transport costs to such an extent that new mineral areas will become economic to mine.

- The construction of the Susitna Dam could utilize the rail extension for most of its construction materials.

- Leading Alaska mining companies indicate that Pacific Rim markets exist now for increased Alaska exports, and the prices are right. The sooner the rail line is completed, the sooner Alaska exports can increase to new record levels. This will also be beneficial for the national debt payments and increasing American exports.

- The Alaska coal industry indicates that the markets are ripe for coal exports. As soon as the rail line is completed, the coal industry can quadruple Alaska coal exports from one million tons to four million tons per year. Any funding lag, delays these benefits and puts at risk new markets that seek dependable suppliers.

- Timely funding will enable the rail extension to be completed and operational for 2014. This is the earliest possible start date for construction of a gas line from the North Slope, and the rail line will enable the construction effort to save more than $100 million.

- Any funding delay will mean the loss of a summer construction season and a year-long delay in completing the rail extension.

1

Port Mackenzie: A major bulk materials terminal for Alaska

In June, a vessel, too large to fit through the Panama Canal, tied up easily at Port MacKenzie and loaded 1,250 tons of coal as a test-run. The test went smoothly and was a harbinger of bigger things to come. Up to 4 million tons of coal annually could be exported through Port MacKenzie, once a rail link is in. And this is just one of the projected exports. Aggregate minerals, limestone, cement, and timber all show promise. These developments emphasize how important Port MacKenzie will be in providing income, commerce, and jobs to the Matanuska-Susitna Borough.

With a coming rail link, an existing deep draft dock, and even a coming ferry connection, Port MacKenzie will become the major bulk materials export and import terminal for Alaska. It will also evolve into the largest industrial development grounds in the state.

Its natural amenities, large land resource, deep draft dock, and expanding infrastructure make it ideal. Nowhere else in the state is there a 100-rail car loop for the efficient offloading of bulk materials from rail to ship. Construction got underway on this loop last summer. The rail line will shorten the distance to tidewater making idle minerals profitable to mine and export. The value of mineral production is estimated to be nearly $1 billion a year over 100 years, according to ISER, Institute of Social and Economic Research. A 1.6 billion ton limestone deposit in the Interior will introduce a new industry to Alaska, the production of Portland cement. to 15 percent of our nation's cement could go through Port MacKenzie in the future. Such development ll bring tremendous revenues to the Borough.

The nearly 9,000 acres of public lands in the Port District provide abundant land for stockpiling commodities, manufacturing products and processing petro chemicals. The port's deep water dock, a large expanded barge dock, terminal building, paved road access, and natural resources conveyor system from the uplands to the port, all contribute to the port's value and potential.

The development of the Port MacKenzie will also result in a large number of high paying, temporary and permanent jobs for Borough residents. It is estimated that more than 3,500 direct jobs will be created over the next 10 – 20 years

Natural scouring occurs in front of the deep draft dock so costly dredging is never needed.

As the planned terminus for the Knik Arm Bridge from Anchorage, Port MacKenzie will become a main transportation hub for the region.

Port MacKenzie is an exporting port for bulk natural resources. It complements the Port of Anchorage, where consumer goods are imported.

2

Port MacKenzie Rail Extension
Funding: On schedule and under budget

Funds appropriated to date:

- $10 million – to complete Environmental Impact Statement (EIS)
- $17.5 million – to complete bi-modal rail/road loop
- $35 million – build first 5 – 6 miles of rail line embankment, design rail route selected by EIS, and buy right-of-way *(Project completion at 28%)*

Total funds appropriated to date: **$62.5 million**

Estimated Funds Required to Complete Rail Extension

- $55 million (first year) – complete next 10 – 11 miles of rail route embankment, and buy remainder of right-of-way [$20 million currently in Governor's Budget – additional $35 million needed] *(Project completion at 53%)*

- $60 million (second year) – to complete construction of remaining rail embankment to the Alaska Railroad mainline. *(Project completion at 81%)*

- $41 million (third year) – to purchase and lay rail, and complete rail extension construction *(Project completion 100%, Fall 2014 ribbon cutting)*

Total estimated additional funds needed: **$156 million**

Total estimated cost of rail extension cost: $218.5 million

3

COMPASS: *Other points of view*

Big capital budget can boost quality of life

By RICK MYSTROM

Is the capital budget proposed by the Legislature too high? Will it overheat the economy? Was it a "spending spree"? Or ... will it stimulate a slowing economy? Will it stop the job losses predicted by the state's economists? Will it improve the quality of life for Alaskans?

Every state government in America would like the opportunity to stimulate its economy. Only Alaska has that ability.

ALASKA'S CAPITAL BUDGET IS DIFFERENT

In every other state in the U.S., a large capital budget means that you take money out of the private sector to pay for the projects. Usually it's through state income tax increases, property tax increases or, in some cases, sales tax or fee increases.

Alaska is different. We've already taken the money out of the private sector. With billions and billions of dollars of surplus, the question for Alaska is do we want to use the taxes we've already collected to pay for the capital projects or are we better off leaving the money in one of the state's surplus accounts?

THE LEGISLATURE GOT IT RIGHT

Put me on the side of those who think the Legislature got it right. Probably not perfect, but generally right. At this time in Alaska's economic history we should have a large capital budget as long as those projects can either grow the economy or improve Alaskans' quality of life or both. Here's why I think this capital budget is good for Alaska's economy:

• **This is a very uncertain time for Alaska's economy.** Many unknowns are out there concerning future oil exploration, the future of a gas line or lines, the future of Alaska Native contracting legislation at the federal level, the high cost of energy, etc.

• **Economists are predicting a loss of about 1,000 jobs over this next year.** In effect, the economy is frozen. The private sector, with the exception of health care, is shrinking. This is exactly the time that the state should be investing in capital projects. While I don't presume to know the specifics of all of the capital budget projects, I do believe that the amount is very appropriate for this time in Alaska's history.

• **A capital budget of $3 billion will not overheat the economy.** It will keep the economy from shrinking and allow healthy growth. Every state government in America would like the opportunity to stimulate its economy. Only Alaska has that ability. Any conclusion that this amount would overheat the Alaska economy is not correct and not substantiated historically. Two other times in the past 30 years our economy was in danger of decline as it is today. Once the decline was avoided by capital projects. Once it was not.

• **In 1979-80 the construction of the trans-Alaska pipeline was completed and workers were moving out.** Gov. Jay Hammond realized the importance of creating jobs through the capital budget. With the support of the Legislature, he implemented a plan that gave every community in Alaska $1,000 per person to develop capital projects. That meant about $650 million a year for three years in 1980 dollars. This was in addition to the state's direct capital budget for roads, schools, public buildings, etc. Hammond's action was correct. It saved the Alaska economy from a post-pipeline decline.

• **In 1986 the economy dropped again.** This was caused by a 75 percent plunge in oil prices following five years of loose real-estate lending practices. It was also exacerbated by the tax reform act of 1986, which devalued real estate. None of those issues is in play today. While capital spending could not have stopped that major decline in the economy, it could have mitigated it somewhat. Gov. Steve Cowper chose to hold back money for capital spending and save the money for the tough times. The rest is history.

The measure of a state's economic health is not the amount of money in a state's savings accounts. It's the growth of the economy, the prosperity and quality of life of its citizens and the opportunities for its young people. If projects in the capital budget meet these criteria, they should not be vetoed.

Rick Mystrom served as mayor of Anchorage from 1994 to 2000 and is currently an economic development adviser to the Mat-Su Borough.

4

Resolutions of Support

Denali Borough

Alaska Railroad Corporation

Alaska Miners Association, Inc

Greater Fairbanks Chamber of Commerce

Matanuska-Susitna Borough

Greater Wasilla Chamber of Commerce

City of Palmer

Alaska State Chamber of Commerce
Top infrastructure priority

DENALI BOROUGH, ALASKA
RESOLUTION NO. 10-01

A RESOLUTION SUPPORTING THE PORT MACKENZIE RAIL EXTENSION

WHEREAS, natural resource development is vital to the economy of the entire State of Alaska; and

WHEREAS, Port MacKenzie, with a vast amount of industrial development land and a deep draft dock, is capable of processing and handling bulk resource commodities; and

WHEREAS, Port MacKenzie is strategically located and has available land and space to stage bulk resources for export; and

WHEREAS, Port MacKenzie can accommodate Panamax and Cape-size vessels and does not require annual dredging; and

WHEREAS, the distance to tidewater at Port MacKenzie from the Interior Alaska offers lower transportation costs and the Port MacKenzie Rail Extension will stimulate the use and export of coal and other minerals from the Interior; and

WHEREAS, the rail extension will eliminate congestion from shipping high-volume export materials on the southern rail end from Wasilla to Anchorage, and will eliminate the need for more costly upgrades to the rail system south of Big Lake; and

WHEREAS, off-loading, staging, and rail transportation of north bound materials for construction of a gas pipeline and other large projects from Port MacKenzie would be less costly than rail shipment from Anchorage or Seward; and

WHEREAS, the first two phases of rail extension development, the Environmental Impact Statement and the construction of a bi-modal road/rail loop at the port, are due to be completed during the next six to nine months.

NOW THEREFORE BE IT RESOLVED: the Denali Borough Assembly supports the Matanuska-Susitna Borough in their efforts to extend the Alaska Railroad to Port MacKenzie.

BE IT FURTHER RESOLVED: that the Denali Borough Assembly requests the Governor and the Alaska State Legislature support all phases of construction and rail extension development;

BE IT FURTHER RESOLVED: that the Denali Borough Assembly supports state funding of $57 million for phase III of the project so construction can begin on the first 11 miles of rail line, and design and engineering can be completed on the connection route selected by the Environmental Impact Study.

AND BE IT FURTHER RESOLVED, that this resolution be distributed to:

Governor Sean Parnell
Commissioner Annette Kreitzer, Administration
Commissioner Emil Notti, DCCED
Commissioner Larry Hartig, ADEC
Commissioner Denby Lloyd, ADF&G
Commissioner Click Bishop, ADOL
Commissioner Tom Irwin, ADNR
Commissioner Patrick S. Galvin, ADOR
Commissioner Leo Von Scheben, ADOT
Director Karen Rehfeld, OMB
Sen. Gary Stevens, Senate President
Rep. Mike Chenault, House Speaker
Sen. Albert Kookesh, Senate Transportation Chair
Sen. Linda Menard, Senate Transportation Vice-chair
Rep. Peggy Wilson, House Transportation Chair
Rep. Craig Johnson, House Resources Chair and Transportation Vice-chair
Rep. Mark Neuman, House Resources Co-chair
Sen. Lesil McGuire, Senate Resources Co-chair
Sen. Bill Wielechowski, Senate Resources Co-chair
Sen. Bert Stedman, Senate Finance Co-chair
Sen. Lyman Hoffman, Senate Finance Co-chair
Rep. Mike Hawker, House Finance Co-chair
Rep. Bill Stoltze, House Finance Co-chair
Interior Delegation
Talis Colberg, Matanuska-Susitna Borough Mayor
Luke Hopkins, Fairbanks North Star Borough Mayor

PASSED AND APPROVED by the Denali Borough Assembly on this 13TH day of January, 2010.

David M. Talerico, Borough Mayor

ATTEST _____
Gail Pieknik, Borough Clerk

PASSED UNANIMOUSLY

Adopted: October 12, 2010

Resolution No. 2010-34

Relating to Supporting Funding of
the Port MacKenzie Rail Extension

WHEREAS, The Alaska Railroad is a powerful economic engine and backbone for Alaska's transportation infrastructure, hauling millions of tons of freight per year and providing critical support for resource industries such as coal, petroleum, and gravel; and

WHEREAS, the State of Alaska needs to diversify and strengthen its economy and an effective transportation system facilitates such diversification; and

WHEREAS, the Matanuska-Susitna Borough is building a rail extension from Port MacKenzie to the Alaska Railroad mainline and the Alaska Railroad is assisting in this effort by serving as a contractor and applicant to the Surface Transportation Board for the project; and

WHEREAS, the new rail line will shorten the distance for transporting minerals and freight from the interior to tidewater and the Alaska Railroad expects the rail extension will lead to additional bulk resource rail transport opportunities in the future; and

WHEREAS, the Alaska Railroad serves ports in Seward, Whittier and Anchorage and the connection to Port MacKenzie, with it 9,000 acres of industrial zoned land and deep-draft dock, is a logical next step in enhancing the State's transportation capacity for bulk natural resources; and

WHEREAS, the rail extension also provides an additional rail route to tidewater that can serve both our military logistics and national security needs; and

WHEREAS, this project is expected to create thousands of new jobs for Alaskans and is a project of statewide benefit and significance.

NOW THEREFORE BE IT RESOLVED that the Alaska Railroad Board of Directors supports the inclusion of $55 million in the Governor's Fiscal Year 2012 Capital Project Budget to complete Phase Four construction of the rail extension between Port MacKenzie and the Alaska Railroad mainline.

This is to certify that I am the Secretary of the Board of Directors of the Alaska Railroad Corporation, and the above Resolution No. 2010-34 is a true and correct copy of the resolution adopted by the Alaska Railroad Corporation's Board of Directors at its regular meeting on October 12, 2010.

Date 10-13-2010 Wendy Lindskoog

Wendy G. Lindskoog
Board Secretary

Corporate Seal

327 W. Ship Creek Avenue
Anchorage, Alaska 99501

MAILING ADDRESS
P.O. Box 107500 Anchorage, Alaska, 99510-7500

TEL 907.265.2300 FAX 907.265.2416
AlaskaRailroad.com

ALASKA MINERS ASSOCIATION, INC.

3305 Arctic Blvd., #105, Anchorage, Alaska 99503 • 907) 563-9229 • FAX: (907) 563-9225 • www.alaskaminers.org

November 15, 2010

Honorable Sean Parnell
Governor
State of Alaska
Capitol Building
Juneau, Alaska 99811

Re: Railroad Extension from Port MacKenzie to the Alaska Railroad Main Line

Dear Governor Parnell,

We are writing to urge continued funding for the extension of the railroad from the port at Point MacKenzie to the Alaska Railroad main line north of Wasilla.

The completion of this rail connection is needed for the export shipment of bulk commodities from existing and future mines in Southcentral and Interior Alaska. This project will provide important diversification and new opportunities for the state and will help stimulate new mineral development projects.

Mines producing coal, base metal (copper, zinc, lead, iron) concentrates, and many industrial minerals depend on reasonable transportation costs and this project has the opportunity to do just that. This extension, when combined with the results from the current western Alaska transportation study, will provide the best opportunity for concentrates from Interior Alaska to reach a deep water port.

Furthermore, this extension would allow current sand and gravel producers that are on the Alaska Railroad to export a portion of their production. In some cases, sand and gravel from these mines will provide the most economical sources for construction projects around the coast of Alaska.

We appreciate your consideration of this funding.

Sincerely,

Steven C. Borell, P.E.
Executive Director

GREATER FAIRBANKS CHAMBER OF COMMERCE

Interior Alaska – The "Place" To Do Business

Introduced By:	Transportation Committee
Date Introduced:	September 27, 2010
Date Passed:	September 27, 2010
Date Transmitted:	September 27, 2010

RESOLUTION 10-0927

A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF COMMERCE SUPPORTING PORT MACKENZIE RAIL EXTENSION PROJECT

WHEREAS, the State of Alaska needs to diversify its statewide and regional economies and develop an efficient and effective transportation system to support such diversification; and

WHEREAS, the rail extension being built from Port MacKenzie to the Alaska Railroad mainline will greatly stimulate such economic diversification by reducing the cost of transportation from Southcentral and Interior Alaska for bulk natural resources to tidewater; and

WHEREAS, the Greater Fairbanks Chamber of Commerce supports the need for economic diversification on both a statewide and regional basis as well as the need for significant transportation infrastructure improvements; and

NOW THEREFORE BE IT RESOLVED that the Greater Fairbanks Chamber of Commerce supports the inclusion of funding to continue construction of the rail extension between Port MacKenzie and the Alaska Railroad Mainline in the Governor's Capital Project Budget.

BE IT FURTHER RESOLVED that this resolution be distributed to:

Members of the Alaska Legislature Transportation and Finance Committees
Interior Delegation
Governor's office
Mat Su Borough Mayor
Mat Su Borough Assembly
Alaska State Chamber of Commerce

GREATER FAIRBANKS CHAMBER OF COMMERCE

Dan Britton
Board of Directors, Chairman

Karl Gohlke
Transportation Committee, Chairman

INVESTORS

DIAMOND
BP Exploration
ConocoPhillips
ExxonMobil
Fairbanks Daily News-Miner
FMH & Denali Center
Flint Hills Resources Alaska

PLATINUM
Alyeska Pipeline Service Co.
Carlson Center
Doyon, Limited
Fred Meyer Stores
Golden Heart Utilities
Mt. McKinley Bank
Wells Fargo Bank Alaska

GOLD
Alaska USA FCU
Birchwood Homes
Denali State Bank
Design Alaska
Doyon Utilities LLC
First National Bank Alaska
GCI
Kinross-Fort Knox Mine
MAC Federal Credit Union
Pogo Gold Mine
The Boeing Co.
Usibelli Coal Mine

SILVER
ACS
Alaska Airlines
Alaska Railroad
AT&T
Denali – The Alaska Gas Pipeline
Everts Air Cargo, Everts Air AK
Exclusive Paving/Univ. Redi-Mix
Fairbanks Natural Gas
Flowline Alaska
Fountainhead Development
General Teamsters Local 959
GVEA
Hale & Associates, Inc.
JL Properties, Inc.
Key Bank
Northrim Bank
Personnel Plus
Spirit of Alaska FCU
Tanana Valley Clinic
TDL Professional Staffing
TOTE
WAL-MART Stores, Inc.
Yukon Title Company

Adopted: 02/02/10

MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 10-009

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING THE PORT MACKENZIE RAIL EXTENSION AS A STATEWIDE, ECONOMIC DIVERSITY, STIMULUS PROJECT.

WHEREAS, the Port Mackenzie Rail Extension project connecting the Alaska Rail Road mainline will greatly reduce the distance for transporting bulk materials to and from Southcentral and Interior Alaska to tidewater; and

WHEREAS, reduced transport distance translates to reduced transportation costs which leads to an increase in volume of freight and the stimulation of resource development projects near the rail corridor; and

WHEREAS, the State currently relies on the petroleum industry for 85 percent of its revenue; and

WHEREAS, by stimulating resource development, the project would diversify and stabilize the State and local economies; and

WHEREAS, the construction and operation of the rail extension and the increased development it would stimulate along the rail corridor will provide thousands of jobs for Alaskans.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly supports the Port Mackenzie Rail Extension as a project which will provide Statewide benefits, economic diversity, and jobs for Alaskans.

ADOPTED by the Matanuska-Susitna Borough Assembly this 2 day of February, 2010.

TALIS J. COLBERG, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

PASSED UNANIMOUSLY: Woods, Houston, Arvin, Ewing, Bettine, Colver and Halter.

GREATER WASILLA CHAMBER OF COMMERCE RESOLUTION No. xx

A RESOLUTION OF THE GREATER WASILLA CHAMBER OF COMMERCE SUPPORTING EXTENSION OF THE ALASKA RAILROAD FROM THE RAILROAD MAIN LINE TO PORT MACKENZIE.

WHEREAS, bulk natural resource development and export is important to the economy of the Matanuska-Susitna Borough, the Denali Borough, the Fairbanks North Star Borough, and the State of Alaska; and

WHEREAS, the ability of the Alaska Railroad to continue to provide economical transportation of bulk commodities is vital to the economic health of Alaska; and

WHEREAS, Port MacKenzie, with its 8,940 acres of industrial development land and deep draft dock, is a developing port with capability for bulk natural resource transport; and

WHEREAS, Port MacKenzie is capable of handling panamax and cape-size vessels (the largest ships in the world); and

WHEREAS, Port MacKenzie is closer to tidewater than the existing ports of Southcentral Alaska; and

WHEREAS, a shorter distance to tidewater will make resource development in South Central and Interior Alaska more economical by lowering transportation costs; and

WHEREAS, the shorter rail distance to tidewater will further stimulate the use and export of coal from the Usibelli mine and other extracted material developments in the Denali Borough, Matanuska-Susitna Borough and Interior Alaska; and

WHEREAS, the rail extension will make development of natural resources (coal, limestone, sand and gravel, timber and metallic minerals, etc.) located in the rail belt and Interior more economically feasible; and

WHEREAS, the rail spur to Port MacKenzie will create more usage of the Alaska Railroad and increase the economic viability of the railroad; and

WHEREAS, the increase in economic activity will significantly contribute to the State's economic well being, increase employment of Alaskans, and contribute to the continued economic stability of one of the fastest growing regions in the nation.

NOW THEREFORE, be it resolved that the Greater Wasilla Chamber of Commerce strongly supports construction of the Alaska Rail line Extension from the Alaska Railroad mainline to Port MacKenzie.

ADOPTED by the Greater Wasilla Chamber of Commerce this ___ ___day of December,2009.

David Johnston
President

Lyn Calden
Executive Director

CITY OF PALMER INFORMATION MEMORANDUM NO. 10-011

SUBJECT: Resolution No. 10-009: Supporting the Extension of the Alaska Railroad from the Railroad Mainline to Port MacKenzie

AGENDA OF: January 12, 2010

Council action:

Adopted

Approved for presentation by B.B. Allen, City Manager B.B. Allen

Route To:	Department/Individual:	Initials/Date:	Remarks:
x	Originator – City Manager	12/21/09	
x	City Clerk	12/31/09	
x	City Attorney	12/31/09	
	Director of Administration		
	Director of Community Development		
	Director of Community Services		
	Director of Public Safety		
	Director of Public Works		

Attachments: Resolution No. 10-009

Certification of Funds:

X	No fiscal impact.	
	Funds are budgeted from this account number:	
	Funds are not budgeted. Budget modification is required. Affected account number:	

Director of Administration Signature: _____

Summary statement: The Matanuska Susitna Borough seeks Palmer City Council support for the extension of the Alaska Railroad main mine into Port MacKenzie.

Administration recommendation: Approve resolution no. 10-009.

Introduced by: City Manager Allen
Date: January 12, 2010
Action: Adopted
Vote: Unanimous

Yes:	No:
Chmielewski	
Erbey	
Vanover	
Best	
Hanson	
Brown	

CITY OF PALMER, ALASKA

RESOLUTION NO. 10-009

A RESOLUTION OF THE CITY OF PALMER COUNCIL SUPPORTING EXTENSION OF THE ALASKA RAILROAD FROM THE RAILROAD MAIN LINE TO PORT MACKENZIE

WHEREAS, bulk natural resource development and export is important to the economy of the Denali Borough, Matanuska-Susitna Borough and its cities, the Fairbanks North Star Borough, and the State of Alaska; and

WHEREAS, the Usibelli Coal Mine is the main developed source of coal in Alaska; and

WHEREAS, Usibelli Coal Mine has offices and employees residing in Palmer; and

WHEREAS, Port MacKenzie with its 8,940 acres of industrial development lands and deep draft dock, is a developing port with potential for bulk natural resource transport; and

WHEREAS, Port MacKenzie is capable of handling panamax and cape size vessels (the largest ships in the world); and

WHEREAS, Port MacKenzie is closer to tide water than the existing ports of Southcentral Alaska; and

WHEREAS, a shorter distance to tide water will make resource development in Interior and Southcentral Alaska more economical, by lowering transport costs; and

WHEREAS, the shorter rail distance to tide water will further stimulate the use and export of coal from the Usibelli mine and other mineral developments in the Denali Borough, Matanuska-Susitna Borough, and Interior Alaska; and

WHEREAS, the rail extension will make development of various natural resources (coal, limestone, sand and gravel, timber and metallic minerals, etc.) located in the rail belt and Interior more feasible; and

WHEREAS, the economic activity will contribute to the Matanuska-Susitna Borough economy, tax base, and employment.

NOW THEREFORE, be it resolved that the City of Palmer strongly supports construction of the Alaska Rail line Extension from the Alaska Railroad mainline to Port MacKenzie.

Passed and approved by the City Council of the City of Palmer, Alaska this twelfth day of January 2010.

Kevin W. Brown II, Mayor Pro-Tempore

Janette M. Bower, MMC, City Clerk

5

ALASKA STATE CHAMBER OF COMMERCE

Business to Business

December 2010

Lawmakers discuss Alaska's economic future

By Jedediah R. Smith

On the cusp of an election, and with $12 billion in budget reserve accounts, five of Alaska's 60 legislators participated in a panel discussion before the State Chamber of Commerce, not to campaign, but to share their experiences and thoughts on strategies for filling the Trans-Alaska Pipeline, the state's regulatory regime, public employee retirement systems and ways the Legislature can create a more friendly investment climate.

At times, politics crept into the discussion. But the panel generally focused on the issues at hand. Chamber executive board chair Kip Knudson moderated the discussion and first asked lawmakers whether and how the state should spend the $12 billion available in reserve accounts.

Responses were varied, from Sen. Kevin Meyer's belief that the money shouldn't be touched until the economy improves, to Rep. Anna Fairclough's reminder that the state has a $12 billion liability to PERS/TRS retirement accounts.

"We made a promise to those that came before us," Fairclough (R-Eagle River) said.

"I think we have to be very careful," said Rep. Bill Stoltz (R-Chugiak), who noted the state has invested money in important infrastructure projects in Southcentral Alaska, such as the Port McKenzie rail spur. Prioritizing infrastructure projects is critical in choosing the best projects that will prove a return on investment for the state. But once open, that valve can be difficult to control with 60 legislators all vying for a piece of the action, Stoltz said.

The response highlighted the subtle differences on the political landscape among the business-friendly legislators, whose dis-

See Panel, Page 2

Chair's message: How to Create Jobs

By Kip Knudson

In last quarter's newsletter I expressed dismay with candidates who claim they will create jobs.

Most of our elected officials have lost track of the fact that the private sector creates two-thirds of Alaska's jobs, and pays the taxes that fund the remaining third. If they haven't forgotten this fact, then they are afraid to talk about it in public forums.

Knudson

During the State Chamber's priority-setting Tie-In, we heard from Scott Cohn about how Alaska finished dead-last in the CNBC's 2010 Business Ranking. He told us about our bottom-of-the-pack rankings on things like road quality (not quantity), litigiousness, high taxes (our world-beating oil and gas taxes weren't even factored in) and low-outcome, high-cost education system.

My dismay at politicians talk about "creating jobs," and Mr. Cohn telling us everything-we-know-but-wish-we-didn't spurred a fantastic conversation among the State Chamber's Board of Directors on a central question: How can the State Chamber convince our elected officials to focus on policies and programs that encourage the private sector to create more jobs?

The first step is to sharpen our strategic plan, and below is a proposal that I intend to forward to the State Chamber Board.

Tag Line:
The Voice of Alaska Business

Vision (What does the future look like?): A top ranking in "Best Places to Do Business" lists.

Mission (Why do we exist?): Advocate for public policies that encourage private sector investment and job growth.

Values (How do we operate?): Results-driven. We will focus on measurable improvement of the Alaska business climate. Be a statewide, all-business-sector advocate. "The Voice of Alaska Business" grows stronger when all businesses are represented.

Strategy (What will we do?): The State Chamber will achieve progress through three initiatives aimed at creating a robust business climate – and thus job growth - in Alaska. These initiatives provide focus both to members and to government officials. Success on these initiatives can be measured and will result in private sector growth.

Perhaps most important to note is that the discreet action items within each initiative are generated by our membership. The more your business participates in State Chamber priority setting, the more likely the entire business community will benefit from collective ideas to grow our economy.

The State Chamber's strategy will:

Reduce Government Burden

Our state government can either help or hinder business growth and

See Chair, Page 2

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PERMIT NO. 283

Welcome New Members

ACE Air Cargo: ACE to the rescue! From Dutch Harbor to Ketchikan and 20 locations in between — ACE Air Cargo delivers more destinations, more often. ACE offers scheduled cargo flights, passenger and cargo charters, small package service and logistics across Alaska with connecting service to the Lower 48.

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Flights include Anchorage to Aniak, Bethel, Chen- St. Paul, Tatitlek, Wrangell and Yakutat.

Contact Person: Greg Hawthorne
Email: greg@aceaircargo.com
Physical Address: 5901 Lockheed Ave., Anchorage, AK 99502
Phone: (888) 722-0232
Web: www.aceaircargo.com

Sumitomo Metal Mining Pogo LLC (SMM Pogo) has been working on operation of the Pogo Mine, which is located about 90 miles southeast of Fairbanks. The Pogo Mine began its production in February 2006 and

production, criticism
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office is a sign that
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that," Johnson said.
ural features that can

we're hiring the best.
Alaska as an exciting
take advantage of our
frankly we're not."
ly strategy put forth,
workforce develop-
how to address Alas-

d workforce develop-
ago, she came under
gage students and the
e perceived as being

anti-development, on budget issues and Alaska's dependence on resource development for operating revenue.

"Students were saying 'Anna, we need to give the university tens of millions of more dollars,' and I would say, 'I'd love to do that, can you tell me what we should cut?"

"We need to engage Alaskans in understanding where the economy is coming from and where it is going," Fairclough said.

In the short-term, the members of the panel, which also included Sen. Charlie Huggins (R-Wasilla) and Sen. Kevin Meyer (R-Anchorage) said they didn't think changes in the state's retirement system, from a defined benefit to a defined contribution (Tier 3 to Tier 4) had a significant impact on recruiting well qualified workers.

Public employee unions have continued to confound legislators who have attempted to solve the state's entitlement obligations though.

"You can't say you want to go back to a system of defined benefits that will bankrupt our state and also want to enshrine the dividend," Stoltz said. "Every year there is a bill and a lot of pressure to radically reverse the system. This is one of the most political issues. Some of us stuck our finger in the electric pencil sharpener that is that union. I still have a little bit of a nub left. I'm willing to do it again."

Attracting highly qualified state employees to run the permitting system continues to be a concern among resource development industries, said Jason Brune, executive director of the Resource Development Council. The current litigious climate makes hiring good state employees all the more important for industry, as regulators are charged with writing permits that will ultimately hold up in a court of law. Brune challenged the panel to find alternatives to avoid the "lawsuit first" strategy pursued by many environmental groups opposing resource development projects.

Johnson said he'd tried a number of different things during the last session, notably introducing a bill to freeze the timeline of a permit once a lawsuit is filed.

"If you can stretch it out in court so that a permit expires, you just wasted a bunch of time and expense," Johnson said. Even if the developer prevails, the project may have to reapply for another permit or even go through the costly Environmental Impact Statement process again. His legislation would allow the clock on the permit to resume only after the lawsuit was settled.

"I'm not confident we're going to get away from the public litigant way of doing business for awhile," said Johnson, who hopes to introduce the legislation again this year. "It isn't a big fix, but might be something on the table to help."

Other steps the legislature must take, according to Johnson, are to leverage existing funds to attract money for large scale hydroelectric projects like the Susitna Dam or Chackachamna, not necessarily by building them, but perhaps by providing loan guarantees. He said the state missed the opportunity 20 years ago to build a project like Susitna, and that, "We need to vision," Johnson said. "I dread 15 years from now, having people say, 'why didn't you do something?"

S Continued from Page 2

on private and public sector transport-
tion programs and projects throughout
Alaska, including major road and port
naissance engineering for oil/g
mining developments.

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Suite 3, Juneau, Alaska
Phone: (907) 523-9877

New members in September:

American Seafoods Group
Great Northwest Inc.

New members in October:

Faulkner Walsh Constructors
Health Care Cost Mgmt. Corp. of A
Hotel Seward
Kenai Physical Therapy Inc.
Northern Gas Pipeline
U.S. Dept. of Labor, VETS
MacCheyne's Carpets Plus Inc.

New members in November:

Alaska Addiction Professionals Associati
River's Edge Resort

Chair Continued from Page 2

job creation. Therefore, the State Chamber will lobby to:

- Reform oil and gas tax;
- Continue the existing coast zone program;
- Continue effective administration of the state's strong mining regulations;
- Review RCA regulations;
- Adopt tax incentives for new economic sectors;
- Lower workers compensation costs
- Privatize public services that compete with the private sector;
- Reduce litigation costs and delays;
- Reform state procurement code;
- Create, and then follow, a strategic plan for economic development; and
- Reduce state GF spending to FY10 levels.

Improve and Expand Infrastructure

- Create an infrastructure endowment to reliably fund renewal and expansion;
- Renew the Port of Anchorage;
- Construct a rail spur to Pt. McKenzie; and,
- Advocate for a long-range energy plan and then identify all barriers to that long-range plan

Communicate and Educate

Advocacy on the above two initiatives can be leveraged through a solid communication and education program, including:

- In cooperation with all the trade associations in Alaska, create a scorecard to clearly communicate our expectations to lawmakers;
- Support the Board of Trustees Alaska Business Political Action Committee in their efforts to support candidates who commit to grow the private sector;
- Immerse high school students in entrepreneurship and leadership through the Alaska Business Week summer program;
- Empower our partners in local chambers to affect statewide change, in addition to supporting local chambers focus on growing their community and regional economies;
- Provide timely updates to membership on progress on the initiatives through print and electronic media;
- Educate member companies on how to engage employees to participate in the government's progress on these initiatives; and,
- Connect members with their legislators to drive home the in-district impact of adopting the initiatives
- Consistent, valuable communication both internal and external to the State Chamber

I welcome your feedback on this strategic plan at kip.c.knudson@tsocorp.com.

Make a plan and work the plan.

6

FIND ALL THE STUDIES ONLINE

The entire studies can be found at the Matanuska-Susitna Borough website. The link to the website is below:

http://ww1.matsugov.us/index.php?option=com_docman&task=cat_view&gid=125&Itemid=238

Benefit-Cost Assessment of the Port MacKenzie Rail Extension

Final Report

prepared for
Matanuska-Susitna Borough

prepared by
Steve Colt
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20 June 2008

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Executive Summary

Costs

We assume that the Port MacKenzie rail extension would cost $275 million to construct.[1] This is a conservative estimate based on a range of between $200 million and $300 million for different route options. The time horizon runs 50 years from 2012 to 2061. O&M costs are assumed to be $1.5 million per year, with a net present value of $26.1 million. The net present value of all costs using a 5% real discount rate[2] and a base year of 2010 is $301.1 million.

Benefits

The rail extension would provide two distinct types of benefits: 1) It reduces the cost of rail transportation; and 2) It is likely to stimulate significant new mines and other major development. These benefits come from a diverse mix of potential projects – thus a strength of the rail extension is that its economic viability does not depend on any one project.

Reduced transportation costs

Relative to Seward, using the extension would save 140.7 miles per one-way trip.[3] Assuming an average cost savings of 6 cents per ton-mile and a 5.0% real discount rate, we estimate that using the extension would save $572 million in avoided rail costs, avoided port costs, and avoided railroad and road upgrades. These savings are shown in the table and figure on the following page.

In addition to the above, we estimate that about 22,000 train crossings of Pittman Road and other roads would be avoided by the extension, saving motorists up to 64,000 vehicle-hours of travel time delay between now and 2061.

---

[1] AK Railroad submission to Federal Surface Transportation Board requesting license to build rail extension. January 2008.

[2] "real discount rate" means adjusted for inflation. This rate is based on the real rate of return from the Alaska Permanent Fund.

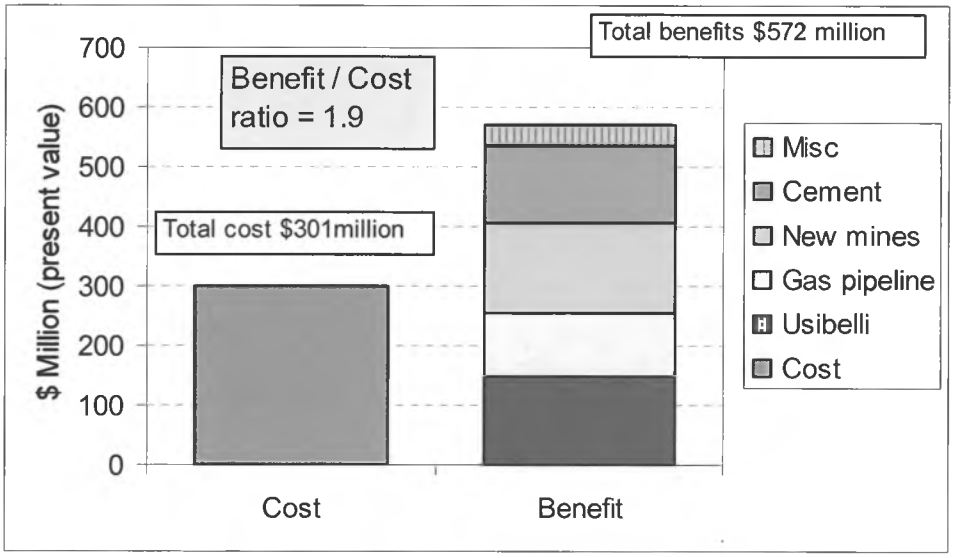
[3] Paul Metz, Economic Analysis of Rail Link Port MacKenzie to Willow, Alaska. February 2007

Benefits of Port MacKenzie rail extension from reduced transportation costs

(Present value in year 2010 @ 5.0%; does not include motorist time savings)

	Tons per year	Years of operation		Benefits from reduced rail and port cost NPV at 5%	Notes
Usibelli Coal	1,000,000	2012 - 2061	$	148,711,175	
Gas pipeline materials	N/A	2013 - 2015	$	105,838,887	1
Ore from new mines	1,879,750	2017 - 2056	$	151,038,111	2
Cement plant	1,095,000	2020 - 2061	$	130,031,810	3
Misc commodities	250,000	2012 - 2061	$	36,694,410	4
Total benefits			**$**	**572,314,393**	
Construction cost			$	275,000,000	
O&M cost (NPV of $1.5 million/yr)			$	26,079,894	
Total cost			**$**	**301,079,894**	
Benefit / Cost ratio from transportation savings				**1.9**	

Notes: 1. Gas pipeline savings includes $82 million NPV of avoided rail and road upgrade costs
2. Mines would commence operation in various years; the tonnage number in this table is peak production reached after 2037. The analysis of benefits is based on the actual time profile of tonnage produced.
3. Assumes 3,000 tons per day output shipped to tidewater for export.
4. Assumes a combination of gravel, wood chips, additional fuel imports to meet growing demand, and other miscellaneous bulk commodities.



Direct fiscal return to State of Alaska

Because much of the savings from reduced rail transportation costs would flow through to increased taxable income, we estimate that direct annual fiscal returns to the State of Alaska

would have a present value of between $107 million (tied to rail cost savings) and $4.4 billion (including all mineral revenues from new mines). These break down as follows:

- Between $1 million and $3 million per year in additional corporate income taxes, with a present value of $32.7 million
- About $7 million per year in additional oil and gas revenue due to lower pipeline construction cost reflected in lower pipeline tariffs, with a present value of $33 million.
- A direct saving to the state of $41.2 million from avoided railroad and road upgrades[4]
- Assuming new mineral development and attributing it to the rail extension, $42 million per year increasing to $602 million per year from mining license taxes, royalties, and corporate income taxes. The present value of all these mineral revenues is $4.3 billion.

Economic development from new mineral activity

According to a detailed analysis by Paul Metz (Metz, 2007a), the rail extension would provide a significant stimulus to new mineral developments within a 120-mile wide corridor surrounding the existing railroad. Metz projects likely minerals development with a cumulative gross metal value of $173 billion. This value would generate taxes and royalties to the State of Alaska starting at $42 million per year (in 2017) and increasing to $543 million per year in 2027 and to $602 million per year beginning in 2037. In addition these developments could generate up to $3 billion per year in additional economic activity in Railbelt communities.

Conclusion

This project provides a benefit/cost ratio ranging from 1.9 (based only on transportation cost savings) up to about 40 (assuming that additional mineral activity is attributable to the rail extension). In addition, there will be community benefits -- jobs and income -- that we have not explicitly considered here. These are extraordinarily good returns on an infrastructure investment in Alaska.[5]

[4] We have assumed that the state would pay half of these upgrades and pipeline builders would pay half.
[5] By comparison, the Bradley Lake hydroelectric project now appears to have a B/C ratio of less than 1.5, even when based on high and rising natural gas prices. Most public projects in Alaska have not been subjected to formal cost-benefit analysis.

Benefits of the Southcentral Rail Extension to the Municipality of Anchorage

prepared for:

Matanuska – Susitna Borough
Economic Development Department

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January 21, 2010

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Benefits of the Southcentral Rail Extension to the Municipality of Anchorage

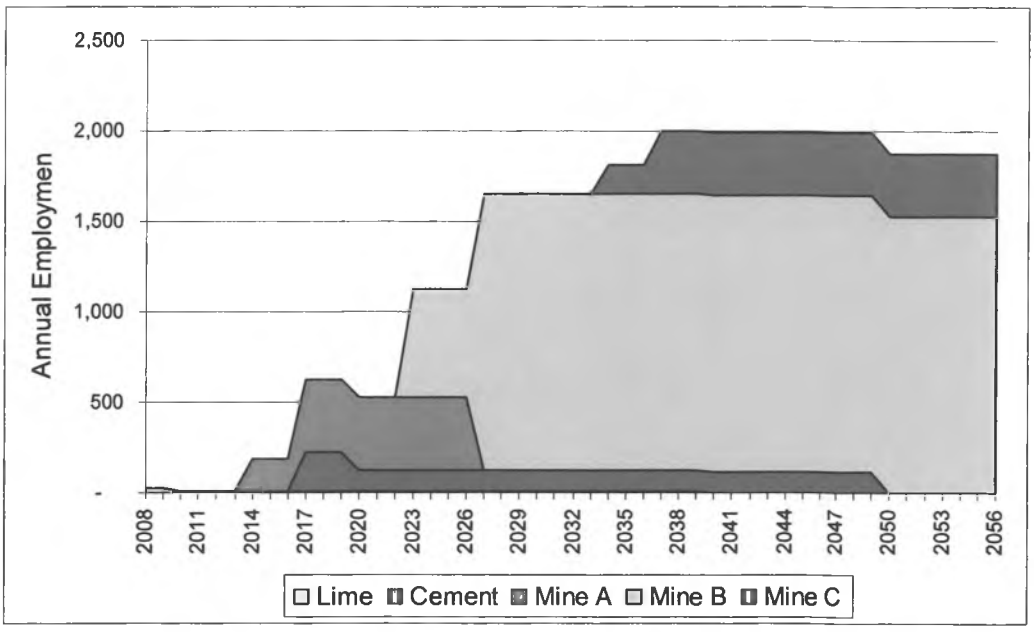
Summary of Findings

The proposed Southcentral rail extension to Port MacKenzie is likely to generate significant economic benefits for the residents of Anchorage. These benefits are due to a combination of reduced transport costs, the ability to ship bulk commodities over shorter distances, and economical access to industrial land. We considered and analyzed these benefits under a set of assumptions about job creation, transportation costs, land use considerations and future mineral development. Our major findings include the following:

Jobs

- **Port MacKenzie.** The rail extension will generate new jobs for Anchorage workers by stimulating industrial development and jobs at Port MacKenzie. Under a base case scenario with a rail extension and ferry service, Anchorage residents would gain 730 average annual jobs and $50 million of annual income during the period of 2013 -2017 from industrial development at Port MacKenzie. Hundreds more jobs would be gained after 2017. The rail extension will play an important role in this process. For example, it will allow coal exports through the port as early as 2013, generating more than 100 jobs.
- **New Mines.** Major new mines shipping concentrate via the rail extension would generate thousands of new jobs, and a significant fraction of these jobs would be held by Anchorage residents. Our detailed analysis of the potential employment from five specific mining projects indicates that more than 2,000 average annual jobs would be created in Anchorage or held by Anchorage residents once the mines are fully developed. Most of these jobs would be in mining and in professional sectors that pay good wages. Also, during initial mine development, many of the jobs would be in construction and fabrication.

Projected average annual employment of Anchorage residents due to new mining activity and multiplier effects, by mining project



- **Rail Construction.** The construction of the rail extension would generate up to 3,000 total jobs, and ongoing operations would generate up to 150 total jobs. It is likely that many of these jobs would be held by Anchorage residents.
- **State Revenues.** State mining taxes generated from new mines will boost the Anchorage economy. Estimated tax revenues and royalties would grow steadily, reaching $267 million per year by 2040. A large share of these potential tax revenues, roughly proportional to Anchorage's share of state population, would likely flow into the Anchorage economy, sustaining hundreds of direct jobs and reducing property tax burdens that would otherwise stifle private sector job creation.

Regional Competitiveness

- **New Economic Opportunities.** Port MacKenzie and the rail extension, operating together, are a significant new strategic asset for the entire regional economy. This infrastructure will create expanded opportunities for mineral, timber, and energy resource development, and the export of bulk commodities by rail through Port MacKenzie constitutes a new economic sector for the Southcentral regional economy. As the region's commercial and financial hub, Anchorage will gain jobs and income from all of this activity.
- **More Efficient Land Use.** The rail extension allows for higher-valued use of land in Anchorage. The rail extension will allow for railroad-dependent industrial development to take place at Port MacKenzie. This development would allow limited existing industrial-zoned land throughout Anchorage to be used for other, higher-value uses such as commercial development, while still meeting the regional economy's need for industrial land.

Fiscal Benefits

- **New State Revenues.** As noted above, revenues to the State of Alaska from new resource development would grow steadily, reaching $267 million per year by 2040. These revenues will reduce the need for other taxes, stimulating capital formation and job creation by the private sector.
- **Higher Local Tax Base.** Local governments will also see higher tax revenues from a higher-valued property tax base. The stimulated new development will increase the tax base and reduce the need to raise taxes on homeowners or existing businesses.

Other Benefits

- **Port of Anchorage.** The industrial and mineral development stimulated by the rail extension to Port MacKenzie will likely increase both the volume and the value of cargo going through the Port of Anchorage. For example, if large mines are developed, the goods and equipment used by the mines for development and operations will flow through Anchorage.
- **Rail Shipping Costs.** The unit cost of shipping on the Alaska Railroad is likely to fall as fixed costs of roadbed maintenance and administration are spread over a higher volume of shipments.

Final Report

Economic Analysis of Rail Link

Port MacKenzie to Willow, Alaska

By

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Submitted to:

Matanuska-Susitna Borough

February 2007

Executive Summary

A railroad link of 43 miles from Willow to Port MacKenzie will result in rail freight savings for bulk commodities and heavy freight transported to and from the Rail Belt area of interior Alaska. Tidewater access at Port MacKenzie from interior Alaska is 26.4, 89.1, and 140.7 miles shorter than the Ports of Anchorage, Whittier, and Seward respectively. Bulk freight from metallic and industrial mineral development, coal and petrochemical production, and forest products are estimated. These bulk freight quantities are then multiplied times a per mile cost for the number of miles saved by using Port MacKenzie versus other ports. This results in an annual monetary savings. The net present value of these savings is calculated at a public tax-free bond interest rate of 4.5%, for payback periods of 25 and 30 years.

Metallic mineral and other natural resource freight loads are estimated from a probabilistic analysis of the known mineral and resource occurrences within a 120-mile wide transportation corridor in three separate segments. The primary economic analysis is on the existing Alaska Railroad from Port MacKenzie to the northeastern end of the Alaska Railroad at Eielson AFB. A secondary analysis is conducted on a planned railroad extension from Eielson AFB to Delta Junction and tertiary analysis is conducted on a potential railroad extension from Delta Junction to the Canadian Border.

The primary analysis indicates that the net present value of rail freight savings from the proposed rail link relative to the Ports of Whittier and Seward greatly exceeds the capital cost of the proposed project. The net present value of the rail freight savings for Port MacKenzie relative to the Port of Anchorage over a 30 year period equals 92% of the capital cost of the project.

The economic benefits to the State of Alaska from the development of the metallic mineral occurrences in the rail corridor from Port MacKenzie to Eielson, AFB, assisted by the line extension, greatly exceed the capital cost of the project. These benefits are estimated to range between $61 and $773 million per year for a 100 year time period. Industrial minerals, coal, petrochemicals, and forest products will add significantly to the economic benefits of metallic mineral production.

The citizenry of the state will be the prime beneficiaries of the proposed rail extension addition to the infrastructure of the state that will reduce bulk transportation costs, increase economic development, decrease transportation congestion in the Anchorage area, and decrease the adverse impact of natural disasters on the surface transportation systems in central and south-central Alaska.

Final Report

Economic Analysis of Rail Link

Port MacKenzie to Willow, Alaska

Phase II - Possible Rail Extension Users Analysis

By

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Submitted to:

Matanuska-Susitna Borough

November 2007

Executive Summary

This economic analysis examines possible business activities that will be induced or enhanced in Southcentral and Interior Alaska by the rail extension from Port MacKenzie to the Alaska Railroad mainline. The possible business activities include: coal exports, mineral aggregate (sand and gravel) exports, lime and portland cement exports, forest product exports, refined petroleum product exports and imports, the Alaska Natural Gas Pipeline logistics and metallic mineral development. This is also a preliminary investigation of the economic benefits provided by these uses and whether these benefits justify the capital investment needed to build the rail extension. The analysis does not include the coal tonnage that would likely be transported on the rail extension, if the Agrium Coal Gasification Project moves forward.

Background: Metallic and non-metallic mineral and solid fuel (coal) resource development is a major source of freight for most railroads worldwide. These bulk commodities must be transported to worldwide markets by the most economical method available. Thus, railroads either transport the materials from mines and quarries directly to manufacturing and population centers or to ocean vessels via the nearest port facilities. Alaska is no exception.

Alaska has abundant mineral and energy resources that can supply both North American and worldwide markets. In the absence of a railroad connection to the contiguous states and major manufacturing in Alaska, these resources must be exported through deepwater port facilities. Connecting the mines to the ports via railroads greatly reduces transportation costs. This increases the competitive advantage of Alaskan resources, and results in maximum returns to the State in the form of jobs, corporate income taxes, and mineral rents and royalties. Estimating the mineral and energy resource potential of Alaska is a necessary step in the planning, design, financing, and construction of infrastructure.

Part I: Part I examines possible exports and imports of products, other than metallic minerals, over the rail extension during the first ten years of rail extension operation. The analysis provides information on expected rail extension use during the first five years (2012-2017) and the second five years (2017-2022) of operation. During the first five years, 1.4 million tons of freight is expected to be annually transported over the rail extension. For the second five year period, 2.4 to 3.4 million tons are expected to be annually transported. *The five year and ten year freight tonnage projections in this investigation* ***may be very conservative.*** *These expected annual tonnages are over and above the 3.3 million tons of coal annually required for the Agrium Coal Gasification Project at Nikiski.*

Part II: Part II focuses on new metallic mineral developments that will be enabled by the proposed 25-40 mile rail extension. The Part II analysis examines the feasibility of developing one small, one large, and one medium metallic mineral deposit inland from the port over the first, second, and third decades of rail extension operation. In addition, the analysis includes a forecast of the tonnage of rail freight for each mine over the initial

mine life; the mining license taxes, royalties, and corporate income taxes expected to accrue to the State of Alaska; and the expected economic benefits that will accrue to the communities along the rail belt from the mine developments.

Metallic mineral deposits and coal in the railbelt corridor have the greatest potential for generating additional rail freight revenues and additional revenues to the State of Alaska as well as additional economic benefits to the railbelt communities. Other potential sources of rail freight loads are relatively small or short term. During the first thirty years of rail extension operation, it is expected that the annual metallic mineral development tonnages transported will be at least 365,000 tonnes in the first decade, 1.7 million tonnes in the second decade and 1.9 million tonnes during the third decade.

The expected annual rail freight revenues from metallic mineral production for the first, second, and third decades of the rail extension operation are expected to increase by $7.8, $33, and $45.1 million respectively The expected revenue streams to the State of Alaska over a sixty year period in the form of corporate income taxes, mining license taxes, and mining royalties from metallic minerals alone are estimated at $18.1 billion or $300 million per year. The economic benefits that will accrue to the railbelt communities from metallic mining over the same period are estimated at $185 billion or $3 billion per year. These amounts far exceed the estimated $225 - $330 million capital cost of providing the rail connection between Port MacKenzie and the rest of the Alaska Railroad system.

Conclusion: The combined Part I and Part II results of estimated metallic and non-metallic annual freight tonnages over the first thirty years of rail extension operation are conservatively expected to range up to 3.7 million tonnes in the first decade, 4.1 million tonnes in the second decade and 4.3 million tonnes in the third decade. Most of the origin or destination of the freight would be the interior of Alaska thus the average haul distances are expected to be approximately 350 miles. At an average freight rate of $0.06 per ton mile, four million tonnes of freight per year along this route would generate annual gross revenues of $84 million.

Cost Savings Related to Use of the Port MacKenzie Rail Extension to Support Alaska Gas Pipeline Construction

Prepared for the

Matanuska-Susitna Borough

March 2008

Prepared by

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Revised Executive Summary Including Additional Scenarios from Appendices

This report was commissioned by the Matanuska-Susitna Borough (MSB) in January 2008. The report's purpose is to examine the transportation savings and other economic advantages of using Port MacKenzie and a proposed rail extension to provide logistical support for construction of a natural gas pipeline connecting Alaska North Slope (ANS) gas reserves to markets in Canada and the Lower 48, as well as a natural gas spur line that will serve Southcentral Alaska markets. This revised executive summary includes a discussion of scenarios included in the appendices showing estimated transportation costs from Anchorage and Whittier.

Transporting gas pipeline construction materials by rail from Port MacKenzie appears to generate significant savings when compared to the costs and foregone savings associated with the transportation of the same materials by rail from Seward, Whittier or Anchorage, or by truck from Valdez. This report estimates that $122 million in cost savings and foregone spending (compared to the use of Port of Seward) could be realized with the full development and use of Port MacKenzie and a rail extension linking the port with the ARRC mainline. Savings are significantly higher—$165 to 176 million—when compared to using the Port of Valdez and using trucks as the primary mode of land transportation. Savings are lower—$107 to $111 million—when compared to using the Port of Anchorage with rail or the Port of Whittier with rail.

Table ES–1 provides a summary of the transportation costs associated with moving pipe, supplies, equipment and other materials for the construction of the ANS main gas pipeline and a gas spur line from Fairbanks to Wasilla. The results are shown for various scenarios developed in this report and in the appendices.[1]

Land Transportation Costs

The summary table shows estimated transportation costs using rail from Seward, using rail from Port MacKenzie, using trucks from Valdez, and using rail from Anchorage and Whittier. The estimated costs of moving material by rail from Port MacKenzie are $23 to $30 million less than the costs of moving the material from the Port in Seward. Moreover, the estimated costs of moving the material by truck from Valdez are significantly higher than any of the rail-based scenarios. The Port MacKenzie transportation costs are up to $58 million less than the Valdez truck option. The rail-based costs from Port MacKenzie are from $5 to $11 million less than estimated rail-based costs from Anchorage and $14 to $20 million less than estimated rail-based costs from Whittier.

Marine Transportation Costs

The summary table also provides comparisons of marine transportation costs to each of the ports including the port fees. In general, the differences in marine transportation costs among ports (up to $5 million), are small relative to the differences in land-based transportation costs. Due to its higher tariff cost, it is estimated that marine costs to Anchorage are highest ($19 million) among the ports considered, while marine costs to Whittier are lowest ($14 million). Marine costs to both Seward and Port MacKenzie are both estimated at $16 million, while marine costs to Valdez are estimated at $15 million.

[1] Land transportation estimates in the main body of the report focus on costs from Port MacKenzie, Seward and Valdez. Appendix B provides additional detail of land-based transportation costs and includes estimates of moving material by rail from Anchorage and from Whittier.

Infrastructure Improvement Costs

The summary table also addresses infrastructure improvement costs related to pipe and pipeline material transport including road and bridge improvements, at-grade rail crossings, and module transport-related road improvements.

Assuming that the pipe and other gas pipeline materials will be transported by truck from Valdez, the road and bridge improvements needed to support gas pipeline construction-related transportation from Delta to Valdez will be no less than $90 million. If the pipe preparation plant is in Valdez, the Glennallen to Tok Highway segment could be used in addition to the Delta to Valdez highway segment. In that case, the road and bridge improvements needed to support gas pipeline construction will be no less than $100 million. The road improvements considered include bridges, passing lanes, turning lanes, safety pull-outs, weigh station upgrades, and other highway improvements. This would be considered a minimum level of investment with no significant pre-construction pavement and sub-base rehabilitation.

Under a second scenario, where you presume that the substandard road segments, with less than ideal geometric standards (lane width, shoulders, curvature and grade) as well as substandard pavement condition need to be brought up to a high standard, the pre-construction investment would rise significantly to the $225 million range with an additional $50 million needed for the Tok Highway section. These improvements do not include pipeline construction related "road wear and tear" repairs (Ottesen, 2008). These road improvement costs are assumed for the Valdez truck transportation options.

It is estimated that the cost of improvements to at-grade rail crossings in and around Wasilla is approximately $73 million (Brooks, 2008). This analysis assumes that this expense would be foregone given the construction of the rail extension to Port MacKenzie since pipeline materials would not go through Wasilla and a significant portion of future freight traffic would use the rail extension. To capture these foregone expenditures if the rail line to Port MacKenzie is built, the analysis shows the $73 million as a cost that would need to be incurred if any of the other ports are used for transporting pipeline materials.

Furthermore, Flour (2003) estimated that $20 million in highway improvements would be required to move modules by road from Kenai. If Port MacKenzie is used to construct some of the large modules and support structures that might otherwise be constructed on the Kenai Peninsula or in Anchorage, and assuming that these modules and structures can be transported by rail, then the need to spend $20 million on improvements to the Glenn and Parks Highway could be eliminated. The $20 million in costs are assumed to occur if Port MacKenzie is not used.

Table ES-1. Summary of Costs Related to the Transport of Pipeline Materials under Different Scenarios

Description	Scenario 1: Seward by Rail	Scenario 2: Port Mackenzie by Rail	Scenario 3: Valdez by Truck	Scenario 4: Valdez by Truck with Coating Plant	Scenario 5: Anchorage by Rail	Scenario 6: Whittier by Rail
Total Tons of Materials to Transport for ANS Gas Mainline (tons)	1,275,383	1,275,383	1,275,383	1,275,383	1,275,383	1,275,383
Total Tons of Materials to Transport for Fairbanks to Wasilla Spur Line (tons)	235,096	235,096	235,096	235,096	235,096	235,096
Total Tons of Materials to Transport for Main Line and Spur Line (tons)	**1,510,479**	**1,510,479**	**1,510,479**	**1,510,479**	**1,510,479**	**1,510,479**
Estimated Land Transport Costs						
Land Transport Costs for ANS Gas Mainline (S)	181,000,000	161,000,000	204,000,000	206,000,000	166,000,000	173,000,000
Land Transport Costs For Spur Line ($)	20,000,000	16,000,000	24,000,000	24,000,000	17,000,000	19,000,000
Land Transport of All Materials for Both Main Line and Spur Line ($)	**201,000,000**	**178,000,000**	**228,000,000**	**229,000,000**	**183,000,000**	**192,000,000**
Differential From Unadjusted Port Mackenzie Costs ($)	23,000,000	-	50,000,000	52,000,000	5,000,000	14,000,000
Land Transport of All Materials (With Adjustment—See Note #4)	**201,000,000**	**172,000,000**	**228,000,000**	**229,000,000**	**183,000,000**	**192,000,000**
Differential From Adjusted Port Mackenzie Costs ($)	30,000,000	-	57,000,000	58,000,000	11,000,000	20,000,000
Estimated Marine Transport Costs						
Marine Transport Costs for ANS Gas Mainline (S)	13,000,000	13,000,000	12,000,000	12,000,000	16,000,000	12,000,000
Marine Transport Costs For Spur Line ($)	3,000,000	3,000,000	2,000,000	2,000,000	3,000,000	2,000,000
Marine Transport of All Materials for Both Main Line and Spur Line ($)	**16,000,000**	**16,000,000**	**15,000,000**	**15,000,000**	**19,000,000**	**14,000,000**
Differntial from Port Mackenzie Costs ($)	less than -500,000	-	-2,000,000	-2,000,000	3,000,000	-2,000,000
Other Costs and Avoided Costs Related to the Transport of Pipeline Materials						
Costs to Repair At-grade Knik Goose Bay Rail Crossings	73,000,000	-	-	-	73,000,000	73,000,000
Costs tp Improve Glen and Parks Highways for Pipeline Module Transport ($)	20,000,000	-	20,000,000	20,000,000	20,000,000	20,000,000
Costs to Improve Richardson Highway between Valdez and Delta Junction ($)	-	-	90,000,000	90,000,000	-	-
Costs to Improve Tok Cut-off between Glenallen and Tok ($)	-	-	-	10,000,000	-	-
Total Costs and Avoided Costs ($)	**93,000,000**	**-**	**110,000,000**	**120,000,000**	**93,000,000**	**93,000,000**
All Marine and Land Costs Related to the Transport of Pipeline Materials						
All Marine and Land Costs and Avoided Costs ($)	**310,000,000**	**188,000,000**	**353,000,000**	**364,000,000**	**295,000,000**	**299,000,000**
Differential from Adjusted Port Mackenzie Costs ($)	122,000,000	-	165,000,000	176,000,000	107,000,000	111,000,000

Source: Estimates were generated by Northern Economics.

Notes:

1. Details regarding these estimates can be found in Appendix B.
2. Costs are rounded to the nearest million—rounding errors account for apparent inconsistencies.
3. All estimates for land transport include rail or trucking costs to staging areas.
4. This adjusts Port MacKenzie rail costs by including $6 million in "difficult to quantify" savings due to congestion costs and higher per mile maintenance costs on the existing ARRC track between Houston and Seward. More details on these adjustments are found in the main report.
5. Otteson (2008) indicates that $90 million in road improvements would be required on the Richardson Highway between Valdez to Delta Junction, with an additional $10 million required if 80-ft double joint sections of pipe will be moved from Valdez.
6. Brooks (2008) estimates the costs to upgrade crossings at $73 million. This report assumes the crossing upgrades would not be required if the rail extension to Port MacKenzie is constructed.
7. Flour (2003) estimates that the $20 million in improvements would be required to move modules from Kenai. These costs could be foregone with a rail extension to Port MacKenzie.

Economic Effects of the Southcentral Rail Extension

Prepared for the

Matanuska-Susitna Borough

March 2007

Prepared by

northerneconomics inc.

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Executive Summary

The proposed plan to expand the transportation infrastructure in the Point MacKenzie area by creating a rail link between Port MacKenzie and the Alaska Railroad Corporation's (ARRC) mainline is expected to generate significant economic benefits to the region and the state. This study evaluates the potential economic effects of the construction and operations of the proposed Southcentral rail extension project and some of the anticipated development that may occur as a result of the rail extension. In particular, this study evaluates the direct, indirect, and induced economic effects of the following project components and associated development:

- Construction and operations of the rail extension
- Construction and operations of a new dock at Port MacKenzie
- Construction and operations of loading and unloading facilities from the rail terminal to the dock
- Expansion of coal production at the Usibelli Coal Mine

The economic benefits of the project were measured according to the direct, indirect, and induced jobs and industry output or sales that would be generated by the local spending for construction and operations of various facilities associated with the project. The direct effects estimates of local spending (or in-state spending) were generated using preliminary cost estimates of construction and operating costs for the various facilities. The indirect and induced economic effects (or the multiplier effects) within the state were estimated using an input-output model of the Alaska economy.

Table ES-1 and Table ES-2 summarize the direct and the multiplier effects of the proposed project and associated development.

Table ES-1. Estimated Direct, Indirect, and Induced Industry Output/Sales Associated with the Proposed Southcentral Rail Extension and Associated Development (in million $)

Facility	Direct Local Spending	Additional Business Sales	Total
Rail Extension			
Construction	$193	$164	$357
Operations (annual)	$1.5 - $2	$1.25 - $1.67	$2.75 - $3.67
Uplands Development			
Construction	$8	$6	$14
Operations (annual)	$12	$9.80	$21.80
Port MacKenzie Dock			
Construction	$23 - $26	$19.5 - $22	$42.5 - $48
Operations (annual)	$0.99	$0.80	$1.00
Usibelli Coal Mine (expansion)			
Operations	$15 -$20	$11	$26 - $31
Total Construction			**$413.50 - $419.00**
Total Operations			**$51.55 - $57.47**

If the construction of the rail extension takes two years to complete, then the number of jobs in any year would depend on the expenditures made in each year. If the expenditures in both years of

construction were equal, then the number of total construction-related jobs would be about 1,600 to 1,700 full-time and part-time jobs.

Table ES-2. Estimated Direct, Indirect, and Induced Jobs Associated with the Proposed Southcentral Rail Extension and Associated Development

Facility	Direct	Indirect + Induced	Total
Rail Extension			
Construction	1,700 to 1,900	1,500	3, 200 to 3,400
Operations (annual)	10 to 20	10 to 15	20 to 35
Uplands Development			
Construction	80	45	125
Operations (annual)	25 to 35	80	105 to 115
Port MacKenzie Dock			
Construction	230 to 260	145 to 165	375 to 425
Operations (annual)	10	<10	< 20
Usibelli Coal Mine (expansion)			
Operations	60 to 70	115	175 to 185
Total Construction			**3,600 to 3,950**
Total Operations			**320 to 355**

Rail Extension Project

Economic Benefits to the Alaska Economy

What the Rail Extension means to Alaska's economy

- **Opens up the Interior to resource development**
- **Creates a development corridor along the Railbelt for exploration and extraction of strategic minerals (lead, zinc, copper, molybdenum and silver)**
- **Facilitates the development of a world class limestone deposit between Livengood and Fairbanks**

- Facilitates the development of a cement production facility in or near Fairbanks
- Dramatically improves the world competitiveness of Alaska coal
- Significantly reduces transportation and staging cost for the Alaska Gas Pipeline construction
- Increases employment in the Mat-Su Borough, the Denali Borough, the Fairbanks North Star Borough and Anchorage

Port MacKenzie and the Rail Extension working together

- Port MacKenzie is a bulk commodities port for the export of minerals, cement and coal
- Provides for the import, storage and staging of bulk fuel and pipe
- Is not a consumer goods or container port like the Port of Anchorage

3

Port MacKenzie

a port with 14 square miles of industrial land

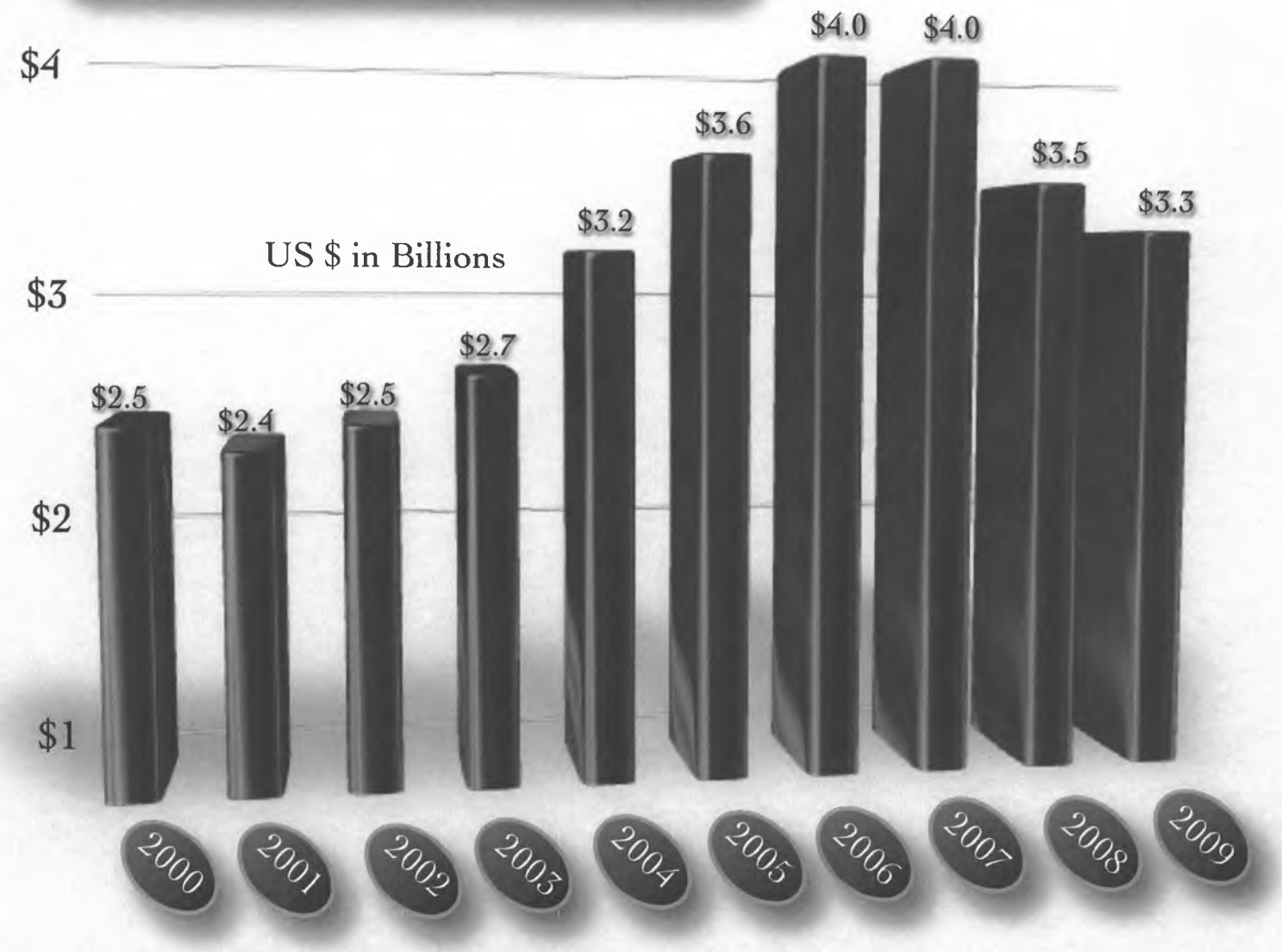
4

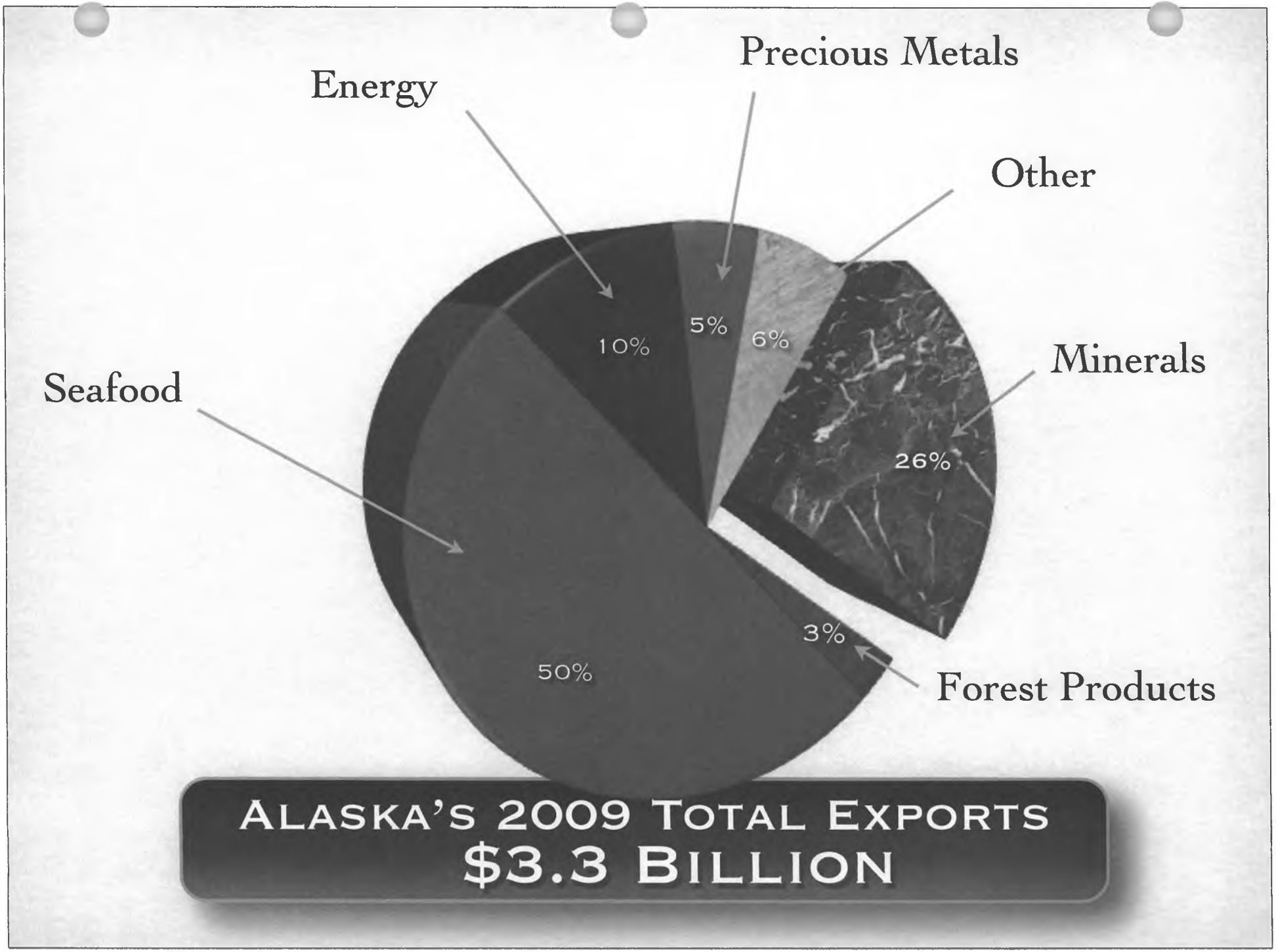
Advantages of Rail to Port Mac

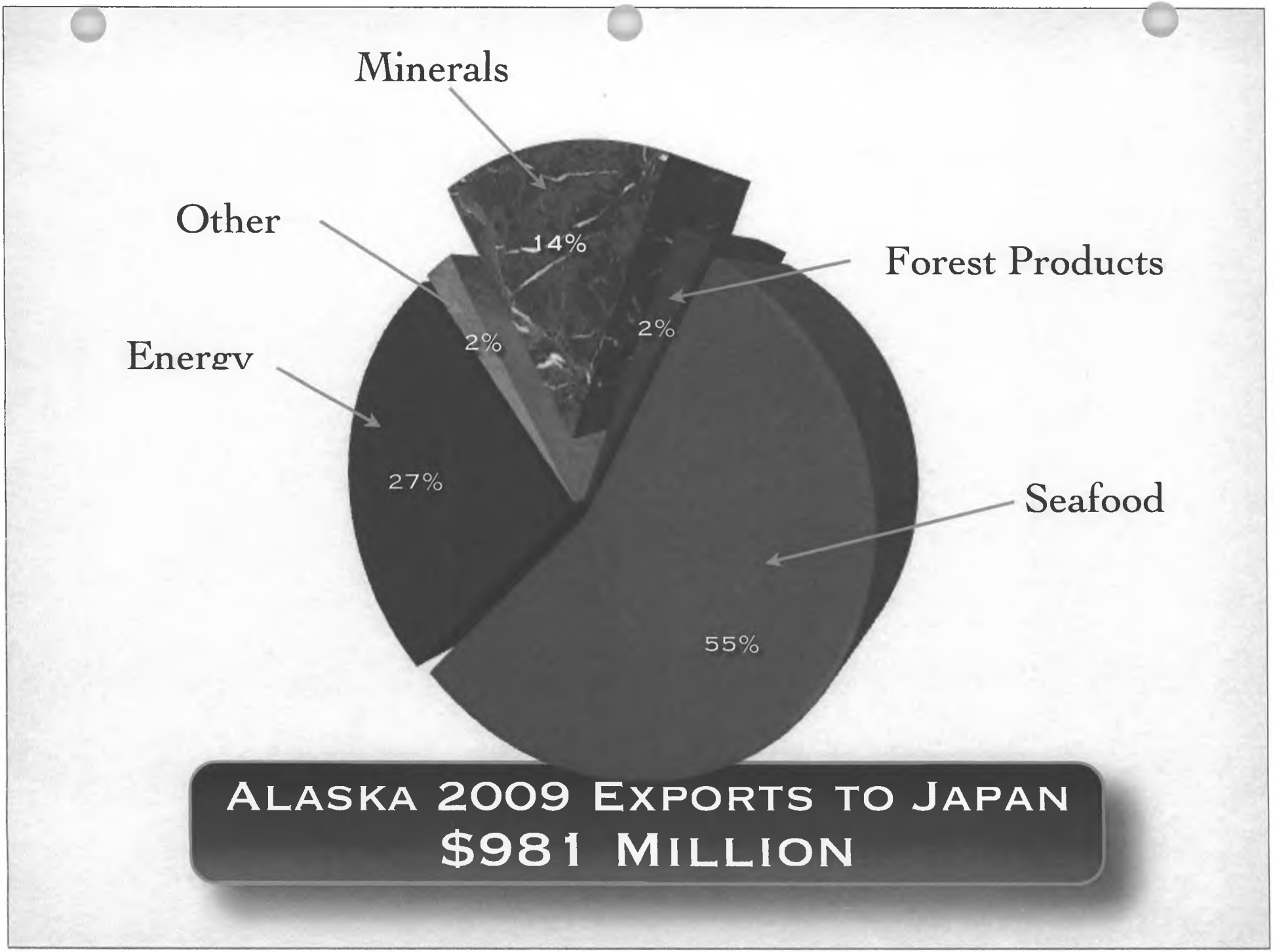
- Shorter rail distance to tidewater for mineral exports
- Only Alaska port with 100 rail car loop
- Efficient product transfer from train to ship
- Avoids the most congested portion of Alaska RR mainline
- Deep draft port that operates year-round

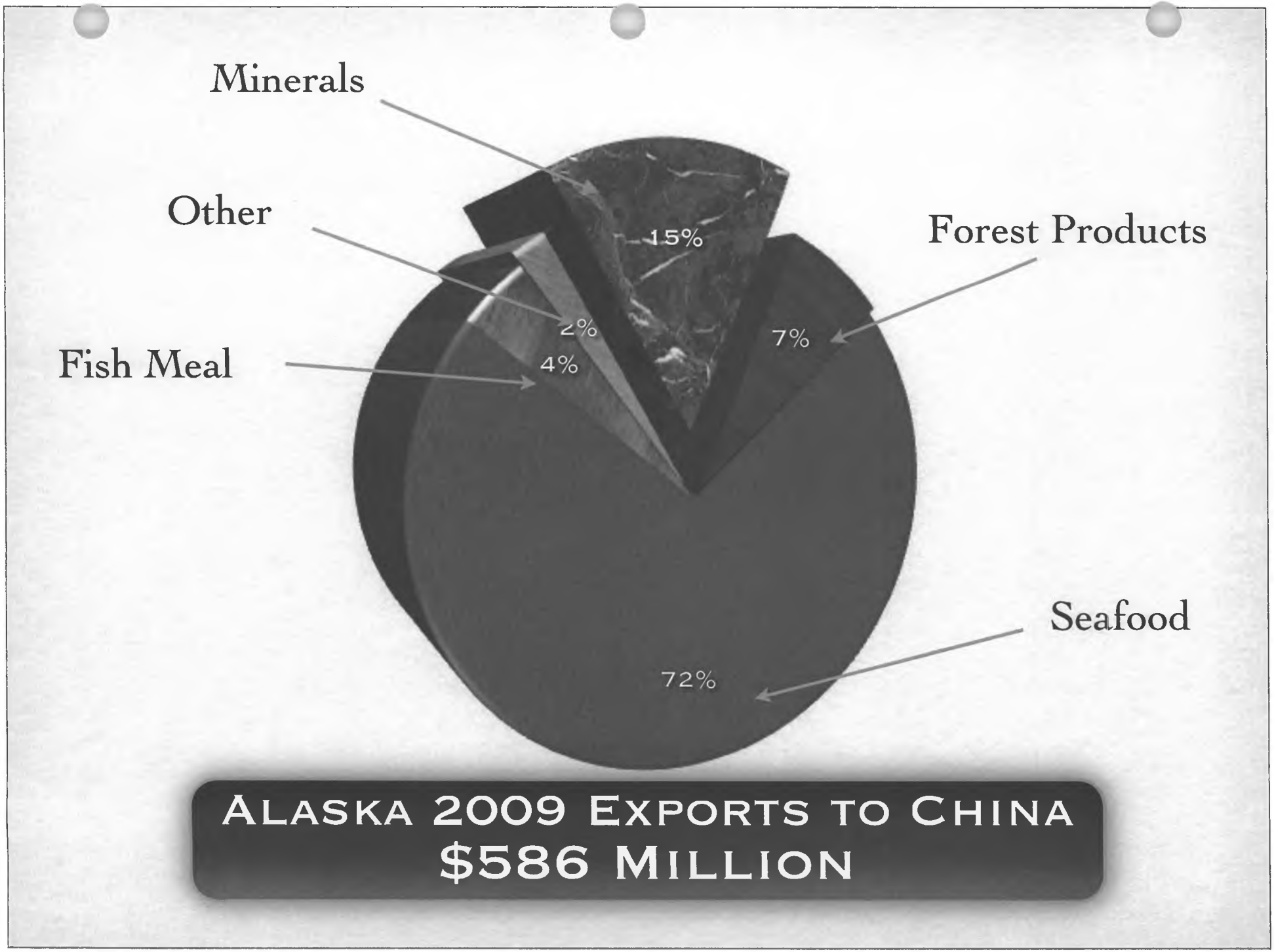
- 14 square miles of industrial area
- Will make **Alaska's minerals more competitive** on the world market (molybdenum, copper, lead, zinc, coal)
- Port MacKenzie Rail Extension is a **great opportunity to grow our export economy**

Alaska's Total Exports

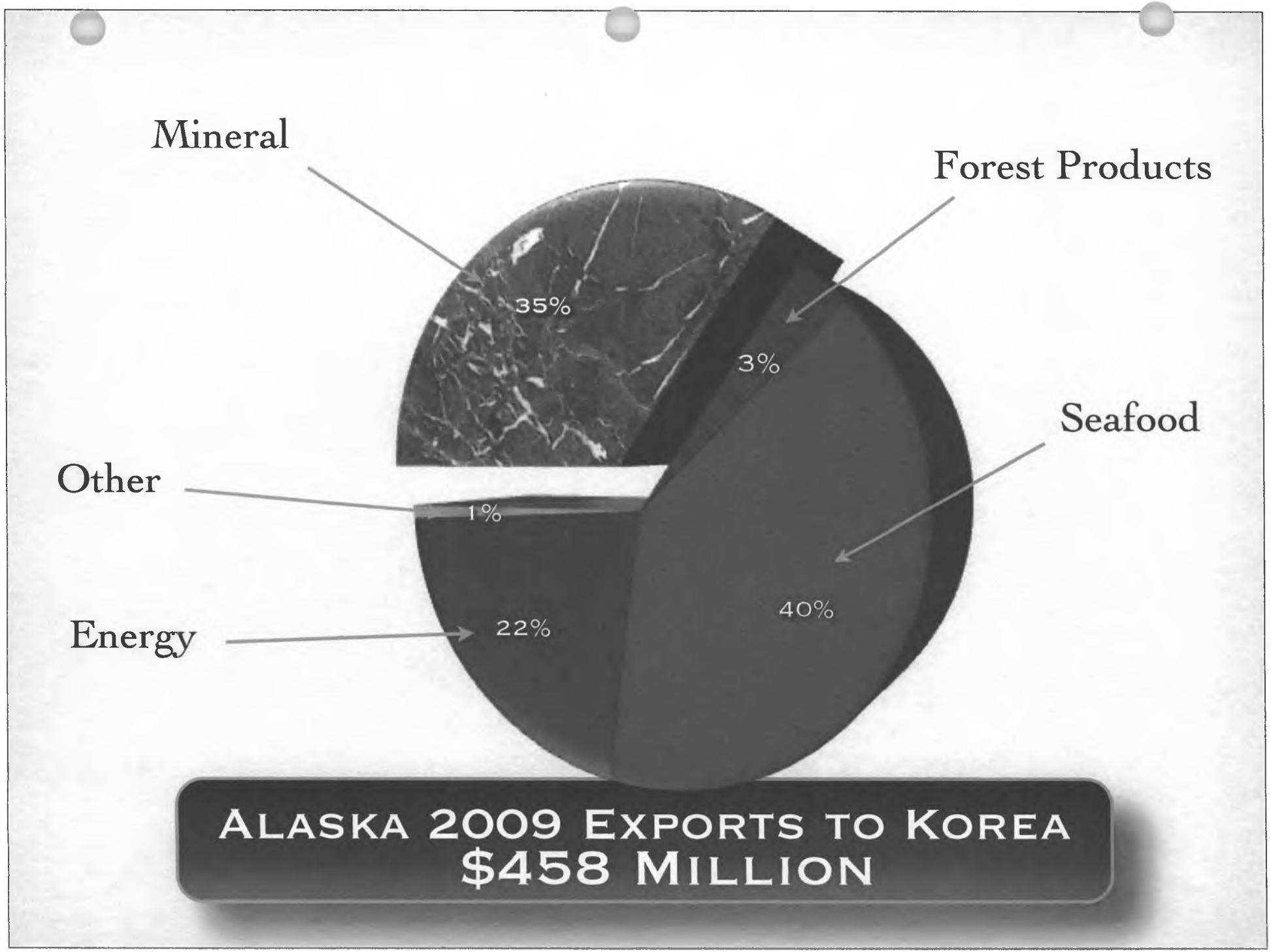



Energy
Precious Metals
Other
Seafood
Minerals
Forest Products
10%
5%
6%
26%
3%
50%
ALASKA'S 2009 TOTAL EXPORTS
$3.3 BILLION


Minerals
Other
Energy
Forest Products
Seafood
14%
2%
2%
27%
55%
Alaska 2009 Exports to Japan
$981 Million



Alaska 2009 Exports to China
$586 Million


Mineral
Forest Products
35%
3%
Seafood
Other
1%
40%
Energy
22%
Alaska 2009 Exports to Korea
$458 Million

JOBS CREATED

by Rail Extension and Port MacKenzie Expansion*

direct, indirect and induced jobs from construction

3000

*Estimates by HDR and ISER

JOBS CREATED

private development

mining development along rail line

4000

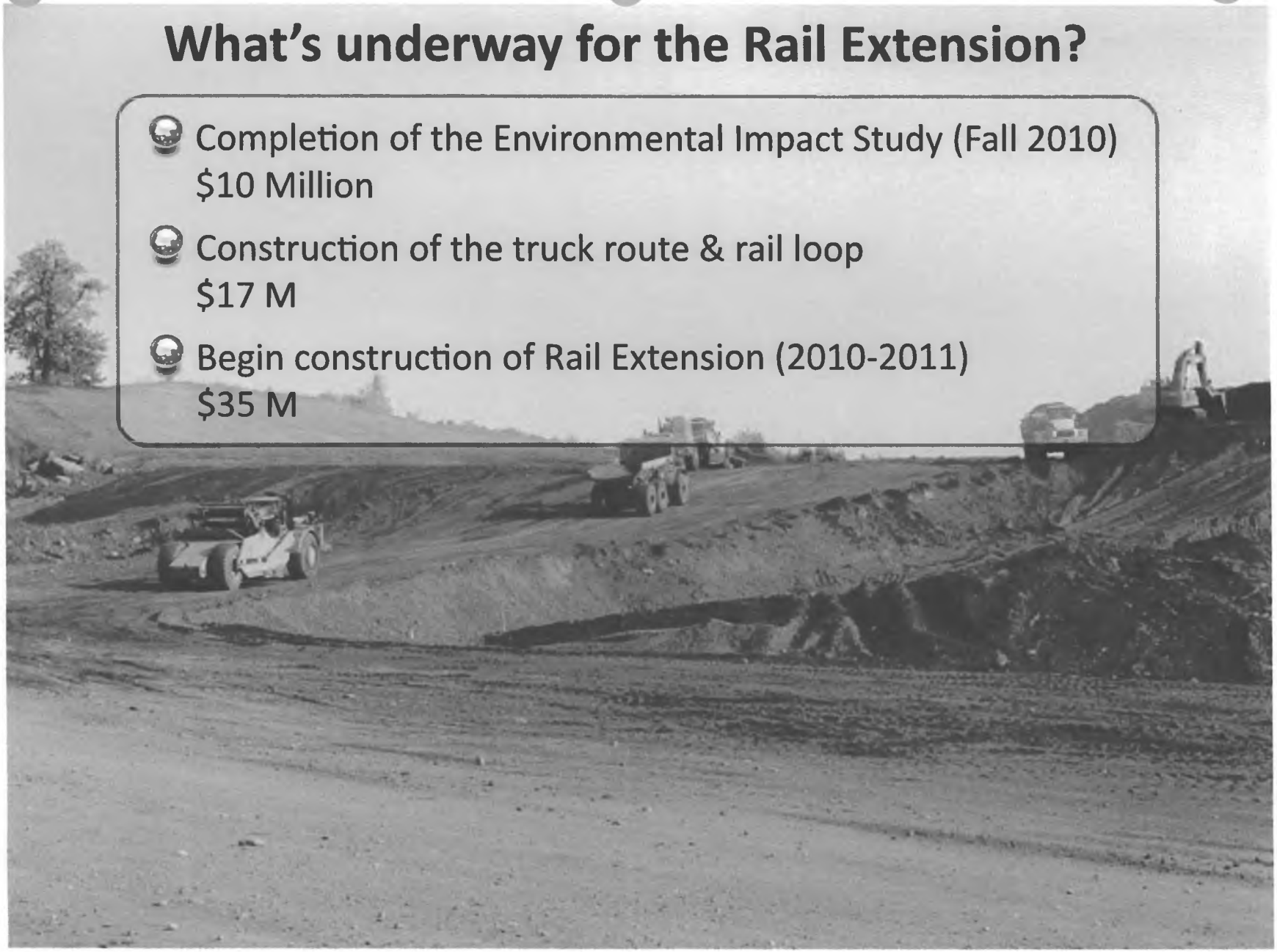
industrial development of Port MacKenzie

3500

*Estimates by HDR and ISER

What's underway for the Rail Extension?

- Completion of the Environmental Impact Study (Fall 2010)
  $10 Million
- Construction of the truck route & rail loop
  $17 M
- Begin construction of Rail Extension (2010-2011)
  $35 M



14

What's Next?

- Continued construction of Rail Extension (fall 2011) $55M
- Complete railbed to Alaska main line (2013) $60 M
- Lay rail and complete Rail Extension (2014) $41 M

2/08/11 PRESENTATIONS: MARINE TRANSPORTATION ADVISORY BOARD AND ALASKA MARINE HIGHWAY

<TARGET><BILL></BILL><SUBJECT>2-08-11 PRESENTATIONS MARINE TRANSPORTATION ADVISORY BOARD AND ALASKA MARINE HIGHWAY</SUBJECT><COMM>STRA27</COMM></TARGET>

Marine Transportation Advisory Board

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(for public distribution)

October 2010

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Marine Transportation
Advisory Board

Alaska Department of Transportation and Public Facilities
P.O. Box 112500 • Juneau, AK 99811-2500

Thank you Mr. Chairman/Madam Chair and members of the committees.

I appreciate the opportunity to stand before you today and talk about the priorities of the Marine Transportation Advisory Board and the future of the Alaska Marine Highway System. I am Mike Korsmo, MTAB Chair and a professional mariner. There are several MTAB Board members here today who represent the different regions within the Alaska Marine Highway System. If you look at the roster of MTAB Board members that I have provided, you will see that we are a very diverse group of Alaskans who take their responsibility to advise the ADOT&PF and the Governor on improvements to our marine transportation system very seriously.

MTAB was established in 2003 by Administrative Order and put into Alaska State Statute in 2008 under AS 19.65.110. We work closely with AMHS staff on short- and long-term planning as well as scheduling. We serve as a conduit from the public to the Administration. By statute the board may issue reports and recommendations in consultation with DOT&PF and submit to the department and the Governor a strategic plan which includes the mission, core values, objectives, initiatives, and performance goals of the Alaska Marine Highway System.

One year ago, we stood before you and talked about our recommendations for this past year. As I briefly review these three short-term goals please keep in mind that the Marine Highway staff can provide more specific details on how these goals were implemented and their successes.

1. **Operating the Kennicott on a full schedule May through September.** This has been an ongoing priority for MTAB and the 7 Aleutian Island communities served by the AMHS. Operating the Kennicott cross-gulf all summer, instead of tying her up for weeks at a time, allowed for twice a month service to those communities, and is vital to their economic, social and educational well being. This funding goal was accomplished last summer by AMHS with help from the Administration, and is now formally part of the next 3-year scheduling cycle. Because of this long-requested service change, there have been some changes to how the Kennicott will operate in the next three years, and I would like to let the AMHS Staff address that in detail. On behalf of the communities and traveling public, MTAB thanks you all for your support in achieving this goal.

2. **Operating the fast vehicle ferry (FVF) Fairweather on a full schedule in the spring (May/June).** This has been a very important service to Sitka and the Northern Panhandle as the busy summer seasons get cranked up. Once again the AMHS staff and Administration found a way to make this work; however ongoing operational issues with these vessels (FVF Fairweather and Chenega) are not allowing for long-range implementation of this goal. Once again, I will defer to AMHS Staff and Capt. Falvey to explain the status of the fast vehicle ferries and significant continuing mechanical issues. They have been working extremely hard to keep these

vessels operating and this has been greatly appreciated by the public they serve. The MTAB understands how integral these vessels are to the success of the overall system, and has continually stressed that they need to be there for the long term. Last year we requested that money be set aside for replacement engines. There is currently some forward progress being made regarding the mechanical challenges to the FVF engines that Capt. Falvey can address. There are also ongoing legal discussions as to who is responsible for the changes that need to be made to insure these vessels can keep operating. Later on I will talk about how important these vessels have become to Prince William Sound. This is a current priority that we respectfully request your support for.

3. **The 3rd short term goal was that additional money be put into the Vessel Replacement Fund to insure that we keep moving forward with the "Alaska Class Ferry Project".** Thanks to your efforts there is currently between $50-60M in the fund, yet an additional $60M is still needed to build the first vessel. The Administration requested the additional $60M this past year in federal funding, but as you know, the project has been de-federalized and that federal money may no longer be available for this project due to possible procurement changes in support of building the Alaska Class vessel in-state. Constructing this vessel in-state will have significant economic benefits for the State. This leads me into the MTAB's work this past year.

One of MTAB's most important goals is to keep the State of Alaska moving forward to build desperately needed new, fuel- and operationally-efficient vessels. The AMHS fleet, with the exception of the Kennicott, Lituya, Fairweather and Chenega, are getting to the age where it is critical that we start replacing them. Every year it costs more and more money to maintain the older vessels and keep them up-to-date with current state, federal and contract requirements. Fortunately, a significant portion of these maintenance costs are paid for through federal programs, but we cannot rely on this source of funding into the future and the public can't rely on vessels that are regularly showing their age with schedule changing breakdowns. It is our desire that we secure the necessary funding to build the first Alaska Class Ferry (approximately $60M) and annually put money into the Vessel Replacement Fund in order for the State of Alaska to continue replacing its aging fleet. We understand that this is a significant financial commitment, but it is essential that we maintain and improve the unique marine transportation system which is vital to the well being of the entire State of Alaska, not just its coastal communities.

We had hoped that the next new AMHS vessel would be under construction at this time; however, the pause in the project may have some benefits to the state. In December the board had a meeting in Ketchikan and also visited the Ketchikan shipyard (Alaska Ship and Drydock). ASD recently completed the MV Susitna, a ferry destined to be operated between the Municipality of Anchorage and the Mat-Su Borough. This project and the state's investment into Alaskan shipyard infrastructure has prompted a hard look at building a new AMHS vessel in-state. With the current ferry project being de-federalized we believe this gives the State an opportunity to look at building vessels in-state as well as out-of-state, depending on cost and timing.

At the Ketchikan meeting the board had discussions with AMHS staff and ASD shipyard management about methods of designing and building new ferries. This resulted in a MTAB

resolution recommending the State of Alaska pursue the Construction Management/General Contractor procurement method modified to suit the activity of shipbuilding, maximize the Alaska bidder preference, and continue work toward building the Alaska Class vessel as soon as is prudently possible. A copy of the resolution is in your packet. The benefits of building a vessel in-state are numerous and positive. By building the infrastructure and training the labor force to take on such a project, the state would put itself in a position to develop a much needed manufacturing base. This would only enhance our coastal economies and keep much of the marine build and repair business in state. It also will give us a leg up on such activities as we start looking more closely at Arctic Development and Shipment.

The bottom line is that MTAB strongly believes that we need to move forward with the Alaska Class Ferry project this year. AMHS staff needs to continue the process of design which we believe should incorporate the GM/GC procurement method. The State Legislature and the Administration is strongly urged to finish financing this project and to continue annual appropriations for further vessel replacement. If we don't act soon, make no mistake, we will be dealing with our marine transportation system in a crisis mode. This has happened in Washington State in recent years, and they are building new vessels to replace those that were forced out of their system due to age and deficiencies at a much higher cost because of the critical need for the service.

The MTAB also continues to work on long-term goals for the AMHS System.
1)We have worked with staff in developing the next 3-year scheduling cycle for continued consistency and public trust. This change alone has paid off very well for users of the system from Ketchikan to Kodiak and we have seen an increase in ridership as a result.

2) We have had several discussions with marketing staff and feel confident that their approach using the limited funds available is the right one. It has been proven that an increase in marketing funding has a direct impact on ridership and revenues, and we have discussed blending local marketing efforts with system wide marketing to maximize the exposure to the traveling public.

3) We continue to look for efficiencies in maintenance, labor, and operational costs as they continue to increase system wide.

4) We also have been looking at connecting transportation systems throughout the state and how they can be improved to insure the public can take advantage what the state has to offer. An example is a meeting we had in Cordova in September. The board was able to fly into Anchorage, take the Alaska Railroad to Whittier by lunchtime and ultimately end up by fast ferry (Chenega) in Cordova by early evening (4:30 pm). We then had a meeting the next day and flew out that evening to Anchorage and Juneau.

5) Another long-term goal is looking at the impacts of the system on our coastal communities and their connection to urban distribution hubs (cities). Because of the twice monthly Aleutian Island service in the proposed three-year schedule, seven communities can take advantage of Alaskan

businesses in Anchorage, Homer and Kodiak instead of barging from Seattle. Because of the impact of regular ferry service and especially fast ferry service in Cordova, residents there are able to do most of their purchasing in Anchorage instead of having to rely on expensive barge service out of Washington State. This service has also had a huge economic impact on lodges and recreational activities in the Prince William Sound area. There is probably not a better example of what improved AMHS service means to a region then in Prince William Sound. This was accomplished by Communities, AMHS staff, and MTAB all working together. Of course it could never happen without your support and it is an achievement to be proud of.

6) MTAB working with the AMHS staff continues to work on its ways to make sure the public can have input outside of the normal meeting schedules. We have launched a website that we will be updating meetings and provide the public with the newest information regarding scheduling, MTAB meetings and service changes. It will also provide contact information for the MTAB members. The web address is http://www.dot.stste.ak.us.

7) The board still has challenges with our ability to provide input on long range planning efforts with DOT/PF in a timely manner. While we have an excellent working relationship with AMHS staff the current long-range transportation planning is implemented through DOT&PF regions, several of which have marine highway components. Currently the Southeast Alaska Transportation Plan is being finalized and there seems to be a misunderstanding at ADOT&PF of what MTAB's role is in the process. It is our belief that when MTAB was formed in statute it was your intention that we have a major role in advising the marine components of the plan. While we have had discussions with planners at DOT&PF it was on an equal basis of any other organization that provided input to them through the public process and was occurring after the draft plan had been presented to the public. There has been one major improvement to the system this past year, and that is that AMHS has been allowed to bring in their own planner which will give them a dedicated person to work strictly on AMHS issues. We believe this is a big step forward in getting AMHS projects done in a timely manner.

8) Last but not least MTAB is currently working with the new DOT&PF Commissioner Marc Luiken in an advisory role to help select a new deputy commissioner. This is also a statutory obligation and we are taking it very seriously. Tomorrow morning we are having an MTAB meeting, and we will be discussing with the Commissioner what we believe are attributes essential to the deputy commissioner position. We will then be having an executive session to go over potential candidates and hopefully come out of that with a recommendation.

As a follow-up to that, we just want to acknowledge how much the MTAB board appreciated working with Deputy Commissioner Jim Beedle. I have heard him referred to as the poster boy for the Alaska Marine Highway and there are certainly few people who could better reflect what an ideal AMHS employee is. After 30 years as an employee Jim brought a wealth of knowledge and understanding to the position. He worked very closely with us and with his and Capt. Falvey's guidance the system has stabilized and improved. I hope you all got a chance to speak with Jim and if you did you have a much better idea of the complexities of operating a ferry

system over vast distances, with an aging fleet, and with comparatively small population base.

The Marine Transportation Advisory Board thanks you for your support of this complex system. Like many transportation modes in Alaska, it is a huge challenge to provide safe and reliable marine transportation for our coastal communities. Economic growth and stability for the State of Alaska is one of the State's core missions and also that of AMHS. AMHS has an impressive track record for safely delivering goods and people. Not only that but personally, as a mariner, AMHS is often the first responder at many of our maritime incidents. I would hope that there could be some recognition of this by the legislature and administration. Last year we provide you with a list of recent rescues and responses performed by AMHS crews. We do believe a special commendation is merited for their efforts.

Thanks again for your continued support for the AMHS, MTAB and the opportunity to share this update with you today. This concludes my remarks and I would be happy to answer any questions you may have.

On behalf of the Marine Transportation Advisory Board,

Mike Korsmo

Mike Korsmo, MTAB Chair

Marine Transportation Advisory Board resolution supporting an expedited procurement process for the Alaska Class Ferry System, including consideration of the Construction Management/General Contractors (CM/GC) procurement process as the method for securing function detail design and construction of the Alaska Class Ferry

Whereas, the Marine Transportation Advisory Board is tasked by Alaska Statute to make recommendations to the Governor, Legislature and Alaska Department of Transportation and Public Facilities regarding the planning, mission, values and performance goals of the Alaska Marine Highway System, and;

Whereas, the Marine Transportation Advisory Board has recommended the immediate construction of new vessels for the Alaska Marine Highway System and support for building the Alaska Class vessel, and;

Whereas, the State of Alaska is ready and desires to procure marine vessel design and construction services to build the Alaska Class vessel in the best interest of the State, and;

Whereas, other procurement methods, where price is the sole or primary factor for determination of award, introduce risk to the State and the Contractor, and/or cause significant delay for development of bid documents, create an opportunity for artificially low bid documents, create an opportunity for artificially low bids, and potentially creates an adversarial relationship between the State and the Contractor, and;

Whereas, discussions have indicated that the ship building industry and the bonding industry prefer the risk mitigation features of this process and may not be interested in competing on a price base award process, and;

Whereas, Construction Management/General Contractor mitigates risk for both the Owner and the Contractor and has a track record of bringing in large, complex projects close to projected budgets and schedules, and;

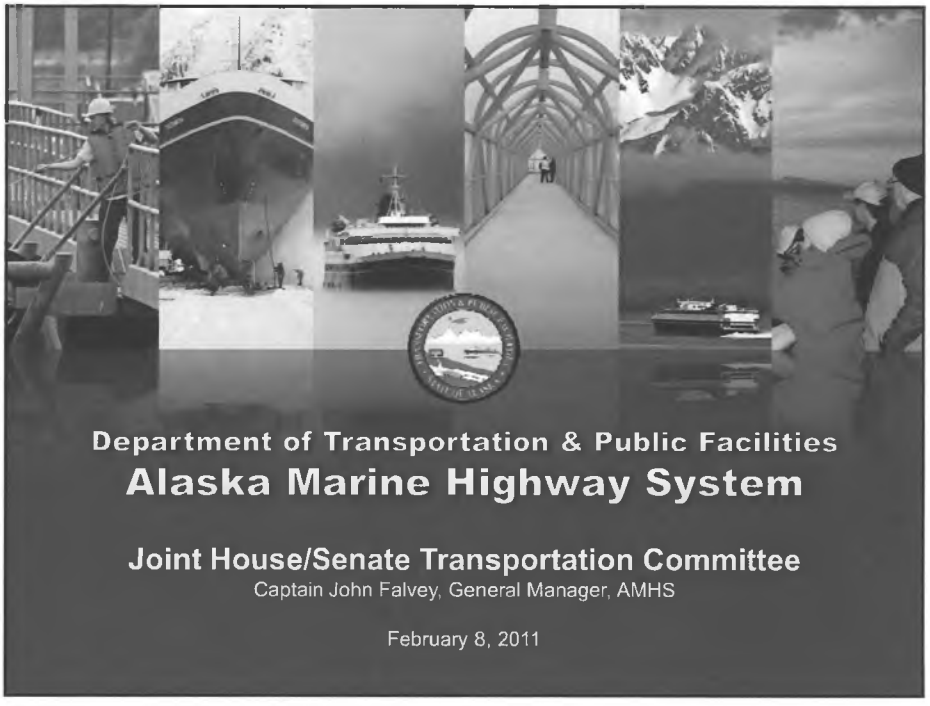
Whereas, Construction Management/General Contractor includes a competitive bid process and provides the State opportunity to reject the Guaranteed Maximum Price and take the project out to bid, and;

Whereas, constructing the Alaska Class vessel in a shipyard located in the State would create significant economic benefit to the State for the first and subsequent marine vessels procured by the state, and;

Therefore, be it resolved that the Marine Transportation Advisory Board recommends the State of Alaska pursue the Construction Management/General Contractor procurement method modified to suit the activity of shipbuilding, maximize the Alaska bidder's preference and continue work toward building the Alaska Class vessel as soon as is prudently possible.

Mike Korsmo

Mike Korsmo, Chair



Department of Transportation & Public Facilities

Alaska Marine Highway System

Joint House/Senate Transportation Committee

Captain John Falvey, General Manager, AMHS

February 8, 2011

Our Mission

The mission of the Alaska Marine Highway System is to provide safe, reliable, and efficient transportation of people, goods, and vehicles among Alaska communities, Canada, and the "Lower 48," while providing opportunities to develop and maintain a reasonable standard of living and high quality of life, including social, education, and health needs.

Overview – Fiscal Year 10/11

- Achievements
  - Increased Traffic
  - Managing to the Budget
  - Early Schedule Release / On-time Departures
  - Vessel Satellite Communications
  - Fuel Efficiency Infrastructure
  - OARS Increased Use
  - Marketing Outreach
  - New Service:
    - Bellingham-Whittier Express
    - Gustavus

Overview – Fiscal Year 10/11

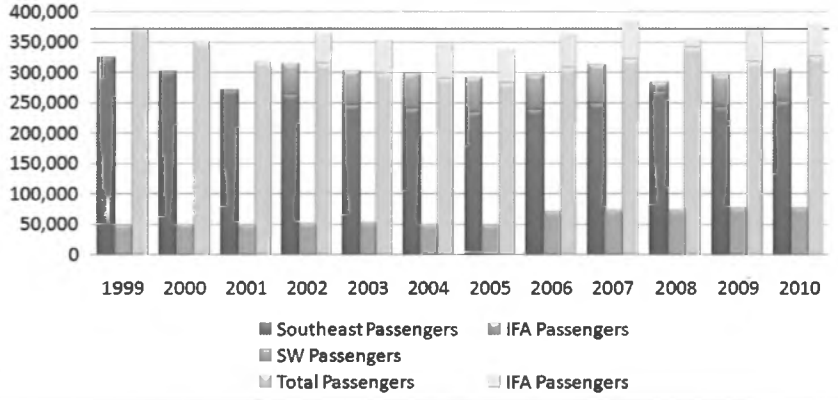
- Challenges
  - Vessel Operations
  - Revenue Enhancement
  - Operating Cost Containment
  - Vessel Retirement
  - Vessel Replacement
  - Mid-life Engine Replacements
  - Reservation System Upgrade
  - Funding Recap

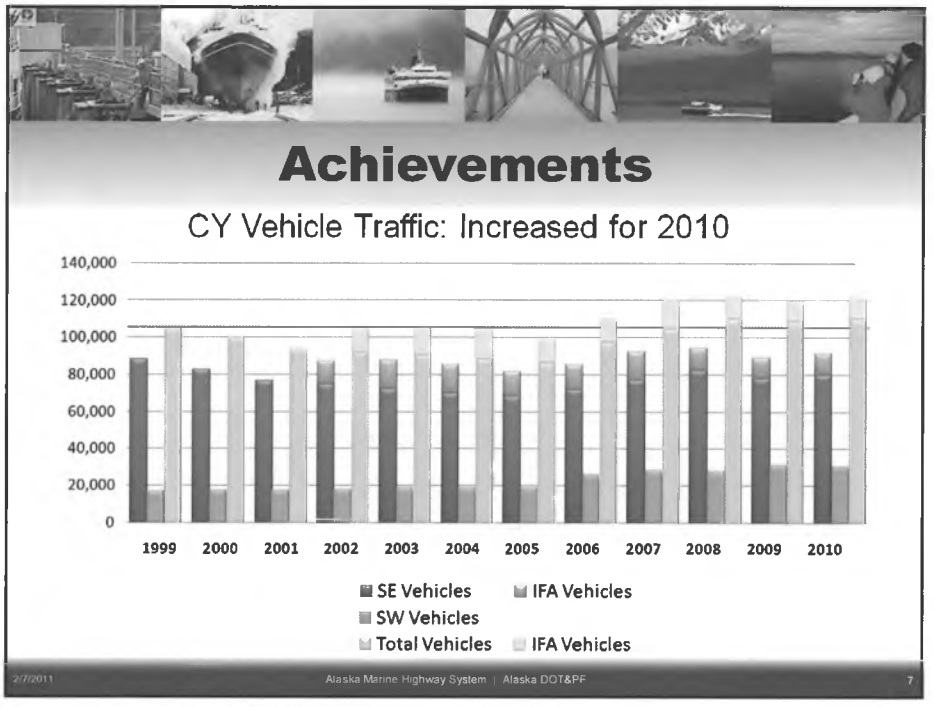
Overview – Fiscal Year 10/11

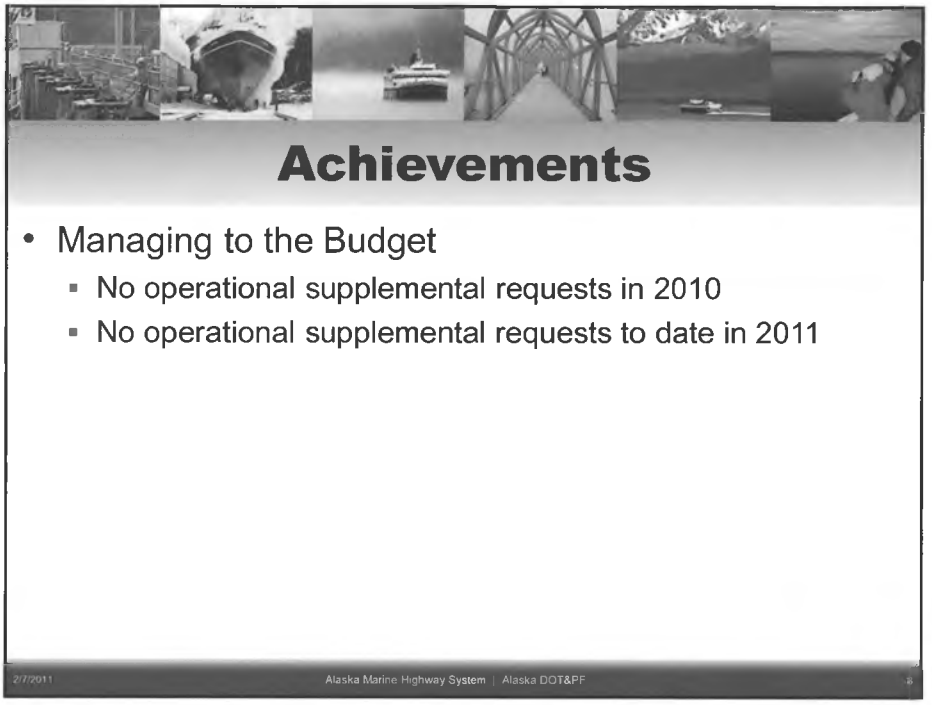
- Alaska Class Ferry
  - Administration Support
  - Status Update
  - Looking Forward

Achievements

CY Passenger Traffic: Increased for 2010




Achievements
CY Vehicle Traffic: Increased for 2010
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
SE Vehicles
IFA Vehicles
SW Vehicles
Total Vehicles
IFA Vehicles
2/7/2011
Alaska Marine Highway System | Alaska DOT&PF
7

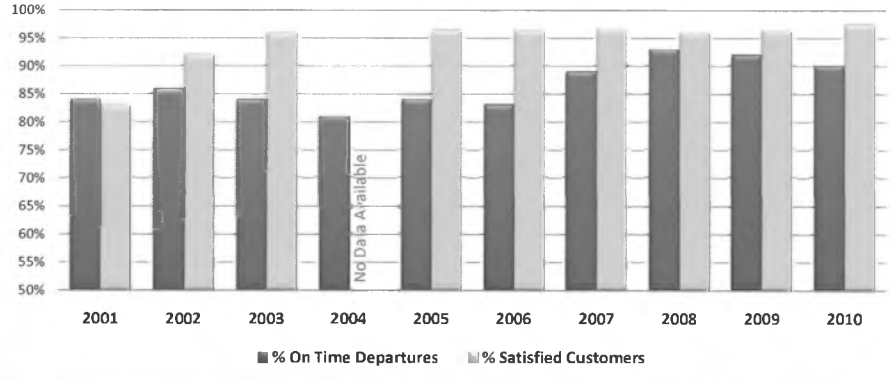

Achievements
• Managing to the Budget
▪ No operational supplemental requests in 2010
▪ No operational supplemental requests to date in 2011
2/7/2011
Alaska Marine Highway System | Alaska DOT&PF
8

Achievements

- Early Schedule Release / On-time Departures
  - For the past 2 years:
    - Winter schedule (Oct-April)
      - Released in the first week of July of the schedule year
      - Public process begins in May
    - Summer Schedule (May-Sept)
      - Released in the first week of October prior to the schedule year
      - Public Process begins in July
  - The earliest possible schedule releases are of the foremost importance to the traveling public.
  - On-Time Departures / Customer Satisfaction

Achievements

On-time departures / Customer Satisfaction



Achievements

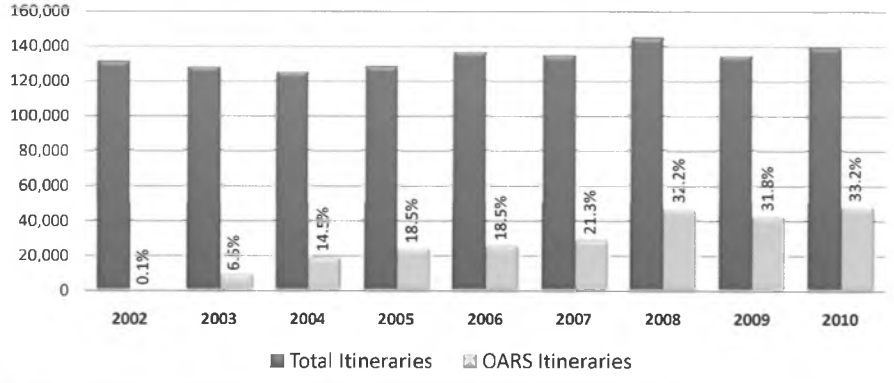
- Vessel Satellite Communications
  - Operational Systems:
    - Kennicott
    - Matanuska
    - Aurora
    - Malaspina
    - Tustumena
    - Lituya
    - Columbia
      - The satellite dome is being relocated during the current layup period
  - Pending Systems:
    - LeConte
      - To be installed 03/11
    - Taku
      - To be installed 03/11
  - Vessel Tracking Project in development
    - Individual vessels to be brought online commencing April, 1

Achievements

- Fuel Efficiency Infrastructure
  - Tustumena
    - Installed: 05/09
    - Commissioned: 05/09
  - Aurora
    - Installed: 06/08
    - Commissioned: 06/08
  - Columbia
    - Installed: 06/10
    - Commissioned: 09/10
  - Kennicott
    - Installed: 06/08
    - Commissioned: 06/08
  - Matanuska
    - Installed: 02/10
    - Commissioned: 03/11
      - Pending CCP proofing
  - Current Savings Average 12%

Achievements

Increased Use of OARS



Achievements

- Marketing Outreach
  - Expanded overall outreach in 2010 with the addition of Social Media, continued online advertising and web promotion.
  - Implemented Visual Standards throughout organization to reinforce and validate the AMHS Brand.
  - Continue to build cohesive relationships with communities and marketing partnerships
  - Achieved a 24% increase in website hits over the previous year.
    - 68 million hits in 2010
  - Experienced increased ridership in the shoulder seasons and overall in 2010
  - Successfully implemented new service offerings for the summer of 2011
    - Creating New Business while maintaining service levels to communities
    - Bellingham-Whittier Express Route & Gustavus Service

Achievements

- Gustavus
  - The new multi-use docking facility was built by SOA DOT&PF. AMHS will be providing maintenance on the ramp and apron, standby generator and electro-hydraulics
    - The facility will also be utilized by barge lines, and private boating/tour companies.
  - Inaugural voyage was on November 23, 2010
  - It is our intent to provide once monthly service to Gustavus throughout the winter months
  - Service to Gustavus will transition to twice weekly service for the majority of the summer months.
  - The community of Gustavus is very excited and supportive of the service as is the visitor industry.

Challenges

- Vessel Operations
  - Continue with the concept of uniform, consistent schedules on a year by year basis while actively working with Alaskan communities to best meet the needs of the State.
  - The uncertainty surrounding the future operation of the fast ferries Chenega and Fairweather
  - Continued improvement in vessel dependability

Challenges

- Revenue Enhancement
  - Goal: Increase passenger and vehicle traffic to all ports
    - Earliest possible schedule release dates
      - Maximize booking potential
    - Travel Agent Relationships
    - Continue to work with SOA on internet tools available for Marketing

Challenges

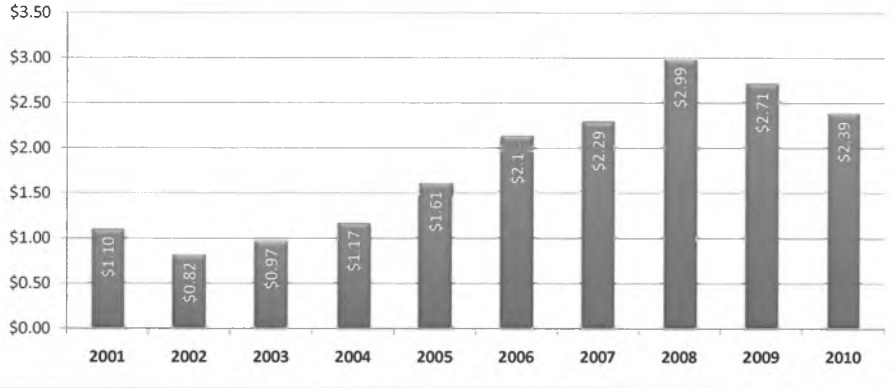
- Operating Cost Containment
  - Major Cost Elements
    - Payroll: 62% of Cost
      - Costs determined in collective bargaining with the exception of health care and pension unfunded portion
      - Maintain efficient crew size to minimize hold over/early call back OT
    - Fuel: 21% of Cost
      - Continue implementing fuel efficiency technology: expected savings 12-15% of fuel burn
      - Rising Fuel Cost: Average price per gallon
    - Continue to grow online reservation booking
    - Ensure safe operations to maintain low self insurance cost

Challenges

- Fuel Efficiency Infrastructure
  - Taku
    - Installed: 04/11
    - Commissioned: 07/11
      - Next CIP Project
  - LeConte
    - Installed: 04/11
    - Commissioned: 07/11
      - Next CIP Project
  - Malaspina
    - Installed: 05/11
    - Commissioned: 08/11
      - Currently In Design

Challenges

Rising Fuel Cost: Average Price per Gallon



Challenges

- Vessel Retirement
  - Four vessels constructed in the early 1960's are nearing the end of their useful lives:
    - Matanuska (1963): SOLAS qualified mainliner, primarily serves SE route; Prince Rupert-Lynn Canal
    - Malaspina (1963): Mainliner operates as a summer day boat in Lynn Canal, Bellingham run in winter
    - Taku (1963): Mainliner provides SE Alaska service from Prince Rupert north
    - Tustumena (1964): Ocean going vessel serving SW Alaska and the Aleutian Chain

Challenges

- Vessel Retirement
  - Matanuska (1963)
    - Passengers: 499
    - Vehicles: 88

Challenges

- Vessel Retirement
  - Malaspina (1963)
    - Passengers: 499
    - Vehicles: 88

Challenges

- Vessel Retirement
  - Taku (1963)
    - Passengers: 370
    - Vehicles: 69

Challenges

- Vessel Retirement
  - Tustumena (1964)
    - Passengers: 174
    - Vehicles: 38

Challenges

- Vessel Replacement
  - Construct three Alaska Class Ferries allowing retirement of 2 of the 3 vessels constructed in 1963. Vessels to be retired will depend upon whether SOLAS waivers can be obtained for the Malaspina and/or Columbia required for entry into Canada, currently being pursued, as well as the condition of each vessel.
  - Initiate design process for Tustumena replacement

Challenges

- Mid-life Engine Replacements
  - Mid-life engine replacements for Columbia, Aurora, and potentially Malaspina depending on vessel replacement implementation.

Challenges

- Reservation System Upgrade
  - Existing RMSIII software is approaching 15 years old
    - Mainframe application, past it's useful life
  - Looking to develop a system that is more user-friendly, efficient, and complimentary to our marketing efforts
  - Progress to date includes:
    - Business process mapping
    - Rewrite of Customer Policies and Procedures
    - RFP on street for project manager
  - Estimated completion date September 2012

Funding Recap

- Operating Budget: Maintain Current Levels of Service
  - Approximate Required General Fund Appropriation $100 M
- Capital Requirements
  - Federal Funds: Life extending projects for vessels and terminals $22-25 M annually
  - State General Funds: For annual vessel COI requirements, deferred maintenance, other $13-15 M annually
  - Vessel mid-life engine repairs $25 M per vessel; currently, 3 vessels nearing end of life on original engines
  - Vessel Replacement Fund: Alaska Class Ferries estimated at $120 M per vessel, Tustumena Replacement- $200 M

Alaska Class Ferry

- Governor supports construction of the Alaska Class Ferry
  - Initial $60M of State funds
  - De-federalization of $60M Federal funds
    - Allows more state flexibility in the procurement process
    - Supports an in-state bidder preference
  - Supported land transfer with AIDEA/DOT at Ketchikan Shipyard (creating added shipyard acreage) allowing more flexibility to construct the Alaska Class Ferry
    - Supported functional replacement Phase I at Ward Cove - $3.4M
      - Office and Warehouse Space for the Alaska Marine Highway System
      - Expansion creates potential for 250 full-time positions at Ketchikan Shipyard
  - The Administration supports a competitive bidding process

Alaska Class Ferry

- Project Status Update
  - Preliminary Design complete
    - Successful Public Process
      - Public Meetings throughout Alaska
      - Transparent process enhanced via up-to-date website for public participation and data access: http://www.dot.state.ak.us/amhs/alaska_class/index.html
    - In-house technical design process
      - Steering Committee including management, vessel employees representing all three maritime unions and outside contractors
  - Functional Design in process
    - Technical details of the ship's systems are being developed into detailed construction drawings
    - Currently at 10% completion

Alaska Class Ferry

- Looking Forward:
  - Identify the procurement process
  - Complete Functional Design
  - Finalize an estimated cost
  - Initiate the construction process

3/29/12 PRESENTATION: PARKS HIGHWAY - WASILLA BYPASS

<TARGET><BILL></BILL><SUBJECT>3-29-12 PRESENTATION PARKS HIGHWAY - WASILLA BYPASS</SUBJECT><COMM>STRA27</COMM></TARGET>

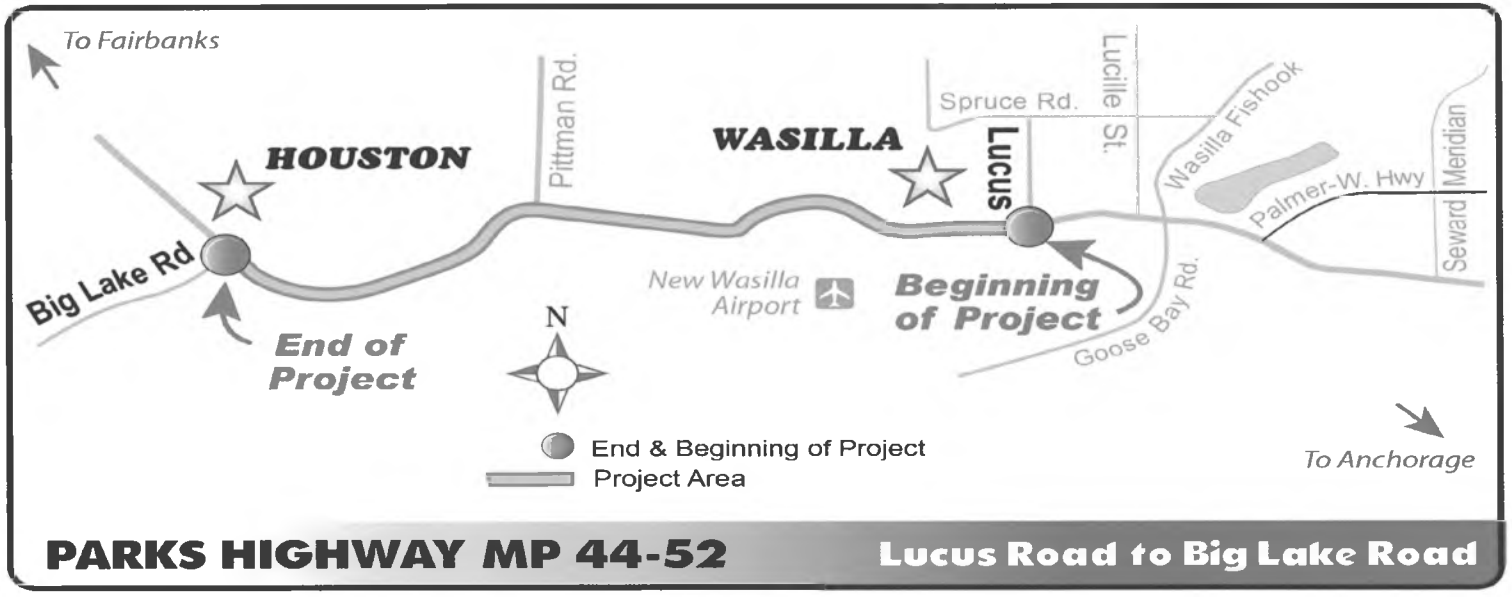
Parks Highway Reconstruction: Lucus Road to Big Lake Road

Project Status

March 2012

Parks Highway MP 44-52

Project Description



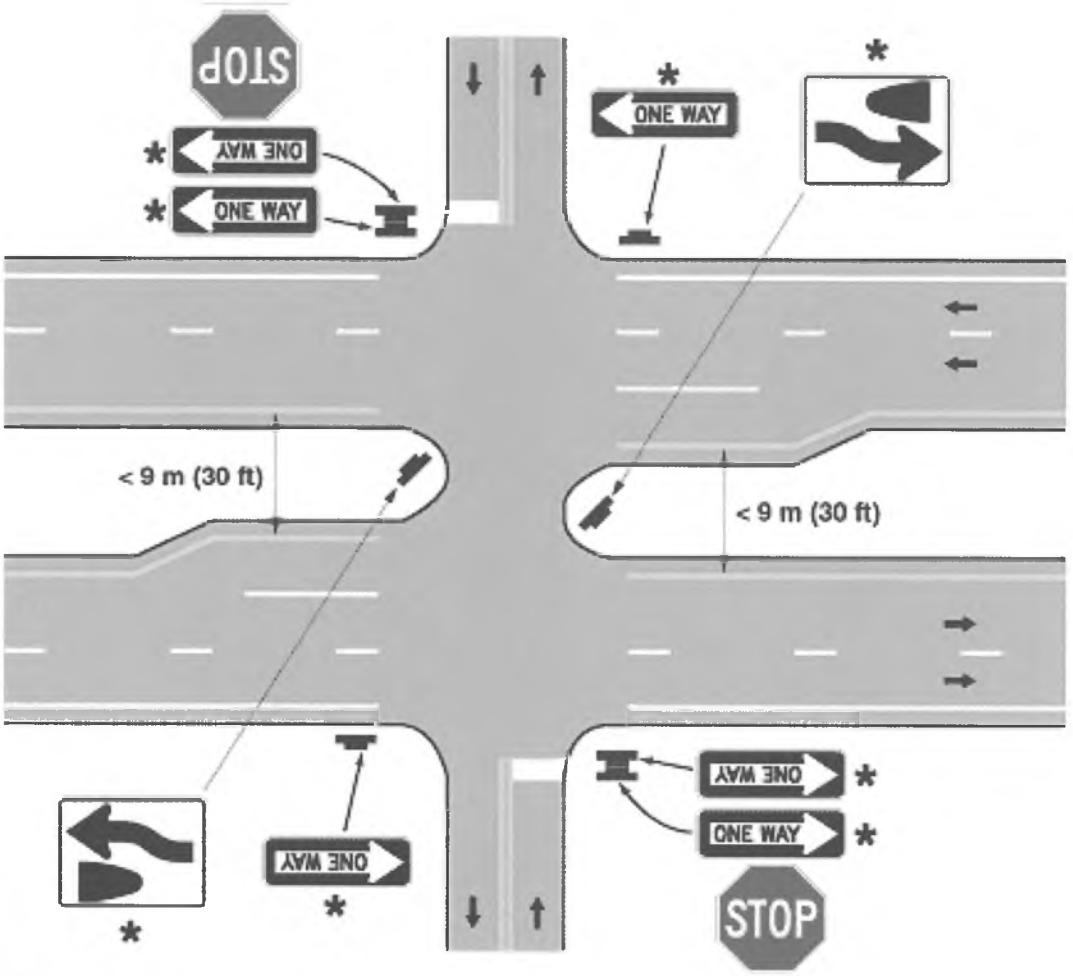
West End:
Current average daily traffic: 14,000
Projected traffic by 2035: 27,000

East End:
Current average daily traffic: 21,000
Projected traffic by 2035: 41,000

Purpose and Need

- **Purpose**:
  - Parks Highway is an NHS route whose primary function is moving goods and services with limited, safe, access.
- **Need**:
  - address the safety problems caused by uncontrolled access, while reducing congestion, and increasing travel efficiency.

What is a 4-lane divided?



What Safety Problems?

- Ranked #1 in Alaska for head on crashes
- Ranked #1 corridor with the greatest risk of death and injury in the state
- 3 times the state average for fatalities
  - 23 deaths in the last 10 years on this stretch
- 2 times the state average for major injury
  - 86 injuries require hospitalization in last 10 years

Improving Safety

The 4-lane divided was selected due to **safety** and **efficiency** advantages.

- Compared to a 5-lane section;
  - Nationally, reduces head-on crashes by 21%
  - Nationally, reduces sideswipe crashes by 47%
  - In Alaska, overall crash rates for 5-lane sections are about 45% higher than 4-lane divided

Improving System Efficiency

- Provide more efficient movement of traffic
  - 5-lane would be 45 mph
  - 4-lane divided will be 55 mph
- 5-lane sections begin to fail operationally and in safety where AADT exceeds 24,000 to 28,000
- Alaska experience on 5 lane roads reveals continued safety concerns
  - High volume 5-lane roadways in Anchorage are being converted to 4-lanes

Public Involvement

EA Phase (2004-2010)

- 8 Public meetings
- 27 Stakeholder interviews
- 5 Community Council and civic group presentations

Design Phase (2011 and on)

- 5 Public meetings plus one planned for April 30, 2012
- 5 Stakeholder meetings to date
- 6 presentations to boards and commissions

Communication and coordination with public ongoing

Adopted Plans

The 4-lane divided section is consistent with the following local adopted plans:

- MSB Long Range Transportation
- MSB Comprehensive Development Plan
- Big Lake Comprehensive Plan
- Meadow Lakes Comprehensive Plan
- City of Wasilla Comprehensive Plan
- City of Wasilla Official Streets & Highways Plan

Economic Impact

"Studies to date indicate that median projects generally have little overall adverse impact on business activity. Business owner perceptions of potential impacts of access changes tend to be much worse than actual impacts."

- Studies show that changes in access do not cause a change in the use of the abutting properties
- In surveys, Customer Service, Product Quality and Product Price are regularly ranked as more important than business accessibility
- Economic studies show that employment typically increases locally after access management is introduced

(Source: *Access Management Handbook*, Center for Transportation Research and Education)

Economic Impact (continued)

- Increased road capacity results in increased traffic past businesses
- Increased travel speed along controlled access corridors actually reduces the travel time to access businesses, even with slightly longer routes
- Reduced safety of the roadway would discourage travelers from visiting businesses which they do not feel safe accessing

Right of Way Impacts

- ROW impacts shared with the public during every public meeting
- Federal process followed to compensate, relocate and make property/business owners whole
- Site specific issues will be addressed during ROW negotiations

Right of Way Issues

This figure is an example of how we are continuing to develop solutions for each property.

Environmental Impact

- Higher travel speed, less conflicts, and reduced delay increases overall fuel economy of 4-lane option over 5-lane
- Access Management would responsibly protect the long term statewide right-of-way investment

(Source: *Access Management Handbook*, Center for Transportation Research and Education)

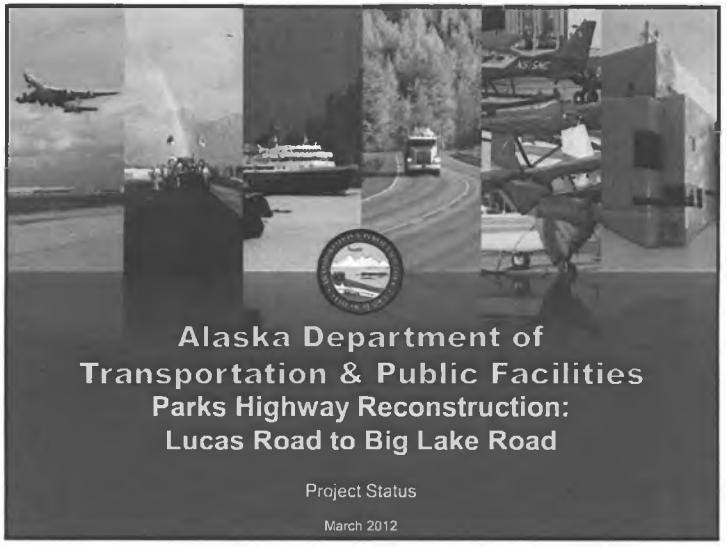
Questions

- For more information:
  - Jim Amundsen, P.E., Project Manager

    DOT&PF

    907-269-0595

    Jim.Amunden@alaska.gov
  - www.parkshighway44-52.info



Alaska Department of Transportation & Public Facilities

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Integrity · Excellence · Respect

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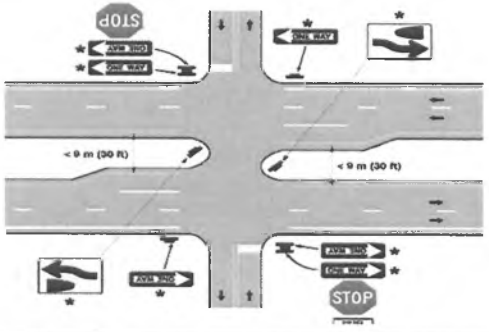

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    907-269-0595
    Jim.Amunden@alaska.gov
  - www.parkshighway44-52.info

Integrity · Excellence · Respect

Jody Simpson

From: Gerard Billinger <gerardsb@rocketmail.com>
Sent: Thursday, March 29, 2012 8:36 AM
To: Sen. Charlie Huggins
Subject: Parks Highway_ Lucas to Big Lake Project

Follow Up Flag: Follow up
Flag Status: Completed

Dear Senator Charlie Huggins,

I am writing you in support of the Parks Highway Lucas to Big Lake Road Project. I have heard numerous times that this road project will be a four lane section of road with a 2 way left turn lane in the middle (suicide lane) and the speed limits dropped to 45 mph. I drive this section of road every day from Big Lake into Anchorage and then back home in the evening. I have seen some bad wrecks throughout this section of road, some fatalities and numerous rear ends.

As you know this section of road is now a Safety Zone, which really amounts to nothing. I have seen going into work in the mornings and evenings people who pass in "No Passing Zones" speeding down the road at 65 mph and no law enforcement in this area at all. This summer I hear the DOT will be adding flashing speed limit signs that will flash your speed at you when approaching, what will this sign accomplish? Probably nothing more than another sign that somebody will shoot out and probably never get replaced or encouraging some drivers to see how fast they can drive, just to see their speed flash across that sign.

I hope that the State of Alaska will **NOT** allow this project to be built with the **SUICIDE LANE** proposed. I have worked for the KDOT (Traffic Engineering) in the past and remember working on a project there that had a suicide lane added to the roadway. The speed limit in this area was 55 mph and had a lot of businesses along this corridor, this turn out a big mistake and had fatalities right off the start when that road was opened. A couple years later, more money and a few law suits, that road was completely re-constructed and made into a divided highway. I don't know how many times I have heard the phrase "How many lives have to be taken before anything gets done?"

Please reconsider how this road is to be designed. Suicide Lanes are not the answer. This will just be more of a problem and not a solution to the current traffic problems that are out there today. Safety should be the NUMBER 1 priority.

Gerard Billinger
Big Lake Resident

Jody Simpson

From: Jim and Janet Faiks <alaskalpaca@mtaonline.net>
Sent: Thursday, March 29, 2012 7:10 AM
To: Sen. Charlie Huggins
Subject: Parks Highway design

Follow Up Flag: Flag for follow up
Flag Status: Completed

Good Morning Charlie,

I understand that there might be a push to change the design of the Parks from 4-lane divided to 5-lane. I can't believe that this would actually be considered as it would result in an extremely dangerous stretch of highway. When I drive the Glen in the winter is often see "ditch-divers" (or holes they made), and without physical separation these would have been "head-ons". Please tell me that this change is not really being considered.

Sincerely,
Jim Faiks

PS. I was asked and agreed to fill a vacancy on the Community Council Board. It has not taken me long to realize the time commitment this basic level of public service requires. Thank you for all you have done. I know you have some really big issues you're dealing with. I was sure hoping to hear some good news on the Knik Arm crossing.

Jody Simpson

From: Cindy Bettine <CindyBettine@mtaonline.net>
Sent: Wednesday, March 28, 2012 11:54 PM
To: Sen. Albert Kookesh; Sen. Joe Thomas; Sen. Linda Menard; Sen. Dennis Egan; Sen. Charlie Huggins
Subject: ParKs Highway mile 44 to 52 Senate Transportation Committee hearing testimony.

Follow Up Flag: Flag for follow up
Flag Status: Completed

To the Honorable Senate Transportation Committee,
Thank you for having the special hearing on the Park Highway west of the city limits of Wasilla. I drive all 8 miles of this road daily. I support the DOT's design of a 4 lane divided highway.

The last ditch efforts of a few property owners along this corridor to consider a 5 lane suicide design is just that "a last ditch effort". In the past 5 or 6 years, I have attended DOT open houses in Wasilla, Big Lake and Houston on the design planning of this congested stretch of the Parks Highway. What is before you today is a compromise of years of public meetings. Those of us who commute to work in Wasilla, Palmer and Anchorage wanted a freeway style road like the Parks Highway from the Glenn Highway into Wasilla to the Seward Meridian. The businesses along the same stretch of road wanted a 4 lanes with a suicide lane; the compromise was what we have today; a 4 lane divided highway with right in and right out plus stop lights every ½ mile.

The 4 lane divided highway is needed for safety. Please do not stop progress! Give the DOT the support they need to expedite this major highway that connects all areas of Alaska. We need this upgrade not only for residents in the Mat Su who live west of Wasilla, but for commerce & economic development in Alaska. A 45 MPH road with a suicide lane for 8 miles would be worse than the congestion we have now. Don't stop progress; expedite the DOT plan.

Cindy Bettine
Box 870008
Wasilla, Alaska 99687

Olympic Investments LLC, P.O. Box 873088, Wasilla, AK 99687 (907) 376-3330

February 2, 2012

State of Alaska DOT & PF
Central Region Design
Attn; James Amundsen
Project Manager

Re: ADOT & PF/Parks Highway Alternative Corridor Project & Reconstruction Parks Hwy. MP 43.5 – 48.8

Mr Amundsen,

I received your letter dated December 12, 2011 that I probably should have received before my December 15th Hearing with the Mat-Su Borough platting board, appealing the October 27th approval on the Department of Transportation (DOT) ROW acquisition plat. You state that "Your design team took another look at the proposed signal location and confirmed that Stanley Road is the best location for the signal". At this time the generator on Stanley Road is the Church On The Rock, 1 day a week. Your Right Of Way (ROW) acquisition plat shows DOT taking a considerable amount of parking lot from the Church. The Pastor of that church had a conversation with DOT that the church could not function due to lack of parking places for their members. DOT indicated that they may need to relocate the church to somewhere else in that case. So if this road is build as designed, the Church On The Rock relocates, and there goes your 1 day/ week traffic generator for that street! The current traffic generator is S. Lamont Circle. In the future if you need the North corridor on that section line to a future Spruce Road and Seldon Road, then you can do it 20 or 30 years from now when it may be needed.. That should finish the argument as to where the "Proposed Signal light should be", and that "Stanley Road is an appropriate connection to the Parks Highway and warrants a traffic signal based on traffic volume". There are about 30 houses On Stanley road that would be using the signal light. The rest of the residents in Mission Hills and properties to the east of Stanley road use the Church Road Exit and light. When the church goes away, there will not be enough population or houses in that area to qualify for a signal light. Currently your one day traffic generator is the Church on the Rock! One day a week! I don't know where you are getting your information but in case you don't know, the new traffic generator is on S Lamont Circle from the New Denali Restaurant that opened up March of 2011. You should update your TIA. In contrast, S Lamont Circle is a local road and could be changed to a future collector road with the stroke of a pen. Lamont Way and the Connecting road S. Lamont Circle has the future possibility of connecting to several more properties on the North side of the Parks Highway, and South of the Parks Highway to the Airport, and beyond to Knik Goose Bay Road. That is the future of the Lamont street options. Stanley Road is on a corner, with limited visibility and "Jacobson Lake" prevents the extension of the road south.
You say "it is not "good practice" to directly connect local streets to arterials such as the Parks Highway, especially where collector connections can be developed and used." You go on to say "moreover, because of the higher volumes and speeds that will be served by the Parks Highway, it is good practice to consolidate and minimize access points

wherever possible." You should change the wording "good Practice" to "common sense" at which point your whole argument will change. Let's explore some facts:
DOT appears to disregard the law in several areas, including title 35 of the Alaska State Statutes, the Mat-Su Boroughs long-range transportation plan, the federal guide lines on "Interstate Highway design" as well as allowing public testimony and failure to notify the public of the ROW that the State of Alaska DOT was purchasing. Also according to the ROW acquisition plans, DOT was purchasing several properties at key intersections obviously for future overpasses of which that information was not disclosed at any public meeting to allow public.
You mention Lamont Way. The street across from Lamont Way is S. Lamont Circle which you fail to mention in your letter. S Lamont Way is a "road "approaching the Parks Highway that is paved and 3 lanes (one center left turning lane) to accommodate larger traffic volumes. S Lamont Circle also has the ability to continue South, across the Alaska Railroad Tracks, connect into Museum Drive and then on to S Clapp Road to Knik Goose Bay Road and then to Fairview Loop onto the Parks Highway again. You mention that "The Department would support development to the planned signalized intersection at Stanley via frontage roads or local streets." You failed to mention that there are no "frontage roads" or "local streets" and your design does not show any in the future. Also note that your supplemental Analysis you provided is biased and full of misinformation tailored to fit the DOT's planned design (Crystal Ball). How about an analysis by our engineer? I will bet the outcome will be completely different of what your analysis is.
You state in your letter that "The Parks Highway is designated an interstate". The Parks Highway may be "Labeled" as an Interstate Highway by some source, however it does not meet the standards of an Interstate Highway. **Standards:** The American Association of State Highway and Transportation Officials (AASHTO) has defined a set of standards that all new Interstates must meet unless a waiver from the Federal Highway Administration (FHWA) is obtained. **One almost absolute standard is the controlled access nature of the roads. With few exceptions, traffic lights (and cross traffic in general) are limited to toll booths and ramp meters (metered flow control for lane merging during rush hour).** Your signalized intersections do not meet this criteria. **Speed limits: Being freeways, Interstate Highways usually have the highest speed limits in a given area.** (In Alaska that speed limit would be 65 mph) Currently, rural speed limits generally range from 65 to 75 miles per hour….
Basically, according to your ROW acquisition and your own admittance, the Department of Transportation plans to eventually turn the Parks Highway between Wasilla at Lucas Road and Big Lake Road into a Freeway with a 65 mile per hour speed limit + whatever a future speed limit is. The Dot public meetings on this subject said that the speed limit would be 55 mph.
According to the **Mat-Su Borough Long Range Transportation Plan**
(1) INTRODUCTION

1.2 Purpose of planning; "its important that decision-makes not have to address important issues and make critical choices by the seat of their pants, but be able to rely on a well-conceived plan developed with substantial community involvement."

(2) GOALS AND OBJECTIVES

2.1; This set of goals addresses the impacts of transportation facilities upon Borough residents at work and home. This plan seeks to direct the development of the Borough's transportation system that respects our neighborhoods, is visually attractive and is efficient.

Goal: Provide a transportation system that enhances the local economy and quality of life.

DOT's planned highway design, according to their ROW acquisition purchase plan submitted to the Mat-Su Borough will stop and destroy the local economy based on the following factors.

Purchasing Right of Way that:

Eliminates required parking and snow storage to maintain business
28 properties with 10' set back violations
Negatively impact land and property value
No left turn into or out of properties making them U Turn accessible.
Unreasonable and Unsafe Access for several properties.
Over $100 Million wasted for additional ROW that is not needed.

All of the businesses along this Commercial Corridor expressed a strong opinion that they want a 5 lane road, with a center lane for turning onto or off the road. That type of road we have been using for several years has proven to be safe, and people are less likely to be killed.

The last large DOT road design on the Parks Highway between Seward Meridian and the Glenn Highway literally stopped the commercial growth in that area, destroyed a lot of businesses, and has discouraged new businesses to open. With 5 lanes everyone will have reasonable safe access to their property and eliminate the unnecessary spending of hundreds of millions of dollars in this fragile economy.

The DOT already has 200 feet of ROW and it's not necessary to purchase any more. In the July 6, 2001 lunch meeting (you refused to eat) we had with you, and other local politicians, you acted a lot different than you do in the letter we are answering. When we pointed out that there would be a huge loss of businesses and jobs due to your proposed road design, you said that was not your concern, and we were surprised when you told us that "this road design is going to happen as designed and nothing will stop it. Its in stone" and that your job is to "move traffic fast and don't get involved in anything else." You also expressed the same opinion about Seward Meridian Road and Knik Goose Bay Road (KGB), stating that they will also be limited access and there is nothing that we can do about it or to stop you! Our opinion is that you will continue to destroy the majority of all of the businesses in your Freeway Design as you previously did on the Parks Hwy between the Glenn and Seward Meridian. A 5 lane design along this commercial corridor will eliminate a lot of mistakes.

If you feel you need a freeway, we suggest that you don't build it in an already busy commercial corridor as you have planned, but rather a "bypass" road on its own.

Peter Zamarello

Olympic Investments LLC

Cc: Commissioner Marc Luiken,

Governor Parnell,

Lt Governor Tredwell

Senator Menard,

Senator Huggins,

Represenative Neuman,

Represenative Keller,

Represenative Stoltz,

Wasilla Mayor Rupright,

Houston Mayor Thompson,

Mat-Su Borough Mayor Larry DeVilbiss

Mat-Su Borough Platting Board

BIG LAKE CHAMBER OF COMMERCE
PARKS HIGHWAY UPGRADE 4-LANE WITH SECONDARY SIDE ROADS
RESOLUTION NO. 12-0120

A RESOLUTION OF THE BIG LAKE CHAMBER OF COMMERCE SUPPORTING THE PARKS HIGHWAY, LUCUS ROAD TO BIG LAKE ROAD FOUR-LANE UPGRADE WITH LIMITED ACCESS AND SECONDARY SIDE ROADS RATHER THAN 5 LANES ALSO KNOWN AS SUICIDE LANES.

WHEREAS, the community of Big Lake, population of 3900 depends on the Parks Highway for safe, efficient transportation, and

WHEREAS, The Parks Highway, Lucas Road to Big Lake Road corridor is one of the top 10 roadways in Alaska for fatal injury crashes, ranking in the top 3 on the State Department of Transportation's (DOT) top 10 Safety Corridor candidates list, and

WHEREAS, the Parks highway, Lucas Road to Big Lake Road segment was one of the first two Safety Corridors designated in 2006 under newly passed Safety corridor legislation, and

WHEREAS, this corridor is one of the top 10 roadways in the state for traffic volume per lane, ranking at the top of Congestion Bottlenecks submitted to the Federal Highway Administration, and

WHEREAS, congestion is evident due to steady lines of traffic with few gaps in both directions, leading to two or more mile backups at signals on weekends and during commuter peak times of day, and

WHEREAS, the Functional Classification of the parks Highway is as a Principal Arterial-Interstate Highway on the National Highway System, and

WHEREAS, the primary purpose of the Parks is to serve not only higher traffic volumes locally, but to serve as a component of intrastate travel the rest of the state to Fairbanks and Prudhoe Bay, and

WHEREAS, the function of a Principal Arterial, Interstate, is to minimize travel time while providing efficient use of the route minimizing crashes and conflicts, and

WHEREAS, a hierarchy of secondary roads are desirable to serve and collect traffic prior to entering the principal arterial, and

WHEREAS, businesses in the Mat Su Borough have located along this corridor and need efficient and safe access that does not impede commuter and industrial traffic.

NOW, THEREFORE, BE IT RESOLVED, the Big Lake Chamber of Commerce supports the Parks Highway 4-lane upgrade, design and construction from Lucas Road to Big Lake Road as a partial limited access facility for a safe and efficient transportation corridor to the community of Big Lake, and

BE IT FURTHER RESOLVED, the Big Lake Chamber of Commerce supports development and funding for frontage roads and efficient secondary access roads to the Parks Highway instead of the reconsideration of a 5 lane suicide lane system, and

BE IT FURTHER RESOLVED, the Big Lake Chamber of Commerce strongly supports the expedition of Federal and State funding for phase 1 from Lucas Road to Church Road and Phase 2 from Church Road to Pittman Road and Phase 3 Pittman Road to the Big Lake Road.

ADOPTED by the Big Lake Chamber of Commerce this 13th day of March, 2012

Rosa Shilanski, President of Big Lake Chamber of Commerce

Jerry Hill, President Elect of Big Lake Chamber of Commerce

Nancy Barnes

From:	Jody Simpson
Sent:	Thursday, March 29, 2012 10:52 AM
To:	Jay Nolfi
Cc:	Nancy Barnes
Subject:	RE: Parks Highway Upgrade (Miles 44-52)

Thank you, Mrs. Nolfi.

I will pass this along to Nancy Barnes in Senator Kookesh's office, with a request that it be distributed to the STRA committee members for this afternoon's meeting.

jody

Jody Simpson

Office of Senator Charlie Huggins
Senate District H
Alaska State Capitol, Room 423
Juneau, Alaska 99801-1182
Toll Free: 1-800-862-3878
Direct Line: (907)465-2661
Fax: (907)465-3265

Jody_Simpson@legis.state.ak.us

From: Jay Nolfi [mailto:jaynolfi@mtaonline.net]
Sent: Thursday, March 29, 2012 10:50 AM
To: Jody Simpson
Subject: Parks Highway Upgrade (Miles 44-52)
Importance: High

Senators, with the growing population of senior drivers, one would expect their government to construct safer roadways instead of placing challenging obstacles in newly-built roads

Within less than two months, I will be 90 years of age, and lived in Alaska for more than 65 years. I had a stroke last October and before I attempted to re-enter the highways behind the wheel of a vehicle, I underwent two separate driving courses spending approximately $375.00 to make certain I would not be a hazardous driver.

One would expect all newly-built roads would be much safer for the entire population. Are you willing to exchange lives for the whims of a few business people who mistakenly believe their businesses will be adversely affected? Wasilla is a town you "intentionally go to " or must go through".

Please do not revert to a so-called "Suicide Lane" on this project. The safest upgrade on this section of the road is a Four (4) lane, divided highway.
I hope you will concur.

Jay Nolfi
Big Lake
892-6356

Jody Simpson

From: Roger Purcell <roger_purcell@hotmail.com>
Sent: Thursday, March 29, 2012 12:06 PM
To: marc.luiken@alaska.gov; Sen. Linda Menard; Rep. Mark Neuman; Rex Shattuck; Sen. Charlie Huggins; david.c.miller@dot.gov
Subject: Parks Hwy 44-52 City of Houston
Attachments: Highway letter 1.doc; AS35 law.doc; resolution 10-12 highway pg 1.jpg; resolution 10-12 highway pg 2.jpg; resolution 10-12 highway pg 3.jpg

March 29, 2012

Commissioner Marc A Luiken
Alaska Department of Transportation

Dear Mr. Luiken,

This letter is to bring to your attention that DOT employees are being deceptive and have knowingly produced inaccurate documents to force a highway concept that is not acceptable to the residents and business along the Parks Highway, MP 44-52.

Your department has violated state statue AS35.30.010, AS19.10.160 and 23USC134 and 135, and has lied to both the City of Wasilla Planning Commission and the Mat Su Borough Transportation Advisory Board. During last night's meeting of the Mat Su Borough Transportation Advisory Board, statements made by the DOT Parks Highway Mile 44-52 Project Manager cannot be interpreted as anything but deliberate distortion of the facts to promote the "preferred alternative.".

The Mile 44-52 Project Office shows complete contempt for the City of Houston by violating agreements made during the August 25, 2010 work session with the City Council and by repeatedly misrepresenting the City's position as is expressed in City of Houston Resolution 10-12 which passed on September 09, 2010.

Despite being warned, the DOT Project Office continually misstates where the proposed highway project terminates, which is in the City of Houston, not in the unincorporated community of Big Lake. They have distributed inaccurate and misleading information, deceiving Houston residents as to how far this highway project extends into our city and its proximity to the major intersection leading to Houston Middle and High schools and have ignored addressing the unsafe traffic condition created by going from a high speed four lane divided highway to a two lane highway immediately before this intersection.

Because of the numerous misstatements, including false statements made to local governmental bodies, and the published inaccuracies, a strong case can be for inadequate public notice which could be challenged in court. Furthermore, all of the alternatives for this project haven't been considered, including reducing Parks Highway congestion by use of northern and southern Wasilla Bypasses or a Knik Arm Bridge connector road.

I would like the opportunity to discuss these issues with you in the near future.

Sincerely,

AS 35.30.010. Review and Approval By Local Planning Authorities.

(a) Except as provided in (b) of this section, before commencing construction of a public project,
(1) if the project is located in a municipality, the department shall submit the plans for the project to the planning commission of the municipality for review and approval;
(2) if the project is located within two miles of a village, the department shall submit the plans to the village council for review and comment;
(3) if the project is located within one-half mile of the boundary of an area represented by a community council established by municipal charter or ordinance, the department shall submit the plans to the community council for review and comment.
(b) Prior approval by a municipal planning commission may not be required before the commencement of construction of a highway or local service road if
(1) the department and the municipality have entered into agreement for the planning of the project under AS 19.20.060 or 19.20.070 and the plans for the project are completed in accordance with the terms of that agreement;
(2) the municipality has adopted a municipal master highway plan under AS 19.20.080 and the highway or local service road is consistent with the plan adopted; or
(3) the department has entered into agreement with the municipality for the planning of transportation corridors under AS 19.20.015 and the plans for the project are completed in accordance with the provisions of that agreement.
(c) If final disapproval by resolution of the governing body of the affected municipality or village is not received within 90 days from the date the project was submitted to the municipality or village, the department may proceed with the project.

AS 35.30.020. Compliance With Municipal Ordinances.

A department shall comply with local planning and zoning ordinances and other regulations in the same manner and to the same extent as other landowners.

AS 35.30.030. Waiver.

If a department clearly demonstrates an overriding state interest, waiver of local planning authority approval and the compliance requirement may be granted by the governor. The governor shall issue specific findings giving reasons for granting any waiver under this section.

Jody Simpson

From: bill haller <fishlessbill@yahoo.com>
Sent: Thursday, March 29, 2012 10:44 AM
To: Sen. Charlie Huggins
Subject: Parks Hwy Upgrade

Senator Huggins can you make sure my comments are forwarded to all of the transportation board?
My name is Bill Haller and i drive the Parks Hwy every day. I am vary concerned that the state would even consider going to a 5 lane (suicide lane) redesign of the Parks Hwy. This would take a bad situation for safety standards and make it worse. Having to turn left across 2 lanes of traffic is a sure fire way to take the death toll up on this stretch of road. I understand that some business owners have made the comment that it would restrict traffic to their property. I would disagree with that statement, I can only see 1-2 business that i would consider a impulse stop on that road all the others i would consider a destination stop that i would have planed to go to. I strongly feel the safety factor far out ways the few that are making the noise.

Bill Haller
Big lake Alaska

Jody Simpson

From: Floyd Shilanski <floyd@shilanski.com>
Sent: Thursday, March 29, 2012 9:52 AM
To: Sen. Albert Kookesh; Sen. Joe Thomas; Sen. Linda Menard; Sen. Dennis Egan; Sen. Charlie Huggins
Subject: FRom Floyd Shilanski

Follow Up Flag: Follow up
Flag Status: Completed

To whom it may concern:

AS the meeting today is in the middle of the work day I was unable to rearrange my work schedule to testify in person. I hope this communication will be entered into the Public comment.

As a resident of Big lake Ak since 2000 and a commuter to Anchorage during the same time frame I have seen traffic increase and increase along with the accidents. I have watched the Lights go up and the Glenn intersection go from dreams to reality.

As a driver of the Glenn 4-5 times (round trips) a week Safety is one of the most important issues I worry about From Head on collision to the Suicide lane turns to folks attempting to pass when they should not ?

In attending two the of public comments I have heard a lot of conversations regarding the safety issues and the commerce along the Highway.

As a Self Employed individual for 30 some years I understand the need for exposure in many businesses thus the reasons for Signs,

But in the hearing what I heard was the potential loss of customers due to frontage roads?

Since the hearings I have taken a close look at thee businesses in discussion. If we were all honest the only one that might be greatly affected is the Restaurant. I do use several the business along the Glenn and they are a destination for me not, OH I NEED TO STOP AND GET A PRICE ON A TIRE? Or I have my fish in the car and I should stop and get them smoked?

If I had to use an access road to obtain access then I would plot that into my trip to said destination?

Might commerce slow down during construction the answer is yes regardless of a divided highway or a 5 lane highway

As my home is Big Lake and it is my return destination each day as I drive home the thought of adding an additional 30-45minutes to the commute because of the lower speed limits that come with a 5 lane highway gives me a real concern.

When I first began the commute the time from our Home on the Lake to downtown Anchorage was 55-65 min. Now it is normally 75-85 min in the am and much longer in the evenings with out any accidents.

So as the upper valley grows and it is, do we hamper the commuters or take their desires into consideration?

In listening to the DOT fellow I heard him say that the design for the Big Lake Intersection was going to be put out for Bid and that he would be holding Public meetings in the Spring or Fall. He also said a stop light was forth coming for the Big Lake Intersection But we did not get the feeling that a lot of additional input would come after the design contract was let? This gives me a concern regarding the Public input.

When asked about the design for Big Lake intersection he did say it was for a Stop light and turn lane?

So my questions was why not an over pass? The response at first was that it did not currently warrant one? I ask what it would take to warrant one and he said that more Deaths would have to take place to change the design. While I am sure this is not exactly what he said this was that I took away from the conversation.

When pressed it really came down to funding! Ok I get this !

But why do we not look toward the future and ask or selves that if it takes 10 years to get a road approved why not look to the next 20 years and determine if the growth rate continues at half of the Valleys projections the traffic will increase and of it cost a dollar today to build an over pass in 20 years it will cost 5 times the amount. So we have an opportunity to do it right for a generation or two vs looking at redoing it in a generation or two.

Whether the Bridge goes or not the the traffic is increasing and the need to improve the transportation corridor is increasing as well as the safety of all on the Highways

respectfully

Floyd Shilanski RFC RFP CSA

--

Floyd Shilanski

431 West 7th Ave Ste 100
Anchorage AK 99501
Ph: (907) 278-1351
Fx: (907) 278-4237

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4/03/12 OVERSIGHT HEARING: SOUTHEAST TRANSPORTATION PLAN

<TARGET><BILL></BILL><SUBJECT>4-03-12 OVERSIGHT HEARING SOUTHEAST TRANSPORTATION PLAN</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE TRANSPORTATION COMMITTEE

State Capitol, Room 11
Juneau AK, 99801-1182
907-465-6828

To: Senate Transportation Committee Members

From: Senator Albert Kookesh, Chair

Date: March 29, 2012

Subject: Committee Meeting Schedule
April 2 – 6, 2012

Tuesday, April 3, Butrovich Room 205, 1:00-3:00pm

Oversight Hearing on the Southeast Transportation Plan (1-2pm)

+CS for HB 115, pending referral: "An Act designating a portion of Minnesota Drive and a portion of O'Malley road in Anchorage—the Walter J. Hickel Expressway (Representative Johnson)

+HJR 4: "Constitutional Amendment: Transportation Fund (Representative Wilson)

Thursday, April 5, Butrovich Room 205, 1:00-3:00pm

Bills previously heard or scheduled

+indicates will be teleconferenced.

SENATE TRANSPORTATION COMMITTEE

State Capitol, Room 11
Juneau AK, 99801-1182
907-465-6828

Tuesday, April 3, Butrovich Room 205, 1:00-2:00pm

Oversight Hearing on the Southeast Transportation Plan (1-2pm)

1. **Power-point presentation on the proposed Route 7 from Metlakatla to Haines**

2. **Plans to accommodate the needs of foot passengers travelling within the region.**

3. **The formula for setting the Alaska Marine Highway tariffs throughout the state.**

4. **Plans for future Alaska Class Ferries and the status of the vessel replacement fund.**

5. **Mike Korsmo, Past Chair of the Marine Transportation Board (MTAB): The role of the Marine Highway and MTAB in developing regional transportation plans.**

Questions

Senate Transportation

Commissioner Marc Luiken, Al Clough, SER Director
Mike Neussl, Deputy Commissioner Marine Operations

April 3, 2012

Alaska Department of Transportation & Public Facilities

Senate Transportation

Commissioner Marc Luiken, Al Clough, SER Director
Mike Neussl, Deputy Commissioner Marine Operations

April 3, 2012

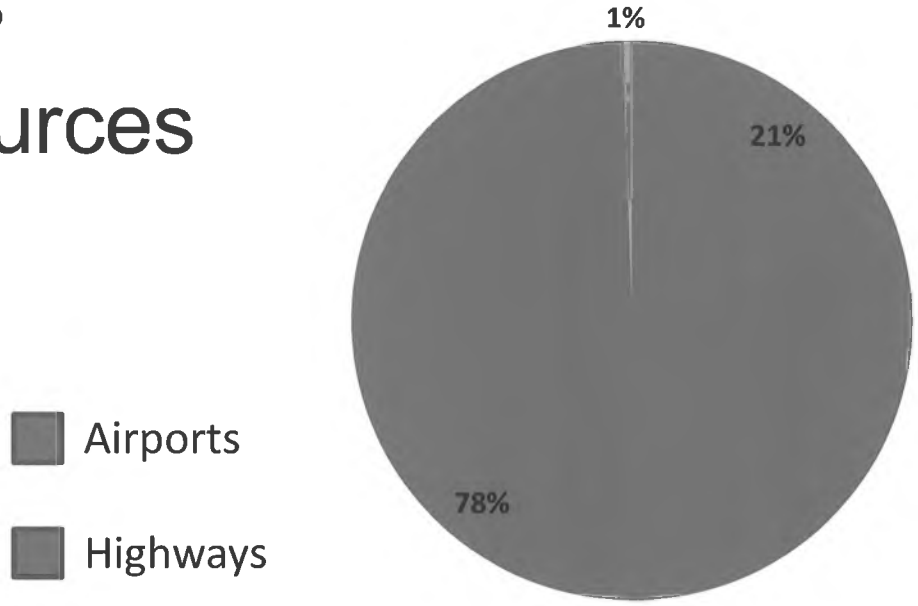
DOT&PF Strategic Plan

- Get Alaska Moving Through Service & Infrastructure

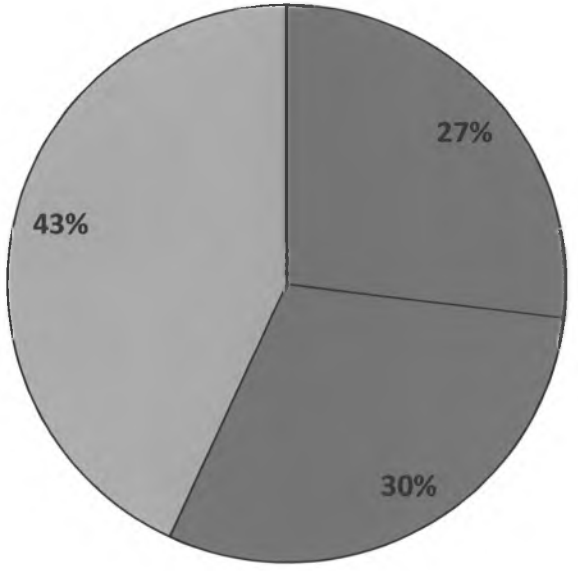
- Expand Alaska's Transportation System

Challenges

- Geography
- Costs
- Resources



Passenger Miles by Mode
Statewide



Maintenance & Operations
Statewide FY2011, Total

Opportunity

- Plan Beyond 20 Years
- Create Efficient Systems
- Develop Roads to Resources

Planning

- SATP is an important guide for DOT
- FHWA requires a multi-modal plan
- Geography in SE will mean that ferries will always be an important component
- The SATP helps guide the Governor when forming the capital budget each year

Developing the SE Plan

- 2004 SE Alaska Transportation Plan
- Scoping process
- Factors for consideration

Important Issues

- Use capital funding efficiently
- Fleet optimization
- Maintain or improve regional mobility
- Connect SE Communities
- Reduce system annual expense

Process

Mission and Goals Development → Planning Assumptions, Purpose and Need → Alternative Scoping Process

↓

Selection and Analysis → Draft Plan Review → Adopt Final Plan, Review and Update Every 5 Years

Six Scoping Alternatives Review

1 – Baseline: Maintain the Existing System

2 – Ferry Capacity Management

3 – Maximize Use of Existing Roads

4 – Alaska Class Ferries

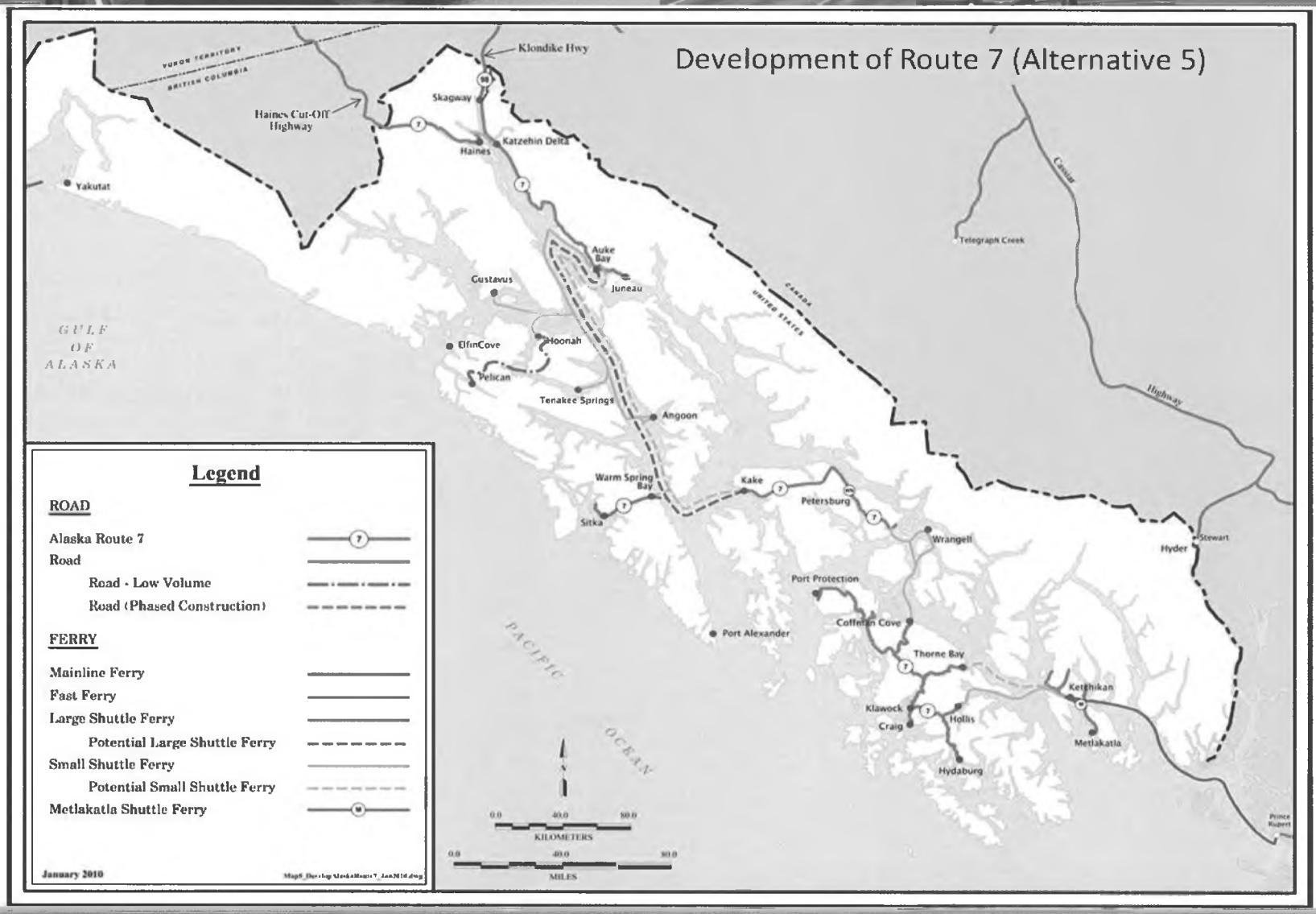
5 – Highway Route 7

6 – No Action

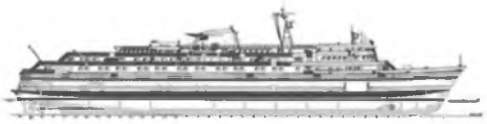
Highway Route 7

- Construct:
  - Juneau Access
  - Kake to Petersburg
  - Alaska Class ferry plus 10 shuttle ferries
  - Sitka to Warm Spring Bay (Design)

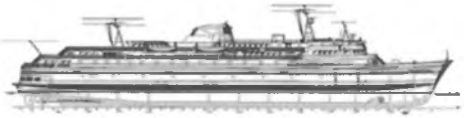
- Impacts:
  - Discontinue Bellingham and Cross-Gulf service (including Yakutat)
  - More service between nearby communities, longer travel times through the region


Development of Route 7 (Alternative 5)
YUKON TERRITORY
BRITISH COLUMBIA
Klondike Hwy
Skagway
Haines Cut-Off Highway
Haines
Katzehin Delta
Yakutat
Auke Bay
Juneau
Gustavus
GULF OF ALASKA
ElfinCove
Hoonah
Pelican
Tenakee Springs
Angoon
Warm Spring Bay
Sitka
Kake
Petersburg
Wrangell
Port Protection
Port Alexander
Coffman Cove
Thorne Bay
Klawock
Craig
Hollis
Hydaburg
Ketchikan
Metlakatla
Telegraph Creek
Cassiar
Highway
Stewart
Hyder
CANADA
UNITED STATES
PACIFIC OCEAN
Legend
ROAD
Alaska Route 7
Road
Road - Low Volume
Road (Phased Construction)
FERRY
Mainline Ferry
Fast Ferry
Large Shuttle Ferry
Potential Large Shuttle Ferry
Small Shuttle Ferry
Potential Small Shuttle Ferry
Metlakatla Shuttle Ferry
January 2010
0.0 40.0 80.0
KILOMETERS
0.0 40.0 80.0
MILES

Alaska Marine Highway System

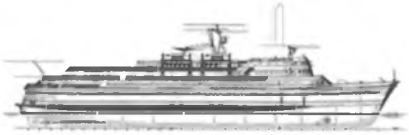


M/V Matanuska
408 feet
Built 1963



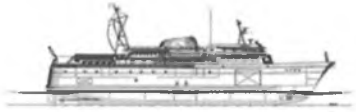
M/V Malaspina
408 feet
Built 1963

15 million for 3

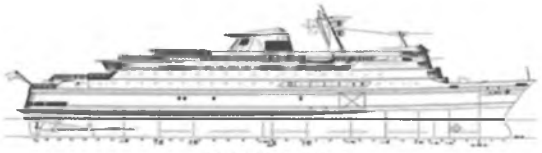


M/V Taku
352 feet
Built 1963

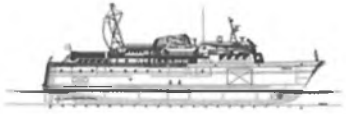
M/V Tustumena
296 feet
Built 1964



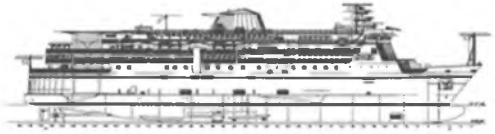
M/V LeConte
235 feet
Built 1974



M/V Columbia
418 feet
Built 1974

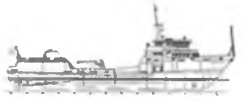


M/V Aurora
235 feet
Built 1977



M/V Kennicott
382 feet
Built 1998

FVF Fairweather
240 feet
Built 2004



M/V Lituya
193 feet
Built 2004

FVF Chenega
240 feet
Built 2005

AMHS Tariffs

- No Formula for Setting Tariffs
- 17 AAC 70.040 – Tariffs reviewed and revised by DOT&PF commissioner in the best interest of the general public and the ferry system.
- Tariffs have been set over many years by various administrations

Alaska Class Ferry

- Only One Alaska Class Ferry (ACF) Authorized & Funded
- There was talk of a second & possibly third ACF to fill certain routes & replace aging vessels
- Tustumena

ALASKA CLASS FERRY

Vessel Replacement Fund

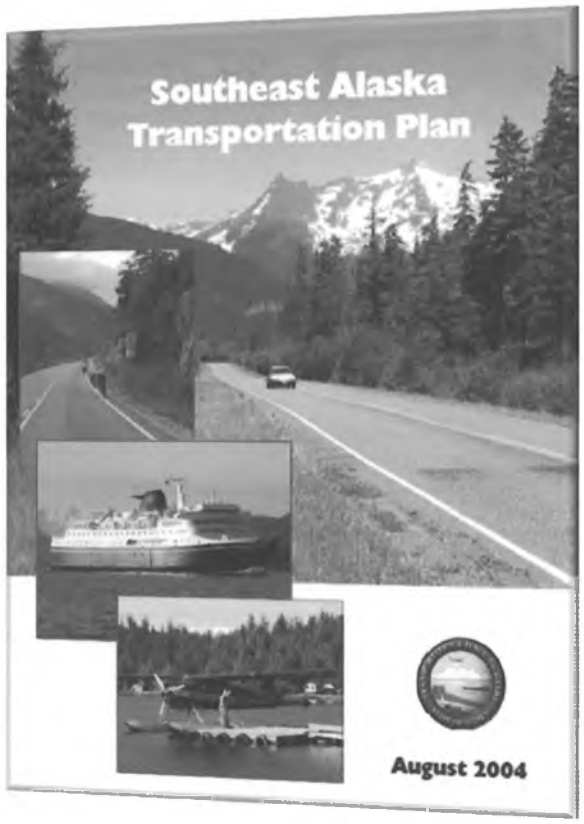
- Vessel Replacement Fund (VRF) created by Statute AS 37.05.550
- Legislative function to appropriate funds or interest earned into the VRF
- Current Balance is $118M of $120M Appropriated

ALASKA CLASS FERRY

Regional Transportation Plans

- AMHS Involvement

- MTAB Involvement
  - AS 19.65.011
  - Consultation



Questions

Senate Transportation

Commissioner Marc Luiken, Al Clough, SER Director
Mike Neussl, Deputy Commissioner Marine Operations

April 3, 2012

Talking Points Oversight Hearing

1. Route 7 is a very complicated itinerary. There are concerns about the logistics and length of time required to travel through the region if Route 7 is implemented. Please explain in detail the logistics of ***taking a basketball team from Angoon to Ketchikan (for example) and the estimated time it will require.***
2. A failure in one of the Route 7 links (due to mechanical failure or avalanche) will cause people to be stranded and create a bottleneck for traffic throughout the entire system. How do you plan to deal with these eventualities?
3. Many people (40%) currently travel the region without vehicles. How will you accommodate foot passengers in the Route 7 alternative? Does the Marine Highway receive Federal Transit Administration (FTA) money and if so, will that funding source be lost when it is no longer possible to travel throughout the region without a vehicle?
4. Mainliners play a big role in transporting our military families in and out of the state. Under Route 7, transporting a military family from Bellingham to Anchorage would require 5 road links, 5 ferry links and 4 border crossings. How long do you estimate it will take to accomplish this trip?
5. Route 7 calls for elimination of the Lynn Canal, Bellingham, and Cross Gulf routes. These are the Marine Highway's most lucrative routes. What will be the effect on ticket prices and/or increased state subsidies when those revenues are eliminated?

haven't met the objectives of their transit plan.

Marine v Road

vehicle to transit?

Nancy Barnes

From: Norbert & Diana Chaudhary <chaudhary@kpu.net>
Sent: Friday, March 30, 2012 11:55 AM
To: Sen. Albert Kookesh
Subject: Southeast Area Transportation Plan

Dear Sir,

I am very disappointed to see that the DOT is once again pushing for more roads and less ferries. Perhaps this a result of too many civil engineers on the state payroll? Or is there Federal money involved? Either way common sense appears to be lacking. Southeast Alaska is blessed with protected waterways surrounded by stunning scenery. Rather than attacking nature by blasting roads into steep hillsides, we should walk in step with - and embrace the unique maritime environment in which we live.

The millions that visit and those of us that live here are not interested in building and maintaining more asphalt, concrete and steel bridges - there is plenty of that in the lower 48. Besides, it is impractical, unrealistic and honestly outright absurd to believe that transportation needs are improved by eliminating mainline ferries for a system of more roads, shuttles and multiple short run ferries. While operations at the AMHS can be improved and made more efficient - gutting it would be a big mistake. My wife and I have raised four children in Ketchikan (3 currently at UAA) and we are frequent riders on the ferries. As a suggestion, two Bellingham ferries and two Rupert ferries per week in the summers would be beneficial to Alaskans and allow easier access for outsiders to come and spend their money in our state.

Alternative 5 is the worst of several bad choices, I urge you to consider options better suited for our outstanding and breathtaking geography. Thank you for considering my opinion.

Regards,
Norbert Chaudhary
Ketchikan, AK

March 12, 2012

Marine Transportation Advisory Board

MTAB Legislative Priorities for 2012 Session

Robert Venables
Chair
Northern Southeast
Haines

Mark Eliason
Vice Chair
Travel & Tourism
Anchorage

Ron Bressette
Union
Juneau

Gerry Hope
Central Southeast
Sitka

Joshua Howes
At-large
Anchorage

Tim Joyce
Prince William Sound
& Kenai Peninsula
Cordova

Dan Kelly
Southern Southeast
Ketchikan

Mike Korsmo
Retired Marine Captain,
not affiliated with AMHS
Skagway

Shirley Marquardt
Southwest AK, Aleutian Chain
Unalaska

Cathie Roemmich
At-Large
Juneau

Maxine Thompson
Hoonah, Kake, Pelican and
Tenakee
Angoon

We Strongly Recommend Funding for FY 2013:

Funding for AMHS operations at current levels of service

- ✓ Public expects and appreciates a consistent schedule
- ✓ Due to maintenance schedules, replacement ships cost more to operate
- ✓ Customer satisfaction approval rating for current service level is high

Alaska Class Ferry Construction

- ✓ Next generation ferry to start replacement of aging AMHS fleet
- ✓ CM/GC Process to be used for efficiency
- ✓ Following legislative intent to build in Alaska

Columbia Repower Project (federal receipts)

- ✓ Unexpected engine casualty in May 2011 caused 4-day service outage
- ✓ Ship is due for mid-life repowering
- ✓ Catastrophic casualty of an engine would cancel entire operating season

Engine Replacements for the Fast Vehicle Ferry (federal receipts)

- ✓ Fairweather engines have reached maximum cylinder bore oversize limit
- ✓ No proven permanent solution to problem exists
- ✓ Potential for year+ service gap due to long lead time engine production

Annual Appropriations to the Vessel Replacement Fund of at least $60 Million

- ✓ Systematic annual investment needed to replace aging fleet
- ✓ Current commitment to AK Class Ferry means zero balance in fund
- ✓ Retaining fund's interest earnings could protect against inflation

Contact: Robert Venables, Chair
venables@aptalaska.net

Marine Transportation Advisory Board

Alaska Department of Transportation and Public Facilities
P.O. Box 112500 • Juneau, AK 99811-2500

Robert Venables
Chair
Northern Southeast
Haines

Mark Eliason
Vice Chair
Travel & Tourism
Anchorage

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Union
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Gerry Hope
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Juneau

Maxine Thompson
Hoonah, Kake, Pelican and Tenakee
Angoon

October 27, 2011

Mr. Andy Hughes
Transportation Planner
Alaska Department of Transportation
PO Box 112506
Juneau, AK 99811-250

Re: SATP Recommendations

Mr. Hughes:

Thank you for the extensive time you and your staff spent in the recent work session and special meeting with the Marine Transportation Advisory Board (MTAB) regarding the Southeast Alaska Transportation Plan (SATP). This long-range plan sets the critical path for the ferry system, and the investments made by the State of Alaska in support of its implementation will ultimately provide the region with a transportation system that will meet the basic needs of southeast communities while supporting local, regional and state economies.

The MTAB met on October 14, 2011 to consider the various options offered in the SATP Scoping Report and passed the following motion:

The Marine Transportation Advisory board will develop a letter of support for the SATP that articulates the MTAB position including the retention of both the Bellingham and Cross-Gulf ferry routes, the construction of an additional Alaska Class ferry and one mainliner replacement ferry, consideration of a Berner's Bay ferry terminal that includes an inherent Public Transportation component to support walk-on ferry passengers, and funding for the design phase for the Sitka-Baranof Warm Springs road. Road links should be built where appropriate and possible in order to shorten ferry runs and create an efficient transportation system.

Alaska policy-makers created a transportation system in the AMHS that provides a vital service to both local residents and citizens throughout the country and is used extensively by members of the U.S. military. The MTAB believes that a SATP that includes these objectives will best provide the framework that will afford the safe movement of people and goods throughout the region and state. It is critical that the SATP outline these objectives in such a way that they can be systematically achieved.

Thank you for the opportunity to provide input for the development of the Southeast Alaska Transportation Plan. Feel free to contact me at any time for more information or to answer any questions that may arise.

On behalf of the Marine Transportation Advisory Board,

Robert Venables, Chair

cc: Governor Parnell
Alaska State Legislature
Southeast Conference

CONFIR-MATIONS 2011

<TARGET><BILL></BILL><SUBJECT>CONFIRMATIONS 2011</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE
CONFIRMATION COMMITTEE REPORT

Date: MARCH 11, 2011

In accordance with AS 39.05.080, the Transportation Committee reviewed the following and recommends the appointment be forwarded to a joint session for consideration:

Commissioner – Department of Transportation and Public Facilities
Marc Luiken

This does not reflect an intent by any of the members to vote for or against the confirmation of the individual during any further sessions.

Signature:	**Printed Last Name**
	EGAN
	THOMAS
	MENARD
	HUGGINS
Chair:	KOOKESH

Please return to the Senate Secretary's Office (Room 211).

Alaska State Legislature

Senate

Office of the Secretary

Official Business

State Capitol, Room 211
Juneau, Alaska 99801-1182
Phone: (907) 465-3701
Fax: (907) 465-2832
Email:senate_secretary@legis.state.ak.us

Memorandum

TO: Senator Kookesh, Chair
Transportation Committee

FROM: Kirsten Waid
Secretary of the Senate

DATE: February 2, 2011

SUBJECT: Confirmation of Governor's Appointment

Pursuant to AS 39.05.080, the President has referred the following name for legislative confirmation to your committee for a hearing, recommendation and report:

Commissioner – Department of Transportation and Public Facilities
Marc Luiken
Appointed: 11/18/2010

Resume(s) will be transmitted electronically.

KW:jcs
gl #2

Luiken, Marc
Commissioner - Department of Transportation and Public Facilities

COLONEL MARC A. LUIKEN, USAF (retired)

Executive Summary

A proven executive director, military commander, and senior state employee who has demonstrated creativity, results-oriented large organization leadership, project management, joint and interagency communications, and multi-agency large scale execution. Unique capabilities to think creatively, communicate a vision, build a coalition of disparate stakeholders, and lead his team to accomplish relevant successes. Thirty years of experience in training units and leaders, identifying new opportunities, and transforming organizations to compete more effectively. Documented success in positions of increasing responsibility, to include fighter support squadron command, deputy operations group command, mission support group command and numbered Air Force and major command senior leadership positions and the public sector.

Professional Background

Deputy Commissioner – Aviation, State of Alaska Department of Transportation and Public Facilities, Anchorage, Alaska.
Jun 10 to present (State of Alaska Employee)

Responsible for overall management of the 255 state-owned and operated airports. Executive Director of the Alaska International Airport System made up of Ted Stevens Anchorage International Airport and Fairbanks International Airport. Oversees Statewide Aviation and Leasing Section preparing policies, procedures, and programs to develop, construct, and operate the rural public airports. Provides oversight in the development of the Capital Improvement Program, property management and leasing policy, and aviation engineering standardization. The State's primary contact with the Federal Aviation Administration.

Vice Commander, 11th Air Force, Elmendorf AFB, Alaska
Oct 08 – May 10 (Active duty Air Force Colonel)

Handpicked by the Commander, Pacific Air Forces to be the principal advisor to the Commander, 11th Air Force. Oversaw mission execution for two primary flying wings and 17 additional sites. Implemented a $118 million dollar Headquarters 11 AF annual budget. Chief executive for the command, implementing commander decisions, plans, and policies. Alaska Civil Military Airspace Committee Chairman; resolved civilian and military airspace and aviation issues across Alaska. Served as an Alaska NORTH AMERICAN AIR DEFENSE COMMAND Region Battle Commander ensuring the sovereignty of North America. Ensured $138 million in Military construction projects were put back on track for on time completion. Current and qualified as a C-12F first pilot. (Beechcraft BA200)

Director of Staff, Headquarters Pacific Air Forces , Hickam AFB, Hawaii
May 07 – Oct 08 (Active duty Air Force Colonel)

Selected by the Commander, Pacific Air Forces to serve as his personal Director of Staff. Coordinated, integrated and directed staff functions within the Headquarters Pacific Air Forces. Coordinated daily with HQ PACAF Directors, Staff, other major Air Force Command staffs and Hawaii state and local leaders as executive agent for the Commander. Advised COMPACAF on daily activities and operations of HQ PACAF Staff and insured policies were implemented. Developed plans, policies, procedures & directives insuring smooth daily ops of HQ Staff and subordinate agencies. Provided staff support to four Numbered Air Force's and nine Air Force wings across the Pacific Ocean from Alaska to Korea.

Commander, 325th Mission Support Group, Tyndall Air Force Base, Florida
July 05 – May 07 (Active duty Air Force Colonel)

Commanded the support group for the U.S. Air Force's only F-22 training wing. A 1,750 person organization consisting of 6 squadrons and one detachment. Responsible for daily security, communication, contracting, civil engineering, logistics and readiness, personnel support and quality of life programs serving a base population of more than 21,000 personnel. Executed an annual budget of $42 million to support a 29,000 acre installation with $4.1billion in assets. Oversaw $51 million in military construction projects throughout the base.

Deputy Commander, 374th Mission Support Group, Yokota Air Base, Japan
July 04 - Jun 05 (Active duty Air Force Colonel)

Provided daily senior leadership to an organization consisting of 6 squadrons with 2,900 military and US/Japanese civilians. Responsible for daily communications, civil engineering, logistics, readiness, resource/force protection and quality of life for a base population of 11,000 and over $2 billion in assets.

Student, Air War College, Maxwell Air Force Base, Alabama
Jun 97 to July 99 (Active duty Air Force Colonel)

Deputy Commander, 47 Operations Group, Laughlin Air Force Base, Texas
Dec 95 to Jun 97 (Active duty Air Force Lt Colonel)

Deputy Commander of a largest Flying Training Operations Group in the Air Force consisting of over 1500 military and civilian personnel assigned to four squadrons. Oversaw the flying operations and maintenance at the busiest airfield in the Air Force. Responsible for daily integrated operations of four different airframes (T-37B, T-6,T-38A, T-1A) flying from three runways averaging approximately 1000 traffic movements per day. Led the introduction of the AF's newest training system, the T-6 Texan into the 47 OG training program. Oversaw the installation and operational test and evaluation of the Air Force's first Digital Approach Surveillance Radar - Standard Terminal Automation Replacement System air traffic system.

Commander, 48 Operations Support Squadron, RAF Lakenheath, United Kingdom
Jan 98 - Mar 01 (Active Duty Air Force Lt Colonel)

Commanded and led the most diverse squadron in 48 Fighter Wing. Responsible for all facets of operations providing daily Wing Weapons, Intelligence, Training, Scheduling, Air Field Management and Air Traffic Control services to the only F-15E and F-15C fighter wing in US Air Forces Europe. Set policies and guidelines while leading over 250 officer and enlisted personnel.

Additional Experience

U.S. Air Force

Distinguished service at squadron, group, and wing level, as operational fighter pilot, instructor pilot and leader. Combat experience in Operation DESERT STORM as ground liaison to US ARMY Seventh Corps Commanding General. Fighter Combat experience in Operations SOUTHERN WATCH and ALLIED FORCE. Additional combat support experience in Operation ENDURING FREEDOM as Air Component Coordination Element to the Commander, Joint Task Force Horn of Africa.

Formal Education

Baccalaureate Degree:	US Air Force Academy, 1981, Bachelor of Science in Human Factors Engineering
Postgraduates Degrees:	Troy State University, 1994, Master of Science, Management Science
	Air University, 2004, Master of Science, National Security and Strategic Studies

Professional Military Education

Squadron Officer School, 1985 (Distinguished Graduate)
Air Command and Staff College, 1994
Armed Forces Staff College, 1996
Air War College, 2004

Affiliations

Air Force Association	Member
USAFA Association of Graduates	Lifetime Member
Rotary International – Anchorage Downtown	Member
Change Point Church of Anchorage	Deacon (Core Leadership Development Team)
Alaska Young Life	Board Member

Awards and Additional Information

Legion of Merit (1 oak leaf cluster)
Defense Meritorious Service Medal (1 oak leaf cluster)
Air Force Meritorious Service Medal (5 oak leaf clusters)
Air Medal (1 oak leaf cluster)
Aerial Achievement Medal (2 oak leaf clusters)
Air Force Commendation Medal
Southwest Asia Service Medal (3 bronze stars)
Kuwait Liberation Medal
Defense of Saudi Arabia Medal

Highly proficient in the use of Microsoft Office software suite to include Microsoft Project

References

Colonel Houstoun Waring	Alaskan Command	Director of Operations, J3
Phone Number:	907-552-2280	
Email Address:	houstoun.waring@elmendorf.af.mil	
Reference Type:	Professional	
Dr. Eric Ash	Wayland University	Dean
Phone Number:	(907) 552-1910	
Email Address:	ash@wbu.edu	
Reference Type:	Personal	
Lt Gen Dana T. Atkins	U.S. Air Force	Commander, Alaskan Command
Phone Number:	(907) 552-3100	
Email Address:	Dana.atkins@elmendorf.af.mil	
Reference Type:	Professional	

COL MARC A. LUIKEN (Retired)
Deputy Commissioner – Aviation
Alaska Department of Transportation and Public Facilities

Marc Luiken currently serves as the Deputy Commissioner – Aviation for the Alaska DOT&PF. He joined the Alaska DOT in June 2010 following retirement from the U.S. Air Force after 29 years of service. In this capacity he is responsible for management and operations of the State's 253 rural airports and also serves as Executive Director of the Alaska International Airport System comprised of Ted Stevens Anchorage International Airport and Fairbanks International Airport.

Mr. Luiken previously served as Vice Commander of 11 Air Force at Elmendorf Air Force Base, Alaska, overseeing the mission execution for two flying wings, 15 long-range radars and two additional facilities. 11 AF is also charged with ensuring North American air sovereignty through coordination with the Alaska North American Air Defense Region.

After graduating from the United States Air Force Academy in 1981, Mr. Luiken was commissioned in the United States Air Force. He has held a variety of command and staff assignments world wide including A-10 Functional Check Pilot and Chief of Quality Assurance, RAF Bentwaters, United Kingdom; F-15E Assistant Director of Operations, Seymour Johnson AFB, N.C.; Composite Air Planner, 4 Air Operations Center, NATO, Messtetten, Germany; 48th Operations Support Squadron Commander, RAF Lakenheath, United Kingdom; Deputy Operations Group Commander, Laughlin AFB, TX; and Deputy Mission Support Group Commander, Yokota AB, Japan, Mission Support Group Commander, Tyndall AFB, FL and Director of Staff for the Commander Pacific Air Forces, Hickam AFB, Hawaii.

During Operation DESERT STORM, Mr. Luiken served as the Director of Operations for the 8th Air Support Operations Center Squadron providing close air support to U.S. VII Corps units. He has also deployed twice to Saudi Arabia flying in support of Operation SOUTHERN WATCH. As Director of Operations for the 48th Operations Support Squadron, he oversaw mission planning and flew combat missions supporting Operation ALLIED FORCE in the Balkans. In 2006 Marc deployed to Djibouti where he led the Air Component Coordination Element, representing the Commander Air Force Central Command to the Commander, Joint Task Force-Horn of Africa providing air employment expertise and tactical airlift to throughout the Horn of Africa. While there he also coordinated airlift for humanitarian relief efforts in both Ethiopia and Kenya, providing needed supplies and support to flood victims.

Mr. Luiken has led several organizations in the Air Force focused on supporting flying operations and base infrastructure. As the 48 Operations Support Squadron Commander, Mr. Luiken led the most diverse organization in his flying wing, which included airfield operations and Air Traffic Control, both tower and RAPCON. He oversaw the installation and operational fielding of the first Digital Air Surveillance Radar – Standard Terminal Automation Replacement System (DASR-STARS) in the Air Force at Laughlin AFB, Texas. As the 325 Mission Support Group Commander, Mr. Luiken was responsible for the 29,000 acre Tyndall Air Force Base near Panama City, FL with over $4.1 billion in assets. He commanded security, fire, construction, facilities, services, contracting, personnel, communications, and logistics organizations. He managed a $42M annual operating budget and a $51million annual construction budget, including a major runway renovation project.

Mr. Luiken earned his bachelor's degree in Human Factor's Engineering from the United States Air Force Academy in Mr.orado Springs, CO. He earned a Master's Degree in Management from Troy State University in Alabama and a second Master's Degree in Strategic Studies from Air University in Alabama. He is a Distinguished Graduate from Squadron Officer's School, a graduate of Air Command and Staff Mr.lege, Armed Forces Staff Mr.lege, and Air War Mr.lege. He is a command pilot with 4000 flying hours; he has experience as an instructor pilot, a fighter pilot, a maintenance test pilot and most recently as a light transport pilot, flying the Beechcraft King Air.

Mr. Luiken's awards and decorations include the Legion of Merit (2), Defense Meritorious Service Medal (2), Meritorious Service Medal (6), Air Medal (2), Air Force Commendation Medal (2), Aerial Achievement Medal (2), Armed Forces Expeditionary Medal, and over 15 campaign and service medals. He is a member of the Air Force Association and Rotary International.

SB

19

<TARGET><BILL>SB 19</BILL><SUBJECT>SB
19</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE BILL NO. 19

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY SENATOR FRENCH

Introduced: 1/19/11
Referred: Transportation, Finance

A BILL

FOR AN ACT ENTITLED

"An Act excluding motorcycles and motor-driven cycles from the passenger vehicle rental tax."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 43.52.099(2) is amended to read:

(2) "passenger vehicle" means a motor vehicle as defined in AS 28.90.990 that is driven or moved on a highway or other public right-of-way in the state, but does not include

(A) a commercial motor vehicle as that term is defined in AS 28.90.990;

(B) emergency or fire equipment that is necessary to the preservation of life or property;

(C) a farm vehicle that is controlled and operated by a farmer, used to transport agricultural products, farm machinery, or farm supplies to or from that farmer's farm, not used in the operations of a common or contract

motor carrier, and used within 150 miles of the farmer's farm;

(D) a recreational vehicle;

(E) a taxicab;

(F) a rental truck; in this subparagraph, "rental truck" means a motor vehicle with a gross vehicle weight rating greater than 8,500 pounds that is designed, used, or maintained primarily for the transportation of personal property; [OR]

(G) a vehicle provided by an automobile dealer to a customer as replacement transportation during warranty, recall, or service contract repairs if the dealer does not receive compensation from the customer**; or**

(H) a motorcycle or a motor-driven cycle as those terms are defined in AS 28.90.990;

$12,000.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number
Bill Version **SB 19**
() Publish Date

Identifier (file name) SB19-DOR-TAX-02-16-11
Title Passenger Vehicle Rental Tax
Sponsor Senator French
Requester Senate Transportation

Dept. Affected Revenue
Appropriation Treasury and Taxation
Allocation Tax Division
OMB Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES		**(12.0)**	**(12.0)**	**(12.0)**	**(12.0)**	**(12.0)**	**(12.0)**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1178 Temporary Code							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2011) cost

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

First version of fiscal note.

Prepared by Johanna Bales, Deputy Director
Division Tax Division
Approved by Ginger Blaisdell, Director Administrative Services Division
Department of Revenue

Phone 907-269-6628
Date/Time 2/16/11; 1:00pm
Date 2/16/11; 1:32pm

(Revised 1/27/2011 OMB)

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. SB 19

Analysis

Bill Language:
This bill would exempt motorcycles from the vehicle rental tax.

Revenues:
The state receives approximately $12,000 each year in vehicle rental tax from the rental of motorcycles in the state. Revenue would drop by approximately $12,000 each year as a result of this legislation.

Expenditures:
The department can implement the provisions of this bill with existing resources.

Senator Hollis French

Sponsor Statement

SB 19 – Passenger Vehicle Rental Tax

Senate Bill 19 will remove the 10% tax on motorcycle rentals. With our short summer and the economic benefits of independent tourism, the legislature should support this emerging industry.

Motorcycle tourism brings independent travelers to our small businesses and restaurants. While cruise ships ensure that large hotels are full, motorcycle travelers go off the beaten path, traveling to remote bed and breakfasts or staying in smaller hotels. In contrast to RV renters (who pay a smaller 3% rental tax), motorcycle riders are more likely to eat at restaurants, since it is difficult to cook a meal in one's motorcycle.

With a short rental season, plenty of challenges exist for Alaskan businesses that rent motorcycles. On top of the seven or eight winter months where rental income isn't earned, fleet storage adds to the cost of doing business in Alaska. These factors increase the price of rentals, making it difficult to draw in customers. Adding a 10% state tax makes renting motorcycles even more challenging for rental businesses.

Passing this legislation corrects the accidental inclusion of motorcycles to our existing rental vehicle tax. In 2003, the legislature passed a motor vehicle rental tax for rental cars. No talk of motorcycles was placed on the record after that time. Also illustrating that point, the Department of Revenue didn't even collect the tax until several years after the law became effective.

Please join me in supporting this legislation, to benefit independent tourism in Alaska.

Existing Statutes in Title 43 (Revenue and Taxation Title)

Sec. 43.52.010. Levy of passenger vehicle rental tax.

There is imposed an excise tax on the charge for the lease or rental of a passenger vehicle in this state if the lease or rental of the passenger vehicle does not exceed a period of 90 consecutive days.

Sec. 43.52.020. Rate of passenger vehicle rental tax.

The rate of the tax levied in AS 43.52.010 is 10 percent of the total fees and costs charged for the lease or rental of the passenger vehicle.

Sec. 43.52.030. Levy of recreational vehicle rental tax.

There is imposed an excise tax on the charge for the lease or rental of a recreational vehicle in this state if the lease or rental of the recreational vehicle does not exceed a period of 90 consecutive days.

Sec. 43.52.040. Rate of recreational vehicle rental tax.

The rate of the tax levied in AS 43.52.030 is three percent of the total fees and costs charged for the lease or rental of the recreational vehicle.

Sec. 43.52.050. Liability for payment of vehicle rental taxes.

(a) The taxes imposed by AS 43.52.010 - 43.52.099 shall be collected and paid to the department

(1) by the person who provides the leased or rented vehicle; and

(2) in the manner and at the times required by the department by regulation.

(b) The tax shall be stated as a separate item on the lease or rental contract or other document invoicing payment.

Sec. 43.52.060. Applicability of the tax.

The provisions of AS 43.52.010 - 43.52.099 apply to a passenger or recreational vehicle whether or not the vehicle is registered and licensed in this state.

Sec. 43.52.070. Relationship to municipal levies.

The taxes imposed by AS 43.52.010 - 43.52.099 are in addition to taxes that may be imposed on vehicle rentals by a municipality under AS 29.45.

Sec. 43.52.080. Administration of tax.

(a) The department shall administer the taxes imposed by this chapter and may adopt necessary regulations.

(b) The proceeds of the vehicle rental taxes imposed by AS 43.52.010 - 43.52.099 shall be deposited into a special vehicle rental tax account in the general fund.

(c) The legislature may appropriate the actual balance of the vehicle rental tax account for tourism development and marketing. This section is not intended to create a dedicated fund.

Sec. 43.52.090. Exemption.

The tax imposed in AS 43.52.010 - 43.52.099 does not apply to leases or rentals for official use to federal, state, or local government agencies or employees.

Sec. 43.52.099. Definitions.

In AS 43.52.010 - 43.52.099,

(1) "fees and costs" means all charges incurred by the renter before the tax imposed under AS 43.52.010 - 43.52.099 except

(A) fees from the sale of automobile liability insurance, loss damage waiver insurance, and personal accident insurance;

(B) parking tickets;

(C) sales or excise taxes;

(D) payment for damages to the vehicle during the rental period;

(E) concession fees paid to an airport;

(F) customer facility charges set by the commissioner of transportation and public facilities under AS 02.15.090 ; and

(G) customer facility maintenance charges set by the commissioner of transportation and public facilities under AS 02.15.090 ;

Sec. 43.52.099. Definitions (cont.)

(2) "passenger vehicle" means a motor vehicle as defined in AS 28.90.990 that is driven or moved on a highway or other public right-of-way in the state, but does not include

(A) a commercial motor vehicle as that term is defined in AS 28.90.990;

(B) emergency or fire equipment that is necessary to the preservation of life or property;

(C) a farm vehicle that is controlled and operated by a farmer, used to transport agricultural products, farm machinery, or farm supplies to or from that farmer's farm, not used in the operations of a common or contract motor carrier, and used within 150 miles of the farmer's farm;

(D) a recreational vehicle;

(E) a taxicab;

(F) a rental truck; in this subparagraph, "rental truck" means a motor vehicle with a gross vehicle weight rating greater than 8,500 pounds that is designed, used, or maintained primarily for the transportation of personal property; or

(G) a vehicle provided by an automobile dealer to a customer as replacement transportation during warranty, recall, or service contract repairs if the dealer does not receive compensation from the customer;

(3) "recreational vehicle" means

(A) a motor vehicle or trailer for recreational dwelling purposes;

(B) a motor home or other vehicle with a motor home body style;

(C) a one-piece camper vehicle; and

(D) any other self-propelled vehicle with living quarters;

(4) "tax" means the excise tax levied under AS 43.52.010 - 43.52.099 on the charge made for the rental of a passenger or recreational vehicle;

(5) "vehicle" means a device in, upon, or by which a person or property may be transported or drawn upon or immediately over a highway or vehicular way or area; "vehicle" does not include

(A) devices used exclusively upon stationary rails or tracks;

(B) mobile homes; or

(C) watercraft.

Existing Statutes in Title 28 (Motor Vehicle Title)

Chapter 28.90. GENERAL AND MISCELLANEOUS PROVISIONS

Sec. 28.90.990. Definitions for title.

(a) Unless otherwise specifically defined or unless the context otherwise requires, in this title and in regulations adopted under this title

(16) "motor vehicle" means a vehicle which is self-propelled except a vehicle moved by human or animal power;

(17) "motorcycle" means a vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground; the term does not include a tractor;

(18) "motor-driven cycle" means a motorcycle, motor scooter, motorized bicycle, or similar conveyance with a motor attached and having an engine with 50 or less cubic centimeters of displacement;

Alaska Motorcycle Adventures

P.O. Box 2033 Palmer, AK 99645
Telephone: (907) 376-4513
information@rentalaska.com
www.rentalaska.com

February 4, 2011

Honorable Senators and Representatives:

We are writing to you to ask for your support of Senate Bill 19 and House Bill 62 regarding Passenger Vehicle Rental Tax.

http://www.legis.state.ak.us/basis/get_bill.asp?session=27&bill=SB19
http://www.legis.state.ak.us/basis/get_bill.asp?session=27&bill=hb62

We are the owners of Alaska Motorcycle Adventures. A small business located in the Palmer, Alaska. We have been renting motorcycles in Alaska since 1994. Yes, 2011 will be our 18th summer providing a great service for Alaskan tourists that would choose to vacation elsewhere if it were not for the availability of motorcycle rentals.

In 2003, the Alaska legislature passed HB 271, a vehicle rental tax on passenger vehicles, without any knowledge or discussion of the motorcycle rental businesses that were operating at that time.

According to AS.28.90.990, motorcycles are not "passenger vehicles" just as farm vehicles are not "passenger vehicles". By not specifically addressing motorcycles and motorcycle rental business in 2003, the Alaska Legislature has allowed the Department of Revenue to make a very open interpretation of the "passenger vehicle rental tax" and this has had "unintended consequences" for our customers and businesses.

Please consider the following:

Alaska's motorcycle rental businesses were unknowingly omitted from all discussion concerning the Vehicle Rental Tax when was passed in 2003 under HB 271. The Alaska Legislature, the Senate Transportation Committee, and the Department of Revenue were completely unaware that our businesses existed, even though Alaska Motorcycle Adventures had been in business since 1994. We were completely unaware such a tax had been discussed and passed in HB 271.

Therefore, from 2004 – 2009 (SIX years) our customers were not taxed. In 2008, a Department of Revenue employee was driving on Spenard Road in Anchorage and saw the store front for one of the motorcycle rental companies (Alaska Rider Tours/MotoQuest). Soon after, most of us were contacted by DOR, and told to start collecting the 10% tax. In addition, the Department of Revenue requested the back taxes, from 2005 to 2009 - 5 years of taxes that we did not collect - something that

would have bankrupt every one of our small businesses! After much discussion, the back taxes were forgiven as we had never collected them and we were completely unaware we required to do so.

When HB 271 was discussed in 2003, motorhome and RV rental companies received word that such a tax was being considered. This group of locally owned businesses had a spokesperson present the facts of their rate and fee structure. As a result of their lobbying and inclusion in the discussion, the Vehicle Rental Tax on motor home and RV rentals was reduced to 3%. In addition, there are specific exemptions from the motorhome rental's "fees and costs" such as pots, pans, linens, GPSs, cell phones, child seats, etc. The RV per day rate structure is very similar to ours, yet our customers pay the 10%. Our rentals also include items such as helmets, riding jackets, GPS's, cell phones, tank bags and remote riding surcharges. Per the Department of Revenue, all of our customer's fees and costs are taxed at the 10% - NO EXEMPTIONS!

Below is a chart of examples from actual rentals in 2010. Please compare to the tax for a motorcycle rental to the tax for a same cost motorhome/RV rental:

Customer	Hometown	Total Rental Amount	VRT – Motorcycle @ 10%	VRT – RV / Motorhome @ 3%
Mr. and Mrs. P 2 Motorcycles / 11 days	Seward, Alaska	$3860.00	$386.00	$115.80
Mr. B 1 Motorcycle / 12 days	Groveland, Mass.	$2280.00	$228.00	$68.40
Mr. I 1 Motorcycle / 11 days	Denver, Colorado	$1765.00	$176.50	$52.95
Mr. K 1 Motorcycle / 6 days	Scottsdale, Arizona	$1230.00	$123.00	$36.90

Mr. E's Motorcycle Tours (Sweden) **
7 motorcycles - total Vehicle Rental Tax $1,435.00
$14,350.00 = Total Charge --- $1,4350.00 * 10% = $1,435.00 in Vehicle Rental Tax
Same rental for an motorhome/RV = $430.50 tax

**** MotoQuest (another Alaskan motorcycle rental company) provided an additional 5 motorcycles with a Vehicle Rental Tax of approximately $1000.00 to $1200.00. So, Mr. E's total Vehicle Rental Tax could have been over $2400.00 ($1435.00 + $1000.00 = $2435.00 – YIKES!)**

As you can see from our rate structure, the Vehicle Rental Tax is extremely high - especially when applied to a 6, 12 or 14 day rental. Please note that there is no tax cap that would help Mr. & Mrs. P of Seward, Alaska ($386.00 tax) or Mr. E. of Sweden ($1,435.00 tax) for their motorcycle rentals in Alaska.

In 2010, the Cruise industry's punitive and damaging head tax was reduced from $46.00 per person ($92.00 per couple) to $34.50 (69.00 per couple). Comparatively, we believe the original $92.00 per couple head tax for use of Alaskan facilities and marketing efforts was quite reasonable.

Also consider that our motorcycle rental customers put more dollars per tourist into the local economies than the motorhome rentals or cruise ship passengers do. Motorhome rental customers do not use the local hotels, restaurants and facilities that are frequented by our motorcycle rental customers. Our motorcycle rental customers frequent remote locations like Chicken, Wiseman, Tangle River, Paxson, McCarthy, Eagle, Gracious House, Central, Circle and the list goes on. Businesses in these locations rarely see an RV or motorhome and almost never see a cruise ship passenger!

In 2004, **HB347** was introduced to correct the unintended inclusion of Taxi cabs. This was passed into law and the exemption was granted. In 2005, **SB174** was introduced for the local moving van companies (i.e. U-Haul) to ask for an exemption and correct their unintended inclusion, because Alaskan residents should not be taxed to move their belongings. This was passed into law and the exemption was granted. These two Bills asking for changes and exemptions should be proof and verification to the current Transportation Committee and Alaska legislature that a few rental markets were not evaluated upon implementation of the Vehicle Rental Tax in 2003.

We believe that if the Transportation Committee and the Alaska legislature had been aware of our motorcycle rental businesses in 2003, they would have addressed the issue that motorcycles are not "passenger vehicles" and not left this to open interpretation by the Department of Revenue.

The unintended consequence of the excessive Vehicle Rental Tax is that our customers choose to rent the motorcycle(s) for fewer days to cover or reduce their rental tax. Or they choose not to visit Alaska at all! When we have fewer rental days, we need fewer employees, we buy fewer lattes and we spend fewer dollars in other Alaskan businesses. This hurts all of the small, locally owned businesses that are so vital to our Alaskan economy. A simple estimate for the gross receipts for all of the motorcycle rental companies would be approximately $500,000 for the summer of 2011. This would be only $50,000 in the Alaska State coffers - a very, very small amount of money! However, a very large amount of money when collected from a very small number of Alaskan tourists!

Thank you for your heartfelt consideration of passing into law HB 62 and SB 19. Please contact me if you need further information or have any questions.

Kind regards,
Nancy and Keith Hull
Owners, Alaska Motorcycle Adventures
(907) 376-4513

information@rentalaska.com
www.rentalaska.com

MotoQuest 4346 Spenard Road Anchorage, Alaska

February 4th, 2011

Dear Senator French,

Thank you for introducing Senate Bill 19.

I was born and raised in Alaska and own a company called Alaska Rider Tours (recently changed to MotoQuest). It has been in existence for 12 years. We provide organized motorcycle tours, self-guided motorcycle tours and motorcycle rentals for independent travelers.

The vehicle rental tax of 10% is inappropriate for the motorcycle rental industry.

1. Motorcycles are NOT cars:

The Anchorage Municipality defines this as such, why not the state? We have a lower carbon footprint. We do not cause roadway damage like cars. Our rental season is much shorter than cars and motor homes.

2. Why were we not notified of the TAX?

At the inception of this tax, none of the motorcycle rental operators were notified. Within the parameters of this tax, motorcycles fell into the passenger vehicle category, and therefore became part of this law. 80% of or our clients do not carry a passenger. When I went into the state revenue office to explain why we have not paid our taxes for the past 4 years, they exempted me with the comment "our lawyers weren't even thinking about motorcycle when we drafted the bill."

3. Seasonality:

In Alaska, the motorcycle industry has the shortest rental season in the world. We are operating in the red to this date, and now a TAX? We already charge $230 per day for our premium bike, and now we will price ourselves out of the market. We already charge more than double what other operators do in the lower 48.

4. Competition:

Rental operators conducting motorcycle tours in our state can bring up their own bikes during our short season, and compete with us without paying this tax!

5. Income to Mom and Pop:

We send many folks to the out-of-the-way mom and pop roadhouses, not on the Princess Radar. These places are hurting, and are very happy to have our business. I will be happy to organize a petition with them signing it.

Here is a list of lodges that we regularly visit. I invite you to contact them and discuss our long standing relationship with them, and the needed income we generate for these remote locations.

- Chatanika Lodge, Chatanika
- Copper Center Lodge, Copper Center
- Steese Roadhouse, Central
- Gracious Lodge, Denali Highway
- Sheep Mountain Lodge, Glenn Highway
- Magestic Valley Lodge, Glenn Highway
- Tangle River Inn, Paxson
- The Perch, Cantwell
- Manley Hotsprings Roadhouse, Manley Hotsprings
- Coldfoot Camp, Coldfoot
- Arctic Caribou Inn, Prudhoe Bay
- Land's End Resort, Homer
- Alaska Wildland Adventure, Cooper Landing
- Harbor View Inn, Valdez

6. Job Loss

As of now, I am running in the red. How can I shoulder this tax? It drives customers away from us. I have 10 employees during the summer months and pay state and federal taxes for them. Their jobs are in jeopardy.

7. To Whom it May Concern: What can you do? Please consider nullifying this tax for motorcycles! The municipality of Anchorage clearly defines motorcycle in a different category. Why NOT the State of Alaska? Can you help us change the law to NOT include motorcycles?

Senator French, I am a long standing resident and entrepreneur in Alaska...indeed, I have lived here longer than most, and want to continue living here. I am appalled at this TAX and thank you for your efforts in supporting and protecting the motorcycle rental industry in Alaska.

Sincerely,

Philip Freeman

Owner

MotoQuest

The House of Harley-Davidson 4334 Spenard Road Anchorage Alaska 99517

February 1, 2011

Senator Hollis French
State Senate
State of Alaska

Dear Senator French,

Thank you for introducing SB19 to exclude motorcycles from the passenger vehicle rental tax law. As we discussed before, I believe the law was originally written without the consideration of motorcycle rentals. However, as it is written, it does not specifically exclude them.

We are going into our third year as a Harley-Davidson motorcycle rental operator in Alaska. Like most other things, it is "different in Alaska". We have only three months in which we take care of 90% of our rental customers. To do so, we need to maintain a fleet of 12 to 15 new Harley-Davidson motorcycles. Just to break even, we have to charge twice as much or more as rental dealers in the lower 48. When you consider depreciation, it is easy to see this is not a very lucrative part of our business.

There is a lot of demand for this rental program in Alaska. The biggest complaint of course, is the price, and we do lose a lot of potential rental days each season because of it. We had over 200 rental customers in 2010 – most from the lower 48. The motorcycle rental customers spend more time and money while traveling in Alaska than those who rent cars or motor homes. They are likely to stop more often and spend more nights in hotel/motel rooms and restaurants throughout the state.

We add two seasonal employees for 6-months each summer to maintain our rental business. We also incur additional payroll expenses for our core employees to get the bikes ready, ridden for 500 miles and serviced in time for the start of the season. We are just now being invoiced for and receiving our new fleet for the 2011 season. Of course, the interest charges start immediately.

Because of customer requests and the desire of the Harley-Davidson Motor Company to have a rental operator in Alaska, we have agreed to continue with the program. However, if we incur additional expenses, we will have to consider giving it up.

Thank you for your time and support.

Sincerely,
Barry Matteson
Owner

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 1/19/11

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: _____

Transportation Committee considered SENATE BILL NO. 19

SB 19-PASSENGER VEHICLE RENTAL TAX

"An Act excluding motorcycles and motor-driven cycles from the passenger vehicle rental tax."

and recommends:

[ ] be **replaced** with **CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] adopt **previous CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
Rev	✓			

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Egan	✓	—		
	Thomas	✓			
	Menard	✓			
CHAIR:	KOOKSH	x			

SB

37

<TARGET><BILL>SB 37</BILL><SUBJECT>SB
37</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE BILL NO. 37

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY SENATOR THOMAS

Introduced: 1/19/11
Referred: Transportation, Finance

A BILL

FOR AN ACT ENTITLED

"An Act relating to the transportation infrastructure fund, to local public transportation, to motor fuel taxes, and to the motor vehicle registration fee; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE INTENT. It is the intent of the legislature that $1,000,000,000 be appropriated to the transportation infrastructure fund on establishment of the fund.

* **Sec. 2.** AS 28.10.421(g) is amended to read:

(g) The fees collected by the department under this section shall be deposited in the general fund. **The fees collected by the department under (b), (c), (e), (h), and (i) of this section shall be deposited into the transportation infrastructure fund established in AS 37.14.850.** The Department of Administration shall separately account for three percent of the fees collected under **(d) and (f) of** this section and

deposited in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations for administration of AS 28.10.021(a) and AS 28.22 (Alaska Mandatory Automobile Insurance Act).

*** Sec. 3.** AS 37.14 is amended by adding new sections to read:

Article 10. Transportation Infrastructure Fund.

Sec. 37.14.850. Transportation infrastructure fund. (a) A transportation infrastructure fund is established as a special fund in the general fund. The fund consists of

(1) revenue received from any state tax on fuel used for the propulsion of motor vehicles and aircraft, less refunds, credits, and collection costs as provided by law;

(2) revenue received from a registration fee levied for a motor vehicle that is not a special registration fee; and

(3) other appropriations to the fund.

(b) The commissioner of revenue shall manage the fund as an endowment, with the goal that the purchasing power of the fund will not diminish over time without regard to additional contributions that may be made to the fund. The commissioner shall invest the assets of the fund in a manner likely to yield at least a six percent real rate of return over time.

(c) Money remaining in the fund at the end of a fiscal year does not lapse and remains available for investment and appropriation in successive fiscal years.

(d) Nothing in this section creates a dedicated fund.

Sec. 37.14.860. Use of the fund. (a) On or before October 1 of each year, the commissioner of revenue shall prepare a report for the legislature that identifies that amount defined as six percent of the average of the market values of the assets of the fund on June 30 for the five fiscal years immediately preceding the fiscal year in which the report is prepared.

(b) The legislature may appropriate the amount identified in (a) of this section for capital projects for transportation and related facilities. An appropriation from the fund may not be made to a project for which federal money has been allocated unless the appropriation is for matching money for the project and the amount of all

appropriations from the fund to match federal money does not exceed 10 percent of the total amount available for appropriation from the fund.

(c) Notwithstanding (b) of this section, the legislature may appropriate from the fund for any public purpose.

Sec. 37.14.870. Market value of the fund. The Department of Revenue shall determine the market value of the fund on the close of business on June 30 of each year in accordance with generally accepted accounting principles for the determination of fair value.

Sec. 37.14.880. Powers and duties of the commissioner of revenue. In carrying out the investment duties under AS 37.14.850 - 37.14.899, the commissioner of revenue has the powers and duties set out in AS 37.10.071. Not later than the 10th day following the convening of each regular session of the legislature, the commissioner of revenue shall make available a report to the legislature on the condition and investment performance of the fund.

Sec. 37.14.890. Transportation Infrastructure Fund Advisory Council. (a) The Transportation Infrastructure Fund Advisory Council is established and consists of eight members as follows:

(1) the chair of the House Transportation Committee;

(2) the chair of the Senate Transportation Committee;

(3) the commissioner of transportation and public facilities, or the commissioner's designee;

(4) four members of the public, each from a different judicial district as described in AS 22.10.010 and appointed by the governor to staggered four-year terms; and

(5) one public member appointed by the governor to a four-year term.

(b) A member of the council appointed under (a) of this section serves without compensation but is entitled to travel and per diem expenses as provided in AS 39.20.180.

(c) Using the criteria developed by the Department of Transportation and Public Facilities under AS 44.42.020(a)(17), the advisory council shall submit a report to the legislature not later than December 31 of each year making recommendations

regarding which capital projects for transportation and related facilities should be funded by the legislature from the fund.

Sec. 37.14.899. Definition. In AS 37.14.850 - 37.14.899, "fund" means the transportation infrastructure fund established in AS 37.14.850.

*** Sec. 4.** AS 43.40.010(e) is amended to read:

(e) Sixty percent of the proceeds of the revenue from the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, shall be refunded to a municipality owning and operating or leasing and operating an airport in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel shall be **deposited into the transportation infrastructure fund established in AS 37.14.850** [PAID INTO A SPECIAL AVIATION FUEL TAX ACCOUNT IN THE STATE GENERAL FUND. THE LEGISLATURE MAY APPROPRIATE FUNDS FROM THIS ACCOUNT FOR AVIATION FACILITIES].

*** Sec. 5.** AS 43.40.010(h) is amended to read:

(h) **Except as provided in (f) of this section, all** [ALL] motor fuel tax receipts shall be **deposited into** [PAID INTO] the **transportation infrastructure fund established in AS 37.14.850** [GENERAL FUND AND DISTRIBUTED TO THE PROPER ACCOUNTS IN THE GENERAL FUND]. Valid motor fuel tax refund claims shall be paid from the **transportation infrastructure fund** [HIGHWAY FUEL TAX ACCOUNT IN THE GENERAL FUND].

*** Sec. 6.** AS 43.40.030(a) is amended to read:

(a) **A** [EXCEPT AS SPECIFIED IN AS 43.40.010(j), A] person who uses motor fuel to operate an internal combustion engine is entitled to a refund of six cents a gallon if

(1) the tax on the motor fuel has been paid;

(2) the motor fuel is not aviation fuel, or motor fuel used in or on watercraft; and

(3) the internal combustion engine is not used in or in conjunction with a motor vehicle licensed to be operated on public ways.

*** Sec. 7.** AS 43.40.070 is amended to read:

Sec. 43.40.070. Refund warrants. Upon approval of a refund claim by the department, a disbursement shall be made from the **transportation infrastructure fund** [HIGHWAY FUEL TAX ACCOUNT IN THE GENERAL FUND] in favor of the applicant in the amount of the claim.

* **Sec. 8.** AS 44.42.020(a) is amended to read:

(a) The department shall

(1) plan, design, construct, and maintain all state modes of transportation and transportation facilities and all docks, floats, breakwaters, buildings, and similar facilities;

(2) study existing transportation modes and facilities in the state to determine how they might be improved or whether they should continue to be maintained;

(3) study alternative means of improving transportation in the state with regard to the economic costs of each alternative and its environmental and social effects;

(4) develop a comprehensive, long-range, intermodal transportation plan for the state;

(5) study alternatives to existing modes of transportation in urban areas and develop plans to improve urban transportation;

(6) cooperate and coordinate with and enter into agreements with federal, state, and local government agencies and private organizations and persons in exercising its powers and duties;

(7) manage, operate, and maintain state transportation facilities and all docks, floats, breakwaters, and buildings, including all state highways, vessels, railroads, pipelines, airports, and aviation facilities;

(8) study alternative means of transportation in the state, considering the economic, social, and environmental effects of each alternative;

(9) coordinate and develop state and regional transportation systems, considering deletions, additions, and the absence of alterations;

(10) develop facility program plans for transportation and state buildings, docks, and breakwaters required to implement the duties set out in this

section, including but not limited to functional performance criteria and schedules for completion;

(11) supervise and maintain all state automotive and mechanical equipment, aircraft, and vessels, except vessels and aircraft used by the Department of Fish and Game or the Department of Public Safety; for state vehicles maintained by the department, the department shall, every five years, evaluate the cost, efficiency, and commercial availability of alternative fuels for automotive purposes, and the purpose for which the vehicles are intended to be used, and convert vehicles to use alternative fuels or purchase energy efficient vehicles whenever practicable; the department may participate in joint ventures with public or private partners that will foster the availability of alternative fuels for all automotive fuel consumers;

(12) supervise aeronautics inside the state, under AS 02.10;

(13) implement the safety and financial responsibility requirements for air carriers under AS 02.40;

(14) inspect weights and measures;

(15) at least every four years, study alternatives available to finance transportation systems in order to provide an adequate level of funding to sustain and improve the state's transportation system**;**

(16) promote and support methods or modes of local public transportation serving persons in various regions of the state;

(17) develop criteria for determining eligibility of projects for funding and for evaluating projects for funding from the transportation infrastructure fund that provide for a statewide balance of projects in both urban and rural areas.

*** Sec. 9.** AS 44.62.175(a) is amended to read:

(a) The lieutenant governor shall develop and supervise the Alaska Online Public Notice System, to be maintained on the state's site on the Internet. The lieutenant governor shall prescribe the form of notices posted on the system by state agencies. The Alaska Online Public Notice System must include

(1) notices of proposed actions given under AS 44.62.190(a);

(2) notices of state agency meetings required under AS 44.62.310(e),

even if the meeting has been held;

(3) notices of solicitations to bid issued under AS 36.30.130;

(4) notices of state agency requests for proposals issued under AS 18.55.255, 18.55.320; AS 36.30.210; AS 37.05.316; **and** AS 38.05.120 [; AND AS 43.40.010];

(5) executive orders and administrative orders issued by the governor;

(6) written delegations of authority made by the governor or the head of a principal department under AS 44.17.010;

(7) the text or a summary of the text of a regulation or order of repeal of a regulation for which notice is given under AS 44.62.190(a), including an emergency regulation or repeal regardless of whether it has taken effect;

(8) notices required by AS 44.62.245(b) regarding an amended version of a document or other material incorporated by reference in a regulation;

(9) a summary of the text of recently issued formal opinions and memoranda of advice of the attorney general;

(10) a list of vacancies on boards, commissions, and other bodies whose members are appointed by the governor; and

(11) in accordance with AS 39.52.240(h), advisory opinions of the attorney general.

* **Sec. 10.** AS 43.40.010(g) and 43.40.010(j) are repealed.

* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION. Notwithstanding AS 37.14.850 - 37.14.899, as enacted by sec. 3 of this Act, the commissioner of revenue shall calculate average transportation infrastructure fund values in the years 2013 through 2017 as follows:

(1) the commissioner of revenue shall prepare a report to the legislature on or before October 1, 2012, identifying that amount defined as five percent of the market value of the transportation infrastructure fund on July 1, 2012; the amount is available for appropriation during the First Regular Session of the Twenty-Eighth Alaska State Legislature under AS 37.14.860(b), enacted by sec. 3 of this Act;

(2) for average transportation infrastructure fund value calculations for 2014

through 2017, on or before October 1, 2013, and on or before October 1 in subsequent years through October 2016, the commissioner of revenue shall prepare a report to the legislature that identifies that amount defined as five percent of the average of the market values of the assets of the transportation infrastructure fund on July 1, 2013, and on June 30 of each subsequent year, as identified in the reports required by this paragraph; the amounts are available for appropriation during the respective regular sessions of the Alaska State Legislature under AS 37.14.860(b), enacted by sec. 3 of this Act.

*** Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to read:

INITIAL APPOINTMENTS AND TERMS. Notwithstanding AS 37.14.890(a), as enacted by sec. 3 of this Act, the terms of the first public members of the Transportation Infrastructure Fund Advisory Council appointed by the governor under AS 37.14.890(a)(4), as enacted by sec. 3 of this Act, are as follows: (1) one member shall be appointed for a four-year term; (2) one member shall be appointed for a three-year term; (3) one member shall be appointed for a two-year term; and (4) one member shall be appointed for a one-year term. The governor shall specify the term of office of each member appointed subject to this section.

*** Sec. 13.** AS 44.42.020(a)(16), enacted by sec. 8 of this Act, takes effect immediately under AS 01.10.070(c).

*** Sec. 14.** Except as provided in sec. 13 of this Act, this Act takes effect July 1, 2011.

ALASKA STATE LEGISLATURE

SENATOR JOE THOMAS

Senate Bill 37:

An Act relating to the transportation infrastructure fund, to local public transportation, to motor fuel taxes, and to the motor vehicle registration fee; and providing for an effective date.

Sponsor Statement

Senate Bill 37 proposes to establish the transportation infrastructure fund within the general fund. This fund would help to levelize the funding streams for Alaska's transportation infrastructure and begin to get our state off of its boom and bust spending cycles. SB 37 allows our state, municipalities, local contractors and construction workers to more adequately plan for their future, strengthening Alaska's economy in the process.

Six percent of the earnings from this fund would be available for appropriation by the legislature each year for capital projects and major maintenance. These projects would undergo a prioritization process based on the scoring of a fund council who then recommend projects to the legislature for funding, similar to the current State Transportation Improvement Plan process. In addition to the capitalization money revenue from the motor fuels tax and vehicle registration fees will also be appropriated to the fund. This funding stream would begin to chip away at the many backlogged projects that would open up new development and growth opportunities for our communities and state.

As one of the few states in the nation with no state funded transportation program, SB 37 would begin to prepare Alaska for decreased federal funding, a potentially detrimental reauthorization of the federal transportation bill and show Congress that Alaskans are willing to pay our own way. While SB 37 does not create a dedicated fund, it would allow our state greater flexibility in maintaining and expanding our marine highways, airports and road system.

A state transportation fund is supported by numerous groups including the Alaska State Chamber of Commerce, the Associated General Contractors, the Alaska Trucking Association and the Alaska Municipal League.

I urge you to join me in supporting this important piece of legislation to help our state, municipalities, businesses and workers have a brighter and stronger future.

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June – December: 1292 Sadler Way Ste 203 – Fairbanks, Alaska 99701 – (907) 456-8161 – Fax (907) 456-8163
Senator.Joe.Thomas@legis.state.ak.us

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number
Bill Version **SB 37**
() Publish Date

Identifier (file name) SB037-DOT-CO-2-20-11
Title Transportation Infrastructure Fund
Sponsor Senator Thomas
Requester Senate Transportation Committee

Dept. Affected DOT&PF
Appropriation Administration & Support
Allocation Commissioner's Office
OMB Component Number 530

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
Personal Services	98.8		98.8	98.8	98.8	98.8	98.8
Travel	38.8		20.4	20.4	20.4	20.4	20.4
Services	252.5		22.5	22.5	22.5	22.5	22.5
Commodities	2.5		2.5	2.5	2.5	2.5	2.5
Capital Outlay	10.0						
Grants							
Miscellaneous							
TOTAL OPERATING	**402.6**	**0.0**	**144.2**	**144.2**	**144.2**	**144.2**	**144.2**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	402.6		144.2	144.2	144.2	144.2	144.2
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	**402.6**	**0.0**	**144.2**	**144.2**	**144.2**	**144.2**	**144.2**

Estimate of any current year (FY2011) cost

POSITIONS

Full-time	**1.0**		1	1	1	1	1
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Brenda Hewitt, Legislative Liaison
Division Commissioner's Office
Phone 465-4772
Date/Time 2/20/11 2PM

Approved by Mark Luiken, Commissioner
Commissioner's Office
Date 2/20/11 4PM

(Revised 1/27/2011 OMB)

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. SB 37

Analysis

The legislation establishes a Transportation Infrastructure Fund and a Transportation Infrastructure Fund Advisory Council. DOTPF will acquire, operate and maintain project evaluation criteria to be used by the Transportation Infrastructure Fund Advisory Council for prioritizing, ranking and selection projects, and provide staff support to the Council.

Personal Services
One FTE Planner III at a Range 19A and an annual cost of $98.8 will be responsible for overseeing the development of regulations, conducting annual project evaluation cycles, managing project evaluation software, organizing meetings of the Advisory Council and providing Council members with information packets and other materials, staffing the Council meetings and maintaining notes and records of Council proceedings, and undertaking research, analysis and other duties that support the work of the Council.

Travel

YEAR 1	# of Trips	Cost/Trip*	Total
Travel by Planner III			
4 meetings	4	$1,020	$4,080
2 Outreach Visits	2	$1,020	$2,040
8 Council Members for 4 trips	32	$1,020	$32,640
			$38,760
YEAR 2 and thereafter			
2 Meetings for Planner III	2	$1,020	$2,040
2 Outreach Visits for Planner III	2	$1,020	$2,040
8 Council Members for 2 Meetings	16	$1,020	$16,320
			$20,400

*Travel Cost assumptions

Airfare	$500	Average In-State Round Trip
Lodging	$300	Two nights @ an annual average of $150/night
Per Diem	$120	Two Days
Ground Trans	$100	Total
TOTAL	$1,020	

Services
Costs include $200.0 in the first year for the acquisition of a software tool for collecting and synthesizing large amounts of information from multiple data sources and stakeholders, for trade-off, prioritization and/or resource allocation decisions. The use of the software tool will create a structured and consistent approach to decision making and resource allocation. Costs are estimated at $22.5 annually in succeeding years for licensing, training, system updates and related expenses.
Costs also include $50.0 in the first year to the Department of Law for development of regulations and the costs associated with notices and hearings, and $2.5 in the first and succeeding years for meeting notices, meeting room rentals, teleconference charges and other overhead and administrative expenses.

Commodities
Costs in succeeding years are for office supplies, meeting notices, meeting related expenses and other association costs are $2.5.

Capital Outlay
These funds will acquire a computer and other furnishing necessary for a new position in the first year ($10.0).

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number
Bill Version **SB 37**
() Publish Date

Identifier (file name) SB37-DOR-TRS-02-28-11
Title Transportation and Infrastructure Fund
Sponsor Senator Thomas
Requester Senate Transportation Committee

Dept. Affected Revenue
Appropriation Treasury and Taxation
Allocation Treasury Division
OMB Component Number 121

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
Personal Services			227.2	246.2	265.8	286.1	307.4
Travel							
Services			209.8	227.2	245.4	264.1	283.7
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**437.0**	**473.4**	**511.2**	**550.2**	**591.1**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1178 Temporary Code			437.0	473.4	511.2	550.2	591.1
TOTAL	**0.0**	**0.0**	**437.0**	**473.4**	**511.2**	**550.2**	**591.1**

Estimate of any current year (FY2011) cost

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

This is the first version of the fiscal note.

Prepared by Pamela Leary, Comptroller
Division Treasury Division
Approved by Ginger Blaisdell, Director Administrative Services Division
Department of Revenue

Phone 465-2350
Date/Time 2/28/11; 10:30am
Date 2/28/11; 10:42am

(Revised 1/27/2011 OMB)

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. SB 37

Analysis

This draft bill provides for a Transportation and Infrastructure Fund to be established in the amount of $1billion with additional recurring funding from the Motor Fuel taxes as well as Vehicle Registration, Drivers license, and ID card fees. It is anticipated the fund will be managed with an asset allocation of 38% fixed income, 10% international equity, and 52% domestic equity. However, in order to yield a real annual rate of return of 6% it may be necessary to adopt a more aggressive asset allocation which would incur higher management fees. Costs of the fund include investment management fees, audit, accounting and custody fees and are projected based on the assumptions provided by the division's investment advisor and the division's cost allocation plan.

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 1/19/11

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 3/8/11

Transportation Committee considered SENATE BILL NO. 37

SB 37-TRANSPORTATION INFRASTRUCTURE FUND

"An Act relating to the transportation infrastructure fund, to local public transportation, to motor fuel taxes, and to the motor vehicle registration fee; and providing for an effective date."

and recommends:

[ ] be **replaced** with **CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] adopt **previous CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DOT	✓			1
REV	✓			2

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
Linda Menard	Menard	✓			
Joe Thomas	Thomas	✓			
	Egan	✓			
	Huggins			X	
CHAIR: Donald Kobel	Kobelski	X			

ALASKA STATE LEGISLATURE

SENATOR JOE THOMAS

Senate Bill 37:

An Act relating to the transportation infrastructure fund, to local public transportation, to motor fuel taxes, and to the motor vehicle registration fee; and providing for an effective date.

Fact Sheet

What: Create an Alaska Transportation Infrastructure Fund within the General Fund.

Why Now?: Transportation is the basis of our economy. It provides for the movement of goods and services from the florist delivering flowers, to the truckers hauling building materials up the Richardson and Alaska Highways from Outside. Alaska's transportation infrastructure also supplies our entire state with the food we eat every day, no matter if you live on the road system or our most remote rural villages. Approximately 89% of our transportation funding comes from the federal government. There will be a reauthorization of our federal transportation bill, currently known as SAFETEA-LU, in the next year and everything we are hearing is unfavorable for states with small and remote populations.

We *must* continue to improve our transportation infrastructure. By doing so, we create jobs building the roads, airports, ferries and mass transit while creating new opportunities for economic development all across the state. Transportation corridors will provide access our natural resources. There are many needs across the state. Our urban communities need to reduce their traffic congestion and improve air quality while our rural communities need continued advancement of their airports and marine facilities.

A transportation fund is supported by the Alaska General Contractors, the Truckers Association, Alaska State Chamber of Commerce, Alaska Municipal League, Alaska Mobility Coalition, Southeast Conference, Alaska Pilots Association, Southwest Alaska Mayors Council, Marine Transportation Advisory Council and numerous private businesses and citizens.

What will it do?: SB 37 will create a fund within the general fund that will be managed by the Department of Revenue to generate earnings. These earnings, will be spent on major maintenance and capital projects that are recommended to the legislature by the council overseeing the fund.

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Senator.Joe.Thomas@legis.state.ak.us

ALASKA STATE LEGISLATURE

SENATOR JOE THOMAS

State funded projects do not have to follow the often expensive and onerous processes and procedures required of projects receiving federal funds. This fund will allow the state to take advantage of both cost and schedule savings of state funded projects.

How will it be funded?: The transportation infrastructure fund will be seeded with a $1 billion dollar appropriation by the legislature. Additionally along with revenue received from any state tax on motor fuel and motor vehicle registration fees will be deposited into the fund. All of these fees and taxes were implemented to fund transportation infrastructure.

How will it be administered?: The Alaska transportation infrastructure fund will be will be invested by the Department of Revenue so as to not diminish the fund's purchasing power, and expenditures from the fund will be limited to 6% POMV averaged over five years.

How will the fund be used?: The department if transportation will be charged with developing criteria to prioritize projects around the state. These criteria will be regionally balanced and judge projects based on their timelines, cost and benefit to the state. The council which will over sees this prioritization process will recommend projects to the legislature no later than December 31 of each year.

The fund can be used for any non-federal project unless as matching funds that totals less than 10% of the total expenditures for that year.

Who will decide which projects to fund?: The advisory council will consist of one member from each of the four judicial districts, and one member at large appointed by the governor, the chairs of the house and senate transportation committees, and the commissioner of the department of transportation.

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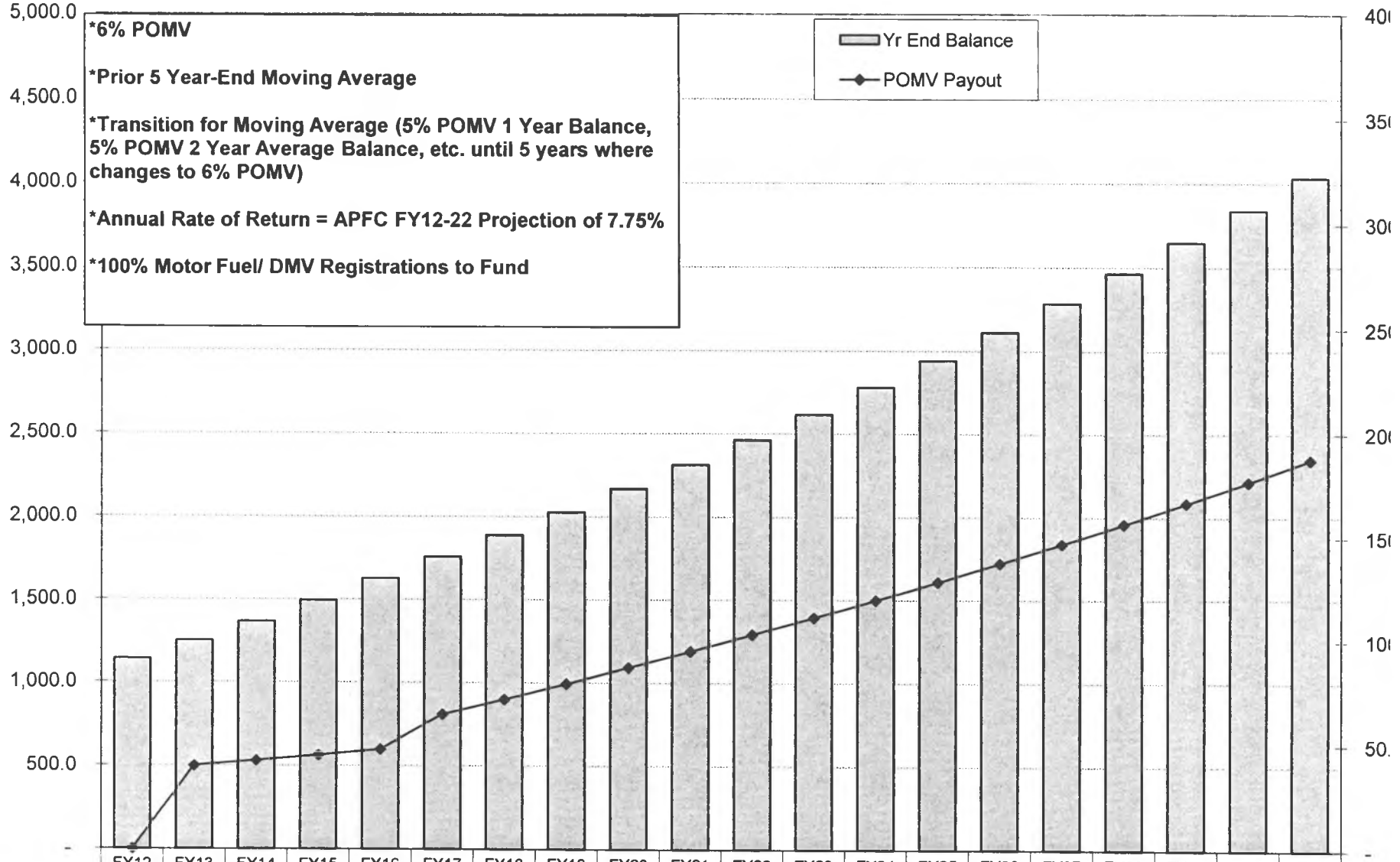
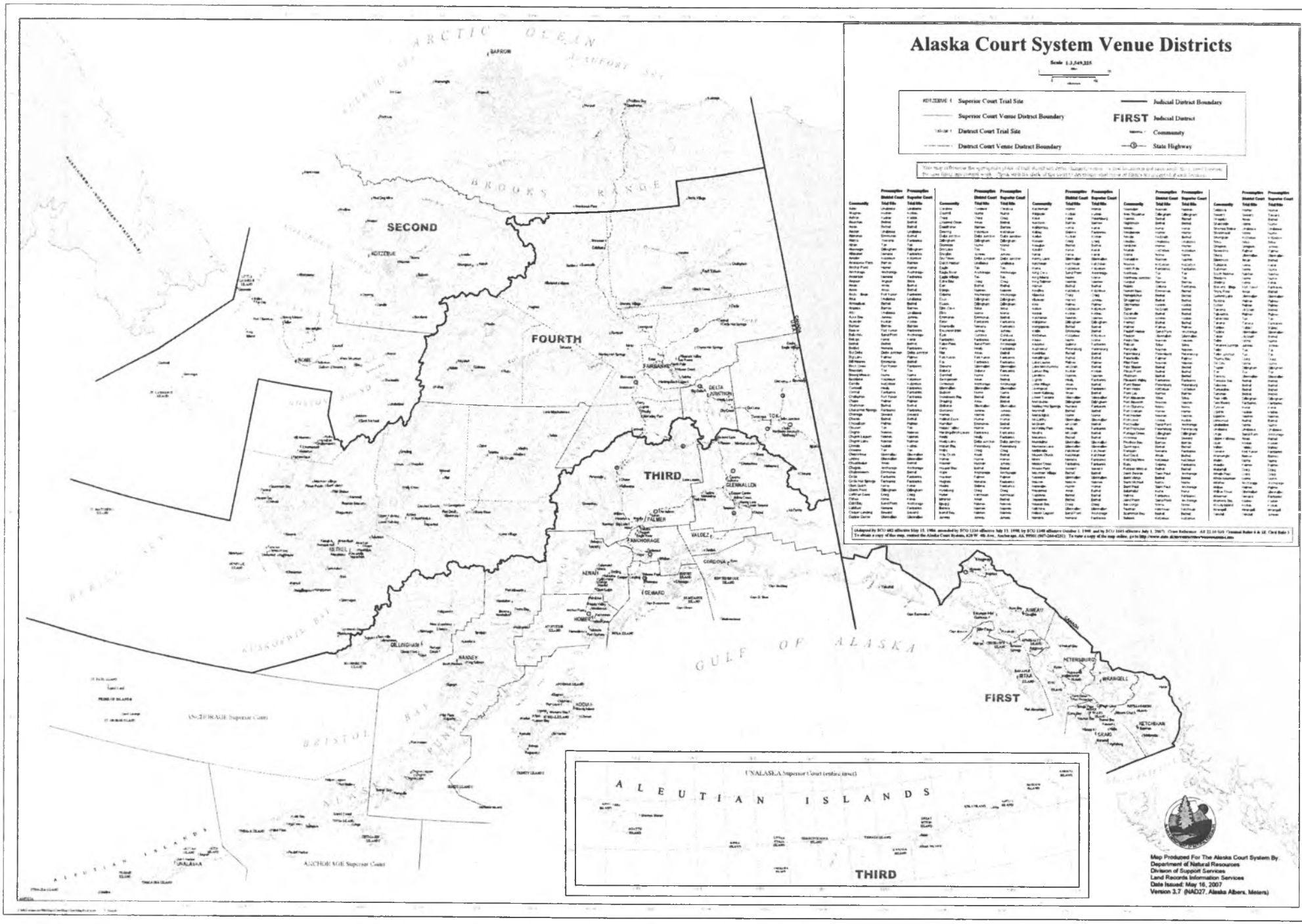
Senator.Joe.Thomas@legis.state.ak.us

Transportation Infrastructure Fund
(millions)



	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Yr End Balance	1,140.	1,249.	1,367.	1,493.	1,628.	1,756.	1,889.	2,026.	2,168.	2,313.	2,463.	2,617.	2,776.	2,940.	3,109.	3,283.	3,462.	3,646.	3,836.	4,031.
POMV Payout	-	39.8	42.4	45.1	47.9	64.7	71.9	79.4	87.1	95.0	103.1	111.4	119.9	128.7	137.8	147.2	156.8	166.7	177.0	187.5


Alaska Court System Venue Districts
Scale 1:3,549,225
Superior Court Trial Site
Superior Court Venue District Boundary
District Court Trial Site
District Court Venue District Boundary
Judicial District Boundary
FIRST Judicial District
Community
State Highway
SECOND
FOURTH
THIRD
FIRST
ARCTIC OCEAN
BEAUFORT SEA
BERING SEA
GULF OF ALASKA
BROOKS RANGE
KOTZEBUE
NOME
BARROW
FAIRBANKS
DELTA JUNCTION
TOK
GLENNALLEN
PALMER
ANCHORAGE
VALDEZ
CORDOVA
KENAI
SEWARD
HOMER
KODIAK
DILLINGHAM
BETHEL
NAKNEK
ANCHORAGE Superior Court
UNALASKA Superior Court (entire area)
ALEUTIAN ISLANDS
JUNEAU
KETCHIKAN
PETERSBURG
WRANGELL
SITKA
HAINES
SKAGWAY
Map Produced For The Alaska Court System By
Department of Natural Resources
Division of Support Services
Land Records Information Services
Date Issued: May 16, 2007
Version 3.7 (NAD27, Alaska Albers, Meters)

2012 – 2015 STIP Project Scoring Criteria

Urban and Rural Projects Criteria				
	Scoring Criteria			
Standards	**9**	**7**	**4**	**1**
1. Economic Benefit Weighting: 3	• Project supports development of an energy resource through **new direct access** AND is **explicitly** called out in a plan. • Project supports resource development through **new direct access** AND is **explicitly** called out in a plan.	• Project supports development of an energy resource through **improved access or increased capacity**, AND is **explicitly** called out in a plan. • Project supports resource development through **improved access or increased capacity**, AND is **explicitly** called out in a plan. • Project provides **new direct access** to industrial or commercial development AND is **explicitly** called out in a plan.	• Project provides **increased capacity or improved access** to an industrial or commercial development. • Project **nominally** called out in a plan.	• No documented support in a plan, OR • Minimal or speculative benefit to the economy.
For **incorporated community in an organized borough**, the plan is required to be a governmental plan. A governmental plan is a plan commissioned and accepted/approved by a local or tribal government, such as an economic development plan, system plan, comprehensive plan, or the like. For an **unincorporated community in an unorganized borough**, the project must be called out in a plan presented by a development agency, business, community association or tribal government. A project is "explicitly" called out if by name or scope. "Nominal" call-out means the project in the plan lacks specifics such as end points, standards, or specific work to be done. Any plan must include consideration of costs and benefits via an analysis. Any economic benefits analysis shall not consider benefits due to project construction.				
2. **Health and quality of life** (Air and water quality, neighborhood continuity, access to basic necessities, sanitation, dust control, access to medical) Weighting: 2	• This project provides a significant contribution to improved health or quality of life, OR • Reduces or removes a significant existing negative factor.	• This project provides a moderate contribution to improved health or quality of life, OR • Reduces or removes an existing negative factor.	Project will have no effect either positive or negative on quality of life issues.	This project provides a significant degradation to health or quality of life.

2012 – 2015 STIP Project Scoring Criteria

Urban and Rural Projects Criteria				
	Scoring Criteria			
Standards	**9**	**7**	**4**	**1**
3. **Safety.** Meets goals or strategies listed in the Alaska Strategic Highway Safety Plan (SHSP). Weighting: 5	Proposes mitigation which is recognized in practice to address: A) A major portion of severe crashes on a segment or intersection with a 5-year crash rate exceeding the exceeding the statewide average and a long term pattern of fatal or major (incapacitating) injury accidents, OR B) A documented high accident potential or risk between a major non-motorized use facility and vehicular traffic, OR C) Addresses two or more of the strategies in the SHSP.	Proposes mitigation which is recognized in practice to address: A) A major portion of crashes on a segment or intersection with a crash rate above the statewide average, or B) Traffic conflicts between a primary non-motorized use facility and vehicular traffic, or C) Addresses one of the strategies in the SHSP.	No mitigation is demonstrated to address a crash problem or potential in other categories: A) Crashes on the project's segments or intersections have a crash rate below the statewide average, OR B) Historical crash patterns identified are less than 3 or more crashes per year, OR C) No demonstrated traffic conflicts between a non-motorized use facility and vehicular traffic.	Proposes features which are recognized in practice to worsen highway safety such as a project that: A) Would exacerbate a strategy of the SHSP in a significant manner, OR B) Proposes other work that is viewed as contrary to producing a safer roadway environment for motorized or non-motorized users.
Minimum latest available 10 year record. When using anecdotal crash information from first hand (EMS, Fire, Police, M&O - on-scene responsibility) = maximum score is 8 points. When using anecdotal safety information from second-hand sources (not on-scene responsibility) or data not recognized in practice = maximum score 6 points.				
4. Improves **intermodal transportation** or lessens redundant facilities. Weighting: 4	• Would clearly reduce the need for capital investment in another mode AND • Reduces operating costs by reducing redundancy in our system, OR • Greatly improves the connection between modes for travelers or freight.	• May reduce the need for capital investment in another mode AND • Result in a reduction in operating costs by reducing redundancy in our system, OR • Would moderately improve the connection between modes for travelers or freight.	Does not impact other mode requirements.	Will increase demand on another mode requiring additional capital expenditure.
5. Local, other agency or user **contribution to fund capital costs.** Weighting: 7	Contribution of cash matching funds, design, and/or materials: 1 pt per each 5% of project cost.			Contribution covers no capital costs; contributes nothing.

2012 – 2015 STIP Project Scoring Criteria

Urban and Rural Projects Criteria				
	Scoring Criteria			
Standards	**9**	**7**	**4**	**1**
All financial commitments must be in writing and approved by the local governing body of the community or tribal government before points will be assigned. All work in lieu of match must be accompanied by a Tapered Match Agreement – contact your planner for details. A Match Waiver signed by the Commissioner = 2 points. Match waiver signed by the commissioner and a commitment to take ownership of the facility = 7 points. The state will not provide match for local projects unless a Match Waiver has been approved by the commissioner, match us usually 9.03%, but can be as much as 20%, depending on the program.				
6a. Maintenance for state-owned roads, major collector and above. State has an interest in maintaining ownership and M&O. Weighting: 0 or 6	Very high M&O priority.	Moderate M&O priority.	Not an M&O priority; little effect on M&O costs.	Not an M&O priority; would increase M&O costs significantly.
6b. Local, other agency or user contribution to fund M&O costs for: • Non-DOT roads functionally classified as a Major Collector or above. • DOT roads that *could* be divested, major collector and above. Weighting: 0 or 6	• Sponsor will assume ownership if currently a DOT&PF facility, OR • Sponsor will assume ownership of another DOT&PF facility of similar M&O Cost AND the exchange is a very high M&O priority.	• Sponsor will assume full M&O responsibility if currently a DOT facility unsuited to long-term ownership = 7 • Sponsor will assume full M&O of another DOT&PF facility of similar M&O cost AND the exchange is a moderate M&O priority = 7 • Sponsor will assume partial M&O of DOT&PF facility or like facility = 6	• Sponsor's M&O costs realize significant maintenance savings = 6 • Continued sponsor ownership & operation of locally owned facility with commitment to long-term M&O = 5 • Sponsor contributes nothing to M&O of DOT&PF facility = 4	• Would increase M&O costs significantly, OR • Sponsor unwilling to commit to long-term M&O of a facility they now own.
STIP commitment must be in writing and approved by the governing body of the community or tribal government before points will be assigned.				
6c. Local or minor collectors, owned by or transferred to community. Weighting: 0 or 6	Based on percent of public local road miles and public minor collector miles owned by the community, as represented in HAS:	100-90% = 9 89-80% = 8 79-70% = 7 69-60% = 6	59-50% = 5 49-40% = 4 39-30% = 3 29-20% = 2	Less than 20%= 1

2012 – 2015 STIP Project Scoring Criteria

Urban and Rural Projects Criteria				
	Scoring Criteria			
Standards	**9**	**7**	**4**	**1**
7. **Public support**? Weighting: 3	• **Preponderance** of public record shows support for project, AND • A resolution from the local elected body shows support for project , AND • Project is **fully supported** in state, tribal, or local plans.	• **Majority** of public record shows support for project, AND • A resolution from the local elected body shows support for project , AND • Project is **nominally supported** in official state, tribal, or local plans	• Project has resolution of support from local elected body, OR • There is a public record of support if project is located in unincorporated community in unorganized borough.	• No resolution of support from Local elected body, OR • There is no public record of support if project is located in unincorporated community in unorganized borough.
Resolution is only required in areas/communities represented by locally elected body.				
8. **Environmental approval** readiness? Weighting: 2	• Environmental approval complete = 9 • Environmental approval likely with Categorical Exclusion = 8	• Environmental approval likely with Environmental Assessment = 7 • Environmental approval likely with draft documents circulated = 7	Environmental approval likely with Environmental Impact Statement.	Environmental approval unlikely.
9a. **Surface rehabilitation** Weighting: 5 or 0	• Primarily surface refurbishment and a PMS recommendation for rehab within 2 years, OR • A gravel surface badly deteriorated or serious surface deformation.	• Primarily resurfacing, restoration or rehabilitation of an existing roadway on the same or similar alignment, OR • A portion of the project addresses serious foundation problems.	• Project would be better served by a major reconstruction or longer-term project	N/A
OR				
9b. **Deficient width/grade/alignment (w/g/a).** Weighting: 5 or 0	Significantly deficient w/g/a relative to standards.	Moderately deficient w/g/a relative to standards.	No w/g/a deficiencies.	N/A

2012 – 2015 STIP Project Scoring Criteria

Urban and Rural Projects Criteria				
	Scoring Criteria			
Standards	**9**	**7**	**4**	**1**
10. **Cost Effectiveness** using Cost, length, AADT evaluation. Divide project cost (in thousands) by length (miles) and further divide result by Average Annual Daily Traffic. Weighting: 5	$0 - $1.50= 9 $ 1.50- $ 3.00 = 8	$ 3.00 - $ 4.50 = 7 $ 4.50 - $6.00 = 6 $ 6.00 - 8.00 = 5	$ 8.00 - $ 10.00 = 4	$10.00 - $20.00 = 3 $20.00 – 40.00 = 2 >$40.00 = 1
Stand along bridge projects use assumed length of 1 mile; stand alone intersection projects use assumed length of ½ mile.				
11. **Deficient bridges?** Weighting: 2	Deficient bridge(s) needing replacement*.	Deficient bridge(s) eligible for rehabilitation**.	No bridge deficiencies	N/A
* *Eligible for replacement" means the bridge has a sufficiency rating of less than 50 points and has been determined to be eligible for replacement by ADOT&PF Bridge section.* ** *"Eligible for rehabilitation" means the bridge has a sufficiency rating between 50 and 80 points and has been determined to be eligible for rehabilitation by ADOT&PF Bridge section.*				
12. **Functional class**. Weighting: 4	Major Arterial = 9 Minor Arterial = 8	Major Collector or Urban Collector = 7	Minor Collector = 4	Local Roads/Streets or Unclassified 1
13. **Other factors** not specified. Weighting: 2	Each PEB member is allocated 2 points for each project scored. Between 0-5 points may be allocated to each project from this "pool" of points. Points from Remote, Rural/Urban and other STIP categories must be used for projects within the same category.			*Negative points may be assigned to projects that are excessive in scope, cost or deemed not in state's interest. If negative points assigned; 4 or more PEB members must jointly agree and identify the reasons for this decision.*

Total Weight = 50

FMATS TIP Project Scoring Criteria
June 18, 2008

	Scoring Criteria	(5) - (4)	(3) - (2)	(1) - (0)	(-3)	(-5)
1.	**HEALTH AND QUALITY OF LIFE (Weight = 3)**					
	Air and Water Quality, Pedestrian and Bike Path, Neighborhood Continuity, Intermodal Connections, Aesthetically Pleasing Transportation Corridor, Reduces Congestion, Improves LOS, Supports Sustainable Infrastructure, Enhances Environment, Conserves Energy, promotes connectivity between neighborhoods while preserving integrity	This project provides a significant contribution to improved health or quality of life, or reduces or removes a significant existing negative factor.	This project provides a moderate contribution to improved health or quality of life, or reduces or removes a significant existing negative factor.	This project will have no affect either positve or negative on quality of life issues.	This project provides a moderate degradation to health or quality of life.	This project provides a significant degradation to health or quality of life.
2.	**SAFETY (Weight = 5)**					
	Geometrics such as Width, Grade, Alignment, Safety, and Accident History	This project will correct an area that has a history of accidents involving damage to life or property and significantly improves safety for motorized and non-motorized users.	This project will correct design / condition deficiences and moderately improves safety for motorized and non-motorized users.	This project area has a history of safety complaints from the public not supported by design criteria. (1 point) No Complaints (0 points)	N/A	N/A
3.	**PUBLIC SUPPORT & CONTRIBUTION (Weight = 3)**					
		Broad-based area-wide support (Project is in approved Transportation, Comprehensive or other plans adopted by local governments or agencies)	Local area support for project (resolution of local government support 3 Points;)	Limited support only (neighborhood petition, non-profit support) (1 Point) No Support (0 Point)	N/A	N/A
4.	**COST / LENGTH / AADT (Weight = 3)**					
	Divide project cost (in thousands) by length (in miles) and further divide result by Average Annual Daily Traffic	Between: $ .00 - $ .55 = 5 points $ .56 - $ .80 = 4 points	Between: $ .81 - $1.10 = 3 points $1.11 - $1.50 = 2 points	Between: $2.51 - $3.00 = 0 points $1.51 - $2.50 = 1 point	Between: $3.01 - $4.00 = -1 point $4.01 - $6.00 = -2 points $6.01 - $10.00 = -3 points	Between: $10.01 - $54.00 = -4 points >$54.00 = -5 points

FMATS TIP Project Scoring Criteria
June 18, 2008

	Scoring Criteria	(5) - (4)	(3) - (2)	(1) - (0)	(-3)	(-5)
5.	**FUNCTIONAL CLASS (Weight = 1)**					
			Urban Collector = 2 points Arterials = 3 points	Local Road = 1	N/A	N/A
6.	**Maintenance and Condition (Weight = 2)**					
	Improves Drainage and/or Surface, promotes efficient system management and operations, decreases operating costs	This project provides a significant contribution to improve drainage, surface condition or significantly lowers operational costs.	This project provides a moderate contribution to improve drainage, surface condition or significantly lowers operational costs.	This project will have little (1 point) no affect (0 points) either positive or negative on maintenance or condition.		
7.	**SPECIAL CONSIDERATIONS (Weight = 1; Up to 10 points)**					
	Supports economic development, regional balance, security and national defense, utility conflict resolution or has significant pre-project development study					

Grier Hopkins

From: Jaime Rall [jaime.rall@ncsl.org]
Sent: Friday, January 14, 2011 10:27 AM
To: Grier Hopkins
Subject: NCSL re: state transportation funds

Dear Grier,

As I mentioned on the phone, thank you for your request (through my colleague Jim Reed) for information about state transportation funds, including how they are overseen.

NCSL and AASHTO are in the midst of completing a report on transportation governance and finance that may help answer your question. I hope the information below—drawn from the draft report—is helpful to you. Please let me know if I can follow-up on any of it for you.

- **Many states restrict both transportation-related revenues as well as the funds to which they are deposited.** This provides protection for transportation revenues and programs but can also constrain funding and finance decisions of both the executive and the legislature.

- **Twenty-one states now have provisions in the constitution—and four in statute—that restrict the use of fuel tax revenues to highway and road purposes.** The remaining states use at least part of these revenues for other transportation purposes; Maryland and Wisconsin place all transportation revenues from all modes into a single, consolidated fund. Texas, uniquely, allocates one-fourth of its gas tax revenues to schools. Alaska alone constitutionally prohibits dedicating state revenues, unless federally required or dedicated prior to statehood (Alaska Const. art. IX, §7). Other common provisions that limit the use of transportation-related revenues are those that restrict their use to the same modes from which they were collected, for example by dedicating the use of aviation fuel tax proceeds to airport projects.

  States with constitutional dedication of fuel tax revenues for highway purposes: Alabama, Arizona, Colorado, Georgia, Idaho, Iowa, Kentucky, Maine, Minnesota, Missouri, Nevada, New Hampshire, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Utah, Washington, West Virginia, Wyoming

  States with statutory dedication of fuel tax revenues for highway purposes: Arkansas, Indiana, Mississippi, Nebraska. Nebraska statute generally dedicates fuel tax and other revenues to highway construction and maintenance, with limited exceptions including transit aid.

  States with no exclusive dedication of fuel tax revenues for highway purposes: Alaska, California, Connecticut, Delaware, Hawaii, Illinois, Louisiana, Maryland, Massachusetts, Michigan, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, Wisconsin, District of Columbia. The Alaska constitution prohibits any dedication of revenues.

  Other models:
  - The Florida constitution dedicates fuel tax revenues to highway purposes, but statute apportions some to other purposes including mass transit.
  - The Kansas constitution gives the state the power to levy special taxes on fuel and vehicles for road and highway purposes; statute dedicates a portion of State Highway Fund dollars to transit, rail and general aviation.
  - The Montana constitution requires highway user fee revenues including fuel taxes to be used as authorized by the legislature for specific road and bridge funding purposes. Such revenue may be appropriated for other purposes by a three-fifths vote of the members of each house of the legislature.
  - The Texas constitution restricts the use of fuel taxes to roadways and the administration of traffic laws; a quarter of the revenues, however, are allocated to the Available School Fund.

- **In all states except Alaska, transportation-related revenues are deposited into funds that are often subject to additional requirements**. At least 19 states and the District of Columbia deposit transportation revenues into a trust fund for highways, transit, aviation or transportation generally. Trust funds are used by

Arkansas, California, Delaware, Florida, Louisiana, Idaho, Maryland, Massachusetts, Missouri, Montana, Nebraska, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Dakota, Tennessee, Virginia and the District of Columbia (according to our survey data and AASHTO). The rest of the states—except Alaska—use designated accounts that are not called trust funds for this purpose. At least 35 states report constitutional or statutory provisions that direct the use of transportation funds or accounts.

- **Constitutional or statutory provisions can explicitly prohibit the diversion of transportation funds or revenues to other purposes**. In 2010, California added such a prohibition when voters approved Proposition 22 and eliminated the state's authority to borrow state fuel tax revenues for cash flow or budget-balancing purposes.

- **Prohibitions on diversion, however, are not always effective.** Arizona, Florida, Kentucky, Minnesota, New Jersey, North Carolina and Wisconsin report recent legislative diversions of transportation funds to other purposes, notwithstanding existing constitutional or statutory restrictions. In New Jersey, the annual appropriation act has precedence over any other dedication language found in general statute, but not over the constitution, and the legislature has chosen not to fully appropriate the statutory revenues eight times since 1985. The Montana constitution outlines a process to appropriate restricted highway funds for other purposes, by three-fifths vote of the members of each house of the legislature (Mont. Const. art. VIII, §6); Virginia law allows diversion by the legislature or the governor in the budget bill if language is inserted that sets out a plan for repayment of the diverted funds within three years (Va. Code §2.2-1509.2).

- **Oversight of DOT spending and transportation funds is generally provided both by legislative bodies (often through the budget and appropriations process) and executive entities. New Jersey, uniquely, has a separate governmental entity that oversees financing transportation programs.** The legislatively created, seven-member Transportation Trust Fund Authority exists solely for the purpose of financing the annual capital programs of the state DOT and the New Jersey Transit Corporation. Five members are appointed by the governor, within statutory requirements for party affiliation. Three of these are appointed to four-year terms with the advice and consent of the Senate, and may be removed by the governor for cause; one must represent the interest of trade unions and another the interests of owners of eligible construction firms. The fourth is appointed to a four-year term upon recommendation of the President of the Senate and the fifth to a two-year term upon recommendation of the Speaker of the General Assembly. The Commissioner of Transportation and State Treasurer serve ex officio (N.J. Stat. Ann. §27:1B-4).

Again, please let me know how else I can help you with your request. Thank you!

Sincerely yours,

Jaime R. Rall, MA (Oxon.), MSW
Environment, Energy and Transportation
National Conference of State Legislatures
7700 East First Place
Denver, Colorado 80230
Direct line: 303.856.1417
jaime.rall@ncsl.org

Nancy Barnes

From: Jody Simpson
Sent: Wednesday, February 23, 2011 1:28 PM
To: Nancy Barnes
Cc: iceclimb3@hotmail.com
Subject: Constituent would like to testify on SB 37

Nancy,

Valley resident John Duffy would like to testify on SB 37 when it comes up for hearing on March 1.

I have provided him with the dial-in number.

Just wanted to let you know to expect to have him on the line.

jody

Jody Simpson

Staff to Senator Charlie Huggins
Senate District H
Alaska State Capitol, Room 423
Juneau, Alaska 99801-1182
Toll Free: 1-800-862-3878
Direct Line: (907)465-2661
Fax: (907)465-3265

Jody_Simpson@legis.state.ak.us

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

February 23, 2011

Senator Albert Kookesh
Senate Transportation Committee
Juneau, Alaska 99811

RE: SB37 – An Act Relating to the Transportation Infrastructure Fund, to Local Public Transportation, to Motor Fuel taxes, and to the Motor Vehicle Registration Fee; and providing for an effective date."

Dear Senator Kookesh,

The Alaska Municipal League would like to go on record as being fully supportive of SB37.

The Alaska Municipal League has long supported a Transportation Infrastructure Fund. A number of years ago, AML contracted with Cambridge Systematics for a transportation study to be done to help the Legislature identify what options could be utilized to fill the potential gap facing us due to a decrease in federal transportation funds. One of the options, was the creation of a transportation Infrastructure Fund. To this end, we have also fully supported HB 30 and feel that either bill will be a positive move forward for the State of Alaska.

While there are a few bills that attempt to decrease the fees that would help to build this fund (HB10 and HB64), we will do what is necessary to help the Legislature find the best avenue to create this fund.

Sincerely,

Kathie Wasserman

Kathie Wasserman
Executive Director

Nancy Barnes

From: Clifton Olmstead [clif.olmstead@aicllc.com]
Sent: Monday, March 07, 2011 1:11 PM
To: Sen. Albert Kookesh
Subject: State Funded Transportation Bill

Honorable Representative Kookesh:

My name is Clifton Olmstead, I reside in South Anchorage. I have been a resident of Alaska since 1978 and have worked in the construction of public facilities for all of that time. Currently, I am the Manager of Public Works for Alaska Interstate Construction. I am encouraged that the Legislature is recognizing the need to fund capital improvements from other than Federal sources and I urge you to support this legislation.

I am writing to encourage you to support the State funded transportation program for the following reasons:

- Alaska will continue to experience federal cut-backs in the traditional funding sources for capital improvement projects.
- Infrastructure needs to be developed and maintained to make Alaska competitive in the world market place for materials and services. Red Dog Mine has proven that once we can get minerals on a barge on the ocean, Alaska can compete with other world producers of similar commodities – which means jobs for Alaskans and the children of our future.
- As traditional energy sources continue to decline, there will more opportunity for Alaskan Energy sources (coal, gas, oil), if we can ship it to market competitively – more jobs for Alaskans and the children of our future.
- As we expand Alaska's infrastructure, it will provide opportunity for Alaskans to maintain or improve their quality of life. If you could drive to Nome, cost of living would decrease for residents all along the Nome highway, improve their access into and out of Nome, encourage a broader economic base through increased tourism and Alaskans driving to Nome for sightseeing trips.

This list can go on and on – I know that you are extremely busy In Juneau.

Thank you for considering supporting the State Funded Transportation Program – It is vital for Alaska's future.

Sincerely,
Clifton M. Olmstead
Alaska Interstate Construction
Public Works Division Manager

Nancy Barnes

From: Steve Percy [Steve.Percy@aicllc.com]
Sent: Monday, March 07, 2011 12:24 PM
To: Sen. Albert Kookesh; Sen. Joe Thomas; Sen. Charlie Huggins; Sen. Dennis Egan; Sen. Linda Menard
Subject: SB - 37

I understand you will be hearing Senate Bill – 37 tomorrow. As the manager of an Alaskan based business that relies heavily on in state transportation projects for its existence, as well as for all of its employees, I hope you will give serious consideration to this bill or at least some version of the bill. Alaska has long enjoyed the support of a strong Federal Highway program. As we all know the future of this continued support is uncertain at best. The time is now for Alaska to step up and begin a program that will ease us into the future of a transportation program that will allow us to fund projects without Federal support.
It is well know within the industry that there are many advantages to such a program.

- Less red tape
- Lower overhead for the DOT
- Quicker delivery of projects

All resulting in more control for Alaskans at a much lower cost per project.

Steve Percy
President
Alaska Interstate Const. LLC
301 W. Northern Lights Suite 600
Anchorage, AK. 99503
O (907) 777-8222
C (907) 441-9745

SB

41

<TARGET><BILL>SB 41</BILL><SUBJECT>SB
41</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE TRANSPORTATION COMMITTEE

State Capitol, Room 11
Juneau AK, 99801-1182
907-465-6828

TO: Senate Transportation Committee

FROM: Senator Albert Kookesh, Chair
Senate Transportation Committee

DATE: March 22, 2012

RE: Senate Transportation Schedule for the week
March 26-30, 2012

Tuesday, March 27, 2012: 1pm to 3pm, Butrovich Room 205

+SB 41: An Act suspending the motor fuel tax (by the Senate Rules Committee at the request of the Governor)

Thursday, March 29, 2012: 1pm to 3pm, Butrovich Room 205

+Overview of Parks Highway—Wasilla Bypass (Department of Transportation)

+ teleconference

Please contact Nancy Barnes at 465-6828 if you have any questions.

27G-2
3/27/2012
(8:16 a.m.)

AMENDMENT

OFFERED IN THE SENATE TRANSPORTATION COMMITTEE

BY _____

TO: SB 41

Page 1, line 7:

Delete "2011"

Insert "2012"

Delete "2013"

Insert "2014"

Page 2, line 5:

Delete "2013"

Insert "2014"

State of Alaska

Department of Revenue

Administrative Services Division

SEAN PARNELL, GOVERNOR
333 Willoughby Avenue, 11th Floor
P.O. Box 110400
Juneau, Alaska 99811-0405
Phone: (907) 465-2300
Fax: (907) 465-2394

January 20, 2011

The Honorable Albert Kookesh
Senate Transportation Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

SB41 Suspension of Motor Fuel Tax
By Request of the Governor

SECTION ANALYSIS

Section 1: Suspension of the Motor Fuel Tax.

(a) Suspends collection of the motor fuel tax imposed under AS 43.40.010 for two years beginning July 1, 2011 ending June 30, 2013.
(b) Requires motor fuel distributors to report the amount of motor fuel sold or transferred in the state to the Department of Revenue and provides for a penalty of up to $5,000 for failure to report.
(c) The Department of Revenue would be able to immediately draft regulations to implement the suspension.

Section 2: Repealer. Repeals Section 1(a) (the tax suspension) on June 30, 2013.

Section 3: Effective Date. Provides for an immediate effective date.

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

Governor Sean Parnell
STATE OF ALASKA

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax: 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

January 14, 2011

The Honorable Gary Stevens
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Stevens,

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill suspending the State motor fuel tax. In an effort to provide immediate, individual tax relief, I am proposing that the State motor fuel tax be suspended for a period of 24 months.

The actual amount of money saved by Alaskans will vary depending on the type of fuel being purchased; however, most consumers should save eight cents per gallon when fueling their vehicle, boat, or plane. Since many Alaskan communities face the highest energy costs in the nation, this relief is urgently needed. While suspending the motor fuel tax would provide a temporary reduction in the cost of motor fuel, action is necessary for long term solutions to high energy costs.

I urge your prompt and favorable action on the bill.

Sincerely,

Sean Parnell
Governor

Enclosure

State of Alaska

Department of Revenue

Administrative Services Division

SEAN PARNELL, GOVERNOR
333 Willoughby Avenue, 11th Floor
P.O. Box 110400
Juneau, Alaska 99811-0405
Phone: (907) 465-2300
Fax: (907) 465-2394

January 20, 2011

The Honorable Albert Kookesh
Senate Transportation Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

Dear Senator Kookesh:

Senate Bill 41 was read across the floor on January 19, 2011 and transmitted to the Senate Transportation Committee for consideration. I respectfully request a hearing to be scheduled at your earliest convenience for the motor fuel tax suspension to be discussed.

This bill requests that the motor fuel tax be suspended for a period of two years beginning July 1, 2011. Alaskans are facing increased food, fuel and other living costs and the financial burden for many families is difficult to manage. The actual amount of money saved by suspending the fuel tax would vary depending on the type of fuel purchased; however, most consumers should save eight cents per gallon when filling up their vehicles.

If the Committee requires any additional information, please contact me.

Sincerely,

VBlaisdell

Ginger Blaisdell
Director

Heard 2/3/2011 Thomas, Menard, Huggins
Egan. Held.

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
OFFICE OF THE COMMISSIONER

SEAN PARNELL, GOVERNOR

☐ Anchorage Office: 4111 Aviation Avenue
☐ Juneau Office: 3132 Channel Drive

P.O. Box 112500
JUNEAU, ALASKA 99811-2500

PHONE: (907) 465-3901
FAX: (907) 586-8365
WEB: dot.state.ak.us

HB 102 / SB 41
Suspending Motor Fuel Tax

Highlights

Thank you for your interest in the Governor's legislation regarding suspending Alaska's motor fuel tax for the next two years. The tax suspension is one of many efforts this administration is putting forward to improve the economic health of Alaskans. The motor fuel tax suspension will provide immediate tax relief to nearly every citizen in every community across the state.

The actual amount of money saved by Alaskans will vary depending on the type of fuel being purchased; for example, consumers should save 8 cents per gallon when fueling their vehicles, 5 cents per gallon for marine fuel and 4.7 cents per gallon for aviation fuel.

Many Alaskan communities face the highest energy costs in the nation. Motor fuel tax relief is one step in our efforts to improve Alaska's daily living expenses. Suspending the state motor fuel tax will:

- Leave more money in Alaskan's pockets
- Circulate more money in Alaska's economy
- Save Alaskans $40 million each year of the suspension

FAQ's:

Will suspending the motor fuel tax impact Alaska's federal highway funding?
Suspending the motor fuel tax will not impact Alaska's federal highway funding. The taxes go into the general fund. There is no dedicated fund to highways. Motor fuel tax dollars are just as likely to be spent on a capital project for a building or for any of the hundreds of expenditure types that come out of the state general fund. There is no federal requirement that states must collect a gas tax to support transportation.

Will the consumer see the savings at the pump?
Studies from MIT indicate that most of the savings from gas tax suspensions are passed onto the consumer. When Alaska suspended the gas tax in 2008 there was a roughly 8 cent a gallon decrease in gasoline prices in Anchorage the day the tax was suspended. When the suspension was lifted, gasoline prices immediately increased by 8 cents. We

cannot verify that every cent of the tax suspension was passed onto consumers, but Alaskan consumers will pay nearly $40 million dollars in taxes that are not necessary to collect at this time.

How will this tax suspension actually help Alaska's economy?
Certain areas of our economy tend to benefit more from gas tax suspensions. Alaska's largest private employer, the fishing industry, will benefit significantly from the tax suspension. The aviation industry will also significantly benefit from a gasoline tax suspension, and the Alaska Air Carriers Association passed a resolution in support of the motor fuel tax suspension. The National Federation of Independent Business/Alaska is also in support of suspending the motor fuel tax because of the high cost of fuel on small businesses in Alaska. Motorists who commute significant distances each day will also see higher than average savings.

Will Congress retaliate against Alaska for a gas tax suspension?
It is unlikely. Several states that suspended their gas tax before the passage of SAFETEA-LU in 2005 actually saw an increase of federal highway aid funds of roughly 20-30% from the levels they were receiving before they suspended their gas taxes. Presumably, state tax policy is a matter of state's rights that Congress will respect.

Sean Parnell
Governor
P.O. Box 110001
Juneau, AK 99811-0001
www.gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR

Sharon Leighow
Press Secretary
907.269.7450
cell: 907.240.7943
sharon.leighow@alaska.gov

FOR IMMEDIATE RELEASE **No. 10-005**

Governor Parnell Calls for Two-Year Motor Fuel Tax Suspension

January 12, 2010, Juneau, Alaska – Governor Sean Parnell today transmitted legislation to suspend the motor fuel tax for two years. The suspension would apply to gasoline, diesel, marine fuel and aviation fuel.

"Alaskans continue to pay some of the highest fuel prices in the nation," Governor Parnell said. "We need to ease the burden placed on our residents while we work to find long-term solutions to the high energy costs across our state."

The tax was suspended as part of an energy assistance bill in 2008, when Alaskans faced ballooning costs for both transportation and home heating fuels. The suspension lapsed in September 2009.

A copy of the bill and transmittal letters are available at:
http://www.gov.state.ak.us/pdf/MotorFuelTaxLetter_Jan8-2010.pdf

###

Alaska Airlines®

March 12, 2012

RECEIVED
MAR 15 2012
DOT & PF
Commissioner

RECEIVED
MAR 19 2012
DOT & PF Commissioner

The Honorable Sean Parnell
Governor, State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

Alaska Airlines would like to lend its support for the passage of House Bill 102 (HB 102). We believe passage of this bill will have a substantive impact on the financial well being of not only our industry but also the aviation infrastructure throughout the state.

Our state is extremely dependent on air transportation, and with the escalating prices of fuel, there is rightful concern for the future. This is particularly true with regional carrier markets in rural sectors of the state.

As an employer of close to 1,700 within the State, we are also aware of the impact gasoline prices have on Alaska residents. Any help passed on to consumers can only help the economy as a whole.

Please let me know of any help Alaska Airlines may provide to assist in the passage of HB 102.

Sincerely,

Marilyn F. Romano
Regional Vice-President – Alaska

Cc: Marc A. Luiken, Commissioner, Alaska DOT & PF
Steven Hatter, Deputy Commissioner, Alaska DOT & PF – Aviation
Kim Hutchinson, Trust Consultants

CIRI ALASKA TOURISM

March 13, 2012

The Honorable Sean Parnell, Governor
State of Alaska
PO Box 110001
Juneau, AK 99811-0001

Sent via email: Sean.Parnell@alaska.gov

Dear Governor Parnell:

CIRI Alaska Tourism Corporation (CATC) strongly supports the passage of House Bill (HB 102). The passage of this legislation will benefit tourism in a critical time of need.

The margins for success in marine, aviation and highway businesses that depend on discretionary tourism dollars are increasingly thin. While many tourists understand rising energy costs, there is a limit to what they are willing to pay in the form of surcharges to keep companies semi-whole. There are a number of businesses who depend on the success of our operations in order to sustain their own.

In the peak of the tourist season, CATC creates over 400 jobs in Alaska. This legislation is beneficial to workers statewide, and will stimulate an additional layer of discretionary spending on local goods and services.

CIRI Alaska Tourism Corporation stands ready to assist you in the passage of House Bill 102.

Best Regards,

Paul Landis
President and Chief Operating Officer
CIRI Alaska Tourism Corporation

ALASKA AIR CARRIERS ASSOCIATION
2301 Merrill Field Drive, Suite A-3
Anchorage, Alaska 99501
907-277-0071 907-277-0072 fax

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C. Joy Journeay
Executive Director
ALASKA AIR CARRIERS ASSOCIATION

3 February 2011

The Honorable Sean Parnell
Alaska State Capitol Building
P.O. Box 110001
Juneau, AK 99811-0001

RE: Support for Senate Bill SB 41

Dear Governor Parnell:

The Alaska Air Carriers Association (AACA) represents the interests of Alaska's aviation businesses before regulatory agencies, federal, state and local governments. Our members meet the needs of rural Alaskans and the traveling public by providing scheduled commuter travel, on-demand air charter, emergency medical evacuation, flight seeing, pilot training, aircraft maintenance, parts sales, fuel sales, storage, rental, and airline servicing.

The cost of fuel for flight operations is usually the greatest expense borne by aviation companies providing a lifeline to communities in Alaska. Because 82 percent of the communities in Alaska are only reached by air, the citizens in those communities ultimately pay the fuel taxes levied on aviation jet fuel in Alaska.

In addition, the geographic footprint in Alaska is roughly 1500 miles by 2700 miles, resulting in a flight area of over 3 million square miles. The long range aviation support required across this expansive State results in the consumption of large volumes of jet fuel.

Alaska's population ships 39 times more freight per person than those in the Lower 48. They travel by air eight times more often than other rural areas in the Western U.S. Coupling the frequency of travel with the largest aviation system in the U.S. results in our citizens paying a correspondingly larger portion in fuels taxes than may appear to be true at first glance.

The Alaska Air Carriers Association is committed to providing air transportation to the citizens of Alaska, and is committed to helping protect those citizens from undue burden. We urge the Alaska Senate to consider the benefits of Senate Bill SB 41 and to embrace this relief for the citizens and businesses of Alaska.

Thank you for considering this request.

Sincerely

C. Joy Journeay, Executive Director

B.C. Lauded for Eliminating Jet Fuel Tax

By Joan Delaney On February 25, 2012 @ 12:09 am In National | No Comments

An airplane takes off from Vancouver International Airport in a file photo. In its recent budget, B.C. eliminated the provincial aviation fuel tax on international flights, effective April 1. (AFP/Getty Images)

VICTORIA—One of the goodies in B.C.'s recent budget was the elimination of the provincial aviation fuel tax on international flights, effective April 1.

The move has been welcomed both by airline carriers and the Canadian Airport Council (CAC), which said it will stimulate international air capacity and give travellers more choice.

"B.C.'s move recognizes the importance of Canada's tourism sector to the Canadian economy, the role of aviation for Canada's inbound tourism, and the stimulatory effect of reducing the fiscal burden on our interconnected sectors," said CAC vice chair Tom Ruth.

According to a B.C. government press release, the elimination of the tax will save airlines $12 million in 2012/2013 and increase flights, giving the province greater trade access to foreign markets and increasing its competitiveness.

The CAC, which represents more than 200 airports, said Canada's ranking as a destination for international tourists has fallen from 8th place in 2000 to 15th place in 2009.

In that time, the tax burden on aviation in Canada has gradually increased and the World Economic Forum now ranks Canada's travel sector 106th in terms of price competitiveness.

In addition to federal airport rent, the federal burden includes the Air Travellers Security Charge, and the Goods and Services Tax/Harmonized Services Tax. There is a provincial fuel tax still in place in Ontario and many airports also pay municipal payments in lieu of tax.

In order to bolster the tourism industry and help position Canada to take advantage of tourism growth opportunities, the federal government launched the Federal Tourism Strategy in October 2011.

"B.C.'s initiative follows the welcome move by the federal Minister of Small Business and Tourism to finalize and unveil a Federal Tourism Strategy—a multi-departmental and intergovernmental commitment to tackle the obstacles to Canada's world competitiveness as a tourism destination," said CAC president Daniel-Robert Gooch.

"Cost is an important element in that equation."

B.C.'s move recognizes the importance of Canada's tourism sector to the Canadian economy.

—Tom Ruth, Canadian Airport Council

The B.C. government said eliminating the tax brings the province in line with the neighbouring jurisdictions of Alberta, Washington, and California, which do not have a comparable fuel tax.

Air Canada also praised the move, along with a decision by the Vancouver Airport Authority to freeze landing and terminal fees until 2015.

"These types of initiatives help contribute to the competitiveness of the Canadian aviation landscape in the global marketplace," said Ben Smith, Air Canada's executive vice president and CEO.

"Following the progressive example now set by the Province of B.C. and in 2004 by the Province of Alberta, we urge all governments and authorities to work with the industry as partners in the development of sustainable air services with the economic spin-offs that result."

Gregg Saretsky, president and CEO of WestJet, said eliminating the tax "represents a clear commitment to support the growth and job creation that aviation brings to the economy of British Columbia," and urged other provincial governments to follow suit.

"At a time when fees and taxes associated with air travel continue to impact the industry's competitiveness, we encourage other governments in Canada who have yet to act on this important issue to introduce similar measures to reduce or eliminate fees and taxes."

China Eastern Airlines said in a release that the change will assist the airline in its "serious consideration" of expanding its services at Vancouver International Airport. China Eastern currently operates non-stop daily services between Vancouver and Shanghai.

Related Articles

- New US Flight Fee Would Hurt Canadian Airports: Aviation Groups

URL to article: **http://www.theepochtimes.com/n2/canada/b-c-lauded-for-eliminating-jet-fuel-tax-195587.html**

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Compass/Opinion
Word Count 412
March 7, 2012

Would You Like to Save $40?

By Marc Luiken
Department of Transportation and Public Facilities Commissioner

If you had an extra $40 for every person in your household, what would you do with it? Save it? Spend it? A little of both? Governor Parnell is proposing a suspension of the 8-cent per gallon gas tax for two years in order to give Alaskans a break off a truly regressive tax.

By regressive, I mean that it hits some of the lowest-income citizens, those who can least afford it. There's no break on the tax based on income level or ability to pay. As of this writing, the average price for a regular gallon of gas in Alaska was hovering at $4.18 while the rest of the country was paying an average of $3.75.

Fuel taxes hit Alaskans doubly hard – not only at the gas pump but on all of our goods that are delivered by plane, ship or truck. Merchants add this cost onto the price of products we buy.

Senate Bill 41 and House Bill 102 offer relief from marine and aviation fuel taxes as well, similar to the one-year suspension Governor Palin initiated in 2008. The Attorney General's office noted that when enacted, there was an immediate drop in prices at the pump.

There has been bipartisan support for the suspension. While some have said it doesn't go far enough, many recognize that any tax relief is good for Alaska because that $42 million would be re-injected back into the economy, where it would multiply five to seven times, stimulating the economy in much the same way Permanent Fund Dividends or Native corporation shareholder checks do when they are issued.

$42 million works out to about $40/person, which may not seem like much to some but to many households, particularly our rural families, it is a lot. Multiply that by an average family of four and you have $160 savings. Add in the lower aviation costs and lower cost of shipped goods, and you are making a positive impact on people's pocketbooks.

I've heard some say that Congress will give us less money for transportation if we enact a tax break. They said the same thing when we instituted the Permanent Fund Dividend, but it didn't change the formula. Several states have lowered their gas taxes and it didn't change their state's share of federal funding either.

Let's give Alaskans a break by suspending the motor fuel tax for two years. It is good for Alaska. I ask your support of HB 102 and SB 41.

PRINCESS

March 15, 2012

The Honorable Governor Sean Parnell
Alaska State Capitol Building
PO Box 110001
Juneau, AK 99811-0001

RE: Support for Senate Bill 41 / House Bill 102

Dear Governor Parnell:

Holland America/Princess – Alaska Land Operations manages properties, motor coaches, and railcars throughout Alaska. We provide the experience of a lifetime for visitors coming to Alaska via cruise ship on either Princess Cruises or Holland America Line. In doing so, we are a large part of the tourism equation and economic health of Alaska.

We are supportive of your legislation to suspend Alaska's motor fuel tax for the next two years and urge the Alaska Legislature to not only provide relief to its citizens, but contribute to the economic recovery of the state through the passage of SB 41/HB 102. These bills do both.

Like many business owners in Alaska, we are concerned by the high cost of operations. Many of the small businesses we rely on, such as tour operators, vendors and retailers, are especially concerned by high fuel prices.

The tourism business relies on Alaska staying competitive, and that includes business's ability to keep costs down while providing unique experiences. And in Alaska, most of those experiences require driving or flying epic distances.

The impact on individual Alaskans is just as great. As an employer of more than 3,300 people during the height of the summer season, we are very aware of the cost of fuel to the state's individual consumers.

Thank you for your time and consideration,

Bruce Bustamante
VP, Community & Public Affairs
Holland America/Princess – Alaska Land Operations

601 West 5th Avenue, Suite 501
Anchorage, Alaska 99501
Fax 907 550 7783
www.princess.com

Alaska puts more General Fund (GF) money into their transportation program than most states. The only states that contribute more in GF dollars are much larger in population and tax bases.

California, Pennsylvania, New York, and Illinois. 15 states don't contribute any GF to their transportation. These figures are from 2009, our most recent report.

STATE	General Funds From Appropriations	TOTAL RECEIPTS
California	2,328,686	21,835,783
Pennsylvania	844,963	6,693,863
New York	588,465	8,034,677
Illinois	540,802	4,987,999
Alaska	**337,300**	**935,475**
Louisiana	306,341	2,637,567
Florida	251,573	5,941,287
Dist. of Col.	236,944	457,523
Virginia	235,119	3,018,671
Georgia	232,193	3,580,031
Oklahoma	223,333	1,819,584
Utah	178,367	1,718,104
Massachusetts	115,401	2,751,798
Wyoming	112,759	611,469
Alabama	98,825	1,795,808
Michigan	91,718	3,236,058
Maryland	78,578	2,905,588
Wisconsin	58,507	2,551,710
Delaware	57,427	889,646
Arkansas	54,662	1,059,723
New Mexico	53,781	903,841
Oregon	53,364	1,566,935
Iowa	51,074	1,673,684
Nebraska	49,439	877,075
Kansas	29,032	1,359,780
Texas	25,237	9,516,407
Ohio	21,433	4,652,987
West Virginia	17,889	1,370,705
Vermont	13,439	365,827
Missouri	6,875	2,442,785
North Dakota	6,064	459,705
Kentucky	4,875	2,247,403
Montana	3,468	660,971
Indiana	496	3,035,713
South Carolina	141	1,144,104
Nevada	46	1,091,846
New Jersey	-	5,581,552
Arizona	-	2,868,830
Maine	-	696,209
Washington	-	3,447,192
New Hampshire	-	699,694
Connecticut	-	1,864,807
North Carolina	-	3,540,194
Minnesota	-	2,065,127
Idaho	-	862,922
Colorado	-	2,127,679
Tennessee	-	1,860,157
Hawaii	-	532,415
Mississippi	-	1,111,470
Rhode Island	-	379,193
South Dakota	-	434,645
FEBRUARY 2011		

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
OFFICE OF THE COMMISSIONER

SEAN PARNELL, GOVERNOR

☐ Anchorage Office: 4111 Aviation Avenue
☐ Juneau Office: 3132 Channel Drive

P.O. Box 112500
JUNEAU, ALASKA 99811-2500

PHONE: (907) 465-3901
FAX: (907) 586-8365
WEB: dot.state.ak.us

HB 102 / SB 41
Suspending Motor Fuel Tax

Highlights

Thank you for your interest in the Governor's legislation regarding suspending Alaska's motor fuel tax for the next two years. The tax suspension is one of many efforts this administration is putting forward to improve the economic health of Alaskans. The motor fuel tax suspension will provide immediate tax relief to nearly every citizen in every community across the state.

The actual amount of money saved by Alaskans will vary depending on the type of fuel being purchased; for example, consumers should save eight cents per gallon when fueling their vehicles, five cents per gallon for marine fuel and 4.7 cents per gallon for aviation fuel.

Many Alaskan communities face the highest energy costs in the nation. Motor fuel tax relief is one step in our effort to improve Alaska's daily living expenses. While suspending the motor fuel tax would provide a temporary reduction in the cost of motor fuel, additional efforts are being introduced for long term solutions to high energy costs.

- Leave more money in Alaskan's pockets
- One dollar is circulated 5 – 8 times in Alaska's economy
- Alaskans will save $35-40 million each year of the suspension

FAQ's:

Will suspending the motor fuel tax impact Alaska's federal highway funding?
Suspending the motor fuel tax will not impact Alaska's federal highway funding. The taxes go into the general fund. There is no dedicated fund to highways. Motor fuel tax dollars are just as likely to be spent on a capital project for a building or for any of the hundreds of expenditure types that come out of the state general fund.

- Alaskans do invest funds in transportation

  FY11 Operating budget is $327.9 GF over half of the total operating budget of $585.5

  FY11 Capital Budget $62.0 GF and an additional $54.6 in GF match

  FY12 Operating budget is $328.5 total operating is $585.4

  FY12 Capital budget is $36.9 with an additional $65.1 in match
- On average since 2000, we have spent $240 million annually between the Departments of Transportation and Commerce on transportation. That's roughly $400 per person. Gas prices would have to have a seventy-five to eighty cent per gallon tax to fund Alaska's transportation

program if it was funded solely through gas taxes. Last year we spent $360 million and have 691,000 people so it was $521 per person.

- The federal government still receives gas taxes
- There is no federal requirement that states must collect a gas tax to support transportation

Will the consumer see the savings at the pump?
Studies from MIT indicate that most of the savings from gas tax suspensions are passed onto the consumer. When Alaska suspended the gas tax in 2008 there was a roughly 8 cent a gallon decrease in gasoline prices in Anchorage the day the tax was suspended. We cannot verify perfectly that every cent of the tax suspension was passed onto consumers but the one thing that is certain is that Alaskan consumers will pay nearly $35-$40 million dollars in taxes that are not necessary to collect at this time.

- The 2008-2009 motor fuel tax suspension showed great success as motor fuel prices at the pump dropped by eight cents almost immediately when the suspension went into effect. On the same account, motor fuel prices increased by eight cents immediately after the suspension ended.

How will this tax suspension actually help Alaska's economy?
Certain sectors of our economy tend to benefit more from gas tax suspensions. Alaska's largest private employer, the fishing industry will benefit significantly from the tax suspension. Trucking and airline companies that pay the tax and the consumers that buy the goods those entities deliver will also benefit. Long distance commuters will also see higher than average savings.

Will Congress retaliate against Alaska for a gas tax suspension?
Unlikely. Several states that suspended their gas tax before the passage of SAFETEA-LU in 2005 actually saw an increase of federal highway aid funds of roughly 20-30% from previous levels. Presumably, state tax policy is a matter of state's rights that Congress will respect.

Bullet points:

- Alaska has the second highest retail price of gasoline in the country.
- The $35-$40 million that would have been raised by the tax would go back into people's pockets and generate more in their local economies – spending on groceries, clothing, or other necessities with a multiplier of 5-8.
- Suspension for only two years – it has been suspended before and was reinstituted.
- Currently tax revenues go into the general fund and can be expended on anything.
- Alaska puts a lot of General Fund money into transportation infrastructure. An average of $400 per person. 8 times more than what they spend at the pump in current fuel tax.
- The average person would see a direct $58 in personal relief and more when you consider the decrease in the cost of goods and travel. ($35 million/600,000 people) Using the multiplier effect in the marketplace – 5-8 times, $35 million in the hands of small businesses and individuals could boost our economy to have an impact of $175-$280 million dollars.

NFIB

The Voice of Small Business®

ALASKA

January 31, 2011

The Honorable Sean Parnell
Governor of Alaska
State Capitol Building
Juneau, Alaska 99801-1182

Dear Governor Parnell:

RE: Senate Bill 41 and House Bill 102

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully share our support for Senate Bill 41 and House Bill 102 that suspend the motor fuel tax for two years. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

The cost of fuel is a significant cost for many small businesses. The fuel tax suspension will help many of that business in these very difficult economic times.

Sincerely yours,

Dennis L. DeWitt
Alaska State Director

Cc: NFIB/AK Leadership Council

SENATE BILL NO. 41

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/19/11
Referred: Transportation, Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

"An Act suspending the motor fuel tax; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

SUSPENSION OF THE MOTOR FUEL TAX. (a) Notwithstanding any other provision of law, the motor fuel tax imposed under AS 43.40.010 is suspended and may not be collected for a period beginning July 1, 2011, and ending June 30, 2013.

(b) Every person subject to AS 43.40.010(c) in the fiscal year that precedes the suspension established in (a) of this section shall submit a monthly report, under penalty of unsworn falsification, on a form or in a format prescribed by the Department of Revenue showing all sales or transfers of gasoline, diesel, and aviation fuel during the month. Sales invoices must be attached to the report supporting all sales and transfers of gasoline, diesel, and aviation fuel in the state. The report is due to the Department of Revenue on the last day of the month following the month in which sales or transfers of gasoline, diesel, or aviation fuel were made. The Department of Revenue may assess a penalty of up to $5,000 against any

person that fails to file a monthly report or provide the supporting invoices as required by this subsection.

(c) The Department of Revenue may adopt regulations under AS 44.62 to implement this section.

*** Sec. 2.** Section 1 of this Act is repealed July 1, 2013. 2014

*** Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).

State of Alaska

Department of Revenue

Administrative Services Division

SEAN PARNELL, GOVERNOR
333 Willoughby Avenue, 11th Floor
P.O. Box 110400
Juneau, Alaska 99811-0405
Phone: (907) 465-2300
Fax: (907) 465-2394

January 20, 2011

The Honorable Albert Kookesh
Senate Transportation Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

SB41 Suspension of Motor Fuel Tax
By Request of the Governor

SECTION ANALYSIS

Section 1: Suspension of the Motor Fuel Tax.

(a) Suspends collection of the motor fuel tax imposed under AS 43.40.010 for two years beginning July 1, 2011 ending June 30, 2013.
(b) Requires motor fuel distributors to report the amount of motor fuel sold or transferred in the state to the Department of Revenue and provides for a penalty of up to $5,000 for failure to report.
(c) The Department of Revenue would be able to immediately draft regulations to implement the suspension.

Section 2: Repealer. Repeals Section 1(a) (the tax suspension) on June 30, 2013.

Section 3: Effective Date. Provides for an immediate effective date.

FISCAL NOTE

STATE OF ALASKA cost ≠ codes
2012 LEGISLATIVE SESSION

Bill Version **SB41**
Fiscal Note Number
Publish Date

Identifier (file name) SB41-DOT-CO-1-3-12
Title Suspend Motor Fuel Tax
Sponsor Rules
Requester S TRA

Dept. Affected DOT&PF
Appropriation Admin and Support
Allocation Commissioner's Office
OMB Component Number 530

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY13**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0
Capital Outlay	0.0		0.0	0.0	0.0	0.0	0.0
Grants, Benefits	0.0		0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1003	GF Match	0.0		0.0	0.0	0.0	0.0	0.0
1004	GF	0.0		0.0	0.0	0.0	0.0	0.0
1005	GF/Prgm (DGF)	0.0		0.0	0.0	0.0	0.0	0.0
1037	GF/MH (UGF)	0.0		0.0	0.0	0.0	0.0	0.0
1178	temp code (UGF)	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs _____ *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated to 2012 fiscal note - no change

Prepared by Brenda Hewitt, Legislative Liaison — Phone 465-4772
Division DOT&PF — Date/Time 1/3/12 4:30 PM
Approved by Marc Luiken — Date 1/4/2012
Commissioner DOT&PF

(Revised 8/17/2011 OMB)

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. SB41

Analysis

There is no fiscal impact to the Department of Transportation and Public Facilities.

FISCAL NOTE

STATE OF ALASKA cost ≠ codes
2012 LEGISLATIVE SESSION

Bill Version: **SB 41**
Fiscal Note Number:
Publish Date:

Identifier (file name): SB041-DOR-TAX-12-14-11
Title: Motor Fuel Tax Suspension
Sponsor: Senate Rules by request of the Governor
Requester: Senate Transportation

Dept. Affected: Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY13**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES		**(34,650.0)**	**(37,800.0)**	**(3,150.0)**			

Estimated SUPPLEMENTAL (FY12) operating costs _____ *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

The previous fiscal note reflected fiscal impacts based on an effective date of July 1, 2011. This version assumes an effective date of July 1, 2012.

Prepared by: Johanna Bales, Deputy Director — Phone: (907) 269-6628
Division: Tax — Date/Time: 12/12/11 9:00 AM
Approved by: Jerry Burnett, Director - Administrative Services Division — Date: 12/14/2011
Department of Revenue

(Revised 8/17/2011 OMB)

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. SB 41

Analysis

Bill Language:
This bill would suspend the motor fuel tax for 24 months starting on July 1, 2012 through June 30, 2014. Although the statutes state that the legislature may appropriate the revenue from motor fuel tax for specific purposes, including highway construction and maintenance and water and harbor facilities, all motor fuel tax receipts are paid into the General Fund. Current law also provides that sixty percent of taxes collected on aviation fuel sales at municipal airports are shared with the respective municipalities. Unless a specific appropriation is made to those municipalities through this or other legislation, municipalities would not receive revenue sharing for the period in which the fuel tax is suspended. Motor fuel dealers will continue to be required to provide information showing the amount of motor fuel used in the state so the Department can provide reports to the Federal Highway Administration and ensure Alaska does not lose federal highway funding as a result of the suspension.

Revenues:
Information from fuel tax collections is provided below. FY 2008, FY 2009, FY 2010 and FY 2011 reflect actual collections and shared tax amounts from motor fuel tax. FY 2012 and FY 2013 are forecasts.

	Tax Collections	Shared Aviation Tax
FY 2008 (actual)	$42,000,000	$148,000
FY 2009 (actual)	$10,100,000	$144,101
FY 2010 (actual)	$28,800,000	$130,566
FY 2011 (actual)	$39,600,000	$142,478
FY 2012 (forecast)	$37,600,000	$140,000
FY 2013 (forecast)	$37,800,000	$140,000

It is important to note that the motor fuel tax was previously suspended during the period September 1, 2008 through August 31, 2009. Actual amounts collected in FY 2009 and FY 2010 reflect that suspension. Although the tax was suspended, there was a special appropriation to municipalities to ensure they received the amount of shared tax revenue from aviation fuel sales that they would have received had the fuel tax not been suspended. The reduction in revenue shown for FY 2012 and FY 2013 on the first page of this fiscal note would be further reduced by the municipal revenue share identified in the table above for FY 2012 and FY 2013 if a similar appropriation is made during this suspension period.

Under current law, motor fuel tax collected in a particular month is required to be remitted to the Department of Revenue by the end of the following month. Since the effective date of this legislation is July 1, 2011, taxpayers will be required to remit motor fuel tax for motor fuel sales made in June 2011 by July 31, 2011. Therefore, we expect to collect one month of revenue in FY 2012. There will be no revenue collected in FY 2013 and in FY 2014 revenue will be reduced by one month of activity to account for the suspension of the tax through June 2013.

Expenditures:
Department of Revenue can administer the provisions of this bill utilizing existing resources. There will be no reduction in expenditures as the Department will continue to process tax returns and report to the Federal Highway Administration.

Albert - fyi -

Nancy Barnes

From: mshickey@gci.net on behalf of Mark Hickey <mshickey@gci.net>
Sent: Monday, March 26, 2012 3:02 PM
To: Nancy Barnes; johanna.bales@alaska.gov
Subject: HB 102/SB 41
Attachments: SB4002Z.pdf

Nancy & Johanna,

Here's what I sent to Becky Rooney in Rep. Wilson's office re: HB 102/SB 41.

I see you plan to hear HB 102. There's a small change that was put in the last time we did this in 2008 that my client (Petro Marine Services) would want to see.

On page 1. lines 11-13 require that all sales invoices must be submitted to DOR on a monthly basis. This is unnecessary and can be costly for a large company like my guys. It could be literally hundreds of invoices each month or more. We negotiated a language change in the previous bill with DOR. See lines 27-29 on page 4 of SB4002. We basically changed it to give the department the authority to request these invoices versus making it mandatory.

Let me know if you have questions. I can be reached at #723-8574.

Thanks,
Mark

LAWS OF ALASKA

2008

FOURTH SPECIAL SESSION

Source
HCS CSSB 4002(FIN) am H

Chapter No.
_____

AN ACT

Amending the bulk fuel bridge loan fund and the bulk fuel revolving loan fund; relating to power cost equalization; relating to Alaska resource rebates, and increasing the amount of the 2008 permanent fund dividend to provide that rebate; suspending the motor fuel tax; eliminating the authority to make certain provisions of the heating assistance program retroactive to November 1, 2007; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1

AN ACT

Amending the bulk fuel bridge loan fund and the bulk fuel revolving loan fund; relating to power cost equalization; relating to Alaska resource rebates, and increasing the amount of the 2008 permanent fund dividend to provide that rebate; suspending the motor fuel tax; eliminating the authority to make certain provisions of the heating assistance program retroactive to November 1, 2007; and providing for an effective date.

---

* **Section 1.** AS 29.60.660(c) is amended to read:

(c) Loans made from the bulk fuel bridge loan fund to one borrower in a fiscal year

(1) may not exceed **$750,000** [$500,000]; and

(2) shall be repaid within one year after the date of the award.

* **Sec. 2.** AS 42.45.110(c) is amended to read:

(c) The amount of power cost equalization provided **for each** [PER] kilowatt-hour under [SUBSECTION] (b) of this section may not exceed 95 percent of the power costs, or the average rate **for each** [PER] eligible kilowatt-hour sold, whichever is less, as determined by the commission. However,

(1) [DURING THE STATE FISCAL YEAR THAT BEGAN JULY 1, 1999,] the power costs for which power cost equalization **are** [WERE] paid to an electric utility **are** [WERE] limited to minimum power costs of more than 12 cents **a** [PER] kilowatt-hour and less than **$1 a** [52.5 CENTS PER] kilowatt-hour;

(2) **each year** [DURING EACH FOLLOWING STATE FISCAL YEAR], the commission shall adjust the power costs for which power cost equalization may be paid to an electric utility based on the weighted average retail residential rate in Anchorage, Fairbanks, and Juneau; however, the commission may not adjust the power costs under this paragraph to reduce the amount below the lower limit set out in (1) of this subsection; and

(3) the power cost equalization **for each** [PER] kilowatt-hour may be determined for a utility without historical kilowatt-hour sales data by using kilowatt-hours generated.

* **Sec. 3.** AS 42.45.110(c), as amended by sec. 2 of this Act, is amended to read:

(c) The amount of power cost equalization provided for each kilowatt-hour under (b) of this section may not exceed 95 percent of the power costs, or the average rate for each eligible kilowatt-hour sold, whichever is less, as determined by the commission. However,

(1) the power costs for which power cost equalization are paid to an electric utility are limited to minimum power costs of more than 12 cents a kilowatt-hour and less than **52.5 cents** [$1] a kilowatt-hour;

(2) each year, the commission shall adjust the power costs for which power cost equalization may be paid to an electric utility based on the weighted average retail residential rate in Anchorage, Fairbanks, and Juneau; however, the commission may not adjust the power costs under this paragraph to reduce the amount below the lower limit set out in (1) of this subsection; and

(3) the power cost equalization for each kilowatt-hour may be

determined for a utility without historical kilowatt-hour sales data by using kilowatt-hours generated.

* **Sec. 4.** AS 42.45.250(e) is amended to read:

(e) Loans made from the bulk fuel revolving loan fund to one borrower in any fiscal year

(1) may not exceed **$750,000** [$500,000], or, if the borrower is a cooperative corporation organized under AS 10.15 or an electric cooperative organized under AS 10.25 and uses the loan to purchase bulk fuel on behalf of more than one community, may not exceed the lesser of **$750,000** [$500,000] multiplied by the number of communities on whose behalf the bulk fuel is to be purchased, or $1,800,000;

(2) shall be repaid in one year or less; and

(3) may not exceed 90 percent of the wholesale price of the fuel purchased.

* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to read:

ALASKA RESOURCE REBATE. (a) To provide residents of the state with an Alaska resource rebate, the amount of the 2008 permanent fund dividend shall be increased. After calculating the amount of the 2008 dividend under AS 43.23.025, the commissioner of revenue shall add $1,200 to determine the total amount of that dividend. An individual may elect not to receive the $1,200 resource rebate authorized under this subsection. An individual who elects not to receive the $1,200 resource rebate may provide notice of the election on a form provided by the Department of Revenue. Notice must be postmarked or received by the Department of Revenue not later than September 2, 2008.

(b) A veteran or the spouse or dependent of a living or deceased veteran who did not apply for the 2008 permanent fund dividend and is eligible for veterans' benefits under 38 U.S.C. 1315, 1513, 1521, 1541, and 1542 may apply to the Department of Revenue for a $1,200 Alaska resource rebate payment for 2008. The individual shall apply on a form provided by the department not later than October 1, 2008, and shall demonstrate that the individual would have been eligible to receive a 2008 permanent fund dividend under AS 43.23, except that the individual did not apply for that dividend.

(c) A veteran or the spouse or dependent of a living or deceased veteran who is eligible for veterans' benefits under 38 U.S.C. 1315, 1513, 1521, 1541, and 1542 who is denied or receives reduced payments under those provisions or reduced health care benefits solely because the $1,200 increase in the dividend under (a) of this section or the $1,200 payment under (b) of this section received by the individual is counted as income is eligible for cash assistance under AS 47.25.120 - 47.25.300 (general relief assistance). Notwithstanding the limit in AS 47.25.130, the individual is entitled to receive the same amount as the individual would have received under 38 U.S.C. 1315, 1513, 1521, 1541, and 1542 and as a health care benefit as a result of being eligible under 38 U.S.C. 1315, 1513, 1521, 1541, and 1542, had the $1,200 increase or payment not been received under (a) or (b) of this section.

(d) Subject to appropriation, the amount necessary for resource rebates to increase 2008 permanent fund dividends under (a) of this section shall be transferred from the general fund to the dividend fund (AS 43.23.045).

(e) When issuing checks or pay warrants associated with a direct deposit to residents receiving a permanent fund dividend, the commissioner of revenue shall include the following statement in bold type: "This payment includes a resource rebate of $1,200, which is a one-time payment to qualified Alaskans."

* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

SUSPENSION OF THE MOTOR FUEL TAX. (a) Notwithstanding any other provision of law, the motor fuel tax imposed under AS 43.40.010 is suspended and may not be collected for a period beginning September 1, 2008, and ending August 31, 2009.

(b) Every person subject to AS 43.40.010(c) in the fiscal year that precedes the suspension established in (a) of this section shall submit a monthly report, under penalty of unsworn falsification, on a form or in a format prescribed by the Department of Revenue showing all sales or transfers of gasoline, diesel, and aviation fuel during the month. The department may require that invoices be attached to the report supporting all sales and transfers of gasoline, diesel, and aviation fuel in the state. The report is due to the Department of Revenue on the last day of the month following the month in which sales or transfers of gasoline, diesel, or aviation fuel were made. The Department of Revenue may assess a penalty

of up to $5,000 against any person that fails to file a monthly report or provide the supporting invoices as required by this subsection.

(c) The Department of Revenue may adopt regulations under AS 44.62 to implement this section.

* **Sec. 7.** Sections 9 and 11, ch. 31, SLA 2008, are repealed.

* **Sec. 8.** Section 6(a) of this Act is repealed August 31, 2009.

* **Sec. 9.** Sections 6(b) and (c) of this Act are repealed October 1, 2009.

* **Sec. 10.** Section 2 of this Act takes effect October 1, 2008.

* **Sec. 11.** Section 3 of this Act takes effect June 30, 2009.

* **Sec. 12.** Except as provided in secs. 10 and 11 of this Act, this Act takes effect immediately under AS 01.10.070(c).

SB

77

<TARGET><BILL>SB 77</BILL><SUBJECT>SB 77</SUBJECT><COMM>STRA27</COMM></TARGET>

ALASKA STATE LEGISLATURE

SENATE TRANSPORTATION COMMITTEE

SPONSOR STATEMENT – SENATE BILL 77

SB 77 – An Act making a special appropriation to the Department of Transportation and Public Facilities to provide matching grant funds for expenses for certain locally and federally funded public transit projects; and providing for an effective date.

Senate Bill 77 provides three million dollars in matching funds to support community transit projects. Alaska is one of only three states that does not provide operating support for public transit, shifting the entire burden to local governments and non-profits to partner with the federal government to provide these services. In too many cases, local transit agencies must turn down federal funding because they cannot meet a required matching component. Increasing fares and diminishing service routes have the greatest impact on Alaska's most vulnerable citizens, making it more difficult for seniors to get to health care providers, for workers to get to jobs, and for students of all ages to get to school.

The State of Alaska currently provides direct general fund matching assistance for other modes of transportation, including highways, aviation, and harbors. Annual federal funding available to Alaska for transit assistance varies from year-to-year, but averages nine million dollars or more. In many cases, Alaska is not capturing these federal funds due to insufficient matching funding. State funds to help meet the match requirement would put public and community transportation providers on a parity level with other federal and state "partnerships" that provide transportation for Alaskans.

Senate Bill 77 appropriates three million dollars to the Alaska Department of Transportation and Public Facilities to award to community transit providers through a competitive grant process, with a required 50% match requirement (in kind or cash). Senate Bill 77 is a legislative priority for the Municipality of Anchorage, the Alaska Mental Health Trust Authority, the Alaska Mobility Coalition, the Governor's Council on Disabilities and Special Education, and the Alaska Commission on Aging.

CS FOR SENATE BILL NO. 77(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered:
Referred:

Funding Information:	**General Fund**	**$**	**3,000,000**
	Other Funds		**-0-**
	Total	**$**	**3,000,000**

Sponsor(s): SENATE TRANSPORTATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act making a special appropriation to the Department of Transportation and Public Facilities to provide matching grant funds for operating expenses for certain locally and federally funded public transit projects; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** LEGISLATIVE INTENT. It is the intent of the legislature that the sum appropriated in sec. 2 of this Act be allocated to achieve a statewide balance of projects in both rural and urban areas.

*** Sec. 2.** The sum of $3,000,000 is appropriated from the general fund to the Department of Transportation and Public Facilities to provide matching grant funds that do not exceed 50 percent of project costs for locally and federally funded public transit projects that are not state projects, for the fiscal year ending June 30, 2012.

*** Sec. 3.** This Act takes effect July 1, 2011.

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/2/11

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 2/22/11

Transportation Committee considered SENATE BILL NO. 77

SB 77-APPROP.: PUBLIC TRANSIT PROJECTS

"An Act making a special appropriation to the Department of Transportation and Public Facilities to provide matching grant funds for operating expenses for certain locally and federally funded public transit projects; and providing for an effective date."

and recommends:

[✓] be **replaced** with **CS** SB 77 (TRA) [✓] *Same Title* [ ] *New Title*

[ ] adopt **previous CS** _____ (_____) [ ] *Same Title* [ ] *New Title*

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[✓] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
Linda Menard	Menard	✓			
Joe J Thomas	Thomas			✓	
CHAIR: Albert Kookesh	Kookesh	✓			

Nancy Barnes

From: Christensen, Sonia M (GOV) [sonia.christensen@alaska.gov]
Sent: Tuesday, February 15, 2011 8:47 AM
To: Nancy Barnes
Subject: ~~SB 79~~ fiscal note

NO Fiscal Note ON SB77

Hi Nancy,

For you information, AS 24.08.035 reads (a) Before a bill or resolution, except an appropriations bill, is reported form the committee of first referral, there shall be attached to the bill a fiscal note containing an estimate of the amount of the appropriation increase or decrease that would result from enactment of the bill for the current fiscal year and five succeeding fiscal years or, if the bill has no fiscal impact, a statement to that affect shall be attached.

Let me know if I can provide any more information. It was nice to chat with you this morning.

Thanks,

Sonia

Sonia M. Christensen

Deputy Legislative Director
Office of Governor Sean Parnell
907.465.3500
907.209.0990 (cell)

27-LS0348\E
Kane
2/17/11

CS FOR SENATE BILL NO. 77(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered:
Referred:

Funding Information:	**General Fund**	**$ 3,000,000**
	Other Funds	**-0-**
	Total	**$ 3,000,000**

Sponsor(s): SENATE TRANSPORTATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act making a special appropriation to the Department of Transportation and Public Facilities to provide matching grant funds for operating expenses for certain locally and federally funded public transit projects; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* **Section 1.** LEGISLATIVE INTENT. It is the intent of the legislature that the sum appropriated in sec. 2 of this Act be allocated to achieve a statewide balance of projects in both rural and urban areas.

* **Sec. 2.** The sum of $3,000,000 is appropriated from the general fund to the Department of Transportation and Public Facilities to provide matching grant funds that do not exceed 50 percent of project costs for locally and federally funded public transit projects that are not state projects, for the fiscal year ending June 30, 2012.

* **Sec. 3.** This Act takes effect July 1, 2011.

New Text Underlined [DELETED TEXT BRACKETED]

Senate Bill 77

Senate Transportation Committee

February 22, 2011

Senate Bill 77 - Overview

- SB77 Appropriates $3 million to the Dept of Transportation and Public Facilities
- DOTPF will distribute the funds to local transportation providers through a competitive grant process
- Funds from SB77 must match Federal or Local funds

"Public Transit, Less Service"

"In mid-2009, one-third of the Eagle River local bus service was cut. In March 2010, Routes 76 and 78, the last routes left to circulate around Eagle River, were eliminated to save $478,000."

"In their place, the People Mover began a service called Eagle River Connect -- a service people can call for pickup at their residence. It uses the AnchorRides buses, and it is open to the general public."

"Nelson, who has some disabilities, likes the idea of it, but said to go from his North Birchwood home to a noon meeting at Denny's on Bragaw Street and DeBarr Road, he would have to leave the house at 7 a.m. ... Sometimes he can't even get on the Connect bus to go wherever he wants to go because space is limited."

"**What's needed? 'More buses and more drivers**,' he said."

"In another cutback, the city plans at the end of the month to drop a second bus route to Mountain View, 45G, meant to relieve crowding on the regular Route 45 to Mountain View."

Anchorage Daily News, 2.19.11

Who Qualifies?

- Any local public transit provider can qualify, if they can meet the match requirement from Federal or other Local sources
  - Municipalities
  - Tribal organizations
  - Non-profits
- State of Alaska projects do not qualify

What Qualifies?

- All modes of local public transit can qualify
  - Bus systems
  - Van services
  - Local ferry services

Getting the most from Uncle Sam

- Alaska Mobility Coalition estimates that $3 million in State matching funds could leverage $12 million in additional Federal funding for public transit in Alaska

Transit Fast Facts

- Every $1 invested in public transit yields $3.20 in business sales
- $1 million invested in public transit creates and sustains 36 jobs
- Individuals who use public transit save $9,000 a year on average
- One person switching to public transit can reduce daily carbon emissions by 20 pounds, or more than 4,800 pounds in a year

Public Support for SB77

- Dittman Survey of 2009:
  - 94% of all Alaskans surveyed think public transit in their community is "Very Important or "Somewhat Important"
    - Only 3% think it is "Not important at all"
  - 88% of all Alaskans surveyed support state matching funding for public transit when Federal funds are available
    - Only 9% oppose

Statewide Support for SB77

- Alaska Municipal League
- Governor's Coordinated Transportation Task Force
- Alaska Mobility Coalition
- Alaska Mental Health Trust Authority
- Alaska Commission on Aging
- Alaska Center for Environment
- Municipality of Anchorage
- Matanuska-Susitna Borough
- Senior Groups around the State

CS for SB77

- Removes "Operating" expense requirement
  - Allows greatest flexibility in meeting community needs
  - Majority of funding will go toward operations because of the availability of capital funds
- Requires match be not less than 1-to-1
- Inserts urban-rural balance intent language
  - Allows rural communities, where the need is great, but ridership may be low, to be competitive for awards

Let's Give Transit a GO

- Good for Business
- Good for Seniors
- Good for the Environment
- Good for Alaska

For questions, please contact:
Jeff Rogers
Staff to Senator Johnny Ellis
Jeff.Rogers@legis.state.ak.us
465-4534

Governor's Coordinated Transportation Task Force

Recommendations Report

February 11, 2010

February 11, 2010

Governor Sean Parnell
State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

The Governor's Coordinated Transportation Task Force (CTTF), tasked under Administrative Order 243 to "facilitate and enhance the coordination and integration of community-based public transportation services for the benefit of persons with special needs," is pleased to present this Recommendations Report to the State for consideration and implementation.

Coordination is the efficient and effective use of transportation resources for getting people to important destinations, such as jobs and medical appointments. Coordination requires the active engagement and commitment of transit providers, human service agencies, private institutions, businesses, volunteers and political leaders to broaden transportation options by way of modes, routes, and providers and to ensure the connectivity between them.

This Recommendation Report presents a process to achieve a coordinated human service public transportation culture as well as a structure to sustain it, all for the purpose of ensuring that people with special needs in Alaska receive effective and efficient transportation services.

The CTTF members participating in this process endorse this approach, support the legislative changes it proposes, and commit to its implementation, as demonstrated by the member signatures included in Appendix A.

On behalf of the CTTF, I thank you for this opportunity to serve the State through this important collaborative effort.

Sincerely,

Jeff Ottesen, CTTF Chair
Director, Division of Program Development
Department of Transportation and Public Facilities

Coordinated Transportation Task Force

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Thank You

The Governor's Coordinated Transportation Task Force would like to thank the many individuals who participated, provided information, listened, and made comments and suggestions throughout the CTTF's study, deliberations and recommendations development process. Some of these involved stakeholders who gave of their time and experience to inform this process include:

Bethel Senior Center
Jewellee Bell, Department of Administration
Michael Black, Department of Commerce, Community and Economic Development
Jason Burke, State ADA Coordinator
Tara Callear, Fairbanks Metropolitan Area Transportation System
Kim Champney, REACH, Inc.
John Cramer, Chief of Staff, Lieutenant Governor's Office
Art Delane, Access Alaska
James Farrington, Department of Education and Early Development
Kathy Fitzgerald, Developmental Disabilities Committee
Donna Gardino, Fairbanks Metropolitan Area Transportation System
Edward Graff, Fairbanks North Star Borough
Rebecca Greenberg, Palmer Senior Citizens Center
William Herman, Alaska Mental Health Trust Authority
Jody Karcz, People Mover
John Kern, Capital Transit
David Leone, Fairbanks North Star Borough
David Levy, Alaska Mobility Coalition
Lucas Lind, Alaska Mental Health Trust Authority
Laura Manley, NAMI-Juneau
Joan O'Keefe, Southeast Alaska Independent Living
Participants in Alaska Community Transportation Conference, 2009
Barb Singleton, Community Transportation Association of America
Connie Sipe, Center for Community
Rebecca Traylor, Fairbanks North Star Borough Public Transit Advisory Council; Access Alaska
Melissa Wills-Markigraf, Salcha's Neighborly Organization
Rick and Juanita Webb, Wallbusters
Jerry L. Woods, Tanama Chiefs Conference Transportation

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Executive Summary

With the signing of Administrative Order 243 on October 14, 2008 the Governor's Coordinated Transportation Task Force (CTTF) was officially assigned the responsibility to study and make recommendations on how the State can coordinate the provision of "cost-effective, community-based transportation services to persons with special needs." Administrative Order 252 extended the duration of the CTTF's work through April 2010.

The Community Transportation Association of America describes coordination as the efficient and effective use of transportation resources for getting people to important destinations, such as jobs and medical appointments. Coordination requires the active engagement and commitment of transit providers, human service agencies, private institutions, businesses, volunteers and political leaders to broaden transportation options by way of modes, routes, and providers and to ensure the connectivity between them.

Human service public transportation takes on its own unique meaning in Alaska. Alaska's population features one of the fastest growing senior populations in the country, as well as more veterans per capita than almost any other state. Furthermore, more than 150,000 people live off Alaska's limited state highway network. Clearly, effective and efficient human service public transportation services are challenging – and essential. This dynamic is further complicated when transportation in distant locations may require dog sled, boat or air taxi from which to access a commercial airplane or bus.

Dollars are short. An Alaska Municipal League study shows that even the most aggressive options to fund Alaska's transportation need are not adequate. The AML study did not address public transportation options.

Funding for human service public transportation services is limited and complex. A number of different federal funding sources come to Alaska state agencies and tribes to support transportation services for people with special needs. Each of these programs is accompanied with its different purposes and requirements, even though they may be serving similar sets of people. State agencies and tribes must work across systems in order to leverage those dollars for the maximum benefit.

Accessing Federal Transit Administration dollars that support public transportation options for people with special needs can be challenging for communities and particularly so in these tough economic times. Federal grants to support capital needs (vehicles, preventative maintenance and infrastructure) require a state or local match of 10-20 percent of the total allocation. Federal funding programs for operational support (maintenance, fuel, etc.) require a 50 percent match.

Communities seeking to match federal funds must reach into the same revenue sources that compete for education, police, fire, library and park services. In most communities, a ready source of revenue sufficient to meet the need and secure a match is difficult to come by, leaving operating funds for public and human service transportation systems in short supply.

To respond to the task to "coordinate and share transportation resources," through "improved interagency planning at the state level," the CTTF worked methodically through each of the duties it was assigned. During 2009 the CTTF held five (5) face-to-face meetings and eight (8) teleconference calls with webinars to pursue their study and generate this Recommendations Report. They shared and studied programmatic materials, toured human service public transportation facilities, met and talked with people with special needs and sought broader public input.

All CTTF meetings were open and provided opportunities for public comment. The Department of Transportation and Public Facilities maintained a website on the group's behalf, and the Alaska Mobility Coalition provided links to the same. The website provided access to CTTF materials and products. Furthermore, the group presented and in a workshop format shared and collected input on the draft recommendations at the statewide Alaska Community Transportation Conference held in Anchorage on October 27-29, 2009. The draft report was released for official public comment on November 23, 2009.

This Recommendation Report presents a process to achieve a coordinated human service public transportation culture as well as a structure to sustain it, all for the purpose of ensuring that people with special needs in Alaska receive effective and efficient transportation services.

Recommendation - Short Term

The CTTF has identified a body of work that still needs to be accomplished prior to the official adoption of the formal Recommendations outlined in this Report. In order to address that need, and to secure an infrastructure for "improved interagency planning at the state level" which can help deliver "cost-effective, community-based transportation services to persons with special needs," the CTTF recommends that the Governor:

Reconstitute the Coordinated Transportation Task Force though July 31, 2011, tasking it with the specific responsibilities to:

1. Scope, size and if feasible, implement a needs assessment to most accurately quantify the transportation demand for people with special needs and inform coordination efforts.
2. Generate a draft Coordinated Transportation Action Plan which articulates a shared, statewide vision for human service public transportation and formulates the recommendations of this report into outcome-based strategies. This Action Plan will comprise the body of work to be undertaken by the Coordinated Transportation Commission described in the long-term Recommendation I.A below.
3. Prepare draft legislation that supports the coordinated infrastructure recommended within this Report to ensure the sustained coordination of the state's resources.

The membership of the reconstituted CTTF is proposed to include those perspectives included on the existing group, with the addition of a three critically important perspectives for a total of 12 members. Specifically, the membership is proposed to include the following continuing members:

- The Commissioner of the Department of Transportation and Public Facilities, or the commissioner's designee; that person will serve as chair;
- The Commissioner of Department of Health and Social Services, or the commissioner's designee;
- The Commissioner of the Department of Labor and Workforce Development, or the commissioner's designee
- The Commissioner of Military and Veteran's Affairs, or designee
- A representative who has expertise in the transportation needs of senior citizens and can offer that perspective;
- A representative who has expertise in the transportation needs of persons with disabilities and can offer that perspective;
- A representative who has expertise in the transportation needs of low-income individuals and can offer that perspective;
- A representative of municipalities and can offer that perspective;
- A representative of transportation providers that receive federal funding available to American Indian and Alaska Native Tribes.

Three additional members proposed for the Reconstituted CTTF support important populations and play key roles in coordination of interagency efforts to ensure the effective provision of transportation services for people with special needs. They include:

- The Commissioner of the Department of Commerce, Community, and Economic Development, or the commissioner's designee;
- The Commissioner of the Department of Education and Early Development, or the commissioner's designee;
- The chair of the Board of Trustees of the Alaska Mental Health Trust Authority, or the chair's designee;

The reconstituted CTTF will be responsible for presenting and delivering its products to the Governor on or before July 31, 2011.

Recommendations – Long Term

The CTTF recommends that :

I. The State of Alaska enact a statute that establishes, enables and requires coordination of community-based transportation services that utilize state and federal grant funding. The statute would:

   A. Establish a Governor-appointed Coordinated Transportation Commission, composed of a broad cross-section of agencies with responsibility for transportation, related human services, and advocates for special populations. The Commission would be established for a four-year period, with a review at that juncture to determine whether to continue or to sunset the Commission. This would be accompanied by a funding commitment that will not negatively impact the existing limited funding for public transportation activities throughout the state. The Commission would:

- Oversee, implement, assess and periodically update the Coordinated Transportation Action Plan generated by the reconstituted CTTF, which brings to fruition the recommendations generated in this report..

- Continue to identify, coordinate and leverage collective state agency resources so that they are most efficiently and effectively providing transportation services to persons with special needs

- Continue to identify and address barriers to coordination in addition to those identified and addressed in this report as the coordinated system evolves and matures.

- Advocate for a uniform budgeting structure that tracks and reports transportation expenditures on state clients.

  State agency tracking and reporting on transportation expenditures is essential to effective, measurable coordination and leveraging state resources. Such data collected, updated, used and shared will meet federal accounting requirements, facilitate coordination and help best leverage state resources. State-funded expenditures on human service public transportation identified through this tracking mechanism can be used as match money to increase the availability of federal funding for transportation.

- Develop and establish performance measures that identify entities that receive any type of public funding and measure coordination efforts through a statewide data base.

  Performance measures need to specifically address and evaluate the effectiveness of coordinating and providing transportation services for people with special needs, which are measures that would look quantifiably different and possibly in addition to standard transit measurements typically used today. Emerging legislation from Congress is establishing performance measurements as a new requirement of virtually every federally funded program. This recommendation also recognizes that measuring performance will be a new requirement for many agencies.

- Articulate issues of policy and decision-making criteria associated with coordination plan implementation.

- Develop a minimum taxicab standard for state-owned facilities such as airports and ferries to ensure those with disabilities are not overlooked.

  State-owned ferry or airport terminals are a major destination for taxi businesses. To ensure those with disabilities are not overlooked, generate accessibility standards or regulations for taxicab businesses serving state-owned facilities, which includes a provision for permitted use of designated pickup and drop off zones. Alternate strategies include a recommendation for local government taxi codes that establish minimum capacity for accessible taxicabs and establish a basic standard in state law.

- Identify and address barriers to coordination associated with vehicle insurance, including cost, joint coverage, policy writing, and the sharing of publicly funded transportation vehicle assets.

- Prepare an annual report to the State Legislature that summarizes the status of coordinated transportation within the state and make recommendations as appropriate.

B. Authorize the Department of Transportation and Public Facilities to manage the matching program for Federal Transit Administration and state transit funds according to criteria established by the Commission.

C. Ensure local entities have statutory authority to prepare local Human service Public Transportation Coordinated Plans.

D. Require applicants for federal or state transit funds to respond to priorities established in their local Human service Public Transportation Coordinated Plan.

II. Make specific state funds available to support operational expenses for human service public transportation projects and providers (which in turn can be identified as match for additional federal funds) during its annual appropriation process. Part of the Commission's responsibility would be to establish programmatic areas and measureable outcomes for funding recipients in order to demonstrate and ensure the benefits of the investment in human service public transportation.

III. Enrich and enhance the human service public transportation coordination planning processes by revising and updating coordination planning guidance documents and providing increased technical assistance. The support and guidance is intended to be directly responsive to helping identify local needs and build local awareness and capacity. The assistance program would:

A. Generate increased awareness and understanding about the range of funding opportunities available to support human service public transportation coordinated planning;

B. Help foster the engagement of a variety of stakeholders and specifically local human service agencies in the planning process in order to best identify individualized local needs and how to meet them;

C. Outline and encourage meaningful and innovative coordination opportunities, including providing a list of best practices (i.e. coordination respective to winter maintenance, school districts, vehicle use and sharing vehicles, etc.);

D. Capitalize on existing data collection resources including the National Transit Database and the Alaska Public Transportation Management System database to expand inputs to support performance measure initiatives, identify coordination partners and leverage and resources;

E. Communicate and support the utilization of mobility management practices (using a single point of contact to take calls on a local and regional level to coordinate the provision of services for the client) and securing mobility managers; and

F. Provide technical assistance for the coordination planning and funding application processes.

IV. Conduct a statewide assessment of Alaskans with special needs to better understand the population's needs even while recognizing that the population and needs are changing. This data will serve as a tool for the Commission to direct and assess its Coordinated Transportation Action Plan, as well as inform and support local coordination planning efforts. The data requires ongoing attention and is recommended to be updated every four years. Through the process of conducting local coordinated planning, additional and increasingly specific local needs will be identified to further inform the assessment data.

Additional Operational Level Recommendations

The CTTF also generated a set of "operational-level recommendations" in response to their task to develop mechanisms and incentives to support coordinated efforts and effectively meet needs. The CTTF will incorporate the study, development and public input of those recommendations into the Coordinated Transportation Action Plan.

The CTTF Recommendations acknowledge and work to address the needs and influences of the various programmatic levels—federal, tribal, state and local—that influence and support human service public transportation efforts. They present a strategy to address what we know, seek out what we don't know, track cost and coordination efforts to ensure effective outcomes, and generate an infrastructure that supports coordination. Implementing these recommendations will grow and sustain a culture designed to efficiently and effectively provide transportation services for people with special needs.

Introduction

Coordination is the efficient and effective use of transportation resources for getting people to important destinations, such as jobs and medical appointments. Coordination means working with transit providers, human service agencies, private institutions, businesses, volunteers and political leaders to broaden transportation options by way of modes, routes, and providers. Coordination ensures the connectivity between these options.

With the signing of Administrative Order 243 on October 14, 2008 (Appendix B), the Governor's Coordinated Transportation Task Force (CTTF) was officially assigned the responsibility to study and make recommendations on how the State can coordinate the provision of "cost-effective, community-based transportation services to persons with special needs." Administrative Order 252 extended the duration of the CTTF's work through April 2010.

Building upon existing experience and successes throughout state agencies, private entities and Alaska Tribes, the CTTF is to further the coordination and sharing of transportation resources through "improved interagency planning at the state level." Specifically, the Administrative Order asks the CTTF to "maximize the availability of community-based transportation services, the sharing of transportation resources among government and private entities providing those services, and the coordination among providers of those services."

Coordination is
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Coordination means
working with transit providers, human service agencies, private institutions, businesses, volunteers and political leaders to broaden transportation options by way of modes, routes, and providers.

Coordination ensures
the connectivity between these options.

Nine representatives and three ex officios were specifically identified in the Administrative Order and appointed by the Governor as participants in this process. The Order and the group recognized the important roles of other entities and stakeholders who provide or are responsible for the provision of transportation services, and that an effective and comprehensively coordinated system relies equally on their participation and experience. Human service public transportation features the coordination of public transportation systems with human service agencies and providers responsible for making transportation resources available to their clients. All of these entities and more must have input to the CTTF's deliberations. They are integral to the actual coordination planning and service delivery that is provided to people with special needs.

During 2009 the CTTF held five (5) face-to-face meetings and eight (8) teleconference calls with webinars to pursue their study and generate this Recommendations Report. All meetings were open and provided opportunities for public comment. They shared and studied programmatic materials, toured human service public transportation facilities, met and talked with people with special needs and sought broader public input.

Administrative Order 243 identifies persons with special needs as

- Senior citizens.
- Persons with disabilities (including physical disabilities, developmental disabilities, mental illness, traumatic brain injury, dementia, substance abuse problems).
- Preschool children in a Head Start program.
- Public school students.
- Low income individuals, including those receiving public assistance or Medicaid.
- Others persons with special needs.

The Department of Transportation and Public Facilities (DOT&PF) maintained a website on the group's behalf, and the Alaska Mobility Coalition (AMC) provided links to the same. The website provided access to CTTF materials and products. Furthermore, the group presented and in a workshop format shared and collected input on the draft recommendations at the statewide Alaska Community Transportation Conference held in Anchorage on October 27-29, 2009. The draft report was released for official public comment on November 23, 2009.

The Administrative Order is specific about the audience the CTTF work is intended to support. Persons with special needs as described by the Administrative Order include people with physical, developmental or mental disabilities, senior citizens, preschool children in a Head Start program, public school students, low income individuals, and others without access to existing, workable transportation opportunities.

Much research and work has been done on a national level and in other states to help guide the CTTF work and recommendations. Studies by the Transit Cooperative Research Program, National Cooperative Highway Research Program, U.S. Department of Transportation Federal Transit Administration, and best practices gleaned from other states (specifically the state of Washington) informed the CTTF process and product. Data provided by existing state planning documents for special populations, including the *Alaska Transportation Finance Study Final Report* (January, 2009), *Alaska State Plan for Senior Services, 2008-2011*, and the *2007 Annual Disability Report: Alaska*, illuminated the scope of the populations' needs and underscored the importance of a coordinated system to meet that collective need.

Furthermore, the Region X United We Ride Ambassador from the Community Transit Association of America participated in the process, directed the group to additional resources, and provided consulting services.

Mobility is a fundamental part of our daily lives.

The CTTF's process was a deliberate step-by-step response to the following duties assigned to the group in the Administrative Order:

Duty 1

Identify state, federal, and local government agencies and private entities that administer or support community-based transportation services for persons with special needs.

This duty the CTTF addressed at two levels: 1) by utilizing the Alaska Public Transit Management System (APTMS) as a tool to inventory transportation providers, their funding sources, and their resources, and 2) by starting the process to identify and document state and federal agency resources that are available in Alaska to support community-based transportation activities. The APTMS will continue as an ongoing process to collect data in a manner that can inform and support local coordination efforts; the agency resources as collected to date are provided in Appendix C and underscore the need for increased tracking and coordination of state agency resources.

Duty 2

Identify barriers to coordination at the state, federal, and local levels for those services.

The CTTF identified and articulated barriers to coordination and used them as a starting point from which to generate the **CTTF Recommendations.**

CTTF studies a range of resource materials while meeting in Juneau.

Duty 3

Recommend the removal of barriers that prevent coordination of those services.

CTTF Recommendations are presented at two levels. A set of "policy-level" recommendations are proposed to generate a statewide infrastructure that supports a culture of coordination and accountability. The second set of recommendations are practical considerations, presented as draft "operational-level" recommendations that affect accessibility for persons with special needs, and are maintained for broad stakeholder input and further development at a later date. These draft operational recommendations are provided in Appendix D.

Duty 4

Propose changes in statutes or regulations that would facilitate coordination of those services.

Proposed changes in statutes or regulations are included in the policy-level **CTTF Recommendations.**

Duty 5

Develop mechanisms and incentives to governmental agencies to coordinate those services through means including collaborative vehicle use, centralized dispatch services, joint or bulk purchase of fuel and vehicles, multi-purpose transportation voucher programs, centralized maintenance, and joint insurance.

Mechanisms and incentives to coordinate services are included in the CTTF draft operational-level recommendations in Appendix D.

Duty 6

Identify available financing for accessible services in communities in this state that have limited or no publicly financed transportation services to serve persons with special needs.

A list of available and proposed ideas for financing accessible services in Alaska communities was generated by the CTTF with a corresponding action plan to communicate that availability through an enhanced local human service public transportation coordination planning process. A plan for making more resources available to communities is also proposed. This process and proposal is included in the **CTTF Recommendations**.

Duty 7

Develop a mechanism to ensure that services for persons with special needs in this state are coordinated and services are evaluated.

Mechanisms for tracking and evaluating expenditures and coordination are proposed in the **CTTF Recommendations**, along with a statewide needs assessment to provide a meaningful benchmark from which to generate a program to measure effectiveness.

This Recommendations Report is the result of the CTTF's process to address the duties as assigned and to create an infrastructure to better serve persons with special needs through effective coordination and the leveraging of existing resources. The CTTF points out that coordination is a process that occurs at many levels – federal, tribal, state and local. Coordination does not result just because recommendations

are made; rather, coordination results from a cultural change among many organizations that act on their commitment to deliver effective and efficient services to people with special needs.

The proposed Coordinated Transportation Action Plan provides the state the opportunity to turn these important recommendations into a deliberate and measureable action strategy.

Transportation for Persons with Special Needs

Mobility is a fundamental part of our daily lives. Our access to medical care, work, school, recreation, cultural events, family functions and shopping influences our quality of life. When we easily get where we need to go, we take it for granted. When weather threatens our visibility and safety, our economic situation demands frugality, or our physical capacity or geographic location limits our access to services, staples and social activities, mobility is essential. As resources that meet our daily needs become less accessible, the relevance of mobility to our quality life becomes increasingly apparent.

U.S. Census Bureau data identifies some Alaskans with special needs

	Alaska census 2008	Poverty Status - adults	Poverty Status - children under 18	Seniors over 60	Civilians with a disability	Veterans with a disability	Homes on public assistance
Total	686,293	37,379	19,854	77,608	78,893	17,223	44,907

*Statistics to identify the exact numbers of this population are not possible. These numbers may reflect duplicate counts, but they are also probably not comprehensive.

Table 1: Persons with special needs by populations
U.S. Census Bureau 2008
www.census.gov/acs

Prevalence of persons with special needs and their unique environment

Alaska's senior population is growing faster than almost any other state in the nation. Alaska's total population of 686,293 (2008) features the highest proportion of baby boomers (32 percent) in the nation. By 2030, the *Alaska State Plan for Senior Services 2008-2011* projects that the proportion of seniors age 65 and over will double, comprising 13 percent of Alaska's population. Seniors age 60 and over will make up 17 percent of Alaska's total population. The number of seniors 85 and over is expected to triple during the next 25 years, increasing the number of Alaskans with age related medical conditions such as decreased vision, hearing and memory and cognitive conditions which can affect our ability to get places and our transportation options.

In addition to a growing senior population, the U. S. Census Bureau *2008 American Community Survey* reports a variety of statistics about people with special needs. Table 1 presents these numbers and more. While the numbers do not provide a conclusive count, and the potential for duplicate numbers between them exists, the prevalence of persons with special needs is illuminated, and the implied need for transportation services significant. The figure does not take into account Alaska's 132,255 public school students or its 10,831 children eligible for Head Start programs.

In the future, the state will also need to pay increased attention to the needs of individuals with low literacy or limited English proficiency. The Federal Transit Administration has issued guidance that outlines expectations of fund recipients to improve

Alaska's senior population is growing faster than almost any other state in the nation.

access to services for these populations in compliance with Title VI of the Civil Rights Act.

Alaska's predominantly rural environment does not make human service public transportation less necessary; rather, it makes human service public transportation challenging and absolutely essential to Alaskans' quality of life.

Furthermore, 22 percent of Alaska's population—more than 150,000 people—live off the state's highway system (Greg Williams, Department of Labor and Workforce Development, November 3, 2009). Living in distant locations may be a lifestyle choice; it may also be a necessity. Travel in and out of such areas can be difficult, expensive and hazardous. The *2008 Geographic Differential Study* indicates that "since 1985, communities outside Alaska's Railbelt and off the Alaska road system have seen greater increases in living costs relative to Anchorage," complicating their ability to access alternative modes to get where they need to go. Access to hospitals or major urban centers may be only by air, boat, snow machine, dog sled or some combination thereof.

Stories about transportation challenges abound. An individual Alaskan may have 4-6 legs to a trip by the time he or she leaves their own home and arrives at another important destination within the state. Any such trip may feature any combination and series of travel by dog sled, snow machine, truck, ferry, bus, taxi and airplane. If any one of those legs aren't coordinated or break down, an individual can easily find him or herself stranded.

22 percent of Alaska's total population, more than 150,000 Alaskans, live off the Alaska highway system.

Map 1: Alaska State Highway System

Map 1 depicts Alaska's state highway system. Clearly transportation options and the connectivity between them is a significant issue for Alaskans. Transportation must support rural lifestyles in distant locations, challenging weather, a dependence on a variety of modes, and a high cost to secure it.

CTTF learns about cold weather testing facility for vehicle emissions performance in Fairbanks.

Alaska's predominantly rural environment does not make human service public transportation less necessary; rather, it makes human service transportation challenging and absolutely essential to Alaskans' quality of life.

Financing human service public transportation services

People with special needs rely on public transportation to get them where they need to go. They also rely on services made available through human service agencies designed to support special populations, such as Alaska's Department of Health and Social Services or Vocational Rehabilitation.

At the federal level, approximately 70 different funding programs are identified that might support this target population in some fashion, including transportation services and benefits. For example, the Federal Transit Administration, Department of Health and Human Services, Department of Veterans Affairs and the Department of Labor are four of several agencies that provide funding for programs to help persons with special needs have access to their jobs, medical care, and/or other activities.

When funding from those programs comes to Alaska state agencies, that funding brings with it specific requirements, guidelines and restrictions. Those programs provide important support to the individuals for whom they are intended, but the nature of the funding process and program requirements may unintentionally prohibit their most effective use. Coordination provides the opportunity to eliminate potential duplication, identify gaps, and leverage collective resources. Graph 1 on the next page illustrates the dynamic.

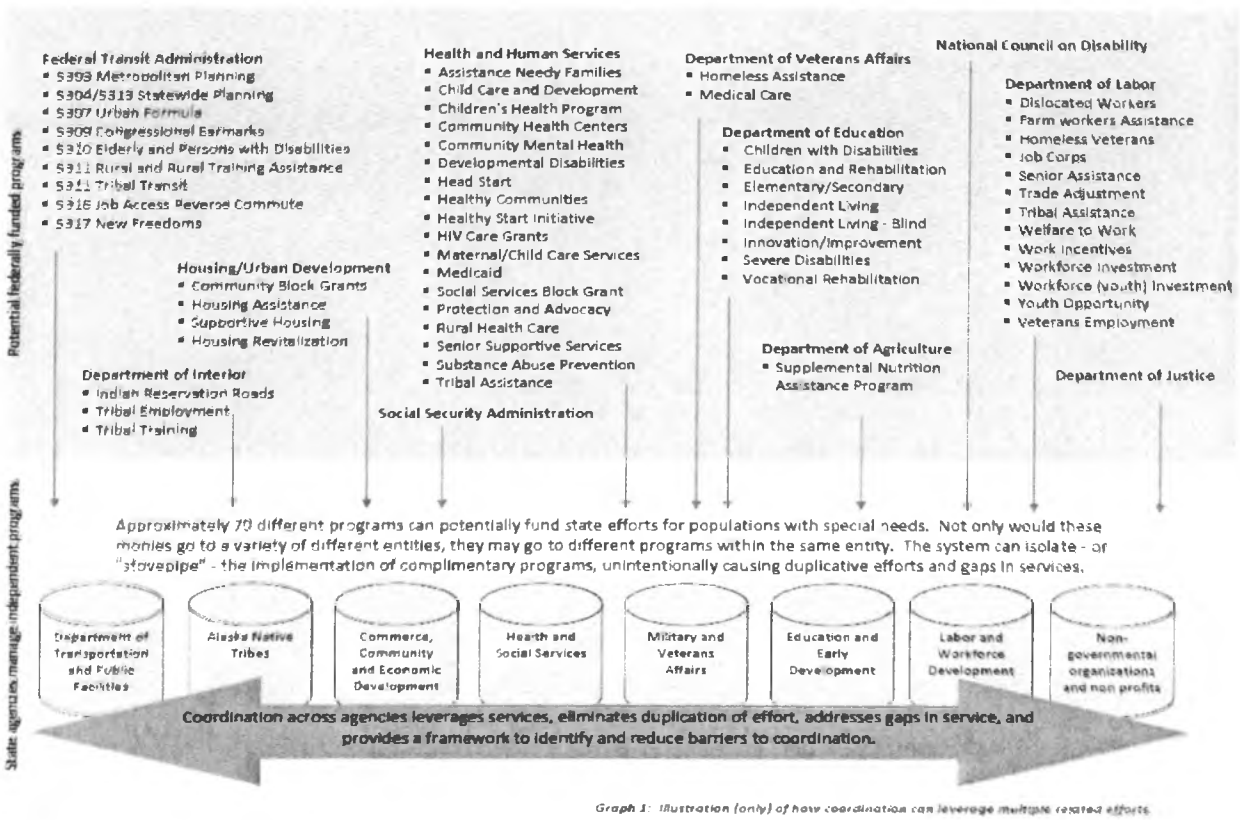
Efforts at the national level to stimulate the coordination of federal agency resources are significant. In recognition of the need to enhance coordination of important human service transportation resources, President Bush issued an Executive Order on Human service

Transportation (#13330) in February 2004, directing eleven Federal departments and agencies to "work together to ensure that transportation services are seamless, comprehensive and accessible."

The Federal Interagency Coordinating Council on Access and Mobility (CCAM) membership includes representatives from the:

- Department of Transportation
- Department of Health and Human Services
- Department of Education
- Department of Labor
- Department of Veterans Affairs
- Department of Agriculture
- Department of Housing and Urban Development
- Department of the Interior
- Department of Justice
- Social Security Administration
- National Council on Disability

CCAM promotes and provides resources for coordination in a variety of ways. Technical assistance, coordination grants, guidance documents and a variety of reports are among the resources CCAM makes available through programs it oversees. CCAM models an interagency approach to



Graph 1: Illustration (only) of how coordination can leverage multiple related efforts

coordination and the leveraging of human service public transportation resources, and it provides guidance for states on how to do the same.

Clearly, Alaska recognizes the need and value of coordination. Alaska's Administrative Order 243 points out that "the provision and integration of cost-effective, community-based transportation services to persons with special needs is an important government function." To ensure this function is effectively carried out, coordination efforts must accommodate federal, tribal, state and local considerations.

Even while the number of programs that can potentially fund human service public transportation appears long, the total availability of funds to support these programs does not meet the range of needs.

The draft Surface Transportation Authorization Act of 2009, introduced to the House of Representatives by Representative Oberstar, presents a sobering picture of under-investment in the country's transportation system. This under-investment has resulted in deteriorating facilities, negative environmental impacts, and limited transportation choices. In January 2009, the Alaska Municipal League (AML) produced the *Alaska Transportation Finance Study*, an assessment of the current finance trends, challenges and options to meet Alaska's transportation funding needs. The report verifies that Alaska's experience is consistent with the national trend. Furthermore, the report points out that the under-investment may more severely impact Alaska because of Alaska's dependence on resource extraction industries which are transportation dependent. It also points out that Alaska's distant communities, harsher environment and less mature roadway network may amplify the effects of under-investment.

While the AML report suggested a number of options to address the funding issue, even the most aggressive option proposed did not meet the shortfall or existing transportation need. The report did not address how to meet the transit need at all.

The lack of specific state funding for operating transit systems is an exacerbating factor for Alaska. A 2008 report from the U.S. Department of Transportation, the *Status of the Nation's Highways, Bridges, and Transit: 2008 Conditions and Performance*, illustrates the share of federal, state, local and system-generated funds for public transportation on a national level. Graph 2 presents data from that report. On a national level, an average of state funds support approximately 20 percent of the total public transit resource for operating and capital expenditures.

Graph 2: Total funding on a national level. http://www.fhwa.dot.gov/policy/2008cpr/es.htm#c6b

Operating expenses are those required to operate a service. They include payroll, maintenance, fuel and more. The Federal Transit Administration (FTA) provides limited operating funds to applicants serving rural areas, but requires a 50 percent match of local or state funds to access the federal grant. Capital expenses include physical facilities and rolling stock. They are the tangible assets of a transportation service. FTA's grant programs are structured by Congress to primarily fund capital projects at a more favorable grant ratio of 80 percent federal to 20 percent local or state match.

Operating expenses:	***Capital expenses:***
payroll, maintenance, fuel required to operate a service	***physical facilities and rolling stock - tangible assets***

Securing adequate resources in Alaska for operational expenses is a significant challenge.

Because local match requirements for operating funds are higher than they are for capital, most states fill this gap by providing some state funding for operating transit systems, and are able to fully access their federal funding by doing so. Alaska, however, provides no specific funding for operating expenses. The ability to secure federal funding for operating expenses relies solely on individual communities and non-profit entities who work to secure it. Therefore, funding for public transportation competes for the same sources of revenues (property and other local taxes) that cities and boroughs must use to pay for their general purpose government expenses, such as education, libraries, parks, police, fire, etc.

Within Alaska, the level of support from local governments for public transportation varies considerably. For example, Ketchikan Gateway Borough provides $279 thousand, while Juneau allocates $3.3 million annually for transit support. Sometimes local non-profits provide funds, which count as match, for Alaska rural transportation systems to help maintain basic levels of service in their communities. However, given the match requirements, some communities are unable or unwilling to budget sufficient local funding to make full use of the federal transit funds potentially available to them.

Local community investment in public transportation varies across the state. With Ketchikan Gateway Borough and Juneau, five rural transit systems receive funds or in-kind contributions. Additionally, Anchorage received $30.2 million in funding for transit, and paratransit, which included $16.8 million in local funds and $5 million collected in fares (NTD, 2007). Fairbanks received $3.7 million in funding for transit and paratransit, including $2.7 million in local funds and $242 thousand in fares (NTD, 2007).

In the state's annual Mental Health budget, $300 thousand capital funding from the Alaska Mental Health Trust is matched by $800 thousand from the General Fund. The Governor's FY2011 budget includes $82 million from the General Fund for Marine Highway

The ability to access, use and leverage federal funds to provide transportation services to people with special needs depends upon the willingness of the state and communities to match them.

operations, in addition to $54 million in projected system-generated revenue. The state also budgets $8 million or more in General Fund capital dollars to match federal capital for vessel and terminal overhaul and rehabilitation. The Marine Highway system is considered an additional public transit system, as it is the single transportation link to medical, shopping, cultural and social activities for many coastal community residents.

While still in draft form, the new federal transportation bill aims to transform the existing system to one that, among other objectives, provides for transportation choices, limits the adverse effects of transportation on the environment, promotes public health and the livability of communities, and demands accountability and performance metrics. The new bill might bring more federal transit funds to Alaska, and possibly fewer federal highway funds. The ability to access, use and leverage these funds to provide transportation services to people with special needs depends upon the willingness of the state and communities to match them.

While securing adequate resources in Alaska for transit operational expenditures may continue to be a significant challenge in these difficult economic times, other rural states such as North and South Dakota, Montana and Maine have made policy decisions to devote some state funding sources to public transportation. Creative solutions such as those suggested by the Alaska Municipal League to establish an Alaska Trust Fund for Transportation should be seriously considered.

Another important influence and opportunity for coordination of public transportation resources in Alaska involves Alaska Tribes. In 2009, five tribes received $892 thousand in Federal Transit Administration 5311 Tribal Transit Program Funds. The funding is not enough to adequately meet the adequate infrastructure and operating costs of transit in tribal communities, which include obtaining and maintaining equipment, securing maintenance facilities and services, providing for adequate road conditions and managing high fuel costs. The Indian Reservation Roads Program is providing over $46 million in funds to 229 Alaska Tribes, offering much-needed resources for roads, bridges,

Residents from the Fairbanks area and beyond address CTTF about their human service public transportation needs.

transportation facilities and maintenance. Tribal initiatives to coordinate and leverage their resources with other transit and human service needs and efforts are underway, and important opportunities are still to be explored.

Alaska state agencies have a variety of responsibilities for securing, ensuring and funding human service transportation. In most cases, state agency funds come from federal agency sources—some to similar and some to different populations—but most are intended for service delivery on the local level to help clients get to where they need to go. In addition to FTA grant programs that fund transportation services for seniors, inter-city routes, people with disabilities, low income populations, tribes and rural areas, other agencies provide resources as well. Health and Human Services provides benefits for low income individuals to support a range of activities to promote self reliance, including some transportation costs for individuals in low income families for medical services, school and work. Medicaid plays a significant role in funding transportation for people with special needs, accounting for $5.2 million in Alaska's expenditures for this population. Veterans Services, Administration on Aging, and others play an important role in supporting the network of funding streams and services available to people with special needs.

Appendix C presents a list of preliminary data identifying state agency budget and funding related to human service transportation. This is not a complete list of agencies or funding streams, but it is indicative of the variety of programs and funding sources at work in Alaska. With imminent potential health care reform initiatives advocating for increased out-patient services, the need for effective transportation options will also increase. The list of programs underscores the need to identify, coordinate, and leverage that variety of resources to most effectively serve Alaskans with special needs.

The numbers speak pointedly to the wisdom of ensuring human service public transportation resources are managed and coordinated. While a general understanding of the transportation needs of these populations at the local level may be identified and acknowledged in local planning efforts, a comprehensive, specific and quantitative understanding of the transportation needs throughout Alaska is not available.

Transportation as a priority for human service organizations

Many Alaskan agencies and organizations recognize and work to address transportation issues for people with special needs. A few documented efforts include:

- The *Alaska State Plan for Senior Services 2008-2011* outlines goals to ensure seniors have services with which they are satisfied, that are culturally relevant, that provide the opportunity to receive services to promote and enhance their physical, mental, spiritual and emotional health, and enable seniors to age in place. ***Efficient and effective transportation services support all of these goals.***

- The State Independent Living Council (SILC) works to maximize opportunities and to incorporate people with disabilities into all walks of life by empowering them through individual and systems change. SILC has specifically identified ***improving transportation options for persons with disabilities*** as an action goal.

Generating meaningful transportation options is an important objective of many Alaskan organizations.

- The Alaska Mental Health Trust Authority (Trust) administers the Mental Health Trust to improve the lives of beneficiaries. Among other responsibilities, the Trust seeks to coordinate with state agencies about programs and services that affect beneficiaries. ***Transportation is key to beneficiaries' access to work, services and other life activities.***

- *Healthy Alaska 2010* outlines the state's plan for achieving healthy Alaskans and healthy communities. One of the goals in that plan is to improve access to comprehensive and quality health care services, and one of the indicators that access is being improved is by ***providing for more efficient and effective transportation to services.***

- The *Governor's Council on Disabilities and Special Education 2006-2011 State Plan* identifies "transportation as a priority for human services" and initiates an objective specifically to **improve and expand transportation options** through collaboration with the Alaska Mobility Coalition, improvement and expansion of private and public transportation services, by providing training for transportation providers, consumers and employers.

Other examples exist. The obvious conclusion is that initiatives are underway individually and collectively to address adequately providing transportation services for people with special needs. The CTTF provides a venue for multi-stakeholder efforts to coalesce around this single important issue; the **CTTF Recommendations** propose a structure to meet and sustain it.

The ability to identify and support people's unique needs occurs meaningfully and practically at the local level. The best local systems are generated when strong, committed local leadership exists. Local populations, providers, resources and conditions make each effort at community-based transportation planning, coordination and service delivery system unique. Some communities have more and some communities have less capacity to identify opportunities and resources, coordinate local partners and stakeholders, and secure and share local resources. Some communities are distant; some serve as hubs; some have more and some less resources and information available to them.

Accommodating the unique needs of any community within the context of a coordination structure is important. Generating an infrastructure that provides the means, capacity and initiative to coordinate the complex variety of federal, tribal state and local resources in a sustainable way is essential to effective service delivery.

Generating an infrastructure that provides the means, capacity and initiative to coordinate resources in a sustainable way is essential to effective service delivery.

Barriers to Coordination

Federal, tribal, state and local influences on coordination are inextricably linked. Barriers to coordination can touch many or all parts of that spectrum.

The CTTF identified a series of barriers to coordination and the effective delivery of transportation services to people with special needs. Those barriers are summarized below.

Funding

There is an inherent challenge in coordinating funds available to state agencies through different federal programs which have designated purposes. State agencies don't necessarily budget or track human service public transportation expenditures in similar ways, making a working understanding of the total funding picture challenging at best. Furthermore, there is no regularly programmed state funding for public transportation in Alaska; federal programs require local match, putting the match burden entirely on local communities that often lack the resources to meet it.

Understanding unmet need

There is no quantifiable measurement of unmet need statewide. Individuals, entities and organizations identify transportation as a need for their clients, and statistics are kept regarding those individuals who are being served. However, a calibration of those needs among all populations of persons with special needs in a quantifiable form with geographical detail is not available.

Effort of Coordination

The effort of coordination on the local level, where the physical coordination occurs by way of service delivery, is time consuming and can be daunting. Local leaders must work to identify needs, engage stakeholders, solicit and provide match, and pursue coordination opportunities that may be superseded or influenced by different federal and state program requirements and limitations. Furthermore, there is typically no clearly identified local lead and resource to champion coordination efforts, which reduces its likelihood of success.

Local investment

Although many non-profits, businesses and concerned agencies can demonstrate the need for transportation for their clients and customers, committed and reliable financial support from the local community or local government is necessary for transit systems to maintain operations. Many local governments are just not motivated or able to make that commitment.

Public Awareness

On many levels, effectively coordinating community-based services relies on increased public awareness. Understanding and acknowledging the basic human need for transportation to

access essential services and care as well as to age at home illuminates the value for transportation options. Increased awareness about funding opportunities and processes enables more entities to access them. Communities who understand the range of services and resources available within their own areas are better positioned to partner and leverage them.

Understanding the relevance

The concept of public transportation is fairly new to some Alaska's smaller communities. When you have never had public transportation, it is difficult to measure its value. However, small towns and distant communities whose residents must travel significant distances via a variety of modes to access healthcare, education and other services, are increasingly recognizing transportation as a significant issue to address.

In areas throughout the state where public transportation is an option, it is highly regarded and considered an important resource (AMC Perception Study, Dittman Research Corporation, 2009).

CTTF tours People Mover's Transportation Skills Assessment and Travel Training facility during October's Alaska Community Transportation

Members of the CTTF test the mock pedestrian facilities at People Mover's Transportation Skills Assessment and Travel Training

Human Service Eligibility Processes

Different funding sources support transportation services for clients who meet prescribed eligibility criteria. Medicaid, Temporary Assistance for Needy Families, various State and Federal grants, and Veterans Services provide benefits for transportation services, but vary in their eligibility requirements and processes. Coordination between agencies with different eligibility requirements, standardized payment and processing mechanisms, or consistent eligibility verification processes among transportation service providers could prove helpful to streamlining access to services for people with special needs.

Sustaining Operations

A number of operational activities influence cost, safety and the life of the vehicle investment. Issues associated with vehicle maintenance, funding for operations, high fuel costs, scheduling and dispatching, and driver training and retention all pose opportunities for efficiency and consistency through coordination of resources.

Taxi Accessibility

Taxis appear to be an obvious choice to provide individual and incidental transportation services to people with special needs, but cost and accessibility is frequently an issue. Finding a way to make effective and accessible taxi service available would be a helpful solution for many Alaskans.

Access to the System

For people with special needs, access to facilities and services impacts their ability to get to transportation resources. Alaska features distant communities and few roads. Many individuals must travel from distant communities to major hubs to meet their respective needs. That travel may be by ATV, snow machine or boat as much as it may be by airplane, automobile or bus. Extreme weather conditions and temperatures limit walking, waiting outside, and access to sidewalks, driveways, bus shelters and pull-outs. In winter, snow berms or ice build-up can prevent people from getting to bus stops Facility design and maintenance can play a key role in accessibility to transportation services.

Rail

While not a focus area for the CTTF, the Alaska Railroad Corporation is a federally -funded passenger rail service that is not integrated into the state's provision of public transportation services. With increased study and coordination among entities and modes, rail transportation presents opportunities for increased transportation options for people with special needs.

Coordination is a Process

The **CTTF Recommendations** acknowledge and work to address the needs and influences of the various programmatic levels—federal, tribal, state and local—that affect coordination of human service public transportation programs and resources. They present a strategy to address what we know, seek out what we don't know, track cost and coordination efforts, and generate an infrastructure that supports coordination. They are not a final solution; they are important strategies to engage all stakeholders with responsibilities for transportation services and affect a system which stimulates coordination. Implementing these recommendations will grow and sustain a culture designed to efficiently and effectively provide transportation services for people with special needs.

Participants at the Alaska Transportation Community Conference 2009 provide input to CTTF recommendations during roundtable discussions.

Value of Coordination

Coordination adds value in a number of ways that influence both quality of life and the effective utilization of limited resources. Coordination offers the ability to:

Provide effective and efficient services to persons with special needs to ensure their highest quality of life

Mobility plays a key role in everyone's life. Mobility is more challenging for persons with special needs. The CTTF's responsibility to make recommendations on how the State can best "provide cost-effective, community-based transportation services to persons with special needs" is a foundational service that supports the goals and objectives of many initiatives that agencies and non-profits are undertaking to support and enhance the quality of life for persons with special needs.

Bethel seniors rely on local bus service to participate in local activities and secure supplies.

Leverage resources

Coordination provides the opportunity to maximize the use of existing facilities and vehicles, thereby providing more options for customers, maximizing the state's collective resources, and creating opportunities to identify and capitalize on expenditures which can serve as potential match to bring additional funds into a community. According to a National Governor's Association report:

> Greater coordination between public transit and ancillary transportation programs frees up sufficient resources to substantially improve overall public transportation service delivery. In a comparison of the cost and efficiency of transportation services before and after coordination, a study by the Community Transportation Association of America presented case studies from five states that showed average reductions of 50 percent in passenger-trip costs and 28 percent in vehicle-hour costs after coordination activities were implemented.

Coordination "frees up sufficient resources to substantially improve overall public transportation service delivery."
(NGA 2002)

Focus on core missions

Coordination of transportation providers and related service entities provides each the opportunity to focus on their specific missions – whether that mission be serving people with special needs in specific ways or by providing transportation services – and eliminate the distraction and expenditure of trying to provide support outside the core mission.

Eliminate duplicative processes

Coordination provides the opportunity to streamline procurement and disposal processes, leaving the work to folks intimately familiar with procurement and disposal processes and requirements.

Capitalize on professional expertise and safe practices

Utilizing the services of entities established to provide transportation secures the safety and professionalism that comes with industry standards, maintenance processes, and training.

Plan effectively

Coordination provides a community the ability to evaluate its effectiveness in serving people with special needs, match those with existing resources and gaps, and generate a baseline from which to plan services and support so that services are more effectively provided.

Coordination results from a cultural change among many organizations that act on their commitment to deliver effective and efficient services to people with special needs.

Create visibility and enhanced identity for vital transportation services.

Coordination takes advantage of economies of scale and can foster much higher visibility and political acceptability of cost effective nature of ride sharing. When services are fragmented with many different providers "owning" one piece of the public transportation puzzle, it is easy for those needing transportation to feel marginalized and recognize that they are not getting priority attention.

CTTF tours Capital Transit in Juneau.

CTTF Recommendations

The **Governor's Coordinated Transportation Task Force Recommendations** provide a framework for the State of Alaska to more effectively serve people with special needs by generating and sustaining a coordinated transportation environment. This Recommendation Report presents a process to achieve a coordinated human service public transportation culture as well as a structure to sustain it, all for the purpose of ensuring that people with special needs in Alaska receive effective and efficient transportation services.

Recommendation - Short Term

The CTTF has identified a body of work that still needs to be accomplished prior to the official adoption of the formal Recommendations outlined in this Report. In order to address that need, and to secure an infrastructure for "improved interagency planning at the state level" which can help deliver "cost-effective, community-based transportation services to persons with special needs," the CTTF recommends that the Governor:

Reconstitute the Coordinated Transportation Task Force though July 31, 2011, tasking it with the specific responsibilities to:

1. Scope, size and if feasible, implement a needs assessment to most accurately quantify the transportation demand for people with special needs and inform coordination efforts.
2. Generate a draft Coordinated Transportation Action Plan which articulates a shared, statewide vision for human service public transportation and formulates the recommendations of this report into outcome-based strategies. This Action Plan will comprise the body of work to be undertaken by the Coordinated Transportation Commission described in the long-term Recommendation I.A below.
3. Prepare draft legislation that supports the coordinated infrastructure recommended within this Report to ensure the sustained coordination of the state's resources.

The membership of the reconstituted CTTF is proposed to include those perspectives included on the existing group, with the addition of a three critically important perspectives for a total of 12 members. Specifically, the membership is proposed to include the following continuing members:

- The Commissioner of the Department of Transportation and Public Facilities, or the commissioner's designee; that person will serve as chair;
- The Commissioner of Department of Health and Social Services, or the commissioner's designee;
- The Commissioner of the Department of Labor and Workforce Development, or the commissioner's designee

- The Commissioner of Military and Veteran's Affairs, or designee
- A representative who has expertise in the transportation needs of senior citizens and can offer that perspective;
- A representative who has expertise in the transportation needs of persons with disabilities and can offer that perspective;
- A representative who has expertise in the transportation needs of low-income individuals and can offer that perspective;
- A representative of municipalities and can offer that perspective;
- A representative of transportation providers that receive federal funding available to American Indian and Alaska Native Tribes.

Three additional members proposed for the Reconstituted CTTF support important populations and play key roles in coordination of interagency efforts to ensure the effective provision of transportation services for people with special needs. They include:

- The Commissioner of the Department of Commerce, Community, and Economic Development, or the commissioner's designee;
- The Commissioner of the Department of Education and Early Development, or the commissioner's designee;
- The chair of the Board of Trustees of the Alaska Mental Health Trust Authority, or the chair's designee;

The reconstituted CTTF will be responsible for presenting and delivering its products to the Governor on or before July 31, 2011.

Recommendations – Long Term

Recommendation I

Coordination is an ongoing process and commitment, and the Coordinated Transportation Action Plan produced by the reconstituted CTTF will articulate strategic activities which will require action, implementation and assessment for some amount of time. Given the State of Alaska's need to:

- Implement and assess the Coordinated Transportation Action Plan produced by the reconstituted CTTF;
- Continue to identify and address regulatory and other barriers to coordination;
- Maximize and leverage existing federal, state and local resources;
- Quantify how much money is actually being expended on human service public transportation activities in Alaska;
- Provide for an authorized entity to manage the match programs on the state and federal level;
- Generate performance measures to ensure the provision of effective and efficient services;
- Empower and encourage local leadership to plan for the needs and services of their own communities; and to
- Ensure "improved interagency planning at the state level;"

The CTTF recommends that:

I. The State of Alaska enact a statute that establishes, enables and requires coordination of community-based transportation services that use state and federal grant funding. The statute would:

A. Establish a Governor-appointed Coordinated Transportation Commission, composed of a broad cross-section of agencies with responsibility for transportation, related human services, and advocates for special populations. The Commission would have a lead responsibility for ensuring the coordination of state level resources. This would be accompanied by a funding commitment that will not negatively impact the existing limited funding for public transportation activities throughout the state The Commission would:

- Oversee, implement and periodically update the Coordination Transportation Action Plan, which extends the recommendations in this report into implementable action.

- Continue to identify, coordinate and leverage collective state agency resources so that they are most efficiently and effectively providing transportation services to persons with special needs

- Continue to identify and address barriers to coordination in addition to those identified and addressed in this report as the coordinated system evolves and matures.

- Advocate for a uniform budgeting structure that tracks and reports transportation expenditures on state clients.

  State agency tracking and reporting on transportation expenditures is essential to effective, measurable coordination and leveraging state resources. Such data collected, updated, used and shared will meet federal accounting requirements, facilitate coordination and help best leverage state resources. State-funded expenditures on human service public transportation identified through this tracking mechanism can be used as match money to increase the availability of federal funding for transportation.

- Develop and establish performance measures that identify entities that receive any type of public funding and measure coordination efforts through a statewide data base.

  Performance measures need to specifically address and evaluate the effectiveness of coordinating and providing transportation services for people with special needs, which are measures that would look quantifiably different and possibly in addition to standard transit measurements typically used today. Emerging legislation from

Congress is establishing performance measurements as a new requirement of virtually every federally funded program. This recommendation also recognizes that measuring performance will be a new requirement for many agencies.

- Articulate issues of policy and decision-making criteria associated with coordination plan implementation.

- Develop a minimum taxicab standard for state-owned facilities such as airports and ferries to ensure those with disabilities are not overlooked.

  State-owned ferry or airport terminals are a major destination for taxi businesses. To ensure those with disabilities are not overlooked, generate accessibility standards or regulations for taxicab businesses serving state-owned facilities, which includes a provision for permitted use of designated pickup and drop off zones. Alternate strategies include a recommendation for local government taxi codes that establish minimum capacity for accessible taxicabs and establish a basic standard in state law.

- Identify and address barriers to coordination associated with vehicle insurance, including cost, joint coverage, policy writing, and the sharing of publicly funded transportation vehicle assets.

- Prepare an annual report to the State Legislature that summarizes the status of coordinated transportation within the state and make recommendations as appropriate.

B. Authorize the Department of Transportation and Public Facilities to manage the matching program for Federal Transit Administration and state transit funds according to criteria established by the Commission.

C. Ensure local entities have statutory authority to prepare local Human service Public Transportation Coordinated Plans.

D. Require applicants for federal or state transit funds to respond to priorities established in their local Human service Public Transportation Coordinated Plans.

Recommendation II

Given the State of Alaska's need to:

- Secure the total or a significant share of the federal funding available to the state to support human service transportation;
- Support the high cost of operating human service public transportation systems and the connectivity between them; and to
- Motivate local leaders to pursue coordination of human service public transportation services for their local residents;

The CTTF recommends that:

II. The State of Alaska makes specific state funds available to support operational expenses for human service public transportation projects and providers (which in turn can be identified as match for additional federal funds) during its annual appropriation process. Part of the Commission's responsibility would be to establish programmatic areas and measureable outcomes for funding recipients in order to demonstrate and ensure the benefits of the investment in human service public transportation.

Recommendation III

Given the State of Alaska's need to:

- Empower local leaders to pursue coordination of human service public transportation services for their local residents;
- Support local leaders coordination efforts through technical assistance and resource information respective to funding and best practices; and to
- Ensure that local needs and service gaps are both identified and accounted for in the local coordination planning process;

The CTTF recommends that:

III. The State of Alaska enrich and enhance the human service public transportation coordination planning processes by revising and updating coordination planning guidance documents and providing increased technical assistance. The support and guidance is intended to be directly responsive to helping identify local needs and build local awareness and capacity.

The assistance program would:

A. Generate increased awareness and understanding about the range of funding opportunities available to support mobility management and coordinated planning;

B. Help foster the engagement of a variety of stakeholders and specifically local human service agencies in the planning process in order to best identify individualized local needs and how to meet them;

C. Outline and encourage meaningful and innovative coordination opportunities, including providing a list of best practices (i.e. coordination respective to winter maintenance, school districts, vehicle use and sharing vehicles, etc.);

D. Capitalize on existing data collection resources including the National Transit Database and the Alaska Public Transportation Management System database to expand inputs to support

performance measure initiatives, identify coordination partners and leverage and resources;

E. Communicate and support the utilization of mobility management practices (using a single point of contact to take calls on a local and regional level to coordinate the provision of services for the client) and securing mobility managers; and

F. Provide technical assistance for the coordination planning and funding application processes.

Recommendation IV

Given the State of Alaska's need to:

- Quantify and understand the scope of need for persons with special needs throughout the State of Alaska;
- Inform local coordination planning efforts with actual and accurate data; and to
- Make sound decisions that result in effective services for people with special needs;

The CTTF recommends that:

IV. The State of Alaska fund and conduct a statewide needs assessment of Alaskans with special needs to clearly identify the scope of the transportation need. This data will help support local coordination planning efforts and identify previously unidentified needs and gaps. At a minimum, update this data every four years. Through the process of conducting local coordinated planning, additional and increasingly specific local needs will be identified to further inform the assessment data.

Additional Draft Recommendations

The CTTF also considered the development of a number of mechanisms and incentives to support coordinated efforts and effectively meet needs. These operational-level recommendations are proposed in draft form, and are included in Appendix D. The CTTF specifically seeks an opportunity for broad public input on the further development of these draft operational-level recommendations, and proposes that the reconstituted CTTF craft that objective and process into the Coordinated Transportation Action Plan.

Appendix A: CTTF Signature Page

Coordinated Transportation Task Force

2-11-10
Date

Jennifer Beckmann
Representative of Low Income Individuals

2-11-10
Date

Patricia Branson
Representative of Senior Citizens

2-11-10
Date

Camille Ferguson
Representative of Transportation Providers that
Received Federal Funding
Available to Indian Tribes

2-11-10
Date

Rebecca J. Hilgendorf
Health and Social Services
Commissioner's Designee

Date

Vacant
Military and Veteran's Affairs
Commissioner's Designee

GLENN MILLER

FEB 11, 2010
Date

Glenn Miller
Representative of
Municipal Transportation Departments

2/11/10
Date

Andra Nations
Representative of People with Disabilities

2-11-10
Date

Jeff Ottesen
Coordinated Transportation Task Force Chair
Department of Transportation and Public Facilities
Commissioner's Designee

2/11/2010
Date

Cheryl A. Walsh
Department of Labor and Workforce Development
Commissioner's Designee

Appendix B: Administrative Order

ADMINISTRATIVE ORDER NO. 243

I, Sarah Palin, Governor of the State of Alaska, under the authority of art. III, secs. 1 and 24, of the Alaska Constitution, establish the Governor's Coordinated Transportation Task Force.

PURPOSE

The provision and integration of cost-effective, community-based transportation services to persons with special needs is an important government function. The purpose of this Order creating the task force is to ensure that this function is adequately recognized and properly carried out.

BACKGROUND

The coordination among agencies providing community-based transportation services to persons with special needs and the sharing of resources to accomplish a cost-effective system of providing those services already has a proven track record in this state. This coordination has increased the availability and quality of services, while helping to eliminate duplication of services and inefficient spending. With the cooperation of other state agencies, the Department of Transportation and Public Facilities currently prepares the Alaska public transportation management system inventory of publicly funded transportation vehicles and equipment in this state, which facilitates the delivery of those services. The Department of Transportation and Public Facilities' efforts to coordinate those services have already led to significant partnerships with human service s agencies and the private sector. These partnerships have led to coordinated community-based transportation systems throughout this state.

This coordination and sharing of transportation resources can be furthered through improved interagency planning at the state level. Therefore, the role of the task force is to facilitate and enhance the coordination and integration of community-based public transportation services for the benefit of persons with special needs. The task force would maximize the availability of community-based transportation services, the sharing of transportation resources among government and private entities providing those services, and the coordination among providers of those services.

DUTIES

The task force shall serve as the advisory committee to the governor to develop policy and procedural recommendations for the state's various existing programs that provide or coordinate community-based transportation services in communities in this state for persons with special needs. These programs are administered primarily through the Department of Transportation and Public Facilities, the Department of Health and Social Services, the Department of Education and Early Development, the Department of Labor and Workforce Development, the Department of Commerce, Community, and Economic Development, the Department of Military and Veterans Affairs, the Alaska Commission on Aging, the Governor's Council on Disabilities and Special Education, the Alaska Mental Health Board, the Governor's Advisory Board on Alcoholism and Drug Abuse, the Alaska Mental Health Trust Authority, the Alaska Housing Finance Corporation, and others.

The task force shall perform the following duties:

1. identify state, federal, and local government agencies and private entities that administer or support community-based transportation services for persons with special needs;
2. identify barriers to coordination at the state, federal, and local levels for those services;
3. recommend the removal of barriers that prevent coordination of those services;
4. propose changes in statutes or regulations that would facilitate coordination of those services;
5. develop mechanisms and incentives to governmental agencies to coordinate those services through means including collaborative vehicle use, centralized dispatch services, joint or bulk purchase of fuel and vehicles, multi-purpose transportation voucher programs, centralized maintenance, and joint insurance;

6. identify available financing for accessible services in communities in this state that have limited or no publicly financed transportation services to serve persons with special needs;
7. develop a mechanism to ensure that services for persons with special needs in this state are coordinated and services are evaluated;
8. prepare and issue a final report, including recommendations, concerning the duties set out in this Order.

MEMBERSHIP

The task force consists of nine voting members, as follows:

1. the commissioner of the Department of Transportation and Public Facilities, or the commissioner's designee; that person shall serve as chair;
2. the commissioner of the Department of Health and Social Services, or the commissioner's designee;
3. the commissioner of the Department of Labor and Workforce Development, or the commissioner's designee;
4. one member appointed by the governor from the following:
   a. the commissioner of the Department of Commerce, Community, and Economic Development, or the commissioner's designee;
   b. the commissioner of the Department of Military and Veterans Affairs, or the commissioner's designee;
   c. the commissioner of the Department of Education and Early Development, or the commissioner's designee;
   d. the chair of the board of trustees of the Alaska Mental Health Trust Authority, an alternate member of the board selected by the board, or the chief executive officer of the Authority; if appointed, the person listed in this provision may name a designee;
5. five members,
   a. three of whom have expertise in the transportation needs of the following populations:
      i. senior citizens;
      ii. persons with disabilities;
      iii. low-income individuals;
      iv. transit-dependent individuals;

   b. two of whom represent the following:
      i. municipalities;
      ii. transportation providers that receive federal funding available to Indian tribes, including funds provided under 23 U.S.C. 204(j) and 49 U.S.C. 5311(c).

Members on the task force under paragraph (5) of this Order are appointed by the governor and serve at the pleasure of the governor.

Additionally, the commissioner of the Department of Transportation and Public Facilities shall invite the following agencies to name an advisor to the task force as a non-voting member:

a. the United States Department of Health and Human Services;
b. the Federal Transit Administration of the United States Department of Transportation;
c. the United States Department of Veterans Affairs.

OTHER PROVISIONS

The task force may set operating procedures as bylaws and establish standing and workgroup committees as it considers appropriate. Workgroup committees may include individuals who are not members of the task force.

Task force members do not receive compensation as a member of the task force. Members of the task force who are not state, federal, or local government employees are entitled to per diem and travel expenses in the same manner permitted for members of state boards and commissions. Per diem and travel expenses for a member of the task force who is a representative of a government agency are the responsibility of that agency.

The task force may use teleconferencing or other electronic means, to the extent practicable, in order to gain the widest public participation at minimum cost.

Meetings of the task force shall be conducted, and notice of regular meetings provided, in accordance with AS 44.62.310 and 44.62.312 (open meetings of governmental bodies). A majority of appointed voting members of the task force constitutes a quorum for conducting business.

Records of the task force are subject to inspection and copying as public records under AS 40.25.110 - 40.25.220.

SUPPORT SERVICES

The Department of Transportation and Public Facilities shall provide administrative support for the task force.

DURATION

The task force shall forward its final report to the governor on or before January 15, 2010. The task force ceases to exist on the date that the report is forwarded to the governor.

DEFINITIONS

In this Order,

1. "Alaska public transportation management system" means the principal capital planning document prepared by the state for public transportation;
2. "community-based transportation services" does not include:
    a. marine highway transportation or air transportation; or
    b. transportation services for diffuse populations in areas within the state that are too remote for cost-effective centralized community-based transportation;
3. "persons with disabilities" includes persons in this state with the following:
    a. physical disabilities;
    b. developmental disabilities;
    c. mental illness;
    d. traumatic brain injury;
    e. dementia;
    f. substance abuse problems;
4. "persons with special needs" means the following persons in this state who require community-based transportation services:
    a. senior citizens;
    b. persons with disabilities;
    c. preschool children participating in a head start program financed by the United States Department of Health and Human service s;
    d. public school students;
    e. low-income individuals, including those receiving public assistance or Medicaid;
    f. other persons with special needs;
5. "services" means community-based transportation services delivered in this state;
6. "task force" means the Governor's Coordinated Transportation Task Force.

This Order takes effect immediately.

DATED at Scranton, PA this 14th day of October, 2008.

Appendix C: Alaska State Agency Human service Transportation Resources

DRAFT: FOR DISCUSSION PURPOSES ONLY/NUMBERS TO BE VERIFIED

Some numbers may be duplicated

	Agency	Program	Recipient	Fares and Local *(Est.)*	Tribes	Schools	Private	State	Federal	Total
1	**Alaska Mental Health Trust Authority**	Capital funding	Mental illness, chronic alcoholism, developmental disabilities, Alzheimer's and related dementia				$300,000	$800,000		$1,100,000
2	**Department of Commerce, Community and Economic Development**	Alaska Legislative Grants Community Development Block Grants (HUD)	Businesses, communities and consumers of the state							
3	**Department of Education and Early Development**	Pupil Transportation	School aged children			$53,250,187				
4	**Department of Health and Social Services**	**Division of Senior and Disabilities Services**	In Community							$62,255
		Developmental Disability Grants	Outside Community							$20,545
		Medicaid waiver	Escort (one-way) Transportation (one way)							$841,397
		Medicaid non-waiver								$2,577,194
		Administration on Aging - Older American's Act Title III B Funds	Assisted Transportation				X	X	$1,506.303	$1,506.303
		Nutrition, Transportation and Support Services	Un-assisted Transportation (117,382 rides)				X	X	$1,684.044	$1,684.044
		Office of Children's Services								
		Time Limited Reunification Services and Rural Social Services Grant	Services to children who are subjected to or at risk of being subjected to abuse or neglect and to their families					$1,750,000	Title IV-E/IV-B or Medicaid match	$1,750,000
		Division of Behavioral Health	Alaskans with a mental health or addition disorder or high risk behavior							
		Designated Evaluation and Treatment	(331 transports in FY08)							$435,926
		Low income/Indigent	Not eligible for other benefits					$50,000		$50,000
		Division of Juvenile Justice	Alaskan juveniles typically ages12-18 but sometimes ages 9-20 going via any mode for variety of needs							$400,000
		Pioneer Homes	Alaskan residents age 65+ admitted to a home for recreational, social,	Room and Board				General Fund		?

		Public Assistance ATAP/TANF	community and health activities Alaskans of all ages who qualify by need and other circumstances (i.e., financial, age, ability to work) for a variety of purposes	payments				?
5	**Department of Labor and Workforce Development**	**Division of Business Partnerships**	State Employment and Training, Workforce Investment, Pipeline Working Training, and Denali Training			$857,748	$116,053	$973,801
		Employment Security Division	State Employment and Training and Workforce Investment			$69,473	$594,997	$664,470
		Vocational Rehabilitation	DVR Consumers with disabilities, including physical and orthopedic, cognitive, psychiatric, blindness/visual impairment, and deafness/hearing loss					$220,000
6	**Department of Military and Veterans Affairs**		Rural Alaska Veterans with Health Care Needs					?
7	**Alaska Native Tribes**	5311 Tribal Transit (Capital and operating assistance for rural/Acquisition of PT services, including agreement with private providers) Title III Elderly and Disabled Roads Safety Programs Congressional Grants Other Grants Indian Reservation Roads	Alaska Native Tribes Tribal Transit Selections 2008 <u>Operations</u> The Sitka Tribe: $172,900 Tetlin Village Council: $225,000 Orutsararmiut Native Council: $175,000 Gulkana Village Council: $200,000 <u>Planning</u> Central Council Tlingit and Haida Tribes of Alaska: $250,000 Georgetown Tribal Council: $25,000	$45,376,668			$892,900	$892,900
8	**Department of Transportation and Public Facilities**	5310 - Elderly and Persons with Disabilities plus STP transfer	Rural and Urban				$558,768	$558,768
		5311 - Rural Transit - Rural Training Assistance Program	Rural				$5,141,709	$5,141,709
		5304 - Statewide Planning	Rural				$101,742	$101,742
		5303 Metropolitan Planning (MPO)	Urban				$374,505	$374,505
		5316 - Job Access Reverse Commute	Rural and Urban				$230,480	$230,480
		5317 - New Freedoms	Rural and Urban				$136,692	$136,692
		5309 - Statewide Congressional Earmarks					$570,000	$570,000
		5307 - Urban Transit (minus Alaska railroad)	Urban				$5,078,293	$5,078,293
					$45,376,668	$53,250,187		

Appendix D: Draft Operational-level Recommendations

The CTTF also considered the development of a number of mechanisms and incentives to support coordinated efforts and effectively meet needs. The CTTF specifically seeks an opportunity for broad public input on the further development of the following draft operational-level recommendations.

A. Establish statewide design and operating standards for consistently accessible public transportation facilities and services, specifically including state and local government coordination.

   - Provide adequate access for persons with special needs. Specific opportunities include the design and maintenance of bus stop facilities and sidewalks to address challenges associated with winter weather and to promote interagency coordination in management and operations.

B. Identify, adapt and apply technological enhancements that stimulate coordination and promote effective service delivery

   - Review the transit technology report currently under development to inform potential technological enhancements to service delivery (i.e., vouchers, etc.).

   - Generate a coordinated statewide planning tool (e.g. Google Transit or the Alaska DOT second generation 511 system), where all systems are available within one resource and people can plan their trip via modes and accessibility. Utilize the tool to identify gaps and address issues of connectivity.

C. Implement consistent messages across organizations regarding coordination of transportation.

   - Unite as stakeholders in generating a shared vision and message respective to public and human service public transportation by participating in and embracing the Alaska Mobility Coalition's public awareness campaign. Perpetuate the distribution of that messaging through stakeholders' respective venues and communications efforts.

D. Develop minimum training standards for those providing transportation services.

   - Develop minimum training standards for transit staff, specifically including customer service, cultural sensitivity, assisting people with disabilities, safety, passenger assistance, and more to generate an environment conducive to providing effective, appropriate and safe transportation for people with special needs.

E. Articulate and require minimum inspection and maintenance standards for publicly-funded vehicle(s).

   - For agencies who don't currently follow any standardized maintenance practice, articulate minimum inspection and maintenance standards for publicly-funded vehicle(s), ensuring that a maintenance plan and a tracking of follow-through of that maintenance plan is available at all times. This strategy increases the viability and safety of the publicly funded

resource over time, maximizes the resource, and enhances service delivery. Legislation to support this requirement may be necessary to ensure it is implemented.

F. Streamline the process for procurement and disposal of transportation assets.

- Utilize a single entity to effectively procure and dispose of transportation assets on behalf of all entities, generating efficiencies for all entities utilizing the resource and enabling them to focus those resources on service delivery.

G. Explore how to help resource local coordination efforts.

- Factor into the state funding structure a process for providing some supports to local entities who assume responsibility for the coordination of human service public transportation services.

Appendix E: Administrative Order

ADMINISTRATIVE ORDER NO. 252

I, Sean Parnell, Governor of the State of Alaska, under the authority of art. III, secs. 1 and 24, of the Alaska Constitution, issue this Order to affirm Administrative Order No. 243, establishing the Governor's Coordinated Transportation Task Force, and to extend the date for its final report and the duration of the task force.

On October 14, 2008, Administrative Order No. 243 was signed, establishing the Governor's Coordinated Transportation Task Force to advise the governor with respect to the state's various programs that provide or coordinate community-based transportation services in this state for persons with special needs. This Order affirms the continuation of this important task force. To further the goals of the task force, by this Order I am extending the date for submission of its final report until April 15, 2010 and continuing the task force's existence until the report is forwarded to the office of the governor.

The remaining provisions of Administrative Order No. 243 are unchanged and continue in effect.

This Order takes effect immediately.

DATED at Anchorage, Alaska this 17th day of November, 2009.

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Letters of Support

Letters of support have been submitted in response to the Coordinated Transportation Task Force Recommendations Report. Copies of those letters received prior to the printing of this document follow.

The TRUST

The Alaska Mental Health Trust Authority

November 24, 2009

Governor Sean Parnell
State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

Subject: Support for Coordinated Transportation

On November 19, 2009, the Board of Trustees of the Alaska Mental Health Trust Authority moved to support the Governor's Coordinated Transportation Task Force (CTTF) recommendations, specifically the final draft version dated November 4, 2009.

In addition Trustees moved to support several actions proposed by the Trust-related Coordinated Transportation advocacy group, specifically asking the Governor to:

- Place in the Governor's FY2011 budget a $3 million increment for defray some of the operating expenses of coordinated transportation systems across Alaska (Alaska is only one of three states with no state funds for this purpose),
- Extend the sunset date of the Governor's Coordinated Transportation Task Force to June 30, 2011, and
- Support in the Governor's FY2011 Mental Health Appropriation Bill, the capital funding recommendations of the Trust, specifically $800,000 GF/MH to match the $300,000 MHTAAR for coordinated transportation capital needs.

Coordinated Transportation is critical for the health and meaningful engagement of Trust beneficiaries as a significant percentage of them do not have the capacity to transport themselves. The CTTF report describes persons with special needs that may require coordinated transportation comprise more that 25% of Alaska's population. These are those experiencing poverty, those receiving public assistance, seniors over 60, and those with a disability. Also 22 percent of the State's population lives off the highway system, and therefore often must use public transportation to arrive at urban hospitals and other urban destinations.

The Trust supports these specific CTTF recommendations:

- Enact a statute that institutionalizes and requires coordination of community-based transportation services.
- Support state funds for coordinated transportation operating expenses to be used to match federal and local support.

3745 Community Park Loop, Suite 200 Anchorage, Alaska 99508 Tel: 907-269-7960 Fax: 907-269-7966 www.mhtrust.org

November 24, 2009

- Enhance State transportation coordination planning processes, documents and technical assistance to identify local needs and increase local awareness and capacity.
- The State should fund and conduct a statewide needs assessment of those with special needs to clearly identify the scope of their transportation need.

Sincerely,

Jeff Jessee
Executive Director

Cc: Karen Rehfeld, Director, OMB

U.S. Department
of Transportation
Federal Transit
Administration

REGION X
Alaska, Idaho, Oregon,
Washington

915 Second Avenue
Federal Bldg. Suite 3142
Seattle, WA 98174-1002
206-220-7954
206-220-7959 (fax)

DEC -9 2009

Jeff Ottesen
Chair, Governor's Coordinated Transportation Task Force
Director, Division of Program Development
Alaska Department of Transportation and Public Facilities
P.O. Box 112500
Juneau, AK 99801

Dear Mr. Ottesen,

As provided for in Alaska Governor's Administrative Order 243, I have represented the Federal Transit Administration as a non-voting advisor to the Coordinated Transportation Task Force during this year.

I want to commend the members of the Task Force for their diligence, open manner of their inquiry and the resulting important report and recommendations to the Governor.

The State of Alaska is facing the same type of challenges as other states to address the varying transportation needs of the public. The United States Department of Transportation's most recent Report on the Status of the Nation's Highways, Bridges and Transit: Conditions and Performance examined the sources of transit revenue and found that while the federal government contributed approximately 18% of transit revenues nationwide, local and state sources were needed to provide the majority of income necessary to support public transportation's mission to provide mobility choices to get people to important destinations such as employment centers, homes, medical institutions and schools.

I look forward to monitoring the actions taken by the Governor and the Legislature to address the vital requirements identified in this report. Please let us know how the Federal Transit Administration can be helpful to meet the transportation needs of Alaskans.

Sincerely,

R. F. Krochalis
Regional Administrator

January 8, 2010

Governor Sean Parnell
State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

Central Area Rural Transit System, Inc. (CARTS) is responsible for providing public transportation for the residents of the central Kenai Peninsula.

We have followed with interest and enthusiasm the work of the Governor's Coordinated Transportation Task Force (CTTF), and we support and encourage you to endorse the group's recommendations.

Coordination is a shared responsibility of all entities responsible for providing transportation services or for making those services available to clients. Only through coordination can transit providers, human service agencies, private institutions, businesses, volunteers and political leaders broaden transportation options by way of modes, routes and providers and ensure the connectivity between them. An outcome of coordination is the efficient and effective use of transportation resources for getting people to important destinations.

The CTTF has generated a series of recommendations, the outcome of which is intended to generate a culture that promotes and sustains coordination on many levels. The result enables us to maximize our limited resources while attentively serving those individuals with special needs.

A coordinated system is an ongoing process. One of the CTTF's recommendations is to generate, for a four-year period, a Coordinated Transportation Commission with responsibility for ensuring the coordination of many and diverse federal and state level resources intended to serve shared clients - people with special needs who may be seniors, people with disabilities, or low income individuals.

The complexity of the existing structure and the capacity to talk across systems underscores the need to continue the interagency work to coordinate across systems. The proposed infrastructure that supports that cross-system work will help to sustain the coordinated culture long into the future.

Thank you for your serious consideration of the CTTF recommendations. Please know that we sincerely hope you endorse it, and that people with special needs across Alaska are able to benefit by being able to get where they need to go in a safe and efficient manner.

Sincerely,

Judy Keck-Walsh

Judy Keck-Walsh
President

By: Luke Hopkins, Mayor
Introduced: 01/14/10
Adopted: 01/14/10

FAIRBANKS NORTH STAR BOROUGH

RESOLUTION NO. 2010 - 03

A RESOLUTION IN SUPPORT OF THE GOVERNOR'S COORDINATED TRANSPORTATION TASK FORCE RECOMMENDATIONS REPORT

WHEREAS, the Governor's Coordinated Transportation Task Force (CTTF) was established under Administrative Order 243 on October 14, 2008; and

WHEREAS, the CTTF was officially assigned the responsibility to study and make recommendations on how the State can coordinate the provision of cost-effective, community-based transportation services to persons with special needs; and

WHEREAS, under the Administrative Order the CTTF was directed to define how to maximize the availability of community-based transportation services, the sharing of transportation resources among government and private entities providing those services, and the coordination among providers of those services; and

WHEREAS, during 2009 the CTTF held five face-to-face public meetings and six teleconferences available to the public to pursue their study and generate this report; and

WHEREAS, this report outlines the transportation needs especially for persons with special needs as described by the Administrative Order including people with physical, developmental or mental disabilities, senior citizens, low income individuals and others without access to existing, workable transportation opportunities; and

WHEREAS, the Fairbanks North Star Borough has been a strong proponent for improved coordination of transportation services since 1999.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Fairbanks North Star Borough supports the Governor's Coordinated Transportation Task Force Recommendations Report.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Alaska Interior Delegation, the Honorable Governor Sean Parnell and the members of the Governor's Coordinated Transportation Task Force.

2010.

PASSED AND APPROVED THIS 14TH DAY OF JANUARY 2010.

Mike Musick
Presiding Officer

ATTEST:

Mona Lisa Drexler, MMC
Municipal Borough Clerk

Ayes: Brown, Howrd, Beck, Blanchard II, Bartos, Want, Winters, Sattley, Musick,
Noes: None

Date: January 20, 2010

FAIRBANKS METROPOLITAN AREA TRANSPORTATION SYSTEM (FMATS)
RESOLUTION NO. 2010-01

AN FMATS RESOLUTION IN SUPPORT OF THE GOVERNOR'S COORDINATED TRANSPORTATION TASK FORCE (CTTF) RECOMMENDATIONS REPORT.

WHEREAS, the Governor's Coordinated Transportation Task Force was established under Administrative Order 243 on October 14, 2008; and

WHEREAS, provision and integration of cost-effective, community-based transportation services to persons with special needs is an important function; and

WHEREAS, such coordination among agencies in other areas has proven beneficial to those with transportation needs. Therefore, increasing the availability of community-based transportation services statewide will enhance the quality of life for those which are transportation disadvantaged; and

WHEREAS, the recommendations included in the report provide a framework for the State of Alaska to more effectively serve people with special needs by generating and sustaining a coordinated transportation environment; and

WHEREAS, whereas the CTTF members, including the Fairbanks North Star Borough Transportation Director, endorse this approach and support the legislative changes it proposes and commit to its implementation.

NOW, THEREFORE BE IT RESOLVED, FMATS supports the Governor's Coordinated Task Force Recommendations Report.

BE IT FURTHER RESOLVED, that copies of this resolution be forwarded to the Alaska Interior Delegation, the Honorable Governor Sean Parnell and the members of the Governor's Coordinated Transportation Task Force.

PASSED AND APPROVED THIS 20th *DAY OF JANUARY, 2010.*

Steve Titus

Steve Titus, P.E.
FMATS Policy Committee, Chair

Sitka Tribe of Alaska
456 Katlian Street
Sitka, Alaska

(907) 747-3207
Fax: (907) 747-4915

Tribal Council Resolution 2009 - 189

Endorse the 2009 Recommendations Report of the Governor's Coordinated Transportation Task Force.

WHEREAS, the Sitka Tribe of Alaska is the federally recognized tribal government for more than 4,020 enrolled tribal citizens in Sitka, Alaska organized under the Indian Reorganization Act of 1934 as amended; and

WHEREAS, the Sitka Tribe of Alaska is responsible for the health, safety, welfare and cultural preservation of its tribal citizens and their use of the Sitka Tribe of Alaska's traditional territory; and

WHEREAS, the Sitka Tribe of Alaska's traditional territory reflects the lands and waters historically and presently the stewardship responsibility of the Sheet'ka Kwaan and such are composed of the western side of Baranof Island, the greater reaches of Peril Strait, southwestern portions of Chichagof Island and the myriad of islands as well as the waters between these locations; and

WHEREAS, the Sitka Tribe of Alaska currently supports and participates in the Sitka public transit systems coordinated agency by way of in-kind contributions, contracted services and the Tribes Title VI funding to assist in the Care-A-van serves for the elders of Sitka; and

WHEREAS, Sitka Tribe of Alaska recognizes Sitka Public Transit provides economic and social benefits to the community by providing access to school, work, healthcare and social events; and

WHEREAS, Sitka Tribe of Alaska recognizes that persons with special needs, including seniors, people with disabilities, and low incomes specifically rely on public and human-service transportation services to get them to important and essential destinations, such as jobs, medical appointments and other services and events, and

WHEREAS, Sitka Tribe of Alaska recognizes that coordination of services and resources throughout Tribal, federal, state and local governments is essential to the effective and efficient delivery of transportation resources, and

WHEREAS, the State of Alaska can ensure the effective and efficient delivery of transportation resources by generating a sustainable culture of coordination, and

WHEREAS, the State of Alaska tasked the Governor's Coordinated Transportation Task Force of state agencies, Tribal and stakeholder representatives in Administrative Order 243 to coordinate the provision of cost-effective, community-based transportation services to persons with special needs by maximizing the availability of community-based transportation services, the sharing of transportation resources among government and private entities providing the services, and the coordination among providers of those services; and

WHEREAS the Governor's Coordinated Transportation Task Force has developed a Recommendations Report responding to this Order; and

WHEREAS, the draft Recommendations Report presents recommendations that generate a meaningful and sustainable human-service public transportation coordination culture throughout the state of Alaska;

NOW THEREFORE BE IT RESOLVED, the Sitka Tribe of Alaska endorses the Governor's Coordinated Transportation Task Force Recommendations Report; and

BE IT FINALLY RESOLVED, the Sitka Tribe of Alaska encourages the adoption of the Governor's Coordinated Transportation Task Force Recommendations Report 2009 by the State of Alaska.

CERTIFICATION

The foregoing resolution was adopted at a duly called and convened meeting of the Tribal Council of the Sitka Tribe of Alaska held on **December 16, 2009** at which a quorum was present by a vote of **_8_IN FAVOR, _0_AGAINST, _0_ABSTAIN, _1_ ABSENT.**

Signed:

Michael A. Bowen

Sitka Tribe of Alaska, Tribal Vice - Chairman

Attest:

Clara

Sitka Tribe of Alaska - Tribal Secretary

ALASKA STATEWIDE INDEPENDENT LIVING COUNCIL, INC.

1057 W. Fireweed Lane, Ste. 206
Anchorage, AK 99503

Toll Free 1 888 294 7452
Phone 907 263-2092, 2011
Fax 907 263-2012

December 18, 2009

State of Alaska
Office of the Governor
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell,

The Statewide Independent Living Council (SILC) is pleased to support the Governor's Coordinated Transportation Task Force (CTTF) recommendations, specifically the final draft version dated November 23, 2009.

Transportation is one of the foundations of independent living for elders and Alaskans with disabilities. Without reliable transportation access to everyday, community activities, such as employment, recreation, or medical appointments, is limited. Through a series of public forums that the SILC has recently conducted in Bethel, Fairbanks and Anchorage, Alaskans with disabilities have consistently named transportation as the top need for maintaining independence.

In Alaska, transportation takes many unique forms, especially in more distant regions. While residents of Anchorage and Fairbanks may have the opportunity to use public transit for daily transportation, for example, those living in Kwethluk may have to use a combination of dog sled and small airplane just to reach Bethel, where they can access necessary services. The Statewide Independent Living Council supports the CTTF recommendations, taking into consideration especially the needs of rural Alaskan communities.

Through the types of activities and coordination outlined in the CTTF recommendations, Alaskans with special needs will maintain a better quality of life, while remaining in their home communities.

Sincerely,

James Beck
Chair

JEDC Juneau Economic Development Council

JEDC.org
612 West Willoughby Ave.
Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

March 15, 2011

The Honorable Albert Kookesh
State Senator
State Capitol Room 11
Juneau, AK 99801

Dear Senator Kookesh:

The Juneau Economic Development Council (JEDC) enthusiastically supports SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transit dollars.

Public transportation provides positive economic impacts in small communities. A 2010 study entitled "The Economic Effects of Bus Transit in Small Cities" showed that the presence of bus transit significantly lowers unemployment rates, lowers growth in family assistance and food stamp payments, and increases population and employment. These findings suggest transit increases low-income individuals' ability to get and maintain jobs.

JEDC staff conducted executive interviews with ten of Juneau's larger private employers to ask how public transportation issues impacted business operations in regards to their employees. Six of these organizations, including Wal-Mart, Home Depot, Fred Meyers, Warehouse Demo Services (an employer at Costco), Goldbelt Hotel, and Safeway reported a significant number of their employees use the bus. Public transit use estimates among employees in these organizations ranged from 30% to 75%.

Combined, these organizations have more than 350 employees using public transportation to get to work. Generally the business operations of these establishments, along with the work schedules of their employees, are highly impacted by public transit schedules and bus stop locations. These and other businesses, rely on public transportation to be successful in our community.

Alaska is one of just three states that do not provide general operating support for transit service. In FY10, Juneau residents and visitors took 1.23 million trips on the local Capital Transit bus system. This represents 3,380 rides per day, and a 22 percent increase over FY2002. The Capital City Transit system is currently working at top capacity. There are a number of additional benefits our bus system could and should be providing our community, such as extending the bus service to the ferry terminal or the Lemon Creek industrial area; and increasing evening and weekend service for employees who work nontraditional hours.

We urge you to support additional funding of public transportation in Juneau and throughout all of Alaska.

Sincerely,

Kurt Fredriksson
Board Chair

Brian Holst
Executive Director

Cc: Senator Dennis Egan
Representative Beth Kerttula
Representative Cathy Munoz

RESOLUTION of the Board of Directors in support of State of Alaska Senate Bill 77, "An Act making a special appropriation to the Department of Transportation and Public Facilities to provide matching grant funds for operating expenses for certain locally and federally funded public transit projects; and providing for an effective date."

Resolution 02-11

WHEREAS, According to the American Public Transportation Association:

- Every $1 billion invested in public transportation capital and operations supports an average of 36,000 jobs;
- These 36,000 jobs result in roughly $3.6 billion in business sales and generate nearly $500 million in federal, state, and local tax revenues;
- For every $1 invested in public transportation, $4 is generated in economic returns;
- Every $10 million in capital investment in public transportation can return up to $30 million in business sales alone; and
- Each year, an individual can achieve an average annual savings of more than $9,000 by taking public transportation instead of driving and by living with one less car.

WHEREAS, Alaska is one of just three states that do not provide general operating support for transit service. In FY10, Juneau residents and visitors took 1.23 million trips on the local Capital Transit bus system. This represents 3,380 rides per day, and a 22 percent increase over FY2002. The Capital City Transit system is currently working at capacity.

WHEREAS, The State of Alaska currently provides direct general fund matching assistance for other modes of transportation, including highways, aviation, and harbors. Annual federal funding available to Alaska for transit assistance varies from year-to-year, but averages nine million dollars or more. In many cases, Alaska is not capturing these federal funds due to insufficient matching funding. State funds to help meet the match requirement would put public and community transportation providers on a parity level with other federal and state "partnerships" that provide transportation for Alaskans.

WHEREAS, JEDC has provided leadership for completion of the City and Borough of Juneau's (CBJ's) coordinated transportation plan with financial support from the State of Alaska Department of Transportation and has assisted the CBJ to apply for funding for a Mobility Manager position at the CBJ.

WHEREAS, Senate Bill 77 appropriates three million dollars to the Alaska Department of Transportation and Public Facilities to award to community transit providers through a competitive grant process, with a required 50% match requirement (in kind or cash).

WHEREAS, Senate Bill 77 is a legislative priority for the Municipality of Anchorage, the Alaska Mental Health Trust Authority, the Alaska Mobility Coalition, the Governor's Council on Disabilities and Special Education, and the Alaska Commission on Aging.

NOW, THEREFORE, BE IT RESOLVED THAT:

On this 15th day of March 2011, the Board of Directors of the Juneau Economic Development Council hereby authorizes JEDC to issue appropriate letters of support for Senate Bill 77.

Board President

3-17-2011
Date

Board Secretary

3-17-2011
Date

Chickaloon Village
Traditional Council

Gary Harrison,
Traditional Chief

Doug Wade
Chairman/Elder

Ricky Harrison
Vice-Chairman

Penny Westing,
Secretary/Elder

Albert Harrison,
Treasurer/Elder

Jesse Lanman,
Elder Member

Burt Shaginoff,
Elder Member

Larry Wade,
Elder Member

Jennifer Harrison,
Executive Director

February 28, 2011

The Honorable Albert Kookesh
State Senator
Alaska State Capitol
Juneau, AK 99801

Dear Senator Kookesh:

On behalf of the Chickaloon Village Traditional Council, I would like to express my support for SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transits dollars.

Chickaloon Village Traditional Council recently started a Public Transit bus route from Chickaloon to Palmer, Alaska, and sees a further need for transit in our area. We are presently providing commuter service only during the morning and late afternoon Monday through Friday, but would like to be able to offer services beginning earlier in the day to connect with Valley Mover or MASCOT for commuters going to Anchorage, and expand services in the evening to pick up those same commuters from Anchorage. It has been difficult to connect with MASCOT's present routes to Wasilla so individuals from our area may reach places like the State of Alaska Employment Services Office.

In order to expand our services we will need a second and possibly third transit vehicle, as well as a Transit Center in Sutton to house these vehicles and additional staff. We have a small contract with the Federal Transit Administration. However, they are very limited in their resources and try to serve everyone on a competitive basis. State funding for general operating support would allow our limited resources to be stretched, enabling the traveling public to reach their destinations in a timely manner. We started our services in mid-January 2011, but unless we receive a second competitive grant from the Federal Transit Administration, we will shortly close our doors at the end of December. This would be tragic for those individuals just beginning to rely on public transportation.

Alaska is one of just three states that do not provide general operating support for road transit services. Public and community transit programs provide transportation for thousands of Alaskans every day who go to work, school and medical appointments. Many of the passengers we work with could not fully participate in the community without bus service. This is not just a function of

local taxpayers; all Alaskans benefit by reducing traffic on Alaska's roads and highways and increasing air quality standards statewide. We believe that a partnership between the state, community and public transportation providers is long overdue and will benefit all road users around the state.

Thank you for your efforts in supporting transit in Alaska. I look forward to working with you and the Alaska legislature on this request during the legislative session.

May Creator Guide Our Footsteps,

Doug Wade

Doug Wade
Chairman

Cc: Senator John Coghill
State Capitol Room 504
Juneau AK, 99801

Representative Eric Feige
State Capitol, Rm. 126
Juneau, AK 99801-1182

ALASKA MUNICIPAL LEAGUE

217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

February 18, 2011

Senator Johnny Ellis
State Capital
Juneau, Alaska 99811

RE: Support for SB77

Dear Senator Ellis,

The Alaska Municipal League would like to go on record as being in strong support of SB77.

As Alaska grows, we are finding ourselves more and more reliant on public transit in our larger communities. However, as fuel prices continue to rise, as well as so many other costs incurred by local governments, municipalities find themselves less and less able to continue to provide public transit services. Public transportation is not a service that everyone uses, thus it often becomes a target when budgets need to be balanced.

People with better paying jobs can still get around, as they are usually automobile owners. Low-income, elderly and special needs citizens are highly dependent on public transportation and their situation is affected greatly by diminished public transportation schedules.

We know that public transportation can affect our environment by reducing the number of cars on our roads and highways. We know that public transportation allows more of our residents to maintain jobs or attend school, thus improving our economies.

We applaud you for introducing this bill and would hope that the Alaska Legislature would see fit to make sure that Alaska is no longer one of the three states that do not provide funding for local public transportation operations.

Sincerely,

Kathie Wasserman

Kathie Wasserman
Executive Director

February 18, 2011

The Honorable Albert Kookesh
State Senator
Alaska State Capitol
Juneau, AK. 99801

Dear Senator Kookesh:

On behalf of the Homer Coordinated Transportation Project, I would to express my support for SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transits dollars.

Alaska is one of just three states that do not provide general operating support for transit service. Public and Community transit programs provide transportation for thousands of Alaskans every day who go to work, school and medical appointments. Many of the passengers with whom we work could not fully participate in the community without bus service. This is not just a function of local taxpayers. All Alaskans benefit by reducing traffic on Alaska's roads and highways and increasing air quality standards statewide. We believe that a partnership between the state, community and public transportation providers is long overdue and will benefit all road users around the state.

Thank you for your efforts in supporting transit in Alaska.

Sincerely,

/s/

Laurie Deakins
Medicaid Waiver Care Coordinator
South Peninsula Hospital
52818 Old East End Road, Homer, AK 99603
907.235.0273

Nancy Barnes

From: Patti Boily [homeril2@peninsulailc.org]
Sent: Friday, February 18, 2011 12:39 PM
To: Sen. Albert Kookesh
Subject: SB 77

Dear Senator Kookesh,

On behalf of the Homer Coordinated Transportation Program I encourage you to support SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transit dollars.

Alaska is one of just three states that do not provide general operating support for transit service. Public and Community transit programs provide transportation for thousands of Alaskans every day who go to work, school and medical appointments. Many of our citizens could not fully participate in their communities without bus or taxi service. We believe that a partnership between the state, communities and public transportation providers is long overdue and this bill will go a long ways towards ensuring communities are able to meet the transportation needs of their citizens.

As it so happens I will be in Juneau on February 22nd when your committee holds its hearing on this bill. If my plane is on time I hope to be able to attend your meeting in person.

Thank you for your efforts in supporting transportation in Alaska.

Sincerely,

Patricia A Boily
4935 Clover Lane
Homer, AK 99603
(907) 235-7391
pbboily@xyz.net

Independent Living Center
PO Box 2474
Homer, AK 99603
(907) 235-7911
homeril2@peninsulailc.org

Nancy Barnes

From: Kim Burrows [reception@peninsulailc.org]
Sent: Friday, February 18, 2011 10:52 AM
To: Sen. Albert Kookesh
Subject: To the Senate Transportation Committee re: SB 77

The Honorable Albert Kookesh
State Senator
Alaska State Capitol
Juneau, AK. 99801

Dear Senator Kookesh:

On behalf of the Homer Coordinated Transportation Project, I would like to express my support for SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transits dollars.

Alaska is one of just three states that do not provide general operating support for transit service. Public and Community transit programs provide transportation for thousands of Alaskans every day who go to work, school and medical appointments. Many of the passengers with whom we work could not fully participate in the community without bus service. This is not just a function of local taxpayers. All Alaskans benefit by reducing traffic on Alaska's roads and highways and increasing air quality standards statewide. We believe that a partnership between the state, community and public transportation providers is long overdue and will benefit all road users around the state.

Thank you for your efforts in supporting transit in Alaska.

Sincerely,

Kim Burrows
Independent Living Center
P.O. Box 2474
Homer, AK 99603
Phone: 907-235-7911
Fax: 907-235-6236

ALASKA CENTER *for the* ENVIRONMENT

807 G Street, Suite 100, Anchorage, Alaska 99501
Phone: (907)274-3656 Fax: (907)274-8733 e-mail: toby@akcenter.org

February 10, 2011

The Honorable Albert Kookesh
State Senator
Alaska State Capitol
Juneau, AK. 99801

Dear Senator Kookesh:

On behalf of the Alaska Center for the Environment I would to express my support for SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transits dollars.

Alaska is one of just three states that do not provide general operating support for transit service. Public and Community transit programs provide transportation for thousands of Alaskans every day who go to work, school and medical appointments. Many of the passengers we work with could not fully participate in the community without bus service. This is not just a function of local taxpayers; all Alaskans benefit by reducing traffic on Alaska's roads and highways and increasing air quality standards statewide. We believe that a partnership between the state, community and public transportation providers is long overdue and will benefit all road users around the state.

Thank you for your efforts in supporting transit in Alaska. I look forward to working with you and the Alaska legislature on this request during the upcoming legislative session.

Sincerely,

Toby Smith
Executive Director
Alaska Center for the Environment

CC: David Levy, Executive Director, Alaska Mobility Coalition

STATE OF ALASKA
DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SEAN PARNELL, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

February 21, 2011

Senator Johnny Ellis
Alaska State Capitol, Room 103
Juneau, AK 99801-1182

Subject: Support for SB 77

Dear Senator Ellis:
The Alaska Commission on Aging (ACoA) is pleased to offer our support of SB 77, a bill to appropriate $3 million from the State's General Funds to the Department of Transportation & Public Facilities to incentivize local transit systems so that they are able to leverage maximum federal financial assistance to support operating expenses for their public transit projects that could amount to $12 to $15 million of additional funds to Alaska for transit purposes.

Safe, accessible and affordable transportation options are essential for older Alaskans and people with disabilities so that they are able to access medical care, get to their job and volunteer placements and to participate in community life. Transportation is one of the top needs consistently identified in statewide surveys of these populations, including the elder-senior community forums and a statewide senior survey recently conducted by ACoA to determine priority concerns of older Alaskans.

Community transportation is a life-line for seniors and people with physical and cognitive disabilities to ensure a healthy quality of life. As the number of seniors in Alaska grows at a pace of four times the national average, the ACoA recommends that the state of Alaska support legislation and adequate funding for community transit systems that serve special needs populations.

Alaska is one of only three states that does not provide financial support to operate public and community transportation systems. Transportation costs are rising dramatically. Fuel costs, maintenance and insurance premiums are going up and providers are responding by reducing hours of service and raising fares. These changes impact seniors and others with disabilities who live on a fixed income and depend on community transit services.

Please accept our sincere appreciation for your efforts to support improvements to community transit services for older Alaskans and others with disabilities. We believe that SB 77 will help build local community transportation services to improve services for all users, particularly for Alaska's most vulnerable citizens. Please feel free to contact Denise Daniello, ACoA's executive director (465-4879 or denise.daniello@alaska.gov) should you require additional information about our position. Thank you.

Sincerely,

Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello
ACoA Executive Director

Alaska Conservation Alliance

"A Strong Economy and Healthy Environment Go Hand in Hand"

2/21/11

Senator Albert Kookesh
State Capitol, Rm. 11
Juneau, AK 99801-1182

Dear Sen. Kookesh:

The Alaska Conservation Alliance supports SB 77, which would appropriate $3 million in state funds for public transit statewide and leverage another $12 million in Federal funding. The Conservation Alliance is an umbrella group with about 40 member organizations and a combined membership of over 38,000 Alaskans. We serve to advance conservation in Alaska and believe that a healthy environment and a strong economy go hand in hand.

Public transit is an important part of the local economy for Alaskan communities. A strong transit system can provide reliable transportation to and from work, school, and medical appointments. It also cuts traffic on our roads and lowers pollution.

Alaska has an opportunity to make significant improvements in transit systems across the state by leveraging $12 million in Federal funds with an investment of $3 million; a four to one rate of return, which is pretty good. The state should step up and support locally financed transit and create a Federal, state, and local partnership.

SB 77 is a sensible way to diversify funding for public transit by bringing state and Federal dollars to the game. Thank you for moving forward with this legislation.

Sincerely,

Caitlin Higgins
Executive Director
Alaska Conservation Alliance

810 N Street, Suite 203 | Anchorage, AK 99501 | 907-258-6171 | F: 907-258-6177
www.akvoice.org | www.twitter.com/ACAAlliance
www.facebook.com/AlaskaConservationAlliance

MATANUSKA-SUSITNA BOROUGH
Borough Manager
350 East Dahlia Avenue • Palmer, AK 99645
Phone (907) 745-9688 • Fax (907) 745-9669
Elizabeth.gray@matsugov.us

February 17, 2011

The Honorable Albert Kookesh
State Senator
Alaska State Capitol
Juneau, AK. 99801

Dear Senator Kookesh:

On behalf of the Matanuska-Susitna Borough I would to express my support for SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transits dollars.

Alaska is one of just three states that do not provide general operating support for transit service. Public and Community transit programs such as MASCOT , Valley Mover and Chickaloon Native Tribe Transit in the Matanuska-Susitna Borough provide transportation for thousands of Alaskans every day who go to work, school and medical appointments. Many of the passengers would not fully participate in the community without bus service. This is not just a function of local taxpayers; all Alaskans benefit by reducing traffic congestion on Alaska's roads and highways and increasing air quality standards statewide. We believe that a partnership between the state, community and public transportation providers is long overdue and will benefit all road users around the state.

Thank you for your efforts in supporting transit in Alaska. I look forward to working with you and the Alaska legislature on this request during the upcoming legislative session.

Sincerely,

Elizabeth Gray
Acting Borough Manager

adn.com
Anchorage Daily News

Print Page Close Window

Public transit, less service

(02/19/11 17:29:19)

Eagle River bus rider Daryl Nelson, who has ridden both regular People Mover buses and the AnchorRides door-to-door service for seniors and people with disabilities, says what's left in Eagle River isn't enough.

In mid-2009, one-third of the Eagle River local bus service was cut. In March 2010, Routes 76 and 78, the last routes left to circulate around Eagle River, were eliminated to save $478,000.

In their place, the People Mover began a service called Eagle River Connect -- a service people can call for pickup at their residence. It uses the AnchorRides buses, and it is open to the general public.

Nelson, who has some disabilities, likes the idea of it, but said to go from his North Birchwood home to a noon meeting at Denny's on Bragaw Street and DeBarr Road, he would have to leave the house at 7 a.m. "I would have to be hanging out at Denny's for three hours," he said. Sometimes he can't even get on the Connect bus to go wherever he wants to go because space is limited.

What's needed? "More buses and more drivers," he said.

In another cutback, the city plans at the end of the month to drop a second bus route to Mountain View, 45G, meant to relieve crowding on the regular Route 45 to Mountain View.

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Nancy Barnes

From: Amanda Neal [ilobhomer@peninsulailc.org]
Sent: Tuesday, February 22, 2011 10:40 AM
To: Sen. Albert Kookesh
Subject: SB 77

February 22, 2011/ Fax 465-2827

The Honorable Albert Kookesh
State Senator
Alaska State Capitol
Juneau, AK. 99801

Dear Senator Kookesh:

On behalf of the Homer Coordinated Transportation Program, I would to express my support for SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transits dollars.

Alaska is one of just three states that do not provide general operating support for transit service. Public and Community transit programs provide transportation for thousands of Alaskans every day who go to work, school and medical appointments. Many of the passengers we work with could not fully participate in the community without bus service. This is not just a function of local taxpayers; all Alaskans benefit by reducing traffic on Alaska's roads and highways and increasing air quality standards statewide. We believe that a partnership between the state, community and public transportation providers is long overdue and will benefit all road users around the state.

Thank you for your efforts in supporting transit in Alaska. I look forward to working with you and the Alaska legislature on this request during the upcoming legislative session.

Sincerely,

Amanda Neal
The Independent Living Center
P.O. Box 2474
Homer, AK 99603
1-907-235-7911

Amanda Neal
Vision & Independent Living Services
Independent Living Center

P.O. Box 2474
Homer, AK 99603
1-800-770-7911
1-907-235-7911
1-907-235-6236 (Fax)
ilobhomer@peninsulailc.org

Please consider the environment before printing this e-mail.

Nancy Barnes

From: Lolita Brache [lolitagrace@gmail.com]
Sent: Tuesday, February 22, 2011 11:58 AM
To: Sen. Albert Kookesh
Cc: Sen. Gary Stevens
Subject: SB 77

The Honorable Albert Kookesh
State Senator
Alaska State Capitol
Juneau, AK. 99801

February 22, 2011

Dear Senator Kookesh:

I would like to express my support for SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transits dollars. Homer does not have any affordable public transportation system. I know of many families who struggle to get to work, to appointments, to school, because cab rides are so expensive when one has to use them for everything.

Alaska is one of just three states that do not provide general operating support for transit service. This is not just a function of local taxpayers. All Alaskans benefit by reducing traffic on our roads and highways and increasing air quality. We believe that a partnership between the state, community and public transportation providers is long overdue and will benefit both local communities and the state as a whole.

Thank you for your efforts in supporting transit in Alaska.

Sincerely,

Lolita Brache

PO Box 2508

Homer, AK 99603

The Trust
The Alaska Mental Health Trust Authority

Alaskan Seniors Living Longer Growing Stronger
from the Alaska Commission on Aging

Statewide Suicide Prevention Council

alaska brain injury network

Advisory Board on Alcoholism and Drug Abuse

Governor's Council on Disabilities and Special Education

abada amhb
Alaska Mental Health Board

Coordinated Transportation for Alaskans

Working with the Alaska Mobility Coalition (AMC), the Governor's Council on Disabilities and Special Education, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse and the Alaska Commission on Aging, in collaboration with the Alaska Mental Health Trust Authority, the Alaska Brain Injury Network and the Alaska Suicide Prevention Council, have identified as two of their joint priorities, the creation of legislation addressing the role of public and community transportation in Alaska and the establishment of a permanent Coordinated Transportation Commission. The partner boards also support the creation of a statewide fund for public and community transportation in Alaska. Following are overviews of these priorities:

Creation of legislation identifying 1) the role of public and community transportation in Alaska and 2) establishing a permanent commission to address public and community transportation in Alaska. Alaska does not have enabling statutes within state law that define the state's role in public and community transportation. This role should be defined and developed to serve all public and community transportation users – including Alaskans with disabilities. Additionally, in July 2010, Governor Parnell signed an administrative order reestablishing a statewide task force on public and community transportation in Alaska that has a sunset provision (January 2012). The AMC and the partner boards believe a permanent commission will be needed to address the ongoing transportation needs of Alaskans across the state.

Creation of a statewide fund for public and community transportation in Alaska. Alaska is one of only three states that does not provide operating support for public transportation. Therefore, in Alaska, the burden shifts to local governments, tribal governments, and non-profits to partner with the federal government to provide these services. In some cases, transit agencies have had to turn down federal money because they did not have the match funds available. This has had an impact on all users of public transportation, particularly in tough economic times when bus fares have increased and hours of service have been cut back. The boards support requesting $3 million dollars to partner with local transit systems, with a match requirement (in kind or cash) for transit systems to participate in the program.

February 18, 2011

The Honorable Albert Kookesh
State Senator
Alaska State Capitol
Juneau, AK. 99801

Dear Senator Kookesh:

On behalf of the Homer Coordinated Transportation Project, I would to express my support for SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transits dollars.

Alaska is one of just three states that do not provide general operating support for transit service. Public and Community transit programs provide transportation for thousands of Alaskans every day who go to work, school and medical appointments. Many of the passengers with whom we work could not fully participate in the community without bus service. This is not just a function of local taxpayers. All Alaskans benefit by reducing traffic on Alaska's roads and highways and increasing air quality standards statewide. We believe that a partnership between the state, community and public transportation providers is long overdue and will benefit all road users around the state.

Thank you for your efforts in supporting transit in Alaska.

Sincerely,

Laurie Deakins
Medicaid Waiver Care Coordinator
South Peninsula Hospital
52818 Old East End Road, Homer, AK 99603
907.235.0273

Nancy Barnes

From: Patti Boily [homeril2@peninsulailc.org]
Sent: Friday, February 18, 2011 12:39 PM
To: Sen. Albert Kookesh
Subject: SB 77

Dear Senator Kookesh,

On behalf of the Homer Coordinated Transportation Program I encourage you to support SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transit dollars.

Alaska is one of just three states that do not provide general operating support for transit service. Public and Community transit programs provide transportation for thousands of Alaskans every day who go to work, school and medical appointments. Many of our citizens could not fully participate in their communities without bus or taxi service. We believe that a partnership between the state, communities and public transportation providers is long overdue and this bill will go a long ways towards ensuring communities are able to meet the transportation needs of their citizens.

As it so happens I will be in Juneau on February 22nd when your committee holds its hearing on this bill. If my plane is on time I hope to be able to attend your meeting in person.

Thank you for your efforts in supporting transportation in Alaska.

Sincerely,

Patricia A Boily
4935 Clover Lane
Homer, AK 99603
(907) 235-7391
pbboily@xyz.net

Independent Living Center
PO Box 2474
Homer, AK 99603
(907) 235-7911
homeril2@peninsulailc.org

Nancy Barnes

From: Kim Burrows [reception@peninsulailc.org]
Sent: Friday, February 18, 2011 10:52 AM
To: Sen. Albert Kookesh
Subject: To the Senate Transportation Committee re: SB 77

The Honorable Albert Kookesh
State Senator
Alaska State Capitol
Juneau, AK. 99801

Dear Senator Kookesh:

On behalf of the Homer Coordinated Transportation Project, I would like to express my support for SB 77 (State funding for Public and Community Transportation in Alaska). SB 77 calls for appropriating up to $3 million to help communities match up to $12 million in federal public transits dollars.

Alaska is one of just three states that do not provide general operating support for transit service. Public and Community transit programs provide transportation for thousands of Alaskans every day who go to work, school and medical appointments. Many of the passengers with whom we work could not fully participate in the community without bus service. This is not just a function of local taxpayers. All Alaskans benefit by reducing traffic on Alaska's roads and highways and increasing air quality standards statewide. We believe that a partnership between the state, community and public transportation providers is long overdue and will benefit all road users around the state.

Thank you for your efforts in supporting transit in Alaska.

Sincerely,

Kim Burrows
Independent Living Center
P.O. Box 2474
Homer, AK 99603
Phone: 907-235-7911
Fax: 907-235-6236

SB

79

<TARGET><BILL>SB 79</BILL><SUBJECT>SB 79</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/4/11

FURTHER: Finance

Date of 5-Day Notice: 2/9/11
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 2/15/11

Transportation Committee considered SENATE BILL NO. 79

SB 79-APPROP.: KNIK ARM CROSSING FUND

"An Act making a special appropriation to the Knik Arm Crossing fund; and providing for an effective date."

and recommends:

[ ] be **replaced** with **CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] adopt **previous CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[X] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
Lynda Menard	Menard	X			
Joe T Thomas	Thomas			✓	
	EGAN	X			
CHAIR: Albert Kookesh	Kookesh			X	

KNIK ARM CROSSING
PRELIMINARY DESIGN PHOTO RENDERING

Alaska Trucking Association, Inc.
3443 Minnesota Drive · Anchorage, Alaska 99503 · Phone (907) 276-1149 · Fax (907) 274-1946
www.aktrucks.org
The authoritative voice of the trucking industry in Alaska

February 11, 2011

Senator Linda Menard
Alaska State Capitol, Room 9
Juneau, Alaska 99801

Re: SB 79 and 80

Dear Senator Menard:

The Alaska Trucking Association and its nearly 200 member companies, stand firmly behind the Knik Arm Crossing project and the associated needed legislation. We feel the Knik Arm Crossing project is a regional connectivity project that will provide a critical infrastructure link between our communities, as well as a much needed freight and services connection between Anchorage, the Matanuska-Susitna and the Interior part of our State. I have long supported the need for this project and am writing to you today to encourage the Alaska Legislature to move the project forward in a timely and beneficial manner.

The Alaska Trucking Association has been serving the needs of the state's trucking industry for over 50 years. We have continually given our support to the Knik Arm Crossing project as we understand the need for improved access to and from our ports, communities and interior Alaska from both a freight and a trucking standpoint. ATA is a leader in Alaska and nationally in promoting and protecting the interests of the transportation industry before the state legislature, congressional delegation and administrative agencies and courts. We understand that Alaska is a young state with vast infrastructure needs. We encourage you to support the Knik Arm Crossing legislative request to help us move this critical infrastructure link forward and reduce the cost to end users.

We understand the purpose of the proposed legislation and believe in the successful procurement of the Knik Arm Crossing to generate the best value to the State of Alaska. The passage of this legislation will facilitate the Knik Arm Crossing being open for traffic in 2015, thus expediting for my members and the State of Alaska ---the benefits generated from the Crossing.

In conclusion, ATA supports the passage of SB79 and 80 in order to facilitate the progression of the project forward in a timely and beneficial manner.

Sincerely,

Aves D. Thompson
Executive Director

If you got it, a truck brought it...

THE ALLIANCE

...for responsible development of Alaska's Oil, Gas & Mineral Resources

Senator Linda Menard
Alaska State Capitol, Room 9
Juneau, Alaska 99801
Re: SB 79 and 80

February 10th, 2011

Dear Senator Menard:
The **Alaska Support Industry Alliance supports** the Knik Arm Crossing project and the associated needed legislation sponsored by Senator Menard in SB79 and SB80. We feel the Knik Arm Crossing project is a regional connectivity project that will provide a critical infrastructure link between our communities, as well as a much needed oil and gas staging connection between Anchorage, Matanuska-Susitna, the Interior part of our State and up to the lifeline of Alaska- Prudhoe Bay. I have long supported the need for this project and am writing to you today to encourage the Alaska Legislature to move the project forward in a timely and beneficial manner.

The mission of the Alliance is clear –"To *promote responsible exploration, development and production of oil, gas and mineral resources for the benefit of all Alaskans."* Developing and improving our infrastructure, such as roads and bridges is critical to the expansion and development of our State's natural resources. The mission of the Alliance and the benefits that will be achieved by the Crossing are in sync.

The Alliance is made up of nearly 500 businesses, organizations and individuals that provide products and services to the oil, gas and mining industries, and represent approximately 40,000 Alaskan workers. We promote a favorable business climate through strong government relations programs, public awareness of the relationships among political decisions, industry activity and Alaska's economic health. Again, we believe the Knik Arm Crossing embodies the job creation and sustainable economic development that we hold at the forefront.

We understand the purpose of the proposed legislation and believe in the successful procurement of the Knik Arm Crossing to generate the best value to the State of Alaska. The passage of this legislation will facilitate the Knik Arm Crossing being open for traffic in 2015, thus expediting for my members and the State of Alaska ---the benefits generated from the Crossing.

In conclusion, the Alliance supports the passage of SB79 and 80 in order to facilitate the progression of the project forward in a timely and beneficial manner.

Sincerely,

Rebecca Logan

Rebecca Logan
General Manager

Nancy Barnes

From: Lois Epstein [lois_epstein@tws.org]
Sent: Monday, February 14, 2011 9:06 AM
To: Nancy Barnes
Cc: jamiek@alaska.com; Jesse Kiehl
Subject: Tomorrow's Knik Arm Bridge hearing

Hi Nancy. Good to speak with you again today.

As I mentioned, a number of us have been following the Knik Arm Bridge issue very closely (like the Juneau Road coalition). Among our group, Jamie Kenworthy - former head of the Alaska Science and Technology Foundation - has served as a financial analyst because of his extensive understanding of public and private finance. He has prepared 5 minutes of testimony for tomorrow's hearing and it would be very informative for committee members. He's in Denver, currently, but would be happy to testify by phone. I've copied him on this email if you want to discuss anything with him.

Committee packet - It would be great if you could include the following two items:
1) This Sunday's ADN front-page article (by the way, the public comments appear to be 98% against the bridge): http://www.adn.com/2011/02/12/1699393/supporters-seek-150m-for-knik.html
2) A map from KABATA's consultant showing that it takes more time and is a longer distance to travel via the proposed bridge from Wasilla and Palmer to Anchorage than traveling via the existing Glenn Highway (and there's no toll that way!):
http://www.adn.com/2011/02/12/1699393/supporters-seek-150m-for-knik.html, Figure 5

Thanks very much for considering inviting Jamie or, alternatively, allowing public testimony.

Please call me on my cell if you have any questions.

Best,
Lois

Lois N. Epstein, P.E.
Arctic Program Director
The Wilderness Society
705 Christensen Drive
Anchorage, AK 99501
(w) 907 272-9453, x107
(c) 907 748-0448
lois_epstein@tws.org
www.wilderness.org

A WHITE PAPER
EXPLAINING

The Need for the 2011 Alaska Legislature to Examine the Financial Plans of the Knik Arm Bridge and Toll Authority

By Jamie Kenworthy, jamiek@alaska.com
Bob French, bgkfrench@gmail.com
February 2011

SUMMARY

The Knik Arm Bridge cannot be built unless: (1) the State guarantees repayment of the debt necessary to finance the bridge, (2) that guarantee would need to make up the annual shortfall between toll revenues and expenses, including debt repayment, and (3) the State agrees to spend on the bridge a substantial portion of all federal money available for transportation statewide. The legislature must exercise some oversight on the project because Knik Arm Bridge and Toll Authority (KABATA) intends to issue an RFP for the $700 million to $1 billion dollar first phase of this project. If KABATA proceeds as planned, the State will be exposed to considerable financial liability and transportation projects statewide will be jeopardized.

Using federal and state numbers, the deficits for the first 10 years of Bridge operations will significantly exceed the approximately $25 million per year that Anchorage or Mat Su have averaged over the last decade on total state and federal spending on transportation.

I. Background

The Knik Arm Bridge and Toll Authority, a quasi-independent state agency with a Governor-appointed Board of Directors, has a sole purpose to construct and operate the proposed Knik Arm Bridge. The original federal funds with their small state match, total $114 million. Half of those funds or approximately $61 million remains unspent. Since the federal money was de-earmarked, the State of Alaska can decide how it spends the remaining funds, if those funds do not go to KABATA.

II. Knik Arm Bridge Feasibility

Three recent developments have compromised the financial feasibility of the Knik Arm Bridge and the viability of the public-private partnership:

1. **In November 2010, KABATA was turned down for a federal, low-cost "TIFIA" loan of $279 million, or more than one-third the total project cost of $783 million for Phase 1 of the bridge**. This was junior debt at a below market rate which did not require any debt repayment until five years after the bridge opened. All KABATA financial statements to date have included these low-cost funds for a third of project costs. While KABATA may reapply - assuming the TIFIA program continues – there will be fierce competition for these funds (in 2010, one billion dollars was allocated out of the $12.5 billion requested). Many of the other projects that also had their TIFIA loan applications rejected have positive attributes that the Knik Arm Bridge project lacks: they address significant existing congestion, have private partners willing to assume the downside risk of building for a fixed price or willing to cover debt repayments if there are toll shortfalls, and have accurate, existing (as opposed to projected) traffic and revenue information to demonstrate financial feasibility.

2. **In December 2010, KABATA admitted that the project will need a "state guarantee" to be financed by a private partner.** The March 1, 2010 failed TIFIA letter of interest (essentially a loan application) pledged "annual appropriations of the state legislature" to cover the large (estimated at $40 million/year) expected shortfall between bridge toll revenues and bridge costs including bond repayments. In a private briefing to the Alaska Department of Revenue on March 23, 2010, KABATA staff put forward two financial scenarios: 1) a publicly-financed project with no private partner; and 2) a private partner putting 9% of the money in and receiving an estimated 64% of the money out over 40 years, with the State of Alaska signing a "letter of credit" (labeled as "off balance sheet financing") to, in effect, guarantee bond repayment. While the KABATA Board

did not review the March documents, and has not formally discussed any financials for the Bridge, at KABATA's December, 15, 2010 news conference, KABATA staff admitted they are seeking a "state guarantee."

The federal 3/1/10 application, the March briefing, and the December statement are all tacit admissions that *the private partnership concept is likely dead* in the sense of a private entity willing to assume the downside risk of the project. Quite importantly, previous support for the Knik Arm Bridge by the Anchorage Assembly and AMATS has been contingent on no further state or local monetary support.

3. **Federal transportation officials now are questioning two key elements of the project which KABATA has represented as not affecting the funding of other Alaskan projects**. First, KABATA has said that the proposed Knik Arm Bridge is not subject to state or federal "fiscal constraint" requirements, which is federal bureaucratese that the costs of the project do not need to be considered in long range planning "fiscal constraint" calculations. This means that the project's cost was not counted against other Anchorage projects when the U.S. Department of Transportation (DOT) assessed whether the state and Anchorage had adequate resources to follow through on constructing projects that receive federal planning funds. When AMATS updates the Anchorage Long Range Transportation Plan this year, however, U.S. DOT will require the Knik Arm Bridge to compete with funding for other projects including ALL other Anchorage-area road and safety projects, and demonstrate that there are sufficient resources to construct the projects.

   Second, the Phase I cost of constructing the Knik Arm Bridge was estimated at $686 million (National Constructors Group, 2009) or $783 million including financing costs without including any connecting roads outside of the direct bridge connectors. U.S. DOT is now questioning where the funds are for connecting roads, including the Phase 2 connection across Ship Creek to Ingra-Gambell plus bridge and connector road expansion to four lanes "when traffic warrants". Additionally, 2010 Mat-Su Assembly support for the Bridge was contingent on state or federal funds for engineering and design of improvements to the Knik Goose Bay Road, Burma Road, and South Big Lake Road and other public infrastructure in the area.

These three recent developments suggest it is now time for the legislature to provide a hard look at the financial feasibility of the Knik Arm Bridge project. With the granting of a Record of Decision (ROD) in December 2010, KABATA now can move forward and issue a Request for Proposal (RFP) to the two pre-qualified bidding consortia. Whether the terms of the RFP include a state guarantee or whether the legislature rightly insists on the private sector assuming all of the risk of making bond repayments, are issues that should be clarified prior to issuance of the RFP, not after a consortia has responded to the RFP, won a construction contract, the right to receive all toll revenue, and the project is ready to go except for the "details" of a state guarantee.

State financial liability is not a theoretical issue to be sorted out later; in 2010, two TIFIA-funded public-private partnerships went bankrupt leaving their states holding the bag.

- Macquarie, a large Australian-based financial firm and the lead private firm in one of the two pre-qualified bidding consortia for the Knik Arm Bridge, set up an affiliate for San Diego's South Bay Expressway project. In 2010, during its second year of operation when toll revenue of $6/car proved insufficient, the partnership declared Chapter 11 bankruptcy. The State of California has no recourse to the assets of the parent corporation to pay off the project bonds.
- In 2001 a non-profit entity was set up to operate the Greenville, South Carolina Southern Connector tollway. In 2010, the partnership declared a rare Chapter 9 bankruptcy (the bankruptcy code for units of government) on $300 million of bonds when annual toll revenue proved half the projected amount.

Both states now find themselves responsible for unanticipated operations and maintenance costs on the roadways while awaiting the results of a bankruptcy process to sort out who is responsible for debt repayments, the terms of the debt restructuring, and whether the state or creditors will own the roadway asset in the interim.

III. KABATA OPERATING ISSUES

Because KABATA has a Board structure and has advertised the Knik Arm Bridge as a public-private partnership, it has not had the administrative and legislative oversight consistent with other large state projects. Its operations to date are not consistent with other state agencies: KABATA has undertaken large and likely inappropriate lobbying and public relations expenses, used inaccurate population and revenue estimates, and developed financing plans that may not be consistent with its enabling statute.

Consider:

- **Over $1.3 million in large and likely inappropriate lobbying and PR expenses.**

  Since FY08, KABATA has spent $425,000 on lobbying the federal government, up to $250,000 in PR expenditures to MAP Associates, and $508,597 on legal expenses that may include lobbying.[1]

  Because it did not have the in-house, specialized legal expertise necessary, KABATA funds the Alaska Department of Law's contract with William A. Greene who purportedly provides legal expenses in the field of public-private partnerships which cannot be provided by the Department of Law. In 2009, William A. Greene represented KABATA, one quasi-independent branch of AK DOT/PF, in suing another branch of AK DOT/PF and AMATS to redo the process that postponed the Knik Arm Bridge into the long term portion of the Long Range Transportation Plan. William Greene may have provided excellent legal work, but without an audit of those legal expenses, it is not clear if those expenses included lobbying public officials or if state money underwrote other local units of government to join KABATA in its suit against the state and AMATS.

  KABATA also has paid Dittman Associates for a 2009 poll showing that the project had a majority approval if responders were told that the project would be paid by 70-90% private funds. KABATA's 2011 Dittman poll tellingly did not make the same claim that the private sector would pay for the bridge, and instead was silent about how the bridge would be paid for. The recent poll found a majority of Alaskans thought the Bridge would be needed in the near future, but failed to test the issue of cost; that is, it did not ask if the state should finance the project, or guarantee nearly a billion in debt, or how often the respondents would pay a $5, 1 way toll to use the Bridge. KABATA paid for radio ads four years ago supporting the project and in 2010 paid GCI for multiple Channel 1 airings of a 30-minute video (production cost $57,000) which included the KABATA Executive Director saying that all toll roads in the United States pay for themselves (not true – for example, Alaska's single existing toll road, the Whittier Tunnel, has its operations subsidized by the State of Alaska annually, as well as the 2 bankrupt toll roads listed above).

  An LB&A audit could determine if KABATA PR, lobbying, and legal expenses have provided objective and appropriate public information at a reasonable cost comparable to other Alaska DOT & PF projects. With KABATA seeking for the state to fund the project or a guarantee on state bonds, the Bridge is now a public project and the legislature can determine if the scale of public resources devoted to selling the project are appropriate for a project that the legislature will be asked to fund the project directly or through annually appropriated state debt service payments.

- **Inaccurate Population and Toll Revenue Estimates - Probably at Least 50% Too High.**

  All of KABATA's financial estimates of project toll revenues to date, assume a Mat-Su population in 2030 of 250,700 compared to UAA ISER's 2009 estimate of 169,000 in 2030. ISER's 169,000 number is now being used to analyze the Glenn/Seward Highway-to-Highway project. For the Mat-Su to grow from around 89,000 today to 250,000 by 2030 would require the Borough to add the equivalent of the city of Palmer, the Borough's second largest city, to the Borough every year for 20 years. Because the KABATA population estimate for Mat-Su is approximately 50% higher than the ISER estimate, the projected toll revenue is approximately 50% higher. Even ISER's 2009 population forecast included the assumption that some form of a natural gas pipeline would be built by about 2020. However, in December 2010, the US Energy Information Administration indicated that the pipeline

[1] Source: State of Alaska Checkbook and www.opensecrets.org.

will not be feasible, based on estimated gas prices, for at least another 20 years, thus a conservative new toll revenue forecasts would need to be based on NOT having the population influx that was predicted as coming from the gas pipeline.

After public-driven discussions at the KABATA Board meetings and the AMATS Technical Committee, in December 2010, KABATA has agreed to hire Wilbur Smith Associates to redo the population and traffic information in the next few months. Because accurate traffic population estimates are critical in determining accurate toll revenue, if the legislature is asked to provide a state guarantee, the legislature should independently review the technical accuracy of the revised traffic and revenue projections including their underlying assumptions and KABATA's overall financial plan.

The new Wilbur Smith analysis needs to include the effect of a $5 or more one way car toll, or $2000 or more annually for a resident commuting 200 days/year, on lowering demand to use the bridge. Presently residents have to live approximately 7 miles west or southwest of Wasilla near Big Lake or along the Knik Goose Bay Road for the bridge to provide a shorter trip to Anchorage than using the Glenn Highway. Residents of Palmer and Wasilla will continue to use the Glenn. Likewise, the new analysis needs to account for increased telecommuting as gas prices rise along with existing and likely future carpool and vanpool incentives and use.

- **KABATA's current plan for financing the project with a state guarantee may not be consistent with its enabling statute and its mission may better be handled by folding KABATA into Alaska DOT& PF.**

KABATA's enabling statute and its amendments gives it authority to issue bonds for up to $500 million plus issuance costs (19.75.211(c)) *without creating a debt or liability to the state* (19.75.221(g)) at a rate not to exceed 11% or a rate over 125% of the Bond Buyers Index (19.75.211(a)). At that 125%, the bonds likely would have to earn an investment grade in order to be sold. The statute basically assumes that the project only would go forward without pledging the state's credit rating because toll revenues would be sufficient to pay off the bonds, or that a private partner with adequate capitalization would take the downside risk of toll shortfalls to pay off the bonds.

Neither is the case. With KABATA now seeking a state guarantee of the bonds or a publicly financed project, which in effect exposes the state to equal liability, *the Knik Arm Bridge is now a public project.*

Bridge deficits of significantly more than $25 million/year will dwarf other transportation priorities.

Prior to the discovery of the population error and the loss of a low interest TIFIA loan for one-third of the project costs, an independent financial analysis using KABATA and Wilbur Smith numbers on costs and the Federal DOT estimates of revenue, showed that the bridge deficits for the first ten years of the bridge would be about $24 million year or roughly the same amount that Anchorage and Mat Su have each received each year on average in the last decade for all federal and state transportation funding. That includes road construction and maintenance, public transportation, and bikeways (see www.knikbridgefacts.org for spreadsheet). While interest rates have declined slightly since that analysis, the more significant loss of the TIFIA loan and expected population revision downward is certain to make revised Bridge finances significantly worse.

IV. CONCLUSION

With KABATA having now received a federal Record of Decision, it can move forward on an RFP. Because the project is now seeking a state guarantee and/or state funding, it is essential that the legislature review the financial feasibility of the project in 2011, examine KABATA's budget and operations, publically review the conditions of any RFP before it is issued, and determine if the bridge is the best continued use of Alaska's limited transportation funds.

Nancy Barnes

From: Christopher Clark [cgcalaska@yahoo.com]
Sent: Monday, February 14, 2011 7:42 AM
Subject: Sean Cockerham: Supporters seek $150 million for the Knik Arm bridge

Supporters seek $150 million for the Knik Arm bridge

GOAL: Agency seeks $150 million to secure private developer.

By SEAN COCKERHAM
scockerham@adn.com

Published: February 13th, 2011 07:45 PM
Last Modified: February 13th, 2011 07:45 PM

Backers of the proposed Knik Arm bridge, which was designed to be funded through tolls, are now **asking the state for $150 million in help for the project**.

They've found a receptive audience in Wasilla Republican Sen. Linda Menard. She's introduced bills to provide the money and to say the state has a financial responsibility to back the effort.

A bridge connecting Anchorage to mostly undeveloped Mat-Su land near Point Mackenzie, with **a price tag given by advocates of about $700 million, is among the most hotly debated development projects in Alaska**. Critics call it a boondoggle and say it was not supposed to require state money.

Supporters say Anchorage is running out of developable land and the bridge would open the area for housing and industry and provide a new route to the growing Mat-Su.

The Knik Arm bridge is one of the two so-called "bridges to nowhere" that drew national controversy when Alaska's congressional delegation tapped money for them. **The Knik bridge project ended up with $110 million in federal money. About $65 million of that's left**, according to the Knik Arm Bridge and Toll Authority.

The Legislature created KABATA in 2003 to pursue the project. It's the agency now asking for $150 million in state dollars to advance the effort.

The goal is for the state to team with a private developer, who would borrow money to pay for the bridge construction and operate it in exchange for the state sharing revenue from the tolls. KABATA's chairman said the state money is meant to ensure payments to the private developer are covered during the first few years the bridge is open.

"We need it funded now in order to go to market for our private partner. We have to show them we have funds available for the (payment) in the initial years. Because that's when things are tight," said Michael Foster, chairman of the bridge authority.

Foster told legislators he expects the tolls that drivers pay will cover the payments after the bridge is open for about three years. The state will get its investment back and more with surplus toll money, the bridge authority says.

KABATA is estimating the **tolls to use the bridge would be about $5 each way for passenger cars**, with higher rates for commercial vehicles.

KABATA chief financial officer Kevin Hemenway said **the $150 million in state money would go into a reserve fund to be saved until the bridge opened**. Hemenway said the main purpose of the fund is to lower the cost of financing for the project. That will result in the best value for the state and the public, he said.

TOLL FORECASTS QUESTIONED

Critics argue the project depends on unrealistic assumptions about how much toll money will come in.

State Rep. Les Gara, D-Anchorage, said a bridge to Point Mackenzie won't save time for most commuters between Mat-Su and Anchorage, so they won't pay a toll.

"When people realize it's faster to take the Glenn Highway to Wasilla and Palmer, they quickly come to the conclusion that the tolls are going to be pretty high for the few people that use the bridge," said Gara.

The Knik Arm bridge would link to the Government Hill area of Anchorage, which Gara represents.

Government Hill Community Council President Bob French wrote legislators last week, saying KABATA's estimate for Mat-Su growth involves adding the equivalent population of Palmer every year for 20 years. It's far more optimistic than the prediction of the Institute of Social and Economic Research at the University of Alaska Anchorage.

French also questioned the forecast that nearly 20,000 vehicles a day would use the toll bridge three years after its proposed 2015 opening. He compared that number to the Transportation Department's average daily traffic count of 26,220 at the Old Glenn overpass on the Glenn Highway near Eklutna.

KABATA chief financial officer Hemenway, asked to respond to objections of Gara and French, said traffic forecasts for the project are based on the work of independent consultants Wilbur Smith Associates. Their work is respected nationally and bankable on Wall Street, he said, with studies that have supported about $30 billion in toll revenue financing over the past decade.

"We are very confident in our independent traffic and toll revenue studies and the project's ability to meet its obligations from toll revenue. Wilbur Smith Associates' green field investment grade traffic and toll revenue studies have averaged 96 percent of the base forecast and virtually none have underperformed by more than the minimum traffic required to cover project financing," he said in an e-mail.

Hemenway cited confidence in those studies when asked if the state might later need to put more than the $150 million into the bridge. "Over the life of the Knik Arm Crossing the state will recover its investment and earn a substantial return that can be used to invest in other transportation infrastructure," he said.

He did tell the Legislature's transportation committees, though, that if the reserve fund dropped far enough "it would be subject to appropriation for replenishment."

'VITAL INFRASTRUCTURE'

Menard, the legislator sponsoring the bills to give money to the project, didn't return a phone message. She is also a member of the bridge authority's board.

The AMATS committee, the panel that makes decisions on how to spend federal transportation money in Anchorage, included the Knik Arm bridge project in its long-term plan. But it did so only on the condition no more state or federal money is used.

AMATS said the financial plan prepared by the bridge authority indicated no more government money was needed for construction, operation and maintenance of the bridge.

But it looks like it does not much matter where AMATS stands at this point. **Federal highway officials already signed off on the bridge, issuing a "Record of Decision" in December. Hemenway said it's not up to AMATS to decide.**

"AMATS funding is not part of the Knik Arm Crossing financial structure," Hemenway said.

"This is a vital infrastructure project, a bridge that will connect Alaska and help create jobs and encourage smart growth and economic development, while improving the environment and the quality of life for the people who will be served," he said.

He said the state will own the toll revenue and give the developer an annual payment to finance, design, construct, maintain and operate the bridge. There would be bids to see which potential developer asks for the lowest payment.

The bridge authority says two international consortia have shown interest. One is headed by **Bouygues Travaux Publics of France, the other by Macquarie Bank of Australia**.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

Source: http://www.adn.com/2011/02/12/1699393/supporters-seek-150m-for-knik.html#ixzz1Dx4skjon

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CITY OF WASILLA

MAYOR VERNE E. RUPRIGHT
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February 14, 2011

Senator Linda Menard
Alaska State Capitol, Room 9
Juneau, Alaska 99801

Re: SB 79 and 80

Dear Senator Menard:

I am pleased to offer my support for the Knik Arm Crossing project. We believe that the project will facilitate the more efficient movement of people, goods and services between Anchorage, the Matanuska Susitna Borough and in particular the City of Wasilla. Much of the freight traffic could take a more direct route to the Interior, rather than going through the center of Wasilla.

My Administration firmly believes in economic development, job creation and connectivity between our communities. The Knik Arm Crossing meets these threshold goals as well as improving the efficiency of freight movements to and from Ted Stevens International Airport, the Port of Anchorage and Port MacKenzie.

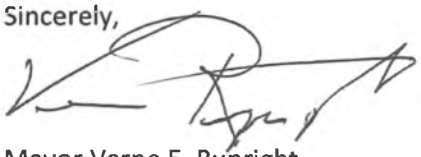
The legislation you have introduced, SB79 and SB 80, accomplish the goals of lowering the cost of capital on the project, reducing project costs, facilitating timely procurement for a 2015 opening and reducing the tolls on the project for end users. All of the statute language changes are aimed at delivering a sustainable project for our communities.

Matanuska-Susitna is one of the fastest growing population centers in Alaska and Wasilla is a major part of a pro-development mindset for the Borough. We do not have the fully developed infrastructure provided to other cities around our nation. This project will create thousands of jobs, promote sustainable economic development and provide the connectivity between our region that is absent today.

There are many benefits of SB79 and SB 80. In order to expedite a major transportation project under a public-private partnership arrangement, the focus needs to be on lowering the cost of capital, placing a check on toll pricing, and optimize the financability of the project by using the State's moral obligation via the establishment of a reserve fund.

In conclusion, my Administration supports the passage of SB79 and 80 in order to facilitate the progression of the project forward in a timely and beneficial manner.

Sincerely,



Mayor Verne E. Rupright
City of Wasilla

Questions Posed to and Answered by the Knik Arm Bridge and Toll Authority in regards to Senate Bills 79 and 80 by a representative in the House

• I would like to request that KABATA provide to us the most recent sources and uses of funds document being used to demonstrate the project's financial status.

KABATA is updating the financial model for submission with the TIFIA Letter of Interest (LOI) due March 1st. That model will be provided to the legislature through the finance committees of the house and senate. We will also provide a copy directly to you and to any legislator who requests the information once it is ready. This will be not later than March 2, as the filing deadline is close of business on March 1.

• I realize that KABATA is applying for a TIFIA loan this March 1. If you do not have a recent sources and uses of funds document, I would like to ask that you please provide the sources and uses of funds document that you will include in the application.

Please refer to the previous response.

• In the TIFIA application, will KABATA be pledging an annual appropriation from the Alaska State Legislature as it did in it March 2010 application?

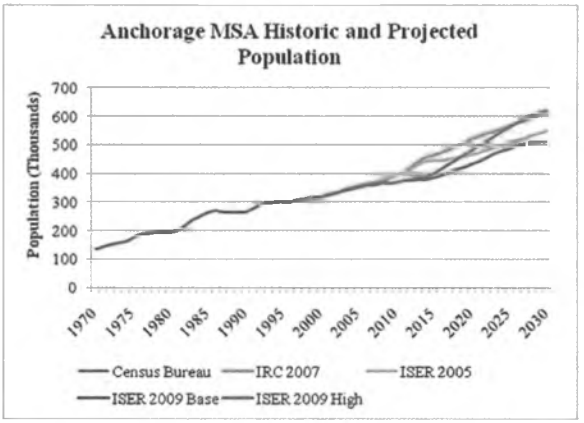
We would like to clarify that KABATA did not pledge an appropriation from the Alaska Legislature to directly back the TIFIA financing in the March 2010 TIFIA Letter of Interest (LOI), nor will it do so in the March 2011 LOI. Only the legislature can appropriate. KABATA did indicate that it expected the state will back the annual payments to the private partner, subject to appropriation. After all, the state will be the owner of the bridge and it should be willing to meet its contractual obligations to the partnership. Even though the pro forma financial plan indicates more than adequate toll revenue coverage of expected annual payments over the partnership term, having a financial backing helps credit ratings and adds certainty to proposers that they will be paid, especially during the start up years. This lowers the costs of capital to the private partner and results in more competitive proposals for the partnership.
The TIFIA LOI was and is being submitted on behalf of the project by KABATA under an agreement between FHWA, KABATA and ADOT&PF using FHWA's Special Experimental Project (SEP-15). This allows KABATA to apply on behalf of the project for the private partner ahead of procurement allowing prospective partners to have a degree of certainty that low cost and patient TIFIA financing will likely be available to them. The result is lower financial offers to the state from the proposer to finance, build, operate and maintain the toll bridge in exchange for an annual payment. The private partner – not the state – will be the borrower of the TIFIA loan and it will be non-recourse to the state. In the event of the private partner bankrupting, they will have to work it out with their lenders under normal Chapter 11 proceedings and the debt would not become an obligation of the state.

SB 80 and HB 158 clarify the moral obligation of the state to back its contractual obligations under the public-private agreement, subject to appropriation, should a proposal to the RFP be accepted. The main contractual obligation is to make the annual payment, and toll revenue is forecast to be more than sufficient to do so over the term of the agreement. The State is the owner of the facility. The private sector needs a degree of certainty that the State will meet its contractual obligations under the agreement. The annual payments are to compensate them for financing, building, operating and maintaining the facility over the term of the agreement. The source for these annual payments is toll revenue owned by the State. No contractual commitment of the State can or will be made until a

satisfactory proposal has been evaluated and accepted, but having this language in statute will let the private sector know that the state is a serious and responsible partner.

• The project's finances are based on toll revenues predicated on traffic data dependent on Mat-Su population figures. The Mat-Su 2030 population forecast that KABATA used for its current revenue forecast is 250,700 as compared with UAA's ISER estimate of 169,000 and the state's demographer Elisabeth Weaver's 12/10 estimate of 156,000 in 2034.

KABATA's traffic and toll revenue forecast is based on an independent investment grade study prepared by Wilbur Smith Associates (WSA) in 2007 and is being updated now. WSA is the preeminent traffic and toll revenue forecaster accepted by ratings agencies and the bond market. Their traffic and toll revenue studies have supported $33 billion of toll road financings during the last 10 years, $22 billion of that in just the last five in the face of the economic downturn. Over 22 Greenfield (start-up) toll road traffic and revenue studies, actual traffic has averaged 96% of their base forecast, with the vast majority within +/- 25% - well within the margin of safety for the Knik Arm Crossing. The 2007 study did not use a point estimate for population, but considered population forecasts from ISER (2005), Insight Research Corporation (2007) and from Woods and Poole (2006). They used this information to develop household data by traffic analysis zones (TAZ). Employment by TAZ was also analyzed. Households and employment are the primary inputs to the traffic model. The update they are currently undertaking considers the ISER 2010 forecast and other population inputs.
One thing that all of the population forecasts agree on is that the regional population will grow significantly between now and 2030, as demonstrated by the chart provided below comparing some of the various forecasts. This growth means the State, the Municipality of Anchorage, and Mat-Su Borough will have to plan for transportation to accommodate the growth, whether the toll bridge is built or not. The alternatives to the toll bridge will costs about the same as the bridge but have no source of funding other than the State Transportation Improvement Plan federal and state funding.



Will KABATA be waiting for upcoming Spring 2011 census figures to provide to Wilbur Smith, who I understand is redoing the traffic and revenue forecast? When will that revision be done and what is the process for informing the federal government and the state legislature of the new estimated revenue numbers?

Wilbur Smith Associates will have updated figures for traffic and toll revenue by March 1. The 2010 Census information will be evaluated once available and the traffic and toll revenue forecast refined if necessary.

Distributed by:
Senator Linda Menard

SB

80

<TARGET><BILL>SB 80</BILL><SUBJECT>SB
80</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/4/11

FURTHER: (Finance)

Date of 5-Day Notice: 2/9/11
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 2/15/11

Transportation Committee considered SENATE BILL NO. 80

SB 80-KNIK ARM BRIDGE AND TOLL AUTHORITY

"An Act relating to the authority and obligations of the Knik Arm Bridge and Toll Authority, to bonds of the authority, and to reserve funds of the authority; authorizing the state to provide support for certain obligations of the authority; relating to taxes and assessments on a person that is a party to an agreement with the authority; and establishing the Knik Arm Crossing fund."

and recommends:

[ ] be **replaced** with **CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] adopt **previous CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DOT			✓	1

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
Lyda Menard	Menard	X			
Thomas	Thomas			✓	
	EGAN			X	
CHAIR: Albert Kookesh	Kookesh			X	

Nancy Barnes

From: Christopher Clark [cgcalaska@yahoo.com]
Sent: Wednesday, February 16, 2011 7:34 AM
Subject: Sean Cockerham: Bridge request gets cool reaction in Juneau

Bridge request gets cool reaction in Juneau

$150M: Knik crossing funds debated in committee, then moved to others.

By SEAN COCKERHAM
scockerham@adn.com

Published: February 15th, 2011 11:17 PM
Last Modified: February 15th, 2011 11:17 PM

A proposal to give at least $150 million in state money for the Knik Arm bridge is moving forward in the Alaska Senate despite big questions raised by legislators.

The Senate Transportation Committee on Tuesday moved out with no objection a pair of bills to give money to the controversial project. But the sponsor of the bills, Wasilla Republican Sen. Linda Menard, was the only committee member to give unqualified support for giving bridge backers what they want.

Fairbanks Democratic Sen. Joe Thomas said he's afraid the state could be on the hook for a lot more than the initial $150 million. "My concern is knowing exactly what the state's obligation is going to be in the long run," he said.

But the proposal has influential backers, including Anchorage Mayor Dan Sullivan. He wrote a letter urging the Legislature to pass the bills, saying the Knik Arm bridge would be "an asset to Alaskans for generations."

Senate Transportation Chairman Albert Kookesh said the questions about cost will be hashed out in the Finance Committee, where the bills go next. Kookesh, a Democrat from the Southeast community of Angoon, wrote that he had "no recommendation" on whether the bills are a good idea.

The project is a two-lane bridge connecting Anchorage to mostly undeveloped Mat-Su land near Point MacKenzie. The plan is to collect tolls from drivers, with a charge estimated to be $5 each way per vehicle.

The state would join with a private developer. The developer would borrow to pay for bridge construction and operate it in exchange for the state sharing toll money.

But bridge planners now say the tolls won't cover the payments to the developers in the first years the bridge is open. So the Knik Arm Bridge and Toll Authority, which the Legislature created in 2003 to pursue the bridge project, is asking lawmakers to appropriate $150 million this year for a reserve fund.

KABATA says the tolls will cover the payments after about the bridge's first three years.

WHO HAS THE RISK?

Menard's Senate Bill 79 would provide the $150 million in state money for the project. Her other bridge bill, SB 80, says the financial obligations made by KABATA "under the partnerships or contracts are obligations of the state."

Bridge critic Jamie Kenworthy told the Transportation Committee SB 80 amounts to a blank check, giving the state liability for a project that could cost over a billion dollars.

"With these two bills the state will now have the full downside of the project," said Kenworthy, a former director of the Alaska Science and Technology Foundation.

KABATA officials disputed that. The state's commitment would just be to make the annual payment to the developer in exchange for financing building and operating the bridge, said Michael Foster, chairman of the toll authority. There would be bids to see which potential developer asks for the lowest payment and that amount would be agreed on before the bridge is started, he said.

"We're confident that after the first few years of operation the toll revenue will be adequate to pay for that annual payment," Foster said.

He said the surplus toll revenue would eventually go to fund other state projects. KABATA officials said the state money will help lower the cost of financing for the project, which means the annual payment to the developer will be less.

COSTS AND COMMUTING TIME

Democrats in the state House are especially vocal opponents of the bridge. Anchorage Democratic Rep. **Mike Doogan told reporters Tuesday that people need to remember the bridge originally wasn't supposed to cost the state anything**.

"How does this benefit the people of Alaska exactly? I'm not getting it. I really wasn't getting it too much before this and I'm really not getting it when they want to stick their hands in the taxpayer's pocket," he said.

The legislative research agency produced a report Tuesday answering questions about the bridge posed by Anchorage Democratic Rep. Les Gara. It said KABATA's data show the commute time between Anchorage and Palmer or Wasilla wouldn't be any faster if the bridge were built. The report also said the first phase of the construction project is estimated at $716 million and a second phase would be $379 million, including additional road upgrades on both sides.

Critics of the project say KABATA's forecast for bridge traffic and Mat-Su growth are far too high. Bridge authority officials told lawmakers Tuesday that they're still confident in the numbers but are reworking the traffic forecast.

KABATA and other bridge advocates say Anchorage is running out of developable land and the bridge would open the area for housing and industry and provide a new route to the growing Mat-Su. The bridge isn't just for the Mat-Su but will handle freight and traffic coming down to Anchorage from the rest of the state, said Jeff Ottesen, director of development for the state transportation department.

He said the bridge would spur growth toward the south end of Knik-Goose Bay Road. Without the bridge, Ottesen said, Mat-Su growth will concentrate in the Palmer and Wasilla areas, which would require road upgrades there.

"We're hearing a lot here about risk," Ottesen told the Transportation Committee. "Alaska is a place where, if you're going to live here, you're going to do things you have to take a little bit of risk ... we're always fighting the naysayers."

Daily News reporter Lisa Demer contributed to this report.

Source: http://www.adn.com/2011/02/15/1705278/bridge-request-gets-cool-reaction.html#ixzz1E8R2Zev5

Senator Linda Menard

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Alaska State Legislature

Senate Bill 80 Sponsor Statement

Senate Bill 80 amends the Knik Arm Bridge and Toll Authority's enabling statute to provide for a successful procurement for the Knik Arm Crossing project and to generate the best value for the state. Passing this legislation **this session** is important to seeing the Knik Arm Crossing efficiently move toward a successful and low-cost procurement process and facilitate being open for traffic in 2015. The Knik Arm Crossing will be a significant addition to Alaska's infrastructure that will further facilitate the movement of goods and people in the state.

Senate Bill 80 was written in consultation with the Knik Arm Bridge and Toll Authority (KABATA), which was established in 2003 by the Alaska Legislature. The bill accomplishes many items KABATA has deemed necessary to have a successful public-private partnership procurement. Those items are:

- **Increase in KABATA's Bonding Authority from $500 million to $600 million**
    - The $600 million number represents the same amount authorized under Private Activity Bond (PABs) allocation from FHWA
    - Lowers the cost of capital for the project and ultimately lowers the cost to end users
    - Private partner is the borrower of any PABs issued.

- **Property tax relief** – clarify that the Crossing and associated facilities are exempt from state and local property taxes
    - Like any other transportation project in our State, the roads and bridges are not subject to property taxation.
    - Any private facilities developed outside the crossing will be taxable
    - Property tax exemption reduces the availability payment and reduces the toll
- **Contractual Monetary Obligations**
    - Identifies the *obligations of the State of Alaska* under a P3 process
    - The legislative language applies to "monetary liabilities" which may be incurred by KABATA under a P3 process

Senator_Linda_Menard@legis.state.ak.us

- Any P3 agreement needs to be approved by the KABATA Board of Directors, State AG's office, ADOT&PF
- Serves to lower the cost of debt and equity to finance the project
- Keeps the tolls affordable to the traveling public

Project reserve

- Creation of a reserve fund is to provide a backstop for toll revenue fluctuations.
- Serves to enhance the credit worthiness of the project and reduce overall project costs
- Will be repaid over the project life

All of the above language clarifications and additions serve to lower the cost of capital on this much needed infrastructure project and deliver the benefits in a timely and efficient manner.

Please help me by supporting this legislation so a long-term, long sought after project can be realized.

Clinton Sullivan

Subject: STRA/7872/jnu*/1-3p
Location: Clint/ Butrovich 205

Start: Tue 2/15/2011 1:00 PM
End: Tue 2/15/2011 3:00 PM

Recurrence: (none)

Organizer: LIO Juneau

Meeting: new

Sponsor and/or Committee Name: Senate Transportation Committee

Date of Teleconference: February 15, 2011

Start Time: 1pm

End Time: 3pm

Chairing Site: Juneau

Juneau Room: Butrovich Room 205

Testimony: invite only

Testimony Time Limit: three min

Executive Session: no

Stream to AlaskaLegislature.tv: yes

Contact Person: Nancy Barnes

Telephone Number: 465-6828

Email Address: Nancy_Barnes@Legis.State.Ak.Us

LIO Sites:

All LIOs

May other LIO's add: yes

Offnet Name(s):

Invitation only:
Michael Foster, Chair of the Knik Arm Bridge and Toll Authority (KABATA) Board of Directors; Andrew

Niemiec, Executive Director, KABATA; Kevin Hemenway, CFO for KABATA; and Jamie Kentworthy, Former Head of the Alaska Science and Technology Foundation.

Subject of meeting and/or Bills on Agenda:

SB 79: An Act Making a special appropriation to the Knik Aarm Crossing fund and providing for an effective date; and, SB 80: An Act relating to the authority and obligation of the Knik Arm Bridge and Toll Authroity. Both Bills are introduced by Senator Linda Menard.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
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FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM February 3, 2011

SUBJECT: Sectional summary of SB 80 (Work Order 27-LS0430\B)

TO: Senator Linda Menard
Attn: Michael Rovito

FROM: Brian J. Kane BJK
Legislative Counsel

You have requested a sectional summary of SB 80, a bill relating to the Knik Arm Bridge and Toll Authority.

Please note that a sectional summary of a bill is not an authoritative interpretation of a bill. The bill itself is the best statement of its contents.

Section 1 of the bill amends the powers of the Knik Arm Bridge and Toll Authority to add that monetary obligations incurred under a public-private partnership or service contract are obligations of the state that are subject to appropriation.

Section 2 of the bill authorizes the authority to borrow money and lists the means by which the principal and interest on bonds of the authority may be paid.

Section 3 of the bill increases the aggregate amount of bonds the authority may issue to $600,000,000.

Section 4 of the bill restates a portion of what was originally part of AS 19.75.211(a) but was moved to subsection (e) due to drafting constraints. It adds a reference to private revenue under a public-private partnership.

Section 5 of the bill lists what deposits may be made into a reserve fund established under AS 19.75.221(h).

Section 6 of the bill states the purposes for which a reserve fund of the authority may be used and provides for various rules and reports regarding transfers from a reserve fund and amounts of money needed to be in a reserve fund.

Section 7 of the bill states that rights and interests in real and personal property, assets, income, and receipts held by a private person or enterprise under a public-private partnership agreement with the authority, except any rights and interests of the private

person in property serving a business, commercial, or other purpose not necessary to operate the facilities, properties, or projects of the authority, shall be exempt from all taxes and special assessments of the state or a political subdivision of the state.

Section 8 of the bill establishes the Knik Arm Crossing fund as a separate fund in the general fund and states that money from the fund shall be transferred from the fund to a reserve fund of the authority once a public-private partnership agreement is executed.

BJK:plm
11-050.plm

Knik Arm Crossing
Public-Private Partnership and Cost of Capital Overview

Availability Payment Structure

- Private partner responsible for finance, design, build, operate and maintain over life of agreement (e.g. 35 years)
- State makes regular annual payments to private partner that cover its:
  - Debt service
  - Operation and maintenance costs
  - Reasonable return on invested equity
- State owns facility and toll revenues
- State funds annual payments from:
  - Toll revenues
  - Then, if necessary, from reserve fund
  - Then, from appropriations (if necessary)
- Annual availability payment amount fixed, except:
  - A portion is indexed to CPI to account for increases in O&M costs
  - Increases if traffic significantly increases over time, to account for resulting increases in O&M costs
  - Reductions if private partner fails to meet contract standards for keeping facility available for public use and in good and safe condition
- Competition is lowest annual availability payment from State to private partner
- Off balance sheet financing for State

Reduces Cost of Capital

- Private partner's cost of capital a significant factor in amount of annual payments
- Credit that backs State's annual payment obligation is a material factor affecting availability and cost of capital
- Senior debt must receive investment grade credit rating for project to be eligible for low cost, federal loan ("TIFIA" financing)

SB 79 and SB 80 enhance project credit, ensuring an investment grade rating is achieved and that the developer can obtain the lowest cost of capital, thereby providing the lowest availability payment offers to the state

Title 23 Eligible Projects and Surplus Toll Revenue from the Knik Arm Crossing

Title 23 United States Code (USC)is the law around the Federal Highways program. The Knik Arm Crossing (KAC) project falls under Title 23 USC because it has been developed with and will have available for construction federal aid provided under Title 23. The Knik Arm Crossing has been designated part of the National Highway System (NHS) by FHWA. The KAC is also a toll project subject to a 23 USC Section 129 Toll Agreement. KABATA and the ADOT&PF are required under federal law to jointly enter into a Section 129 toll agreement with the FHWA/USDOT. The 129 toll agreement limits the use of toll revenue on a federal aid project under Title 23 as follows:

- "first for debt service, for reasonable return on investment of any private person financing the project, and for the costs necessary for the proper operation and maintenance of the toll facility, including reconstruction, resurfacing, restoration, and rehabilitation.
- "If the State certifies annually that the tolled facility is being adequately maintained, the State may use any toll revenues in excess of amounts required under the preceding sentence for any purpose for which Federal funds may be obligated by a State under this title."

Repayment of the project reserve fund with tolls falls loosely under "debt service" in the first bullet. Essentially, any surplus toll revenue generated by the KAC after meeting the first bullet above can then be used for Title 23 eligible transportation projects throughout the state or alternatively, tolls could be reduced on the project. The actual allocation mechanism for doing so is best left to be defined in the future by policy makers responsible at the time the decisions need to be made, and certainly best left until after the public-private partnership is entered into and the contractual terms established. The actual definition of what is eligible under the Federal Highways program is quite lengthy. In general, Alaska has been provided more flexibility with respect to what is Title 23 Eligible than most states under Title 23.Eligible transportation projects under Title 23 include generally the construction or reconstruction of:

- Roads and bridges on the Interstate or National Highway Systems (or connecting to them)
- Transit facilities
- Marine Highway System
- Trails
- Transit intermodal parking facilities

Note that the dedication of the surplus tolls to Title 23 Eligible projects does not violate the constitutional prohibition against dedication of funds because there is a carve-out exception where it is required by federal law. Here is section 9.7 of the Alaska Constitution with relevant wording highlighted in yellow:

Section 9.7 - Dedicated Funds.

The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

I have also highlighted in yellow some of the more relevant parts of Title 23 Section 129 below, including some that apply to the Alaska Marine Highway System.

TITLE 23 USC

§ 129. Toll roads, bridges, tunnels, and ferries

(a) BASIC PROGRAM.—

(1) AUTHORIZATION FOR FEDERAL PARTICIPATION.—Notwithstanding section 301 of this title and subject to the provisions of this section, the Secretary shall permit Federal participation in—

(A) initial construction of a toll highway, bridge, or tunnel (other than a highway, bridge, or tunnel on the Interstate System) or approach thereto;

(B) reconstructing, resurfacing, restoring, and rehabilitating a toll highway, bridge, or tunnel (including a toll highway, bridge, or tunnel subject to an agreement entered into under this section or section 119(e) as in effect on the day before the date of the enactment of the Intermodal Surface Transportation Efficiency Act of 1991) or approach thereto;

(C) reconstruction or replacement of a toll-free bridge or tunnel and conversion of the bridge or tunnel to a toll facility;

(D) reconstruction of a toll-free Federal-aid highway (other than a highway on the Interstate System) and conversion of the highway to a toll facility; and

(E) preliminary studies to determine the feasibility of a toll facility for which Federal participation is authorized under subparagraph (A), (B), (C), or (D); on the same basis and in the same manner as in the construction of free highways under this chapter.

(2) OWNERSHIP.—Each highway, bridge, tunnel, or approach thereto constructed under this subsection must—

(A) be publicly owned, or

(B) be privately owned if the public authority having jurisdiction over the highway, bridge, tunnel, or approach has entered into a contract with a private person or persons to design, finance, construct, and operate the facility and the public authority will be responsible for complying with all applicable requirements of this title with respect to the facility.

(3) LIMITATIONS ON USE OF REVENUES.—Before the Secretary may permit Federal participation under this subsection in construction of a highway, bridge, or tunnel located in a State, the public authority (including the State transportation department) having jurisdiction over the highway, bridge, or tunnel must enter into an agreement with the Secretary which provides that all toll revenues received from operation of the toll facility will be used first for debt service, for reasonable return on investment of any private person financing the project, and for the costs necessary for the proper operation and maintenance of the toll facility, including reconstruction, resurfacing, restoration, and rehabilitation. If the State certifies annually that the tolled facility is being adequately maintained, the State may use any toll revenues in excess of amounts required under the preceding sentence for any purpose for which Federal funds may be obligated by a State under this title.

(4) SPECIAL RULE FOR FUNDING.—In the case of a toll highway, bridge, or tunnel under the jurisdiction of a public authority of a State (other than the State transportation department), upon request of the State transportation department and subject to such terms and conditions as such department and public authority may agree, the Secretary shall reimburse such public authority for the Federal share of the costs of construction of the project carried out on the toll facility under this subsection in the same manner and to the same extent as such department would be reimbursed if such project was being carried out by such department. The reimbursement of funds under this paragraph shall be from sums apportioned to the State under this chapter and available for obligations on projects on the Federal-aid system in such State on which the project is being carried out.

(5) LIMITATION ON FEDERAL SHARE.—The Federal share payable for a project described in paragraph (1) shall be a percentage determined by the State but not to exceed 80 percent.

(6) MODIFICATIONS.—If a public authority (including a State transportation department) having jurisdiction over a toll highway, bridge, or tunnel subject to an agreement under this section or section 119(e), as in effect on the day before the effective date of title I of the Intermodal Surface Transportation Efficiency Act of 1991, requests modification of such agreement, the Secretary shall modify such agreement to allow the continuation of tolls in accordance with paragraph (3) without repayment of Federal funds.

(7) LOANS.—

(A) IN GENERAL.—A State may loan to a public or private entity constructing or proposing to construct under this section a toll facility or non-toll facility with a dedicated revenue source an amount equal to all or part of the Federal share of the cost of the project if the project has a revenue source specifically dedicated to it. Dedicated revenue sources for non-toll facilities include excise taxes, sales taxes, motor vehicle use fees, tax on real property, tax increment financing, and such other dedicated revenue sources as the Secretary determines appropriate.

(B) COMPLIANCE WITH FEDERAL LAWS.—As a condition of receiving a loan under this paragraph, the public or private entity that receives the loan shall ensure that the project will be carried out in accordance with this title and any other applicable Federal law, including any applicable provision of a Federal environmental law.

(C) SUBORDINATION OF DEBT.—The amount of any loan received for a project under this paragraph may be subordinated to any other debt financing for the project.

(D) OBLIGATION OF FUNDS LOANED.—Funds loaned under this paragraph may only be obligated for projects under this paragraph.

(E) REPAYMENT.—The repayment of a loan made under this paragraph shall commence not later than 5 years after date on which the facility that is the subject of the loan is open to traffic.

(F) TERM OF LOAN.—The term of a loan made under this paragraph shall not exceed 30 years from the date on which the loan funds are obligated.

(G) INTEREST.—A loan made under this paragraph shall bear interest at or below market interest rates, as determined by the State, to make the project that is the subject of the loan feasible.

(H) REUSE OF FUNDS.—Amounts repaid to a State from a loan made under this paragraph may be obligated—

(i) for any purpose for which the loan funds were available under this title; and

(ii) for the purchase of insurance or for use as a capital reserve for other forms of credit enhancement for project debt in order to improve credit market access or to lower interest rates for projects eligible for assistance under this title.

(I) GUIDELINES.—The Secretary shall establish procedures and guidelines for making loans under this paragraph.

(8) INITIAL CONSTRUCTION DEFINED.—For purposes of this subsection, the term ''initial construction'' means the construction of a highway, bridge, or tunnel at any time before it is open to traffic and does not include any improvement to a highway, bridge, or tunnel after it is open to traffic. (b) Notwithstanding the provisions of section 301 of this title, the Secretary may permit Federal participation under this title in the construction of a project constituting an approach to a ferry, whether toll or free, the route of which is a public road and has not been designated as a route on the Interstate System. Such ferry may be either publicly or privately owned and operated, but the operating authority and the amount of fares charged for passage shall be under the control of a State agency or official, and all revenues derived from publicly owned or operated ferries shall be applied to payment of the cost of construction or acquisition thereof, including debt service, and to actual and necessary costs of operation, maintenance, repair, and replacement. (c) Notwithstanding section 301 of this title, the Secretary may permit Federal participation under this title in the construction of ferry boats and terminal facilities, whether toll or free, subject to the following conditions:

(1) It is not feasible to build a bridge, tunnel, combination thereof, or other normal highway structure in lieu of the use of such ferry.

(2) The operation of the ferry shall be on a route classified as a public road within the State and which has not been designated as a route on the Interstate System. Projects under this subsection may be eligible for both ferry boats carrying cars and passengers and ferry boats carrying passengers only.

(3) Such ferry boat or ferry terminal facility shall be publicly owned or operated or majority publicly owned if the Secretary determines with respect to a majority publicly owned ferry or ferry terminal facility that such ferry boat or ferry terminal facility provides substantial public benefits.

(4) The operating authority and the amount of fares charged for passage on such ferry shall be under the control of the State or other public entity, and all revenues derived therefrom shall be applied to actual and necessary costs of operation, maintenance, and repair, debt service, negotiated management fees, and in the case of privately operated toll ferry, for a reasonable rate of return.

(5) Such ferry may be operated only within the State (including the islands which comprise the State of Hawaii and the islands which comprise the Commonwealth of Puerto Rico) or between adjoining States or

between a point in a State and a point in the Dominion of Canada. Except with respect to operations between the islands which comprise the State of Hawaii, operations between the islands which comprise the Commonwealth of Puerto Rico, operations between a point in a State and a point in the Dominion of Canada, and operations between any two points in Alaska and between Alaska and Washington, including stops at appropriate points in the Dominion of Canada, no part of such ferry operations shall be in any foreign or international waters.

(6) No such ferry shall be sold, leased, or otherwise disposed of without the approval of the Secretary. The Federal share of any proceeds from such a disposition shall be credited to the unprogramed balance of Federal-aid highway funds of the same class last apportioned to such State. Any amounts so credited shall be in addition to all other funds then apportioned to such State and available for expenditure in accordance with the provisions of this title.

The AlaskaPoll

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Information for Solutions

- Market Research
- Public Opinion Analysis
- Political and Government Research
- Focus Groups

UPDATED 2011: ALASKA STATEWIDE PUBLIC ATTITUDES AND PERCEPTIONS

Knik Arm Bridge And Toll Authority (KABATA)

January 2011

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V. Appendix:
Preliminary Legislative Handout (January 17, 2011)

I Methodology

Overview

During the period January 6 through January 16, 2011, six hundred three (n=603) Alaskans over the age of 18, located in 64 communities, were personally contacted via telephone by professional interviewing employees of the Dittman Research & Communications (DRC) of Alaska. All views and data were obtained on a strictly confidential basis.

Research Design

A random sample design was featured which provided that all households listed in the most current telephone directory for each community had essentially an equal chance of being interviewed.

Sample Plan

To provide for independent sub-group analysis in the Anchorage and Mat-Su Valley regions, a sample plan was featured which established that n=179-222 respondents were included in those two geographic regions. Sample allocation to the remaining regions was based on population distribution. To provide for representative statewide analysis, the geographic regions were individually weighted to accurately account for Alaska's actual geographic population totals.

Regional Distribution and Weighting

Sample Allocation	Weighted To
n=222 Anchorage	41%
n=179 Mat-Su Valley	15%
n= 56 Other Southcentral	8%
n= 64 Fairbanks (Central)	16%
n= 42 Southeast	12%
n= 40 Rural	8%

Processing the Data

DRC employees completed coding, editing, data entry, and verification, while data processing was completed through the in-house DRC computer system featuring the Statistical Package for the Social Sciences (SPSS) program. The SPSS program is one of the most sophisticated research-oriented data processing and analytical systems available, and is designed specifically for the processing and analysis of survey research data.

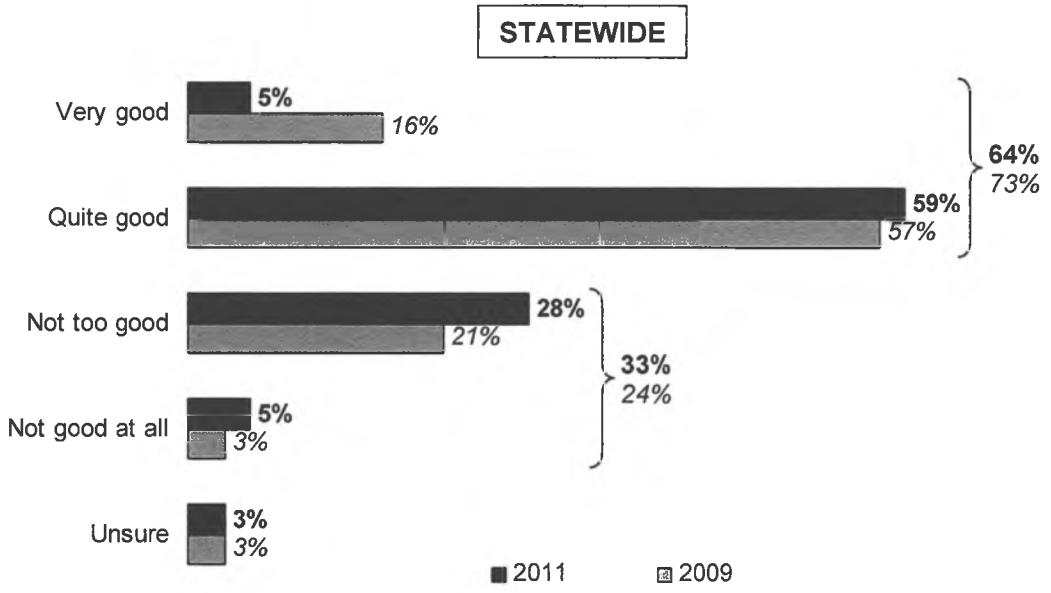
Measurement History

Public opinion measurements by DRC, utilizing the previously described methodology, analytical procedures and data processing systems, have proven to accurately represent the outcome of every Primary and General election for U.S. Senator and Governor of Alaska for the past forty years.

II Findings

On a statewide basis, Alaskans continue to report substantial optimism regarding the future of the state's economy (64% *"very"* or *"quite good"*); however, current confidence has declined somewhat compared to two years ago (73% *"very"* or *"quite good"* in 2009).

Question: ***Overall, what's your personal opinion regarding the direction of Alaska's economy -- would you say our economic future is looking…? ****



Both Anchorage and Mat-Su residents currently report positive perceptions regarding Alaska's economic future, but Mat-Su respondents appear to remain a little less sure.

"…Alaska's economic future…?"

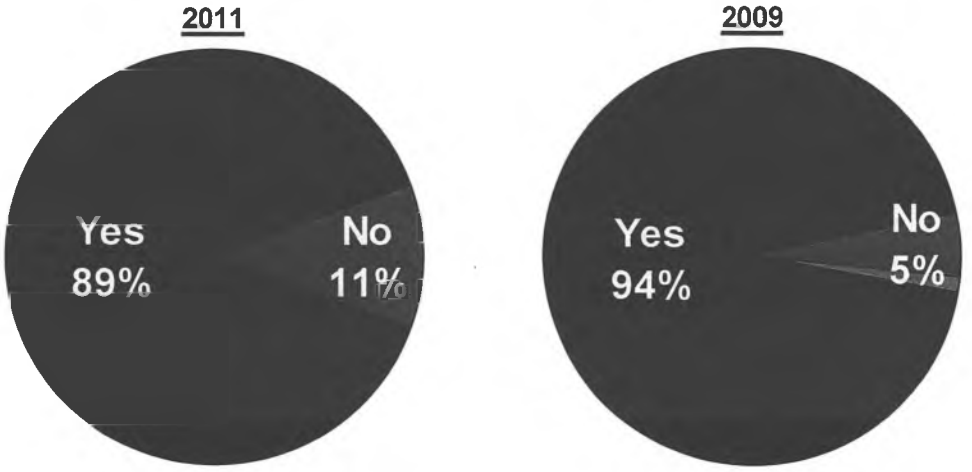
	2011		2009	
	Good	Not good	Good	Not good
Anchorage	63%	36%	78%	19%
Mat-Su Valley	56%	41%	70%	28%

* Note: In 2009, this question was worded: *"Looking into the future, how much confidence do you have in Alaska's economy -- would you say our economic future looks…?"*

By far, the vast majority of Alaskans (89%) continue to be aware of the proposed Knik Arm Crossing; however, reported awareness has declined slightly during the past two years.

Question: ***Have you ever heard or read anything about a proposed bridge between Anchorage and the Matanuska-Susitna Borough called the Knik Arm Crossing?***

STATEWIDE



Residents of the most affected communities, Anchorage and Mat-Su Valley, report especially high awareness of the proposed bridge (96-97%).

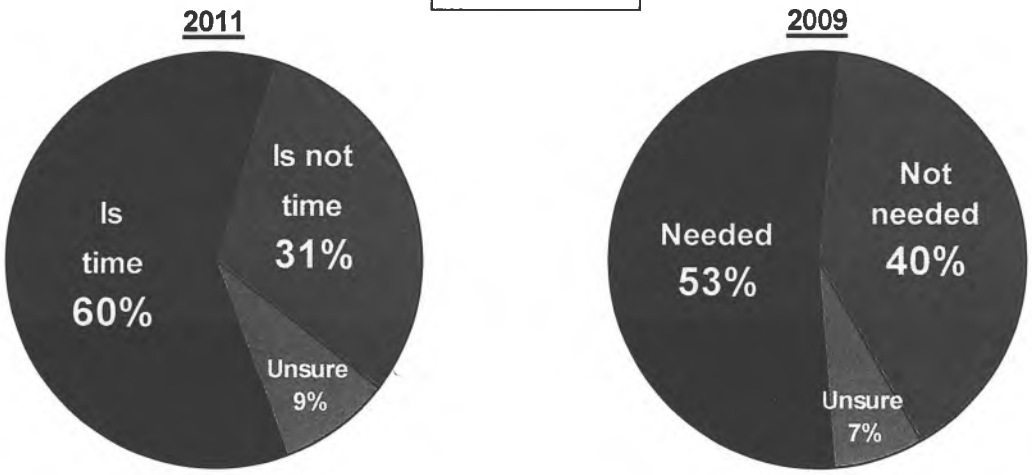
"...heard or read about proposed Knik Arm bridge...?"

	2011		2009	
	Yes	No	Yes	No
Anchorage	96%	4%	100%	-
Mat-Su Valley	97%	3%	98%	2%

Three-out-of-five Alaskan respondents statewide (60%) report it *"is getting close to the time to build"* a Knik Arm bridge, which may indicate increasing support in recent years -- in 2009: 53% of Alaskans said a bridge *"will be needed in the near future".*

Question: ***Building a bridge across the Knik Arm connecting Anchorage and the Matanuska-Susitna Borough was first proposed nearly 90 years ago in 1923. Alaska's population has grown substantially since then, and over half the state's population now lives in the Anchorage/Mat-Su Valley area. What is your personal opinion -- do you feel it is or is not getting close to the time to build a bridge between Anchorage and the Matanuska-Susitna Valley?***

STATEWIDE



Support for a potential bridge across Knik Arm is high statewide (60%), higher in Anchorage (62%), and especially strong in the Mat-Su Valley (75%).

"...close to time to build a bridge...?"

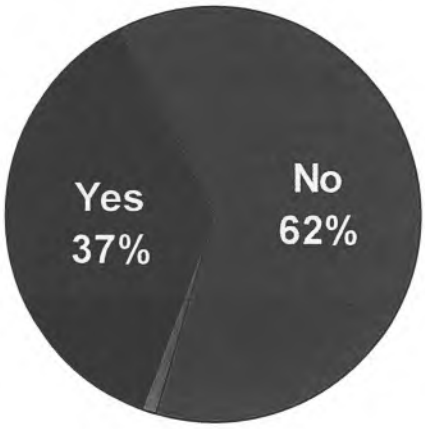
	2011		2009	
	Is	Is not	Needed	Not needed
Anchorage	62%	33%	52%	45%
Mat-Su Valley	75%	21%	66%	30%

* Note: In 2009, this question was worded: *"Building a bridge across the Knik Arm between Anchorage and the Matanuska-Susitna Borough has been considered for many years. As the populations of these areas continue to grow, interest in the subject appears to be increasing. In your opinion at this time -- based on what you've heard or read, or your personal experience -- do you feel a bridge across the Knik Arm connecting Anchorage and the Matanuska-Susitna Valley will be needed in the near future, or not?"*

Compared to awareness of a potential Knik Arm bridge (89%, see page 4), statewide awareness that the federal government has approved construction is relatively low (37%).

Question: ***On December 15, 2010, the Federal Highway Administration announced that after input from state and local governments, tribes, and the public-at-large, and after careful consideration of social, economic and environmental factors, it has approved construction of the Knik Arm bridge between Anchorage and the Mat-Su Borough. Were you aware the Federal government had approved construction of the Knik Arm bridge?***

STATEWIDE



And even in the areas most directly affected, awareness of federal construction approval does not exceed 50%.

"...aware Federal government approved construction...?"

	Yes	No
Anchorage	45%	55%
Mat-Su Valley	50%	50%

Three-out-of-four Alaskan respondents (75%) feel that a Knik Arm bridge *"will"* lead to more jobs and economic growth.

Question: ***Following federal approval of the Knik Arm bridge, Governor Sean Parnell said that...***
"Alaska is a storehouse of natural resources and human capital. Jobs and new development rely on a solid transportation network, and the Knik Arm bridge is an important link in Alaska's regional transportation system."
...What is your opinion, do you feel building the Knik Arm bridge will or will not help lead to more jobs and economic growth?

STATEWIDE

The vast majority of residents in Anchorage (74%) and the Mat-Su Valley (85%) agree the bridge *"will"* help the economy.

"...will Knik Arm bridge lead to more jobs and economic growth...?"

	Will	Will not
Anchorage	74%	23%
Mat-Su Valley	85%	13%

The strongest argument for building a bridge across Knik Arm is to have a *"second connection for emergencies and evacuations"* (77%), followed by *"save time, money and provide jobs"* (73%), and *"meet population and transportation needs"* (72%).

Question: ***The decision by the Federal Highway Administration to approve construction of the Knik Arm bridge strongly considered social and environmental factors. I'm going to read some other factors and I'd like to know whether you feel they are or are not important reasons to build a Knik Arm bridge.***

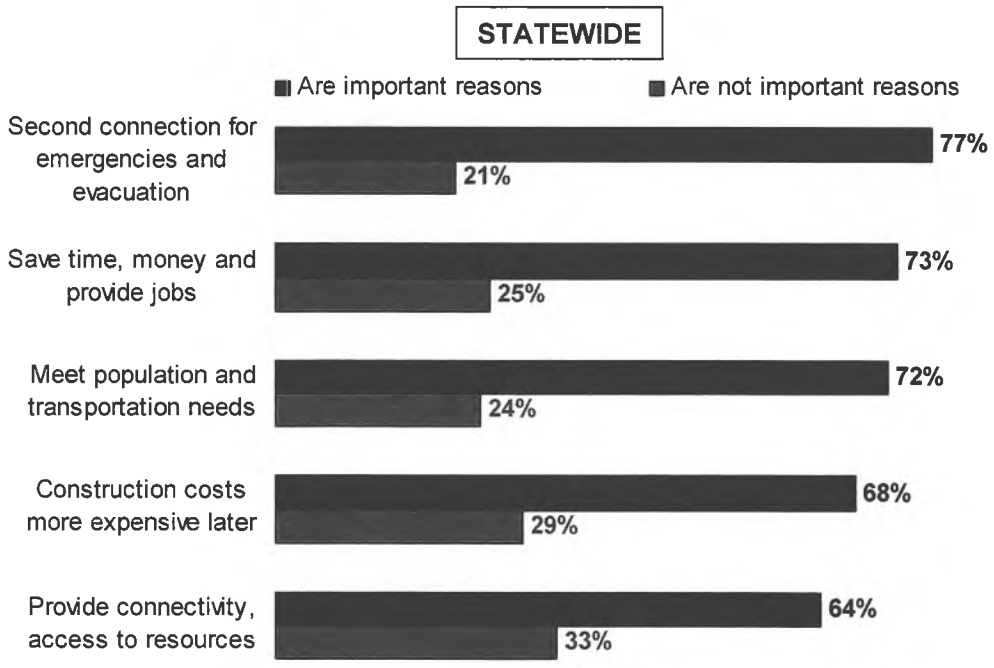
...Provide a second connection between Anchorage and the Mat-Su Valley for emergencies and disaster evacuation

...Save time, money and provide jobs now

...Meet projected population and transportation needs of Anchorage and the Mat-Su Borough

...Construction costs are likely to rise & it will be more expensive later

...Provide community connectivity and access to natural resources



Although all potential factors are considered to be important reasons to build the Knik Arm bridge, the greatest support is reported in the Mat-Su Valley (72-87% *"important reasons"*).

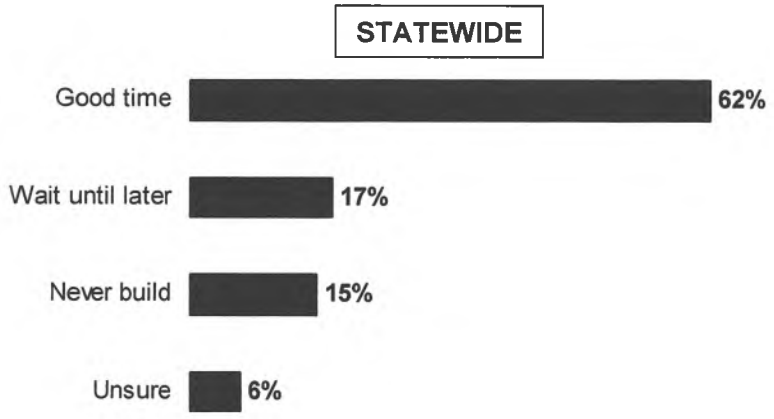
"...reasons to build Knik Arm bridge...?"

% "Are Important Reasons"

	Emergencies, evacuation	Time, money, jobs	Trans. needs	Construction costs	Access to resources
Anchorage	77%	71%	71%	69%	64%
Mat-Su Valley	87%	82%	80%	78%	72%

And looking ahead, when timing options are considered, more than three-out-of-five statewide respondents (62%) think *"now is a good time"* to build a Knik Arm bridge.

Question: ***Overall, when everything is considered, would you say now is a good time to build a Knik Arm bridge, should we wait until later, or should it never be built?***



...with a strong majority of Anchorage and Mat-Su respondents (61-73%) saying *"now is a good time"*.

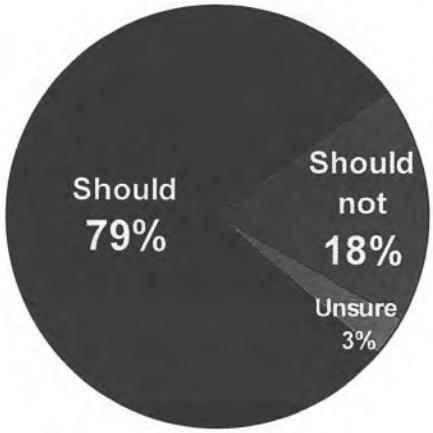
"...good time to build bridge...?"

	Good time	Wait until later	Never build	Unsure
Anchorage	61%	18%	17%	3%
Mat-Su Valley	73%	12%	12%	3%

And when everything is considered, if construction of the Knik Arm bridge were to be delayed, nearly four-out-of-five Alaskans (79%) would still like to see the Knik Arm bridge included in the region's Long-Range Transportation Plan.

Question: ***Regardless of whether or not you support building the Knik Arm bridge at the present time, do you feel it should or should not continue to be included in Southcentral Alaska's Long-Range Transportation Plan? ****

STATEWIDE



...and there is growing support in Anchorage and the Mat-Su Valley to include the bridge in the Long-Range Transportation Plan -- 75-88% currently, compared to 67-79% two years ago.

"...include in Long-Range Transportation Plan...?"

	2011		2009	
	Should include	Should not include	Should include	Should not include
Anchorage	75%	23%	67%	31%
Mat-Su Valley	88%	11%	79%	17%

*Note: In 2009, this question was not asked statewide. It was asked only of Anchorage and Mat-Su Valley residents. The 2009 question was worded: *"Do you feel planning for a Knik Arm bridge should or should not be included in Southcentral Alaska's long-range transportation planning?"*

III Summary

SUMMARY OF FINDINGS

- Awareness of a proposed Knik Arm bridge remains high (89%)...
- However, only a little over one-out-of-three respondents (37%) are aware the federal government has approved construction of the Knik Arm bridge.
- It appears information concerning the federal approval of the Knik Arm bridge will be warmly received by Alaskans -- by a ratio of 2:1, Alaskans now report *"it's getting close to the time to build a bridge"* (60%) compared to *"is not getting close to time"* (31%).
- And nearly the same percentage (62%) report they feel *"now is a good time to build a Knik Arm bridge"* rather than *"later"* (17%) or *"never"* (15%).
- And if for some reason construction of the Knik Arm bridge were to be delayed, by far the largest number of Alaskans (79%) believe it should be included in the area's Long-Range Transportation Plan.

Crosstabulations IV

DITTMAN RESEARCH & COMMUNICATIONS ~ JANUARY 2011

Overall, what's you personal opinion regarding the direction of Alaska's economy -- would you say our economic future is looking...?

		Unsure	Very good	Quite good	Not too good	Not good at all	BASE
TOTAL		3%	5%	59%	28%	5%	100.0%
Region	**Rural**	3%	5%	60%	25%	8%	8.3%
	Central	6%	2%	59%	30%	3%	15.4%
	Southcentral	9%	7%	59%	20%	5%	8.3%
	Anchorage	1%	5%	58%	29%	7%	41.1%
	Southeast	2%	2%	74%	19%	2%	11.9%
	Mat-Su	3%	6%	50%	35%	6%	14.9%
Registration	**Democrat**	1%	6%	60%	33%	0%	15.6%
	Republican	5%	2%	53%	33%	7%	26.0%
	Non-Partisan	3%	6%	61%	23%	7%	50.4%
	Other	0%	6%	61%	31%	2%	3.4%
	Not registered	12%	2%	63%	23%	0%	4.6%
Anc/Mat-Su Commute	**Unsure**	0%	0%	88%	12%	0%	1.3%
	Yes	3%	6%	59%	27%	6%	28.7%
	No	1%	6%	54%	32%	7%	70.0%
Income	**Refused**	6%	7%	51%	32%	4%	17.5%
	Under $20,000	10%	6%	46%	37%	1%	6.0%
	$20-$40,000	3%	2%	62%	30%	3%	12.3%
	$40-$60,000	3%	1%	56%	37%	3%	14.0%
	$60-$80,000	0%	3%	69%	22%	5%	13.5%
	$80-$100,000	3%	5%	64%	24%	4%	12.9%
	Over $100,000	1%	7%	61%	20%	11%	23.8%
Age	**18-29**	4%	5%	63%	22%	6%	9.0%
	30-44	4%	4%	74%	14%	4%	17.7%
	45-59	3%	4%	56%	31%	6%	39.5%
	60+	2%	5%	54%	33%	5%	33.8%
Gender	**Male**	3%	6%	56%	26%	9%	48.5%
	Female	3%	3%	62%	29%	2%	51.5%

Have you ever heard or read anything about a proposed bridge between Anchorage and the Matanuska-Susitna Borough called the Knik Arm Crossing?

		Yes	No	BASE
TOTAL		89%	11%	100.0%
Region	**Rural**	78%	23%	8.3%
	Central	84%	16%	15.4%
	Southcentral	89%	11%	8.3%
	Anchorage	96%	4%	41.1%
	Southeast	67%	33%	11.9%
	Mat-Su	97%	3%	14.9%
Registration	**Democrat**	77%	23%	15.6%
	Republican	93%	7%	26.0%
	Non-Partisan	92%	8%	50.4%
	Other	96%	4%	3.4%
	Not registered	64%	36%	4.6%
Anc/Mat-Su Commute	**Unsure**	74%	26%	1.3%
	Yes	97%	3%	28.7%
	No	97%	3%	70.0%
Income	**Refused**	85%	15%	17.5%
	Under $20,000	71%	29%	6.0%
	$20-$40,000	79%	21%	12.3%
	$40-$60,000	91%	9%	14.0%
	$60-$80,000	97%	3%	13.5%
	$80-$100,000	95%	5%	12.9%
	Over $100,000	92%	8%	23.8%
Age	**18-29**	65%	35%	9.0%
	30-44	85%	15%	17.7%
	45-59	93%	7%	39.5%
	60+	93%	7%	33.8%
Gender	**Male**	89%	11%	48.5%
	Female	89%	11%	51.5%

Building a bridge across the Knik Arm connecting Anchorage and the Matanuska-Susitna Borough was first proposed nearly 90 years ago in 1923. Alaska's population has grown substantially since then, and over half the state's population now lives in the Anchorage/Mat-Su Valley area. What is your personal opinion -- do you feel it is or is not getting close to the time to build a bridge between Anchorage and the Matanuska-Susitna Valley?

		Unsure	Is	Is not	BASE
TOTAL		9%	60%	31%	100.0%
Region	Rural	8%	68%	25%	8.3%
	Central	13%	56%	31%	15.4%
	Southcentral	14%	52%	34%	8.3%
	Anchorage	5%	62%	33%	41.1%
	Southeast	24%	38%	38%	11.9%
	Mat-Su	4%	75%	21%	14.9%
Registration	Democrat	8%	52%	40%	15.6%
	Republican	10%	69%	21%	26.0%
	Non-Partisan	8%	57%	34%	50.4%
	Other	16%	60%	24%	3.4%
	Not registered	17%	59%	24%	4.6%
Anc/Mat-Su Commute	Unsure	26%	37%	37%	1.3%
	Yes	3%	66%	31%	28.7%
	No	5%	66%	29%	70.0%
Income	Refused	17%	48%	35%	17.5%
	Under $20,000	13%	68%	19%	6.0%
	$20-$40,000	6%	62%	32%	12.3%
	$40-$60,000	6%	63%	31%	14.0%
	$60-$80,000	10%	61%	29%	13.5%
	$80-$100,000	7%	61%	32%	12.9%
	Over $100,000	7%	62%	30%	23.8%
Age	18-29	9%	63%	29%	9.0%
	30-44	14%	65%	20%	17.7%
	45-59	10%	58%	32%	39.5%
	60+	6%	59%	36%	33.8%
Gender	Male	6%	63%	32%	48.5%
	Female	12%	57%	31%	51.5%

On December 15, 2010, the Federal Highway Administration announced that after input from state and local governments, tribes, and the public-at-large, and after careful consideration of social, economic and environmental factors, it has approved construction of the Knik Arm bridge between Anchorage and the Mat-Su Borough. Were you aware the Federal government had approved construction of the Knik Arm bridge?

		Unsure	Yes	No	BASE
TOTAL		1%	37%	62%	100.0%
Region	Rural	3%	23%	75%	8.3%
	Central	3%	22%	75%	15.4%
	Southcentral	0%	30%	70%	8.3%
	Anchorage	0%	45%	55%	41.1%
	Southeast	0%	26%	74%	11.9%
	Mat-Su	0%	50%	50%	14.9%
Registration	Democrat	0%	23%	77%	15.6%
	Republican	2%	37%	61%	26.0%
	Non-Partisan	0%	41%	59%	50.4%
	Other	0%	47%	53%	3.4%
	Not registered	5%	30%	66%	4.6%
Anc/Mat-Su Commute	Unsure	0%	26%	74%	1.3%
	Yes	0%	47%	53%	28.7%
	No	0%	46%	54%	70.0%
Income	Refused	0%	35%	65%	17.5%
	Under $20,000	0%	20%	80%	6.0%
	$20-$40,000	2%	30%	68%	12.3%
	$40-$60,000	0%	31%	69%	14.0%
	$60-$80,000	0%	37%	63%	13.5%
	$80-$100,000	3%	44%	53%	12.9%
	Over $100,000	0%	46%	54%	23.8%
Age	18-29	0%	12%	88%	9.0%
	30-44	0%	31%	69%	17.7%
	45-59	1%	44%	55%	39.5%
	60+	1%	38%	61%	33.8%
Gender	Male	1%	43%	56%	48.5%
	Female	0%	31%	69%	51.5%

Following federal approval of the Knik Arm bridge, Governor Sean Parnell said that:
'Alaska is a storehouse of natural resources and human capital. Jobs and new development rely on a solid transportation network, and the Knik Arm bridge is an important link in Alaska's regional transportation system.'
...What is your opinion, do you feel building the Knik Arm bridge will or will not help lead to more jobs and economic growth?

		Unsure	Will	Will not	BASE
TOTAL		6%	75%	19%	100.0%
Region	**Rural**	0%	75%	25%	8.3%
	Central	3%	83%	14%	15.4%
	Southcentral	13%	59%	29%	8.3%
	Anchorage	3%	74%	23%	41.1%
	Southeast	24%	64%	12%	11.9%
	Mat-Su	2%	85%	13%	14.9%
Registration	**Democrat**	7%	68%	25%	15.6%
	Republican	7%	80%	13%	26.0%
	Non-Partisan	5%	74%	21%	50.4%
	Other	18%	64%	18%	3.4%
	Not registered	4%	82%	14%	4.6%
Anc/Mat-Su Commute	**Unsure**	26%	37%	37%	1.3%
	Yes	2%	76%	22%	28.7%
	No	3%	78%	19%	70.0%
Income	**Refused**	15%	59%	26%	17.5%
	Under $20,000	4%	82%	14%	6.0%
	$20-$40,000	6%	79%	15%	12.3%
	$40-$60,000	3%	80%	17%	14.0%
	$60-$80,000	5%	75%	20%	13.5%
	$80-$100,000	1%	74%	25%	12.9%
	Over $100,000	5%	78%	17%	23.8%
Age	**18-29**	7%	80%	14%	9.0%
	30-44	5%	80%	15%	17.7%
	45-59	8%	68%	24%	39.5%
	60+	4%	78%	18%	33.8%
Gender	**Male**	5%	78%	17%	48.5%
	Female	7%	72%	21%	51.5%

...I'm going to read some other factors and I'd like to know whether you feel they are or are not important reasons to build a Knik Arm bridge: Provide a second connection between Anchorage and the Mat-Su Valley for emergencies and disaster evacuation.

		Unsure	Important reason	Not important reason	BASE
TOTAL		1%	77%	21%	100.0%
Region	Rural	0%	73%	28%	8.3%
	Central	0%	78%	22%	15.4%
	Southcentral	0%	79%	21%	8.3%
	Anchorage	0%	77%	23%	41.1%
	Southeast	12%	67%	21%	11.9%
	Mat-Su	0%	87%	13%	14.9%
Registration	Democrat	0%	77%	23%	15.6%
	Republican	1%	87%	12%	26.0%
	Non-Partisan	2%	72%	27%	50.4%
	Other	8%	65%	26%	3.4%
	Not registered	0%	94%	6%	4.6%
Anc/Mat-Su Commute	Unsure	0%	63%	37%	1.3%
	Yes	0%	78%	22%	28.7%
	No	0%	81%	19%	70.0%
Income	Refused	6%	69%	25%	17.5%
	Under $20,000	0%	90%	10%	6.0%
	$20-$40,000	0%	77%	23%	12.3%
	$40-$60,000	2%	77%	21%	14.0%
	$60-$80,000	0%	77%	23%	13.5%
	$80-$100,000	0%	82%	18%	12.9%
	Over $100,000	0%	78%	22%	23.8%
Age	18-29	0%	87%	13%	9.0%
	30-44	2%	85%	13%	17.7%
	45-59	2%	73%	25%	39.5%
	60+	1%	75%	24%	33.8%
Gender	Male	1%	75%	24%	48.5%
	Female	2%	79%	19%	51.5%

...I'm going to read some other factors and I'd like to know whether you feel they are or are not important reasons to build a Knik Arm bridge: Save time, money and provide jobs now.

		Unsure	Important reason	Not important reason	BASE
TOTAL		2%	73%	25%	100.0%
Region	**Rural**	0%	73%	28%	8.3%
	Central	0%	81%	19%	15.4%
	Southcentral	2%	70%	29%	8.3%
	Anchorage	1%	71%	28%	41.1%
	Southeast	10%	62%	29%	11.9%
	Mat-Su	2%	82%	16%	14.9%
Registration	**Democrat**	0%	70%	30%	15.6%
	Republican	3%	84%	13%	26.0%
	Non-Partisan	3%	68%	30%	50.4%
	Other	0%	66%	34%	3.4%
	Not registered	0%	84%	16%	4.6%
Anc/Mat-Su Commute	**Unsure**	0%	63%	37%	1.3%
	Yes	1%	76%	23%	28.7%
	No	2%	73%	25%	70.0%
Income	**Refused**	8%	59%	33%	17.5%
	Under $20,000	0%	88%	12%	6.0%
	$20-$40,000	2%	80%	18%	12.3%
	$40-$60,000	1%	78%	21%	14.0%
	$60-$80,000	1%	76%	22%	13.5%
	$80-$100,000	1%	68%	31%	12.9%
	Over $100,000	0%	75%	25%	23.8%
Age	**18-29**	0%	80%	20%	9.0%
	30-44	1%	82%	17%	17.7%
	45-59	3%	67%	30%	39.5%
	60+	2%	74%	24%	33.8%
Gender	**Male**	1%	74%	25%	48.5%
	Female	3%	72%	25%	51.5%

...I'm going to read some other factors and I'd like to know whether you feel they are or are not important reasons to build a Knik Arm bridge: Meet projected population and transportation needs of Anchorage and the Mat-Su Borough.

		Unsure	Important reason	Not important reason	BASE
TOTAL		4%	72%	24%	100.0%
Region	**Rural**	5%	78%	18%	8.3%
	Central	2%	80%	19%	15.4%
	Southcentral	5%	73%	21%	8.3%
	Anchorage	1%	71%	28%	41.1%
	Southeast	19%	55%	26%	11.9%
	Mat-Su	1%	80%	20%	14.9%
Registration	**Democrat**	0%	73%	27%	15.6%
	Republican	6%	80%	14%	26.0%
	Non-Partisan	4%	68%	28%	50.4%
	Other	13%	63%	24%	3.4%
	Not registered	5%	82%	14%	4.6%
Anc/Mat-Su Commute	**Unsure**	0%	63%	37%	1.3%
	Yes	0%	71%	29%	28.7%
	No	2%	74%	24%	70.0%
Income	**Refused**	10%	63%	27%	17.5%
	Under $20,000	6%	71%	23%	6.0%
	$20-$40,000	2%	73%	26%	12.3%
	$40-$60,000	2%	83%	15%	14.0%
	$60-$80,000	1%	72%	27%	13.5%
	$80-$100,000	6%	67%	26%	12.9%
	Over $100,000	2%	76%	22%	23.8%
Age	**18-29**	3%	82%	14%	9.0%
	30-44	3%	83%	14%	17.7%
	45-59	5%	66%	28%	39.5%
	60+	3%	71%	26%	33.8%
Gender	**Male**	4%	73%	23%	48.5%
	Female	4%	71%	25%	51.5%

...I'm going to read some other factors and I'd like to know whether you feel they are or are not important reasons to build a Knik Arm bridge: Construction costs are likely to rise & it will be more expensive later.

		Unsure	Important reason	Not important reason	BASE
TOTAL		3%	68%	29%	100.0%
Region	Rural	5%	65%	30%	8.3%
	Central	2%	78%	20%	15.4%
	Southcentral	4%	43%	54%	8.3%
	Anchorage	2%	69%	29%	41.1%
	Southeast	14%	55%	31%	11.9%
	Mat-Su	1%	78%	21%	14.9%
Registration	Democrat	3%	63%	34%	15.6%
	Republican	5%	75%	20%	26.0%
	Non-Partisan	3%	66%	31%	50.4%
	Other	0%	76%	24%	3.4%
	Not registered	5%	56%	40%	4.6%
Anc/Mat-Su Commute	Unsure	0%	88%	12%	1.3%
	Yes	2%	71%	27%	28.7%
	No	1%	72%	27%	70.0%
Income	Refused	12%	57%	31%	17.5%
	Under $20,000	0%	73%	27%	6.0%
	$20-$40,000	3%	70%	27%	12.3%
	$40-$60,000	3%	72%	25%	14.0%
	$60-$80,000	1%	69%	30%	13.5%
	$80-$100,000	2%	71%	28%	12.9%
	Over $100,000	1%	68%	31%	23.8%
Age	18-29	5%	51%	44%	9.0%
	30-44	3%	68%	29%	17.7%
	45-59	3%	65%	32%	39.5%
	60+	4%	75%	21%	33.8%
Gender	Male	2%	68%	30%	48.5%
	Female	5%	67%	27%	51.5%

...I'm going to read some other factors and I'd like to know whether you feel they are or are not important reasons to build a Knik Arm bridge: Provide community connectivity and access to natural resources.

		Unsure	Important reason	Not important reason	BASE
TOTAL		3%	64%	33%	100.0%
Region	**Rural**	3%	55%	43%	8.3%
	Central	0%	78%	22%	15.4%
	Southcentral	2%	57%	41%	8.3%
	Anchorage	2%	64%	34%	41.1%
	Southeast	14%	45%	40%	11.9%
	Mat-Su	2%	72%	27%	14.9%
Registration	**Democrat**	0%	52%	48%	15.6%
	Republican	3%	79%	18%	26.0%
	Non-Partisan	4%	57%	38%	50.4%
	Other	8%	66%	25%	3.4%
	Not registered	0%	79%	21%	4.6%
Anc/Mat-Su Commute	**Unsure**	0%	63%	37%	1.3%
	Yes	2%	65%	33%	28.7%
	No	2%	66%	32%	70.0%
Income	**Refused**	11%	58%	31%	17.5%
	Under $20,000	0%	62%	38%	6.0%
	$20-$40,000	0%	62%	38%	12.3%
	$40-$60,000	2%	69%	29%	14.0%
	$60-$80,000	1%	63%	36%	13.5%
	$80-$100,000	3%	60%	38%	12.9%
	Over $100,000	2%	68%	29%	23.8%
Age	**18-29**	0%	75%	25%	9.0%
	30-44	4%	72%	24%	17.7%
	45-59	4%	58%	37%	39.5%
	60+	2%	62%	35%	33.8%
Gender	**Male**	3%	67%	30%	48.5%
	Female	4%	60%	36%	51.5%

Overall, when everything is considered, would you say now is a good time to build a Knik Arm bridge, should we wait until later, or should it never be built?

		Unsure	Now good time	Wait 'til later	Never built	BASE
TOTAL		5%	62%	17%	15%	100.0%
Region	Rural	0%	63%	18%	20%	8.3%
	Central	3%	64%	22%	11%	15.4%
	Southcentral	11%	55%	21%	13%	8.3%
	Anchorage	3%	61%	18%	17%	41.1%
	Southeast	19%	55%	10%	17%	11.9%
	Mat-Su	3%	73%	12%	12%	14.9%
Registration	Democrat	8%	53%	19%	21%	15.6%
	Republican	4%	74%	15%	7%	26.0%
	Non-Partisan	4%	59%	18%	19%	50.4%
	Other	17%	58%	17%	8%	3.4%
	Not registered	10%	66%	18%	6%	4.6%
Anc/Mat-Su Commute	Unsure	0%	63%	26%	12%	1.3%
	Yes	3%	66%	11%	20%	28.7%
	No	3%	63%	19%	14%	70.0%
Income	Refused	13%	49%	14%	24%	17.5%
	Under $20,000	7%	61%	20%	11%	6.0%
	$20-$40,000	2%	67%	23%	8%	12.3%
	$40-$60,000	1%	70%	17%	12%	14.0%
	$60-$80,000	6%	61%	19%	14%	13.5%
	$80-$100,000	5%	57%	18%	20%	12.9%
	Over $100,000	3%	69%	15%	13%	23.8%
Age	18-29	4%	69%	20%	7%	9.0%
	30-44	9%	70%	14%	7%	17.7%
	45-59	5%	57%	20%	18%	39.5%
	60+	4%	63%	15%	18%	33.8%
Gender	Male	3%	69%	15%	12%	48.5%
	Female	7%	56%	19%	18%	51.5%

Regardless of whether or not you support building the Knik Arm bridge at the present time, do you feel it should or should not continue to be included in Southcentral Alaska's long-range transportation plan?

		Unsure	Should	Should not	BASE
TOTAL		3%	79%	18%	100.0%
Region	Rural	3%	75%	23%	8.3%
	Central	2%	89%	9%	15.4%
	Southcentral	7%	71%	21%	8.3%
	Anchorage	2%	75%	23%	41.1%
	Southeast	10%	76%	14%	11.9%
	Mat-Su	1%	88%	11%	14.9%
Registration	Democrat	1%	77%	22%	15.6%
	Republican	1%	87%	12%	26.0%
	Non-Partisan	5%	75%	20%	50.4%
	Other	0%	87%	13%	3.4%
	Not registered	6%	80%	14%	4.6%
Anc/Mat-Su Commute	Unsure	0%	88%	12%	1.3%
	Yes	0%	76%	24%	28.7%
	No	2%	79%	18%	70.0%
Income	Refused	6%	68%	26%	17.5%
	Under $20,000	5%	82%	14%	6.0%
	$20-$40,000	6%	81%	14%	12.3%
	$40-$60,000	1%	83%	16%	14.0%
	$60-$80,000	2%	83%	15%	13.5%
	$80-$100,000	3%	76%	22%	12.9%
	Over $100,000	1%	83%	16%	23.8%
Age	18-29	1%	85%	14%	9.0%
	30-44	3%	86%	12%	17.7%
	45-59	3%	78%	19%	39.5%
	60+	4%	75%	21%	33.8%
Gender	Male	3%	81%	15%	48.5%
	Female	3%	77%	20%	51.5%

Appendix:
Preliminary Legislative Handout (January 17, 2011)

The AlaskaPoll ®

DITTMAN RESEARCH
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Information for Solutions

- Market Research
- Public Opinion Analysis
- Political and Government Research
- Focus Groups

ALASKA STATEWIDE PUBLIC ATTITUDES AND PERCEPTIONS

Knik Arm Bridge and Toll Authority

January 2011

Methodology

Overview

During the period January 6-16, 2011, six hundred three (n=603) Alaskans were interviewed regarding their views concerning a Knik Arm Crossing toll bridge.

Research Design

A random sample design was featured which provided that all households listed in the most current telephone directory for each community had essentially an equal chance of being interviewed.

Sample Plan

A statewide representative sample was designed to provide sufficient respondents in each region for independent geographic sub-group analysis.

	Sample Size
Rural	n=40
Fairbanks	n=64
Matanuska-Susitna	n=179
Anchorage	n=222
Kenai Peninsula	n=56
Southeast	n=42
TOTAL	n=603

For statewide analysis, the geographic regions were combined and weighted in proportion to their percentage of the total population.

Rural	8%
Fairbanks	16%
Matanuska-Susitna	15%
Anchorage	41%
Kenai Peninsula	8%
Southeast	12%
TOTAL	100%

Sample Selection

Individual respondents were randomly selected from current telephone subscribers listed in the most current directory for each community.

Measurement History

Citizen opinion measurements by the Dittman Research & Communications Corporation have proven to be perfect predictors of U.S. Senate and Gubernatorial election results in Alaska for the past forty years.

The AlaskaPoll

DITTMAN RESEARCH & COMMUNICATIONS CORPORATION

Knik Arm Bridge and Toll Authority
Alaska Statewide Public Attitudes and Perceptions

January 2011
(n=603)
Preliminary Findings

- **Overall, statewide awareness of the Knik Arm Crossing remains high (89%).**

Question:	Answer:	Statewide	Anchorage/ Mat-Su
"Have you ever heard or read anything about a proposed bridge between Anchorage and the Matanuska-Susitna Borough called the Knik Arm Crossing?"	Yes	89%	97%
	No	11%	3%

- **And by far, the largest percentage of Alaskans (60%) feel it is time to build a bridge between Anchorage and the Mat-Su Valley.**

Question:	Answer:	Statewide	Anchorage/ Mat-Su
"...What is your personal opinion -- do you feel it is or is not getting close to the time to build a bridge between Anchorage and the Matanuska-Susitna Valley?"	Is	60%	65%
	Is not	31%	30%
	Unsure	9%	5%

- **However, most Alaskans statewide reported they didn't know the Federal government had recently approved construction.**

Question:	Answer:	Statewide	Anchorage/ Mat-Su
"...Were you aware the Federal government had approved construction of the Knik Arm Bridge?"	Yes	37%	46%
	No	62%	54%
	Unsure	1%	--

- **On a statewide basis, three out of four Alaskans (75%) believe the Knik Arm Bridge will lead to more jobs and a better economy.**

Question:	Answer:	Statewide	Anchorage/ Mat-Su
"...What is your opinion, do you feel building the Knik Arm bridge will or will not help lead to more jobs and economic growth?"	Will	75%	77%
	Will not	19%	20%
	Unsure	6%	3%

- **And strong majorities (64-77%) also believe a Knik Arm Bridge will provide community connectivity and access to natural resources; meet projected population and transportation needs; save time, money, and provide jobs; and provide a second connection for emergencies and evacuation.**

	Good Reason	Not Good Reason	Unsure
Provide community connectivity and access to natural resources	64%	33%	3%
Meet projected population and transportation needs of Anchorage and the Mat-Su Borough	72%	24%	4%
Save time, money and provide jobs now	73%	25%	2%
Provide a second connection between Anchorage and the Mat-Su Valley for emergencies and disaster evacuation	77%	21%	2%
Construction costs are likely to rise & it will be more expensive later	68%	29%	3%

- **In total, by far, the largest number of Alaskans (62%) report they believe "now" is a good time to build the Knik Arm Bridge.**

Question:	**Answer:**	**Statewide**	**Anchorage/ Mat-Su**
"Overall, when everything is considered, would you say now is a good time to build a Knik Arm bridge, should we wait until later, or should it never be built?"	Now is good	62%	64%
	Wait until later	17%	17%
	Never be built	15%	16%
	Unsure	6%	3%

- **If, for some reason, the Knik Arm Bridge isn't built in the near future, approximately four out of five Alaskans (79%) believe it should continue to be included in the region's long-range transportation plan.**

Question:	**Answer:**	**Statewide**	**Anchorage/ Mat-Su**
"Regardless of whether or not you support building the Knik Arm Bridge at the present time, do you feel it should or should not continue to be included in Southcentral Alaska's long-range transportation plan?"	Should	79%	79%
	Should not	18%	20%
	Unsure	3%	1%

Final statewide research results will be available January 28, 2011.

SB79 and SB80 Summary of Legislation

The Knik Arm Crossing is a vital infrastructure project, a bridge that will connect Alaska, help create jobs, encourage smart growth, and economic development, while improving the environment and the quality of life for the people served by the project. Simply said, this is an investment in Alaska's future that will pay dividends for years to come.

SB 80 and SB 79 will aid in the successful procurement of the Knik Arm Crossing, reduce the cost of project finance and generate the best value to the State of Alaska. The passage of this legislation will facilitate the project to be open for traffic in 2015.

Proposed Legislation – SB 80

Amends 19.75 with structural amendments summarized below

Increase in Bonding Authority from $500 million to $600 million

- Matches $600 million in federal Private Activity Bond (PABs) capacity allocated to the project
- PABs require a public entity to act as conduit issuer for the private borrower
- Any PABs issued are a liability of the private partner, not the State
- Tax-exempt nature lowers the cost of capital and provides better value proposals to the State

Property Tax Clarification

- Clarifies that the bridge and associated connectors are not subject to property taxes if operated by a private partner on behalf of the state (already exempt if operated by the state)
- Identical to all other publicly owned transportation projects in the State
- Any private facilities of the developer, not serving the public transportation purpose, remain subject to property tax

Contractual Obligations

- Language creates a moral obligation of the state to stand behind liabilities that may arise under the public-private agreement, subject to appropriation
- Improves the project's credit rating, reducing the cost of debt and equity to finance it
- Results in lower availability payment proposals, generating best value for the State
- Serves to keep tolls affordable to the traveling public and supports the shortest possible contract term
- Toll revenue is projected to be more than sufficient to repay all project obligations over the life of the public-private agreement.

Project Reserve Fund.

- Establishes the ability for KABATA to create specific reserve funds and accounts necessary to properly manage the revenues and contractual obligations for the project
- Used to make availability payments to compensate the private partner for the finance, design, construction, operations and maintenance of the facility
- Results in lower availability payment proposals, generating best value for the State
- Serves to keep tolls affordable to the traveling public and supports the shortest possible contract term
- As the reserve fund builds a surplus, the surplus will be used to fund other needed transportation projects
- Establishes the Knik Arm Crossing Fund to hold the appropriation until the agreement is executed

Proposed Legislation – SB 79

Appropriates the funding for a project reserve account

$150 Million Appropriation.

- Appropriates funds for the project reserve account created under SB 80
- Funds managed by the Department of Revenue as fiduciary until an acceptable public-private partnership agreement is executed
- Demonstrates State commitment to the project, generating greater competition, resulting in best value private sector proposals
- Repaid to State general fund as toll road matures and reserves are no longer required

SB79 and SB80 Analysis of Legislation

Introduction and Need for Legislation

SB 79 and SB 80 will ensure the successful procurement of the Knik Arm Crossing and generate the best value to the State of Alaska. The passage of this legislation will facilitate the Knik Arm Crossing being open for traffic in 2015, thus expediting for the State of Alaska the benefits generated from the Crossing.

In 2003, the Alaska Legislature created the Knik Arm Bridge and Toll Authority "... to 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" (Alaska Statutes § 19.75 [AS § 19.75]). Since its creation KABATA has been working toward this goal by diligently pursuing the necessary environmental clearances and preparing the ground work to develop the Knik Arm Crossing once a Record of Decision was granted, including the development of a financial plan for the project.

After many years of hard work by both KABATA and ADOT&PF, the Federal Highway Administration signed the Record of Decision for the Knik Arm Crossing on December 15, 2010. Reaching this milestone provides the environmental clearance necessary for the Crossing to move forward and become a reality.

Project Benefits

The Knik Arm Crossing will serve generations of Alaskans by providing improved access to the regional transportation network. Some of the benefits of this interconnection include:

- More efficient movement of people, goods, and services between Anchorage, the Mat-Su Borough, and Alaska's interior.
- Providing jobs and supporting economic and population growth.
- Increasing the efficiency of freight movements to and from the Ports of Anchorage and MacKenzie and Ted Stevens Anchorage International Airport.
- Providing an alternative route for freight movement, thus reducing the number of trucks traveling through Anchorage and along the Glenn Highway.
- Helping the environment by reducing carbon emissions, reducing vehicle miles traveled, and improving sustainability.
- Improving access to and from economic activities in the interior of the State.
- Providing a vital second evacuation route for Anchorage and Kenai residents in case of an emergency.
- Helping fund future needed capacity improvements and other transportation and transit needs.

Finally, in addition to the positive impacts on employment during the construction of the Knik Arm Crossing, the Crossing is estimated to have a positive economic impact on the State of Alaska in excess of $18 billion dollars over the project's first 24 years.

Public Private Partnerships

KABATA plans to finance, deliver and operate the Knik Arm Crossing through a public-private partnership. Figure 1 graphically shows the major differences between how KABATA might develop the Crossing under a traditional procurement model and how the Crossing will be developed under a public private partnership.

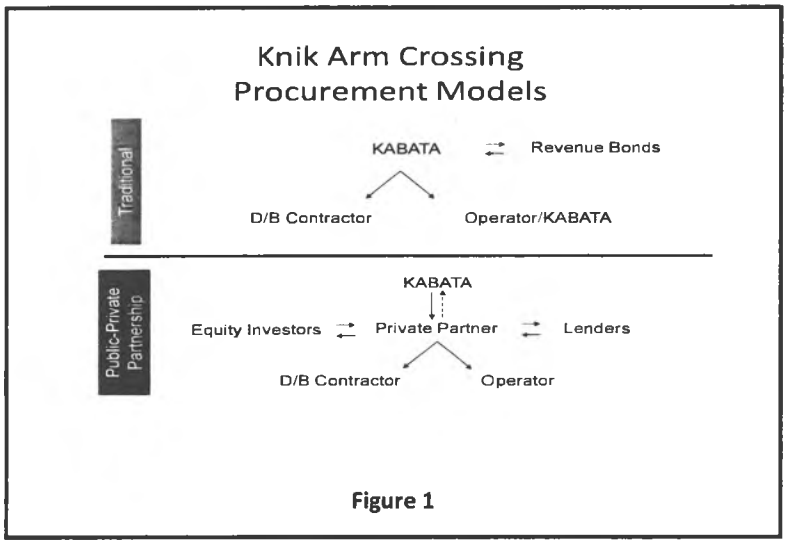


Figure 1

Under a traditional approach, KABATA would take significant design and construction risk for the Crossing. In addition, KABATA, either through a private operator or directly, would be responsible for operating and maintaining the Crossing. This includes operating the toll facilities and collecting tolls.

With a public-private partnership, KABATA will contract directly with a private partner. That private partner would be required to work with equity investors and lenders to raise the finances necessary to design and construct the Crossing to the standards required by KABATA, ADOTP&F and FHWA.

The contract with the private partner will require the private partner to design, build, finance, operate, and maintain the Crossing for a set number of years. In return, KABATA would pay to the private partner pre-determined, fixed payments upon achieving certain milestones – especially project completion – and periodic payments during the operating period based on meeting performance requirements. Under this structure, KABATA and the State would retain the right to all of the toll revenues and use these revenues as the main source for the periodic payments. KABATA would use a portion of the requested appropriation to pay the fixed milestone payment. Figure 2 graphically shows these relationships.

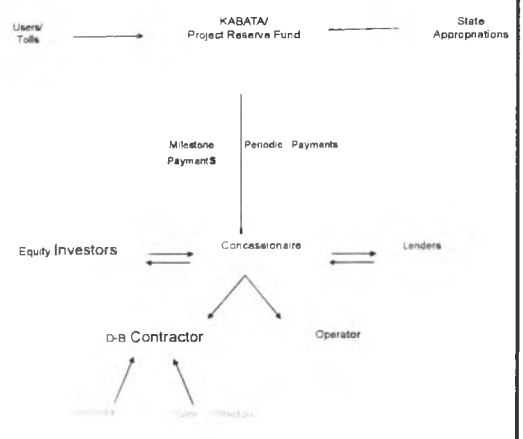


Figure 2

The private partner will use the payments it earns to service its debt, pay its operating and maintenance expenses, and provide a return to its equity investors. The State, through KABATA, would define its financial obligation to the private partner. There would be no recourse to KABATA or the State beyond these defined obligations. KABATA and the State will not have any direct liability for debt

repayment and will not pledge any KABATA or State revenues or assets to lenders to secure debt repayment.

Under the public-private partnership, the private partner will be responsible for maintaining the Crossing, operating the toll facilities, collecting tolls on behalf of KABATA, and providing customer service. These services will be performed pursuant to standards established by KABATA and the cost of these services will be included as part of the proposals. KABATA will monitor, audit and inspect the work and enforce contract requirements.

At all times under the public-private partnership the State, through KABATA, will own the project and the toll revenues.

Advantages of a public-private partnership

A public-private partnership will have distinct advantages over the conventional method of transportation project delivery. Among the advantages are:

- Maximizing up-front capital formation from non-governmental sources.
- Accelerating project delivery through the utilization of private capital and the integration of design and construction under one responsible party.
- Improving cost and schedule certainty early in the design phase.
- Improved risk management and more risk transfer to the private sector.
- Life cycle cost efficiency through private sector profit motivation throughout the contract term.
- Improving project quality, performance and maintenance via opportunity for design and construction innovations early in project development, strong performance standards, and long-term asset condition requirements.

Procurement Process

In late 2007 KABATA began procuring a private partner to design, build, finance, operate, and maintain the Knik Arm Crossing. This procurement was undertaken pursuant to ADOT&PF's innovative project delivery process. After KABATA issued a request for qualifications, two private sector consortia were determined to have the capacity to complete the project and were shortlisted.

KABATA then held several industry meetings with the shortlisted consortia and prepared draft procurement documents. KABATA brought into the process representatives from both ADOT&PF and FHWA to review and comment on the draft procurement documents. Due to delays in the environmental review process, in 2008 KABATA put the procurement on hold, pending the receipt of the Record of Decision. As noted above, the Record of Decision was signed on December 15, 2010.

Since the procurement was put on hold, the market place has changed. The global financial crisis has affected the financial market conditions and requirements for public-private partnerships. Deal structures and sources of funds have changed in response to these new financial market conditions,

with a strong market swing away from toll revenue concessions toward the form of "availability payment" concession depicted in Figure 2. In addition, participants in the concessionaires market have changed. As a result, changes to KABATA's enabling statutes are needed to address these new market conditions and allow KABATA to take advantage of the most advantageous deal structure for the benefit of the State.

KABATA will conduct the procurement in close consultation with ADOT&PF and FHWA to ensure KABATA uses sound procurement practices and complies with all legal requirements. This will also help ensure that the State obtains best value.

Proposed Legislation

The requested legislation amends the existing statute and appropriates funds to enable a successful procurement. Action now on these legislative changes will facilitate the Knik Arm Crossing being open for traffic in 2015, accelerating when the State of Alaska will begin enjoying the economic benefits generated by the Crossing. The following explains the reasons for the requested changes and the appropriation.

- **Increase in Bonding Authority.** FHWA allocated $600 million of Private Activity Bonds to the Knik Arm Crossing. PABs allow tax-exempt bonds to be issued for projects which have a significant private interest, such as the Crossing. This allocation effectively lowers the cost of capital and provides better value for the State.

  Based on current analysis, it is anticipated that the entire $600 million PABs allocation will be utilized. These bonds have to be issued by a governmental entity, in this case KABATA. This request increases KABATA's ability to issue revenue bonds from $500 million to the $600 million expected to be needed. Issuance of PABs by KABATA, as a conduit issuer, will not create an obligation of the State, nor will it constitute a pledging of state revenues or assets.

- **Property Tax Clarification.** This change will clarify ambiguities that the Knik Arm Crossing is exempt from state and local property taxes and assessments whether operated directly by the public authority or on its behalf by a private party through a public-private partnership. This change recognizes that the essential public nature, purpose and use of the Crossing remain unchanged regardless of whether it is operated by the State through KABATA, or by a private operator. Any private activity the private partner may undertake ancillary to operating the toll facility would remain subject to property tax. Under a traditional contracting approach, no private contractor or operator would be subject to property tax on the facility. This change would put the public-private partnership and the private partner on the same footing. It will reduce the availability payment and keep tolls more affordable.

- **KABATA's Contractual Monetary Obligations.** This requested change removes any ambiguity that may exist about the obligations of the State under a public-private partnership agreement

between KABATA and a private partner. The requested change applies only to "monetary liabilities" which KABATA may incur pursuant to a public-private partnership. All other KABATA obligations – whether under other contracts, due to tortious conduct, or otherwise – remain separate from the State. Prior to approval and execution of a public-private agreement by KABATA's Board of Directors, both the Attorney General and ADOT&PF will review the agreement.

The obligation of the State under this change is a moral obligation, not a legal obligation. Satisfaction of the liability is subject to a decision by the Legislature to appropriate money for this purpose.

This change is necessary and essential to attract low cost debt and equity to finance the Project. It will improve the market's confidence in KABATA's ability to pay, it will reduce the availability payment owed by KABATA and the State. In turn, this will help keep tolls affordable to the traveling public.

- **Project Reserve Fund.** The project reserve fund is discussed in greater detail in the following section. This reserve fund is not unique; it is patterned after similar reserve funds authorized for other Alaska governmental entities under existing statutes. E.g., AS 14.40.951 (Alaska Aerospace Corporation reserve fund); AS 14.42.240 (Alaska Student Loan Corporation capital reserve fund); AS 18.56.125 (Alaska Housing Financing Corporation capital reserve fund); AS 44.85.270 (Alaska Municipal Bond Bank Authority capital reserve fund); AS 44.88.105 (Alaska Industrial Development and Export Authority capital reserve fund).

- **$150 Million Appropriation.** This $150 million appropriation will help keep tolls affordable by reducing the amount of capital costs the private sector must finance, reducing the interest rate on its financing, and providing a backstop for toll revenues.

  The appropriated funds will be held in the care and custody of the Department of Revenue until KABATA executes the public-private partnership agreement. At that time, the appropriated funds will be transferred to KABATA and KABATA will deposit this appropriation into the project reserve fund.

  At completion of construction and any other milestone specified in the public-private partnership agreement, the appropriation will be used to pay the milestone payment(s) to the private partner. KABATA will devote the balance as a backstop for KABATA's periodic payment obligations under the public-private partnership agreement. This backstop will be important during the early years of project operations when toll revenues may not be enough to cover these payments.

  These uses will enhance KABATA's credit worthiness and reduce overall project costs.

Project Reserve Fund

The legislation includes provisions for establishing a project reserve fund. The purpose of the project reserve fund is to reduce KABATA's costs by reducing the developer's cost of financing the project. One of the funding sources for the project reserve fund will be the requested appropriation. The project reserve fund also will be the place where toll revenues are deposited.

The private partner's lenders and equity investors will rely solely on the payment stream from KABATA as the means for the private partner to service its debt and provide a return on equity. The financial markets will carefully examine whether that payment stream is reliable and creditworthy. Reliability is an important factor in whether the senior project debt that the private partner obtains will receive an investment grade credit rating. Such a rating is probably a "must have" for this project to be successful, and will lower the cost of debt and equity. The reserve fund is one of the key measures to establish this reliability and creditworthiness.

The reserve fund will apply KABATA's sources of revenue –tolls and appropriations - for specific purposes. The most important is to use the funds to compensate the private partner for the design, construction, operations and maintenance of the facility for the term of the agreement.

By holding these sources of revenue in a reserve fund dedicated to this purpose, the private partner is assured of an interest in these funds and that they will not be diverted to other purposes. This greatly improves the market acceptance of KABATA's ability to pay. This increased acceptance will lower the cost of the private partner's equity and debt and thereby lower the amount proposers will bid for these payments.

Under the legislation KABATA is required to annually report to the legislature the status of the reserve fund. If the reserve fund drops below a minimum required amount, that will trigger a request from KABATA for further appropriation to meet the minimum required amount. The specifics on the minimum required amount will be developed during the procurement and spelled out under the documents that establish the reserve fund. If the current requested appropriation is made and the reserve fund is authorized, KABATA's latest financial projections indicate that no further appropriation will be needed. These projections are believed to be realistic.

As the reserve fund builds up a surplus, the surplus could be used to fund needed capacity improvements and other federally-eligible transportation purposes and facilities. The specifics on what constitutes surplus funds will be developed and spelled out under the documents that establish the reserve fund.

Financial Benefit

Passage of SB79 and 80 will facilitate the ability of KABATA to procure a public-private partnership which would greatly increase the benefit to the State. Passage of this legislation would allow KABATA the option to move forward with an availability payment structure, the public-private partnership which will generate the best value for the State.

Based on this structure, KABATA estimates the Knik Arm Crossing could generate for the State net revenue of approximately $8 billion over the next 60 years. This is shown graphically in Figure 3.

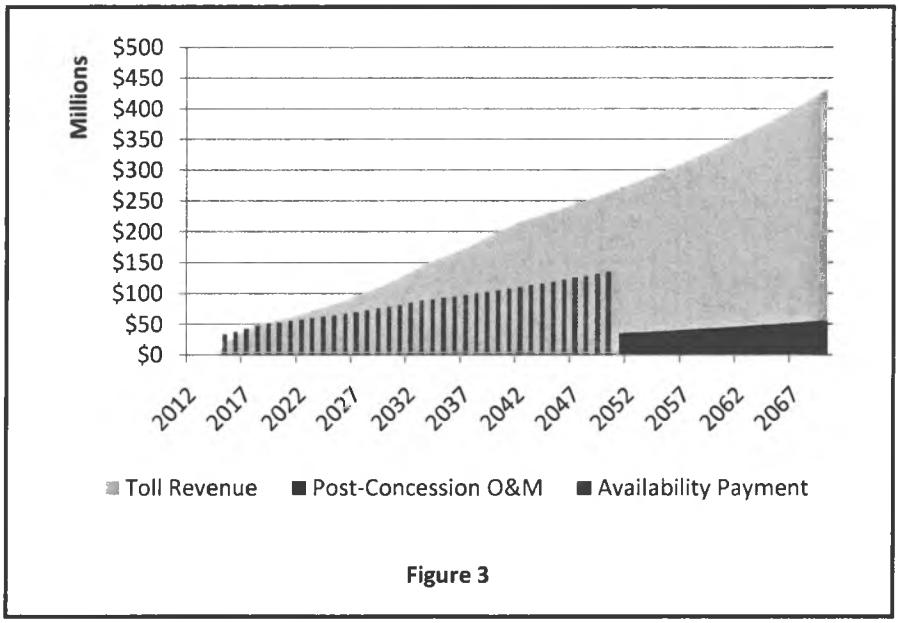


Figure 3

This $8 billion is in addition to the $18 billion in economic benefits which are estimated to be generated by the Crossing.

The proposed legislation establishes the framework for KABATA to procure, through ADOT&PF's innovative projects delivery process, a private partner to help the State realize these benefits.

KNIK ARM CROSSING

Delivering Statewide benefits, regional connectivity and economic growth.

www.knikarmbridge.com

Presentation to the Alaska Legislature
Joint Transportation Committee Meeting

February 1, 2011

Knik Arm Toll Bridge
Good for Alaska

- Connects Alaska's Infrastructure
- Supports Resource Development
- Provides Jobs and Supports Economic Growth
- Alternative Corridor for Safety
- Helps Fund Future Transportation Statewide

Approx Per Figure acquisition
or development

credit card

usually not Full First
Few years

1:35

Immediate Benefits

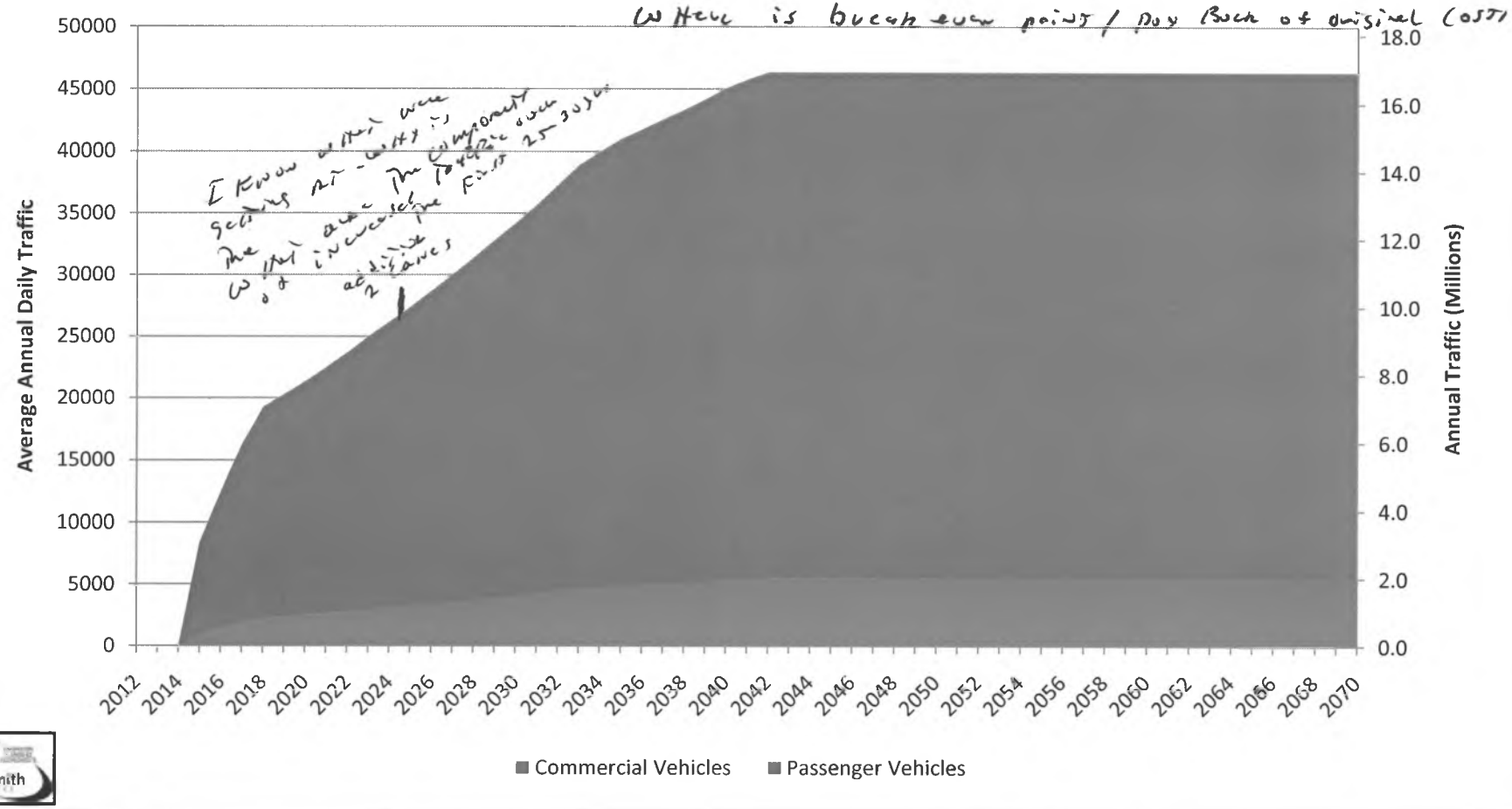
- Immediate Economic Stimulus
  - $700 million of infrastructure and 5,000 construction-related jobs
- Public Benefits First 10 Years:
  - $326 million lower cost of freight to Interior
  - $303 million savings to commuters
  - 1,900,000 fewer metric tons of carbon emissions
  - $30 million savings associated with Goose Creek Correctional Center
- Alternative to Glenn Highway for Safety
- Connects Port of Anchorage and Port MacKenzie to Better Serve the State
- Ties Together State's Transportation Network

($50 million up front)

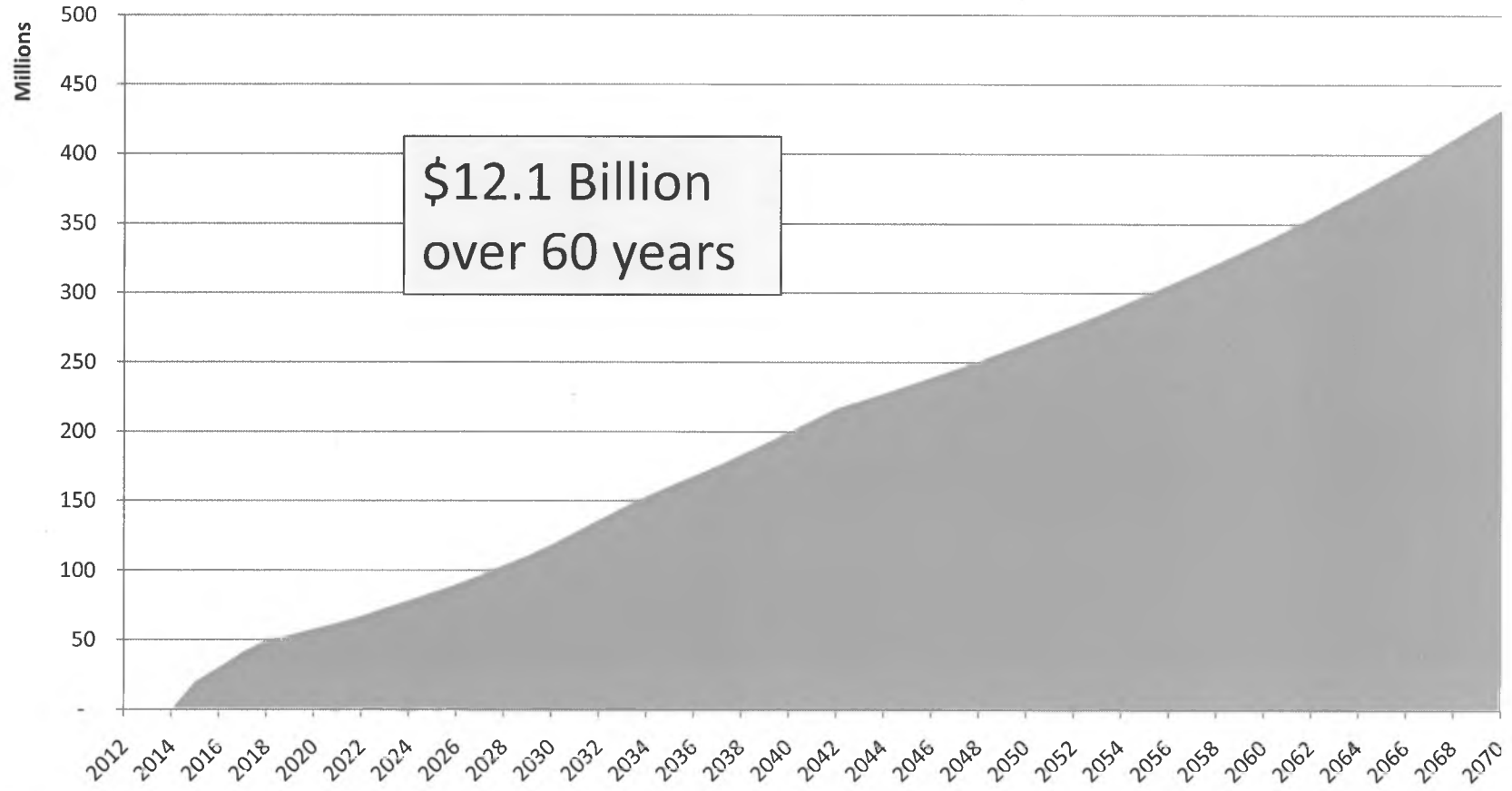
Is Traffic study a public document — Jason
Yes

Question for CFO

Base Case Traffic Forecast Assuming 2015 Opening

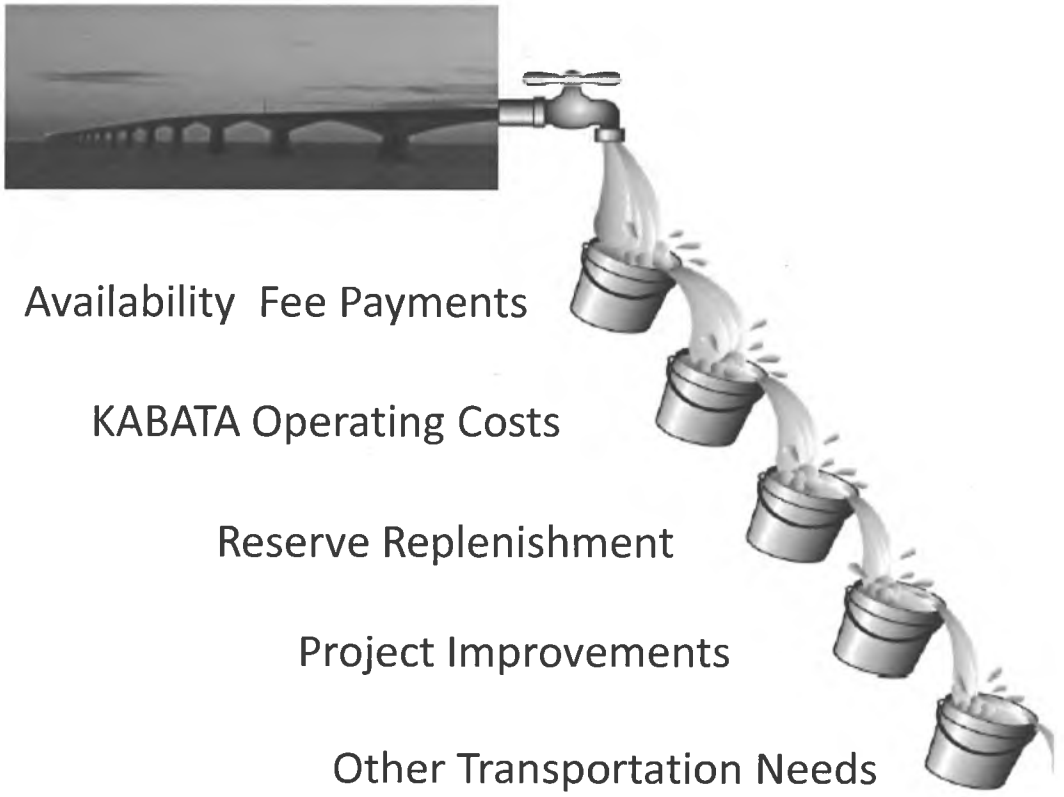


Projected Toll Revenue



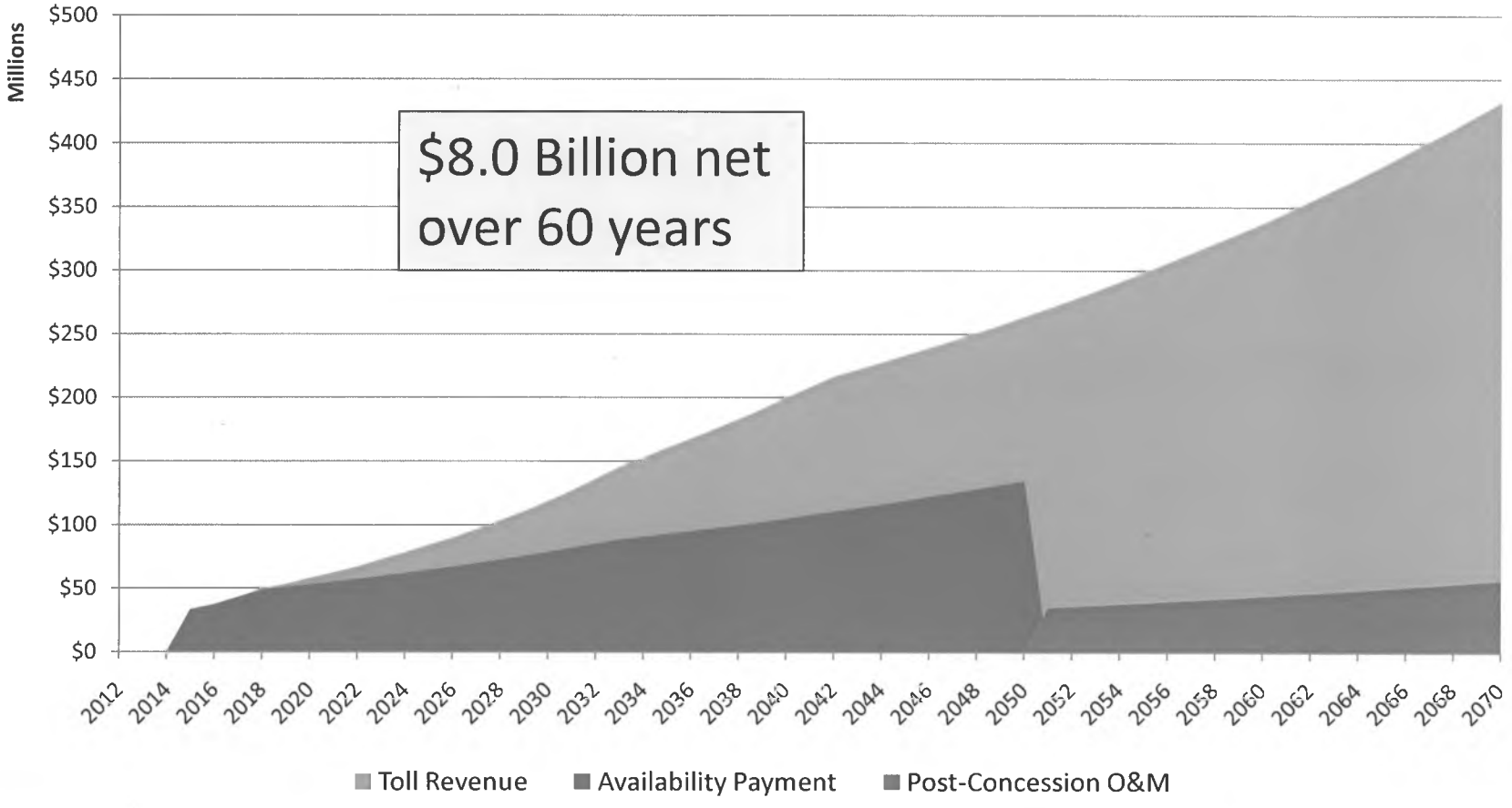
Toll Facility Revenue
"Waterfall" Flow of Funds

Toll Revenue



Graphic concept courtesy FHWA TIFIA program.

Projected Net Revenue After Availability Payment / O&M



Availability payment includes KABATA oversight costs during the concession term.

Plan View
4. Bridge
Knik Arm
Matanuska-Susitna Borough
Cook Inlet
N

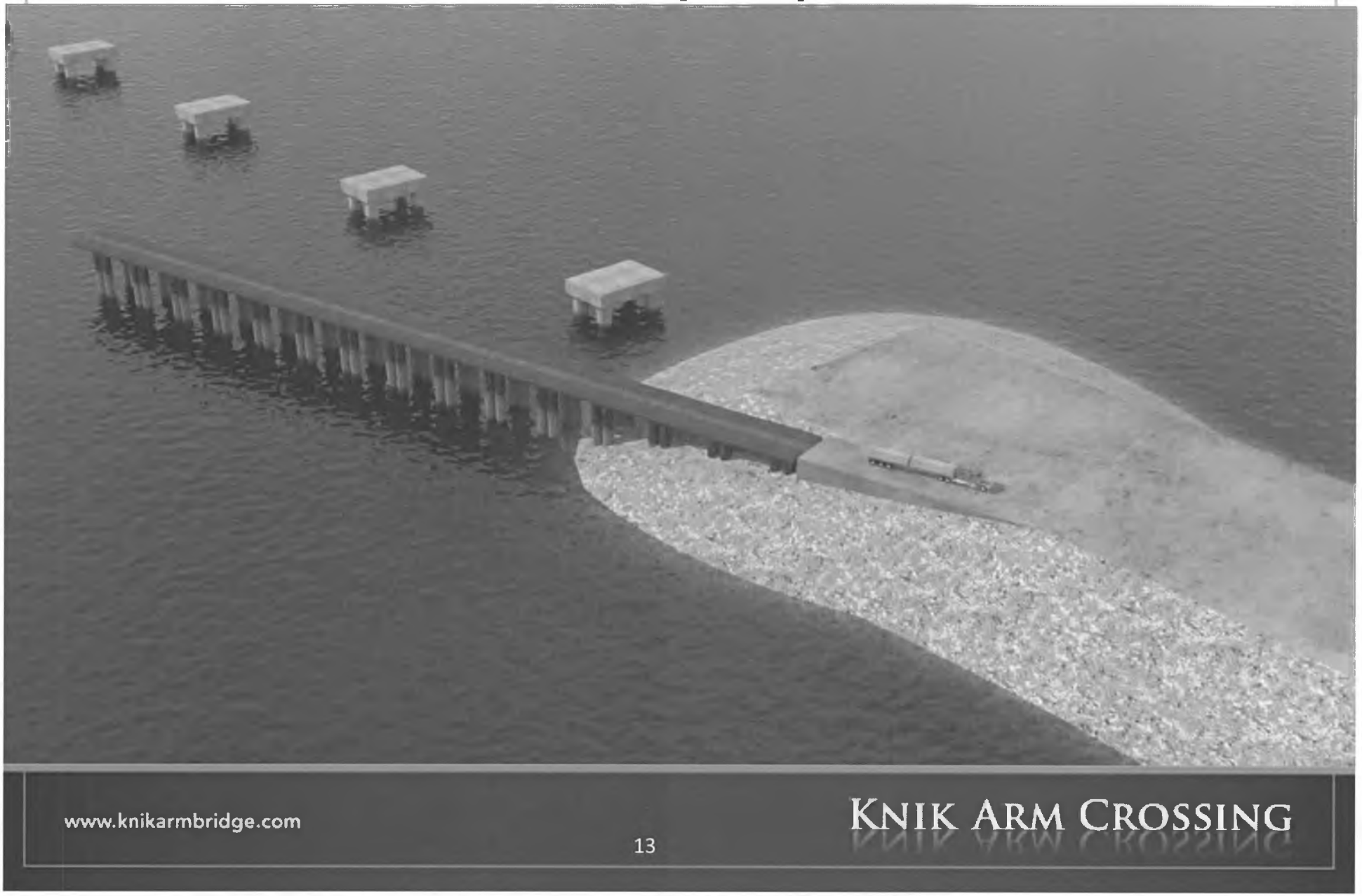
Bathymetry and Tides

Late Season 1

Oscillated Drilled Shaft Operation

Closing the Gap - Late Season 2

Foundation Wrap Up - Season 2



The Future

www.knikarmbridge.com

KNIK ARM CROSSING

Concept Rendering

SB 93

<TARGET><BILL>SB 93</BILL><SUBJECT>SB 93</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE COMMITTEE REPORT

DATE: 3/1/11

FURTHER:

DATE TURNED IN TO OFFICE: 3/15/11

Transportation Committee considered SENATE BILL NO. 93

SB 93-SPECIALTY LICENSE PLATES

"An Act relating to special request specialty organization registration plates; and providing for an effective date."

and recommends:

[ ] be **replaced** with **CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] adopt **previous CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
ADM			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			X	
	MENARD	✓			
	THOMAS	✓			
	Egan			X	
CHAIR:	Koskesh	X			

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number
Bill Version **SB093**
() Publish Date

Identifier (file name) SB093-DOA-DMV-02-22-11
Title Special request specialty organization plates
Sponsor Senator Wielechowski
Requester Senate State Affairs

Dept. Affected Administration
Appropriation Division of Motor Vehicles
Allocation Motor Vehicles
OMB Component Number 2348

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2011) cost

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable; initial version

Prepared by Whitney Brewster
Division Motor Vehicles
Approved by John Cramer, Deputy Commissioner
Department of Administration

Phone 907-269-5574
Date/Time 2/22/11 8:00 AM
Date 2/22/2011

(Revised 1/27/2011 OMB)

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. SB093

Analysis

This bill has no fiscal impact.

ALASKA STATE LEGISLATURE

Session

State Capitol, Rm. 101
Juneau, AK 99801
(907) 465-2435
Fax: (907) 465-6615

Interim

716 W. 4th Ave, Ste. 540
Anchorage, AK 99501
(907) 269-0120
Fax: (907) 269-0122

Senator_Bill_Wielechowski@legis.state.ak.us

Chair
State Affairs Committee

Co-chair
Joint Armed Services Committee

Vice Chair
Resources Committee
Judiciary Committee

Member
Administrative Regulation Review

SENATOR BILL WIELECHOWSKI

SB 93

Specialty License Plates

Specialty license plates are sweeping the country. By January 21, 2011, Alaska legislators had introduced bills for Choose Life, LaoVeteran, National Rifle Association, and In God We Trust specialty license plates. The 26th Legislature approved firefighter, fraternal order[1] and Iditarod finisher license plates and made a change in the Children's Trust specialty plate funds in a total of 15 committee meetings, entailing 9 versions of bills, and requiring one concurrent resolution.

Each license plate request takes legislative attention away from more pressing state matters and creates monetary and staff costs of drafting, duplicating, distributing, posting, scheduling, and amending. Legislatively created fundraising plates require the Division of Motor Vehicles (DMV) to track and request for re-appropriation small accounts of money. Other plates require the DMV to verify a status (such as HB 92 "the owner must present evidence satisfactory to the department that the owner served in combat as required by this subsection") to complete a transaction. Two legislatively created plates from 1998 (dog mushing and arts) have never been issued.

There is a better way. About half of the states currently allow administrative approval for license plates. The Alaska Division of Motor Vehicles supports this bill, including the effective date.

SB 93

- Gives the Division of Motor Vehicles authority to develop a procedure for administrative review and award of specialty license plates.
- Requires DMV to develop a standard template so all specialty plates will be easily readable and recognizable for law enforcement.
- Creates standard regulations, fees and procedures that will apply to all specialty license plates.
- Will result in cost savings for the state as administrative responsibilities of confirming eligibility, collecting and accounting for funds for the non-profit, and developing the license plate artwork and design are transferred to the sponsoring organization. DMV processing of plate applications is streamlined as the applications will be submitted in batches by sponsoring organizations.
- Is revenue neutral. The $30/vehicle specialty registration fee covers the cost of producing and issuing the specialty plates.

---

[1] No fraternal orders have yet applied for the plates authorized in 2010.

ALASKA STATE LEGISLATURE

Session

State Capitol, Rm. 101
Juneau, AK 99801
(907) 465-2435
Fax: (907) 465-6615

Interim

716 W. 4th Ave, Ste. 540
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Senator_Bill_Wielechowski@legis.state.ak.us

Chair
State Affairs Committee

Co-chair
Joint Armed Services Committee

Vice Chair
Resources Committee
Judiciary Committee

Member
Administrative Regulation Review

SENATOR BILL WIELECHOWSKI

SECTIONAL ANALYSIS
Senate Bill 93

SECTION 1. AS 28.10.181 (bb)

Allows the Department of Administration to develop and implement regulations to issue special request specialty license plates sponsored by Alaska organizations with IRS 501(c) tax exempt status, departments of the state and municipalities.

Directs the Department of Administration to design a standard plate design for all specialty plates.

Specifies the *regulations* must provide that the **entity requesting the license plates**:

- submit an application on a form provided by the department;
- pay a fee that is set by regulation;
- submit registration fees for at least 50 motor vehicles before the plates will be issued;
- may not be offensive in purpose, nature, activity, or name;
- may charge a fee in addition to any registration fees set by statute or regulation.

And that the *regulations*

- specify a minimum number of registrations and renewals of specialty plates;
- provide for cancellation of plates that do not meet the minimum; and
- allow a sponsoring entity at least six months notice before any proposed cancellation.

- establish procedures for vehicle owners to buy special request specialty license plates.

SECTION 2. AS 28.10.421 (d)

Sets the fee for the special request specialty license plates at $30 upon first issuance or replacement of plates and allows a sponsoring entity to charge a fee upon first issuance and renewal of the plates.

SECTION 3. AS 28.10.181 (bb)

Establishes the effective date of January 1, 2012.

SB

95

<TARGET><BILL>SB 95</BILL><SUBJECT>SB
95</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/7/11

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 3/24/11

Transportation Committee considered SENATE BILL NO. 95

SB 95-FRANK PALMER FERRY TERMINAL

"An Act naming the ferry terminal located at Auke Bay in Juneau the Frank Palmer Ferry Terminal."

and recommends:

[ ] be **replaced** with **CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] adopt **previous CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DOT	✓			

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
Linda Menard	Menard	X			
	Egan	Y			
CHAIR: Albert Kookesh	Kookesh	X			

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number
Bill Version: **SB95**
() Publish Date

SB095-DOT-SMO-3-21-11
Title: Frank Palmer Ferry Terminal
Sponsor: Senator Dennis Egan
Requester: S TRA

Dept. Affected: DOT&PF
Appropriation: Statewide Facility M&O
Allocation: SMO
OMB Component Number: 604

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
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**	**0.0**
CAPITAL EXPENDITURES	**1.2**	**1.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1.2	1.2					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**1.2**	**1.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2011) cost 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version

Prepared by: Brenda Hewitt — Phone: 465-4772
Division: Commissioner's Office — Date/Time: 3/21/11 8:00 AM
Approved by: Mark Luiken — Date: 3/21/2011
Commissioner

(Revised 12/29/2010 OMB)

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. SB95

Analysis

Senate Bill 95 renames the Auke Bay Ferry Terminal the Frank Palmer Ferry Terminal.
The $1,200 is for one sign to be hung on the building.

SENATOR DENNIS EGAN

SB 95

Frank Palmer Ferry Terminal

Frank Palmer was an icon who worked for nearly five decades at the Auke Bay Ferry Terminal. Palmer, who died last year at the age of 69, first began pulling trailers off the Alaska Marine Highway System's ferries in 1962, the year service from Prince Rupert started. Since then, Palmer drove trucks and met ferries for Lynden Incorporated, Orme Transfer, Douglas Trucking (of which he was also a co-owner), and Alaska Marine Trucking. No matter which company he was working for, Palmer's reliable presence at the Auke Bay Ferry Terminal was a constant.

He was well known as a man who could skillfully get large vehicles on and off of ferries with ease. Although most of them are completely unaware, the list of Alaskans whose lives were touched indirectly by Palmer as he helped move their goods on and off of ferries is long.

Frank Palmer grew up in Auke Bay and for the entirety of his working life (47 years) he was a staple at the Auke Bay Ferry Terminal. Through his decades of work loading and unloading ferries, he was an integral part of the marine highway system that serves as the road that connects the communities of Southeast Alaska.

It would be a fitting and appropriate tribute to a man so intertwined with the Auke Bay Ferry Terminal to rename it the Frank Palmer Ferry Terminal.

ALASKA SENATE
STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-4947 • FAX (907) 465-2108
SENATOR.DENNIS.EGAN@LEGIS.STATE.AK.US

From: **Mary Abo** <maryabo@gmail.com>
Date: Mon, Mar 21, 2011 at 7:55 PM
Subject: Re: Fw: Frank Palmer (SB 95)
To: Marsha Bennett <marsha9flower@yahoo.com>

To Chester Carson:

I am a member of Frank Palmer's 1958 graduating class from JHS. He lived out in the country, Auk Bay in those days. Although I moved away from Juneau, I kept in touch with news from Juneau and knew Frank hauled freight to and from the ferry terminal. A landmark like the ferry terminal should be symbolized by a person who demonstrated work and personal ethics everyone admired. Please name it the Frank Palmer Ferry Terminal.

Mary (Tanaka) Abo

From: Mary Becker <jmbecker@gci.net>
Date: March 21, 2011 3:48:49 PM AKDT
To: senator_dennis_egan@legis.state.ak.us
Cc: Jim Becker Becker <jmbecker@gci.net>
Subject: Senate Bill 95

Hi Dennis--
Jim and I support SB 95 that would name the Auke Bay ferry terminal after Frank Palmer. Frank was such a steadfast worker regardless of the time of day or the weather, putting vans on and off the ferry. Naming the terminal after him would be a fitting tribute to a great Juneauite.
Thank you,
Mary and Jim Becker

From: Patricia O'Brien [mailto:patriciaobrien@gci.net]
Sent: March 21, 2011 12:25
To: Sen. Dennis Egan
Subject: SB 95 FRANK PALMER FERRY TERMINAL

Dear Senator Egan,

As a long time Juneauite, I was pleased to see the introduction of SB 95 honoring Frank Palmer. As a senior in Juneau I appreciate the recognition of competent, caring, fun loving individuals like Frank.

Juneau would be honored to recognize this colorful jovial man who was loved by the trucking industry, ferry terminal employees, family and friends. I will share just one Frank Palmer story from a friend who does not have a computer. Years ago she took her young grandson every day to the Auke Bay Ferry terminal to watch Frank Palmer load containers onto the ferry. This preschool boy never tired of the grins, waves and skill of Frank Palmer, so grandma had to take him to the dock nearly every day in the summer to watch – over three years. And Frank always noticed him and waved. One day Frank asked if his young admirer would like to ride with him in the truck as he loaded a container. It was to be a wonderful lasting memory for the child who is now a young man. Frank has influenced many of us with his support, skill, generosity, and humor.

Thank you for recognizing Frank and his contributions to this community through SB 95.

Warm wishes,

Pat

Patricia OBrien
(907) 789-9405
PO Box 35451
Juneau, Alaska 99803-5451

From: bonniebryson@comcast.net

I think it is a wonderful idea to name of the Auke Bay ferry terminal after Frank Palmer. I knew Frank over 50 years. I think his only problem would be finding which pair of pants to wear at the dedication, but he wouldd be so proud he would be splitting his pants with pride.

All puns aside, Frank was an all 'round great guy, and very deserving of this honor. I think it is very nice to have the terminal named after a person who had a close association with the ferry terminal before the terminal was built, and just a hard working, good guy.

Jill

From: Marsha Bennett [mailto:marsha9flower@yahoo.com]
Sent: March 21, 2011 11:38
To: Sen. Dennis Egan
Subject: Frank Palmer

I just want you to know that virtually all of the class of 1958 is strongly behind naming the Juneau Ferry terminal after him. He was a great guy and inspired so many truckers among others to do the best job--he was an outstanding mentor. I went to his funeral and was amazed at all the rigs lined up and the testimonials from all his friends. He was a good friend to me and all my closest friends too, who were/are female. I sent your newsletter to several close friends in the Lower 48 and all have been asking where the legislation is now and to add their support.

If you need names I can get them for you.
Marsha Bennett

From: bonniebryson@comcast.net

Dear Mr. Carson,
Thank you for offering your web sight regarding the proposal of the naming Auke Bay of the ferry terminal in honor Frank Palmer. I was a friend of Frank's and his family starting in the 1940's. He was a school chum as well as a dear friend until his untimely death. Frank was a good guy, an upstanding person with a huge heart as well as his own unique personality. I support Dennis effort to name the terminal after Frank. To Dennis: My auntie Flossie Ditman would be proud of you for backing this effort to honor Frank.
Thank you.
Sincerely,
Bonnie Bryson
Tucson, Arizona

From: DeeAnn Grummett [mailto:dhgrummett@gci.net]
Sent: March 12, 2011 12:35
To: Sen. Dennis Egan
Subject: Re: Sen. Egan's Legislative Corner

Wonderful to hear about the Frank Palmer tribute.

Mike and DeeAnn

From: marleneciraulo@gmail.com

Mr. Carson:

First, let me introduce myself. I am Marlene Palmer Ciraulo, sister to my beloved brother, Frank Palmer. My family and I are honored and humbled by the recognition of our dear brother, Frank, and the possibility of the Auke Bay Ferry Terminal being renamed the Frank Palmer Ferry Terminal.

Our family grew up on the shores of Indian Cover (where the terminal is located) and it would be a tremendous show of respect to our brother and our family, for that terminal to be renamed for our brother. Frank gave his heart and soul to the people of Juneau and the trucking business to make sure goods were deliver to and from the ferries. His tireless efforts to meet those "middle of the night" ferries was unprecedented.

The outpouring of love and respect for our brother, Frank, has been overwhelming since his passing a year ago. Should this honor take fruition, Frank's legacy lives on.

Please convey the complete gratitude of the Palmer/Ciraulo families to Senator Egan, for this incredible honor to our brother, Frank.

Marlene Palmer Ciraulo
4615 193rd Pl. SE
Issaquah WA 98027.

From: Larry Edfelt [mailto:larrythefishguy@yahoo.com]
Sent: March 11, 2011 18:52
To: Sen. Dennis Egan
Subject: Frank Palmer memorial

Hi Dennis

I heartily support naming the ferry terminal for Frank Palmer. He truly was a fixture there, loading and unloading vans at all hours, day or night, for decades. He was tireless, and loved his work. I am sure I join hundreds of others in Juneau in supporting the naming of the terminal for Frank. God bless him. He touched us all.

best wishes,
Larry Edfelt

Arrowhead Transfer, Inc.
Arrowhead LP Gas
1517 Sawmill Creek Road
Sitka, AK 99835-9704
(907) 747-8647 phone
(907) 747-6433 fax

February 24, 2011

To Whom It May Concern:

I understand that there is a resolution to consider naming the Juneau Ferry Terminal after Frank Palmer.

Our Company and its people would be thrilled to see Frank honored in this way. It would be wonderful for his family and for all of us who knew and respected him.

I doubt that records have been kept, but it would be reasonable to assume that no one driver has ever moved or ever will move more equipment on to and off of Alaska Marine Highway System vessels than Frank.

Arrowhead Transfer, Inc. would be in strong support of this resolution.

Respectfully submitted,

G. S. Harang

Gordon S. Harang, President
Arrowhead Transfer, Inc.

100 Mount Roberts St.
Juneau, AK 99801-7700
(907) 586-3960 phone
(907) 586-3356 fax

7857 N Tongass Highway
Ketchikan, AK 99901
(907) 225-4313 phone
(907) 247-4313 fax

Post Office Box 788
Petersburg, AK 99833-0788
(907) 772-2288 phone
(907) 772-9318 fax

Post Office Box 349
Wrangell, AK 99929-0349
(907) 874-3314 phone
(907) 874-3315 fax

Post Office Box 707
Craig, AK 99921-0707
(907) 826-3419 phone
(907) 826-3916 fax

Post Office Box 584
Kake, AK 99830-0584
(907) 785-3156 phone
(907) 785-3150 fax

Lynden Incorporated
6400 South Airpark Place, Suite #1
Anchorage, AK 99502
(907) 245-1544
Fax (907) 245-1744

Friends of Frank Palmer:

I understand that there is consideration of naming the Juneau Ferry terminal after Frank Palmer. This is a wonderful tribute to a great man and I strongly endorse the idea.

Frank began pulling Lynden Trailers off the Alaska Ferry's in 1962, when the 1st. vessels began operating from Prince Rupurt. He began driving for Orme Transfer, then as an owner of Douglas trucking (when Orme went out of business) and finally for Alaska Marine Trucking, a Lynden Company. He met ferries in Juneau, at all hours of the day and night, in any type of weather, safely, reliably and professionally for 47 years.

Frank is well known by AMHS personnel for 5 decades, as the guy who was always there, and who could thread a needle with a tractor trailer.

Thank you for your consideration of our long term friend and fellow Lynden professional, Frank Palmer.

Jim Jansen
CEO
Lynden Inc.

ALASKA MARINE TRUCKING

February 24th, 2011

To Whom It May Concern;

I have been in communication with the office of Senator Dennis Egan to provide information and support his efforts to name the Auke Bay Ferry Terminal after a dear friend of mine, Frank Palmer. Those of us that were blessed to work with him feel that this gesture would be a fitting tribute to this man and his family. A man that has meant so much to this community and other communities throughout Southeast Alaska serviced by the Alaska Marine Highway.

It would be impossible to even guess the number of trailers he pulled off and put on the ferries over the course of his 47 plus years in transportation here in Juneau. Think of the lives he touched either directly or indirectly by being the one there at all hours of the day or night moving the mail, moving the freight and moving our lives.

Frank Palmer was a special person who was perfectly matched for the career he chose, and especially loved working the ferries of the Alaska Marine Highway. Thank you for considering this honor for my friend.

Eric W Badger

Eric Badger

Port Manager Alaska Marine Trucking

George W. Davidson PE, LS (retired)
2616 Douglas Hwy. #206
Juneau, Alaska 99801
Home 907-789-7529
Cell 907-321-3565
gdavid8174@aol.com

March 15, 2011

To Whom It May Concern

Re: SB 95 -- "An Act naming the ferry terminal located at Auke Bay in Juneau the Frank Palmer Ferry Terminal."

It is with great personal pleasure that I write in support of this bill and the proposed name change from the Auke Bay Ferry Terminal to the Frank Palmer Ferry Terminal.

I knew Frank since the early 1960s and considered him a good friend. In 1969 my wife and I purchased a home "out beyond the ferry terminal" on Lena Loop Road. Thus my life and the life of my wife and 3 daughters began each day and ended each day with a trip past the Auke Bay Ferry Terminal. Over the years since, my family and I have used the ferry system far more than the average Southeast citizen. We traveled regularly on the ferries using them for access to places like Anchorage, Mat-Su, Tok, Haines & Skagway. Our trips north number in the hundreds. The trips were for pleasure but also for business and education. All this travel required that I spend many hours at the ferry terminal waiting to be loaded or waiting to pick up family or friends arriving.

During all this time at the terminal there was one thing that was a constant and that was Frank Palmer. Be it 3 in the morning or 3 in the afternoon -- be it raining, snowing, blowing or (occasionally) sunny -- Frank was always there. He was always pleasant and never too busy to say hello with a hand shake or a good natured headlock. It seems that not only when we were traveling on the ferry but also when just driving by -- there was Frank pulling in with a load or pulling out with one.

When traveling one would see different AMHS employees at the terminal depending on their shift but Frank was always there. Watching him was always interesting as he had the skills to load those trailers quickly into the tightest places. I learned the difficulty of his task and appreciated his skills by having had to personally load horse trailers on and off the ferries -- sometimes by backing up or backing down a steep ramp -- doing so gave me a great appreciation for Frank's skills.

It seemed impossible to think about the Auke Bay Ferry Terminal without thinking about Frank Palmer. He was a good person with great skills and a pleasant manner that set standards for all of us to strive for in life. Your support for this name change will be appreciated.

Sincerely,

George W. Davidson PE, LS
Juneau, Alaska

March 18, 2011

Senator Dennis Egan
State Capitol, Room 510
Juneau, AK 99801-1182

Re: SB 95 - Frank Palmer Ferry Terminal

Dear Senator Egan,

I am writing to express my appreciation for your introduction of this bill. Frank Palmer was my brother, his two passions in his life were his family and driving trucks. Other than his yearly hunting trip, Frank rarely left Juneau, in part because of his dedication to his job. In the times that I was able to ride with him as he worked, I saw the flawless talent he had for loading and unloading the ferries. His love and commitment to his job was seen everyday by those around him.

The ferry captains and dock workers could never say enough about the job he did for them. Once the ferry was loaded if needed, he would move the containers around to ensure that the ferry was balanced if they needed him to. He would remain until the ferry was not only loaded, but ready to leave, ensuring that he could make any last minute changes that they asked of him. He was never too busy to help the dock workers move the equipment and other heavy containers when the weather wouldn't let them do it with their machines. If passengers or other truck drivers had problems loading or unloading he was always there to help them on their way.

Frank's love and dedication to not only his job, but to the community of Juneau goes without saying. Ask most anyone, and they could tell you about Frank Palmer waving as he moved his big AML truck down the road, and if you need help, didn't matter what, just ask and he was there to help.

The renaming of the ferry terminal in his name would be a great honor, and in many ways fitting, since Frank grew up across from it. He loved the water and working the ferries was his life. Thank you again for sponsoring this bill.

Sincerely,

Bosco Palmer

Earl 'Bosco' Palmer
22 SE Ashley Rd
Shelton, WA 98584

Senator Dennis Egan
State Capitol Room 510
Juneau, Alaska 99801

March 21, 2011

Dear Senator Egan,

I want to thank you for sponsoring SB 95 Frank Palmer Ferry Terminal. Frank Palmer was a tireless advocate of the AMH System, defending it against any and all criticism.

During his 35 years as an owner of Douglas Trucking, Frank Palmer met 99% of the AMH Ferries that stopped in Juneau, pulling on and off vans of freight and mail at all times of the day and night. He would voluntarily help AMH personnel in every way possible to keep the ships on schedule.

Frank would often pull stalled vehicles off or on the ships, or snow bound vehicles out of the stuck positions with his own company tractor, never asking for anything in return, even when the extra stress on his vehicle caused mechanical problems.

I cannot think of anyone better to be honored by having his name attached the Auke Bay Ferry Terminal.

Respectfully,

Gerald Kuelbs

Gerald Kuelbs

Chester Carson

From: medjed@ptialaska.net
Sent: Monday, March 21, 2011 11:57 AM
To: Chester Carson
Cc: agsstaku@gmail.com
Subject: Frank Palmer, Naming

Andrew W. & Janet L. Pekovich
P.O. Box 210287
Auke Bay, Alaska 99821
Phone: (907) 789-7581
E-mail: medjed@ptialaska.net

March 21, 2011

Chairman, Senate Transportation Committee
C/o Senator Dennis Egan
State Capitol, Room 510
Juneau, Alaska 99801-1182

RE: Proposed Naming of
Juneau's Auke Bay Ferry Terminal

Dear Chairman & Committee Members:

It is my understanding that Senator Egan has sponsored a bill to name the State's Auke Bay Terminal after Frank Palmer. As a 70 year resident of Juneau I would like convey our **whole-hearted support for this action**.

Frank was a high-school classmate, teammate and friend. Although as life typically has it we took different paths after graduation, it was clear from the response to his death that he was admired by so many. This included not only his classmates, peers (including those her competed with), the many young drivers he mentored, visitors using the marine transportation system he came to the aid of, and just as important those operating the marine transportation system which held him in such high regard. Frank, like his father before him, and who in the 50's was our little league and American Legion coach, had a positive affect on so many. The proposed naming of terminal for Frank seems even more appropriate in light of the fact that in the 50's the Palmers resided just across the street from what is now the ferry terminal.

Please accept my apology for having had to direct this though Senator Eagen's Office.

Sincerely,

Andrew Pekovich

Chester Carson

From: Jim Weber [reischl1950@hotmail.com]
Sent: Wednesday, March 16, 2011 10:51 AM
To: Chester Carson
Subject: Frank Palmer Ferry Terminal

Dear Senator Egan:

I am writing to you to show my overwhelming support toward renaming the Auke Bay ferry terminal in Juneau in honor of my good friend and business associate Frank Palmer.

I knew Frank Palmer for over 20 years and know him to be a highly valuable member of the community and a gold plated asset to the trucking industry in Southeastern Alaska. I worked for Lynden Transport in various locations throughout Alaska over roughly 17 years. 6 of those years were spent domiciled in Juneau in charge of Lynden's daily activities throughout all of Southeastern.

Frank Palmer at that time was an owner of Douglas Transfer in Juneau and had been for many years. Frank came through the ranks along with Pat Orme through Orme Transfer. Douglas Trucking was Lynden's Juneau agent. The most famous and well liked of all the Douglas hands was certainly Frankie. No one could match the expert driving ability that Frank had going on and off any ferry under the most adverse weather and technical conditions.

Often times Frank would be called out ship side to untangle the messiest car deck transportation problems one has ever encountered. All AMHS masters, Tow Boat masters, First Mates and deck hands knew Frank Palmer because of his friendly spirit, attitude and driving ability. Frank was a man with a wonderful imagination and humorous, always ready to get the job done no matter under what conditions or time of the day. Palmer had a heart of gold.

I strongly support Senator Egan effort in proposing renaming the Auke Bay Ferry terminal to show Frank Palmer Ferry Terminal. It is an honor truly befitting a gentleman of Juneau and the transportation industry.

Sincerely,
/s/ Jim Weber
former 15 year resident of Juneau
2755 W. Riverdell drive
Wasilla, Alaska 99654

JuneauEmpire.com

Frank Palmer

Sunday, March 07, 2010

Story last updated at 3/7/2010 - 2:52 am

Frank Palmer
Juneau Empire

Juneau resident Frank Edward Palmer died Feb. 28, 2010, when he drowned while swimming in the ocean during a family vacation in Kauai, Hawaii. His beloved wife, Patti, adored son Billie, cherished grandson Bill, and dear friends, Bud and Joy Hansen, were with him. He was 69.

He was born March 3, 1940, in Tacoma, Wash., to Clayburn F. "Bill" and Nona Palmer and grew up along the shores of Auke Bay. He attended elementary and high schools in Juneau, playing organized baseball and basketball throughout his youth, and he was a member of the Juneau Crimson Bear 1958 State Championship basketball team.

In his youth, he enjoyed fishing and hunting and relished learning those skills from his father. Except for attending college in North Dakota and a short stint in the Air Force, he spent most of his life in Alaska, which he loved. His passion for the outdoors enhanced his excitement for his annual hunting trip to Swan Island with his buddies and fishing with family and friends.

His work passion was the trucking industry, and he was widely known for his expert ability to spot and remove large vans from the Alaska ferries. All his working life, he worked with or for trucking companies. He worked for Orme Transfer, was part owner in Douglas Trucking for many years, and later worked for Lynden Transport and Alaska Marine Lines. The familiar sight of Frank traveling up and down Egan Highway in his truck, will be sorely missed.

"Frank was a beloved husband, father, grandfather, brother and friend," his family wrote. "His love for his family and friends is cherished by all who knew him, and his great spirit and zest for life will live on forever."

He was preceded in death by his parents.

He is survived by his wife, Patti Palmer; son, Bill Palmer; step-daughters, Kate and Leslie Becker, and Karen Ford Powell; step-sons, Randy and Rick Ford; grandson, Bill Palmer; granddaughters, Katie, Linda and Lisa Palmer, of Juneau, and Greta Olson, Margot and Hazel Liebrecht, of Portland, Ore.; sister, Marlene Palmer Ciraulo and husband, Joe, of Issaquah, Wash.; brother, Earl "Bosco" Palmer and wife, Sheila, of Shelton, Wash.; uncle, Earl L. Palmer and aunt, Geraldine Palmer, of Tacoma; and many nieces and nephews, as well as an endless group of friends.

A memorial service is planned for 2 p.m. March 20 at the Chapel by the Lake, followed by a celebration of Frank's life at the Sandbar. In lieu of flowers, the family is setting up a trust fund for the grandkids in his memory. The family can be contacted c/o Patti Palmer, P. O. Box 240204, Douglas, AK 99824-0204.

SB 108

<TARGET><BILL>SB 108</BILL><SUBJECT>SB 108</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE TRANSPORTATION COMMITTEE

State Capitol, Room 11
Juneau AK, 99801-1182
907-465-6828

TO: Senate Transportation Committee

FROM: Senator Albert Kookesh, Chair
Senate Transportation Committee

DATE: March 24, 2011

RE: Senate Transportation Schedule for the week of March 28, 2011 – April 1, 2011

Tuesday, March 29, 2011: 1pm to 3pm, Butrovich Room 205
(*teleconferenced*)

SB 108: An Act naming the Dowling Road overpass at milepost 123.7 on the New Seward Highway the Spc. Stephen "Max" Cavanaugh, Jr., Memorial Overpass." By Senator McGuire

Bills previously heard or scheduled

Thursday, March 31, 2011

Bills previously heard or scheduled.

Please contact Nancy Barnes at 465-6828 if you have any questions.

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/21/11

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 3/29/11

Transportation Committee considered SENATE BILL NO. 108

SB 108-SPC. STEPHEN "MAX" CAVANAUGH OVERPASS

"An Act naming the Dowling Road overpass at milepost 123.7 on the New Seward Highway the Spc. Stephen "Max" Cavanaugh, Jr., Memorial Overpass."

and recommends:

[ ] be **replaced** with **CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] adopt **previous CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DOT	✓			

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	HUGGINS	✓			
Linda Menard	Menard	X			
	EGAN	X			
	Egan				
CHAIR: Albert Kookesh	KOOKESH	X			

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number
Bill Version: **SB108**
() Publish Date

SB108-DOT-CRDC-3-25-11
Title: Stephen "Max" Cavanaugh Jr Memorial Overpass
Sponsor: Senator Lesil McGuire
Requester: S TRA

Dept. Affected: DOT&PF
Appropriation: Highways and Aviation
Allocation: Central Region Highways & Aviation
OMB Component Number: 564

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING							
CAPITAL EXPENDITURES	**10.0**	**10.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	10.0	10.0					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**10.0**	**10.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2011) cost 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version

Prepared by: Brenda Hewitt — Phone: 465-4772
Division: Commissioner's Office — Date/Time: 3/25/11 8:00 AM
Approved by: Mark Luiken — Date: 3/25/2011
Commissioner

(Revised 12/29/2010 OMB)

FISCAL NOTE

STATE OF ALASKA **BILL NO.** SB 108
2011 LEGISLATIVE SESSION

Analysis

SB 108 would designate a portion of Dowling Road overpass at milepost 123.7 on the New Seward Highway the Spc. Stephen "Max" Cavanaugh, Jr., Memorial Overpass.

4 small 42" x 36" notices for each entrance internally $10,000 is recommended by the department.

4 small signs @ $2,500/ea	$10,000
Total	$10,000

Alaska State Legislature

Session:
State Capitol
Suite 125
Juneau, AK 99801
Phone: (907) 465-2995
Fax: (907) 465-6592

Interim:
716 W 4th Avenue, Suite 300
Anchorage, AK 99501-2133
Phone: (907) 269-0250
Fax: (907) 269-0249

Senator Lesil McGuire

SPONSOR STATEMENT for Senate Bill 108

"An Act naming the Dowling Road overpass at milepost 123.7 on the New Seward Highway the Spc. Stephen "Max" Cavanaugh, Jr., Memorial Overpass."

This bill was created to commemorate the Dowling Overpass in Spc. Stephen 'Max' Cavanaugh Jr.'s memory as a tribute to this hero who continues to save lives.

S t e p h e n 'Max' Cavanaugh Jr. had recently returned from Iraq after surviving 300convoys where he manned a .50 caliber machine gun. He was driving down New Seward highway, near the Dowling Overpass, when he hit a cow moose, two weeks before his discharge, which resulted in the loss of his life. Max was an organ donor and it was mentioned in his obituary that he continues to save lives even after the loss of his. This loss was the 6th human life lost to moose collisions with cars during2007 and, though no human life is more important than any other, this loss really hit home.

A project was put together to help increase safety in the very corridor where this particular tragedy occurred. This effort was greatly assisted by the Department of Transportation, Highway Safety Office, SAGA (AmeriCorps youth program), the Department of Public Safety and the Department of Fish & Game. The project area was the West side of New Seward Highway between Dimond and O'Malley. The work area was between the bike trail and the highway right-of-way. This effort was performed for 4 days in October, 2008 where we cut, hauled and chipped 11 dumpsters worth of willow, cottonwood, birch and aspen trees.

The effort now is to commemorate the Dowling Overpass in Spc. Stephen 'Max' Cavanaugh Jr.'s memory as a tribute to this hero who continues to save lives.

SENATE BILL NO. 108

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY SENATOR MCGUIRE

Introduced: 3/21/11
Referred:

A BILL

FOR AN ACT ENTITLED

"An Act naming the Dowling Road overpass at milepost 123.7 on the New Seward Highway the Spc. Stephen "Max" Cavanaugh, Jr., Memorial Overpass."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 35.40 is amended by adding a new section to read:

Sec. 35.40.235. Spc. Stephen "Max" Cavanaugh, Jr., Memorial Overpass. The Dowling Road overpass at milepost 123.7 on the New Seward Highway is named the Spc. Stephen "Max" Cavanaugh, Jr., Memorial Overpass.

After 300 Iraq missions, soldier killed by moose

SEWARD HIGHWAY: His family takes the Fort Rich-based 24-year-old off life support.

By JAMES HALPIN
jhalpin@adn.com

Published: December 7, 2007
Last Modified: December 9, 2007 at 07:22 AM

Spc. Stephen Cavanaugh survived Iraq, but at a cost. For a full year, bullets whizzed past his head and bombs exploded around him.

Stephen Cavanaugh's car hit a moose Dec. 2, 2007. He was on life support at Providence until Dec. 6, 2007 when he was removed from the support.

When he returned to Fort Richardson in March, he had brain trauma from the many explosions and was diagnosed with post-traumatic stress disorder, said his father, also named Stephen Cavanaugh.

Cavanaugh, who deployed to Iraq with the 98th Maintenance Company, was still trying to heal when his car hit a moose on the Seward Highway in South Anchorage last weekend. He slipped into a coma. His family took him off life support Thursday.

Cavanaugh spent the day Sunday with his girlfriend, Ronny Cupples, at her home near the Bradley House restaurant, lazing around and watching movies.

At about 9:30 p.m., he left to go back to the post. He gave Cupples a goodbye kiss, walked out the door, then came back. He'd forgotten to give her a love letter.

"He promised he'd be back," Cupples said.

Within 15 minutes, Cavanaugh, 24, was on his way to the hospital.

That stretch of the Seward Highway between Tudor and Dowling roads isn't well-lit, and seeing something alongside the roadway can be difficult, Anchorage police Lt. Nancy Reeder said. There's no indication Cavanaugh did anything wrong, she said. He was just in the wrong place at the wrong time.

"There was a moose -- a mom and a calf -- that ran out in front of him," Reeder said. "It's one of those things that happens in Alaska. A moose runs out in the dark and there's nothing you can do."

The impact flung the moose on top of Cavanaugh's Camaro convertible, crushing him, she said. The moose died in the crash and its calf ran off.

He was rushed to Providence Alaska Medical Center in critical condition. His brain was swelling, and he went into a coma.

Cavanaugh's family got the call saying he was in critical condition at about 4 a.m. Eastern Standard Time on Monday. They caught a flight up from Atlanta later that day.

A military escort awaited them at the airport, and they went to the hospital, where early in the week it appeared there was some hope their son might recover. But as time passed, Cavanaugh's condition wasn't improving, his father said Thursday afternoon. Cavanaugh -- Max to family members -- never woke up and doctors told them he never would, his father said.

Cavanaugh's family talked to members of Life Alaska, an organ-donor organization. His family decided taking him off life support and donating his organs would be the right thing to do, and what Cavanaugh would have wanted, his father said.

His family made the decision to unplug Cavanaugh's ventilator Wednesday. About 2 p.m. Thursday, they did, his father said.

"It's a difficult decision, but in Max's case, it was the only decision," his father said. "We wanted to make sure we gave Max every reasonable opportunity, but they said there was no reasonable chance for improvement."

He died at 2:17 p.m.

"Seeing him laying in that hospital bed gave the illusion that he was still here," said Cupples, 32. "It was traumatic, but he's helping so many people right now just by sharing his organs."

Cavanaugh joined the Army in June 2004, said Army spokesman Lt. Col. Jonathan Allen. He deployed to Iraq with the 98th in March 2006.

Cavanaugh was stationed outside of Baghdad, where he manned a .50-caliber machine gun on a convoy escort, his father said. There hadn't been a single, major

blast that injured him, his father said, but after more than 300 missions, the relentless impact of roadside bombs exploding nearby began to take its toll.

By the time his unit returned from Iraq, Cavanaugh had developed some memory problems, along with post traumatic stress disorder, his father said. On Oct. 16, Allen said, he was assigned to A Company of the Warriors Transition Unit while he awaited discharge.

Even before his injury, Cavanaugh planned to get out when his contract was up, but he still loved the Army, his father said, and his decision to join was an important one.

"That's about the proudest we've ever been of him," the elder Stephen Cavanaugh said.

Fellow soldiers showed up at the hospital in force throughout the week, he said.

"Oh my gosh. It was constant," his father said. "They were staging people in the waiting room. He was just a guy you wanted to be around."

His family is planning a funeral Mass at home in Atlanta for Dec. 15, and they are flying back today to get the arrangements made, his father said. A memorial ceremony is also being planned on post.

Cupples has Cavanaugh's letters to remember him by. Even after spending the entire day together, he would go back to his barracks room and write her a love note, like the one she got moments before the accident, she said.

"So I kind of got his last words in a way too," she said.

The last line of his last letter: "I want to be your one."

==========

P.O. Box 110741, Anchorage, Alaska 99511 (907) 317-2300

MISSION STATEMENT: Believing in the value of healthy moose populations for all Alaskans, The Alaska Moose Federation will be the leader in the effort to both initiate and maintain the quantity and quality of Alaska's moose population.

March 8, 2011

Honorable Congressman Don Young
United States Congress
2314 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Young,

The Alaska Moose Federation (AMF) is asking for your assistance with a request to honor Spc. Stephen 'Max' Cavanaugh Jr. by renaming the Dowling Overpass on the New Seward Highway in his memory. Spc. Cavanaugh. returned from Iraq in 2007 after surviving 300 convoys where he manned a .50 caliber turret gun. Two weeks before receiving his discharge papers, he was driving down New Seward highway near Dowling when he hit a cow moose which resulted in the loss of his life.

This loss was the 6th human tragedy during 2007 and, though no human life is more important than any other, this loss really hit home. The AMF has been working with the soldier's parents, Stephen Sr. & Susan Cavanaugh of Atlanta, Georgia, the Parnell Administration and key members of the Alaska Legislature on this effort. It has become very apparent that we need your help, given the status of this highway as being a corridor under Federal Highway Administration's oversight.

Attached is a detailed description of the tragedy as well as an effort that involved the soldier's parents, Governor Parnell and others who worked to remove moose browse in 2008 from the New Seward corridor in an effort to reduce future moose collisions.

Thank you for your time and please consider championing this request because, not only is this important for all service men and women, including those who have served in Iraq and Afghanistan, but also for the Alaskans who have either lost their lives or have lost their loved ones to moose collisions.

If you have questions, please contact myself at (907) 529-5567 or Gary Olson, Executive Director of the AMF at (907) 317-2300.

Sincerely,

Bob Henrichs, Chairman

Cc: Senator Lisa Murkowski
Senator Mark Begich
Governor Sean Parnell
Lt. Governor Mead Treadwell
Senator Lesil Mcguire
Senator Charlie Huggins

Spc. Stephen 'Max' Cavanaugh Jr. Memorial

The Anchorage section of the New Seward Highway is a known moose collision corridor in the heart of Anchorage. This corridor has a problem of moose browse located within the fenced corridor which allow moose to winter in the area. If you had forgotten, this area was the scene of an unacceptable tragedy in December of 2007.

THIS HERO CONTINUES TO SAVE LIVES!

Stephen 'Max' Cavanaugh Jr. had recently returned from Iraq after surviving 300 convoys where he manned a .50 caliber machine gun. He was driving down New Seward highway, near the Dowling Overpass, when he hit a cow moose, two weeks before his discharge, which resulted in the loss of his life. Max was an organ donor and it was mentioned in his obituary that he continues to save lives even after the loss of his. This loss was the 6th human life lost to moose collisions with cars during 2007 and, though no human life is more important than any other, this loss really hit home.

A project was put together to help increase safety in the very corridor where this particular tragedy occurred. This effort was greatly assisted by the Department of Transportation, Highway Safety Office, SAGA (AmeriCorps youth program), the Department of Public Safety and the Department of Fish & Game.

The project area was the West side of New Seward Highway between Dimond and O'Malley. The work area was between the bike trail and the highway right-of-way. This effort was performed for 4 days in October, 2008 where we cut, hauled and chipped 11 dumpsters worth of willow, cottonwood, birch and aspen trees.

Many volunteers helped with the brush cutting effort including the following workers: Governor Sean Parnell; Cliff Judkins, Chairman of the Board of Game; Colonel Holloway of the State Troopers and also the parents of the fallen soldier Steve Sr. and Susan Cavanaugh who traveled up from Atlanta to help with this effort. We also had solid help from private partners in this effort which included Alaska Waste for disposal cans, Absolute Environmental Services for the donated Ford truck and the donated dump trailer and also the Department of Transportation for the use of the Morbark tree chipper.

The effort now is to commemorate the Dowling Overpass in Spc. Stephen 'Max' Cavanaugh Jr.'s memory as a tribute to this hero who continues to save lives.

Moose browse removed from New Seward Hwy

Governor Parnell, Mr. & Mrs. Cavanaugh

Iraq/Afghanistan War Heroes

Stephen Max Cavanaugh

Anchorage, Alaska

December 6, 2007

Age	Military	Rank	Unit/Location
24	Army	Spc	98th Maintenance Company Fort Richardson,

Vehicle Accident. Stateside. Served in Iraq.

From the Seattle Post-Intelligencer Seattlepi.com 12/07/07:

SEATTLE POST-INTELLIGENCER
http://seattlepi.nwsource.com/local/6600ap_wst_moose_kills_soldier.html

Last updated December 7, 2007 10:34 a.m. PT

After 300 Iraq missions, Fort Richardson soldier killed by moose

THE ASSOCIATED PRESS

ANCHORAGE, Alaska -- Spc. Stephen Cavanaugh survived more than 300 missions in Iraq, but was killed when his car hit a moose months after his return to Alaska.

The 24-year-old Fort Richardson soldier was in a coma when he was taken off life support Thursday.

When he returned to Fort Richardson in March, Cavanaugh had brain trauma from the many explosions around him in Iraq and was diagnosed with post-traumatic stress disorder, according to the soldier's father, also named Stephen Cavanaugh.

The younger Cavanaugh, who deployed to Iraq with the 98th Maintenance Company, was still trying to heal when his car struck the moose Sunday night on the Seward Highway in South Anchorage.

That stretch of the highway isn't well-lit, and seeing something alongside the roadway can be difficult, said police Lt. Nancy Reeder.

"There was a moose - a mom and a calf - that ran out in front of him," Reeder said. "It's one of those things that happens in Alaska. A moose runs out in the dark and there's nothing you can do."

Reeder said the impact flung the moose on top of Cavanaugh's Camaro convertible, crushing him. The moose died and its calf ran off.

Cavanaugh was rushed to a local hospital in critical condition.

The soldier's family was notified and caught a flight from Atlanta.

As time passed, Cavanaugh's condition wasn't improving, his father said. Cavanaugh - known as Max to family members - never woke up and doctors said he never would, according to his father.

Cavanaugh's family decided that taking him off life support and donating his organs would be the right thing to do, and what he would have wanted, his father said. Cavanaugh died at 2:17 p.m. Thursday.

He joined the Army in June 2004 and deployed to Iraq in March 2006, Army officials said. Cavanaugh was stationed outside of Baghdad, where he staffed a .50-caliber machine gun on a convoy escort, his father said.

His family is planning a funeral Mass in Atlanta for Dec. 15. A memorial ceremony also is being arranged on post.

Information from: Anchorage Daily News, http://www.adn.com

Click To Return To Main Page

Don't Let The Memory Of Them Drift Away

Copyright 2003-2011 Q Madp PO Box 86888 Portland OR 97286-0888 q@iraqwarheroes.com

Alaska e-Post online

PAO staff report

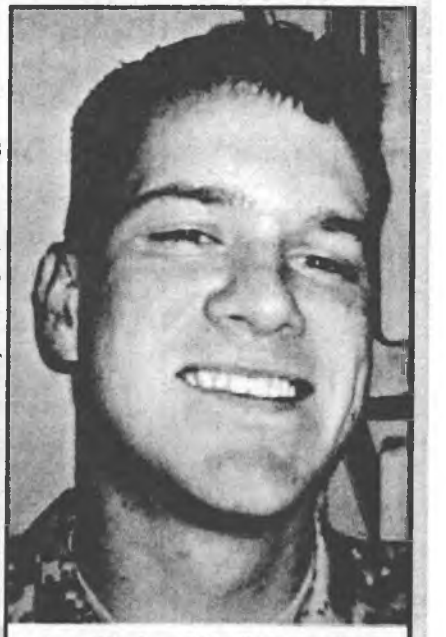
A Soldier from Fort Richardson's Warrior Transition Unit died Dec. 6 from injuries sustained in a car accident Dec. 2.

Spc. Stephen "Max" Cavanaugh was driving north on the Seward Highway in Anchorage when he hit a moose with his vehicle. Cavanaugh suffered severe head injuries in the accident as was on life support.

According to his family, four days after the accident, he was showing no signs of improvement and they decided to remove him from life support and donate his organs.

Cavanaugh, 24, of Lawrenceville, Ga., was a mechanic who joined the Army in June 2004 and was assigned to Fort Richardson in May 2005.

He completed a one-year deployment to Iraq with 98th Maintenance Company in March 2007.



Spc. Stephen "Max" Cavanaugh

Governor Sean Parnell
P.O. Box 110001
Juneau, Alaska 99811-0001

March 30, 2010

Dear Governor Parnell,

I hope that you are doing well, and by now settled in as Governor of Alaska.

You may recall that our son, SPC Stephen (Max) Cavanaugh, assigned to the Warrior Transition Unit at Fort Richardson, was killed in a collision with a moose in December, 2007.

You and I met in 2008 when we worked together to clear brush along the New Seward Corridor near where Max was killed. Thanks for being there with us. It meant a lot to Susan and me to know that you would take the time to show your support.

I received a note from Gary Olson at Alaska Moose Federation that he had been called to assist at a moose collision at the very spot where Max lost his life in December, 2007. It seems that, despite our efforts, the moose problem remains in the New Seward Corridor.

Governor Parnell, losing a son or daughter is more painful than anyone can imagine. It was especially tragic that Max was killed while waiting his military discharge after surviving 300 missions as a turret gunner in Iraq. Even after two years, there isn't a day when we don't wonder what might have been, had he come home.

This letter is to thank you for supporting programs like those conducted by AMF and to ask for your continued support. AMF has planned a number of programs, including one to perform the complete removal of all moose browse along New Seward.

Please do what you can to support moose mitigation through whatever means are possible. No one in Alaska should lose a family member if it can be avoided through such efforts.

As always, let me know if there is anything I can do to help. My contact info is below.

Sincerely,

Steve Cavanaugh
4820 Edinburgh Drive
Smyrna, GA 30082

Cell: 404-307-1987

SB 125

<TARGET><BILL>SB 125</BILL><SUBJECT>SB 125</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE TRANSPORTATION COMMITTEE

State C
Juneau
907-46

TO: Senate Transportation Committee

FROM: Senator Albert Kookesh, Chair
Senate Transportation Committee

DATE: January 26, 2012

RE: Senate Transportation Schedule for the week of January 30-February 3, 2012

Tuesday, January 31: 1pm to 3pm, Butrovich Room 205

There are no bills being heard.

Thursday, February 2: 1pm to 3pm, Butrovich Room 205

To be teleconferenced

SB 125: An Act relating to certain vehicles, including trailers; and relating to motor vehicle dealer advertising, motor vehicle dealer sales of used motor vehicles, motor vehicle service contracts, and motor vehicle sales financing. By Senator Kevin Meyer. Referred: Transportation, Labor and Commerce.

Bills previously heard or scheduled

Please contact Nancy Barnes in Senator Kookesh's Office at 465-6828 if you hav any questions.

Feb. 2, 2012
1:05 p.m.

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 4/12/11

FURTHER: Labor and Commerce

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 2/2/12

Transportation Committee considered SENATE BILL NO. 125

SB 125 MOTOR VEHICLE TRANSACTIONS

"An Act relating to certain vehicles, including trailers; and relating to motor vehicle dealer advertising, motor vehicle dealer sales of used motor vehicles, motor vehicle sales contracts, motor vehicle service contracts, and motor vehicle sales financing."

and recommends:

[ ] be **replaced** with **CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] adopt **previous CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
LAW			X	1

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
Brenda Menard	Menard	✓			
	Thomas	✓			
	EBAN				
CHAIR: Albert Kookesh	Kookesh	X			

Alaska State Legislature

Interim:
716 West 4th Ave.
Anchorage, Alaska 99501
(907) 269-0199

Session:
State Capitol Building
Juneau, Alaska 99801-1182
(907) 465-4945

Senator Kevin Meyer

Senate District O

SPONSOR STATEMENT FOR SB 125

"An Act relating to certain vehicles, including trailers; and relating to motor vehicle dealer advertising, motor vehicle dealer sales of used motor vehicles, motor vehicle sales contracts, motor vehicle service contracts, and motor vehicle sales financing."

SB 125 will assist consumers in understanding auto comparison pricing and assist dealers in following state law.

If enacted, SB 125 would update AS 45.25.400- AS 45.25.990 (commonly referred to as the "Alaska Auto Dealers Practices Act" by clarifying several provisions concerning the advertising of new and used automobiles.

For new cars, the bill will allow dealers to inform consumers that the dealers' asking price is less than the manufacturer's suggested retail price, and that the dealers' price reflects a savings or discount to the consumer. It also will allow dealers to advertise price reductions on used cars, provided the comparison price is taken from a national valuation pricing publication such as Kelly Blue Book or N.A.D.A. Official Used Car Guide and the "blue book" is available to customers when requested. Dealers will be able to inform consumers when a car is being offered at a discounted price and will allow consumers to better understand the true market value of the car they may be interested in buying.

In all advertising, the dealers' advertised price must include all fees to be charged by the dealer other than fees charged by government agencies such as licensing fees and taxes.

Finally, this bill clarifies the responsibilities of the dealer and the customer with regards to vehicle title, financing and contracts.

Sectional Analysis SB 125/HB 235

Section 1. Clarifies the "MSRP" shown on the federal Monroney sticker is the manufacturer's suggested retail price, and not the dealer's advertised price. Also clarifies what items are included by the manufacturer in arriving at MSRP as shown on the Monroney sticker, and allows dealers to advertise a savings or discount from the MSRP.

Section 2. Requires that the dealer's advertised price must include all dealer fees and costs except fees paid to a governmental agency such as taxes and licensing fees.

Section 3. Removes disclosure requirement regarding use of MSRP in advertising, and removes subsection dealing with price advertising that is covered in Section 1 to amendment to AS 45.25.400(b).

Section 4. Requires dealers use nationally recognized valuation publications (such as Kelly Blue Book or N.A.D.A. Official Used Car Guide) as the retail value when advertising comparative pricing for used cars. Requires that this pricing information be provided to consumers upon request.

Section 5. Removes section now covered in Section 2 amendment to 45.25.440; allows dealer to make vehicle identification information available in the advertisement or at the dealership – this resolves the problem of impossible to read small print on television advertising; and renumbers sections of 45.25.460(a). (This renumbering requires the amendment in Section 8)

Section 6. Changes the word "verified" to "signed" so the information provided by an individual to a dealer need not be notarized.

Section 7. Allows a dealer to have a vehicle on the sales lot and show it to customers prior to having all required paper work, but prohibits sale of the vehicle until the dealer has all required paperwork in its possession.

Section 8. Renumbering amendment so reference in 45.25.520 is consistent with renumbering in Section 5.

Section 9. Clarifies that the sales contract will be void if the dealer or the financing institution changes terms of a separate agreement relative to financing.

Section 10. Provides for responsibility of a buyer to return a vehicle if financing is not approved and the responsibility of dealer to return a trade-in delivered to the dealer.

Section 11. Establishes responsibility of a buyer to return a vehicle if the financing is denied as a result of intentional misrepresentation in the credit application, including mileage fee if over 100 miles are put on the vehicle and responsibility for damage to the

vehicle, parking tickets, towing fees, storage fees, impound fees, and other similar charges incurred by the buyer while the vehicle was in possession of buyer.

Section 12. Removes unnecessary and impractical obligation imposed on dealers relating to service contracts.

Section 13. Provides that changes affect contracts entered into on or after the effective date of the act and provides definitions for terms used in several sections.
For Section 7 - Motor vehicle is defined in 45.25.590(3) "motor vehicle," notwithstanding the definition of "motor vehicle" in AS 45.25.990, means a vehicle, including a trailer, that is required to be registered under AS 28.10, but does not include a motorcycle.
For Section12, Service contract is defined in 45.25.990 (18) "service contract" means an optional agreement that is separate from a contract for the sale of a motor vehicle and that covers certain repair or maintenance functions beyond coverage provided by a warranty.
For Section Sections 9, 10, 11, and 12, Motor vehicle is defined in 45.25.990 (12) "motor vehicle" means a motor vehicle that is required to be registered under AS 28.10, but does not include a motor home, a recreational vehicle, or a motorcycle; in this paragraph,

(A) "all-terrain vehicle" has the meaning given in AS 45.27.390;

(B) "recreational vehicle" includes an all-terrain vehicle and a snow machine;

(C) "snow machine" has the meaning given in AS 45.27.390.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version: **SB 125**
Fiscal Note Number:
() Publish Date:

Identifier (file name): SB125-LAW-CIV-01-27-12
Title: An Act relating to certain motor vehicle transactions.
Sponsor: Senator Meyer
Requester: (S) Transportation

Dept. Affected: Law
Appropriation: Civil
Allocation: Commercial and Fair Business
OMB Component Number: 2717

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY13**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs _____ *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version.

Prepared by: Eileen Donahue, Division Operations Manager — Phone: 465-5427
Division: Administrative Services — Date/Time: 1/27/12 5:00PM
Approved by: Richard Svobodny, Acting Attorney General — Date: 1/27/2012
Department of Law

(Revised 1/17/2012 OMB)

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. SB 125

Analysis

This bill amends Alaska's Auto Dealer Act to clarify certain provisions dealing with advertising of motor vehicles and when dealer fees are allowed. The Bill clarifies what the manufacturer's suggested retail price must include, and amends provisions that define an advertised price. A new section is added that will allow dealers the ability to run price comparison ads for used vehicles, and offer "free" merchandise with the purchase of a vehicle. The bill also addresses some other technical changes that will streamline some motor vehicle transactions. There should be no fiscal impact to the Department from this bill.

STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

Confidential & Deliberative Process

DEPARTMENT	DIVISION	BILL NUMBER	SPONSOR
Administration	Motor Vehicles	SB 125	Senator Meyer

SHORT TITLE OF BILL
Motor Vehicle Transactions

RECOMMENDED POSITION
Neutral

PREPARED BY	DATE	COMMISSIONER'S SIGNATURE	DATE
Whitney Brewster	01/27/12	Commissioner Becky Hultberg	1/27/12

SUMMARY

OTHER AGENCIES AFFECTED BY BILL	CONSTITUENT GROUP(S) AFFECTED BY BILL
Department of Commerce, Community and Economic Development, Department of Law, Consumer Protection	Unknown
ORGANIZATIONAL SUPPORT FOR BILL	**ORGANIZATIONAL OPPOSITION TO BILL**
Unknown	Unknown

FISCAL IMPACT: ☐ NONE ☒ FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

This legislation deals with motor vehicle dealers' advertising, sales, and financing of new and used vehicles.

ANALYSIS OF BILL/PROGRAM EFFECTS

The Division of Motor Vehicles (DMV) does not oversee the process for advertising, selling or financing vehicles. The DMV's function is to title and register a vehicle after the sale has occurred. None of the provisions of the bill pertain to transactions conducted by DMV nor to any DMV activities; consequently, SB 125 has no fiscal or procedural impact on DMV.

AMENDMENTS PROPOSED

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

ALASKA AUTO DEALERS ASSOCIATION

P.O. Box 201305, Anchorage, Alaska 99520-1305

January 4, 2012

The Honorable Kevin Meyer
Alaska State Senate
Alaska State Capitol, Room 103
Juneau, Alaska 99801-1182

RE: Senate Bill 125 Motor Vehicle Transactions

Dear Senator Meyer:

On behalf of the Alaska Automobile Dealers Association, we wish to thank you for sponsoring Senate Bill 125 that updates AS 45.25.400- AS 45.25.990, commonly referred to as the "Alaska Auto Dealers Practices Act". SB 125 assists consumers in understanding auto comparison pricing and assist dealers in following state law. It clarifies allowable automobile advertising practices and clarifies responsibilities of dealers and customers in the financing of automobiles.

SB 125 requires in all advertising, the dealers advertised price must include all fees to be charged by the dealer other than fees charged by government agencies such as licensing fees and taxes. For new cars, the bill will allow dealers to inform consumers if the dealer's asking price is less than the manufacturer's suggested retail price, and that the dealers price reflects a savings or discount to the consumer.

This bill allows dealers to advertise price reductions on used cars, provided the comparison price is taken from a national valuation pricing publication dealers must make available to consumers, such as Kelly Blue Book or N.A.D.A. Official Used Car Guide. This will allow dealers to inform consumers when a used car is being offered at a discounted price, and will also allow consumers to better understand the true market value of a used car.

SB 125 provides that a dealer may display a vehicle for sale, but may not enter into a contract to sell a vehicle unless the dealer has title to the vehicle.

Finally, this bill establishes responsibilities of the dealer and customer when the dealer accepts a trade-in and the customer takes possession of a vehicle prior to final approval of financing.

This bill is the product of an extended process examining the current law, developing language that protects consumers and clarifying statutory language to reflect the original intent of the law.

This association and its membership are in full support of SB 125.

Sincerely,

Marten Martensen
President AADA

SB 163

<TARGET><BILL>SB 163</BILL><SUBJECT>SB 163</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE TRANSPORTATION COMMITTEE

State Capitol, Room 11
Juneau AK, 99801-1182
907-465-6828

TO: Senate Transportation Committee

FROM: Senator Albert Kookesh, Chair
Senate Transportation Committee

DATE: February 9, 2012

RE: Senate Transportation Schedule for the week of February 13-17, 2012

Tuesday, February 14: 1pm to 3:00pm, Butrovich Room 205

SB 163: **Port General Obligation Funds**—relating to the issuance of general obligation bonds for the purpose of paying the cost municipal port projects. By the Senate Rules Committee at the request of the Governor.

Thursday, February 16: 1pm to 3pm, Butrovich Room 205

Bills previously heard or scheduled

+ Teleconferenced

Please contact Nancy Barnes at 465-6828 if you have any questions.

port extension

CS FOR SENATE BILL NO. 163(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of municipal port projects; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

GENERAL OBLIGATION BONDS. For the purpose of paying the cost of design and construction of municipal port projects, general obligation bonds of the state in the principal amount of not more than $450,000,000, if ratified by a majority of the qualified voters of the state who vote on the question, shall be issued and sold. The full faith, credit, and resources of the state are pledged to the payment of the principal of and interest and redemption premium, if any, on the bonds. The bonds shall be issued under the provisions of AS 37.15 as those provisions read at the time of issuance.

* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to

read:

2012 PORT PROJECT FUND. If the issuance of the bonds is ratified by a majority of the qualified voters of the state who vote on the question, a special fund of the state to be known as the "2012 port project fund" shall be established, to which shall be credited the proceeds of the sale of the bonds described in sec. 1 of this Act except for the accrued interest and premiums.

* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. The amount of $450,000,000 is appropriated from the 2012 port project fund to the Department of Commerce, Community, and Economic Development to be awarded as grants under AS 37.05.315 to recipients for projects as follows:

PROJECT	AMOUNT
Municipality of Anchorage - Port of Anchorage	$200,000,000
Matanuska-Susitna Borough - Port MacKenzie Rail Extension	110,000,000
City of Seward - Community Development Quota Home Port	10,000,000
Bristol Bay Borough - Port Improvements	10,000,000
City of Emmonak - Port Improvements	10,000,000
Ketchikan Gateway Borough - Ward Cove Dock Improvements	10,000,000
City of Kotzebue - Cape Blossom Deep Water Port	50,000,000
City of Nome - Port of Nome Improvements	50,000,000

* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to read:

STATE BOND COMMITTEE. If the issuance of the bonds is ratified by a majority of the qualified voters of the state who vote on the question, the amount of $2,250,000 or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended

from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

*** Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LAPSE; REDEMPTION; REIMBURSEMENT. The unexpended and unobligated balances of the appropriations made in sec. 3 of this Act lapse under AS 37.25.020 and are appropriated to the state bond committee to redeem bonds sold under this Act. The amounts expended from the general fund to pay the principal, interest, and redemption premium on bonds issued under this Act shall be reimbursed to the general fund from the appropriation made under this section to the extent that the money is not needed to redeem the bonds.

*** Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

BALLOT QUESTION. The question whether the bonds authorized in this Act are to be issued shall be submitted to the qualified voters of the state at the first general election after the effective date of this Act and shall read substantially as follows:

PROPOSITION

State General Obligation $450,000,000
Port Project Bonds

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $450,000,000 for the purpose of paying the cost of municipal port projects?

Bonds Yes [ ]

Bonds No [ ]

*** Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).

27-GS2769\A.1
Kirsch
2/13/12

AMENDMENT

OFFERED IN THE SENATE

TO: SB 163

Page 1, line 9:

Delete "$350,000,000"

Insert "$400,000,000"

Page 2, line 10:

Delete "$350,000,000"

Insert "$400,000,000"

Page 2, following line 22:

Insert new material to read:

"PROJECT	AMOUNT
City of Nome - Port of Nome Improvements	50,000,000"

Page 2, line 26:

Delete "$2,965,000"

Insert "$2,000,000"

Page 3, line 15:

Delete "$350,000,000"

Insert "$400,000,000"

Page 3, line 18:

Delete "$350,000,000"

1 Insert "$400,000,000"

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 1/17/12

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 2/14/12

Transportation Committee considered SENATE BILL NO. 163

SB 163-G.O. BONDS FOR PORTS

"An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of municipal port projects; and providing for an effective date."

and recommends:

[ ] be **replaced** with **CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] adopt **previous CS** _____ (_____) *[ ] Same Title [ ] New Title*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Egan	→			
	Thomas	✓			
	Bernard	✓			
	Huggins			✓	
CHAIR:					

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version: **SB 163**
Fiscal Note Number:
() Publish Date:

Identifier (file name): SB163-DOR-TRS-1-31-12
Dept. Affected: Revenue
Title: Port General Obligation Bonds
Appropriation: Taxation and Treasury
Allocation: Treasury Division
Sponsor: Rules by Request of the Governor
Requester: (S) TRA
OMB Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY13**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
Personal Services							
Travel	20.0		20.0		20.0		
Services	880.0		1,145.0		880.0		
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous			7,400.0	19,900.0	19,900.0	28,100.0	28,100.0
TOTAL OPERATING	**900.0**	**0.0**	**8,565.0**	**19,900.0**	**20,800.0**	**28,100.0**	**28,100.0**

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	900.0		8,565.0	19,900.0	20,800.0	28,100.0	28,100.0
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		**900.0**	**0.0**	**8,565.0**	**19,900.0**	**20,800.0**	**28,100.0**	**28,100.0**

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs _____ *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial note.

Prepared by: Deven Mitchell, Debt Manager — Phone: 907-465-3750
Division: Treasury Division — Date/Time: 1/31/12 1:00 PM
Approved by: Angela Rodell, Deputy Commissioner — Date: 1/31/2012
Department of Revenue

(Revised 1/17/2012 OMB)

FISCAL NOTE

STATE OF ALASKA **BILL NO.** SB 163
2012 LEGISLATIVE SESSION

Analysis

The bill authorizes the issuance of $350 million of general obligation bonds of the State of Alaska. The bonds would carry the full faith, credit and resources pledge of the State and must be ratified in a statewide election. This is the strongest form of credit pledge available to the State and accordingly results in the lowest interest rates for borrowed funds. If the bill is approved, Alaska voters would consider the proposition in the November 2012 general election.

The bonds would be issued as either tax-exempt or tax exempt, subject to the Alternative Minimum Tax (AMT) securities in a ratio estimated to be 60 percent tax exempt and 40% subject to AMT. All of the bonds will be subject to limitations of the Federal tax code. While there are many restrictions imposed when taking advantage of tax exemption, two key limits are that an issuer must be able to track all funds to final expenditure on an allowed public capital project and that all funds resulting from the bond issuance are expended within three years of the bond sale. Due to these limitations it is anticipated that the authorization would require careful state oversight of the proposed municipal projects and result in multiple bond issues. For planning purposed six bond issues are assumed with three sale dates staggered over three years beginning with an initial issuance in February 2013 of $100 million followed by a 2014 issuance of $150 million and a 2016 issuance of the final $100 million. The initial bond issues would be sized based on anticipated cash-flow with subsequent issues adjusted to actual cash flow.

The first two series of $100 million in bonds would be issued in February 2013. The current rate for a 20 year level amortization of Alaska general obligation bonds are at all time lows and estimated at 2.35% for tax exempt and 3% for tax exempt subject to AMT for a blended rate of 2.61%. The series of bonds would be structured to amortize AMT bonds first and then tax exempt and at current rates results in annual debt service of approximately $6.5 million beginning in FY 2014 for the $100 million. This borrowing rate is below the anticipated Constitutional Budget Reserve (CBRF) regular account rate of return of 3.4% and well below the assumed rate of return on the CBRF subaccount of 6.85%.

For planning purposes a more conservative, but still historically low rate of 4% was used, increasing the annual debt service estimate to $7,400,000. If interest rates have increased at the point bonds are sold there would be a similar increase in the rate of return expectations in the CBRF regular account as it is comprised of fixed income securities that are actively managed.

It is estimated that $150 million in bonds would be sold in February 2014 with estimated annual debt service of $12.5 million beginning in FY 2015 followed by $100 million in February 2016 with estimated annual debt service of $8.2 million beginning in FY 2017. This proposed schedule of issuance would be modified to match the actual expenditures on the authorized projects. A more conservative 5% interest rate was used to estimate debt service on these issues.

The costs associated with issuing bonds include underwriting, rating agency, attorneys, financial advisors, marketing and disclosure services, administrative, and printing. It is estimated that these costs will be less than .85% of the bonds issued, or a total of up to $2,965,000 for the anticipated six series of bonds on three issue dates.

Sponsor Statement

SB 163

General Obligation Bond for Alaska Port Projects

Alaska's future rests on responsibly developing our natural resources, and creating jobs and economic opportunities for our families. The State of Alaska has more miles of coastline than any other state in the union. Combined with our remote location, Alaska's economy is reliant on waterborne commerce to receive the goods we use and to export the resources we develop.

SB 163 authorizes the State of Alaska to sell $350 million in general obligation bonds to fund infrastructure improvements for six port projects. With our AAA bond rating, Alaska receives a favorable interest rate on bond sales. With the current low cost of borrowing, the state realizes a greater rate of return on the general fund then it would have to pay when borrowing funds through a general obligation bond package.

The funds would be used to rehabilitate and expand six ports throughout the state. These ports are located in upper Cook Inlet, Bristol Bay, Kenai Peninsula, the Yukon River Delta and Ketchikan. Each of these projects has a pivotal role in Alaska's economy.

Alaska is unique in its economic dependence on ports. Very limited federal funding is available for port infrastructure. The use of general obligation bonds will help bring these projects to completion.

Governor Parnell is committed to working with the Legislature to develop Alaska's infrastructure. These projects will promote economic growth within their region, and to the economy of Alaska.

Prepared by Office of Management and Budget
February 12, 2012

Sectional Analysis

SB 163

General Obligation Bond for Alaska Port Projects

"An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of municipal port projects; and providing for an effective date."

Section 1: This section describes the amount and the purpose of the general obligation bonds. The purpose is to provide funding to pay for the cost of design and construction of identified municipal port projects. The principal amount of the bonds to be sold is not to exceed $350,000,000 and must be ratified by a majority of voters in the state. The bonds shall be issued under the provisions of AS 37.15.

Section 2: This section establishes the Port Project Fund. If the voters approve the bonds, a special fund for the state shall be established that will be known as the *2012 Port Project Fund.* The fund shall include the proceeds from the sale of the bonds, but will not include the accrued interest and premiums.

Section 3: This section establishes how the funds will be awarded to the individually identified projects. The amount of $350,000,000 will be appropriated from the 2012 Port Project Fund to the Department of Commerce Community and Economic Development to be awarded as grants under AS 37.05.315 (Grants to Municipalities).

Section 4: This section appropriates $2,965,000 from the General Fund to the state bond committee to pay expenses associated with the issuance of the bonds. The amount authorized and expended in this section will be reimbursed to the state General Fund from the proceeds of the sale of the bonds. (Estimate $900.0 in bond issuance cost in FY2013 – see fiscal note)

Section 5: This section establishes the lapse, redemption, and reimbursement of the appropriations in Section 3. Unexpended and unobligated balances of the appropriations are appropriated to the state

bond committee to redeem bonds sold. Amounts expended from the state General Fund related to pay redemption costs shall be reimbursed to the General Fund to the extent the money is not needed to redeem the bonds.

Section 6: This section establishes the ballot question that will be asked of voters to approve the general obligation bonds for the specified purpose.

Section 7: This section establishes an immediate effective date.

Prepared by Office of Management and Budget
February 12, 2012

Municipality of Anchorage - Port of Anchorage

FY2013 Request: **$200,000,000**
Reference No: **41956**

AP/AL: Appropriation
Category: Development
Location: Anchorage Areawide

Project Type: Construction
Recipient: Municipality of Anchorage
House District: Anchorage Areawide (HD 17-32)

Impact House District: Anchorage Areawide (HD 17-32)
Estimated Project Dates: 07/01/2012 - 06/30/2017

Contact: JoEllen Hanrahan
Contact Phone: (907)465-2506

Brief Summary and Statement of Need:
This project will provide funds for the Port of Anchorage Expansion project. The Port of Anchorage expansion project has been scaled back in size and scope. This funding will be used to construct two barge berths and two ship berths to the north of the existing dock. Completion of the north end expansion is critical as it will allow the main shippers to safely berth and move cargo in an upgraded and expanded facility built to a higher degree of seismic stability. The general obligation bond authorization is considered one-time in nature and is not expected to fully fund the project.

Funding:	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Total
G/O Bonds	$200,000,000						$200,000,000
Total:	$200,000,000	$0	$0	$0	$0	$0	$200,000,000

☐ State Match Required ☑ One-Time Project ☐ Phased - new ☐ Phased - underway ☐ On-Going
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:
FY2012 - $30 million GF SLA11, Ch 5, Sec 1, Pg 20, Ln 13; FY2011 - $20 million SLA10, Ch 43, Pg 80, Ln 9; FY2010 - $10 million SLA09, Ch 15, Pg 3 Ln 20; FY2010 SLA09, Ch 15, Pg 44, Ln 12; FY2009 - $15 million SLA08 CH 29, Pg 114, Ln 14; FY2009 $10 million SLA08, Ch 29, Pg 185, Ln 11; FY2008 - $10 million SLA07, Ch 11, Pg 74, Ln 7; FY2007 $10 million SLA06 Ch 82, Pg 51, Ln 29; FY2006 - $10 million SLA05 Ch 3, Pg 41, Ln 6

Project Description/Justification:
The Port of Anchorage (POA) serves 80 percent of Alaska's population as the entry point for 90 percent of consumer goods and petroleum products that are shipped to Alaska. The POA directly impacts the quality of life and the cost of daily goods for more than 200 communities in Alaska. The POA plays an essential role in economic development, military operations, and businesses throughout the state. In terms of economic impact, the POA contributes $1.4 billion annually to local and state economies, including hundreds of construction related jobs along with dozens of long term employment opportunities. The POA has served the State for 50 years and is in a deteriorated condition leaving it vulnerable to failure following a high magnitude earthquake.

Background: The POA Intermodal Expansion Project is a federal DOT project under the Maritime Administration (MARAD). The project began in 2003 with the objective to provide modern, efficient, and expanded infrastructure built to a higher degree of seismic stability. Partners in the project include the State of Alaska, Municipality of Anchorage-Port of Anchorage and port tenants and stakeholders. In the fall of 2011, the Municipality of Anchorage signed a new memorandum of agreement with MARAD that established the transfer of procurement and construction responsibilities to the Municipality, or their designees, by May 31, 2012.

Overall, this project has four primary objectives:

- Accommodate existing customer requirements;
- Accommodate growth and demand for Port services, especially with respect to potential new customers and the new generation of vessels anticipated to call at the POA;
- Stimulate economic development for the Municipality and the region by providing marine and landside transportation system improvements; and
- Better serve the military in the Port's role as the nation's 15th Strategic Seaport. The U.S. Maritime Administration (MARAD) has been designated as the federal lead agency for POA development.

Due to the overarching goal of maintaining 100% commercial operations throughout the duration of the project, it is progressing in phases. This funding will allow for the construction of two barge berths and two ship berths to the north of the existing dock. When completed, the POA will be able to move current container and general cargo operations off of the old deteriorating facility onto new berthing spaces built to a higher degree of seismic stability.

Matanuska-Susitna Borough - Port MacKenzie Rail Extension

FY2013 Request: $110,000,000
Reference No: 46242

AP/AL: Appropriation
Category: Development
Location: Matanuska Susitna Borough
Impact House District: Matsu Areawide (HD 13-16)
Estimated Project Dates: 07/01/2012 - 06/30/2017

Project Type: Construction
Recipient: Matanuska-Susitna Borough
House District: Matsu Areawide (HD 13-16)
Contact: JoEllen Hanrahan
Contact Phone: (907)465-2506

Brief Summary and Statement of Need:
This project will provide funding for the continuation of the development and construction of the Matanuska-Susitna Borough Port MacKenzie Rail Extension. The rail extension will promote the diversification of Alaska's economy. The general obligation bond authorization is considered one-time in nature and is not expected to fully fund the project.

Funding:	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Total
G/O Bonds	$110,000,000						$110,000,000
Total:	$110,000,000	$0	$0	$0	$0	$0	$110,000,000

☐ State Match Required ☑ One-Time Project ☐ Phased - new ☐ Phased - underway ☐ On-Going
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:
FY2012 - $30,000,000 SLA 2011 Ch 5 Sec 1 Pg 37 Ln 28; FY2011 - $35,000,000 SLA 2010, Ch 43, Pg 99, Ln 27; FY2009 - $17,500,000 SLA 2008, Ch 29, Pg 129, Ln 19; FY2008 - $10,000,000 SLA 2007, Ch 30, Pg 88, Ln 8

Project Description/Justification:
This request is for continued development and construction of the Matanuska-Susitna Borough Port MacKenzie Rail Extension Project. The rail extension will provide for the transportation of bulk materials such as coal, minerals, and timber from Interior Alaska to tidewater, and will make Alaskan natural resources significantly more competitive in Pacific Rim markets. The rail extension is expected to quadruple coal exports, stimulate development of new mineral mines, development of limestone deposits and related cement industry, and new opportunities for timber exports. An expected 4,000 jobs will be created along the rail line and in Interior Alaska due to new mining ventures and development efforts. South Central Alaska is expected to gain 2,000 permanent jobs over the first 10 years following rail construction and up to 3,500 jobs over the longer term.

Background: The Port MacKenzie Rail Extension will bring tremendous economic and employment benefits to Alaska. The project will create jobs, lower transport costs and increase economic development. Extension of the rail line will connect the Alaska Railroad Mainline to Port MacKenzie, resulting in a shorter distance to tidewater from the interior that will save more than $100 million over

existing ports for the State's proposed natural gas pipeline. Less expensive bulk transport costs will also help stimulate the development of natural resources and mines.

The lower costs created by the proposed rail extension coupled with this limestone deposit will create a major new export related manufacturing opportunity for the production of cement. With the rail extension, Alaska will be able to produce up to 15% of the nation's annual need for cement. In addition, the shorter distance to tidewater will reduce the cost of transporting coal by approximately 6 dollars per ton, making coal from Alaska's interior competitive on the world market. Representatives of the Alaska coal industry indicate that once the rail line is completed, it can quadruple annual coal exports from one million tons to four million tons.

An independent study by the University of Alaska-Fairbanks estimates the revenue to the State from new mines averages $300 million per year over the next 100 years. According to a study by the Institute of Social and Economic Research, the Port MacKenzie Rail Extension Project will create up to 3,400 new jobs over a three year period in construction (currently in progress), 35 jobs in annual operations and another 640 direct and indirect jobs.

In order to complete the rail extension from the main Alaska Railroad line in Houston, to the Port MacKenzie facility, the Matanuska-Susitna Borough estimates the total cost of the project to be approximately $180 million including this project funding.

The current cost estimate for the project (32.1miles) is $272.5 million of which $92.5 million has been funded leaving an unfunded shortfall of $180 million to complete the project. Funding on hand will complete the rail embankment for the one mile bi-modal loop adjacent to Port MacKenzie, the first 5 miles of the rail embankment (Segment 1) starting at Port MacKenzie and proceeding toward Houston and approximately one plus miles (Segment 6) of rail embankment and rail at the intersection of the new rail extension and the current ARRC mainline. The construction contract for the completion of the port loop and the first 5 miles of rail embankment (Segment 1) has been awarded. A contract for the "Y" connection with the main line at Houston (Segment 6) will be advertised for construction bids in early March 2012. Work on both contracts will be initiated in the spring/summer of 2012. All required Engineering and Right of Way (ROW) acquisition are funded and are scheduled for completion in 2012.

The $110 million contained in the General Obligation Bond could be available for construction in the spring of 2013. It would be utilized to construct the rail embankment for Segments 3, 4, and 5 (18.5 miles) and the manufacture of ballast rock and purchase of long lead time materials such as steel rails. This work would be completed by the fall of 2015. An additional $70 million would be required to complete the project. This $70 million would be utilized to construct the rail embankment on Segment 2 (8.5 miles) and install ties, ballast, rails and other railroad operational equipment to complete the rail extension.

City of Seward - Community Development Quota Home Port **FY2013 Request:** **$10,000,000**
Reference No: **52376**

AP/AL: Appropriation
Category: Development
Location: Seward
Impact House District: Kenai Areawide (HD 33-35)
Estimated Project Dates: 07/01/2012 - 06/30/2017

Project Type: Construction
Recipient: City of Seward
House District: Homer/Seward (HD 35)
Contact: JoEllen Hanrahan
Contact Phone: (907)465-2500

Brief Summary and Statement of Need:
This project will provide funding to move the home port of the CDQ fishing fleet from Seattle, Washington to Seward, Alaska. Since 1982, the City of Seward has obtained approximately $35.7 million in Federal or State grants, appropriations and City bonds to construct a basin, ship lift, and ship repair facility at the Seward Marine Industrial Center. The general obligation bond authorization is considered one-time in nature and is not expected to fully fund the project.

Funding:	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Total
G/O Bonds	$10,000,000						$10,000,000
Total:	$10,000,000	$0	$0	$0	$0	$0	$10,000,000

☐ State Match Required ☑ One-Time Project ☐ Phased - new ☐ Phased - underway ☐ On-Going
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:
FY2012 - $400,000

Project Description/Justification:
Moving the home port of the Coastal Villages Region Fund (CVRF) fishing fleet from Seattle to Seward is a historic opportunity. This is a long standing goal that began with the Magnusson-Stevens Act of 1976 and the Community Development Quota (CDQ) Program that began in December, 1992.This move has been done to provide fishing quotas to the communities surrounding prime fishing areas, and to reinvest profits to produce jobs and grow the industry to "Alaskanize" the Alaska fishing fleet.

In examining ports across Alaska, the City of Seward on Resurrection Bay met all of the Board's requirements. The City of Seward has all of the following essential requirements necessary for a home port that have been identified by the CVRF Board of Directors:

- A deep water year-round ice-free port
- Sufficient space and depth of water to construct a half-mile of dock, mooring, loading, and servicing deep draft and other marine vessels.
- Sufficient ship repair and maritime support facilities
- Existing ship repair and maritime support facilities
- Road, rail, and air access

Bristol Bay Borough - Port Improvements **FY2013 Request: $10,000,000**
Reference No: 46059

AP/AL: Appropriation
Category: Development
Location: Bristol Bay Borough
Impact House District: Bristol Bay/Aleutians (HD 37)
Estimated Project Dates: 07/01/2012 - 06/30/2017

Project Type: Construction
Recipient: Bristol Bay Borough
House District: Bristol Bay/Aleutians (HD 37)
Contact: JoEllen Hanrahan
Contact Phone: (907)465-2500

Brief Summary and Statement of Need:
This project will provide funding for the rehabilitation/replacement of the Bristol Bay dock structure and port area. The rehabilitation/replacement of the Bristol Bay Dock will facilitate and support efforts to retain and grow the Bristol Bay region's wealth through providing a cost effective method of transportation to ship the salmon to market. The general obligation bond authorization is considered one-time in nature and is not expected to fully fund the project.

Funding:	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Total
G/O Bonds	$10,000,000						$10,000,000
Total:	$10,000,000	$0	$0	$0	$0	$0	$10,000,000

☐ State Match Required ☑ One-Time Project ☐ Phased - new ☐ Phased - underway ☐ On-Going
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:
FY2012 - $2 million; FY2010 in SB230 - $5 million; FY2009 - $1.5 million; FY2007 - $400,000; FY2006 - $500,000

Project Description/Justification:
This project will provide funding for the rehabilitation/replacement of the Bristol Bay Dock area.

The Port of Bristol Bay, located at Naknek, in Southwest Alaska, has a single pile-supported dock constructed of steel and concrete in 1982. The dock has a face (width) of 200 feet and is subject to tidal influence, with large barges not able to approach the dock at low tides. The Port has approximately 6 acres of Terminal area. The Port shares a warehouse with Public Works that provides approximately 4,000 square feet of seasonal inside storage and distribution for smaller cargo. An additional 200 x 200 feet sheet pile dock, which was completed in the fall of 2010 provides additional dock face, storage and on the down river section some moorage, parking and amenities for commercial fishing vessels. Fishing vessels "raft" together, as there are no individual berths. Electricity, potable water, restrooms, trash and used-oil disposal are available. The existing pile supported dock has exceeded its useful life.

Bristol Bay is home to the largest sockeye salmon fishery in the world, shipping over 114,410,000 pounds of salmon in 2009 with a value of over $915,280,000. This is the regional hub for Bristol Bay

and services 30 communities in the region. This port provides fuel to over 11 communities within the region and King Salmon Air Force Base. This expansion project will continue to support the economy of Bristol Bay Borough, and the region, by maintaining the capacity to ship tremendous volumes of fish and cargo. The Port of Bristol Bay is a regional port and serves a surprisingly vast area. The expansion improvements will provide a safe work place for Borough employees, as well as, safety for the fishermen that utilize the facility. By the addition of an area specifically for fishermen, it will ease the congestion and increase the capacity of the dock to cater to independent owner/operator processing vessels. Segregating the activity of shippers and fishermen at the port site is also a requirement of the port security requirements under Homeland Security guidelines.

The entire Bristol Bay region depends on this dock for cargo, fuel, and shipment of the valuable fish product produced in Bristol Bay. This dock is the economic engine that supports over 30 communities within Bristol Bay not just the Bristol Bay Borough.

City of Emmonak - Port Improvements

FY2013 Request: **$10,000,000**
Reference No: **46067**

AP/AL: Appropriation
Category: Development
Location: Emmonak
Impact House District: Bering Straits (HD 39)
Estimated Project Dates: 07/01/2012 - 06/30/2017

Project Type: Construction
Recipient: City of Emmonak
House District: Bering Straits (HD 39)
Contact: JoEllen Hanrahan
Contact Phone: (907)465-2500

Brief Summary and Statement of Need:
This project will provide funding for the construction of the Port of Emmonak. This project contributes to the department's mission of promoting a healthy economy and strong communities by providing economic growth in the communities it serves. The general obligation bond authorization is considered one-time in nature and is not expected to fully fund the project.

Funding:	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Total
G/O Bonds	$10,000,000						$10,000,000
Total:	$10,000,000	$0	$0	$0	$0	$0	$10,000,000

☐ State Match Required ☑ One-Time Project ☐ Phased - new ☐ Phased - underway ☐ On-Going
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:
FY2009 - $516,000

Project Description/Justification:
This project will provide funding for the construction of port facilities in Emmonak to serve the commerce and commercial fishery activities of Emmonak and the lower Yukon region.

The Port of Emmonak would serve the Yukon River Delta, providing direct benefits to the surrounding communities of Alakanuk, Kotlik, and Nunam Iqua. Additionally, Emmonak serves as the transportation hub for the Lower and Middle Yukon River, which includes the communities of Mountain Village, Pitkas Point, St. Mary's, Pilot Station, Marshall, Russian Mission, Holy Cross, Anvik, and Grayling. Emmonak as a regional port would serve a population of over 5,375 residents and a multitude of business activity, including commercial fishing, and energy fuel shipments.

Ketchikan Gateway Borough - Ward Cove Dock Improvements

FY2013 Request: $10,000,000
Reference No: 54883

AP/AL: Appropriation
Category: Development
Location: Ketchikan Gateway Borough
Impact House District: Ketchikan (HD 1)
Estimated Project Dates: 07/01/2012 - 06/30/2017

Project Type: Construction
Recipient: Ketchikan Gateway Borough
House District: Ketchikan (HD 1)
Contact: JoEllen Hanrahan
Contact Phone: (907)465-2500

Brief Summary and Statement of Need:
This project would provide funding for the construction of a dock facility at Ward Cove in Ketchikan, Alaska. This facility would be used by the Alaska Marine Highway System (AMHS), and the National Oceanic and Atmospheric Administration (NOAA) for their moorage facility that is being developed at Ward Cove. This project contributes to the department's mission of promoting a healthy economy and strong communities by providing economic growth in the communities it serves. The general obligation bond authorization is considered one-time in nature and is not expected to fully fund the project.

Funding:	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Total
G/O Bonds	$10,000,000						$10,000,000
Total:	$10,000,000	$0	$0	$0	$0	$0	$10,000,000

☐ State Match Required ☑ One-Time Project ☐ Phased - new ☐ Phased - underway ☐ On-Going
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:
Ch. 5, SLA 2011, Sec 1, page 101, line 15 - 24 $3,900,000; Ch. 30 SLA 2007, Sec. 20, page 151, line 17 $5,000,000 - AK Capital Income Fund reappropriation

Project Description/Justification:
This project will provide funding for the construction of a dock facility at Ward Cove, located in Ketchikan.

This project would improve and increase mooring capacity at Ward Cove for Alaska Marine Highway System (AMHS) vessels and provide a homeport for National Oceanic and Atmospheric Administration (NOAA) Ship, Fairweather. New mooring facilities would allow AMHS to move most or all of its operations located at the south berth of the Ketchikan shipyard to Ward Cove where AMHS headquarters and operations are located. This project would also assist in the transition of AMHS away from the shipyard property.

Currently the NOAAS Fairweather is without a home port facility. The Ketchikan Gateway Borough encourages the State of Alaska to continue to work with NOAA in redeveloping the Ward Cove Marine Industrial site. Redevelopment of the site with a joint AMHS/NOAA marine facility will relocate AMHS away from south berth to enable Alaska Ship and Drydock to continue its expansion. This

project will continue to further the development and rehabilitation of the Ward Cove area in Ketchikan.

ALASKAN-IZING THE FLEET

Bringing the Coastal Villages Region Fund CDQ vessels home to Alaska

The Program

Coastal Villages Region Fund (CVRF) represents 20 Western Alaska communities, and with 35% of the total assets is the largest of the six Community Development Quota (CDQ) groups. Combined, the groups are a billion dollar business annually, employing 2300 people in wage and salary jobs paying $32 million, with another $25 million in ex-vessel payments to 1500 permit holders and 1700 crew.

CVRF harvests cod, pollock, crab, salmon and halibut in the Bering Sea and Aleutian Islands, and holds over $300 million in CDQ assets.

The Project

Currently, the economic benefits of homeporting largely bypass Alaska in favor of Puget Sound. Given sufficient infrastructure choices ships will follow their owners. The CVRF fleet owners desire to bring their fleet home to Alaska, and have partnered with Seward to further develop the Seward Marine Industrial Center (SMIC) support facilities including:

- Breakwater to protect mooring basin
- 2500' of moorage
- 20,000 sq. ft. of warehouse
- 5,000 sq. ft. of office
- 5-10 acres fenced storage
- Private sector vendors for fuel, provisions, training and services across marine trades.

Why Seward?

- Year round ice-free port
- Road, rail and air access
- Fleet-capable drydock and ship repair
- History of fishing businesses
- AVTEC maritime licensing, training and certification
- Access to marine trades and services across all of South-Central Alaska
- Building onto $30+ million of community bonded basic port infrastructure
- Regulatory process streamlined by adding onto currently permitted SMIC projects and activities
- Existing baseline geotechnical work

"No single port can meet all the fleet's service, supply and repair needs. Seward's location will serve as the ideal hub for access to Anchorage, Cook Inlet, Prince William Sound and Kodiak port resources for the vessels".

Cost and Funding

Initial total cost estimate is $55 million including a 31% contingency, which will be refined and lowered as the design is further developed.

Given the size of the project and the economic importance of Alaskan-izing the CDQ fleet, Seward is pursuing a combination of grant funding and debt service options, including:

- State: AIDEA, Legislative appropriation, Statewide Port Bond Package, ADOT&PF Harbor program
- Federal: USACE, "TIGER" grant, EDA, USDA Rural
- Local bonding
- Private sector w'hse, offices, housing and vessel services

Benefits

In addition to construction jobs, the primary benefit is spending on vessel repair and maintenance and goods and services and jobs created and supported in Alaska rather than in WA.

Savings to CVRF are significant, including airfare to/from Seattle, and exemplified by average fuel savings of $75,000 per vessel per round trip to Seward rather than Seattle. Savings will more than offset the sometimes higher cost of doing business in Alaska, and are expected to increase as economies and efficiencies of scale grow with the relocation.

The harbor improvements will be critical in attracting other new business to Alaska, including exploration and support vessels for Beaufort and Chukchi O&G.

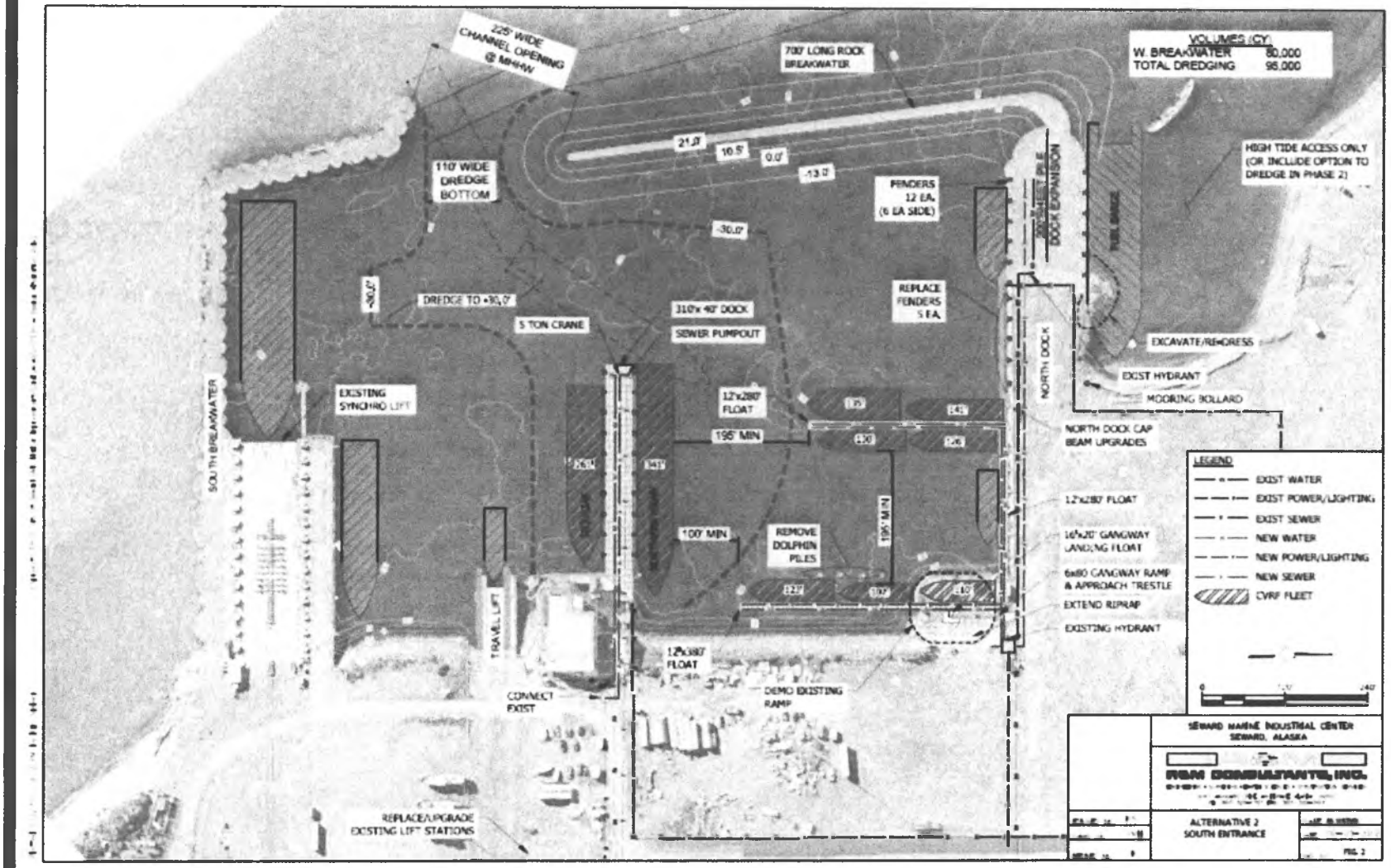
The Future

The economic activity associated with homeporting the CVRF fleet will enable private sector development to existing, new, and new-to-Alaska businesses.

Sales and property taxes and fuel excise taxes will far outweigh moorage charges. These, together with lease fees, will support debt service and ongoing operations and maintenance of the public infrastructure so that future state and federal subsidies are avoided.

This project furthers the late Sen. Steven's vision in the Magnuson-Stevens Fisheries Act and CDQ amendments of achieving sustainable and diversified economies in Western Alaska, as well as bringing significant benefits to the state as a whole.

City of Seward • P.O. Box 167 • Seward, Alaska 99664 • www.cityofseward.us
City Manager Jim Hunt • 907-224-4012 • jhunt@cityofseward.net


225' WIDE CHANNEL OPENING @ MHHW
700' LONG ROCK BREAKWATER
VOLUMES (CY)
W. BREAKWATER 80,000
TOTAL DREDGING 95,000
110' WIDE DREDGE BOTTOM
21.0'
10.5'
0.0'
-13.0'
-30.0'
FENDERS 12 EA. (6 EA SIDE)
HIGH TIDE ACCESS ONLY (OR INCLUDE OPTION TO DREDGE IN PHASE 2)
DREDGE TO -30.0'
5 TON CRANE
310'x 40' DOCK
SEWER PUMPOUT
REPLACE FENDERS 5 EA.
EXCAVATE/REHORESS
EXIST HYDRANT
MOORING BOLLARD
EXISTING SYNCHRO LIFT
12'x280' FLOAT
195' MIN
NORTH DOCK CAP BEAM UPGRADES
100' MIN
REMOVE DOLPHIN PILES
TRAVEL LIFT
CONNECT EXIST
DEMO EXISTING RAMP
REPLACE/UPGRADE EXISTING LIFT STATIONS
LEGEND
EXIST WATER
EXIST POWER/LIGHTING
EXIST SEWER
NEW WATER
NEW POWER/LIGHTING
NEW SEWER
CVRF FLEET
12'x280' FLOAT
16'x20' GANGWAY LANDING FLOAT
6x80 GANGWAY RAMP & APPROACH TRESTLE
EXTEND RIPRAP
EXISTING HYDRANT
SEWARD MARINE INDUSTRIAL CENTER
SEWARD, ALASKA
R&M CONSULTANTS, INC.
ALTERNATIVE 2
SOUTH ENTRANCE

Fast Facts about Alaska's Port

The Port of Anchorage provides an estimated 90% of the merchandise goods for 85% of Alaska's populated area.

- This includes over 200 villages and rural towns across Alaska
- It is the major point of entry for containerized cargo in Alaska
- Annually, around 240,00 containers move through the Port
- Since 2000, an average of 4 million tons of goods and materials pass through the Port's facilities annually.

The Port of Anchorage is also an important hub for fuel providing:

- 100% of the jet fuel used at Joint Base Elmendorf Richardson
- 65% of the jet fuel used at Ted Stevens International Airport
- 1.4 million gallons of fuel to western Alaska for heating oil, gasoline, and diesel
- It is an important source of gasoline for the Anchorage and Southcentral area.

The Port of Anchorage is a Department of Defense designated National Strategic Seaport, one of only 19 in the national to have such designation.

- Port facilities have supported over 30 deployments since 2005
- Over 18,000 pieces of military cargo have passed through the Port over the past 7 years.

The Port of Anchorage is an economic engine for Alaska and is essential to the distribution of goods throughout the state.

- Over $700 million annually in economic impact to the state
- $50 million aggregate annual payroll from Port Stakeholders
- Over 3,600 vehicles move through port per day when containerships are offloading.
- Nearly 100 million pounds of goods pass through the port annually which are distributed across the state as bypass mail

Expansion Project Facts

Expansion Facts

The Port is 50 years old and in a deteriorated condition. The facilities require costly annual repairs, and are vulnerable to failure during a high magnitude earthquake.

The expansion project will create:

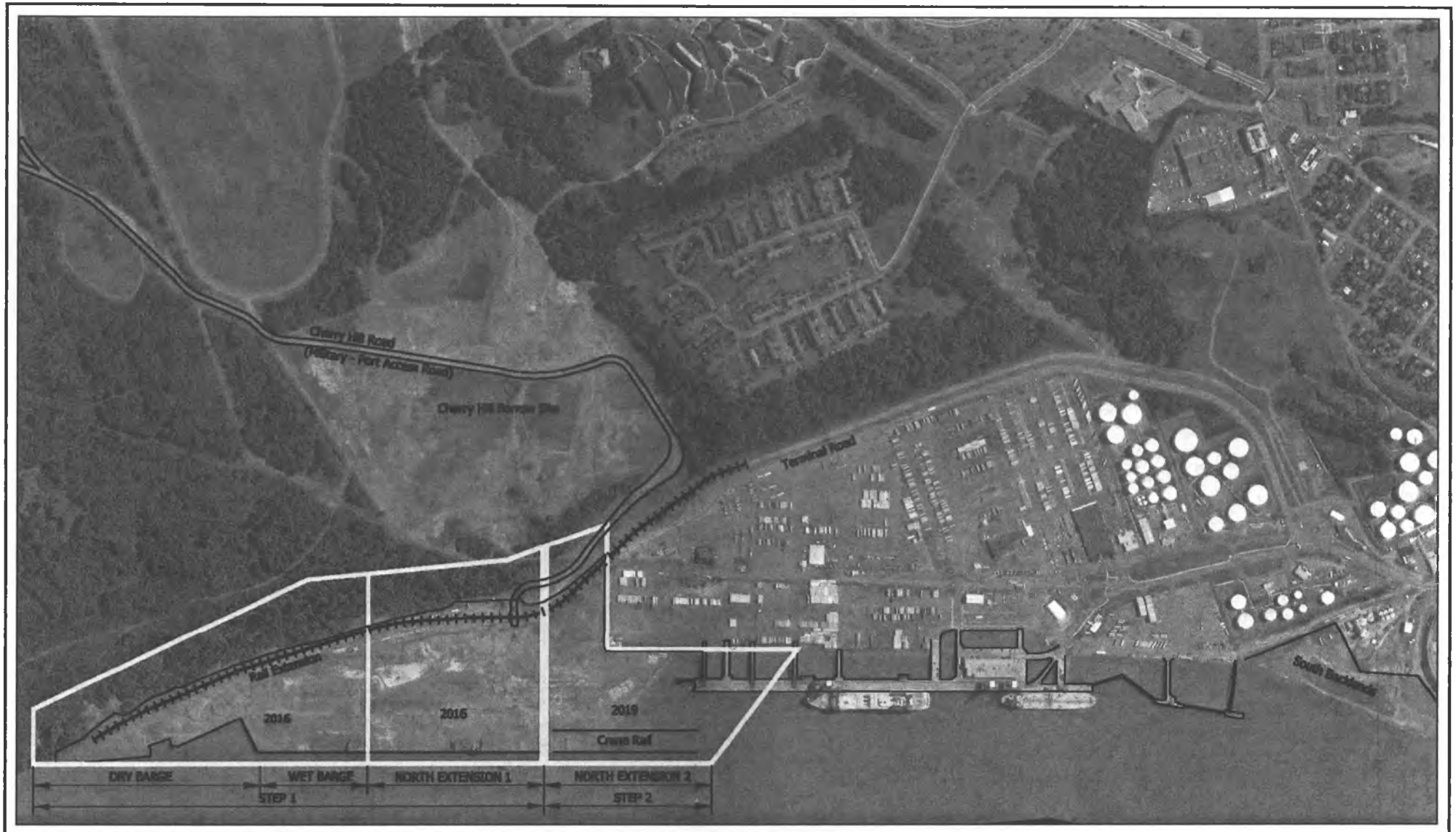
- 2 new barge berths
- 2 new large cargo vessel ship berths
- Deeper draft for modern vessels, larger spacing between berths.
- 65 acres of new land for commercial/industrial use
- Improved seismic capacity
- Secure access to Joint Base Elmendorf-Richardson

Creating Jobs

- Growth in business at the expanded Port will provide for jobs around the state and advantages in the rural areas. Construction, energy projects, pipeline, etc.
- Many craft jobs will be required to complete this important infrastructure project including iron workers, electricians, carpenters, pile bucks, truck drivers, laborers, plumbers, concrete workers, and more.
- Over 200 companies involved in project from 2005 – 2011
- Moving forward, the project will require more than 200 jobs annually.

Project Management

We have made major changes to ensure that future construction work will be completed successfully. Last fall, the Municipality signed a new agreement with the Maritime Administration that will hand over all contracting, design and construction responsibilities to the Municipality or their designee by the end of May, a significant change from the previous form of project management. The agreement also formalized an oversight committee that meets on a weekly basis.

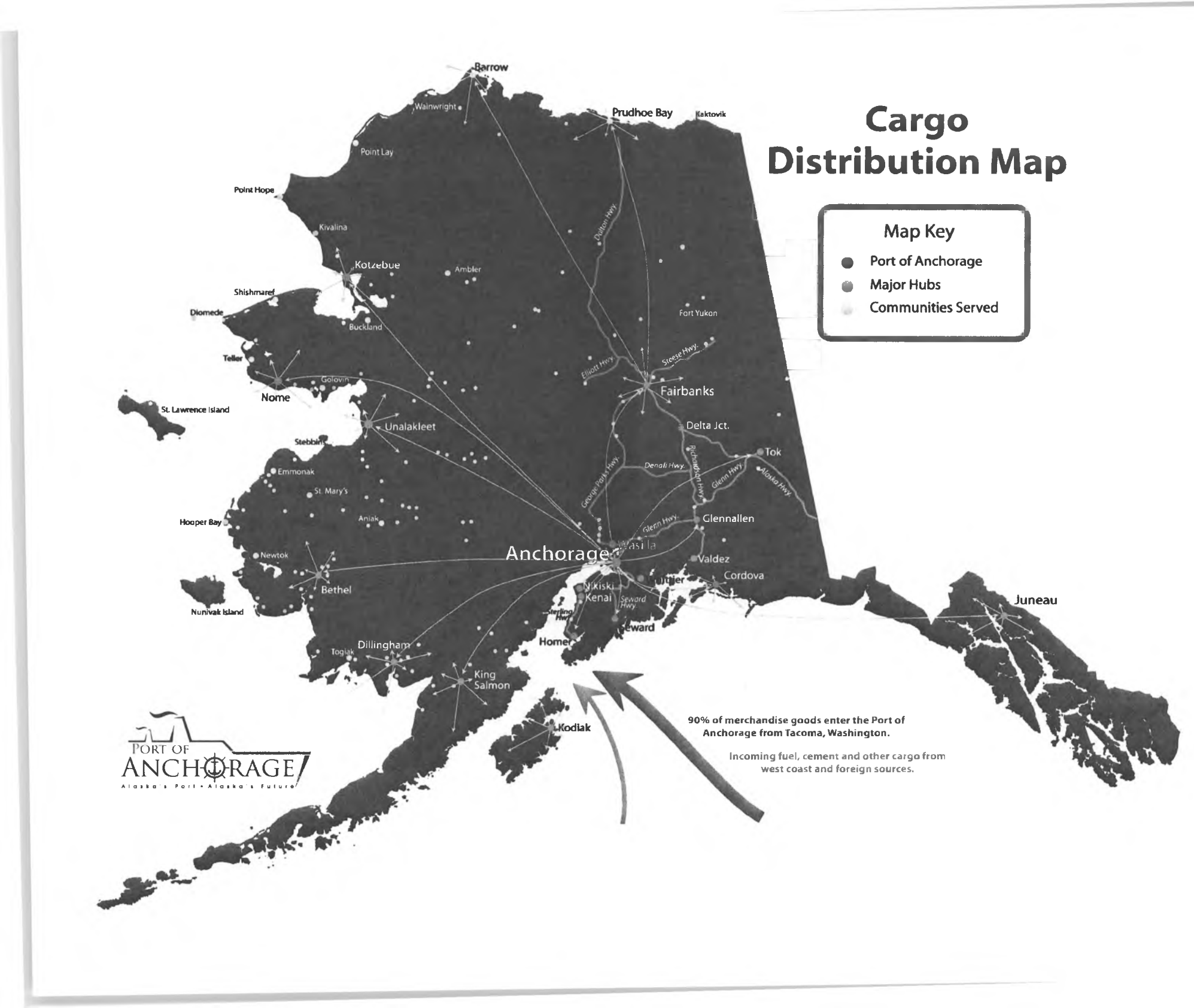


* Assumes full funding

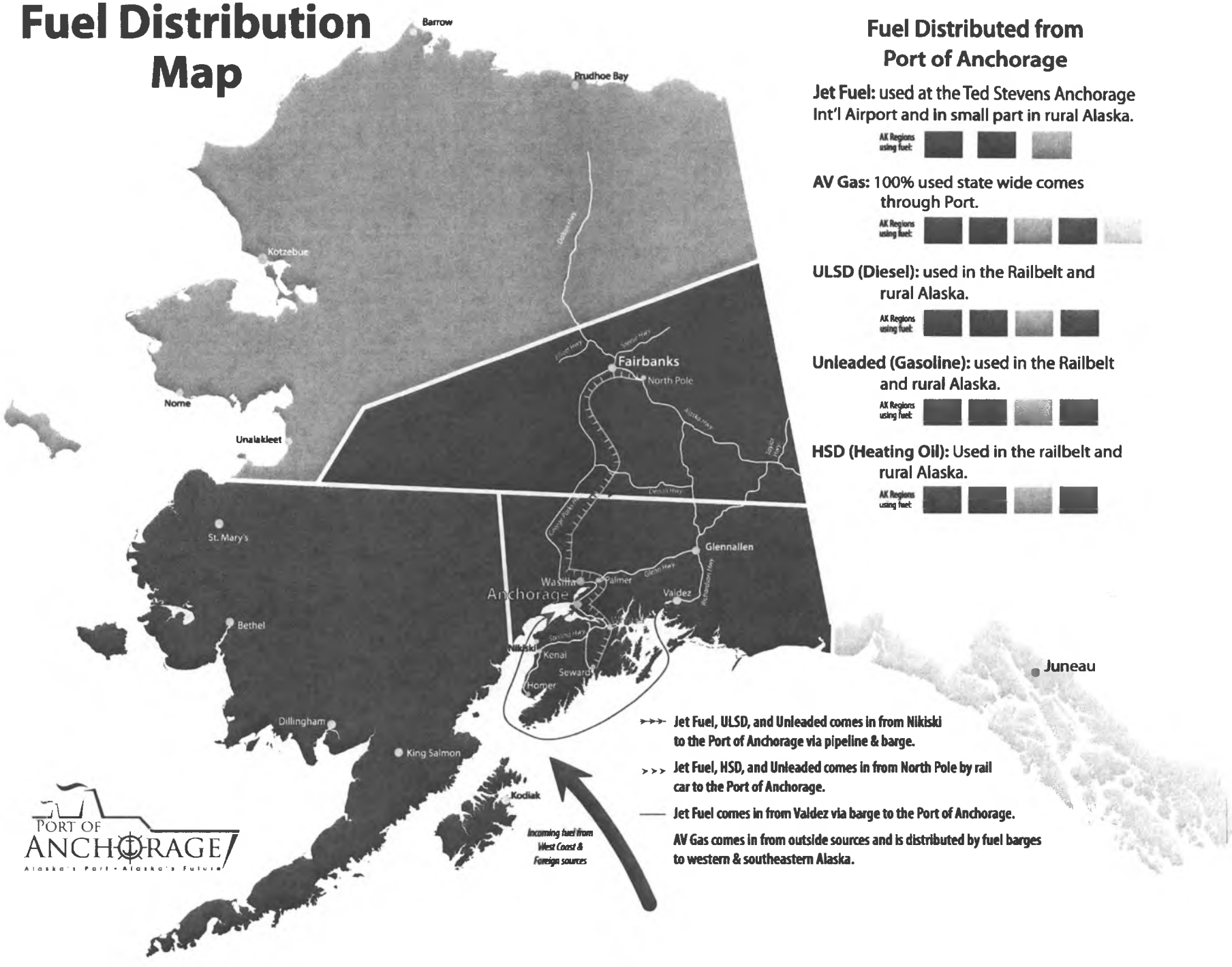
AUG 30, 2011

Intermodal Expansion Project Phasing Plan

PORT OF ANCHORAGE


Cargo
Distribution Map
Map Key
Port of Anchorage
Major Hubs
Communities Served
Barrow
Wainwright
Prudhoe Bay
Kaktovik
Point Lay
Point Hope
Kivalina
Kotzebue
Ambler
Shishmaref
Diomede
Buckland
Teller
Golovin
Nome
St. Lawrence Island
Unalakleet
Stebbins
Emmonak
St. Mary's
Hooper Bay
Aniak
Newtok
Bethel
Nunivak Island
Dillingham
Togiak
King Salmon
Kodiak
Homer
Seward
Anchorage
Wasilla
Nikiski
Kenai
Valdez
Cordova
Juneau
Fairbanks
Fort Yukon
Delta Jct.
Tok
Glennallen
Dalton Hwy.
Elliott Hwy.
Steese Hwy.
George Parks Hwy.
Denali Hwy.
Richardson Hwy.
Glenn Hwy.
Alaska Hwy.
Seward Hwy.
90% of merchandise goods enter the Port of Anchorage from Tacoma, Washington.
Incoming fuel, cement and other cargo from west coast and foreign sources.
PORT OF ANCHORAGE
Alaska's Port • Alaska's Future

Fuel Distribution Map



Fuel Distributed from Port of Anchorage

Jet Fuel: used at the Ted Stevens Anchorage Int'l Airport and in small part in rural Alaska.

AK Regions using fuel:

AV Gas: 100% used state wide comes through Port.

AK Regions using fuel:

ULSD (Diesel): used in the Railbelt and rural Alaska.

AK Regions using fuel:

Unleaded (Gasoline): used in the Railbelt and rural Alaska.

AK Regions using fuel:

HSD (Heating Oil): Used in the railbelt and rural Alaska.

AK Regions using fuel:

➤➤➤ Jet Fuel, ULSD, and Unleaded comes in from Nikiski to the Port of Anchorage via pipeline & barge.

➤➤➤ Jet Fuel, HSD, and Unleaded comes in from North Pole by rail car to the Port of Anchorage.

—— Jet Fuel comes in from Valdez via barge to the Port of Anchorage.

AV Gas comes in from outside sources and is distributed by fuel barges to western & southeastern Alaska.

Alaska's Lifeline

Cargo Distribution Patterns from the Port of Anchorage to Southcentral, Northern, Western and Southeast Alaska

PORT OF ANCHORAGE

Alaska's Port • Alaska's Future

University of Alaska Anchorage

College of Business & Public Policy

Department of Logistics

and

Port of Anchorage

Municipality of Anchorage

2000 Anchorage Port Road

Anchorage, Alaska 99501

Phone: 907-343-6200

Fax: 907-277-5636

www.portofalaska.com

February 2011

EXECUTIVE SUMMARY
PORT OF ANCHORAGE CARGO DISTRIBUTION STUDY

The sources for the data in this executive summary are extensively referenced in the body of this study.

Goods shipped through the Port of Anchorage (POA) reach almost every Alaska community making the POA arguably one of the most important infrastructure facilities in the State of Alaska. The data presented in this report shows the entry points and distribution channels of critical cargoes that drive Alaska's economy and bring Alaskans the consumer goods and business supplies essential to the state's economy and daily life.

For the vast majority of Alaskans, the Port of Anchorage **is** Alaska's Port. The annual cargo entering the Port of Anchorage accounts for 90% of the merchandise goods used by Alaskan communities west of Cordova. This study will help inform public policy decision at the state and federal level to determine the level of public support that is justified for the Port expansion project.

Nearly all of the container goods that make up the day-to-day items used by Alaskans originate in shipments from the Port of Tacoma to the Port of Anchorage (POA). These shipments represent a critical lifeline for Alaska and amount to nearly 30 percent of Tacoma's total cargo activity. The total value of these goods is estimated to be well over $1 billion annually according to a study by the Port of Tacoma and the Seattle Chamber of Commerce.

Once these cargos enter Alaska through the Port of Anchorage, they are distributed throughout the Railbelt by truck, train, and to rural Alaska by air and barge. Ninety percent of the goods delivered to Fairbanks and the Mat-Su area originate in shipments through the Port of Anchorage as do seventy-five percent of the goods consumed in Western and Northern Alaska. A substantial amount of POA originated cargo is shipped via air freight to Southeast Alaska and 28.5 million pounds of US Postal Service Standard mail arrives in the state annually through the Port.

The POA is also a major entry point for fuel. On average, two-thirds of the fuel for air carriers at Ted Stevens Anchorage International Airport, and two-thirds of the fuel used by the US military and federal government agencies in Alaska, are delivered through the Port. This includes 100 percent of the jet fuel for Elmendorf Air Force Base and Fort Richardson- now Joint Base Elmendorf-Richardson (JBER). Smaller aircraft around the state are particularly dependent on Port operations because all in-state aviation gasoline (avgas) passes through the Port. Additionally 90 percent of the fuel Alaskans use to operate their vehicles and water craft originates in POA deliveries.

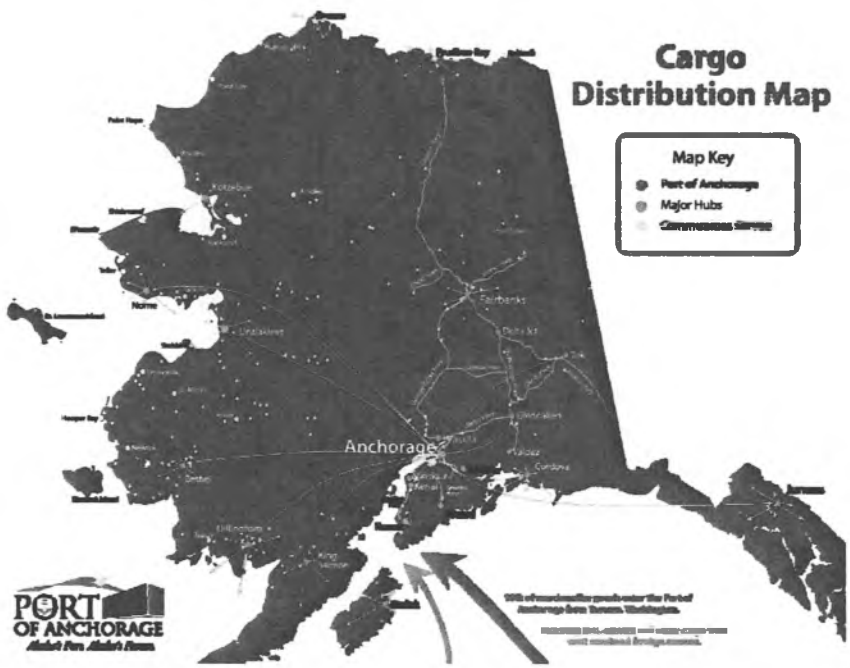
The Port of Anchorage is the only port in Southcentral that has the capability to offload bulk cement in unsacked powder form. As a result, over 80 percent of the cement used for concrete construction in the state comes into the Port annually, enough to build a four foot wide sidewalk from Homer to Barrow and back.

The Port is essential to the Armed Forces and was designated one of only 19 National Strategic Seaports by the Department of Defense. The US Armed Forces have staged over 20 military deployments through the Port of Anchorage in the past 10 years, including Stryker Brigade deployments to Iraq and Afghanistan. In a 2009 letter to the U.S. Secretary of Transportation, Raymond LaHood, U.S. Senator Daniel Inouye calls the Port of Anchorage "vital to our nation's defense" citing its service to all five military bases saying "the port is essential in serving the thousands of Army and Air Force personnel that call Alaska home." He continues on to say that "without the Port of Anchorage, these key military bases and activity would be out of business."

The Port of Anchorage makes a substantial contribution to Alaska's economy not only through the goods and cargoes which enter the port, but also through jobs and associated payroll. Total payroll at the Port for direct operations exceeds $53 million per year. An additional $20 million dollars per year in construction wages supports around 500 jobs and is expected to continue through 2021. The associated railroad, trucking and air cargo operations (delivering Port of Anchorage sourced goods at the regional air hubs of Fairbanks, Bethel, Nome, Dillingham, Kotzebue and Barrow) also make a significant contribution to many local economies.

Four container ships per week supply the vast majority of consumer goods and business supplies to Alaskans. In the course of this study we discovered that most retail companies, non-profits and government agencies reported that they would reach a crisis mode within two weeks if service was disrupted.

This study also identifies some of the issues that could substantially increase operating costs within the distribution system, and ultimately, the cost of goods to Alaska consumers. One example is increased fees and tariffs to pay for the Port of Anchorage Intermodal Expansion Project should local bonding be required. Federal issues include proposed changes to the bypass mail system, elimination or reduction of the Essential Air Service Program, new requirements for marine vessels to use ultra-low sulfur diesel, and any initiation of federal container taxes. Each of these issues could have a significant impact on the cost of goods to Alaskans.



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ABBREVIATIONS

AEDC – Anchorage Economic Development Corporation
ARRC – Alaska Railroad Corporation
ASIG – Aircraft Service International Group
AS&G – Anchorage Sand and Gravel
CIRI – Cook Inlet Region Incorporated
DLA – Defense Logistics Agency
DOD – Department of Defense
ECA – Emissions Control Area
Horizon – Horizon Lines, Inc.
IMPLAN – Impact M for Planning, a multiplier for economic impact calculation developed by the US Department of Agriculture Forest Service
ISER – Institute of Social and Economic Research, University of Alaska
JBER – Joint Base Elmendorf-Richardson
LO/LO – lift-on/lift-off operations
MLLW – Mean Lower Low Water
PANAMAX – The maximum sized vessel that will fit through the Panama Canal
POA – Port of Anchorage
POL – Petroleum Oils and Lubricants
RO/RO – roll-on/roll-off operations
TOTE – Totem Ocean Trailer Express
ULSD – Ultra-Low Sulfur Diesel
USCG – United States Cost Guard
USPS – U.S. Postal Service

STUDY PURPOSE AND METHODOLOGY

The purpose of this study is to describe the distribution patterns of goods which enter the Port of Anchorage (POA) and are delivered to Southcentral, Interior, Northern, Western and Southeast Alaska. The information from this study is intended to inform the general public and public policy makers on the importance of the Port's operations to Alaska's people and businesses.

The study methodology was to collect all available and relevant data on incoming volumes of cargo entering the Port of Anchorage utilizing published documents, port data and interviews with port operators. The final cargo destinations within Alaska and the patterns of freight distribution were further determined through interviews with freight forwarders, trucking, railroad and air freight operators along with retail and government related customers.

To better illustrate the patterns of freight distribution, the data was arranged according to the following tiers:

I. The first tier consists of shipping companies and operators who deliver cargo to the POA including containerized cargoes of consumer goods and business supplies, fuel, cement, construction materials, military equipment, building materials, automobiles and commercial vehicles.

II. The second tier is made up of trucking and rail operations which move goods from the POA to a secondary location. There they are either delivered directly to retail markets or consolidated and shipped via a third tier transporter to a further destination.

III. The third tier is comprised of air cargo carriers and barge operators who ship consolidated freight to hub airports and local harbors via bypass mail, air freight and barge operations. Once received at a hub airport or harbor, the freight is then further broken down for delivery by smaller air carriers or barge shippers for final delivery to rural villages.

IV. The fourth tier includes those goods delivered to the Port of Anchorage and then transshipped to Kodiak, Dutch Harbor and Western and Northern Alaska by container ship and barge. This includes consumer goods and business supplies, fuel, construction materials, automobiles and commercial vehicles.

Data on incoming fuel, cement and military supplies were also analyzed to determine their sources and patterns of distribution.

The Port is committed to treating any proprietary data in a confidential manner and informed study participants that such data would be aggregated to ensure confidentiality. As a result, much of the data is described in overall terms or percentages, nevertheless it clearly indicates the patterns of distribution.

The total payroll of Port stakeholders was collected from operators to help illustrate the economic impact of direct Port operations on Alaska's economy. This data was aggregated into a total payroll amount and was interpreted by Dr. Darren Prokop, UAA Professor of Logistics. The Alaska Trucking Association and the Alaska Association of Air Carriers provided additional information to help assess the value of trucking and air cargo operations to Alaska's economy.

In the course of interviewing participants in the distribution chain, issues of concern were raised that could affect the cost of delivery of goods throughout Alaska including the costs of developing the Port if local bonding were required, changes or reductions in the bypass mail system, requirements for marine vessels to use ultra-low sulfur diesel fuel, and any change in container taxes. These concerns are addressed at a cursory level towards the end of this study.

Participants also identified several inefficiencies in current Port operations that could be improved as a result of the new Port design. This information is contained in *Commodity Details and Port Efficiency Issues* on page 15.

Participants were asked to identify the impact on their businesses should there be any disruptions to Port of Anchorage operations. A summary of their responses is contained on page 18 under *Interruption of Service.*

This study was sent in draft form to all participants for review to identify any omissions or errors. A complete list of companies interviewed for this study can be found on page 25.

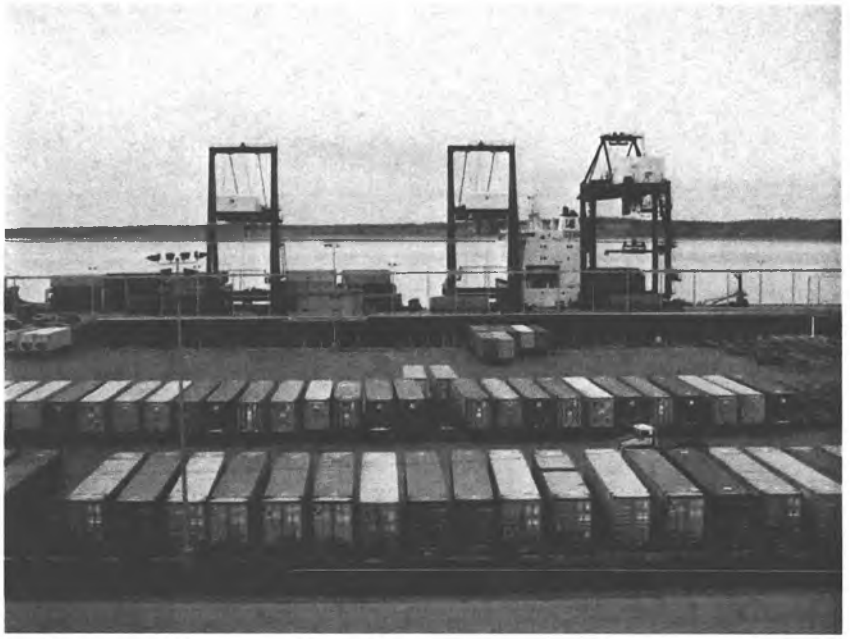
ABOUT THE AUTHORS

This study was conducted under the supervision of Dr. Darren Prokop, Professor of Logistics at the College of Business and Public Policy at the University of Alaska, Anchorage (UAA). Primary research for the project was conducted by Paul Fuhs under the supervision of the Port of Anchorage. The project was assisted by University of Alaska Anchorage student interns Duke Kahumoku (majoring in Political Science) and Grigory Kalugin (majoring in Logistics).

A NOTE FROM THE AUTHORS

The authors would like to thank all the companies who participated in this study. Their cooperation was freely given and their support is very much appreciated. Too often this sector of our economy is taken for granted as essential items appear each week on the shelves without any thought as to how they got there.

This study contains data and statistics, which when taken together, are quite remarkable. As different sectors of the industry were interviewed, it became apparent that behind the numbers there are very real Alaskans, all pulling their weight in a complex and sometimes dangerous system that requires each leg to work all the time, every time, in order to be successful. This silent, steady system is what keeps Alaska's economy alive, its what keeps food in the house and pencils on the desks. This study is a way of recognizing what these companies and people do for the citizens of Alaska every day.



BACKGROUND ON CURRENT PORT OPERATIONS AND PORT REDEVELOPMENT PLANS

The current Port facility has four ship berths and a published draft depth of -35 ft mean lower low water (MLLW) which easily accommodates ships requiring 30 feet of draft. The two northern berths are container ship berths used primarily by Horizon Lines and Totem Ocean Trailer Express (TOTE). A container ship from each of these companies travels from the Port of Tacoma to call on the POA twice a week on Tuesdays and Sundays. TOTE offloads their cargo via Roll-on/Roll-off (RO/RO) facilities while Horizon Lines uses three 38-foot gauge container cranes to lift containers on and off their ships. These container berths are also used to accommodate cruise ship vessels during summer months and other vessels as needed. The two berths on the south end of the dock are for bulk cargo (cement) and petroleum oil and lubricants (POL). These berths accommodate fuel tankers, fuel barges, and dry bulk carriers.

The Port occupies 129 acres with 81 acres leased to long-term users and 31 acres used as transit storage for cargo including fuel tanks and cements silos. These same areas are occasionally designated for use by the Department of Defense to stage military deployments. The Alaska based U.S. Coast Guard Maritime Safety and Security Team is home ported at the POA with 75 personnel and multiple emergency response vessels.

The POA is involved in a major project to replace aging and deteriorated facilities that were built up to 50 years ago and are at risk of catastrophic failure in the event of a major earthquake[1]. The Port of Anchorage Intermodal Expansion Project began in 2002 and upon completion will add 1,700 ft of linear dock space, creating 7 functioning ship berths, two public barge berths, and an additional 135 acres of land which can accommodate industrial development activities. The project increases the operating depth of the Port to -45' MLLW and is expected to reduce dredging costs. The expansion project must be constructed in phases with new operational sections completed before abandoning the current facilities to ensure that there is no disruption of service.

Several areas of the new facilities are constructed to withstand the worst case expected earthquakes based on past history of seismic activity. They are designed to operate for 50 years without any major maintenance and an overall useful life of 75 to 100 years. The expanded facilities will also address a number of inefficiencies inherent to the current facilities which are described in this report.

[1] R&M Consultants, Inc. *Seismic Vulnerability Report.* (2009).

The Port of Anchorage operates on a self-sustaining basis. Port tariffs and fees pay for all operations and maintenance of the facility, along with a small reserve fund. This steady fiscal performance qualifies the Port for a $75 million line of credit used as part of the Port's match to state and federal funds in the ongoing expansion project.

FINDINGS OF THE STUDY

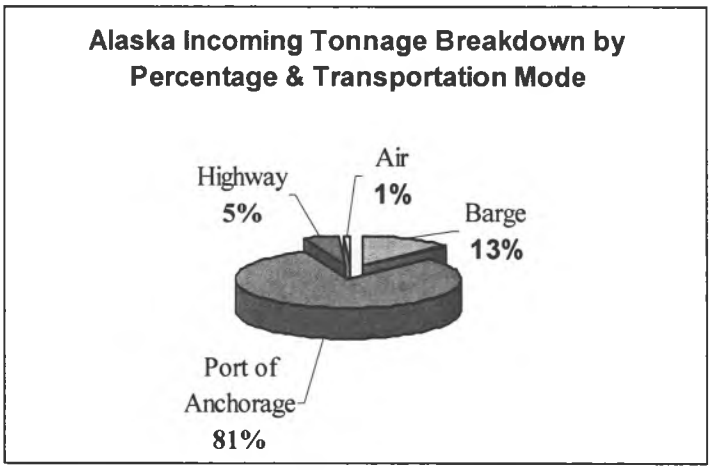
TIER I: ANNUAL INCOMING CARGO AND ORIGIN OF SOURCES

In 2009, the baseline year for complete data, the Port of Anchorage received 4,370,000 tons of cargo (8.74 billion pounds) comprised of containerized consumer goods and business supplies, US mail, fuel, construction materials, drill pipe, cement for concrete, automobiles, and military equipment.[2]

An additional 706,000 tons of annual cargo deliveries, most by barge, do not pass through the POA, but enter Southcentral Alaska through the Alaska Railroad Corporation's rail barge operations in Seward and Whittier and through barge deliveries to North Star Terminal and Stevedoring and the Swan Bay dock. These are primarily outsized and overweight loads and bulk construction supplies.[3] Around 325,000 tons of goods enter the Railbelt through trucking and airfreight.

Railbelt Alaska Incoming Tonnage Breakdown: Percentage by Facilities[4]

There are four ways of delivering goods to the Alaska Railbelt: container ship, barge, trucks, and air freight. Each delivery method is displayed by percentage in the following chart according to data from the Alaska Rail Road Corporation.



[2] Port of Anchorage, 2009 Annual Port Tonnage Report
[3] Personal Interview, September, 2010, Alaska Rail Road Corporation
[4] Personal Interview, September, 2010, Alaska Rail Road Corporation & 2009 Annual Port Tonnage Report

POA LO/LO and RO/RO Operations

Container crane lift on/lift off (LO/LO), and roll-on/roll-off (RO/RO) operations account for 1,820,000 tons annually, (120,000 incoming containers annually, or about 10,000 containers per month.)[5] TOTE's RO/RO operations also allow for the delivery of oversized loads, or just about anything that can be put on wheels.

POA container crane and RO/RO cargo is primarily comprised of consumer goods and business supplies, construction materials, and vehicles. This represents 90 percent of Railbelt and interior merchandise cargo and business supplies shipped to Fairbanks, Mat-Su and the Kenai Peninsula.[6] **Origin of Cargo:** Port of Tacoma

Non POA Barge Cargoes

Around 706,000 tons of annual cargo does not pass through the POA, but is instead transported by barge to Seward, Whittier, and private docks in Anchorage. These cargoes are mostly bulk but can also be containerized and are primarily materials such as chemicals, sack cement, grain products, construction goods, heavy industrial loads, oversized items and fuels. There are several different types of barges that use the facilities listed above including rail barges, with regular weekly service between Seattle or Price Rupert depending on the company, and fuel barges. **Origin of Cargo:** Seattle, Prince Rupert, BC

Fuel

Eleven million barrels[7] (or 462 million gallons) of refined petroleum products move through the Port of Anchorage annually on a regular basis including:

- Two-thirds of the jet fuel used at Ted Stevens Anchorage International Airport
- Two-thirds of all fuel used by military and federal agencies in Alaska
- 100 percent of the jet fuel used by Elmendorf Air Force Base
- 90 percent of the fuel used by vehicles, watercraft and general aviation aircraft in Railbelt Alaska
- 100 percent of the aviation gasoline used statewide (including Southeast Alaska)

Origin of Cargo: Flint Hills Refinery, Tesoro Refinery, Petrostar Refinery, domestic and international ships and vessels.

[5] Port of Anchorage, 2008 Annual Tonnage Report
[6] 1999 VZM TranSystems Corp/Northern Economics, *Port Master Plan*, Page 1.C 14
[7] Port of Anchorage, Annual Dock Tonnage 2001 - 2010

Cement

An estimated eighty percent of the cement for manufacturing the concrete used in Anchorage, Fairbanks, Mat-Su, the Kenai Peninsula and the road system is delivered through the Port of Anchorage by the company Alaska Basic Industries, a division of Anchorage Sand and Gravel (AS&G).[8] Other barge operations deliver an additional 20,000 tons per year. In some cases, cement is distributed from the POA to rural areas via air freight from Ted Stevens Anchorage International Airport. To date, 78 Alaskan communities throughout the State, including the North Slope, have received cement through this distribution method.
Origin of Cargo: Korea, China, Thailand

Automobiles and Commercial Vehicles

About ninety-five percent of new private, commercial, and military automobiles and trucks bound for the Railbelt come through Port of Anchorage. On average, 50,000 vehicles pass through the POA annually.[9] **Origin of Cargo:** Port of Tacoma

Military Cargo

In addition to the fuel, military operating supplies and equipment, commissary groceries, and base/post exchange consumable and durable goods items provided through the Port of Anchorage. In a 2011 letter to Alaska's Congressional delegation, Lieutenant General Dana Atkins, Commander of Alaska Command wrote "The Port of Anchorage is not only the strategic hub for military deployments and operations, it is also one point of throughput for the commodities we stock in our base exchanges, commissaries and troop stores in support of 55,000 military and family members in Alaska."

In the past ten years the Port has supported over 20 military deployments, including deployments to Iraq and Afghanistan. Lieutenant General Atkins writes "Since 2005 almost 18,000 pieces of military cargo in the form of combat vehicles, weaponry, and support equipment have passed through the Port. Our ability to project this power to combat theaters around the globe depends heavily upon sealift through the Port of Anchorage."[10]

USPS Mail

Twenty-eight and a half (28.5) million pounds of US "standard mail" is delivered annually through the Port of Anchorage.[11] **Origin of Cargo:** Port of Tacoma

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[8] Personal Interview, Alaska Basic Industries, October, 2010.
[9] Phone Interview, Wrightway Auto Carriers, October, 2010.
[10] Letter from Lieutenant General Dana T. Atkins to the Alaska Delegation, February 9, 2011.
[11] Phone Interview, U.S. Postal Service, October, 2010.

Bulk Shipments and Construction Materials through POA

These include general construction materials, drill pipe for the North Slope and industrial structural elements. If Cook Inlet Region Incorporated (CIRI) moves forward with it planned wind energy project on Fire Island, the towers are expected to arrive in Cook Inlet by ship and be delivered to the POA for transfer by barge to Fire Island. This will be facilitated by the Port's dry barge landing facility.
Origin of Cargo: Seattle, Tacoma and International sources.

TIER II: PRIMARY DISTRIBUTION TO ANCHORAGE, INTERIOR AND RAILBELT ALASKA

Trucking operations make deliveries directly to large and small retail stores in the Anchorage bowl. Trucks also deliver containers to freight consolidators and warehouses in Anchorage who further break down the cargo for smaller deliveries.[12]

Nearly 90 percent of consumer goods and business supplies for Fairbanks, Mat-Su, and the Kenai Peninsula first enter through the Port of Anchorage. The goods are primarily transported as follows:

- 60 percent intermodal transfer to ARRC for rail transport
- 40 percent delivered by trucking operations[13]

Standard US mail shipped through the Port of Anchorage is delivered by truck to the USPS sort operation near the Ted Stevens Anchorage International Airport. After sorting, it is delivered locally by mail carriers and statewide by truck and air operations. Fuel and cement are delivered directly by truck and railcar to customers throughout the state while cement is also delivered to remote locations by air freight. Construction materials and automobiles are delivered directly by truck.

These trucking operations have a substantial impact on Alaska's economy. The American Transportation Research Institute reports that in 2008, 603 Alaska trucking companies provided 19,955 jobs.[14]

[12] Personal Interview, Alaska Trucking Association, November, 2010.
[13] Personal Interview, Alaska Rail Road Corporation, September, 2010.
[14] American Transportation Research Institute & Alaska Trucking Association, *Alaska Fast Fact.*, (2011)

TIER III: SECONDARY DISTRIBUTION OF CONSUMER GOODS AND BUSINESS SUPPLIES FROM THE PORT OF ANCHORAGE TO RURAL AND SOUTHEAST ALASKA

Surface and Air Transport of Goods

Goods designated for shipment to rural Alaska are transported primarily by trucks to distribution warehouses as stated under the second distribution tier. These warehouses and distribution centers consolidate the goods which are then further distributed to air freight and bypass mail carriers for transport to rural areas. The volume of consumer goods transported through this method is significant. According to a 2006 Northern Economics study, 75 percent of total goods move to rural Alaska through bypass mail.[15]

Air cargo and related passenger flight operations make a substantial contribution to Alaska's economy. According to the Alaska Air Carriers Association, there are 304 commercial operators in Alaska with 47,000[16] people employed in Alaska aviation. The amount of airfreight per person in Alaska is 39 times higher than the US average, amounting to almost one ton per person per year.[17] Air cargo shipments of POA originating goods are also made year round to resource development projects such as Red Dog Mine, Donlin Creek Mine, the North Slope, etc.

According to Alaska Airlines Air Freight, a "substantial" amount of POA originating cargo is sent to the Southeast Alaska communities of Cordova, Juneau, Wrangell, Petersburg, Sitka and Ketchikan. Once the cargo is delivered to these hub communities, smaller air carriers further distribute this Anchorage originating cargo to more remote villages in Southeast.[18]

Bypass Mail

Bypass mail plays a crucial role in delivering consumer goods to Western and Northern Alaska. Cargoes originating from the Port of Anchorage are delivered by truck or rail to the primary air cargo hubs of Anchorage, Fairbanks and Deadhorse. From there this cargo is flown either to the regional hubs of Bethel, Nome, Kotzebue, Dillingham, and Barrow, or flown directly to the villages. The U.S. Postal Service reports that these shipments total almost 100 million pounds per year, with 1.5 million pounds of bypass mail being shipped from Anchorage and 750,000 lbs shipped from Fairbanks every

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[15] Northern Economics, *Port of Anchorage Consolidation & Distribution Study,* 2006.
[16] Alaska Department of Transportation & Public Facilities Commissioned Study, *The Economic Contribution of the Aviation Industry to Alaska's Economy,* 2008.
[17] Alaska Air Carriers Association, *Alaska Aviation Facts*, 2009.
[18] Specific cargo amounts and percentages are not available since one carrier, Alaska Airlines, flies almost all of this cargo and to publish it would reveal proprietary information.

week.[19] An additional 10 percent of cargo is flown at the full tariff air freight rate. Standard US Mail shipped through the Port of Anchorage is also delivered by air to rural Alaska.

Bypass mail provides a lower cost to consumers since air cargo is charged at "postage stamp rates" which means that cargo moves at $0.38 per pound regardless of which community it is shipped to, similar to the way a letter is charged the same rate regardless of where you are sending it. To send that same freight from Anchorage to Bethel via air freight or at standard postal rates for instance, would cost nearly twice that much. To send it to the outlying villages could cost up to 6 times that amount. The USPS pays for the difference in those prices which amounts to a "subsidy" of over $100 million per year.[20]

Bypass mail is organized into two categories:

1. Service to hubs; in planes fully loaded with cargo, or by combi service (a Boeing 737 configured for half freight in totes and half passengers) as offered by Alaska Airlines. These hubs are a legacy of the old postal hub communities. The number of providers is limited to those carriers who have provided this service in the past and have the capacity for hauling a minimum of 7,500 pounds.

2. Service to villages: Cargo is flown in conjunction with passenger flights on smaller aircraft that have at least 20 percent of the passenger market in those communities. In many cases the revenues from bypass mail are what keep these airlines serving these communities.

There is discussion within USPS of moving these hubs to communities that they estimate would be more efficient locations for them. However, this would require significant state expenditures to upgrade these airports, while current hubs have seen substantial improvements in their capabilities. Airports like Bethel, the second busiest airport in Alaska, are considering moving to a 24/7 schedule to accommodate all of their nighttime traffic in a safe and efficient way.[21] Any reductions in bypass mail service would impose a significant burden on people living in the villages who are already struggling to make ends meet due to the high cost of goods and energy.

[19] Phone Interview, USPS, October 2010.
[20] Personal Interview, Alaska Commercial Company, October, 2010.
[21] Personal Interview, Airport Manager, Bethel Airport, November, 2010.

TIER IV: CARGO TRANSHIPPED VIA WATER TO RURAL ALASKA

A significant amount of Western Alaska bound cargo is shipped by container vessel to Anchorage and then loaded to barges destined for Western Alaska. One of the barge operators serving western Alaska estimates that 25 percent of their cargo is transshipped via the Port of Anchorage. The remaining 75 percent of barge cargo is sourced directly out of Seattle.[22]

Horizon Lines has direct container service to Kodiak and Dutch Harbor/Unalaska. These ships carry cargo from the Port of Tacoma, discharge most of their cargo in Anchorage, take on additional cargo for Kodiak and Dutch Harbor and then return to Tacoma after making those port calls. They take Asian destination frozen fish from Southcentral and Kodiak to Dutch Harbor where it is loaded onto container ships headed for foreign destinations. Frozen fish from Kodiak and Dutch Harbor are backhauled to Tacoma for distribution to domestic markets.

Several consolidators and large scale retailers, such as Alaska Commercial, repackage cargo from the Port of Anchorage and then reload these containers on the Horizon vessels or Northland barges headed for Kodiak, Dutch Harbor and Western Alaska ports.

Fuel to Rural Alaska

Annually, 1.7 million barrels of refined petroleum product are shipped out of the Port of Anchorage to rural Alaska via barge[23].

Cargo Backhaul to the Port of Tacoma

On average, about 2 out of 10 containers is loaded with cargo for container ship return voyages to the Port of Tacoma. This cargo is comprised of: recycled items, frozen fish, household goods and vehicles for people moving out of Alaska, automobile and truck trade-ins, and rental car fleet inventories being returned to the West Coast.[24] As an example of how backhauled goods can have a strong impact on shipping rates, it is estimated that the backhaul of fisheries products alone can help reduce the cost of shipping goods to Alaska.[25]

COMMODITY DETAILS AND PORT EFFICIENCY ISSUES

"As Is" LO/LO and RO/RO Container Service

The current container service operated by Horizon Lines and TOTE is highly efficient. Four vessels a week supply around 90 percent of the

[22] Phone Interview, Northland Services, December, 2010.
[23] Port of Anchorage, 2009 Annual Tonnage Report
[24] Personal Interview, Horizon Lines, Totem Ocean Trailer Express, November, 2010.
[25] Personal Interview, Lynden Inc. 2010

merchandise goods and business supplies to Alaskans living west of Cordova. It is so efficient, particularly when combined with the capability for just-in-time delivery, that many retail outlets have drastically reduced, or even eliminated, their need for warehousing services. Coupled with bar code inventory systems, the products in many containers are taken from the vans and put directly on store shelves. These efficiencies allow retailers to offer a wide range of food and other commodities at a price that is little different from those in Seattle.

"To Be" LO/LO and RO/RO Container Service

When completed, the modernized Port of Anchorage will contribute to even greater efficiencies. The draft (depth) at the current dock is -35 feet, restricting the size of vessels that can call on the Port, while the three LO/LO container cranes on the current dock only have a nine container reach. A modern container ship is 16 containers wide and requires a deeper draft and larger cranes at port facilities.

The design of the new facility will provide seven berths of nearly 1,000 feet each that are capable of supporting either RO/RO or LO/LO operations, 49 feet of draft, and placement of the dock face farther out into the channel where it will be self-scouring. New container cranes will be able to reach across PANAMAX container ships, now the industry standard. These upgrades will improve the efficiency of container, commodity, RO/RO and automobile operations. Additional staging areas immediately behind the LO/LO and RO/RO operations will improve efficiencies there while construction of a railroad intermodal loading facility at the back of the port will make transfer operations to flat cars more efficient and reduce the need for drayage operations.

"As Is" Fuel Details

Fuel deliveries have been steadily increasing at the Port of Anchorage. The startup of the ultra-low sulfur diesel towers at the Petrostar facility in Valdez will further increase these deliveries to the POA. Currently about 7.7 million barrels of fuel are delivered to the Anchorage area by rail car annually.[26] An additional 4.5 million barrels come across the Port's dock.[27] ASIG operates the tank farm and valve manifolds that facilitate deliveries of jet fuel to the Ted Stevens Anchorage International Airport by pipeline.[28]

The tank farm at the airport is a subzone of the Foreign Trade Zone at the Port of Anchorage. Since most of this fuel is burned out of the US, there is a significant tax advantage to imported fuel. The crude oil refined at the Tesoro refinery in Nikiski is

[26] Port of Anchorage, Annual Tonnage Report 2010
[27] Port of Anchorage, *Annual Dock Tonnage 2001 – 2010*
[28] Personal Interviews, Petrostar Refinery, Alaska Rail Road Corporation, ASIG, October, 2010.

sourced out of Russia and UK. They also import substantial quantities of refined jet fuel from Korea.[29]

Currently, all general aviation gas (avgas) for Alaska comes through the Port of Anchorage which typically receives four or five tanker deliveries per year and are stored at the Port's tank farms. It is then distributed to Fairbanks, Mat-Su, and the North Slope by truck, and to Western and Southeast Alaska by barge. The Southeast Alaska trade in avgas is facilitated by favorable prices in Anchorage. If Southeast communities were to rely on direct tug and barge deliveries of avgas, these barges would have to travel as far as San Francisco to get avgas from the West Coast. Instead, they are serviced by tugs and fuel barges that are demobilizing from their Western Alaska trades and returning south in the fall. These tugs and barges make this return trip profitable by loading avgas at the POA and making deliveries to Southeast Alaska as they continue their return voyage.[30]

"To Be" Fuel Infrastructure Benefits

Fuel operations are also constrained by the current, limited draft at the Port of Anchorage. Larger petroleum product carriers, given the ability to make larger bulk deliveries, can potentially reduce the overall cost of fuel to consumers. Petroleum operators at the Port who supply fuel to Ted Stevens Anchorage International Airport have indicated the need for increased storage tanks to ensure deliveries of adequate volumes to cover peak periods of demand at the airport. Two dedicated POL berths with new environmentally friendly and state-of-the-art offload headers at the future petroleum docks provide opportunities for new storage capability and the ability to handle a wider variety of refined petroleum products. The newly added acreage behind the POL berths could be a siting source for additional tankage.

"As Is" Cement Offload and Storage Infrastructure

Cement is used in almost every construction project in the state, large and small. The Port of Anchorage is one of the only facilities in Alaska with bulk offloading capacity for cement ships. The ships arrive with dry cement carried in segregated hold compartments and are offloaded via a vacuum and pump system. The cement is transferred through a pipeline to storage tanks on railroad property. Trucks are used to transport the cement from the storage tanks to its final destination. Due to the limited draft at the port, the current bulk cement carrier can only load and receive 24,000 tons at a time despite the vessel's capacity of 40,000 tons.

[29] Ostherimer, David. *Annual Report For Foreign-Trade Zone No. 160; October 1, 2008-September 30, 2009*

[30] Personal and Phone Interviews, Tesoro Alaska, September, 2010. PetroMarine, Delta Western Fuels, December, 2010.

"To Be" Cement Offload and Storage Infrastructure

Completion of the south replacement and extension phase of the intermodal expansion project will provide both a deeper depth of -45ft and new acreage for the construction of additional cement storage tanks. This could create a cost savings benefit to the shipper as they would be able to double their capacity, transporting 40,000 tons at a time while experiencing the same operational and crew cost with only a modest increase in fuel. The operators of the bulk cement facility at the Port have indicated that if they could utilize these efficiencies, they would construct additional cement silos at the Port on the newly added backlands created by the Port expansion. This would eliminate their current need to truck cement across town to a different storage facility.[31]

"As Is" Military Support

The Port of Anchorage currently serves all five military bases in Alaska through fuel, supplies, vehicles and deployments. In a 2009 letter to the U.S. Secretary of Transportation Ray LaHood, U.S. Senator Daniel Inouye (HI) wrote:

> For example, the Port of Anchorage is vital to our national defense. The Expansion project that is underway will provide further economic opportunities and further strengthen the military and diplomatic mission of the United States. The Port of Anchorage is one of only 19 ports designated by the Department of Defense as a Strategic Port. There are five military bases strategically located in Alaska (Elmendorf AFB, Ft. Richardson, Eielson AFB, Ft. Waignright, and Ft. Greely), and the Port is essential in serving the thousands of Army and Air Force personnel, that call Alaska home. Alaska is playing a larger role in the training of military personnel with more than 2 million acres of training grounds, where troops can train with close air support in live fire exercises. Without the Port of Anchorage, these key military bases would be out of business. (April 28, 2009)

As part of its designation as a Strategic Seaport, the Port of Anchorage must be able to provide enough dock space and acreage to support a military deployment within 72 hours notice. Currently, the Port has successfully demonstrated the ability to provide one 1,000-foot berth without ceasing normal commercial dock operations, and 25 acres of non-contiguous/non-adjacent staging, however this does not meet the military's stated needs.

"To Be" Military Support

The U.S. Transportation Command's Surface Deployment and Distribution Command, through the U.S. Maritime Administration, has indicated a new need for the Port to be able to provide 2,000 feet of berthing space with an adjacent 25 acres of staging area in support of a more expedited major unit deployment[32]. Upon completion of the expansion project, two

[31] Personal Interview, Alaska Basic Industries, October, 2010.
[32] US Department of Administration, Maritime Administration, *Port Planning Order*. (August 31, 2010)

1,000-foot berths and 25 acres of adjacent contiguous staging area can easily be provided with room for growth if needed. This future footprint further provides an easily secured and monitored area decreasing security costs for military users.

The gravel fill for the expansion project, 11 million cubic yards, will all be mined on Elmendorf Air Force Base and transported down a haul road to the Port. This arrangement has proved mutually beneficial to both parties. The Port benefits because the short transit distance generates a large cost savings for the project while the Air Force benefits as hills are removed at the end of the north-south runway creating land that can be developed and used as needed. Once the project is complete, the road that is currently used to transport gravel will be used for deployment, providing the military with direct access to a secured facility and avoiding the associated congestion on public roadways.

Interruption of Service

The efficiencies of the Port have significant advantages, but only so long as port operations remain uninterrupted. During the course of our surveys, businesses were asked how quickly their operations would be affected if operations at the Port were disrupted. Most businesses said they would feel the consequences within a week, two weeks at most. Beyond that time period, they indicated that the interruption would develop into a full blown crisis[33]. This highlights the seriousness of concerns about the stability of the current deteriorated Port structure in the event of a major earthquake.

Once completed the expanded facilities would significantly decrease this risk. The facilities are designed to withstand normal to moderate earthquakes with little to no damage. Given the past seismic history of the region, the design includes two berths designated as "essential facilities." These berths feature increased structural reinforcements and are designed to remain operational following a maximum level earthquake of equal or greater magnitude than the 1964 earthquake.

Manufacturing and Increased Backhaul Opportunities

The Port's newly added acreage can provide much needed industrial space for the manufacture of modules for the North Slope or for the construction of the Alaska gas pipeline. Potential developers of the gas line have already visited the Port to explore these opportunities. A recent report by Anchorage Economic Development Corporation (AEDC) indicates that industrial development lands in Anchorage that are suited for development are limited and dispersed.[34] The new uplands at the Port can help provide space for industrial development and staging.

[33] See list of retail businesses interviewed in reference section

[34] Anchorage Economic Development Corporation, *Industrial Land Needs – The Outlook for Anchorage 2010-2030.* (2009)

Nearly 90 percent of the backhauled containers from the POA are empty. This is a potential area for increased economic activity that would have an additional benefit of reducing the cost of shipping. Although this has yet to be realized, value added processing of natural gas liquids from an Alaskan gas line could provide manufactured products for export. For example, ethylene processed into polyethylene beads, and butane processed into butyl rubber cants is the feedstock for plastic products such as automobile tires.[35]

POTENTIAL COST INCREASE DRIVERS

As previously mentioned, the efficiency of the existing distribution system is quite impressive. So much so that there is a large portion of the state's population that gives no real thought as to how things get on the store shelves. It is the efficiency of this transportation system that has contributed significantly to the ability to stabilize consumer prices for Alaskans. That being said, the balance is delicate. Here are a few potential sources of cost increases that, if realized, could easily upset that balance.

EPA Emissions Control Area

The requirements of this mandate, which are slated to take effect in 2015, would force Alaska-bound ship operators to use ultra-low sulfur diesel fuel in and near the Alaska coast. This fuel is much more expensive and safety concerns have been raised related to the low lubricating characteristics of this fuel. Once in effect, this could dramatically increase the cost of providing service to Alaska.[36]

Changes in Bypass Mail System

Reductions in the bypass mail system would have devastating effects on rural Alaska resulting in increased air shipping costs to rural villages by up to 500 percent. The recent proposal by U.S. Senator John McCain to eliminate the Essential Air Service program could increase the cost of air transportation including the transportation of consumer goods and other items to rural areas.

Proposed Container Tax

The states of Washington and California have both proposed container taxes to provide funds for transportation projects in their states. Alaska would be particularly and unfairly burdened with these fees since the bulk of our cargo arrives by container. The State of Alaska and the Alaska transportation industry rose up to vigorously oppose these measures and they were defeated. However, this issue may surface again and if adopted would significantly increase the cost of shipping goods to Alaska.

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[35] Chemical Manufacturers of America, Inc, *2010 Update: Cook Inlet Value Added Opportunity, for AEDA and ANGDA.*

[36] Personal Interviews, Horizon Lines, Totem Ocean Trailer Express, November, 2010.

Port Expansion Financing Plan

The Port of Anchorage secures funds for its intermodal expansion project from the federal government, the State of Alaska, and through contributions from its own annual profits. If the Port were required to bond completely for this project, to make the required payments towards those bonds would require substantial increases in port surcharge fees, from 3 to 8 times higher than current rates[37]. This would increase the cost of every single item, bulk or containerized, that passes through the POA. State and federal grants for the project negate the need to consider this option.

CONCLUSION

A modern, safe, survivable Port of Anchorage is critical to the lives of Alaskans. It is an economic driver that provides the needed commodities and business supplies Alaskans use in their everyday lives. It provides essential supplies to Alaska's construction and resource development industries and delivers the cars we use to get around in. The Port also provides jobs for Alaskans both through its direct operations and through the extensive web of transporters and facilitators that ultimately deliver the goods to Alaskans. It truly is the Port of Alaska.

[37] Based on tax-exempt bonding for capital costs of $300 to $750 million.

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Cummings, David, Airport Manager, *Bethel Airport.* (personal communication 2010)

Danielson, Rick A., & Wainwright, Christopher, Contracting Officer/ Purchasing Agent, *University of Alaska Fairbanks.* (personal communication 2010)

Davis, Marion, General Manager, *Horizon Lines.* (personal communication 2010)

Davis, Michelle, Housekeeping Manager, *Pike's Waterfront Lodge.* (personal communication 2010)

Dodson, Jim, President and CEO, *Fairbanks Economic Development Corporation.* (personal communication 2010)

Doyle, Jimmy, Presidnet, *Weaver Brothers.* (personal communication 2010)

George, Tom, AK Regional Representative, *Aircraft Owners and Pilots Association.* (personal communication 2010)

Gerhauser, Eddie, Supervisor of Purchasing and Receiving, *Banner Health-Fairbanks Memorial Hospital.* (personal communication 2010)

Gibson, Michelle, Committee & Projects Coordinator, *Greater Fairbanks Chamber of Commerce.* (personal communication 2010)

Goldsmith, S., & Schwoerer, T. Port of Anchorage, Tiger II grant application. *Barge Berths and Rail Extension Project,* p. 6-8. (2010)

Grahek, Bart, Director Procurement and Warehousing, *Fairbanks North Star Borough School District.* (personal communication 2010)

Hicks, David, Branch Manager, *Alaska Commercial Company.* (personal communication 2010)

Hopkins, Luke T., Mayor. *Fairbanks North Star Borough.* (personal communication 2010)

Johnson, Joan E., Senior Account Manager, *Pacific Alaska Freight.* (personal communication 2010)

Johnson, Murray, Director of Materials Management, *Banner Health-Fairbanks Memorial Hospital.* (personal communication 2010)

Kristovich, John, Supervisor-Purchasing, *Lower Kuskokwim School District.* (personal communication 2010)

Liland, M., Director of sales, *Northern Air Cargo.* (personal communication 2010)

Lowery, George, Alaska Director, *Totem Ocean Trailers Express.* (personal communication 2010)

Meason, John, Director of Refinery Operations, *Petro Star Valdez Refinery.* (personal communication 2010)

Morman, Dale, President, *Alaska Basic Industries*. (personal communication 2010)

Northern Economics, *Port of Anchorage Consolidation and Distribution Concept Feasibility Study.* (2006)

Northern Economics, *The Economic Contribution of the Aviation Industry to Alaska's Economy*. Commissioned by Alaska Department of Transportation & Public Facilities. (2008)

Ostherimer, David. *Annual Report For Foreign-Trade Zone No. 160; October 1, 2008-September 30, 2009*, Municipality of Anchorage. (2010)

Pickett, Walt, V.P. and General Manager, *Alaska Commercial Company.* (personal communication 2010)

Port of Anchorage, *2008 Annual Tonnage Report.* (January 2009)

Port of Anchorage, *2009 Annual Tonnage Report.* (January 2010)

Port of Anchorage, *Annual Dock Tonnage 2001-2010.* (January 2011)

Ragar, Robert, Manager, Contract Sales and Hazardous Materials, *Everts Air Cargo.* (personal communication 2010)

Silverstein, Steve, V.P., *Alaska Railroad Corporation.* (personal communication 2010)

Simko, Jim, President, *J & S Service Inc.* (personal communication 2010)

Sinsaas, Don, Director of Operations, *Arctic Circle Air.* (personal communication 2010)

St. John, Jeanine M., V.P., *Lynden Air Cargo.* (personal communication 2010)

Thompson, Arni, President, *United Fishermen of Alaska,* Executive Director of the Alaska Crab Coalition. (personal Communication 2010)

VanderMartin, Wes, Vice President, *Alaska Basic Industries.* (personal communication 2010)

VanderZanden, Jerry, Airport Manager, *Fairbanks International Airport.* (personal communication 2010)

V.Z.M. Transystems, Northern Economics LLC. *Port of Anchorage Master Plan*, p. I.C-14. (1999)

Wilhelm, Rex, President and Chief Operating Officer, *The Northwest Company International, Inc.* (personal communication 2010)

ADDITIONAL BUISNESS CONTACTED

Barrow
A & D Automotive & Jeep
Aamodt Construction Inc.
Arctic Coast Trading Post
Arctic Janitorial Service
Arctic Pizza
Astac Cellular
Barrow Quick Stop
Barrow Souvenirs & Gifts (Phillips Child Care)
Barrow Utilities & Electric (Bueci)
Boynton Office Systems
Borealis Glass Design
Browers Restaurant
Cornerstone community church
Ferreras Equipment, LLC.
Inupiat Cleaners/ Furshop/ Water service
King Eider Inn
Lucy's Fabric Shop
Napa Auto Parts (Eskimos Inc. Fuel and Parts)
North Slope Borough Vet Clinic
Northern Lights Restaurant
Osaka's Restaurant
Pepe's North of the Border
Sam & Lee's Restaurant
Top of the World Hotel

Mountain Village
Mt. Village Covenant Church

Saint Mary's
Mattys Truck Rental LLC.

Nome
Airport Pizza
Anchor Liquor
Arctic Trading Post
Aurora Inn
Breakers Bar
Builders Industrial Supply
Eds/Xerox Corp
Kawerak Inc.
Landons
Mai's Guest House
Mukluk Telephone Co.
N B Tweet & Sons
Nome Liquor Store
Nome Machine Works
Nome Outfitters Gun & Tackle
Outsiders Hardware
Our Saviors Lutheran Church
Quality Auto Parts
R J's Auto Repair
Rasmussen's Music Art
Rave'n Cuts
River of Life Assembly of God
Solid Green Bingo & Pull Tabs
Subway
Trails End
Veggo Alaska

Kotzebue
Arctic Chiropractic
Arctic Sun Pull Tabs/Kvfd
Baker Services
Baker Aviation Inc.
Custom Electronics
Empress Chinese Restaurant
First Baptist Church
Iva Baker
Thomas Bolen (Otter Enterprises)

Dillingham
Alaskan Espresso
B & B Bed & Breakfast
B & C Fiberglass Inc.
Beaver Creek Bed & Breakfast
Bristol Express
D & J Rentals
Dan's Raft & Camping Equipment
Dave Williams Aircraft Repair
Dillingham Liquor Store
Firewood Bed & Breakfast
Food Bank
JD B&B Reservations
Kae Williams Aircraft Repair
Kozy Kuspuk (Bush Outfitters)
Marx Merchandise
N & N Market Inc.
Nushagak Cab Co.
Osborn Tanks
Rae's Flower & Garden
Ram Auto & Equipment Repair
Sherry's Cuts & Curls
Southwest Salvage
Stelling Enterprises (Gas Stations)
Teddy's Convenient Store
U Pop em' Fireworks

Unalakleet
Essential Services (Plumbing & Heating)
Sleep Inn
Unalakleet City Clerk
Unalakleet Native Village-Housing

APPENDIX A:

List of over 250 Alaskan Communities served by the Port of Anchorage

Adak
Akiak
Akiachak
Akutan
Alakanuk
Allakaket
Ambler
Anaktuvuk Pass
Anchorage
Anchor Point
Anderson
Aniak
Anvik
Arctic Village
Atka
Atqasuk

Barrow
Beaver
Bethel
Betties Field
Big Lake
Border
Boundary
Brevig Mission
Buckland
Butte

Candle
Cantwell
Central
Chalkyitsik
Chandalar
Chatanika
Chena Hot Springs
Chenega Bay
Chenik
Chevak
Chicken
Chikaloon
Chignik
Chiniak
Chitina
Chugiak
Circle
Circle Hot Springs
Clam Gulch
Clarks Point
Clear
Cold Bay
Coldfoot
Cooper Landing
Copper Center
Crooked Creek

Deadhorse
Deering
Deltana
Delta Junction
Diomede
Dillingham
Dot Lake
Dutch Harbor

Eagle
Eagle River
Eek
Egegik
Ekwok
Elim
Emmonak
English Bay
Eureka

Fairbanks
False Pass
Flat
Fort Glenn
Fort Greely
Fort Yukon
Fortuna Ledge
Fox

Gakona
Galena
Gambell
Girdwood
Glenallen
Golovin
Gordon
Grayling
Gulkana

Hamilton
Healy
Holy Cross
Homer
Hooper Bay
Hope
Houston
Hughes
Hulsia

Icy Bay
Iditarod
Iguigig
Ikatan
Iliamna
Indian
Ivanoff Bay

Kaktovik
Kaltag
Kanatak
Kanishna
Karluk
Kasigluk
Kasilof
Katalla
Kenai
Kenny Cove
Kiana
King Cove
King Salmon
Kipnuk
Kivalina
Kobuk
Kodiak
Kokhanok
Koliganek
Kongiganak
Kotlik
Kotzebue
Koyuk
Koyukuk
Kustatan
Kwethluk
Kwigillingok
Kwikpak

Lake Minchumina
Larsen Bay
Lavelock
Livengood
Long
Lower Kalskag

Manly Hot Springs
Manokotak
Marshall
McCarthy
McGrath
Medra
Mekoryuk
Mentasta
Minto
Moose Pass
Mountain Village

Nabesna
Naknek
Napakiak
Nelson Lagoon
Nenana
New Stuyahok
Newhalen
Newtok
Nightmute
Nikiski
Nikolai
Nikolski
Ninilchik
Noatak
Nome
Nondalton
Noorvik
Northway
North Pole
Noyes Island
Nuiqsut
Nulato
Nunapitchuk
Nyac

Old Harbor
Ophir
Ouizinkie

Palmer
Paxson
Pedro Bay
Perryville
Petersville
Pile Bay
Pilot Point
Pilot Station
Platinum
Point Hope
Point Lay
Poorman
Port Alice
Port Alsworth
Port Graham
Port Heiden
Port Moller
Portage Creek
Prudhoe Bay

Quinhagak

Russian Mission
Rampart
Red Devil
Ruby

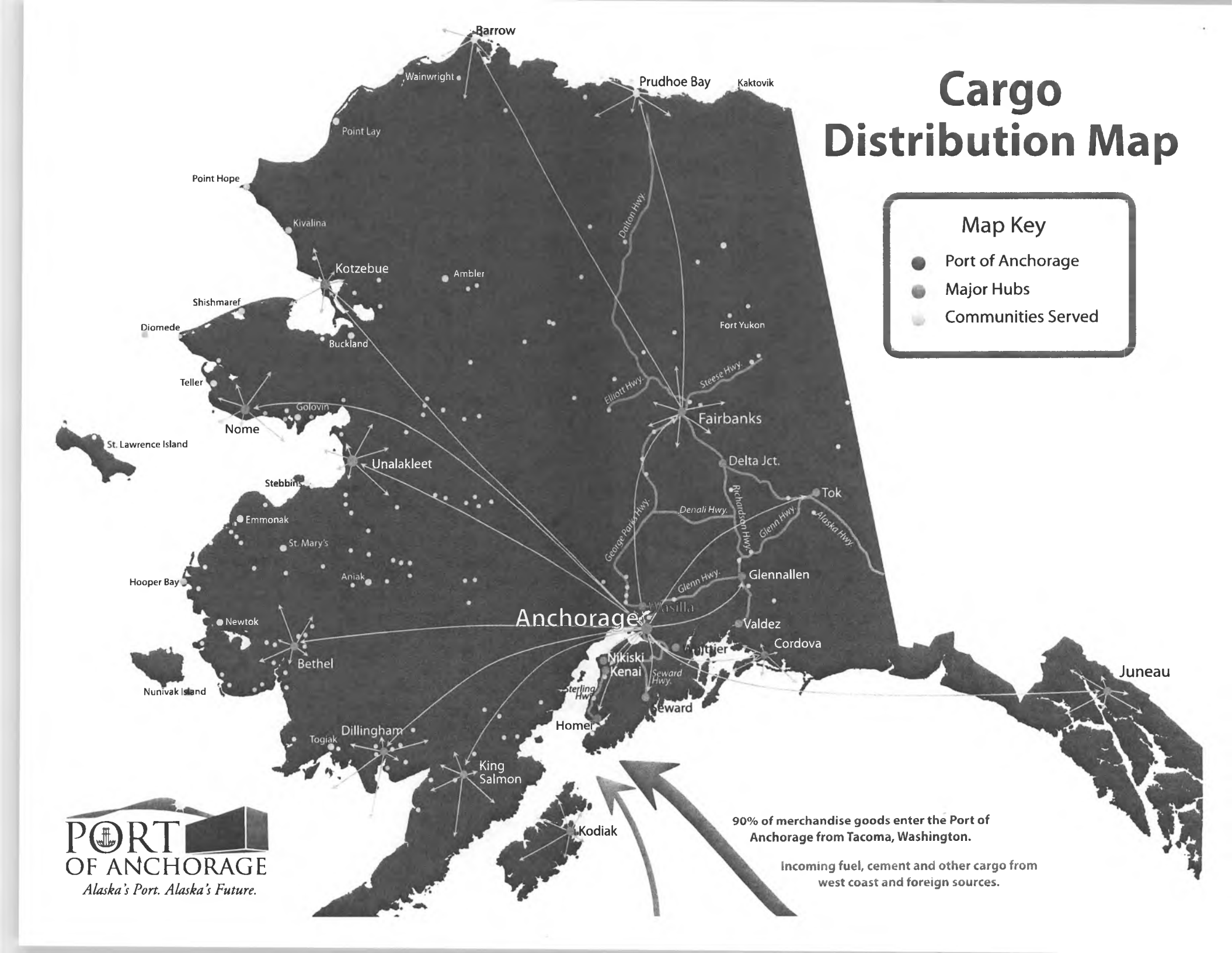
St. George Island
St. Marys
St. Michael
St. Paul Island
Salcha
Sand Point
Savoonga
Scammon Bay
Selawik
Seldovia
Seward
Shageluk
Shaktoolik
Sheldon Point
Shemya
Shishmaref
Shungnak
Skwentna
Slana
Slaterville
Sleetmute
Soldotna
South Naknek
Stebbins
Sterling
Stevens Village
Stony River
Sutton

Takotna
Talkeetna
Tanacross
Tanana
Tatitlek
Teller
Tetlin
Tofty
Togiak
Tok
Toklat
Toksook Bay
Tonsina
Trapper Creek
Tuluksak
Tuntutuliak
Tununak
Twin Hills
Tyonek

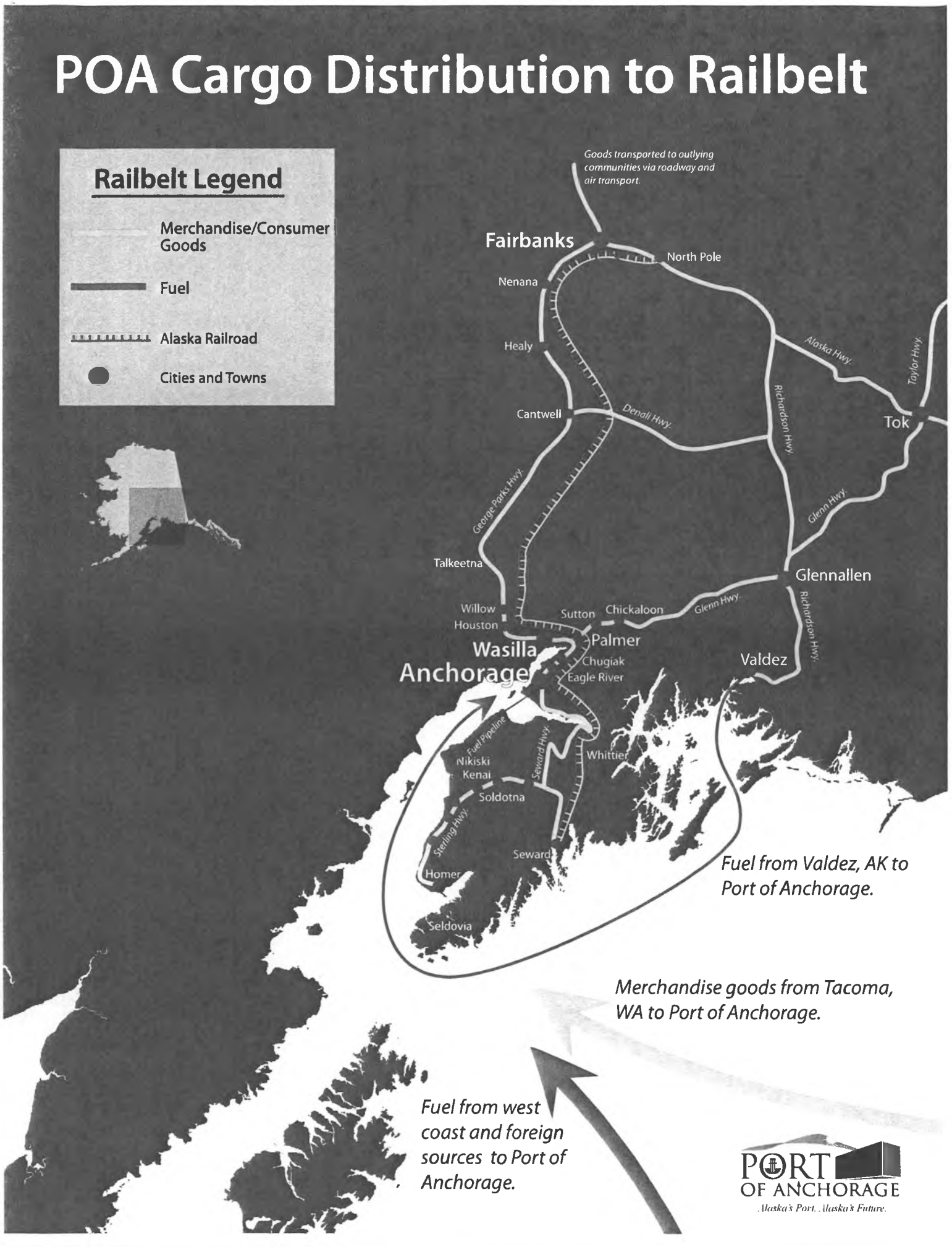
Uganik
Umiat
Unalakleet
Unalaska
Unimak
Upper Kalskag

Valdez
Venetie

Wainwright
Wales
Wasilla
White Mountain
Whittier
Willow

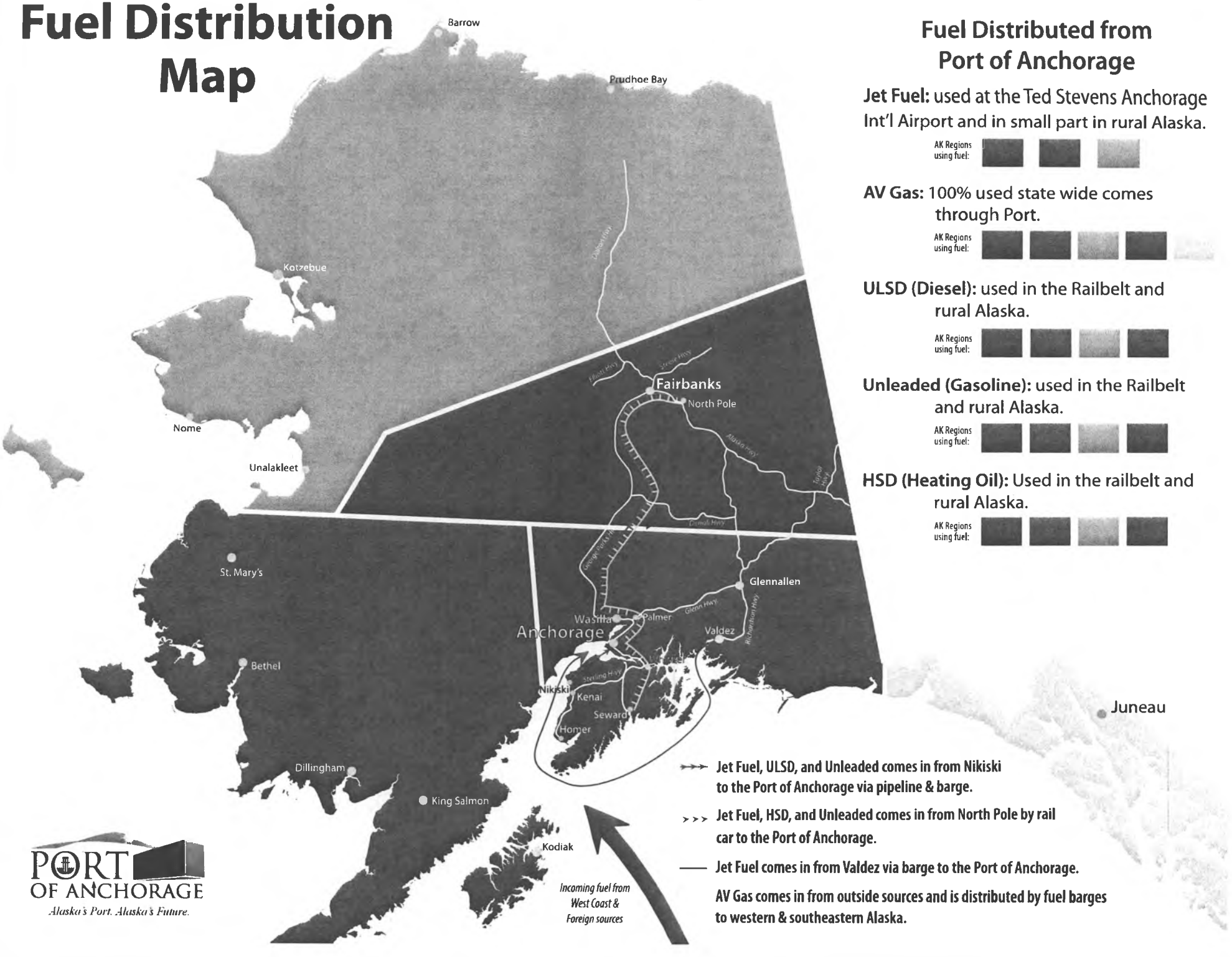

Cargo Distribution Map
Map Key
Port of Anchorage
Major Hubs
Communities Served
Barrow
Wainwright
Prudhoe Bay
Kaktovik
Point Lay
Point Hope
Kivalina
Kotzebue
Ambler
Shishmaref
Diomede
Buckland
Teller
Golovin
Nome
St. Lawrence Island
Unalakleet
Stebbins
Emmonak
St. Mary's
Aniak
Hooper Bay
Newtok
Bethel
Nunivak Island
Dillingham
Togiak
King Salmon
Kodiak
Homer
Seward
Anchorage
Wasilla
Nikiski
Kenai
Valdez
Cordova
Whittier
Juneau
Fairbanks
Fort Yukon
Delta Jct.
Tok
Glennallen
Dalton Hwy.
Elliott Hwy.
Steese Hwy.
George Parks Hwy.
Denali Hwy.
Richardson Hwy.
Glenn Hwy.
Alaska Hwy.
Seward Hwy.
Sterling Hwy.
PORT OF ANCHORAGE
Alaska's Port. Alaska's Future.
90% of merchandise goods enter the Port of Anchorage from Tacoma, Washington.
Incoming fuel, cement and other cargo from west coast and foreign sources.

POA Cargo Distribution to Railbelt



PORT OF ANCHORAGE
Alaska's Port. Alaska's Future.

Fuel Distribution Map



Fuel Distributed from Port of Anchorage

Jet Fuel: used at the Ted Stevens Anchorage Int'l Airport and in small part in rural Alaska.

AK Regions using fuel:

AV Gas: 100% used state wide comes through Port.

AK Regions using fuel:

ULSD (Diesel): used in the Railbelt and rural Alaska.

AK Regions using fuel:

Unleaded (Gasoline): used in the Railbelt and rural Alaska.

AK Regions using fuel:

HSD (Heating Oil): Used in the railbelt and rural Alaska.

AK Regions using fuel:

→→→ **Jet Fuel, ULSD, and Unleaded comes in from Nikiski to the Port of Anchorage via pipeline & barge.**

→→→ **Jet Fuel, HSD, and Unleaded comes in from North Pole by rail car to the Port of Anchorage.**

—— **Jet Fuel comes in from Valdez via barge to the Port of Anchorage.**

AV Gas comes in from outside sources and is distributed by fuel barges to western & southeastern Alaska.

PORT OF ANCHORAGE
Alaska's Port. Alaska's Future.

SB 180

<TARGET><BILL>SB 180</BILL><SUBJECT>SB 180</SUBJECT><COMM>STRA27</COMM></TARGET>

Nancy

SENATE TRANSPORTATION COMMITTEE

State Capitol, Room 11
Juneau AK, 99801-1182
907-465-6828

To: Senate Transportation Committee Members

From: Senator Albert Kookesh, Chair

Date: February 16, 2012

Subject: Committee Meeting Schedule
For the Week of February 20-24, 2012

Tuesday, February 21, 2012

No meeting scheduled.

Thursday, February 23, 2012, Butrovich Room 205, 1:00-3:00pm

+ **SB 180** (Senator Donny Olson): directing DOT/PF to develop and implement standards and operating procedures allowing for the use in construction and maintenance of transportation projects, etc. (Referred: Transportation, Judiciary)

+ Teleconferenced

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 1/27/12

FURTHER: Judiciary

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 2/23/12

Transportation Committee considered SENATE BILL NO. 180

SB 180-NATURALLY OCCURRING ASBESTOS IN GRAVEL

"An Act directing the Department of Transportation and Public Facilities to develop and implement standards and operating procedures allowing for the use in the construction and maintenance of transportation projects and public facilities and in the construction of projects by public and private entities of gravel or aggregate materials that contain a limited amount of naturally occurring asbestos, and authorizing use on an interim basis of those materials for certain transportation projects and public facilities; relating to certain claims arising out of or in connection with the use of gravel or aggregate materials containing a limited amount of naturally occurring asbestos; and providing for an effective date."

and recommends:

[✓] be **replaced** with **CS** SB 180 (TRA) *[ ] Same Title [✓] New Title*

[ ] adopt **previous CS** _____ SCS/CS- Forthcoming _____) *[ ] Same Title [ ] New Title*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)

Dept.	Fiscal	Indet.	Zero	FN #
LWF			✓	1
DEC	✓			2

PREVIOUS FISCAL NOTE(S)

Dept.	Fiscal	Indet.	Zero	FN #

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
Linda D Menard	Menard	x			
Joe J Thomas	Thomas	✓			
CHAIR: Peter Kott	Kookesh	✓			

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version: **SB180**
Fiscal Note Number: 1
() Publish Date:

Identifier (file name): SB180-DOLWD-LSS-2-17-12
Title: Naturally Occurring Asbestos in Gravel
Sponsor: Senator Olson
Requester: Senate Transportation

Dept. Affected: Labor and Workforce Development
Appropriation: Labor Standards and Safety
Allocation: Occupational Safety and Health
OMB Component Number: 970

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY13**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs _____ *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version.

Prepared by: Grey Mitchell, Director — Phone: 465-4855
Division: Labor Standards and Safety — Date/Time: 2/17/12 2:36 PM
Approved by: Click Bishop, Commissioner — Date: 2/17/2012
Department of Labor and Workforce Development

(Revised 1/17/2012 OMB)

FISCAL NOTE

STATE OF ALASKA **BILL NO.** SB180
2012 LEGISLATIVE SESSION

Analysis

The proposed legislation intends to require the Alaska Department of Transportation and Public Facilities to establish standards and operating procedures in connection with public construction and maintenance projects to allow for the use of gravel or aggregate containing a limited amount of naturally occurring asbestos in a manner that avoids significant human health risks while mitigating significantly higher costs associated with using only gravel or aggregate that is 100 percent free of asbestos. The proposed legislation also intends to require users of gravel or aggregate containing a limited amount of naturally occurring asbestos to prepare project plans that demonstrate conformance with established standards and to shield providers of gravel or aggregate containing a limited amount of asbestos from liability under certain conditions.

There is no anticipated financial impact to the department as a result of this legislation. Existing resources would be used to provide consultative assistance to the Department of Transportation and Public Facilities in establishing and implementing standards for the use of aggregate or gravel that contains a limited amount of naturally occurring asbestos. Electronic means of communication will be utilized to avoid the need for travel.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version: **SB 180**
Fiscal Note Number: 2
() Publish Date:

Identifier (file name): SB180-DEC-AQ-02-16-12
Title: Naturally Occurring Asbestos In Gravel
Sponsor: Senator Olson
Requester: Senate Transportation Committee

Dept. Affected: Environmental Conserv
Appropriation: Environmental Health
Allocation: Air Quality
OMB Component Number: 2061

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY13**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0
Travel	7.8		8.2	0.7	0.7	0.7	0.7
Services	0.0		0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0
Capital Outlay	0.0		0.0	0.0	0.0	0.0	0.0
Grants, Benefits	0.0		0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**7.8**	**0.0**	**8.2**	**0.7**	**0.7**	**0.7**	**0.7**
FUND SOURCE			(Thousands of Dollars)				
1002 Federal Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0		0.0	0.0	0.0	0.0	0.0
1004 GF	7.8		8.2	0.7	0.7	0.7	0.7
1005 GF/Prgm (DGF)	0.0		0.0	0.0	0.0	0.0	0.0
1037 GF/MH (UGF)	0.0		0.0	0.0	0.0	0.0	0.0
1178 temp code (UGF)	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL	**7.8**	**0.0**	**8.2**	**0.7**	**0.7**	**0.7**	**0.7**
POSITIONS							
Full-time	**0**		**0**	**0**	**0**	**0**	**0**
Part-time	**0**		**0**	**0**	**0**	**0**	**0**
Temporary	**0**		**0**	**0**	**0**	**0**	**0**
CHANGE IN REVENUES	**0.0**		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimated SUPPLEMENTAL (FY12) operating costs 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version.

Prepared by: Alice Edwards, Director — Phone (907) 465-5109
Division: Air Quality — Date/Time 2/16/12 3:46 PM
Approved by: Lynn Kent, Deputy Commissioner — Date 2/18/2012

(Revised 1/17/2012 OMB)

FISCAL NOTE

STATE OF ALASKA **BILL NO.** SB 180
2012 LEGISLATIVE SESSION

Analysis

The Department of Environmental Conservation is tasked with consulting with the Department of Transportation & Public Facilities on the development of standards and operating procedures to allow the use of gravel or aggregate material that contains naturally occurring asbestos in transportation and public facilities construction projects.

Travel:
This fiscal note assumes Air Quality will assign staff to membership on an inter-agency task force(s) to establish interim standards and develop standard operating procedures. Membership will require travel to multiple planning and public meetings during FY2013 and FY2014, with annual meetings occurring thereafter.

AIP Project Schedule
2011-2013
FAA Airports Division, Alaskan Region
(Last saved: August 15, 2011)

http://www.faa.gov/airports/alaskan/aip/media/aip_project_list.pdf

STATE OF ALASKA - NORTHERN REGION

AMBLER AFM

Project: Extend primary and crosswind runways, clear runway visibility zone, expand runway safety areas, construct new apron, construct new SREB, and relocate airport access road. Project delayed until a suitable material source can be found that does not contain asbestos.

Construction Start: 2014

Likely Completion Date: 2015

Sponsor/POC: AKDOT Ryan Anderson 451-5129

Airports POC: Matt Freeman, 271-5455

ATO POC: Ed Vey, 271-3056

FAA Flight Procedures POC: Kyle Christiansen, 271-5187

NAS Impacts: Existing VASI's.

AVN Impacts: Update all IAP's. Need new runway data by end of 2006.

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

Session
Alaska State Capitol, Rm. 508
Juneau, AK 99801
(907) 465-3707
Fax: (907) 465-4821

Interim
716 W. 4th Ave. Ste 530
Anchorage, AK 99501
(907) 269-0254
Fax:(907)269-2031

Senator_Donny_Olson@legis.state.ak.us

Chair
Community & Regional Affairs
Member
Senate Finance Committee
Ethics Committee
Legislative Council
Northern Waters Task Force
Education Funding District Cost Factor
Finance Subcommittee Chair
Fish & Game
Health & Social Services
Public Safety
Finance Subcommittee Member
Environmental Conservation

Delayed projects in Ambler due to NOA

- Airport Extension
- Replace Grizzly Bridge
- Solid Waste Site
- Riverbank Erosion in front of town
- Road construction and maintenance
- School Playground
- Future Home sites

27-LS1219\M
Nauman
2/22/12

CS FOR SENATE BILL NO. 180( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR OLSON

A BILL

FOR AN ACT ENTITLED

"An Act directing the Department of Transportation and Public Facilities to develop and implement standards and operating procedures, evaluate site-specific use plans, develop and maintain an information database that includes locations of gravel or other aggregate material that contains naturally occurring asbestos, gravel or other aggregate material free from naturally occurring asbestos, and suggests locations to stockpile gravel or other aggregate material free from naturally occurring asbestos, and transmit reports related to the use in the construction and maintenance of transportation projects and public facilities and in the construction of projects by public and private entities of gravel or aggregate materials that contain a limited amount of naturally occurring asbestos, and authorizing use on an interim basis of those materials for certain transportation projects and public facilities; relating to certain claims arising out of or in connection with the use of gravel or aggregate materials containing a limited amount

of naturally occurring asbestos; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE FINDINGS AND PURPOSE. (a) The legislature finds that

(1) gravel or similar aggregate material is constantly in demand for major construction and maintenance of state and local transportation projects and public facilities and for all types of construction by public and private entities;

(2) naturally occurring asbestos may be found in sources of gravel and similar aggregate material throughout the state;

(3) while airborne asbestos fibers are a significant threat to workplace safety and public health and are subject to close regulation by federal and state authorities under 42 U.S.C. 7401 - 7671q (Clean Air Act) and 15 U.S.C. 2601 - 2692 (Toxic Substances Control Act), use of materials containing naturally occurring asbestos in construction projects may be regulated by states;

(4) in communities that do not have sources of gravel or similar aggregate material that is free of naturally occurring asbestos, costs of construction are substantially increased because of the necessity of locating alternative sources of gravel or similar aggregate material and transporting that material to distant construction and maintenance sites; and

(5) a recent study suggests that, with careful use and close adherence to appropriate control strategies, state and local transportation projects and public facilities may be safely completed using sources of gravel or similar aggregate material containing a limited amount of naturally occurring asbestos; the study recommends that the Department of Transportation and Public Facilities establish standards and operating procedures through a statewide process that will apply to the use of gravel and aggregate material that contains asbestos by the department and by any public or private entity.

(b) It is the purpose of this Act

(1) to authorize and direct the Department of Transportation and Public Facilities to develop, implement, and, as circumstances may require or indicate, modify

standards and operating procedures to allow the use in the construction and maintenance of transportation projects and public facilities of gravel or aggregate material that contains a limited amount of naturally occurring asbestos, with the expectation that use of that material in a manner that is consistent with those standards and procedures may avoid significant risk to human health and eliminate significantly higher costs of construction and maintenance of projects and facilities associated with using only construction material that is free of asbestos;

(2) to establish that a person that uses gravel that contains a limited amount of naturally occurring asbestos shall prepare specific project plans that conform to the requirements of this Act and the department's standards and operating procedures; and

(3) to shield persons and the state, under certain conditions, from liability based on exposure to naturally occurring asbestos.

(c) It is not the purpose of this Act to authorize or provide civil immunity for the use of gravel or other aggregate material that contains more than 0.25 percent naturally occurring asbestos by mass.

*** Sec. 2.** AS 09.65 is amended by adding a new section to read:

Sec. 09.65.245. Immunity for certain persons supplying or using gravel or other aggregate material; limitations on asbestos-related actions against defendants. (a) A civil action or claim for damages or costs alleging an asbestos-related death, injury, illness, or disability or alleging asbestos-related property damage or any other asbestos-related damages may not be brought against a defendant, including the state,

(1) based on the ownership of land from which gravel or other aggregate material is extracted that, when tested using a bulk method prescribed by the Department of Transportation and Public Facilities by regulation, is determined to have a content of more than zero and less than or equal to 0.25 percent naturally occurring asbestos by mass; or

(2) for an act or omission occurring in the course of extracting, supplying, transporting, or using gravel or other aggregate material containing naturally occurring asbestos when the act or omission was in compliance with the requirements of AS 18.31.250 or AS 44.42.410(b) and (d), as applicable.

(b) A civil action or claim based on noncompliance with the requirements of

AS 18.31.250 or AS 44.42.410(b) or (d) for damages or costs alleging an asbestos-related death, injury, illness, or disability or alleging asbestos-related property damage or any other asbestos-related damages may only be brought against a defendant that has direct control over or responsibility for compliance with the requirements of AS 18.31.250 or AS 44.42.410(b) and (d).

(c) A civil action or claim for damages or costs alleging an asbestos-related death, injury, illness, or disability or alleging asbestos-related property damage or any other asbestos-related damages may not be brought against any state agency for an act or omission occurring in the course of approving a site-specific use plan or in the course of developing or approving a monitoring plan or a mitigation plan.

(d) In this section, "asbestos" has the meaning given in AS 18.31.500.

*** Sec. 3.** AS 18.31 is amended by adding a new section to read:

Article 2A. Use of materials containing naturally occurring asbestos.

Sec. 18.31.250. Use of materials containing naturally occurring asbestos. (a) Use of gravel or other aggregate material that, when tested using a bulk test method prescribed by the Department of Transportation and Public Facilities by regulation, is determined to have a content of more than zero percent and less than or equal to 0.25 percent of naturally occurring asbestos by mass, may qualify for immunity in a civil action under AS 09.65.245.

(b) To qualify for the immunity provided under AS 09.65.245, before initiating a construction project not subject to AS 44.42.410(b) that will use gravel or other aggregate material that contains naturally occurring asbestos within the limits of (a) of this section, the principal construction contractor or, in the absence of an identified principal construction contractor, the person having legal authority for the design and construction of the project, shall prepare and submit to the Department of Transportation and Public Facilities specific project plans demonstrating compliance with the standards adopted by the department under AS 44.42.420 and the requirements of the site-specific use plan under AS 44.42.410. Before extraction of gravel or other aggregate material may begin, the plan must be approved and returned to the contractor by the department.

*** Sec. 4.** AS 44.42 is amended by adding new sections to read:

Article 3A. Use of Materials Containing Naturally Occurring Asbestos.

Sec. 44.42.400. Administration. The department shall

(1) designate a single employee who reports to the commissioner to oversee the duties assigned to the department in AS 44.42.400 - 44.42.430 and to serve as the point of contact for inquiries related to projects using gravel or other aggregate material containing naturally occurring asbestos;

(2) maintain a database of

(A) sites in the state known to contain naturally occurring asbestos;

(B) known sources of gravel or other aggregate material free from naturally occurring asbestos within reasonable proximity to known sites of naturally occurring asbestos;

(C) known sources of gravel or other aggregate material free from naturally occurring asbestos within 25 miles of a community for all known projects the state or a municipality intends to undertake within 25 miles of the community in the next five years where the state or municipality intends to use gravel or other aggregate material containing naturally occurring asbestos; and

(D) known communities that do not have reasonable access to gravel or other aggregate material free from naturally occurring asbestos;

(3) annually transmit to the commissioner and publish on the department's Internet website a report containing

(A) a listing of all current projects for which a plan has been submitted under AS 18.31.250 or AS 44.42.410(b);

(B) a listing of all known projects intended to be undertaken by the state or a municipality in the next five years where the state or municipality intends to use gravel or aggregate material containing naturally occurring asbestos;

(C) suggestions for potential locations to stockpile gravel or other aggregate material free from naturally occurring asbestos for use in future projects and an estimate of the cost of stockpiling that gravel; and

(D) suggestions for potential locations, in coordination with ongoing state and municipal construction projects, to stockpile gravel or other aggregate material free from naturally occurring asbestos for future projects and an estimate of the cost of stockpiling that gravel; and

(4) annually provide a report on the monitoring and mitigation data transmitted by contractors to the department under AS 44.42.410(f) and the results of site monitoring performed by the department to the Department of Environmental Conservation, the Department of Health and Social Services, and the Department of Labor and Workforce Development.

Sec. 44.42.410. Site-specific use plan. (a) A principal construction contractor intending to use gravel or other aggregate material that, when tested using a bulk test method prescribed by the department in regulation, is determined to have a content of more than zero percent and less than or equal to 0.25 percent of naturally occurring asbestos by mass shall submit a site-specific use plan to the department that

(1) describes the manner in which the proposed use of gravel or other aggregate material that contains naturally occurring asbestos conforms to the standards adopted under AS 44.42.420(b);

(2) demonstrates how the proposed construction operation and maintenance practices comply with those that are required and those that are minimally acceptable, as described in AS 44.42.420(b)(5), and otherwise meet requirements of law applicable to the handling of compounds that contain asbestos;

(3) outlines how, as a component of long-term maintenance on the completed project or facility, the department may reasonably ensure that human health and air quality are not compromised by the use of the gravel or other aggregate material that contains naturally occurring asbestos;

(4) describes how the gravel or other aggregate material to be used can be contained underneath the project or buried so that asbestos fibers cannot become airborne or otherwise transferred outside of the project area, except as provided in (5) and (6) of this subsection;

(5) if the requirements in (4) of this subsection are economically unreasonable, describes how the gravel or other aggregate material to be used will be

sealed, including chip sealing or mixing with asphalt, in order to prevent asbestos fibers from becoming airborne or otherwise transferred outside of the project area, except as provided in (6) of this subsection; and

(6) if the requirements under (4) and (5) of this subsection are economically unreasonable, describes how the gravel or other aggregate material will be used in order to prevent asbestos from becoming airborne or otherwise transferred outside of the project area.

(b) The department, in its operating procedures applicable to a project that is a transportation facility, including a public highway, airport, or pipeline or railroad track bed, or a public work, as that term is defined in AS 35.95.100, and for which the contractor intends to use gravel or other aggregate material that, when tested using a bulk testing method prescribed by the department in regulation, is determined to have a content of more than zero and less than or equal to 0.25 percent of naturally occurring asbestos by mass, shall require that

(1) the principal construction contractor submit a plan that details the use of gravel or other aggregate material in the construction or maintenance of the transportation project or public facility in accordance with the requirements of (a) of this section and regulations developed under AS 44.42.420;

(2) before the extraction of the gravel or aggregate material containing naturally occurring asbestos may begin, the plan be approved and returned to the principal construction contractor by the department.

(c) A plan for construction with gravel or other aggregate material determined to have a content of more than zero percent and less than or equal to 0.25 percent of naturally occurring asbestos by mass may not be approved unless the department determines that it is economically unreasonable to undertake the construction project with gravel or other aggregate material free from naturally occurring asbestos.

(d) On receiving a plan that meets the requirements of (a) and (c) of this section and the regulations adopted under AS 44.42.420, the department, in consultation with the Department of Environmental Conservation, the Department of Health and Social Services, and the Department of Labor and Workforce Development, shall develop a monitoring and mitigation plan for the project. If the

site-specific use plan is approved, the monitoring and mitigation plan developed by the department shall be attached to the site-specific use plan. To qualify for the immunity provided in AS 09.65.245, the party that has direct control over or responsibility for the monitoring or mitigation shall comply with the monitoring or mitigation plan developed by the department.

(e) On approval of a site-specific use plan, the department shall

(1) return to the principal construction contractor, a copy of the site-specific use plan, including

(A) the monitoring and mitigation plan developed under (d) of this section;

(B) recommended methods for reducing exposure to airborne asbestos fibers; and

(C) copies of the United States Occupational Safety and Health Administration, United States Mine Safety and Health Administration, and United States Environmental Protection Agency recommended practices for handling and use of gravel or other aggregate material containing naturally occurring asbestos;

(2) provide a copy of the site-specific use plan, including the monitoring and mitigation plan, to the mayor or manager of a municipality affected by the use of gravel or other aggregate material containing asbestos.

(f) The contractor shall submit to the department the results of any monitoring or testing performed in accordance with the site-specific use plan and any mitigation measures undertaken.

Sec. 44.42.420. Regulations. (a) The department, after consultation with the Department of Environmental Conservation, Department of Health and Social Services, and Department of Labor and Workforce Development, shall prescribe in regulation a bulk testing method for gravel or other aggregate material containing naturally occurring asbestos.

(b) The department, after consultation with the Department of Environmental Conservation, Department of Health and Social Services, and Department of Labor and Workforce Development, shall develop, implement, and revise statewide

standards to regulate the use in the construction and maintenance of transportation projects and public facilities of gravel or aggregate material that, when tested using a bulk test method prescribed by the department by regulation, is determined to have a content of more than zero percent and less than or equal to 0.25 percent of naturally occurring asbestos by mass. The standards adopted under this subsection must include procedures for

(1) completing site investigations and characterizations of proposed projects, including the development and description of appropriate laboratory practices;

(2) reviewing design alternatives and preparing and evaluating appropriate comparative cost analyses that consider the use of gravel or other aggregate material that does not contain naturally occurring asbestos;

(3) evaluating human health concerns arising out of gravel or other aggregate material that contains naturally occurring asbestos and documentation of methods and means to be used during periods of handling of the gravel or other aggregate material to ensure compliance with appropriate workplace safety and air quality standards relating to the project;

(4) preparing designs and design specifications for facilities involving use of gravel or other aggregate material that contains naturally occurring asbestos;

(5) outlining construction operation and maintenance practices that are required and those that are minimally acceptable to meet requirements of law applicable to the handling of compounds that contain asbestos.

Sec. 44.42.430. Definitions. In AS 44.42.400 - 44.42.430,

(1) "asbestos" has the meaning given in AS 18.31.500;

(2) "principal construction contractor" means the person having legal authority for the design and construction of the project.

*** Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to read:

INTERIM PROJECT AUTHORIZATION. (a) Notwithstanding AS 18.31.250, added by sec. 3 of this Act, to ensure early application of the policy described in sec. 1 of this Act to a limited number of appropriate construction projects until the development and

implementation of initial standards under AS 44.42.420 and the administrative requirements of AS 44.42.400, added by sec. 4 of this Act, for projects not subject to AS 44.42.410(b), if, under (b) of this section, the Department of Transportation and Public Facilities prepares and adopts interim standards and requires its contractors to prepare site-specific plans for the use of gravel or other aggregate material that, when tested using the bulk method prescribed in sec. 6 of this Act, is determined to have a content of more than zero and less than or equal to 0.25 percent naturally occurring asbestos by mass in transportation projects and public facilities, the department shall apply those standards to a person described in AS 18.31.250 for a project that is not subject to AS 44.42.410(b).

(b) Notwithstanding AS 44.42.410(b), added by sec. 4 of this Act, to ensure early application of the policy described in sec. 1 of this Act to a limited number of appropriate transportation projects and public facilities until the development and implementation of initial standards under AS 44.42.420 and the administrative requirements of AS 44.42.400, after consultation with the Department of Environmental Conservation, Department of Health and Social Services, Department of Labor and Workforce Development, and appropriate federal agencies, the Department of Transportation and Public Facilities may prepare and adopt interim standards and operating procedures and may require of its contractors the preparation of site-specific plans for the use of gravel or other aggregate material that when tested using the bulk method prescribed in sec. 6 of this Act, is determined to have a content of more than zero and less than or equal to 0.25 percent naturally occurring asbestos by mass.

(c) The authority granted by (a) and (b) of this section expires December 31, 2012.

*** Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

INTERIM STANDARDS FOR APPLICATION OF ASBESTOS BULK TESTING. Until the Department of Transportation and Public Facilities adopts and prescribes a method of bulk testing under AS 44.42.420(a), added by sec. 4 of this Act, the department shall use California Air Resources Board Method 435, Determination of Asbestos Content of Serpentine Aggregate, adopted on June 6, 1991, as that standard has effect on the effective date of this Act, as the basis for determining the asbestos content of a bulk sample or for interim use as authorized by sec. 5 of this Act.

*** Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).

Nancy Barnes

From: Laughlin, Wilda J (HSS) <wilda.laughlin@alaska.gov>
Sent: Wednesday, February 22, 2012 1:14 PM
To: Nancy Barnes; David Scott
Cc: Lewis, Jill (HSS); Hurlburt, Ward B (HSS); McLaughlin, Joseph B (HSS)
Subject: SB 180 / naturally occuring asbestos

Please be advised that the DHSS representatives below will be available by teleconference to respond to questions regarding SB 180 at the Senate Transportation hearing Thursday, Feb. 23 at 1 p.m.:

- Dr. Ward Hurlburt, Chief Medical Officer and Director of the Division of Public Health (available until 1:30 only)
- Dr. Joe McLaughlin, Chief, section of epidemiology

Wilda J. Laughlin
Legislative Liaison, Dept. of Health and Social Services
Phone (907) 465-1613
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Cell (907) 723-3802

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ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

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Senator_Donny_Olson@legis.state.ak.us

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Community & Regional Affairs
Member
Senate Finance Committee
Ethics Committee
Legislative Council
Northern Waters Task Force
Education Funding District Cost Factor
Finance Subcommittee Chair
Fish & Game
Health & Social Services
Public Safety
Finance Subcommittee Member
Environmental Conservation

Sponsor Statement
SB 180 -- Naturally Occurring Asbestos in Gravel

HB 258 authorizes and regulates the use of gravel or aggregate material that contains naturally occurring asbestos (NOA). There are documented cases of NOA being found in several areas of the state, including Juneau, along the Dalton Highway and Ambler. Discovery of NOA in local gravel pits has delayed and, in Ambler's case, halted construction projects. The use of NOA in construction projects may be regulated by states. Virginia and California have been regulating NOA for many years. With the passage of SB 180, the discovery of NOA in local gravel sources and the cost of transporting non-NOA gravel and material will not impact the success and completion of construction projects and important future state infrastructure in Rural Alaska. Several large projects are on the state's horizon that will require the use of large amounts of gravel. These large projects are in mineral rich areas of the state critical to the future development of Alaska. Most notably, it is estimated that the gas pipeline alone may use 50 to 60 million cubic yards of new gravel. Many miles of the Dalton Highway will be reconstructed in support of the project, requiring additional gravel. In Rural Alaska, almost all airport construction and upgrades require material from local gravel sources; a new small airport can use up to 25,000 cubic yards of gravel. The use of NOA gravel and materials should be resolved before it becomes an issue during the actual construction process of any of these large future projects.

SB 180 directs the Department of Transportation and Public Facilities to develop and implement statewide regulations and standard operating procedures (SOP) to allow for the use of NOA for both State and private construction projects. SB 180 will balance the needs of moving Alaska forward; building critical infrastructure, completing construction projects while protecting the health of Alaskan workers and communities.

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

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Member
Senate Finance Committee
Ethics Committee
Legislative Council
Northern Waters Task Force
Education Funding District Cost Factor
Finance Subcommittee Chair
Fish & Game
Health & Social Services
Public Safety
Finance Subcommittee Member
Environmental Conservation

SB 180 Use of Naturally Occurring Asbestos
v.E Sectional Analysis

Section	Statute	Change	Purpose or Effect
1	Uncodified Law	Add new section	Legislative Findings and Purpose
2	AS 09.65	Add new section AS 09.65.245	**Liability Immunity** Creates immunity on civil action or claims for civil damages based alleged asbestos related death, injury, illness or disability in specific circumstances certain persons and the State Liability Immunity is provided to persons owning, exacting, supplying, transporting or using gravel or aggregate material containing NOA if the following apply: 1) Gravel or aggregate material contains 0.25 % by mass or less of NOA. 2) The use of gravel was in compliance with Department's SOP If not in compliance, lawsuits can only be brought against those that have direct control or responsibility for the compliance requirements

			A lawsuit cannot be brought against the State for the approval of plan
3	AS 18.31	Add New section AS 18.31.250	**<u>The use of NOA material in private construction projects</u>** The use of NOA material must: 1) Be tested using bulk test method prescribed by Department of Transportation and Public Facilities 2) Contain more than 0 (zero) equal or less than 0.25 by mass 3) In order for a private contractor to use NOA and the project is not state project the principal contractor/person of legal authority for the project must: a. Prepare and submit specific plans demonstrating compliance with DOT&PF SOP b. Approval by DOT&PF must be granted before the extraction and use of gravel in project can begin for project
4	44.42	Add new section AS 44.42.400	**<u>Use of Materials - Administration</u>** The Department of Transportation shall designate one employee in the Commissioner's Office to oversee the duties in AS 44.42.400 – 44.42.430 and be the point of contact for all projects using NOA gravel. The individual shall: 1) Maintain a database of state known sites containing NOA 2) Known sites free from NOA gravel within reasonable proximity to known NOA gravel sites 3) Sites a NOA free gravel with 25 miles of a community that has a proposedsed project 4) A list of community with NOA gravel occurances 5) Annually transmit and publish to the commissioner and Department website all current projects for

			which a plan has been submitted for using NOA gravel. 6) A list of all known projects intended to be undertaken by the state and municipalities in the next 5 years that intends to use NOA gravel a. The list will contain suggestions for potential locations to stockpile NOA free gravel for future use in future projects and estimated costs 7) Annually provide a report on all monitoring and mitigation results from project's contractors, DOTP&F, DEC, DHSS, DLWF for projects with active plans
	44.42	Add new section AS 44.42.410	**Use of Materials – Site Specific Use** A contractor that intends to use identified and tested NOA gravel shall submit a site specific plan to DOT&PF to include the following: 1) Describe the manner in the contractor's plan conforms to the standards adopted by DOT&PF 2) Demonstrate how the contractor's plan of construction and maintenance practices comply with AS 44.42.420 (b)(5) and meets all laws applicable for handling NOA gravel 3) Outlines the long term maintenance on the completed project and dedicated responsibility of ensuring human health and air quality are not compromised by the use of NOA gravel 4) Describe how NOA gravel will used and contained underneath or buried under the project so asbestos fibers cannot become airborne or transferred outside the project area 5) If requirements in complying with previous subsection (4) are economically unreasonable, plan

			will describe how the NOA gravel will be used and sealed from the surface including chip sealed or mixed with asphalt to prevent fibers from become airborne or transferred outside the project area 6) If requirements in complying with previous subsections (4) and (5) are economically unreasonable, plan will describe how the NOA gravel will be used to prevent fibers from become airborne or transferred outside the project area DOTP&F in its operating procedures applicable to a project that is defined by AS 35.95.100 and intends to use NOA gravel shall: 1) The contractor responsible for the project prepare and submit a plan conforms to the standards and requirements adopted by DOT&PF developed under AS 44.42.420 2) The plan must be approved before extraction of NOA gravel The use of NOA gravel is only approved through a submit construction plan when it is determined that it is economically unreasonable to use NOA free gravel After the contractor has submited the site specific plan to DOT&PF and the plan has been approved through regulations and standards adopted by DOT&PF with consultation from DEC, DHSS, and DLWF DOTP&F will return a monitoring and mitigation plan with the site specific plan to the contractor. To qualify for the immunity provided in AS 09.65.245 the party that has direct control or responsibility for the project will have comply with mitigation and monitoring plan developed by DOTP&F. On approval of the site specific plan DOT&PF will do the following: 1) Return a copy of the plan to the contractor including; a. The monitoring and mitigation plan under AS 44.42.410 (d) b. Recommend methods for

			reducing exposure to airborne fibers c. Copies of the US OSHA Mine Safety and Health Administration & EPA recommended practices for handling and use of gravel material containing NOA 2) A of the construction plan to the mayor of manager of municipality affected by the use of NOA The contractor shall submit to the department the results of any testing performed in accordance with the site specific plan and any mitigation measures undertaken
	44.42	Add new section AS 44.42.420	**Regulations** DOTP&F will consult with DEC, DHSS, DLWF to develop, implement, and revise statewide standards to regulate the use of NOA gravel in transportation projects and public facilities as long as the NAO gravel is .025 or less. 1) The standards adopted must include the follow procedures: a. Completing site investigations and characterizations of proposed projects including development descriptions and appropriate laboratory practices b. Review designs alternatives , preparing and evaluating comparative costs analyses for using NOA free gravel c. Evaluating human health concerns and documentation of methods, means and practices of handling NOA gravel to ensure workplace safety and air compliance d. Prepare designs and specifications for facilities involving NOA gravel

			e. Outlining construction operation and maintenance practices to meet legal requirements for usage of NOA gravel
	44.42	Add new section AS 44.42.430	**Definitions** "Asbestos" "Contractor"
5	Uncodified Law	Add new section	**Interim Project Authorization** Authorizes certain projects to move forward on projects with a site specific plan approved by interim standards established by DOT&PF with consultation from DEC, DHSS, DLWF Interim Project Authorization ends December 31, 2012
6	Uncodified Law	Add new section	**Interim Standards for Bulk Testing** Until DOTP&F adopts and prescribes a method of testing the department shall use California Air Resources Board Method 435
7	AS 01.10.70	Effective Date	**Immediately**

LEGAL SERVICES

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MEMORANDUM February 19, 2012

SUBJECT: Sectional Summary for CSHB 258( )
(Work Order No. 27-LS0400\E)

TO: Representative Reggie Joule
Attn: Brodie Anderson

FROM: Emily Nauman EN
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 of the bill contains legislative findings and purpose statements to explain and support the measure.

Section 2 of the bill creates immunity from civil action or a claim for civil damages based on an alleged asbestos-related death, injury, illness, or disability or asbestos-related property damage claim in specified circumstances.

Section 3 of the bill adds a new section, AS 18.31.250, to describe how a person may qualify for immunity under sec. 2 of the bill related to use of gravel or aggregate material containing naturally occurring asbestos (NOA) in construction projects that are not initiated or contracted for by the Department of Transportation and Public Facilities (DOTPF).

Section 4 of the bill adds four new sections to AS 44.42.

Sec. 44.42.400 directs DOTPF to maintain an informational database and to report on projects using gravel or other aggregate material that contains NOA.

Sec. 44.42.410(a) states the requirements for a site-specific plan submitted by a contractor intending to use gravel or other aggregate material that contains NOA, including a requirement that the contractor bury or seal the gravel or other aggregate material, if economically practicable.

Sec. 44.42.410(b) directs DOTPF to require and approve site-specific plans for DOTPF projects that will use gravel or other aggregate material containing NOA.

Sec. 44.42.410(c) states that DOTPF cannot approve use of gravel or other aggregate material with NOA unless it is "economically unreasonable" to undertake the project with gravel or other aggregate material free from NOA.

Sec. 44.42.410(d) requires DOTPF, in consultation with Department of Environmental Conservation and Department of Health and Social Services to develop monitoring and mitigation plans; incorporates the monitoring and mitigation requirements into the site-specific plan.

Sec. 44.42.410(e) requires DOTPF to provide additional safety information to a contractor whose plans have been approved.

Sec. 44.42.410(f) requires contractors to report any monitoring data collected to DOTPF.

Sec. 44.42.420 directs DOTPF to establish standards and procedures for testing and use of gravel and aggregate materials that contain NOA.

Sec. 44.42.430 gives definitions.

Section 5 of the bill, a temporary law provision, permits DOTPF to review and approve site-specific plans submitted for DOTPF projects and for projects not initiated by the department during the interim period before initial standards and operating procedures adopted under sec. 4 of this bill take effect.

Section 6 of the bill, a temporary law provision, directs DOTPF to use a specific standard previously adopted by the California Air Resources Board on an interim basis for the purpose of determining the asbestos content of a bulk sample in a bulk test required under the new permanent law provisions until the department adopts its initial standards that may be more relevant to this state's experience.

Section 7 of the bill gives the measure an immediate effective date.

ELN:ljw
12-143.ljw

NWALT

The Honorable Donny Olson
State Senate
Alaska State Capitol
Juneau, AK 99801-1182

January 31, 2012

Dear Senator Olson:

The Northwest Arctic Leadership Team (NWALT) writes in support of Senate Bill 180. As you know, NWALT is a partnership of the Northwest Arctic Borough, Maniilaq Association, the Northwest Arctic Borough School District and NANA Regional Corporation. It is our charge to maximize resources and reduce duplication of efforts to address issues affecting the people of Northwest Alaska while honoring and perpetuating our Iñupiat cultural heritage.

Enactment of SB 180 is essential for completion of long-needed construction and public works projects in the Upper Kobuk Valley, most of which have been put on hold for over a decade due to naturally occurring asbestos (NOA) in the local gravel sources. Projects delayed in Ambler add up to over $10 million and include:

1. Airport runway extension and upgrades to Grizzly Bridge, which are necessary to reach the airport (the last improvement to the airport was in 1991 and to Grizzly Bridge was in 1976)
2. Upgrades to water and sewer services (last improvements in 1973 and 1982 respectively)
3. Building of new homes (last new homes completed in 1991 by the Northwest Inupiat Housing Authority)
4. Upgrades to existing dumpsite (opened in 1976 with no improvements since)
5. To secure the embankment protecting homes from river erosion

In Kobuk, a necessary addition to the school to accommodate students attending high school in the village has been delayed since grades 9-12 were made available in the village five years ago.

The use of NOA-containing material in construction and public works projects in the Upper Kobuk is necessary to the maintenance and improvement of local infrastructure so that residents may have the opportunity to enjoy a quality of life similar to that of residents who have the benefit of NOA-free gravel sources. Additionally, this legislation is a crucial part of the long-term solution to an important issue affecting rural Alaskans across the State, as well as proposed development projects such as the Ambler Mining District Access Project.

NWALT

We thank you for your advocacy on this important issue.

Sincerely,

Siikauraq Martha Whiting
NWALT Co-Chair
Mayor
Northwest Arctic Borough

Marie N. Greene
NWALT Co-Chair
President/CEO
NANA Regional Corporation

Ian Erlich
President/CEO
Maniilaq Association

Norm Eck, Ph.D.
Superintendent of Schools
Northwest Arctic Borough School District

Naturally Occurring Asbestos in Alaska and Experiences and Policy of Other States Regarding its Use

A joint project
By
Dr. Robert A. Perkins, PE
Institute of Northern Engineering
University of Alaska Fairbanks
And
John Hargesheimer, PE, CIH
Aaron Winterfeld, CHMM
Nortech

September 2009

Institute of Northern Engineering

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Front cover photo: Asbestos at material site MS 105 on the Dalton Highway

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EXECUTIVE SUMMARY

Naturally Occurring Asbestos (NOA) occurs in mineral deposits in Alaska. Some localities in Alaska do not have gravel sources that are NOA-free, which impacts the cost of heavy construction projects such as roads and airports. Because airborne asbestos fibers are a significant human health risk, mining and industrial use of asbestos is rare in the United States. Disposition of existing asbestos materials in industry and buildings is tightly regulated by federal and state authorities. The use of NOA is not regulated by federal agencies or most states. Determining if NOA can be safely used in heavy construction materials and what can or should be done with NOA materials that are already in place are complex questions. The ultimate answer depends on propensity for the NOA in each scenario to actually release asbestos fibers that may be inhaled by humans, which in turn depends on the amount and type of asbestos mineral, how it is handled in processing, and how it is maintained. Practical analysis of this depends on laboratory analysis, as well as regulation or control of operations. Implementation of these requires stakeholder education and cooperation and agency oversight. This report summarizes these from the perspective of the Alaska Department of Transportation (ADOT).

Some key points:

- NOA is present in many states, but only a few have regulations governing its use.
- There are many regions in Alaska that have minerals in surface rocks that may contain asbestos and asbestos has been discovered in many locations in Alaska.
- Gravel is constantly in demand for heavy construction projects, if a major project, such as the gas pipeline is built, it will require very large quantities of gravel
- All future material site exploration should consider the possibility of encountering NOA, and those areas indicated by mapping as possible NOA minerals should be carefully investigated.
- California, which does have NOA regulations, uses a threshold asbestos concentration, below which the material is not considered NOA. If the material is NOA, regulations cover its use. Virginia is similar.
- Starting with a site-specific plan and then covering the material and reducing dust are key features of those regulations, if NOA is over the threshold asbestos content.
- We present a review of dust suppression and capping techniques, many of which might be useful, depending on the situation.
- Education of the public and worker training are important components of any NOA plan.

The key conclusion is that NOA can be used in many projects, but precautions are needed, especially a plan for its use. Considering the importance of NOA to ADOT's mission we recommend that the ADOT take the lead in a statewide effort to develop an appropriate NOA policy and program by coordinating a stakeholders working group effort. NOA programs in other states were developed with input from industry, public health, environmental and state organizations and agencies. The outputs of the NOA programs included source characterization, geologic mapping, standardized operating procedures (SOP), program exemption procedures, and local authority. Successful implementation of a NOA program will require significant commitment and change in industry, operational, management, design and construction practices for use of NOA materials. To insure comprehensive input and facilitate stakeholder "buy in," the statewide working group should include federal and state, and local government, as well as industry, community and public health interested parties.

Here we assume that in order for projects that must use NOA to proceed, the ADOT must have a standard or SOP that contains the goals and guidelines that the ADOT must follow in order to use NOA safely. The SOP in turn would require a specific action plan for each project. Of course other project owners could use the ADOT's SOP. Thus, the ADOT's goal with the NOA working group is to develop an SOP that is directed towards ADOT projects, but also satisfies the goals the various stakeholders. We note here that protecting the public health and safety is the overarching goal the ADOT's operations, but the ADOT's approach via building safe roads and airports is different than, for example, the EPA's approach of limiting public exposure to carcinogens. The goals and charges of all the agencies can be reconciled into a workable SOP, but the coordination effort should not be underestimated.

Here is a putative outline of the SOP required for safe use of NOA and the steps likely required to garner wide stakeholder approval of the SOP.

1. The SOP includes
    a. site investigation and characterizations
        i. Laboratory practices
    b. review of design alternates to use non-NOA materials
        i. Cost analysis
    c. evaluation of human health concerns and agency involvement
    d. designs that use NOA
        i. typical drawings and specifications
    e. acceptable construction practices
        i. typical contract provisions
        ii. QA/QC
    f. acceptable and required O&M practices
        i. State forces
        ii. Local forces
    g. O&M and other issues related to in-place NOA

h. the administrative procedures for the entire process, including lines of authority and approval authority
    i. interagency communications
    ii. documentation

2. For each project or situation
    a. a site specific NOA plan
    b. including outline construction specifications or O&M procedures
    c. public involvement and education
    d. QA/QC

However to be successful, the SOP must be acceptable to

- The agencies who may have some jurisdiction or be involved
- The DOT design, construction and O&M staff and experts
- The contractors and material site owners and suppliers
- The general public
- Involved and concerned public.

Thus, we recommend the ADOT take the lead and develop a NOA Action Plan that involves a consultant to the DOT. Here are the main steps of that Action Plan that will lead to a workable SOP:

- Outline the SOP
- Contact all interested parties and notify them of the Action Plan and request a statement of their interest
- Meet with all the major players and discuss the issues – either at a roundtable or individually
- Prepare a draft of the SOP and an example Site Specific Plan for ADOT review
- Distribute the draft to interested stakeholders
- Hold a meeting to review the draft and discuss comments and changes
- Determine if new laws or regulations are needed
- If not, the ADOT promulgates the SOP
- If new laws or regulations are needed, ADOT starts the process.

INTRODUCTION

Asbestos is a term for naturally occurring silicate minerals with long, thin fibrous crystals that were historically mined and utilized in a wide-variety of manufactured products because of favorable chemical and physical properties. By the 1980s inhalation of asbestos fibers was found to be a human carcinogen responsible for diseases such as asbestosis, mesothelioma and lung cancer and the mining and use of asbestos in manufactured products was banned. While mining and manufacturing has since ended in the United States, Naturally Occurring Asbestos (NOA) is a constituent of some rocks and soils existing in varying types and quantities in several locations throughout the nation including Alaska. The United States Occupational Safety and Health Administration (OSHA) regulates asbestos exposure in the workplace; however, federal regulations do not address non-occupational exposure from NOA. Due to the lack of regulatory guidance associated with NOA, some states with substantial NOA concerns, such as California, have implemented state-wide regulations controlling the use of soils with NOA.

Due to geography, land mass, limited road systems and relatively sparse and scattered population centers within Alaska, NOA has not been a historical concern for the state. However, over the past several years NOA has been encountered in Alaska and has impacted state projects (e.g. Dalton Highway, Ambler, etc). Meanwhile the Alaska Department of Transportation & Public Facilities (ADOT) has an ever-increasing demand for gravel and rock to construct and repair the state's roads and airports. Large construction projects such as the proposed gas line or railroad extension will require gravel and rock source development.

The ADOT contracted with the Institute of Northern Engineering (INE) of the University of Alaska Fairbanks through the Alaska University Transportation Center to report on the available background information in Alaska and a literature search of information from other states that have similar NOA issues. INE contracted with Nortech Environmental, an Alaska consulting firm, to provide expertise in asbestos issues in Alaska, and to perform the literature search and consultations with other states.

This paper reviews NOA background, analytical issues, policies and regulations that have been considered and/or implemented by other authorities involved with NOA and who have developed NOA policy options. Identified NOA control strategies and technologies are evaluated and analyzed according to their effectiveness, enforcement, affordability and consistency with emerging US standards and ADOT programs. The literature is clear that NOA gravels can be used safety with proper workforce training, understanding and implementation of appropriate control strategies and technology. Implementation of effective Alaskan NOA policies, including development of any SOP to deal with NOA,

will require program consensus, including an educational component, and must involve all stakeholders in the NOA issue (resource owner, owner, designer, contractor, local, regional and state government, and communities) in a holistic approach.

BACKGROUND

Asbestos History

The word 'asbestos' is of Greek origin and has the meaning "inextinguishable" or "indestructible." Today asbestos is the commercial term for a group of silicate minerals consisting of magnesium, calcium and iron all with fibrous tendencies. The favorable properties of asbestos were known and utilized by the ancient Greeks and Romans, Europeans throughout the Middle Ages, and most of the industrial world by the modern era. Asbestos was added in manufactured material for thermal and electrical insulation as well as for strength and chemical stability. These favorable traits lead to the continued use of asbestos in manufactured products through the industrial expansion of the 20th Century. By mid-1960 a high frequency of respiratory disease within the asbestos mining, manufacturing, shipbuilding and construction industries began to gain the attention of medical researchers.

Asbestos is naturally occurring in many parts of the world and was historically mined as raw ore. After the ore was segregated, the asbestos was broken down into fibers and fiber bundles during a milling process, and then further refined depending on the use. Asbestos was included in the manufacture of thermal piping insulation and spray-applied fireproofing as well as resilient floor coverings, acoustical materials, gaskets, plaster, vermiculite, joint compound, wall board, roofing products, industrial mastics, textile and friction productions such as automotive brakes.

In mineralogy, the word 'asbestos' describes a series of magnesium silicate minerals that naturally occur in fibrous form or 'asbestiform.' The six varieties of recognized asbestos minerals comprise two mineralogical groups: serpentines and amphiboles. The only variety of serpentine asbestos is chrysotile or 'white asbestos,' while the amphibole group has five mineral varieties: amosite or 'brown asbestos' (cummingtonite-grunerite asbestos), crocidolite or 'blue asbestos' (riebeckite asbestos), anthophyllite asbestos, tremolite asbestos and actinolite asbestos. Amosite and crocidolite are the trade names used for the asbestos varieties of the cummingtonite-grunerite and riebeckite series respectively. The name 'Amosite' originated as an acronym for "Asbestos Mines of South Africa."

Chrysotile is the predominant asbestos variety used commercially in the United States. Chrysotile has a crystal structure of a sheet of silicate rolled into a straw-like, hollow tube. The property creates a hydrophilic or 'water loving' tendency, and therefore water is often used to reduce airborne chrysotile fiber concentrations during processing and removal activities. Crocidolite and Amosite are the two additional asbestos varieties exclusively mined and intentionally added to commercial products. The other three forms of amphibole asbestos are generally found in trace amounts and are often described as a contaminant in mining operations. The crystal structure of amphiboles is a chain structure of

magnesium and silicon ions that form into long straight fibers. The molecular arrangement makes the amphiboles hydrophobic or 'water fearing' and difficult to wet and therefore, water is somewhat less effective as dust control with this group.

Asbestos has become a serious health and safety concern due to widespread use in manufactured products; many of which are still used today. The primary pathway of exposure for asbestos is inhalation of airborne fibers; ingestion is generally a minor pathway. Particles smaller than 10 μm in aerodynamic diameter, such as asbestos fibers, are known to readily enter the lungs. Asbestos dust may also be ingested directly into the mouth during respiration, hand-mouth contact while eating or smoking, or indirectly by swallowing of mucus. Dermal exposure to asbestos has been known to cause irritation; however, no serious health effects from skin exposure have been identified.

Asbestos is known to cause or contribute to fibrosis and malignancies of the lung and other organs. The U. S. Environmental Protection Agency (EPA) has classified asbestos as a Group A human carcinogen meaning sufficient evidence exists to connect exposure and human carcinogenicity. Exposure to airborne asbestos has been linked to Asbestosis- a debilitating, non-malignant lung disease; mesothelioma – a rare cancer of the chest and abdominal lining, and cancers of the lung, esophagus, stomach, colon and other organs. Other conditions associated with asbestos exposure are build-up of fluid in the lungs known as pleural effusion and deposits in the pleural cavity called pleural plaques.

Data from asbestos work exposure suggests the risks of asbestosis and lung cancer are "dose-dependent" meaning they decrease proportionately with a decrease in total asbestos exposure. Mesothelioma however is not recognized as a dose-response related illness and has been linked to primarily amphibole asbestos exposure.

The time between exposure and resulting disease is known as the latency period, and typically spans between ten and forty years. The age at which asbestos exposure occurs is relatively unimportant for determining the lifetime risk of lung cancer. On the other hand, the age at which asbestos exposure occurs is very important in determining the lifetime risk of developing mesothelioma. The earlier exposure occurs, the more time mesothelioma has to develop; thus the concern for asbestos exposure to school children.[1]

Asbestos exposure and cigarette smoking increases the lung cancer rate significantly above the rate due to either smoking (ten times) or asbestos exposure (five times) alone. A smoker routinely exposed to asbestos experiences a synergistic effect from the two thereby increasing their risk of developing a lung disease by fifty to ninety times more than a person who does not smoke and is not exposed to asbestos. OSHA standards require employers of workers who

are exposed to asbestos to be provided information packets on smoking cessation programs and to ban smoking in all workplaces where any asbestos exposure is possible.

Asbestos Regulations

Although NOA is not regulated per se, here we review the most important asbestos regulations. The EPA regulates asbestos products primarily under three laws:

- Clean Air Act (CAA), at 40 CFR 61 Subpart M – National Emission Standard for a Hazardous Air Pollutant – Asbestos (NESHAP);
- Toxic Substances Control Act (TSCA), at 40 CFR 763 Asbestos; and
- Asbestos Hazard Emergency Response Act (AHERA) which amended TSCA in 1986.

Asbestos is further regulated by several federal agencies and some Alaska agencies.

NESHAP

The asbestos NESHAP regulates the emission of asbestos from the workplace into ambient air primarily during removal activities, building renovation/demolition and associated waste disposal operations. The NESHAP allows no visible emission of asbestos from the workplace during any regulated activity.

Three key NESHAP concepts are 'asbestos-containing material' (ACM), 'friable' material, and 'Regulated ACM' (RACM). A material is defined as ACM if it contains more than 1% asbestos as determined by polarized light microscopy (PLM) analysis. Untested materials identified as suspect by an accredited inspector must be Presumed ACM (PACM). Friable is defined as a material that, when dry, can be crumbled, pulverized, or reduced to powder by hand pressure. Nonfriable materials are subdivided into Category I nonfriable (packings, gaskets, asphalt roofing products and resilient floor covering) and Category II nonfriable (such as wallboard, cement asbestos products, asbestos-containing plasters, and any nonfriable ACM not listed in Category I). Category II nonfriable ACM are materials that may become friable during handling or disposal.

RACM includes all friable ACM, nonfriable ACM that has become friable, Category II materials that will be made friable by the proposed activity and all Category I materials that will be subjected to operations causing fibers to become airborne. Prior to the demolition or renovation of any non-exempt structure in the United States, the owner or operator of the facility must inspect for the presence of asbestos, including Category I and II non friable ACM. NESHAP requires building owners and operators to notify the EPA (or a designated state agency) before demolishing any non-exempt structure. In addition, it requires a ten day advance notification if scheduled activities will disturb equal or greater than (≥) 260 linear feet on pipes, ≥160 square feet on surfaces and ≥35 cubic feet of debris of RACM. The NESHAP standard also prohibits emissions of asbestos to the outside air and requires emission control procedures and appropriate work

practices during collection, packaging, transportation and disposal of regulated ACM waste.

AHERA

EPA issued regulations pursuant to the 1986 Asbestos Hazard Emergency Response Act (AHERA) in October of 1987. AHERA applies to public, nonprofit private and Defense Department kindergarten to twelfth grade school buildings. It requires them to conduct ACM inspections, develop comprehensive ACM management plans, and select asbestos response actions to deal with asbestos hazards. AHERA established a series of accredited personnel and set the training requirements for each. The AHERA occupational survey does not require inspection of all portions of the school (ie exterior, roof etc) nor the removal of asbestos identified, but does require that schools select and implement an appropriate response action for each identified asbestos hazard. The response action may be encapsulation, enclosure, removal or an approved Operations Maintenance and Repair Program (O&M Program). Encapsulation deals with applying a chemical coating or impregnation of the ACM building material in order to prevent any fiber release, while enclosure consists of sealing the ACM in an airtight structure. O&M Programs and Management in Place (MIP) are generally the most utilized and preferred response method until the ACM has become deteriorated or will be impacted by renovation activities thus requiring removal.

The Asbestos School Hazard Abatement Reauthorization Act (ASHARA) was enacted on November 28, 1990. ASHARA amended AHERA to require accreditation for any person who inspects for ACM in a public or commercial building, or who designs or conducts a response action with respect to friable ACM in such a building. ASHARA does not require building owners to conduct inspections for asbestos-containing materials in public and commercial buildings; however, should the owner decide to conduct an inspection an accredited inspector must be used.

TSCA

EPA's Asbestos Ban and Phase Out Rule (ABPO) (40 CFR 763 Subpart I) was published in the Federal Register on July 12, 1989, under TSCA. The rule was to prohibit the importation, manufacture and processing of 94 percent of all remaining asbestos products in the United States over a period of seven years, beginning in 1990. However, the U.S. Fifth Circuit Court of Appeals vacated most of the ABPO and remanded it to EPA in October 1991. EPA subsequently banned several paper products and has used general TSCA authority to control re-introduction of asbestos products into the market place.

OSHA

OSHA currently has three standards for asbestos exposure. The general industry standard, 29 CFR 1910.1001, applies to all occupational exposures to asbestos in all industries except the shipyard and construction industries. This

standard would apply to workers handling NOA if exposures were above the PELs. The shipyard standard, 29 CFR 1915.100, applies to asbestos exposure in all shipyard work and the construction standard, 29 CFR 1926.1101, applies to asbestos exposure in all construction work, including demolition and building maintenance.

All three standards are similar, with each standard setting two permissible exposure limits (PEL), the time-weighted average (TWA) and the excursion limit (EL). The TWA is 0.1 fiber per cubic centimeter of air (f/cc) averaged over an eight-hour period, while the EL is 1.0 f/cc averaged over a 30-minute period where exposure is likely to be the greatest. Each standard specifies training, medical monitoring and recordkeeping requirements for employers of workers who are exposed to asbestos. Differences exist primarily in the areas of effective dates for worker training, medical monitoring, and in work practices specific to the industry. The construction standard is the most detailed and divides asbestos work into classes, I-IV, based on the type of the material, the work being performed, how the material will be impacted, and the amount of ACM involved in the work. For all construction work scheduled to impact PACM or ACM, a competent person must conduct an initial exposure assessment to determine employee worst-case exposure and to establish the engineering controls, work practices, and personal protective equipment that may be required. The standard also supplements the OSHA Hazard Communication Standard (29CFR 1910.1200 and 29 CFR 1926.59) by requiring building and facility owners to notify prospective contractors and subcontractors, tenants, and the owner's own employees about the presence, location and amount of PACM and ACM in the building. This standard requires owners to conduct asbestos inspection or surveys so that the necessary information is available for compliance with notification requirements. The General Industry Standards would apply to workers handling NOA if there exposure were over the PEL.

DOT

The U.S. Department of Transportation (DOT) regulates the transportation of hazardous materials including friable asbestos under the Hazardous Materials Transportation Act (HTMA). DOT's hazardous materials regulations (HMR) are found at 49 CFR 171-180. These regulations require the proper packaging, labeling, shipping manifests, marking, placarding and trained employees associated with shipping of ACM and waste. Proper shipping papers must accompany asbestos-containing shipments with packages properly marked and labeled with the Class 9 diamond. The markings must include the North American identification number, NA2212, and the proper DOT descriptive name (RQ, Asbestos 9, NA2212, PG III). Laboratory samples in shipment are exempt from the regulations, except for the packaging requirements of 49 CFR 173.4.

MSHA

As of April 29, 2008, the U.S. Department's of Labor Mine Safety and Health Administration (MSHA) revised exposure limits on asbestos for miners. The

ruling changes health standards for asbestos exposure at metal and nonmetal mines, surface coal mines and surface areas of underground coal mines. The new ruling lowered MSHA's permissible exposure limits to match those of OSHA. The previous MSHA PEL of 2.0 f/cc was once the same as OSHA's; however, MSHA has not made continuing amendments to the standard in past years which reduced the PEL to 1.0, 0.5, 0.2 and eventually 0.1 f/cc. In addition, the ruling allowed for Phase Contrast Microscopy (PCM) to analyze airborne asbestos samples and Transmission Electron Microscopy (TEM) to reanalyze samples found to be above the PEL via PCM.

Alaska

The Alaska Department of Labor (ADOL) has adopted, with a few modifications, the federal regulations OSHA for asbestos and asbestos removal activities. Federal government has delegated authority to the Alaska Department of Environmental Conservation (ADEC) to implement federal programs which extend the NESHAP, ASHARA and AHERA requirements and the Alaska Department of Occupation Safety and Health (AKOSH) to oversee worker protection.

Other States

Some states have adapted more stringent AHERA and OSHA type regulations, and in some large metropolitan areas the city regulates asbestos and asbestos abatement directly. Other states such as California have developed statewide policies concerning issues not addressed in Federal regulations such as Naturally Occurring Asbestos (NOA) found in soils and rock.

Relevancy of Regulations

None of these regulations, except California and Virginia, discussed elsewhere, apply directly to NOA as likely to be encountered by the AK DOT. The MSHA and ADOL/OSHA regulations apply regarding worker exposure, if workers were exposed over the PEL. The detailed ADOL/OSHA regulations regarding asbestos demolition and disposal do not apply to NOA.

Naturally Occurring Asbestos

Naturally Occurring Asbestos (NOA) has been generally accepted as the generic term to identify any of the six (Chrysotile, Amosite, Crocidolite, Actinolite, Tremolite, Anthophyllite) varieties of asbestos when encountered in natural geological deposits. Asbestos is not chemically altered through a refining process to obtain the hazardous end product we encounter in manufactured goods; but rather raw asbestos ore is mined and crushed down into a usable form. Consequently, NOA describes the location of asbestos (in situ rock and soil) rather than a variety of asbestos.

The mineralogical community uses the term "asbestiform" to describe the morphology of a mineral which has longitudinal parting and can be split into individual fibers. Not all asbestiform minerals are regulated varieties of asbestos; however, all regulated asbestos are asbestiform. Asbestiform minerals consist of fibers that grow almost exclusively in one dimension, are easily bent and occur as bundles of smaller fibers which are called fibrils. This bundling effect of asbestiform minerals is used as a unique distinguishing feature. Asbestiform minerals are long and thin, with aspect ratios of typically 20:1 to 100:1 or greater. Most asbestiform fibers are less than 0.1 microns in width, and nearly all are less than 0.5 micron. Individual asbestiform fibers are visible only with the aid of a microscope. It is important to note these forms became regulated due mainly to their presence in commercial products and several other asbestiform minerals exist, in addition to the six regulated forms, and may be encountered in natural deposits and pose heath hazards similar to that of the regulated varieties.

Geologic Occurrence of Asbestos Minerals

Metamorphic rocks are the result of the transformation of a protolith (existing rock) in a process called metamorphism during which the protolith is subjected to heat and pressure causing profound physical and/or chemical change. Prior to the transformation, the protolith may begin as sedimentary rock, igneous rock or another older metamorphic rock. A large portion of the Earth's crust is composed of metamorphic rocks which are classified by texture and by chemical and mineral assemblage. They may be formed simply by being deep beneath the Earth's surface, subjected to high temperatures and the great pressure of the rock layers above it. They can be formed by tectonic processes such as continental collisions which cause horizontal pressure, friction and distortion or when rock is heated up by hot molten rock, magma, from the Earth's interior, later referred to as igneous intrusion.

Serpentines (Chrysotile) are a magnesium silicate, while amphiboles are generally iron-magnesium silicates with varying amounts of sodium and calcium. If the protolith contains these chemical components asbestos formation is more likely than those that do not. All rocks which have this chemical composition have the potential to contain amphibole asbestos or serpentine asbestos; however, the non-asbestiform varieties of these minerals considerably more dominant than asbestiform.[2]

Asbestos minerals are generally associated with ultramafic rocks and their metamorphic protolith, including serpentinite (serpentine rock). Ultramafic rocks are those igneous rocks composed mainly of iron-magnesium silicate minerals, such as olivine and pyroxene. They include the rock types dunite, peridotite, pyroxenite, and hornblendite. Ultramafic rocks form in high-temperature and high-pressure environments deep beneath the earth's surface. By the time they are exposed at the earth's surface, ultramafic rocks have typically undergone a type of metamorphism known as serpentinization, a process that alters the

original iron-magnesium minerals to one or more waterbearing magnesium silicate minerals (lizardite, antigorite, chrysotile) that belong to the serpentine mineral group. The mineral chrysotile is often present as asbestos in the resulting rock. Metamorphism of ultramafic rocks and serpentinite may also lead to the formation of amphibole asbestos minerals. Conditions favorable for asbestos formation may occur repeatedly during the metamorphic process and, consequently, it is very common for at least a small quantity of asbestos to be present in metamorphosed ultramafic rock bodies. [3]

While generally associated with serpentinite and ultramafic rocks, chrysotile asbestos may less commonly occur in other rocks that originally contained the minerals olivine and pyroxene. These include metamorphosed mafic plutonic rocks like gabbro or mafic volcanic rocks such as basalt that are commonly associated with ultramafic rocks or serpentinite. Chrysotile and the amphibole forms of asbestos may also form in magnesium-rich limestones and dolomites which are metamorphosed carbonate rocks. The amphibole asbestos minerals are most commonly found in metamorphosed ultramafic rocks, including serpentinite, and in metamorphosed mafic plutonic rocks, metamorphosed mafic volcanic rocks, metamorphosed iron-rich chert, and metamorphosed ironstones. In many of these geologic environments, Asbestos is thought to be more likely found where changes in the geology occur such as near geologic contacts, along dike boundaries, or near inclusions of different rocks or in fault and shear zones where natural fluid flow has been enhanced. [3]

Asbestos minerals may also be found in sedimentary rocks, stream sediments, or soils derived from parent materials that contain asbestos. Alluvial deposits that contain asbestiform materials are likely to be found in any watershed that drains ultramafic rocks.[4]

Soils derived from parent materials that contain chrysotile asbestos and amphibole asbestos may also contain asbestos fibers and are an important potential source of airborne asbestos. Weathering and leaching reduce the amounts of asbestos in soils over time, yet little is known about the rates of weathering and leaching of asbestos in soil environments. Available information suggests that substantial reductions in the amount of chrysotile may take hundreds or thousands of years, depending on the soil environment, and somewhat longer for amphibole asbestos. [2]

NOA in USA

In the United States, the presence of asbestos or asbestiform minerals in rocks has been identified in 20 states, and mined in 17 states in the last 100 years. [5] In addition to known previous mining locations, reports of asbestos or other fibrous minerals has been identified through geological surveys and other miscellaneous encounters. The United States Geological Survey (USGS) has an ongoing effort of compiling these sites and locating them on maps that are available on its web-

site at http://tin.er.usgs.gov/mrds[6]. The sites on these maps give an indication of the major areas of concern, which are most particularly located along the Appalachian and Rocky Mountains as well as in the Western Cordillera. In some of these areas, such as California and Virginia, the NOA issue has been known for some time and local agencies have responded in a variety of ways such as implementing state and local policies and regulations for testing and handling suspect and known NOA. The health risks associated with NOA are based on the potential for exposure. The exposure pathway of greatest concern is through inhalation, which requires the asbestos to become airborne. Experts believe that natural factors such as wind erosion pose little threat to human exposure, but rather disturbance of NOA-containing rock and soil under dry conditions. Because of this health risks are generally quantified though activity-based sampling on a site-specific basis. Below is a list of some areas in the US where NOA has been identified, and local responses to the occurrence:

Virginia

In 1987 the presence of NOA in Fairfax County, Virginia, was brought to the attention of the Fairfax County Air Pollution Control Division (Fairfax APCD) during the construction of an underground parking garage. As a result from the NOA-containing rock being drilled and crushed with no mitigation controls in place, the entire construction project was reportedly covered with NOA-containing dust. Several drill operators experienced itching and skin irritation which through subsequent medical and geological investigations was determined to be caused by tremolite asbestos fibers. The Fairfax County Soil Science Office later performed sampling and found a vein of asbestiform actinolite and tremolite comprising 10.9 square miles. Since the NOA discovery, Fairfax County has implemented NOA-specific policies regarding construction project that will impact soil.[7]

California

Serpentinite is California's official state rock and the source of much of the NOA found there. El Dorado Hills, a community in the Sierra foothills near Sacramento is a community that has had ongoing NOA issues associated with fibrous amphiboles in bedrock and soils since 1999. Reports have indicated that airborne concentrations of asbestos regularly reach levels of concern through non-construction activities such has recreation and gardening. In February 2002, during a construction project at a local school, veins of asbestos-containing minerals were discovered. The school soil was remediated that summer, but in September 2003, the EPA carried out activity-based sampling which involved measuring NOA in the breathing zone during recreational activities around the school which yielded varying results of airborne asbestos concentrations. Results underwent criticism for analysis methods and definition of asbestiform vs non-asbestiform minerals; however, a generally consensus was reached that a potential health risk existed for asbestos exposure existed in the area.[8]

Minnesota

Silver Bay, located on the shore of Lake Superior, served as a processing mill for Northeastern Minnesota's is rich in iron-ore mining operations. Historically the lake not only served as a steady water supply, but also as a dump site for the mine tailings. Amphiboles are known to be present in this area iron-oxide ore, and mineral fibers were later detected in the air and water supply of several towns, including Duluth. In 1975 after ongoing legal battles, the 8th Circuit Court of Appeals instituted the "control-city" standard where air monitoring at Silver Bay was required to yield results equal to or less than the control city; in this case St. Paul. [8]

New Jersey

A milling facility associated with a marble and limestone quarry near Sparta, NJ has been accused of emitting fibrous tremolite in dust generated from milling and quarry activities. The geology of the area suggests that amphibole minerals are present; however, emissions testing illustrated that the tremolite mineral present was non-asbestiform. Samples were later collected from homes in close proximity to the quarry which did not yield conclusive evidence that asbestos had migrated from the quarry or milling operation. Analysis methods and the definition of asbestos were again scrutinized; however, the quarry and milling facility are still operational.[8]

Washington

On Sumas Mountain in western Washington State a major low-moving landslide is occurring in altered serpentinite rock near the headwaters of Swift Creek. The landslide material contains both asbestiform and non-asbestiform lizardite, resulting in chrysotile being the asbestiform mineral of concern. Erosion resulting from the slide releases large quantities of sediment into the drainage and eventually the area river. To prevent flooding, the river is routinely dredged and staged in piles along the river. This staged material has historically been utilized as a local source of fill and has formed an area used for recreational activities. In 2006, the US EPA engaged in activity-based sampling in which three activities involving different levels of disturbance of the dredged material were simulated for this study: loading and unloading of dredged material with heavy equipment, shoveling and raking dredged material over a surface, and recreational activity, such as biking, jogging and walking on the dredged materials. Sampling indicated that a potential health risk regarding airborne asbestos fibers existed for several of the activities. In 2007, the US EPA released a fact sheet warning residents to limit their exposures through avoiding contact with the dredged materials. [8]

Montana

Libby is a small town located in the northwest corner of Montana approximately 35 miles East of Idaho and 65 miles south of Canada. In the 1880's, gold miners discovered vermiculite near Libby, and by 1920 the Zonolite Company had formed and began mining the vermiculite. Vermiculite is used in many common commercial products, including attic insulation, fireproofing materials, masonry fill, and as an additive to potting soils and fertilizers. In 1963, W.R. Grace purchased the Zonolite mining operation which remained in production until 1990.[9] In the fall of 1999, a series of newspaper articles state the ore deposit contained small amounts of asbestiform amphiboles. In response to these articles, the EPA sent an Emergency Response Team to Libby in November 1999 to address the asbestos concerns. The vermiculite ore mined from Libby was contaminated with fibrous amphiboles consisting of tremolite and the asbestiform amphiboles winchite and richterite. [8]Tremolite is a regulated form of asbestos; however, papers by Meeker[10] and Gunter[11] concluded that tremolite made up less than 10% of the amphibole population suggesting the winchite and richterite likely contributed to the increase in asbestos related illness affecting the former Libby miners. Multiple studies yielded results illustrating that rates of lung cancer, asbestosis and mesothelioma were about 2.5 times higher in the Libby miners than expected. [8]

EPA implemented a program to inspect all Libby properties for elevated asbestos levels. Between 2002 and 2003, approximately 3500 properties were inspected, with 12,000 soil samples being collected. As of 2009, the EPA has completed cleanups at over 1100 properties including the vermiculite processing plants and other "highly contaminated" public areas with an estimated 100 large property cleanups scheduled for the 2009 constructed season.[9]

Analytical Methods for Quantifying Asbestos in Soils

Various types of microscopic analysis are used to determine the amount of asbestos present in soils. The most common forms are discussed below. Additionally, variations exist for each method depending on sample preparation and counting methods utilized.

Polarized Light Microscopy (PLM)

PLM analysis is the standard method used to test for the presence or absence of asbestos in building materials. PLM results report a visual estimation of the weight percentage of asbestos in a sample. PLM analysis typically begins by viewing a sample under a stereoscope at 10X – 50X magnification; fibrous sub-samples are then selected to be viewed under a light microscope at 100X – 500X magnification. By correctly interpreting light interactions, analysts can accurately distinguish asbestos from non-asbestos materials (glass, cellulose) as well as

identify the variety of asbestos present. Accuracy of this method depends on the uniformity of the material, the type of analysis and the analyst's experience. "Point Counting" considered more accurate than standard PLM is one variation of the method where the analyst views a set number of grid points and documents the material present. The number of points that have asbestos versus no asbestos determines the percentage of asbestos reported. [12]

Common forms of PLM analysis are not applicable for materials which contain highly varied, non-uniform and non-manufactured materials such as soils, gravels, dusts or large quantities of fibers smaller than 0.25 µm.

Transmission Electron Microscopy (TEM)

TEM is capable of identifying the largest range of asbestos fibers/structures of all Electron Microscopy analysis and can differentiate between asbestos and non-asbestos fibers/structures. TEM is used for air, bulk, dust and soil sampling. TEM analysis utilizes an electron microscope for which the level of magnification can resolve down to10 nanometer (nm) particles and can identify asbestos particles by appearance, chemical composition and crystalline structure. Depending on the variation of TEM analysis results are either a visual estimation of a weight percent, or are "semi-quantitative" based on actually weighing the sample then estimating the weight of asbestos found by the fibers size and density.

In addition to bulk sample analysis, TEM is also used to analyze microvac (ASTM D-5755) and wipe (ASTM D-6480) samples. These sampling techniques are common to quantify asbestos levels in settled dust. Both methods require settled dust to be collected from a known surface area. The laboratory analysis consists of digesting the media (filter or wipe) in solution and analyzing via TEM. Samples can be qualitatively analyzed which yields an "absent" or "present" result for asbestos and notes the types of asbestos observed. Samples can also be analyzed qualitatively for which the solution with the digested media is diluted known magnitudes until asbestos fibers can be accurately counted with the microscope. By using known sampling surface areas, dilution factors and analysis areas, the microscopist can calculate the amount of asbestos structures present per square centimeter (st/cm^2) of dust. While this method is a very useful tool in determining the concentration of asbestos in settled dust, concentrations of asbestos in settled dust are not regulated by any agency since the asbestos is neither airborne nor present in a building material.

TEM allows for more accurate identification of much smaller fibers than PLM analysis. EPA method 600/R-93/116, Section 2.5[13] summarizes the TEM bulk analysis. Many laboratories have developed their own methods to provide a full quantitative analysis of bulk samples via TEM.

Scanning Electron Microscopy (SEM)

SEM is primarily used for asbestos analysis for air and dust samples with the asbestos fibers being identified using their chemical composition and appearance. Asbestos fibers too small to be detected using light microscopy can be seen.[14] SEM can be used to observe particle down to approximately 0.1 µm. SEM has not historically been heavily used for regulatory purposes; however, recently it has become more popular for studying amphiboles in their natural setting.[15]

CARB Method 435

The California Air Resources Board (CARB) adopted a NOA-specific testing method in 1990 known as CARB Method 435. (M435 or CARB 435) California currently requires this method for the analysis of gravels or mineralized soils to detect the presence of asbestos. In this method, the soil/aggregate sample is weighed, dried, milled (crushed to fine powder) and then analyzed by PLM or TEM. The CARB method is designed to detect "loose" asbestos fibers, unlike sieving methods which are used to analyze ACM mixed in soil.[16]

PLM analysis utilizes either a 400 or 1000 point count to obtain a level of detection of 0.25% and 0.1% respectively. The PLM resolution is only accurate down to 0.25 µm; asbestos fibers/bundles smaller than that (specifically amphiboles) will not be detected using PLM. For the CARB 435 TEM Method the sample is weighed, dried, milled, put into suspension and analyzed. Results are given in percent asbestos by mass with sensitivities down to 0.001%.[17]

CARB 435 results are considered representative of the worst case conditions when the NOA aggregate becomes pulverized due to handling, use application or natural conditions.

EPA Region 1 Proprietary Soil Characterization

This is a proprietary method that separates and analyzes the different portions of the sample. PLM or TEM analysis may be used for the final analysis but the method includes observations of the fractions of materials present, classification by particle size and source categories, including organic, man-made, geological and asbestos materials. Since this method does not alter the materials present for analysis, results represents the materials as they exist in their natural setting. EPA Region 1 Soil Characterization provides a visual estimation of the weight percentage.[18]

Analytical Methods for Quantifying Asbestos in Air

Typically asbestos air samples are collected by "pulling" a known rate of air through a 25mm cassette by either an electric or battery operated vacuum pump. The air is forced through either a 0.45 micron (µm) (TEM) or 0.8 µm (PCM) mixed cellulose ester (MCE) filter which is then analyzed for asbestos fibers/structures

by TEM or PLM respectively. The concentration of airborne asbestos is calculated by the density of asbestos present on the filter and the volume of air sampled.

Phase Contrast Microscopy (PCM)

PCM (NIOSH 7400 Method) sampling method is a very common form of determining airborne fiber concentrations using a light microscope. The PCM method counts all fibers meeting the criteria of greater than 5 (µm) in length and 0.3 µm in diameter and meet the 3:1 aspect ratio (whether asbestos fibers or not) and reports results in fibers per cubic centimeter (f/cc) of air. PCM only counts fibers that are present in the fields observed, and does not identify the type of fiber (asbestos, cellulose, fiberglass, ect).[19]

This method is widely used for monitoring airborne fiber concentrations during asbestos removal/impacting projects, including determining OSHA approved worker exposures through a time-weighted average (TWA). TWA's calculate the average concentration of fibers a given worker was exposed to during his/her work shift.

Transmission Electron Microscopy (TEM)

For TEM air sampling analysis, the same collection procedure is used as with PCM sampling, except the cassette filter has a smaller pour size and results are reported in asbestos structures per square millimeter (Str/mm^2).[20] The results are reported in Str/mm^2 since the analysis includes all asbestos particles 0.5 microns and larger in length and may not necessarily be fibers. TEM allows for the analysis of very fine fibers while simultaneously determining their chemical composition and crystalline structure.

TEM Method 7402[21] is typically used when a PCM sample is found to have elevated fiber levels. Method 7402 analyzes a separate piece of the same cassette filter under an Election Microscope, opposed to a light microscope, which allows the analyst to determine if there is actually an elevated level of asbestos fibers, or if the fiber level was elevated due to a high number of miscellaneous fibers meeting the PCM counting criteria. This method is a useful complimentary tool to the PCM 7400 Method.

Elutriator Method

The Elutriator Method (Superfund EPA 540-R-97-028) begins by sieving the soil sample into fine a course fragments. The fine soil fractions are then placed in a closed tumbler chamber where any respirable dust created during tumbling is collected on air cassettes. The cassettes are then analyzed via TEM by ISO 10312[22] counting rules which are designed for samples collected from ambient

conditions, specifically indoors. This method is used to identify the amount of respirable fibers present within a soil sample.[18]

NOA AND EFFECTS ON ALASKAN CONSTRUCTION PROJECT

Historical Alaska NOA Incidents

Alaska has large known deposits of ultramafic and serpentine mineral ore located throughout the state. The documented cases of NOA encounters in the state have been limited and comparatively small. The potential for larger and more serious incidents can be expected to increase as public and professional awareness examine proposed activities with more scrutiny and existing material sites are exhausted and new site are developed. The following is a brief synopsis of several known NOA incidents in Alaska.

Juneau

In 2005, NOA was found to be present in Juneau's city-run Stabler's Point Rock Quarry causing several contractors to stop using the material until additional information and guidance was made available. Stabler's Point consists of the hardest local rock, metamorphosed mafic volcanic rock, which has been known to historically contain NOA. According to a Memorandum issued by the City/Borough of Juneau in 2005, scattered veins of asbestos-containing rock have also been reported in the following Juneau quarries: Lemon Creek, Treadwell, Upper and Lower Fish Creek and Bonnie Brae. The city believes that asbestos is likely to be present in most Juneau areas with high quality rock.[32]

Of the initial samples collected from the Stabler's Quarry two were found to contain tremolite asbestos at 3% and 5%.[33] Later some samples were also found to contain actinolite asbestos.[34] Blasting and rock crushing operations, which are known to release asbestos fibers from rock, had been occurring on a regular basis for several years prior to the discovery of NOA at the quarry. A private consulting firm hired by one of the contractors utilizing the quarry later stated given the presence of asbestos at the quarry, and the limited air sampling performed, it would appear as though workers were occasionally exposed to airborne asbestos levels in excess of workplace exposure standards.[34]

The rock aggregate obtained from the Stabler's Quarry was used for several years on a variety of private and commercial construction projects throughout the Juneau area and was a topic of concern for many local residents. In addition, aggregate collection (blasting) and refining (crushing) methods used were performed under general conditions meaning no methods were implemented to reduce airborne fiber concentrations during work activities. Since the discovery of NOA at the Stabler's Quarry, sampling efforts have been performed as well as requiring the use of wet methods and respirators for quarry workers.

As in most situations, once NOA was discovered activity was stopped until an assessment could be performed. In the Juneau case, the majority of the asbestos-containing gravel aggregate was used in construction projects where it would not be left exposed. The quarry itself implemented engineering controls

such as PPE for workers and the use of wet methods. In addition, attempts were made to focus mining efforts on portions of the quarry which yielded the lowest concentrations of NOA. Material from this mine is currently only used on projects where it will not remain exposed after completion; such as paved road construction. The City of Juneau originally was researching the possibility of implementing local NOA regulations; however, as of yet no regulations have be made.

Dalton Highway

As described by Perkins et al[5] the Dalton Highway (formerly known as the Haul Road) was constructed in the early 1970's and runs adjacent to the Trans-Alaska Pipeline connecting the Prudhoe Bay oil fields of Alaska's North Slope to the state highway system near Fairbanks. Most of the Dalton Highway is unpaved and is primarily utilized by pipeline employees and truckers supplying the oil fields.

In 2000, the Alaska Department of Transportation & Public Facilities (ADOT) awarded a contract to replace culverts and bridge abutments and to add surfacing material to approximately 20 miles of gravel road from Milepost (MP) 90 to 111 on the Dalton Highway. The project utilized surfacing gravel from a material site (MS) located at MP 105. The project contractor constructed a 1 to 2 foot thick gravel pad at MP 107 for a project staging area and temporary housing site since the closest permanent habitation was located approximately 70 miles away. An estimated 30 truckloads of gravel had been removed from MS 105 before workers noticed several large pieces of fibrous material suspected to be asbestos, after which aggregate extraction from this site was terminated.

After ultramafic rock containing actinolite and tremolite asbestos was confirmed at MS 105, concerns about worker exposure on the project site, as well as potential exposure in the temporary living quarters due to cross-contamination arose. Furthermore, questions were raised on how to safely complete the project, as well as address public health concerns for driving on the Dalton Highway. The project contractor retained a consultant to assess the problem, recommend work plan modifications, provide necessary worker training, perform exposure monitoring and reporting.

Results from the assessment included close to 700 breathing zone air samples collected from workers; 3% of which had asbestos fiber concentrations at or near 0.1f/cc per the NIOSH 7400 PCM[19] method. 36 of those samples were additionally analyzed via NIOSH 7402[21] (modified TEM analysis) which illustrated approximately 40% of the fibers observes were asbestos. Results concluded that workers who impacted the material the greatest, such as bulldozer and grader operators, were at the highest risk of exposure. Asbestos fiber release from rock crushing operations would have presumably been higher. Samples for potential motorist exposure were collected under conditions simulating "worse case scenario" - driving with windows open while following heavy equipment

which produced a visible dust cloud – indicated fiber concentrations well below the OSHA PEL.

The discovery of NOA at MS 105 on the Dalton Highway incurred significant delays and added millions of dollars to the project costs. After the assessment was completed, the MS 105 was abandoned for a MS which yielded non-NOA gravel to complete the project. The new MS was tested for the presence of NOA prior to starting work. Existing portions of road bed constructed with NOA along the project length were identified and capped with NOA-free material. Work practices and method of construction was modified to minimize worker exposure and NOA accessibility.

Similar to Juneau, the NOA concern at Material Site 105 on the Dalton Highway was discovered after workers had begun to remove and use the material. During this project; however, the NOA-containing aggregate was used to construct the gravel pad for temporary living quarters, as well as to resurface approximately 20 miles of the unpaved Dalton Highway. The NOA assessment for this project illustrated that some workers were at risk of being exposed to asbestos above regulatory limits, but motorist traveling down the gravel highway, in a "worse case scenario" were not. Regardless of the remoteness of the area and the low health risk it posed to the public, it was agreed that known NOA-containing gravel on the highway would be capped and work practices would be modified to address NOA exposure concerns during project construction. Equipment and camp facilities were decontaminated and workers were provided training. MS 105 was no longer utilized as an aggregate source for the remainder of the project and has been closed indefinitely as an aggregate source.

Ambler

Ambler is Kowagniut Inupiat Eskimo village located in northwestern Alaska along the North bank of the Kobuk River. Ambler is approximately forty-five miles north of the Arctic Circle, one hundred and forty miles east of Kotzebue and three hundred and twenty miles northwest of Fairbanks.

In 2003, the ADOT was conducting routine soil testing in preparation for a scheduled Ambler project requiring the use of gravel aggregate. Tests results reported the presence of chrysotile asbestos in the aggregate samples taken from the local gravel pit. This was the only available gravel aggregate source for Ambler and consequently had previously been used to construct the community airport, roads and utility systems. The pit is commercially owned by the local development corporation (NANA), who closed and placarded the pit soon after the NOA discovery.

All roads in Ambler, including the airport runways, are finished with unpaved gravel surfaces. All-terrain vehicles (ATV's) are the most prevalent means of transportation and create substantial visible dust, generated from the unpaved

community road surfaces, during summer months. In 2007, the Agency for Toxic Substances and Disease Registry (ATSDR) performed an exposure investigation[35] primarily focused on ATV generated dust and potential asbestos exposure for both ATV riders and the general public. The assessment concluded that exposure to visible dust generated from the Ambler roadways created a higher than average health risk concerning asbestos.

In addition to the asbestos related health concerns, several community projects which require the use of the gravel aggregate have subsequently been put on hold or cancelled. In 2004, a multi- year effort was undertaken by R&M Consultants to locate an aggregate source free of NOA. However, no location within a reasonable distance (15-25 miles) was identified that would definitively yield non-NOA aggregate.[36] Since the NOA discovery in 2003, the gravel pit has been restricted from use. Due to the inability to use gravel for regular maintenance, the Ambler runway began to dilapidate until the crown had lost its vertical rise and ruts and potholes became increasingly prevalent and obnoxious due to lack of drainage and replenishing aggregate. The runway was also a major source of dust emissions from the airplanes prop wash during take off and landing. The runway was operated by ADOT that concluded runway repairs were required to continue safe operations. ADOT also decided due to the NOA concern in the community they would apply a dust-suppressing poly synthetic palliative called Durasoil to the surface of the runway after the repairs were complete. ADOT had experienced positive results using this form, and variety, of dust suppressant in other remote areas of Alaska to control fugitive dust. Since no non-NOA containing aggregate sites were available, the known NOA-containing quarry was utilized as the aggregate source for the runway repairs. A consultant was retained to assist with a Ambler public meeting, the development of NOA project work plan, training of project workers, community relations during construction while oversight, monitoring and project reporting. Monitoring documented a Negative Exposure Assessment (NEA) with no air sampling results exceeding the OSHA PEL at any point during the project.[37]

Since the discovery of chrysotile in the Ambler gravel pit, the following NOA-related investigative efforts have been performed to date:

- **Asbestos at Ambler Material Pit Preliminary Assessment**.[38] Alaska Department of Health & Social Services, Division of Public Health, Section of Epidemiology, October 23, 2003.
    - Chrysotile asbestos discovered in Ambler quarry during routine soil testing.
    - Quarry was closed indefinitely.
- **Limited Health Survey**.[39] Alaska Department of Labor and Workforce Development, Occupational Safety & Health Labor Standards and Safety Division, November 2003.
    - School area soil, interior dust and air samples confirmed Chrysotile NOA

- Recommended material site cap, school cleaning, HEPA filtration and administrative controls to control summer risk

- **Ambler Airport Rehabilitation: Airport Materials Site Investigation**.[36] R&M Consultants. 2004 Geotechnical Report.
  - Soil boring was performed around Ambler area to find an alternative, non-NOA gravel source. Results indicated that no non-NOA gravel source was available within reasonable distance to Ambler.
- **Naturally Occurring Asbestos Summary of Requirements and Recommendations.**[40] Alaska Native Tribal Health Consortium (ANTHC). August 2005
- **Public Health Evaluation and Assessment – Interim Report**.[41] May 20, 2005. Middaugh, John P.
  - Medical records review for residents of Ambler, Kobuk, Shungnak and Kiana, to see if asbestos-related diseases had occurred
  - No asbestos-related diagnoses on death certificate; no mesothelioma cases dating back to 1970
  - On review of chest X-ray, nine people with pleural plaques suspicious for asbestos exposure were identified.
- **Investigation of Possible Environmental Asbestos Exposure in Northwest Alaska – Interim Report**.[42] Chimonas, Marc; Middaugh, John and Arnold, Scott. June 15, 2005: Alaska Division of Public Health
  - Expert review of 130 chest X-rays from villagers 50 and older; interviews conducted
  - Twenty-one individuals with either pleural plaques or pulmonary fibrosis suspicious for asbestos exposure. Some were exposed to asbestos occupationally.
  - Not possible to definitively establish or exclude environmental asbestos exposure as a cause of disease
- **Exposure Investigation Final Report**.[35] Agency for Toxic Substances and Disease Registry. June 2007
  - Chrysotile NOA confirmed in gravel used to construct roads
  - Ambient sampling confirmed airborne NOA, but not likely to be a public health concern
  - Visible airborne dust levels behind four-wheelers exposed trailing riders to a high-level of respiratory exposure and confirmed public health concerns.
- **Federal Aviation Administration, Ambler Airfield, Alaska Winter Exposure Assessment.**[43] ***NORTECH*** Environmental Engineering, Health & Safety. June 2008 Report.
  - FAA technician tasks were performed while personal and area air samples were running. Results indicated area fiber concentrations were below 0.01 f/cc while the personal TWA was below 0.10 f/cc.
  - Frequent cleaning of facilities was recommended.

- **Federal Aviation Administration, Ambler Airfield, Alaska Summer Exposure Assessment**[44] ***NORTECH*** Environmental Engineering, Health & Safety. August 2008 Report.
    - FAA technician tasks were performed while personal and area air samples were running. Results indicated area fiber concentrations were below 0.01 f/cc while the personal TWA was below 0.10 f/cc. Area samples were also collected while planes landed/took off with all results below 0.01 f/cc.
    - Frequent cleaning of facilities was recommended.
- **Ambler Airport Dust Suppression.**[37] ***NORTECH*** Environmental Engineering, Health & Safety in association with R&M Consultants. November, 2008 Report.
    - Utilized NOA-containing gravel to resurface runway using "wet methods" as needed. Palliative applied to runway surface for dust suppression.
    - Personal and area air monitoring illustrated the PEL and clearance concentrations were not exceeded.

In addition to the studies listed above, a *Naturally Occurring Asbestos Dust Control Working Group* has been established as a result of the Ambler NOA. This working group is a consortium of federal, state and local groups who help to manage and oversee NOA-related projects and concerns in Ambler in the interest of public safety. The group consists of the City of Amber, ANTHC, ATSDR, USRD, HIS, Maniilaq, DOH and ADOT.

Ambler is located between the Jade Mountains and the Cosmos Hills; small mountain ranges along the southern slopes of the Brooks Range. The rocks in these mountains are mineral-rich and contain large ore deposits. Bornite, reportedly one of the world's richest copper deposits, exists within these ranges and major jade deposits are found in the Jade Mountains. Serpentine rocks, commonly containing asbestos, have been mapped in both these ranges.[45, 46] An asbestos mine was temporarily operated at Asbestos Mountain in the Cosmos Hills near Kobuk. The asbestos has apparently been eroded from these rocks and transported throughout the area by glaciers, water and wind. Sedimentary deposits have been found with varying concentrations of asbestos throughout the area.[36]

The NOA found in Ambler poses many issues not previously encountered in Alaska. Ambler requires the use of gravel to maintain the limited road system, runway, public utilities and local projects. With no apparent asbestos-free gravel sources within a reasonable distance and only year round air travel access identifying methods to use NOA safety are significant to the regional corporation source owner and local community. ADOT held public meetings in Ambler to obtain feedback, report progress and provide information regarding NOA, asbestos health hazards, risk and effective methods to reduce exposure (avoidance of visible dust clouds, road watering, regular household cleaning to

remove visible dust accumulations, removing footwear prior to entering homes and driving slower on the roads, etc).

Alaskan Construction Projects

The presence of NOA and its effects on construction projects in general, as well as its effects on certain Alaskan Construction projects, are noted in other sections. Here we examine the occurrence of NOA in Alaska and its likely effect on future construction projects. Most heavy construction projects such as dams, roads, airports, pipelines, and railways require large quantities of natural materials, sand, rock, and fill soil. These materials are excavated, processed, and transported to the sites where they are needed. Ideally the transport distance from excavation to installation and the processing steps are minimized. In any case, the excavation, processing, and transport are key cost drivers in most heavy construction projects. If material sources proximate to the project have NOA or are likely to contain NOA, the project owners and designers must make a decision to obtain NOA-free materials further from the project at a greater cost, or to use the NOA materials and make allowances for handing the NOA material in such a manner to keep airborne asbestos fibers and their human health hazards to a minimum. Other sections of this report deal with methods of ameliorating fiber release from NOA-containing materials after they have been installed and regulations in other states that have established standards for NOA materials that establish benchmark concentrations, which, together with prudent work methods, are protective of human health.

This chapter will: examine the need for gravel and similar materials in Alaska, discuss the mineralogy of Alaska with respect to asbestos, present a map of mineral occurrences that may contain NOA and their location with respect to transportation corridors, and examine the implications for projects. Finally we will present some conclusions.

Alaska Gravel Needs

Many heavy construction projects move large quantities of soil within their right of way. These are often called "unclassified materials." Over these are then placed "classified" or "select" materials. The exact definition and qualities of these material are dependent on the particular type of project and its specifications. These materials generally must be imported from off the right of way, usually from special "material sites." Here we will just refer to those imported materials collectively as "gravel." We will discuss them in relation to historical and known current demands for gravel, as well as estimates for future projects.

Highways

Here we discuss some likely gravel needs in the DOT's Northern Region. Currently, for projects on the highway system, there is gravel available, although

it may involve a longer haul distance. Generally, these sources have not been checked for NOA. New sources are needed for the routine maintenance (M&O) activities and routine construction projects. DOT Northern Region used 2 million CY from 64 different material sites in 2007 and 1.6 million CY from 40 different materials sites in 2008.[23] The DOT generally has enough material for maintenance and operations (M&O) and new projects, although most new projects are improvements to existing roads. The large rocks used to armor stream banks and other hydraulic structures is known as "rip rap" and rocks large enough for rip rap are usually scarce.

The Trans Alaska Pipeline System (TAPS) and future 48"Gas Pipeline

The TAPS project used 73 million CY of gravel, total. The workpad required 32 million CY. [24] Of that, the Dalton Highway (Haul Road) required about 13 million CY for its prism. Many access roads to material sites were required for Haul Road construction, and may have been counted in either the Haul Road number or not. Certainly the 225 access roads were counted in the 73 million CY. Thus, if the Haul Road and its material sites were counted in, the TAPS project would have required 50 to 60 million CY of gravel without the Haul Road. The most likely route of the proposed gas line will follow the Dalton Highway and the Alaska Highway, there will not be a major new highway. However we do not believe that Alyeska will allow the gas pipeline to use Alyeska's workpad or construct close to TAPS, therefore new workpads and many new access roads will be required. There will be new camp pads, airports, and compressor stations. Not counting the DOT upgrade work, we estimate that the gas line will need to mine 50 to 60 million CY of new gravel. (Referring the annual DOT usage, the new pipeline will require 25-fold the annual DOT requirement, and most of that in the first year or two of construction).

Special highway construction

If the gas line is built, AK DOT will need to reconstruct many miles of substandard road. Large sections of the Dalton Highway need reconstruction.

Airports

Virtually all airport construction and upgrades require material from local sources. In some locations material is barged in from long distances, but this is expensive. There are about 256 bush airports owned by the ADOT.[25] A new small airport may require 25,000 CY of gravel. In addition, gravel is needed for access roads and maintenance of both the runway and the access roads.

Railroad Extension

There is currently a study regarding extending the Alaska Railroad from Fairbanks to Delta (90 miles) and from Delta through Canada (200 miles).[26] A rough estimate for that yields 14 million CY of fill, gravel, and ballast for the main line. Much of the line would be close to the Alaska Highway. However access roads, camps, and ancillary structures – there will be many bridges – may require another 5 million CY.

Mining and other industry

Mining needs gravel for access roads. Smaller mines generally have some material available on-site, but major new mines will require gravel from outside the mine. Extrapolation from Alyeska's numbers (73 million CY in 800 miles) one could say 91,000 CY per mile of new infrastructure. That would include main road and roads to gravel sources and pads for ancillary structures. Minimizing haul distances is economical, which tends to increase the number of material sites. Two new material sites per mile might be a good estimate.

Balance between Existing and new MS

Most of the smaller scale road maintenance is done with existing gravel sources. The volume is generally not large and the costs of opening a new pit are often greater than the haul costs from a more distant pit. A major project will require a lot of gravel and thus justify the extra costs of opening closer pits. Besides direct costs, safety is an important consideration when hauling of gravel on an active highway, and minimizing the number of construction rigs on a traveled highway is good practice.

Since the existing open material sources are just adequate for current needs, it is clear that many new gravel sources will be needed if any of the major projects come to fruition.

Mineralogy of Alaska with respect to asbestos

"Asbestos" is a commercial term, not the name of a particular chemical or geological rock type. While there are six asbestos types that are regulated due to known human health effects, there are other, similar minerals that are not regulated. Some of these may likewise have adverse health effects. Within minerals of a certain chemistry, some of the mineral may have crystallized into large crystals or masses, while other portions may have crystallized in fibers or bundles of fibers. In general, "Asbestos is defined as certain minerals that have crystallized in a finely fibrous habit, in bundles of easily separable fibers and/or fibers which are composed of smaller diameter fibrils, and with a hair-like elongated shape resembling organic fibers, with exceptionally smooth faces and displaying unusual adamantine or silky luster" [8]

As noted by Gosen[31] asbestos is most commonly defined as the asbestiform variety of several specific, naturally occurring, hydrated silicate minerals. Asbestos typically includes chrysotile, the asbestiform member of the serpentine group, and several members of the amphibole mineral group, including, but not limited to, the asbestiform varieties of (1) riebeckite (commercially called crocidolite), (2) cummingtonite-grunerite (commercially called amosite), (3) anthophyllite (anthophyllite asbestos), (4) actinolite (actinolite asbestos), and (5) tremolite (tremolite asbestos). Other amphiboles are known to occur in the

fibrous or asbestiform habit,[27] such as winchite, richterite[30] and fluoro-edenite,[29,28] but usually they have not been specifically listed in the asbestos regulations. The many different ways that asbestos and asbestiform and other related terms have been described are summarized in Lowers and Meeker.[30]

The geological conditions necessary for the formation of NOA have been reviewed and the rock types known to host NOA include serpentinites, altered **ultramafic** and some **mafic** rocks, dolomitic marbles and metamorphosed dolostones, metamorphosed iron formations, and alkalic intrusions and carbonatites.[31] In summary, there are many types of minerals that might contain asbestos, and these include rock types very common in Alaska.

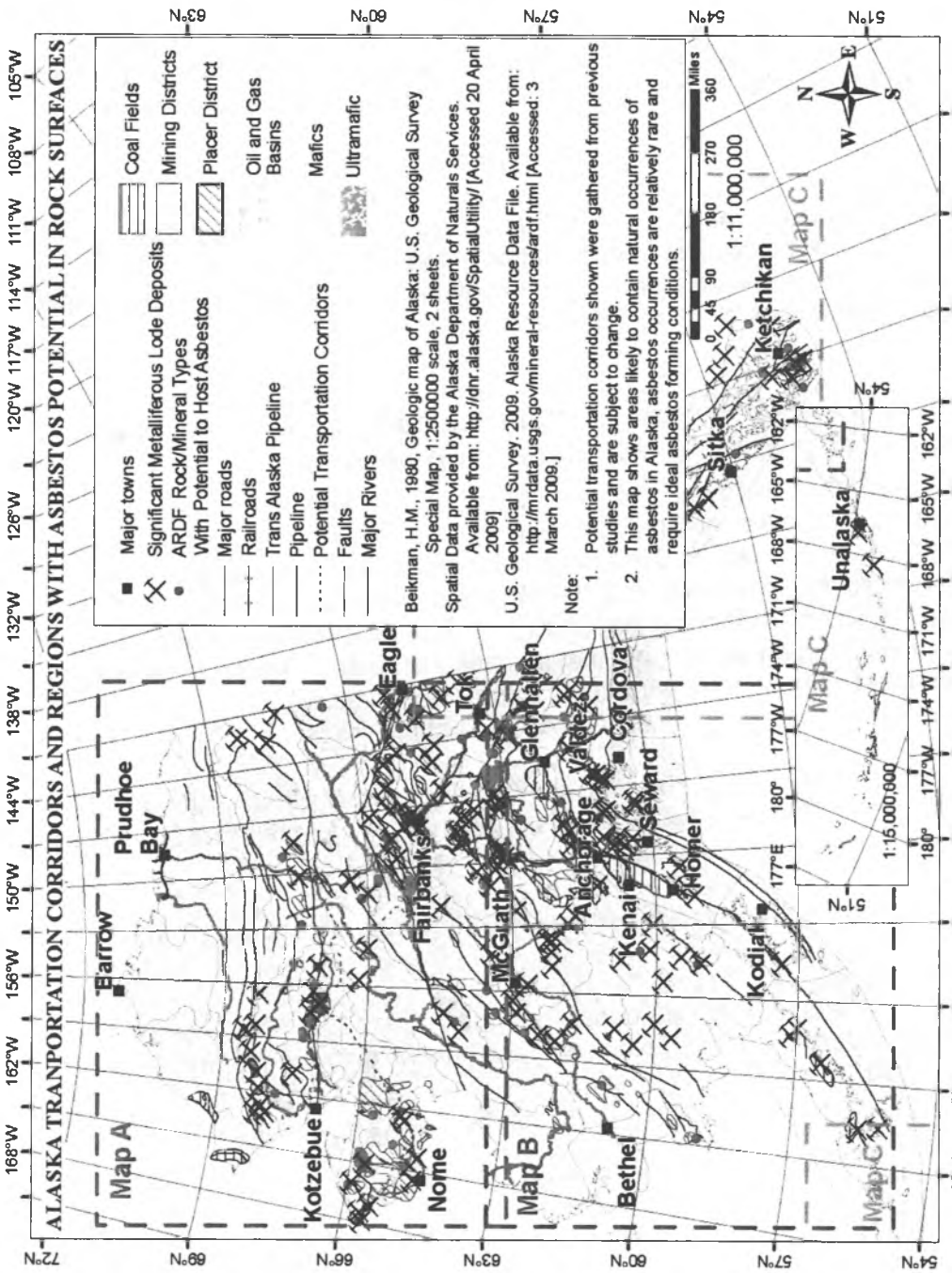
Map of mineral occurrences that may contain NOA and their location with respect to transportation corridors

Next follows some maps that show the regions of Alaska that may contain asbestos, based on the mineral type. The mineral types are taken from the above reference sources, and the mineral locations are based on the USGS map, *Geologic map of Alaska, U.S. Geological Survey Special Map, by H. M. Beikman, 1980*. In addition, in Appendix 3, is the USGS database of all geological exploration and mining that identified asbestos. These have been mapped along with the transportation corridors identified by ADOT planning. Note the northern region had more detailed planning maps.

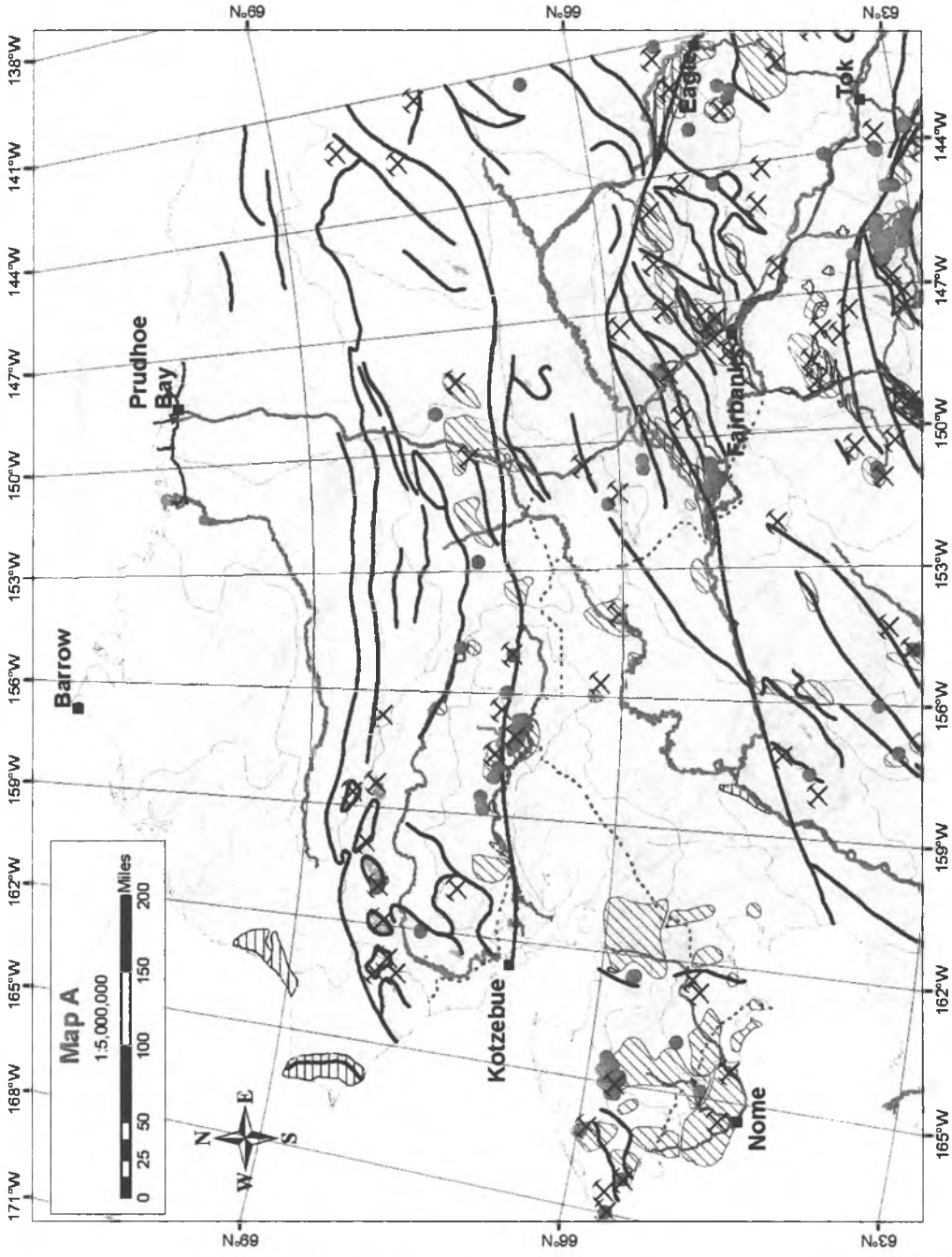
It is important to realize that the map is of the bedrock, or parent material. If the rock erodes, it will move down-gradient via colluvial or alluvial transport. Thus asbestos might be found in sites distant from the origins.

The first map is an index, and the following three maps show greater detail.

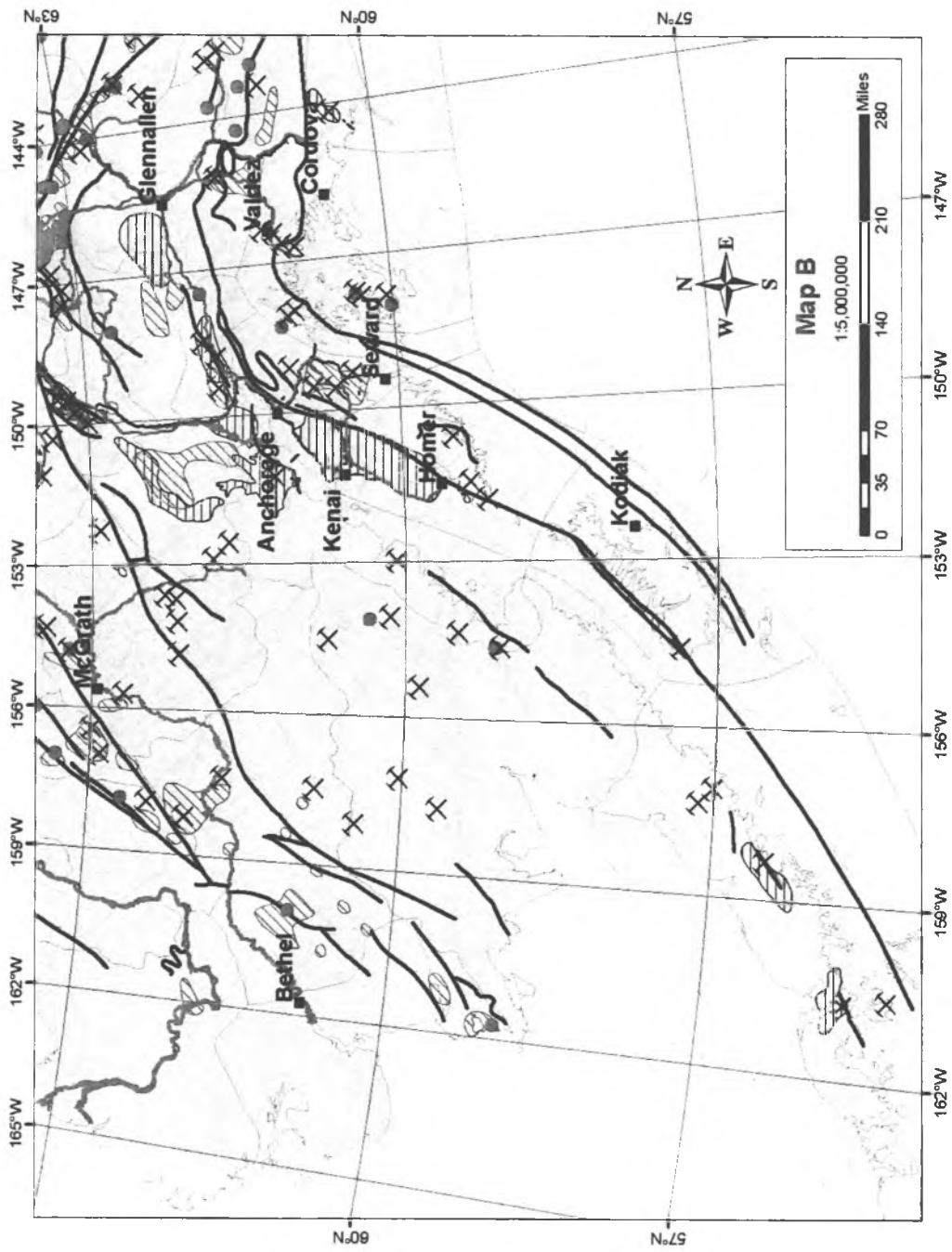
Acknowledgement
The work of Kyle Obermiller, an undergraduate student in UAF's Geological Engineering program on the geological mapping was appreciated and is hereby acknowledged.


ALASKA TRANPORTATION CORRIDORS AND REGIONS WITH ASBESTOS POTENTIAL IN ROCK SURFACES
Major towns
Significant Metalliferous Lode Deposits
ARDF Rock/Mineral Types
With Potential to Host Asbestos
Major roads
Railroads
Trans Alaska Pipeline
Pipeline
Potential Transportation Corridors
Faults
Major Rivers
Coal Fields
Mining Districts
Placer District
Oil and Gas Basins
Mafics
Ultramafic
Beikman, H.M., 1980, Geologic map of Alaska: U.S. Geological Survey Special Map, 1:2500000 scale, 2 sheets.
Spatial Data provided by the Alaska Department of Naturals Services. Available from: http://dnr.alaska.gov/SpatialUtility/ [Accessed 20 April 2009]
U.S. Geological Survey. 2009. Alaska Resource Data File. Available from: http://mrdata.usgs.gov/mineral-resources/ardf.html [Accessed: 3 March 2009.]
Note:
1. Potential transportation corridors shown were gathered from previous studies and are subject to change.
2. This map shows areas likely to contain natural occurrences of asbestos in Alaska, asbestos occurrences are relatively rare and require ideal asbestos forming conditions.
Miles
0 45 90 180 270 360
1:11,000,000
Map A
Map B
Map C
Map C
Map C
Barrow
Prudhoe Bay
Kotzebue
Nome
Bethel
Fairbanks
McGrath
Eagle
Tok
Glennallen
Valdez
Cordova
Anchorage
Seward
Homer
Kenai
Kodiak
Unalaska
Sitka
Ketchikan
1:15,000,000
N
S
E
W

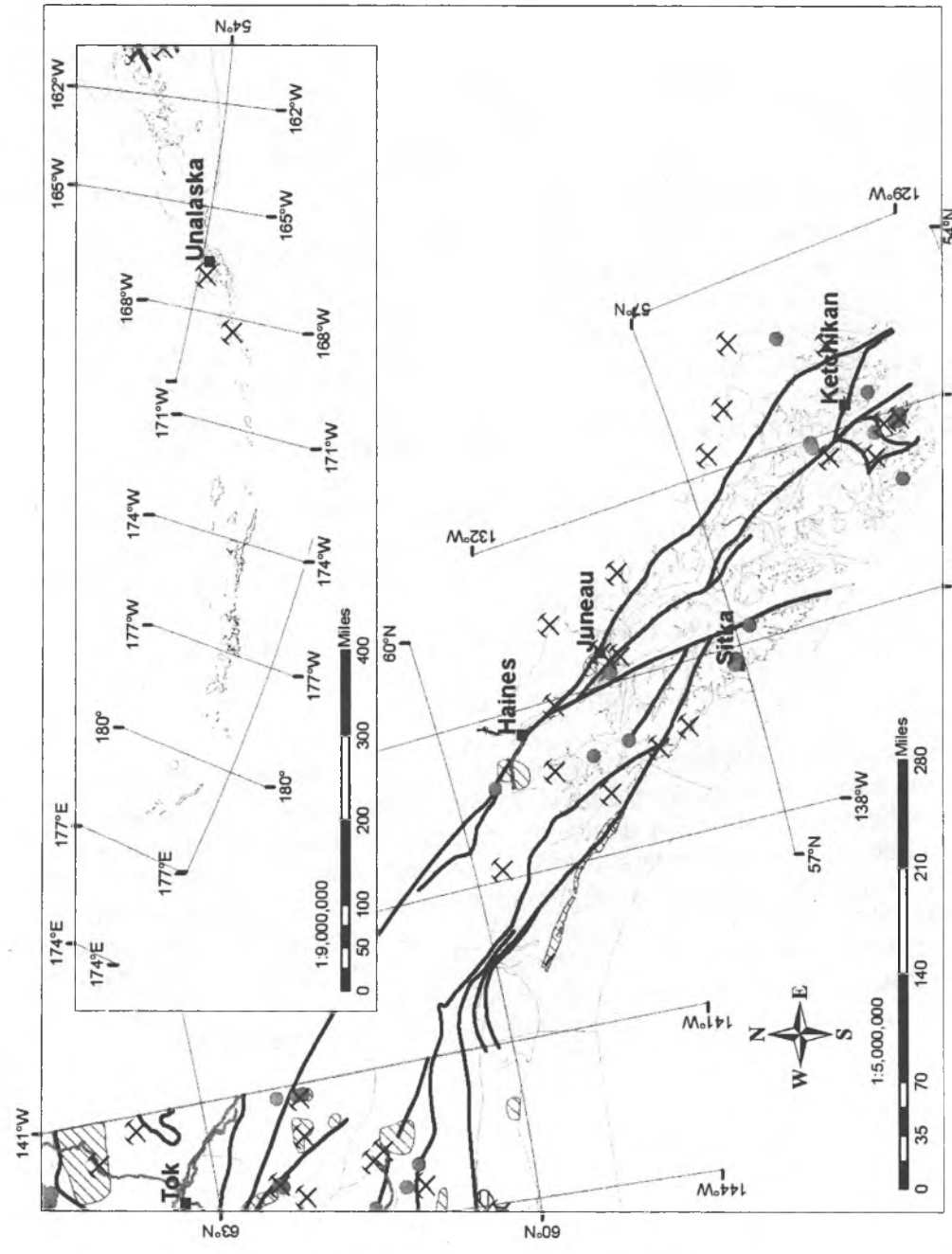
Index Map



Map A, Northern Alaska



Map B South Central



Map C, Southeast and panhandle

Conclusions and recommendations regarding future projects.

It is clear that many of Alaska's current transportation corridors traverse regions containing minerals that may contain NOA. Although Alaska is a huge state, as a practical matter, gravel must be obtained reasonably close to the project. It is also clear that large quantities of gravel will be needed for future projects. While not all the areas that mineralogy mapping has identified as possible asbestos sources will contain asbestos, the mining and geological exploration done in those areas has identified that asbestos is found in these regions. Since asbestos was often found during the exploration for other minerals, it seems likely that asbestos is fairly common in those regions. We know of projects such as Ambler and the Dalton Highway that have been impeded by NOA, thus it is reasonable to expect future projects to be impeded, if they traverse areas with mafic and ultramafic rock and other minerals as identified on the map.

While finding NOA in pre-construction geological exploration is usually a negative for the project, its untoward effects are paltry compared to finding asbestos once construction using the material has started. Therefore all projects that use gravel or other mineral resources in areas identified with mafic or ultramafic rock, or down-gradient or downstream from those minerals must include analysis for asbestos as part of the material site exploration process. If asbestos is identified, its type and extent should be quantified, if possible.

If asbestos is found the project managers must make a decision. Non-asbestos containing earth materials should be used if possible. However if material without asbestos is not readily available, the project managers must make a decision about using the material with NOA or, presumably, importing non-NOA material, or perhaps rerouting or abandoning the project. Using the guidelines and information presented in other sections of this paper will help. Reiterating the key conclusion – if a project's material source is in a region identified on the maps in these chapters as likely to contain asbestos, the material site exploration phase must include an assessment of the material site for asbestos.

Footnote to Chapter
Summary of Asbestos Minerals

Table 1 Summary of minerals where fibrous crystal form or cleavage has generated concern (not an exhaustive list) Mineral Asbestiform or fibrous probability Remarks Serpentine minerals Chrysotile Always Most common type of asbestos; almost the only form mined today Antigorite Rare Amphibole minerals Riebeckite Probable (crocidolite) Previously mined as asbestos in South Africa, Australia and Russia, but not common elsewhere Cummingtonite-grunerite Probable (amosite) Previously mined as asbestos in South Africa. Non-asbestiform habit is common Tremolite-actinolite Probable Widespread occurrence both as asbestiform and non-asbestiform habits, but only rarely mined as abestos Winchite-richterite Probable Rarely encountered Anthophyllite Probable Previously mined as asbestos in Finland and in the eastern USA. Often associated with talc. Arfvedsonite, fluor-edenite, etc. Possible Rarely encountered Zeolites Erionite, mordenite Almost always fibrous Not considered as asbestos, rarely encountered Clay minerals Palygorskite, sepiolite Fibrous habit possible or common Not considered as asbestos, rarely encountered Others Brucite, wollastonite, talc, balangeroite Fibrous habit possible or common Not considered as asbestos, and, except for talc, rarely encountered

Table 1 Summary of minerals where fibrous crystal form or cleavage has generated concern (not an exhaustive list)

Mineral	Asbestiform or fibrous probability	Remarks
Serpentine minerals		
Chrysotile	Always	Most common type of asbestos; almost the only form mined today
Antigorite	Rare	
Amphibole minerals		
Riebeckite	Probable (crocidolite)	Previously mined as asbestos in South Africa, Australia and Russia, but not common elsewhere
Cummingtonite-grunerite	Probable (amosite)	Previously mined as asbestos in South Africa. Non-asbestiform habit is common
Tremolite-actinolite	Probable	Widespread occurrence both as asbestiform and non-asbestiform habits, but only rarely mined as abestos
Winchite-richterite	Probable	Rarely encountered
Anthophyllite	Probable	Previously mined as asbestos in Finland and in the eastern USA. Often associated with talc.
Arfvedsonite, fluor-edenite, etc.	Possible	Rarely encountered
Zeolites		
Erionite, mordenite	Almost always fibrous	Not considered as asbestos, rarely encountered
Clay minerals		
Palygorskite, sepiolite	Fibrous habit possible or common	Not considered as asbestos, rarely encountered
Others		
Brucite, wollastonite, talc, balangeroite	Fibrous habit possible or common	Not considered as asbestos, and, except for talc, rarely encountered

OTHER STATES NOA REGULATIONS

Several large areas of asbestiform mineral deposits exist in the United States. These deposits host both serpentine and/or amphibole minerals in mafic and ultramafic rock formations and have varying concentrations of asbestos. Some states have implemented policies in order to safely address NOA concerns while attempting to limit adverse affects on projects in which NOA-containing rock will be impacted.

Virginia

Fairfax County has adopted a two stage approach for dealing with local NOA. The Fairfax County Health Department, Air Pollution Control Division (Fairfax APCD) oversees the potential public health concern associated with exposure to asbestos generated from construction activities. They enforce the Fairfax APCD Control Requirement Directives 1 and 2 for Construction Activities in Actinolite/Tremolite Soil Sources (CRD 1 and 2). The Virginia Department of Labor and Industry, Occupational Health Division (VDLI) regulates the interior of the construction site as it pertains to employee exposure under the Asbestos Standard, 29 CFR 1926.1101. These two agencies work in concert to control the emissions of asbestos fibers during work activities. The program is founded in the approach of proper disposal and capping of both the NOA source and constructed project. The following is a brief summary of CRD 1 and 2:

Directive 1 – Standards of performance for Actinolite/tremolite soil sources

1. Compliance Plan - A written compliance plan must be submitted to the Fairfax APCD for review and approval before work begins on the construction project.

2. Dust Control - Effective dust control must be practiced at all times.

3. Air Monitoring – Air monitoring must be performed during all phases of earthwork involving actinolite or tremolite containing material and comply with ambient air concentration standards for asbestos.

4. Disposal and Cap - An appropriate, safe, disposal site must be used to dispose of actinolite or tremolite contaminated soils whether they are to remain on site or be removed. All final disposal areas and the finished grade of the developed land shall be covered with six inches of clean compacted material.

5. Notification – Sufficient notice of asbestos shall be given to all employees and contractors on the site in compliance with the OSHA Asbestos Standard (29 CFR 1926.1101).

Directive 2 – Monitoring and Reporting Requirements

1. Monitoring requirements
    a. The monitoring and sample analysis will be conducted by competent personnel and closely supervised by an experienced individual certified with NIOSH 582 course training or equivalent [we should expound on that]
    b. Air monitoring samples will be collected.
    c. Project Reports of the perimeter, area, and personal monitoring results will be submitted to the Fairfax County Health Department.

2. Project Reporting Requirements
    a. A written description of the work activities.
    b. Diagram of the Construction Project.
    c. Air Monitoring Results.
    d. Violations to Directive 1 detected by air monitoring

3. A 24-hour average standard for asbestos ambient air concentrations is calculated

John Yetman was interviewed on the effectiveness of Fairfax County's NOA program, as well as public and commercial response. Mr. Yetman is a Senior Environmental Health Specialist with the Fairfax County Health Department, and has managed the county's NOA program for over 20 years. The NOA program described above has been in effect in Fairfax County since 1993. The NOA found in Fairfax County is typically beneath several feet of clay, so the program is designed exclusively for excavation and soil impacting activities. The soils of Fairfax County have been mapped, with known NOA encompassing 11 square miles of the 400+ square mile county. The geological maps are reportedly accurate to +/- 500 feet. If excavation/soil impacting activities are to occurring within this 11 square mile area, the contractor is required to submit a compliance plan as mentioned above.

The compliance plan describes location and activities associated with the project, dust control methods and worker and public safety controls. If the project is located within the NOA area per the soil map, the contractor is required to have a compliance plan approved through the county health department. If the project site is located within 500 feet of the mapped boundary, the contractor may submit a limited compliance plan which outlines the same requirements as the full plan; however, implementation of the plan is only required if suspect NOA is discovered.

Dust control consists primarily of applying water and/or slowing operations so that no visible dust is present. Air monitoring is required at all times soil impacting activity is occurring which consist of both area and personal sampling using PCM cassettes and analysis. The area monitoring is performed at several points on the perimeter of the "work zone", a term used to describe the area of

the jobsite that has controlled access from the public. Area monitoring is a 24-hour average with the Fairfax County Air Pollution standard being 0.02 f/cc. Personal samples are also collected from workers inside the work zone to determine and 8-hour TWA with a maximum allowable fiber concentration of 0.10 f/cc. All air monitoring is required to be performed by a third party. All air monitoring results are required to be submitted in a final close out report; however, exceedences in airborne fiber concentrations are reported to the county health department immediately. Samples with elevated fiber levels may be further analyzed using Method 7402 which utilizes TEM to determine if the fibers meeting the PCM counting rules are asbestos.

Mr. Yetman explained that NOA-containing soils are encouraged to remain onsite; however, soils can be utilized as fill for other jobsites located within the known NOA area. If soils are removed from Fairfax County, it is strongly recommended the contractor inform the recipient of the possible contamination in the soil, and obtain a signature of acknowledgement.

Directive 1 also requires that 6 inches of clean cap be applied to all disturbed soils within the NOA area. Allowances are made when the soil is to be covered with vegetative-sod, in which case only 3 inches of cap is required.

Mr. Yetman felt that the program has been very successful for the county. He explained that the public and local contractors have become accustom to the NOA requirements, and they very rarely experience issues. He also noted that fiber level exceedences have become less common as contractors have developed effective means for dealing with dust suppression.

The "backbone", as described by Yetman, of Fairfax County's NOA management plan is the county soil map. This is an efficient way to identify if NOA will be a concern for the project, and if a compliance plan is required. Additionally, Mr. Yetman explained that the Health Department makes certain to explain the liability associated with removing NOA-containing material offsite, or outside of Fairfax County, which has seemed to reduce this occurrence.

California

The State of California Air Resources Board (CARB) has implemented regulations designed to significantly decrease the chances that asbestos in soil and rock can become airborne, and thus minimizing public exposure to asbestos. These state regulations are referred to as the Airborne Toxic Control Measures. (ATCM's) The first ATCM applies to surfacing applications and was originally adopted in 1990, but was amended in 2001. The second ATCM applies to construction, grading, quarrying and surface mining operations.

According to the CARB's Implementation Guidance Document for the Asbestos Airborne Toxic Control Measure for Surfacing Applications[47], the first Asbestos

ATCM prohibits the sale or use of restricted material for unpaved surfacing unless it has been tested and found to have an asbestos content that is less than 0.25 percent. The ATCM defines restricted materials as aggregate material extracted from an ultramafic (or ultrabasic) rock unit as shown on referenced geologic maps; ultramafic rock including serpentine; or aggregate material shown to have an asbestos content of 0.25 percent or more; or any mixture containing 10% ultramafic/serpentine materials.

The test method required to determine the asbestos content is either CARB Method 435 or a method approved by the CARB's Executive Officer. If restricted material is being sold or supplied for surfacing purposes, the producer of the material (quarry operator) is required to provide the recipient the following information: the amount of material sold or supplied; the dates the material was sold or supplied, sampled and tested; and a statement verifying that the asbestos content of the material is less than 0.25 percent. Anyone who sells or supplies restricted material, but did not extract the material from the ground, must provide all of the above information with the exception of the date that the material was sampled and tested. If restricted material is being sold or supplied for non-surfacing purposes the supplier must notify the recipient with a warning statement that the material may contain asbestos.

The amended ATCM contains the following surfacing exemptions:

- sand and gravel operations;
- roads located at quarries and mines;
- maintenance operations on existing roads;
- emergency road repairs;
- asphalt and concrete materials;
- landfill operations;
- results of a geologic evaluation;
- steep surfaces with limited access;
- surfacing applications in remote locations;
- roads located at construction sites; and
- riprap (material placed along water course or shoreline to prevent erosion)

The amended ATCM also allows the district authority to require geologic evaluation for the presence of rocks that may contain asbestos and the authority to require testing of any aggregate material for its asbestos content. This authority would typically be exercised if there is credible evidence indicating the potential presence of asbestos outside of an ultramafic rock unit.

There are two possibilities for the regions with mapped mafic or ultramafic rock, either the asbestos content is ≥0.25% or the asbestos content is <0.25. If the asbestos content is <0.25%, the material can be used for surfacing or any other use, if the material has ≥0.25% asbestos, its use is restricted. Minerals taken from mapped areas are restricted and must be tested and certified prior to use. In addition to mapped restricted areas the program includes a number of

exemptions and has district authority to implement regional priorities. The 0.25 threshold was derived from the detection limit per the test method. Since only PLM 400 point count is required, if one fiber is observed in the counting area the sample has 0.25% asbestos. If fibers are observed outside of the counting area, the sample is reported as having "trace" amounts of asbestos present, and be considered <0.25% asbestos.

Any person who sells, supplies, or offers for sale or supply restricted material for non-surfacing applications must provide with each sale or supply a written receipt containing the following statement:

"WARNING!
This material may contain asbestos.
It is unlawful to use this material for surfacing or any application in which it would remain exposed and subject to possible disturbances.
Extreme care should be taken when handling this material to minimize the generation of dust."

Thus, NOA-containing material may be used for construction projects as long as the affected material is not to remain exposed. If NOA-containing aggregate is used for road construction, the dust suppressing method used, such as capping, must be designed to last for an extended period of time (ie greater than 5 years). Asphalt or concrete would suffice as an appropriate method, while water application or other short-term palliatives would not.

If an approved asbestos bulk test method has been used to perform two or more tests on any one volume of aggregate material, whether by the same or a different person, the arithmetic average of these test results shall be used to determine the asbestos content of the aggregate material.

The sampling frequency required for determining the asbestos content of any aggregate material is required to be the following unless the APCO approved an alternate testing frequency.

- Storage Piles and Conveyer Belts – Minimum of 3 random grab samples per 1000 tons
- Aggregate Covered Surfaces – Minimum of 3 random grab samples per
    - 1 mile of road
    - 1 acre of surface area
    - 2 miles or 2 acres of road shoulder

The second ATCM, which applies to construction, grading, quarrying, and surface mining operations was adopted in July, 2002. This ATCM requires more stringent dust control measures at these operations. For example, an approved dust mitigation plan may be required, depending on the size of the project, or proximity to a receptor such as a hospital, school, day care center, work site, business, residence or permanent campground. The requirements for road

construction and maintenance differ somewhat from those for general construction and grading (e.g., development of a shopping center). Other requirements of the proposed ATCM address post-construction stabilization of disturbed areas. These areas must be revegetated, paved, or covered with at least three inches of non-asbestos-containing material. NOA-containing material may be transported if the loads are adequately wetted or covered with tarps.

According to the CARB's Regulatory Advisory: Asbestos Airborne Toxic Control Measure for Construction, Grading, Quarrying and Surface Mining[48], the second California ATCM applies to road construction and maintenance, construction and grading operations, and quarries and surface mines when the activity occurs in an area where naturally-occurring asbestos is likely to be present according to currently published NOA maps. Areas are subject to the regulation if they are identified on maps published by the department of Conservation as ultramafic rock units or if the Air Pollution Control Officer (APCO) or owner/operator has knowledge of the presence of ultramafic rock, serpentine, or naturally-occurring asbestos on the site. The ATCM also applies if ultramafic rock, serpentine, or asbestos is discovered during any operation or activity.

Road construction and maintenance operations are required to use dust control measures for a specified set of emission sources and prevent visible emissions from crossing the project boundaries. California has local air pollution control or air quality management districts which must also be notified before any work begins. For construction and grading projects that will disturb one acre or less, the regulation requires several specific actions to minimize emissions of dust such as vehicle speed limitations, application of water prior to and during the ground disturbance, keeping storage piles wet or covered, and track-out prevention and removal. Construction projects that will disturb more than one acre must prepare and obtain district approval for an asbestos dust mitigation plan. The plan must specify how the operation will minimize emissions and must address specific emission sources. Regardless of the size of the disturbance, activities must not result in emissions that are visible crossing the property line. Quarries and surface mines must also obtain district approval for an asbestos dust mitigation plan which must address specific emission sources. In addition, they must meet specific opacity standards for certain types of equipment and ensure that there are no emissions visibly crossing the property line.

Records related to the applicability of the regulation or compliance with the specific provisions of the regulation or the asbestos dust mitigation plan must be kept for seven years. The results of any air monitoring or bulk sampling required by the district, any bulk sampling to document the applicability of, or compliance with, the regulation, and any other records specified in the dust mitigation plan must be reported to the district.

The second ATCM has the following exemptions:

- Homeowners and tenants working on their own residential property

- Agricultural operations and timber harvesting
    - Except for the construction of roads and structures in connection with agricultural and timber operations

In addition, districts may grant an exemption under any of the following conditions:

- A geological evaluation demonstrates that ultramafic rock or serpentine is not likely to be found;
- Road construction and maintenance activities in a remote location;
- The processing of rock from an alluvial deposit.
- For emergency road repairs, district notification may be delayed.

CARB's Manager of Emissions Evaluations, Robert Krieger, provided feedback on California's NOA regulations. Mr. Krieger explained that while the state of California has developed the ATCM's, it is the responsibility of the local air pollution district authority to implement and regulate, and the districts have the option of placing more stringent requirements than the ATCM's. While asbestos has several definitions, California has taken a conservative approach that any asbestos exposure is harmful, thus the ATCM's designed to reduce or eliminate asbestos exposure to the public; consequently, imposing the 0.25% standard. Additionally, districts can implement air sampling requirements for projects encountering NOA; the ATCM does not address air monitoring requirements.

Mr. Krieger mentioned that historically when NOA was discovered on a school's property it had been removed. More recently, however, this practice has been determined to be costly and unnecessary. If NOA-containing material is found to be on a school's property, or is used as fill during a construction project, it must be covered with a minimum of 12 inches of clean fill. Projects not on school grounds where NOA-containing material is used a 3 inch layer of clean fill is required.

John Clinkenbeard, a Certified Professional Geologist (C.P.G.) for the State of California, explained the USGS has developed geological maps of the entire state of California available at 1:250,000 resolution. At this resolution, a boundary line on the map is approximately 1,000 feet wide and the smallest area resolution is 25 acres. When the local district authority reviews a construction permit, they reference these maps to evaluate if the proposed project site falls with in areas of known ultramafic or serpentine formations, or an area with known asbestos present. If the project is to occur in an area of concern the ATCM applies. If the project area is outside of the known areas of concern, the project site must undergo a geological evaluation by a third party C.P.G. Evaluations are also used when the project location is close to the boundary line, or the Contractor believes that asbestos is not present. California is presently working on increasing the statewide geological map resolution to 1:100,000; however, this project is not anticipated on being completed for several years. Some districts have funded mapping efforts in order to obtain a 1:24 map resolution.

After discussing NOA in Alaska, Mr. Clinkenbeard referenced Airborne Visual Inferred Spectroscopy (AVIRIS) as a possible geological mapping option. Imaging spectroscopy is a new tool that can be used to map specific materials by detecting specific chemical bonds. As a result it is an excellent tool for environmental assessments, mineral mapping and exploration, vegetation communities/species and health studies, and general land management studies.[49] The AVIRIS technology is aircraft-mounted and can collect data at a rate of 2 square kilometers per second. While this technology may not be feasible for Alaska's entire landmass, project specific uses may prove to be beneficial.

Jeff Wright with the CARB was contacted regarding M435 asbestos testing. The M435 method was developed in 1990 and was designed to detect serpentine asbestos in gravel/soil. The ATCM's requirements result in a large quantity of soil and gravel being tested for the presence of asbestos per M435; therefore, many testing laboratories throughout the state perform this analysis. CARB performed an interlaboratory study of California laboratories which offered the M435 testing. Samples were "spiked" with a known amount of asbestos and sent to the labs for analysis. The results of the study indicated vast discrepancies in the sample results.[50] All the laboratories included in the study were national accredited to analyze asbestos, however; M435 is unique from other test methods and while all the labs where adhering to M435 protocol, several different varieties of milling and homogenizing equipment was used. Mr. Wright explained that increased sample pulverization has been known to decrease asbestos concentrations via PLM analysis because the fibers are reduced in size to the point where they no longer meet the definition of a fiber; in contrast, asbestos concentration results per TEM analysis tend to increase. Because NOA is typically not uniform in samples, after the material has been milled sample homogenization should occur. PLM analysis examines only a small fraction of the sample, and TEM examines approximately one millionth of that, making homogenizing the samples an extremely important process.

Mr. Wright explained that California is in the process of undergoing several changes to M435. The proposed changes are as followed:

- Sampling
    - Bias field sampling per the discretion of the C.P.G.
        - Perform "target sampling" which focuses on areas or materials most likely to contain NOA opposed to "random" sampling in which the NOA may not be sampled
- Processing
    - Formulate a M435 accreditation for testing laboratories
        - California is working with NVLAB to develop an M435 accreditation

        - Require specific equipment to be used for the pulverizing and homogenizing processes
- Analysis
    - Move away from quantitative analysis
        - Results would be reported as "present" or "absent"
    - Additional analysis
        - If PLM observes no asbestos, require the sample to be analyzed via TEM

Other States

The following states either have, or are in the process of implementing NOA regulations: Massachusetts, New Hampshire, Pennsylvania, and Texas.

NOA CONTROL STRATEGIES AND TECHNOLOGIES

The following are a number of NOA control strategies and technologies that can be used to ameliorate asbestos release from NOA and NOA-containing material. After presenting some general information generated by the federal EPA, the items are divided into manage-in-place, dust suppression methods, covering or capping, and road maintenance. Finally, long term maintenance requires some public education.

EPA Facts Sheet: Methods for Reducing NOA Exposure[51]

Below is a list of methods recommended by the EPA to reduce asbestos exposure resulting from NOA. These are general methods, and must be applied on a project-specific basis:

- *Wet road surfaces with water using trucks, hoses, or sprinklers*
- *Wet piles of excavated material and cover them with tarps, plastic sheeting, or other items*
- *Continuously mist the work area*
- *Install wind barriers around the work area*
- *Clean or decontaminate equipment and vehicles to ensure that no equipment or workers track soil out of the work area (a gravel pad, tire shaker, or wheel wash system may be used to clear soil from vehicles)*
- *Wet the work area using a spray system attached directly to rock cutting or drilling equipment, such as a fine-mist sprayer or a variable-rate fogger nozzle*
- *Excavate utility trenches to an adequate depth and backfill them with clean soil so that future repair work will not need excavation into potential NOA-containing materials*
- *When transporting NOA-containing materials, avoid overloading trucks; keep the material below the top of each truck compartment and cover material with a tarp*
- *Limit personnel and vehicle access to the work area*
- *Identify NOA-containing areas with signs*
- *Reduce driving speed*
- *Reduce drilling or excavating speeds*
- *Excavate during periods of calm or low winds*

Roads and Parking with NOA in place and for unpaved roads and parking areas:

- *Cover roads with non-NOA-containing rock, chemical sealants or dust suppressants, chip seals, limestone aggregate, petroleum sealants, or asphalt cement paving*

- *Wet road surfaces with water*
- *Install windbreaks or berms*
- *Reduce driving speed*
- *Avoid dusty areas, especially in windy conditions*

And throughout communities:

- *Cover areas of rock and soil with clean soil, rock, vegetation, or other material*
- *Pave over unpaved walkways, driveways, or roadways containing NOA*
- *Landscape areas with vegetation, such as NOA-tolerant plants, and add a layer of organic mulch or NOA-free soil. Water plants often until they are established to minimize erosion*
- *Water garden areas before digging*
- *Keep windows and doors closed on windy days and during periods when nearby rock or soil may be disturbed, such as during construction*
- *Limit track-in by using entryway (door) mats, and wipe down pets before they enter buildings to reduce the amount of soil tracked indoors*
- *Allow children to play in outdoor areas only if the area has a ground covering, such as wood chips, mulch, sand, pea gravel, grass, asphalt, shredded rubber, or rubber mats*
- *Relocate outdoor activities to areas that do not contain NOA (walk, run, hike, and bike only on paved trails)*
- *Avoid dusty areas, especially in windy conditions*

Manage In Place

The ideal method for managing NOA material is in place and undisturbed; especially if the NOA material is not exposed. Fairfax County, Virginia, for example has a large NOA deposit which exists beneath non-NOA material. Unless this material is required to be impacted through construction or other activities, Fairfax County has taken the position to leave the material in place. NOA does not pose a health risk if it remains in a location where asbestos fibers cannot become airborne; such as beneath non-NOA material.

Separation

A variation on manage-in-place is to separate the NOA from associated non-NOA materials. Separation and excavation of the NOA materials for a source of gravel aggregate might serve as a control method, if the locations are known and the amounts are small. However this method seldom practical, since NOA deposits commonly extend miles, if not hundreds of miles. Excavation is generally only utilized as amelioration method when soils with known NOA are required to be impacted for projection such as road and building construction and utility work. Excavation requires the disturbance of the NOA, hence the potential for airborne exposure.

Dust Suppression

If NOA material is required to be disturbed, dust generating activities should be limited at all times. The most common engineering control used to reduce dust levels, hence airborne asbestos exposure, is the use of water and/or wet methods during NOA-related activities. The following is a list produced by the EPA of engineering and work practices that reduce exposure to NOA on excavation, grading, or utility work at construction sites.[51]

Reducing Vehicle Traffic and/or Speed

Dust emissions from unpaved road surfaces are directly proportional to the number of vehicles traveling on it, thus, reducing the amount of traffic will in turn reduce the amount of dust generated. By implementing weight or use restrictions on vehicles traversing the unpaved road could significantly limit the amount of traffic on a NOA-containing unpaved road and in some circumstances it may be possible to remove an unpaved road, or section of road, from service to the general public. An example of this type of control was recently imposed by the City of Kotzebue, in an effort to reduce particulate matter smaller than 10 microns in diameter (PM_{10}) emissions, where anyone under the age of 14 is prohibited from operating off road vehicles on city streets unless accompanied by an adult on the same vehicle.[52]

The rate at which a vehicle travels on an unpaved surface is also proportional to the amount of dust generated[53] meaning the efficiency of speed reduction as a dust control measure increases as the speed is reduced. For example, if the base speed is 40 miles per hour, a reduction to 20 miles per hour results in a 65% reduction in dust emissions; a further reduction to 15 miles per hour results in an 80% reduction in dust emissions. [54] Vehicular speed reduction can be achieved through posted signage coupled with enforcement and/or roadway manipulation such as speed bumps. The initial implementation of both these methods would be minimal, with immediate results. Major costs associated with these methods include increased travel time and additional law enforcement. While enforcement of these methods may be difficult in some rural Alaska communities, it may be a very practical, enforceable and effective for reducing airborne asbestos at quarries, construction sites and more densely populated areas.

In a best case scenario, at optimal conditions, both of these control methods would still not address the issue of exposed NOA on the roadway. Substantial amounts of dust would still be produced during dry conditions and natural elements such as wind would continue to make asbestos airborne. In most situations, these methods should be either approached as interim responses, or used in combination with other methods.

Water Application

Federal regulations require the use of "wet methods" when impacting ACM's which have potential of releasing asbestos into the air. Due to the moisture, particles/fibers adhere to each other through the surface tension of connecting water droplets and the adhesion of droplets to particles/fibers reducing the amount of emissions released during impact. The same principle applies to NOA-containing unpaved road systems; if they remain wet, dust emissions will be minimal. The easiest and most effective way to accomplish this is direct application of water to the surface of the roadway.

A large water source exists in most communities throughout Alaska. While more heavily populated areas have the required means to extract and apply water in sufficient quantities, many smaller communities do not. Often times some form of water application system can be implemented; however, may be too laborious to continue for long term.[55] In Amber, for example, no water trucks or large tanks were available for water application on so a simple gravity feed system was utilized. This system consisted of 4 - 275 gallon interconnected square plastic containers (totes) placed in the back of a truck which were filled with water from the Kobuk River and attached to a perforated pipe on the back of the truck.[37]

Applying water to surfaces provides effective, but short-term reductions in dust generation with water typically needing to be re-applied ever 0.5 – 12 hours depending on temperature and humidity. It has been determined that regular, light watering is more effective than less frequent, heavy watering.[55]

If the necessary equipment and water source are available, wetting unpaved surfaces can be greatly reduce dust emissions while remaining cost effective. Additionally, if wetting were coupled with one or both of the traffic control methods, evaporation from the roads surface would occur slower and dust emissions would be lower yet. Continuing costs would include equipment maintenance and workers performing the application. If equipment is not available, start up costs could be significant. Wetting is a practical control method to be used as a construction project control method or a short-term solution. Due to water having to be continuously applied to keep the surface moist, alternate long term control strategies should be investigated.

Increasing Moisture Content

The application of deliquescent salts such as calcium chloride, magnesium chloride and sodium chloride (common rock salt) are also implemented as dust control methods. These salts absorb moisture from the atmosphere and when mixed with surfacing soils will keep the treated soils at higher moisture content than untreated soils. For example at 77°F and 90% humidity calcium chloride will absorb more than 17 times its own weight in water.[53] Potential disadvantages to the use of these salts are that roads may become slippery when wet, vehicle corrosion may occur and roads may become more susceptible to freeze and

thaw damage. Additionally, salts applied for dust suppression initially penetrate the roads surface several centimeters, followed by a gradual rise to the surface by capillarity action, making them susceptible to being washed off by rain. Prolonged rainfall will leach the salts from the roadway, potentially impact groundwater and surface water quality, and attract wildlife potentially causing safety concerns. Typically if the proper buffer zone exists between the water and the treated area, water quality impacts will remain minimal.[54] The practical utility of an application of one of these salts is no more than one year.[53] Sodium chlorides generally considered less effective than either calcium or magnesium chloride. Application of these materials is generally required 1-2 times per season.

Several locations in Alaska have utilized calcium chloride for dust control in recent years including Kotzebue, Teck Cominco's Red Dog Mine, and Haines, among other locations.[53] Environmental impacts of chlorides include metal corrosion, and degradation to nearby vegetation, surface, groundwater, and aquatic species.[53] In addition, because calcium chloride can substantially lower the freezing temperature of water, concentrations of the palliative in road soils can change the thermal stability of these soils.[53] This could potentially create issues in areas where extremely heavy loads are forced to wait until the road has completely frozen in order to supply adequate reinforcement such as on the Dalton Highway.

Covering or Capping of Installed NOA

Another common engineering control is to place a cover system (or cap) over the NOA. These materials may include non-NOA soil or rock, concrete, chemical sealants or dust suppressants, chip seals, limestone aggregate, petroleum sealants, asphalt paving, geotextiles, wood chips, mulch, sand, pea gravel, shredded rubber, rubber mats, and vegetation. Several factors, including cover material properties and site characteristics, affect the type of cover system appropriate for a particular area.

Palliatives

The majority of palliatives used on unpaved roads and airfields consist of chemicals designed to bind soil particulates together, formeing larger particles less likely to become airborne. Petroleum-based binders, organic nonpetroleum dust suppressants (lignins), electrochemical stabilizers, synthetic polymer products and pozzuolannic minerals comprise the main palliatives and our discussed further below:

Petroleum-based binders used as capping materials for dust suppression include emulsified asphalts, cutback asphalt (liquid asphalt), dust oils and modified asphalt emulsions.[55] These products are applied to the surface soil as a thin layer of asphalt which binds the soil particles together, consequently

waterproofing the road as well. Some binders increase the mass of fine particulates, instead of binding particles together. Both variations result in decreased emissions. When asphalt is used to bind particles together, the emulsified asphalt, because it is a mixture of asphalt and water in very small droplets, has the capability to penetrate unpaved road surfaces to coat more than just the surface particles, especially if the product is mechanically mixed into the top inch or two of road surface with a grader. Petroleum-based binders that contain fractions of lighter solvents, and especially those containing polycyclic aromatic hydrocarbons (many of which are carcinogens), can contaminate waterways if any migration of these lighter fractions occurs due to runoff.[53]

Organic non-petroleum dust suppressants include lignosulfonates, resins, and vegetable oils. Lignosulfonates originate from lignin, a complex compound which binds wood cells together as a natural polymer. Most commonly lignin is derived from wood fibers during paper manufacturing. Lignosulfonates bind surface soil particles together due to a combination of chemical and physical interactions. Lignosulfonates are known to greatly increase dry strength under dry conditions and retain effectiveness through extended dry periods. Generally 1-2 applications of lignosulfonates are required per season. Lignosulfonates are water soluble and will leach out of, or deeper into, roadway surface with rainfall and may become partially or totally destroyed.[55] These products are also corrosive to aluminum and its alloys unless calcium carbonate is added. Glacial tills contain low levels of clay and have low plasticity; consequently, lignosulfonates may be of limited value in controlling dust emissions from these soils. Furthermore, because lignosulfonates are derivatives of sulfuric acid, leaching may adversely impact watershed areas by affecting the acidity of water sources. Lignosulfonates are reported to not bind well on roads that had been treated previously with chloride compounds.[56]

Electrochemical stabilizers include sulphonated petroleum, ionic stabilizers, and enzymes. These products are intended to neutralize the ionic charges of clay-sized particles, thereby allowing electrostatic forces to bind the particles. Electrochemical stabilizers are generally effective regardless of climatic conditions.[55] To be effective, electrochemical stabilizers need to be worked into the road surface, requiring equipment that may not be available in remote rural communities. The performance of this material is dependent on fine-clay mineralogy which is unlikely to be encountered in most areas of Alaska.

Synthetic polymer products include polyvinyl acrylics and acetates that bind soil particles together and form a semi-rigid film on the road surface. These products are found as either a water soluble liquid or a powder intended to be mixed with water. Because synthetic polymer products are almost exclusively applied as a liquid, the material takes approximately 12-24 hours to cure during which time traffic should be kept minimal on application surfaces until the curing process is complete. Additionally, the product should be applied during a time of year when temperatures will not approach freezing, otherwise the curing process will not

work. The synthetic polymer products "Durasoil" was used as the dust suppressant in Ambler, as well as many other unpaved runways throughout northwest Alaska.[37] Synthetic polymer treatments are generally required once every 3-5 years.

Pozzolanic minerals, such as lime and cement, are typically added to non-plastic road surface material to produce a thin crust by agglomerating with fine dust particles. These stabilizers must be field mixed into the road material and compacted. These surfaces do increase the dry strength of material under dry conditions; however, once hardened it cannot re-harden if disturbed by abrasive forces, such as some off road vehicles and grading. Generally treatment with this method is applied once every ten years.

Gravel Replenishment

Asbestos-containing dust emissions from unpaved surfaces can be reduced by the addition of several inches of non-NOA containing gravel. This action would reduce the concentration of NOA on the surface; therefore, reduce the rate at which asbestos is allowed to become airborne.[57] Gravel provides a hard-wearing surface that shields underlying NOA from the abrasive forces of vehicle wheels. Traffic causes abrasion between the NOA and non-NOA aggregates, however, which over time creates fine dust. The degradation is somewhat dependent upon the hardness of the aggregate. Newly applied gravel will not reduce the strength of vortex airflows behind passing vehicles from entraining loose soil particles into the air. If the road-base is not well-constructed using crushed aggregate, surface gravel will be pushed down into the road surface by traffic, especially during wet conditions. If the road surface does not contain enough fine material of high cohesion to hold surface gravel in place, traffic can also cause surface gravel to be expelled laterally from the road's driving lanes. To be effective over more than a short period of time, new gravel applied to a road should be anchored to the road surface by incorporation into a cohesive surface layer through either well-graded aggregate mixes or by the use of soil adhesives (i.e., palliatives).[53]

In the event the newly applied gravel is lost to the roadway surface through vertical migration into non-cohesive soils, the use of geotextile fabrics may be of benefit. These fabrics are constructed of polymer threads that are very high in tensile strength, and are available in designs that either form.

Paving

Paving includes a variety of surfacing materials with the three general types being bituminous concrete, concrete and chip seals.

The most effective, and expensive, method currently available to control dust emissions from unpaved surfaces is the application of pavement or other durable materials to the road surfaces. Bituminous or Portland concrete provide durable

surface which prevents the abrasion of underlying soils. Bituminous concrete is a hot mixture of asphalt and well-graded aggregate, while Portland concrete is a composite material of cement, water and aggregate. Concrete requires less maintenance and is considered more durable than bituminous surfacing. Both methods are designed to support heavy traffic and unless the roadway typically carries 250 to 500 vehicles per day, the use of either of these paving options will likely not be cost effective.[55] Kotzebue has several roads which typically meet this "traffic quota" on a daily basis, and recently have had some of the main roads paved.[53] These forms of paving are not typically used on secondary roads, and would virtually never be considered for rural Alaska.

Chip seal surfaces, also called macadam, consist of one to three layers of aggregate and asphalt. Asphalt is sprayed over each aggregate layer as it is applied. After all the aggregate layers are in place with asphalt being applied over each individually, a covering of smaller stones is placed on top and then the entire system is compacted with the finished chip seal typically being 1 to 4 cm thick. Applying chip –sealing to an NOA-containing unpaved road would reduce dust emissions into the atmosphere because the chip sealant would bind the surface material. Annual dust control efficiencies of paved surfaces have been estimated by researchers to range from 90 to 99.9 percent.[57] A standard three-layered chip surface at 3.75 cm would be expected to last 10 years before additional surface treatment is required. Most chip seals require a second coat after 1 year and a third in approximately five years.

Durable Surfacing Materials

Fiberglass plates are used in cold climate oilfields to provide temporary road surfaces over native soil. These interlocking plates are typically manufactured in sections that are 14 feet long by 8 feet wide by 2 inches thick. The plates are designed to carry very heavy loads over short distances without the need to construct structural roadbeds in areas like northwestern Alaska, where construction aggregate is in very limited supply. The plates are expensive, costing about $2,000 per plate, but appear to have a significant lifespan.[58].Some questions exists, however, as to whether such plates are skid resistant at the vehicle speeds typical in rural communities.

Road Maintenance

The effectiveness of any dust suppressant applied to a road surface depends upon many factors such as type of road, traffic, intended uses climate, type of dust suppressant, drainage, and available maintenance resources. These factors must be considered together in the proper maintenance of a road that will safely and cost-effectively resist dust generation. For example, if the road surface is not well drained, water will puddle either on the road surface or in adjacent low spots. Standing water will float soil fines to the surface and distribute them across the roadway surface with passing traffic. Standing water adjacent to a roadway has

the potential to saturate the road sub-base, resulting in structural failure as evidenced by potholes. Aggregate in a roadway surface reduces tire forces on fine materials that increases the release of dust from a roadway. The loss of fines in the roadway surface leaves the aggregate unanchored and vulnerable to being pushed to the side of the road by tire forces. The success of palliatives to reduce dust depends on the repair and maintenance of good drainage on and adjacent to the road.[53]

Control Strategies for long term management of in place NOA.

Education

In rural communities throughout Alaska, the availability of law enforcement to assist in applicable dust suppressing methods is likely to be limited or non-existent. Imposing speed limits and vehicle use restrictions in these communities will be most effective if the residents of the community understand their purpose. Education about NOA and its potential health effects is a vital step in obtaining local support for any control method used. Education techniques for NOA-affected areas may include advertising, public meetings, information packets and making available NOA-knowledgeable experts. If residents understand the reasons for implemented controlled methods in their communities, a positive local response can result in social pressure applied throughout to adhere to new policies for the well-being of the community as a whole.

Residents in areas with geology favorable for NOA formation should be educated in basic NOA knowledge. In rural communities with a known NOA issue, such as Ambler, where airborne asbestos fibers from NOA are likely to be present, NOA general housekeeping and personal hygiene techniques should be implemented which requires specific education efforts. Education efforts could be carried out through State agencies or consulting firms with knowledge and experience with NOA. The cost for this effort would include travel to the subject community, preparation of materials (information packets) and potentially on-going assistance as new issues develop; however, these costs will be minimal considering many control methods are dependent on community support. If residents are unwilling to comply with newly imposed policies, any control method is likely to fail or have minimal effect.

Workers and the general public need to be properly educated regarding general housekeeping and persona hygiene practices appropriate for locals with NOA exposure potential. This control technologies include:

- Routine hand and clothes washing
- Boot/shoe removal at work and home
- Wet wiping and/or HEPA vacuum of visible dust accumulations as they develop
- Wet methods
- Controlling or avoiding visible NOA dust

Analysis with Discussion

Introduction

The asbestos standards, such as the training requirements for asbestos workers, were written on the premise of encounters solely in manufactured products. While the EPA has developed several documents to help increase knowledge and prevent exposure resulting from NOA, no Federal regulations have been implemented. This has resulted in several states implementing their own set of regulations and guidance documents. However, of the 20 states where NOA is known to exist, only a few have, or are beginning to, implement NOA regulations. The remaining states (such as Alaska) deal with NOA on a project-specific basis which typically exhibits substantial project delays and increased costs.

While there are limited general recommendations (see EPA NOA dust guidance), recommended NOA amelioration methods need to be selected on a site-specific basis because the exposure is dependent on a vast number of variables related to site specific conditions and work practices chosen for processing/handling. The single most important goal for almost all NOA-containing sites, materials, and systems is to prevent asbestos fibers from becoming airborne to eliminate respiratory exposure to asbestos. Several methods have been utilized to achieve this goal, with the main options being: manage in-place, dust suppression, cover or cap, and excavation/removal of NOA-containing material.

It is clear that gravel sources with NOA are present in Alaska and they have the potential to affect public health, project development and costs. At the same time it is well documented nationally and with Alaskan experience that use of proper NOA control strategies allow the safe employment of NOA materials. While past project experience in Alaska has not documented significant exposure or post project health concerns, NOA has been costly to some projects. This was primarily due to lack of advanced knowledge of NOA's presence, failure to characterize and notify, which resulted in changed conditions and non-competitive contract modifications after the contract has been awarded. Even if NOA is known during the project planning stages, the best course of action may not be clear because there are professional NOA geologic, risk and regulatory interpretations and definitional issues that will generate discussion and require resolution. The successful implementation of a NOA program will therefore require development and needs to involve training and transition for all involved including state, regional corporations, private resource owners, project designers, contractors, operation and maintenance staff, community and local residents.

Resource owners need to better understand their resource, develop the knowledge and marketing expertise to have it properly characterized and categorized for appropriate uses. Designer's need to develop the necessary project specifications requiring resource certification as well as contractor training and experience. Successful contractors need to learn how to develop

competitive work plans for safely utilizing NOA materials on project specific basis. For both companies and citizens in affected areas these changes include learning about the hazards and taking personal responsibility for controlling or avoiding activities creating airborne visible dust as well as implementing life style and work practice changes involving life style modifications such as housing/office boot/shoe removal, utilization of wet methods and HEPA filtration for routine cleaning of visible dust accumulations.

Liability

The liability of ADOT and suppliers of NOA materials may be divided into three:

1. Tort liability to individuals and organizations,
2. Contractors have additional liability to protect their workers and the public from the contractor's operations, and
3. Legal liability to agencies for failure to follow applicable laws and regulations.

Tort

If the ADOT's use of NOA damages an individual or organization, ADOT may incur tort liability. For example, if a resident of a village downwind from an ADOT airport that used NOA in the runway were to die of a disease known to be caused by asbestos exposure, the victims family might sue the ADOT. Although it takes years of heavy asbestos exposure to cause those diseases, and for most asbestos diseases asbestos is a "risk factor" not the sole cause, there are other causes, most notably smoking, sympathetic juries frequently find for the plaintiff, almost regardless of fault. Due to the tort reform movement, Alaska's current tort laws have reduced the windfall aspects of such suits, but they are certainly possible. Here we can suggest little except developing good standards for use of NOA, having review by all agencies concerned with health and environmental safety, then strictly documenting conformance. Such defensive practices will not make such suits impossible, but will make their defense much easier.

The owners of NOA materials sites face essentially the same tort issues as the ADOT. The question if this liability can be handed off from the owner to the ADOT is one that requires legal advice. California has a system of notification and paperwork that would seem to hand that liability off to the purchaser of the materials. We do not know if this has been tested in court. We doubt the CARB has the legal authority to change the state's tort laws. However, as above, conforming to established procedures is often a strong defense.

Contractors' liability

The contractors' liability to follow the state's labor laws regarding occupation health and safety are fairly straight-forward, if the NOA is mentioned in the project bid documents. The contractor's liability to third parties, such as the public, may be more complicated. The contractor's general liability insurance will defend them; however the contractor's insurance company will then try to recover

from the state and/or the material owner. This may be forestalled by appropriate contact terms regarding insurance, but clearly this is a item for expert risk management and legal advice. Finally, if the specifications do not make clear the need to get certain permits and the contractor's operations are impacted, the contractor may try recover from the ADOT for defective specifications.

Liability for laws and regulation compliance

CERCLA and RCRA deal with *wastes.* NOA is not a *waste* thus mining and incorporation of NOA does not come under either of those laws. However, for example, if the NOA mining segregated some materials that had a lot of asbestos from other materials, and thus had small mounds of asbestos materials on the site, might these mounds be waste piles? Here the regulatory standard is 1% asbestos, so if the mounds had less than 1% asbestos, they would not be asbestos under the CERCLA or RCRA regulations. Here the authors have not obtained further clarifications regarding mining and mine waste. While this would be the responsibility of the owner of the NOA materials site, these clarifications should be obtained in the next phase to enhance communications between the ADOT and the material site owners.

California Experiences

The California NOA regulations do address many issues and procedures that may bear on liability. The California NOA regulations separate the "notice requirements" into two categories; material intended for surfacing, and material not intended for surfacing. In addition to the notification variations, material intended for surfacing must have an asbestos content of <0.25% asbestos per the CARB 435 analysis, unless the surfacing application is considered one or more of the 11 surfacing ATCM exemptions. These notification requirements are intended to both "hand-off" liability to the purchasers and produce adequate documentation. (Signage and placard requirements for regulated material are intended more to prevent accidental misuse and/or handling than for recordkeeping or proof of receipt.)

Once the NOA-containing material is in the possession of the purchaser, it is their responsibility to provide adequate protection and training to the employees which handle the material. The end-use of the material is also the purchaser's responsibility at this point. They must insure they not only adhere to all OSHA, EPA, State and Local requirements during handling and transport, but also to their approved site specific Work Plan. The purchaser must also insure the material is approved by the regulating agency for its intended end use. Often the end use of the regulated material will managed by a third party where they would be in responsible charge of obtaining approval, permits, etc., for the materials end use and any required dust control strategies (capping, paving, etc.).

Resource owners and contractors have raised liability concerns regarding the sale and use of NOA materials. In some instances it is understood litigation may

already have been filed against NOA resource owners for the sale and use of NOA materials. This is a real concern that if not properly understood and addressed will impact the safe use of NOA materials and create unnecessary project costs. CERCLA Section 9604 provides for resource owner protection against naturally occurring hazards. Liability for resource processors and/or contractors can be addressed through their compliance with NOA program requirements. It is not possible to prevent all lawsuits and particularly frivolous filed cases. Therefore the effectiveness of the recommended NOA program to be developed will likely be tested legally and provide court interpretation and resolution of liability concerns.

Ambler, for example, is a unique case which would not completely comply with any of the existing 11 surfacing exemptions or the Construction, Grading, Quarrying and Surface Mining ATCM for California. While California's state NOA regulations are undoubtedly the most developed in the United States, it is unlikely the drafters/authors were required to take into account communities such as this. Had similar circumstances existed, certainly specific exemptions would have been established to address this. Alaska can look to, and even adopt, the California NOA regulations; however, scenarios exist in Alaska unlike anywhere else in the United States, and special provisions and/or exemptions will be a necessity of this future rule.

Examples of Liability

In the Swift Creek Washington case where NOA-containing Sumas Mountains would periodically experience landslides which flowed into the Swift Creek River where the material was dredged and staged along the shoreline to prevent flooding. There was no organization deemed the Responsible Party, and several federal, state and local agencies are currently involved in the Swift Creek NOA concern. It was determined that the EPA Superfund program had limitations on spending money on this type of cleanup because the material of concern was naturally-occurring. This makes NOA sites exempt by law from the EPA Superfund program, except where the material was moved by unnatural forces (ie construction, dredging). This caveat allowed the EPA to use funding to assist in the Swift Creek NOA concern.[60]

Libby, Montana, which has been declared an EPA Superfund site, has had ongoing federal cleanup efforts since 1999. In this case, processing mined vermiculite constituted the majority of the contamination; consequently, the asbestos was not viewed as naturally-occurring. In 2003, in a ruling issued by the District Court of Montana, the court said the mining company, W.R. Grace, was liable for costs related to the investigation and cleanup of asbestos contamination in Libby and ruled that the EPA's revised method for calculating indirect, or overhead, costs is appropriate and that those costs may be recovered from W.R. Grace. The ruling meant W.R. Grace was responsible to pay all of the $54.5 million in costs that the EPA incurred through December 31, 2001. Costs incurred after that date were to be resolved in future proceedings if disputed by

W.R. Grace. In May, 2009, W.R. Grace and three individual defendants were acquitted of criminal charges under the Clean Air Act alleging they conspired to conceal the health dangers posed by the contamination.[61]

NOA proposed for use

While NOA materials are known to be present in 20 of the 50 states, only a handful are moving ahead with implementing NOA regulatory control policies. Those states that have implemented NOA regulations have focused their programs on:

- Geologic mapping of "restricted" areas with materials likely to contain NOA
- Compliance level characterization of NOA free materials based on the limit of detection of less than 0.25% asbestos content
- Asbestos characterization sampling for use of materials from restricted areas
- Utilization Compliance Plan Submittal, Review and Approval
    - Source, transport route and work product
- Providing local authority to interpret program requirements site specifically and implement additional testing where necessary.
- Development of necessary program exemptions
    - area wide
    - regional

While education and training with regards to NOA exposure, work practices, and safe uses is key to any program, the submittal and approval of site specific compliance plans for approval by local authorities will insure the long term viability of an effective "living" program for that project's NOA.

NOA site specific work plan might note the availability and cost of NOA-free material as those affect project design options. Control technologies that eliminate or reduce exposure pathways might minimize individual project costs. The remoteness of many Alaska projects and absence of alternative transportation routes may require reasonable exemptions, based on a balance of benefits and risks.

Similarly, the concentration and variety of NOA will play a major role in determining the most cost effective control strategies. While federal regulations are indifferent to the form of asbestos, control methods for NOA should not be. Forms of asbestos that break apart and easily become airborne should be held to a higher standard than those which are tightly bound within a rock matrix. This highlights the importance of developing a consensus standard as well as mapping and sampling efforts to properly characterize specific asbestos materials present as well as the risk. The authors recognize this may be quite difficult in practice, but certain broad guidelines are possible and these may help project planners and designers.

NOA in place - control technologies

NOA control methods should start with the least expensive options first. In general terms there are four control methods: education, wetting, palliatives, and capping.

By itself and together will all the other control methods educational outreach to the staff, industry and general public regarding the hazards and methods of controlling or avoiding airborne dust is almost always advised. Outreach such as encouraging implementing speed controls and restrictions on vehicle use in sensitive areas (i.e., near schools, hospitals, and residential areas) and modifying life style habits to reduce personal exposure are all worthy of consideration.

If a road base lacks adequate drainage, the embankment will be weak and the effectiveness of dust control measures will be limited. Reconstructing unpaved roads to provide good drainage and a solid base is needed for dust palliatives, capping with clean material, or paving to be effective. If the road soils are of poor quality, geotextiles may be a feasible option to add support to the road surface. According to Succarieh,[54] expert professional advice about the road is often needed. The ADOT Local Technical Assistance Program (LTAP) may assist As part of the educational program it is recommended that the ADOT LTAP enhance their NOA knowledge and resources for distribution.

If sufficient equipment and manpower is available, watering roads during high dust periods should be performed; however, this is a short-term effective method of dust control and more long-term control methods should be investigated. Historical monitoring data illustrates that high dust generation rates are greatest during the two-month period following breakup, therefore, short term control measures like watering can provide limited benefits if impacted communities have access to watering equipment.[54]

Another control technology is application of dust palliatives. In order to obtain the greatest benefits from the application of dust palliatives, site-specific investigations of local traffic and soil is required. Investigations should begin with an assessment of the soils used to construct and surface the unpaved roads. The ADOT's LTAP, may assist rural communities with technical assistance and/or training on proper techniques for soil analyses useful in the palliative selection process. [54]

Some deliquescent salts and/or synthetic polymer products may provide adequate levels of dust control on unpaved roads. Again this depends heavily on the soil and traffic conditions in the respective community. These products have been tested in several locations in Alaska and have been demonstrated to provide varying control of dust emissions. Because the successful use of these products is dependent upon a number of factors that vary from community to

community, pilot tests of selected products for a summer season should be undertaken in affected communities before community-wide application is pursued. [54]

Contractor Feedback

Approximately 150 contractors in California who likely encounter NOA were contacted via email and asked to provide general feedback regarding associated California regulations. The email contained 5 basic questions in combination with a short narrative explaining the purpose of the inquiries. Only one of the contractors contacted replied, with limited applicable information. This contractor expressed the following when asked about their opinion on the California NOA regulations:

> *For the most part, the measures taken are reasonable and consist of greater than normal dust control through the use of more water on grade during earth moving operations and trenching.*

The contractor explained equipment "wash systems" are routinely utilized for decontaminating equipment prior to leaving a NOA site. Another precaution was capping the native material with either a hard surface (concrete, asphalt, ect) or "clean" soil. The thickness of the cap varies depending on the perceived threat of the asbestos, and when soil capping is used it is underlain with a warning fabric to prevent excavations being made into the NOA at a later date.

This contractor did not have certified asbestos workers on staff to perform the removal/handling of hazardous materials such as NOA. They stated their employees are trained to look for hazardous while work is being performed, and if material is encountered which may be hazardous it is either avoided or remediated by a qualified contractor. The following quote explains their route of action if hazardous materials are required to be abated:

> *When we do have a situation develop where hazardous materials are present and they need to be remediated then a proper contractor is brought into service under contract with the property owner keeping us out of the loop.*

To close, the contractor states the NOA regulations in California are not "unbearable" but do add additional costs to affected projects.

Future and Plan of Action

The regulatory authority utilized in the states evaluated included a state-wide program that was implemented across at the local, county level. Typically, multiple disciplines are involved including health, environmental and air pollution control divisions of the regulatory authority.

To date the Alaskan documented experiences in Juneau, Dalton and Ambler all involved transportation projects. Fortunately, once identified they were handled appropriately with additional assessment, training and work practice and product use modifications, each demonstrating once it is known, the NOA material can be safely used. However, while the experiences may not have resulted in any significant human exposures, the late identification resulted in changed conditions and costly non-competitive contract modifications. While NOA encounters in Alaska have been comparatively limited, the need for implementation of a state-wide NOA policy is reinforced by the lengthy, problematic and consequently expensive circumstances that have occurred due to lack of standard operating procedure and/or regulatory guidance. Road and pipeline pad construction and maintenance have and will be the largest future use of gravel resources. For these reasons it is recommended and appropriate for ADOT to take the lead in the further evaluation and development of NOA strategy alternatives and program development. It is anticipated and recommended that ADOT develop internal NOA operations and maintenance (O&M) and design standards for ADOT projects. For maximum effectiveness the department's internal policies and SOP for NOA should reflect a statewide, industry and regulatory consensus. These NOA standards will involve awareness education, resource characterization, acquisition, use as well as required training and development of design requirements, contractor's work practices and O&M practices.

It is readily apparent that the NOA concerns go well beyond the ADOT areas of responsibility involving all aspects of the local people, resource use and community. As demonstrated by other states moving to address NOA issues, a more holistic approach to NOA should involve public health, worker, community and environmental protection advocacy. The existing Alaskan "dust working group" comprised of regulatory and government stakeholders appears as a natural technical committee that could be expanded to include industry and be instrumental for the technical information exchange, development of a statewide NOA strategy(s) consensus and facilitate with the implementation of a successful statewide program.

Clearly the ADOT needs an SOP that that tells ADOT planners, designers and operators how to handle NOA, and this SOP will certainly call for a specific plan for each project. However in order for the SOP to be successful, it must be acceptable to all relevant state and federal agencies, and acceptable to all other stakeholders, such a contractors, materials site owners, and affected communities. Thus the first step is for the ADOT to formulate a NOA Action Plan to solicit comments and advice from all stakeholders, develop drafts of the SOP, circulate drafts to all stakeholders, and present the drafts to all stakeholders.

Working Group

Through the development of the NOA Action Plan (AP) the professional and technical issues can be resolved by the stakeholders working group and applied

with state conditions to existing programs developed elsewhere to develop an Alaskan specific program consensus and AP. It is recommended that the working group be comprehensive in make up and include all interested parties or stakeholders. Representatives from government, community and industry should be included. The following is considered a minimum list of known stakeholders that we recommend ADOT consider and include in forming a statewide stakeholder working group.

- BIA
- Alaska Geological Survey
- Denali Commission
- EPA
- ADOT
- ADEC
- DHSS
- Alaska Native Tribal Health Consortium.
- Alaska Tribal Air Call
- Denali Pipeline
- Alyeska Pipeline
- Native Corporations
- Village corporations in areas with NOA
- Community Health Consortium

Coordinating the working group and developing an NOA AP to achieve the goals and targets of these recommendations will require significant commitment and change in operational, management, building and behavioral practices at all levels of agencies and state government. For the AP to be successful, it must have both long term overarching goals and short term, manageable and achievable actions that have short delivery timelines. The statewide working group of stakeholders will be important to providing the forum for technology transfer, alternative strategy consideration, program development and successful implementation of the consensus achieved.

Work of the Working Groups

ADOT's initial working group purpose and scope of work should be fivefold:

- Inform stakeholders on NOA background and needs and solicit participation;
- Define existing NOA control strategies in use;
- Brainstorm actions that best meet all NOA stakeholders unique needs and objectives;
- Develop a Statewide government, industry and community NOA SOP
- Meet and present the SOP to all stakeholders
- Finalize the SOP and develop an example of a site-specific plan for Implementation

How to begin

The California regulations and EPA guidance are a good beginning to any NOA SOP. With some cut and paste and modification for remote projects and Alaskan conditions, those documents could form a draft of the SOP. However caution is needed to not present these or any document to the agencies as a fait accompli. Rather, all stakeholders, especially the relevant agencies, need to help ADOT define the issues and insure the final SOP does not conflict with the charge of any of those agencies

CONCLUSIONS AND RECOMMENDATIONS

This paper reviews NOA background, analytical issues, policies and regulations that have been considered and/or implemented by other authorities involved with NOA and have developed NOA policy options. Based on the analysis of the findings the following conclusions and recommendations have been developed.

- NOA gravels are present throughout the nation and in Alaska which have the potential to impact public health, project development and associated costs.
    - Transportation projects have been adversely impacted by NOA in Juneau, Ambler and on the Dalton Highway.
    - Material site investigations must check for NOA, especially in regions with mineral types likely to contain NOA.
- NOA gravels can be used safety with proper training, understanding and implementation of appropriate control strategies and technologies
    - Technical and regulatory interpretation and definitional issues remain
- Established state NOA programs evaluated have focused their programs on
    - Geologic mapping of "restricted" NOA areas
    - Characterization of NOA free materials based on the analytical procedure's limit of detection of less than 0.25% asbestos content
    - Source characterization sampling from restricted areas
    - If ≥0.25% asbestos, Compliance Plan Submittal and Approval should be required
    - Local authority enforcement to interpret program requirements site specifically and implement additional testing where necessary
    - Development of necessary program exemptions
    - States with NOA programs were developed across public health, environmental and air pollution divisions at the state level and implemented at the local, county level.

It is recommended that ADOT write an action plan to undertake development of a NOA SOP as the lead coordinating entity of a holistic statewide approach that involves all stakeholders and develops a statewide agency, industry and community consensus standard for NOA use. In order to do this, the ADOT should convene a statewide stakeholder's working group to resolve technical issues, work out a consensus on a state wide NOA program.

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SR

2

<TARGET><BILL>SR 2</BILL><SUBJECT>SR
2</SUBJECT><COMM>STRA27</COMM></TARGET>

Calendar Back-up

RE: SR 2

To Be Published Today 2/9/11

27-LS0514\B

SENATE RESOLUTION NO. 2

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY SENATOR KOOKESH

Introduced:
Referred:

A RESOLUTION

Urging the United States Congress to fund fully the essential air service program.

BE IT RESOLVED BY THE SENATE:

WHEREAS S.223, the FAA Air Transportation Modernization and Safety Improvement Act, has been introduced in the United States Senate; and

WHEREAS Amendment 4 to S.223 by the senior senator from Arizona would eliminate funding for the essential air service program; and

WHEREAS the 44 communities in the state that benefit from the essential air service program under 49 U.S.C. 41731 - 41748 are the most remote and isolated communities in the nation; and

WHEREAS air carriers in the state that are subsidized by the essential air service program provide critical passenger, cargo, and mail services to remote communities; and

WHEREAS, for many remote communities in the state, air travel is not simply a convenience, but the only scheduled passenger service to the rest of the world, making it vital for basic economic, health, and safety needs; and

WHEREAS the essential air service program ensures that remote communities can maintain a link to the national air transportation system; and

WHEREAS Alaska is a young state and, because of the size and the unique geography of the state, relatively few roads provide access to remote communities, making aircraft the dominant mode of transportation in many rural areas; and

WHEREAS the elimination of the essential air service program would significantly increase commodity prices and the cost of general passenger air travel essential to residents of the state's rural communities; and

WHEREAS, without the essential air service program, at least 12,000 Alaskans living off the road system would not be able to afford travel to regional hubs for essential medical care; and

WHEREAS the complete elimination of the essential air service program would have a severe negative economic effect on remote communities in the state, many of which are already economically depressed, and could destabilize those communities;

BE IT RESOLVED that the Senate supports the essential air service program and urges the United States Congress to reauthorize full funding for the program in S.223, the FAA Air Transportation Modernization and Safety Improvement Act.

COPIES of this resolution shall be sent to the Honorable Barack Obama, President of the United States; the Honorable Raymond L. LaHood, United States Secretary of Transportation; the Honorable John McCain, U.S. Senator; the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; and all other members of the 112th United States Congress.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number 1
Bill Version SR 2
(S) Publish Date 2/9/2011

Identifier (file name)
Title SR 2-URGING FUNDING FOR ESSENTIAL AIR SERVICE
Sponsor Senator Kookesh
Requester (S) RULES

Dept. Affected
Appropriation
Allocation
OMB Component Number

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2011) cost

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Senate Rules Committee
Division
Approved by /s/ Senator Ellis, Chair

Phone
Date/Time 2/7/11 12:00 AM
Date

(Revised 1/27/2011 OMB)

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. SR 2

Analysis

Will be absorbed within the current legislative budget.

Nancy Barnes

From: Christopher Clark [cgcalaska@yahoo.com]
Sent: Friday, February 18, 2011 7:43 AM
Subject: Libby Casey: Alaska Will Keep Flight Subsidies

Alaska Will Keep Flight Subsidies

Thu, February 17, 2011

Libby Casey, APRN – Washington

The Essential Air Service Program that subsidizes flights to rural Alaska is safe – for now. Arizona Senator John McCain's attempt to kill the program's funding died in the Senate today. McCain's amendment was tabled on a vote of 61 to 38.

He targeted the program as a way to save money, even though it would've meant losing funds for airports in his home state. The Essential Air Service program, or EAS, cost $200 million dollars last year and helped pay for airport service in about 150 communities throughout the country.

Alaska's Congressional delegation has been fighting McCain because $12.5 million dollars of that went to 44 Alaskan communities.

McCain spoke on the Senate floor Tuesday and marveled at the reaction, especially of the Alaska senators.

Senator Lisa Murkowski made her own comments on the Senate floor this week, and said she couldn't weigh-in on what losing EAS would do to Lower 48 states like McCain's, but that it could destabilize Alaskan communities.

Both Senator Murkowski and Democratic Senator Mark Begich showed their colleagues posters of Alaska and its vast size and limited road system. Begich in his floor speech warned losing ESA would put Alaskans out of work and isolate already distant villages.

McCain, however, says if Alaska feels that strongly, it should pay for the program itself. He pointed to a recent editorial by former Alaskan state legislator Andrew Halcro.

McCain criticized members of Congress who would vote down his amendment, saying it's time to tackle the ballooning federal debt.

McCain floated his amendment as part of the Federal Aviation Administration re-authorization. Even though his attempt to kill the program stalled out, EAS isn't necessarily safe. It will still be scrutinized as members of Congress look for ways to shave spending.

The President's new proposed budget funds it at only slightly lower levels than last year. **Over in the House, Congressman Don Young successfully got a provision through committee Wednesday continuing EAS only in Alaska and Hawaii while eliminating it in all other states**.

Download Audio (MP3)

Nancy Barnes

From: Christopher Clark [cgcalaska@yahoo.com]
Sent: Thursday, February 17, 2011 7:44 AM
Subject: Daily News: Air subsidies threatened; Alaska's may survive; Empire: House bill keeping EAS in Alaska approved

Air subsidies threatened; Alaska's may survive

ESSENTIAL: Senate could vote today on cutting program that serves rural communities.

By ERIKA BOLSTAD
ebolstad@adn.com

Published: February 16th, 2011 11:26 PM
Last Modified: February 17th, 2011 12:31 AM

WASHINGTON -- **Alaska is likely to be spared in a House bill that guts $200 million in annual airfare subsidies to rural and hard-to-reach places across the country**.

A House panel voted Wednesday to end the Essential Air Service program, except in Alaska and Hawaii. About $12 million in subsidies go to airlines to encourage them to fly everywhere from Adak to Yakutat -- among 44 communities airlines say could be too expensive to service in Alaska otherwise.

Yet the national program remains under threat, even though it has the backing of the White House in the 2012 budget.

The Senate is expected to vote today on a proposal by Sen. John McCain, R-Ariz., to do away with it entirely, including in Alaska and Hawaii. McCain's home state isn't immune from the cuts -- the communities of Kingman, Page and Prescott would lose $4.8 million in subsidies for service.

Both of Alaska's senators took to the floor of the Senate this week to defend Essential Air Service, saying that without the subsidies, air travel in some communities is so prohibitively expensive that their communities would be all but inaccessible. Alaska lawmakers have long argued the program is no different than subsidizing Lower 48 highways.

"Aviation is the lifeblood of Alaska," Sen. Mark Begich, D-Alaska, said Monday on the Senate floor. "It's truly our highway in the sky."

Rep. Don Young, R-Alaska, defended the program Wednesday when its elimination came up at the House Transportation and Infrastructure Committee. Essential Air Service "is essential for a reason," Young said. "It's a means of survival and it is very important to our state."

The program has long been a target of budget watchdog groups and was singled out this year by House Republicans eager to show voters they're serious about their campaign promises to slash federal spending.

SUBSIDIES UNDER SIEGE

Citizens Against Government Waste has Essential Air Service in its Prime Cuts database of 763 waste-cutting recommendations they say could save taxpayers $350 billion in the first year and $2.2 trillion over five years. The group complains that the subsidies are expensive when evaluated at a per-passenger rate, and have in the past been awarded for political reasons.

Tom Schatz, president of Citizens Against Government Waste, points to the Johnstown, Pa., airport, which was named for former Democratic Rep. John Murtha, a notorious earmarker. Only about 30 people used the airport each day, The Wall

Street Journal found in a 2009 investigation. Its 18 flights per week -- subsidized under Essential Air Service -- all went to Dulles airport in the the Washington, D.C., area .

The decision to do away with the program should be an easy one when so many other tough budget decisions must be made, Schatz said. If Congress can't muster the courage to cut such a program as it grapples with bigger spending issues, he said, "hope for a long-term cultural shift is dubious."

"Frankly, we consider the EAS low-hanging fruit, something all members of Congress should oppose if they do not wish to leave future generations under a mountain of debt," he said. "If Congress balks at cutting programs that overreach their objectives and waste taxpayer dollars as flagrantly as the EAS, hope for a long-term cultural shift is dubious."

ALASKANS FIGHT BACK

But most Alaska communities served by the program aren't accessible by road, said Sen. Lisa Murkowski, R-Alaska, who with Young and Begich argued that the state has unique transportation needs.

"Given what we face with the limited road system, weather and terrain issues, we in the state treat an airplane or helicopters like most Americans would treat their minivans," Murkowski said. "Aircraft in Alaska are not just a nice thing to have. They are a lifeline for survival, for subsistence, for travel, for recreation. They're truly an essential part of our everyday life."

Alaska Airlines gets about $2.7 million for flights to the Southeast village of Yakutat, for example, according to the Transportation Department. It's a subsidy of about $4,300 per person in the community of 628 people. Airlines receive another $2.7 million to service Cordova, and $1.6 million for Adak.

Several Alaska towns have subsidized seaplane service: Angoon, Elfin Cove, Pelican and Tenakee.

The federal Department of Transportation determines whether airlines are eligible for subsidies. It has taken no stance on the continuation of the program, said spokesman Bill Mosley. However, it does have $195 million for Essential Air Service in the presidential budget released this week -- a $5 million cut in funding for it over the last budget year.

The Department of Transportation also released a report this week that found 3.7 million people lost access to more than one intercity transportation mode between 2005 and 2010. Although access to air service remained relatively unchanged during that period, other forms of transportation -- such as bus and rail -- weren't as easy to come by for many rural residents.

Source: http://www.adn.com/2011/02/16/1706866/gop-bill-lets-alaska-keep-air.html#ixzz1EEP2Rpps

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House bill keeping EAS in Alaska approved
By Jonathan Grass | JUNEAU EMPIRE

The Federal Aviation Administration Reauthorization and Reform Act of 2011, was approved by the U.S. House Transportation and Infrastructure Committee on Wednesday by a vote of 34-25 after the committee marked it up. Among many aviation program and cost adjustments, the bill proposes to keep the Essential Air Service (EAS) program in Alaska and Hawaii while phasing it out everywhere else over the next four years.

Alaska representatives in both the House and Senate have been pushing to keep the EAS going here after Senator John McCain, R-Ariz., proposed an amendment to the FAA reauthorization bill that would eliminate the $200 million program nationwide.

Congressman Don Young, R-Alaska, worked with committee Chairman John Mica, R-Fla., on Wednesday to ensure key provisions were included in the bill during the markup. Besides EAS, other provisions they ensured would be in the document include the continuation of three-dimensional mapping in Alaska and exemption from compliance with the regulations regarding the transportation of compressed oxygen cylinders or other oxidizing gasses aboard aircraft in Alaska.

"Aviation is an incredibly important industry to Alaska, a state densely populated with pilots," Young said in a press release. "An issue we face time and time again in Alaska is across-the-board rulemaking that does not take into account the special geographical and infrastructure needs of our state. I thank Chairman Mica for his willingness to understand these issues and for working with me to make things right for Alaskans."

"Receiving basic goods is not the same in the villages of Alaska as it is in most areas of the Lower 48," Young said. "Alaska is one-fifth the size of the United States, with a road system smaller than Rhode Island's. Most communities are completely isolated and can only receive necessities and medical care via air service. An airplane in Alaska is equivalent to a car, truck, or train elsewhere. Essential Air Service is essential for a reason; it's a means of survival and it is very important to our state."

The amounts needed for EAS in the two states in fiscal 2014 and every fiscal year after would be determined by the Secretary of Transportation.

On the Senate side, Mark Begich, D-Alaska, and Lisa Murkowski, R-Alaska, spoke on the Senate floor this week about the issue. They spoke separately but both stressed the service is vital to rural communities that have no outgoing roads, as well as addressing the high cost of flying within the state, even with EAS subsidies.

"I can say without any reservation that this amendment would create an economic and a transportation disaster for Alaska, including the loss of jobs, livelihoods and would potentially impact health and medical situations," Murkowski said in a press release. "The complete elimination of the EAS program could destabilize many of our rural communities, could negatively impact the integrity of Alaska's interconnected aviation system and severely reduce air services to essential parts of the state."

Both senators addressed how requirements in Alaska are different from the rest of the country and that other airports are not representative of those here. Each said this is a factor that separates local significance to a 2009 Government Accountability Office report that states EAS may have outlived its usefulness. McCain cited this report in his legislation's introduction.

"Given what we face with the limited road system, weather and terrain issues, we in the state treat an airplane or helicopters like most Americans would treat their minivans. Aircraft in Alaska are not just a nice thing to have. They are a lifeline for survival, for subsistence, for travel, for recreation. They're truly an essential part of our everyday life," Murkowski states.

EAS currently serves 44 Alaskan communities.

• Contact reporter Jonathan Grass at 523-2276 or jonathan.grass@juneauempire.com.

Nancy Barnes

From: Christopher Clark [cgcalaska@yahoo.com]
Sent: Tuesday, February 15, 2011 8:02 AM
Subject: KINY: Murkowski and Begich campaign to crush McCain proposal; Alaska Dispatch: Alaska Sens. Begich and Murkowski address Essential Air Service repeal; Tundra Drums: Alaska senators defend Essential Air Service; Empire: Lawmakers fighting to keep EAS a...

Murkowski and Begich campaign to crush McCain proposal

Senator Lisa Murkowski with a map presented her case on the senate floor Monday against Senator John McCain's proposal to cut the Essential Air Program.

The federal program currently provides **$12 million a year to compensate flights to rural Alaska** where it may otherwise be unprofitable to fly.

Murkowski said, "We are not that little state that's down in the water next to Hawaii or off of California despite some of the maps that are still out there on people's walls."

The map placed the outline of Alaska across most of middle America demonstrating the size of the state.

McCain targeted EAS as an "outdated" program that if cancelled, would help lower government spending. Senator Mark Begich responded with, "I don't believe you should balance the federal budget on the backs of communities and people facing some of the highest costs of living and the toughest conditions in the country, and that is exactly what the McCain amendment would do."

Murkowski says Alaska is a different case, saying "I can say without any reservation that this amendment would create an economic and transportation disaster for Alaska."

According to Begich, Alaska has six times more pilots and sixteen times more planes per capita than any other state. Murkowski said that slashing the EAS program would be an economic and transportation disaster to Alaska, crippling rural towns and killing jobs.

Murkowski added, "I can not repeat enough the importance of a program like Essential Air Services to a remote and rural state. It truly is essential. I would urge defeat of the McCain amendment."

EAS was created when the airline industry was deregulated in 1978.

Alaska Sens. Begich and Murkowski address Essential Air Service repeal

Ben Anderson | Feb 14, 2011 As the Senate debate continues over the Federal Aviation Administration reauthorization bill, the question of Essential Air Service remains up in the air. The service, which provides government subsidies for air carriers providing regular air service to rural American communities, is the target of an amendment proposed by Sen. John McCain (R-Ariz.) that would cut the $212 million program from the FAA's budget.

Alaska Sens. Lisa Murkowski and Mark Begich both addressed the proposed amendment on the Senate floor this morning, and both made a strong case for the necessity of EAS in Alaska. Both senators used a map of Alaska circulating right now that shows the state's road system, and Begich imposed Alaska over the contiguous U.S. for size comparison.

The map has become the flag being waved by aviation proponents across Alaska, illustrating the lack of roads and the vastness of the state. Murkowski underscored this illustration by mentioning that **Alaska, for all its size, has 11,000 miles of roads, and 80 percent of Alaska communities aren't connected to that road system**. California, by comparison, has 2.3 million miles of roads.

Of the 44 Alaska communities that could be affected by the EAS repeal, 38 are not connected by roads, Murkowski said. And those communities that are connected, like McCarthy, have roads either unmaintained in the winter months or that are two-lane gravel affairs.

"Alaska is different," Murkowski said, "and when we're talking about the Essential Air Service, I repeat, Alaska is different."

http://openx.alaskadispatch.com/www/delivery/ck.php?n=ad4d5a992bc80ae&cb=1297783083' target='_blank'>
http://openx.alaskadispatch.com/www/delivery/avw.php?zoneid=34&source=1&cb=1297783083&n=ad4d5a992bc80ae' border='0' alt='' />

Murkowski and Begich both mentioned that where most citizens in the US can get in a car and drive to a hospital, that simply isn't an option for many rural Alaskans. "(Air service) is not a luxury, (it) is a necessity," Murkowski said.

Both senators read from letters from their constituents, from individual rural residents to the owner of PenAir. All the letters discussed the reliance of citizens and businesses on the government subsidies provided by the program. Begich addressed the possible loss of employment and a spike in the cost of goods in rural communities.

"If you eliminate the EAS program, it is going to drive these prices even higher in the state of Alaska," he said. He said that McCain's example of rural residents bypassing flights from rural communities and driving in their cars to larger, hub airports doesn't apply to Alaska. Begich pointed out that Adak is not connected by road to Anchorage, which is 1,200 miles away. This would be the equivalent of driving from Los Angeles to Houston, Texas, according to Begich.

Neither of the senators raised points that haven't been brought up before, rather focusing on the many unique features that make Alaska different when it comes to EAS. "**Alaska has six times more pilots and 16 times more planes**" than any other state, Begich said. Whether the speeches will have any effect when the bill and amendments are put up for a vote remains to be seen, but they underscored for the rest of the Senate the necessity of the program within Alaska.

Contact Ben Anderson at ben(at)alaskadispatch.com .

Alaska senators defend Essential Air Service

Published on February 14th, 2011 5:34 pm

By ALASKA NEWSPAPERS STAFF

In Senate floor speeches today, Alaska's senators strongly defended the need to continue Essential Air Service for 44 rural Alaska communities not connected to the state's road system.

The comments from Senators Mark Begich, D-Alaska, and Lisa Murkowski, R-Alaska, come in the face of a proposal from Sen. John McCain, R-Arizona, to cut funding for the $212 million Essential Air Service, as a savings in federal spending under the Federal Aviation Administration reauthorization legislation.

This year's federal deficit is projected to reach $1.6 trillion. **President Obama's proposed budget would cut the deficit by $1.1 trillion in 10 years**, while **House Republicans have called for broader cuts of $2.5 trillion for the same period.**

"I agree with Senator McCain that we need to do something to address our nation's budget deficit," Begich said. "But I don't believe you should balance the federal budget on the backs of communities and people facing some of the highest costs of living and toughest conditions in the country. And that is exactly what this McCain amendment would do," he said.

"I can say without any reservation that this amendment would create an economic and a transportation disaster for Alaska, including the loss of jobs, livelihoods and would potentially impact health and medical situations," Murkowski said.

"The complete elimination of the EAS program could destabilize many of our rural communities, could negatively impact the integrity of Alaska's interconnected aviation system and severely reduce air services to essential parts of the state.

"Given what we face with the limited road system, weather and terrain issues, we in the state treat an airplane or helicopters like most Americans would treat their minivans. "Aircraft in Alaska are not just a nice thing to have.

"They are a lifeline for survival, for subsistence, for travel, for recreation. They're truly an essential part of our everyday life."

Begich told fellow senators that he has a stack of letters in his office from communities that would lose all air service if the McCain amendment is adopted, "from individuals in these communities who are terrified about what this would mean for the price of goods in their community," he said. "from those worried about the cost of air travel if they get sick and need to seek medical attention at a hospital. And from small air carriers worried that they will either have to lay off employees or go under altogether."

Begich also cited a letter from Danny Seybert, who runs the Peninsula Airways Service, known as PenAir, founded by his father, Orin Seybert, in 1955.

The younger Seybert notes in his letter to Begich that for many communities, PenAir is the only scheduled passenger air service link to the rest of the world. If the McCain amendment is passed, Seybert said. It "would have a devastating effect on many remote communities in Alaska, on many air carriers who provide those communities with air transportation service, and on Alaska's economy," Seybert said.

Alaska Newspapers Staff can be reached at editor@alaskanewspapers.com, or by phone at 907-348-2449

Lawmakers fighting to keep EAS alive
Sen. John McCain seeks to cut the $200M air program

By Jonathan Grass | JUNEAU EMPIRE

Alaska's delegation in both the U.S. House and the Senate say Essential Air Service (EAS) is needed here and is making strides toward keeping it in light of Sen. John McCain's recent proposal to eliminate the program nationwide.

McCain is seeking to cut out the $200 million air program to reduce government spending. He recently told the Senate he feels the program is outdated and unnecessary.

The House introduced its own legislation in response to this. **The Federal Aviation Administration Reauthorization and Reform Act of 2011 (H.R. 658**) offers a compromise in that proposes to phase out EAS over the next four years in the Lower 48 while keeping it in Alaska and Hawaii. It was **introduced by Transportation and Infrastructure Committee Chairman John L. Mica, R-Fla., and Aviation Subcommittee Chairman Tom Petri, R-Wis.**, among other members.

"This is a lean bill that recognizes our current budgetary difficulties and the need to do more with less," Mica said in a press release. "Families and businesses across the country have no choice but to tighten their belts, and the federal

government must do the same. This bill saves $4 billion, requiring FAA to find significant cost savings without negatively impacting safety."

The bill proposes the appropriation of $97.5 million in fiscal 2011 for the EAS program, $60 million in fiscal 2012 and $30 million in fiscal 2013. These amounts are in addition to the $50 million per year the EAS program is currently authorized to receive from the FAA's collection of overflight fees.

Starting in fiscal 2014, EAS would only receive the amounts needed from overflight fees to provide service to eligible communities in Alaska and Hawaii. The amounts needed would be determined by the Secretary of Transportation.

"Receiving basic goods is not the same in the villages of Alaska as it is in most areas of the Lower 48. Many communities are completely isolated, and can only receive necessities and medical care via air service. An airplane in Alaska is equivalent to a car, truck, or train elsewhere. Essential Air Service is essential for a reason; it's a means of survival," said Alaska Congressman Don Young.

H.R. 658 also amends current laws to distribute overflight fees exceeding the amounts provided to the EAS program. Up to $6 million per year would be for the Small Community Air Service Development program. Any amount remaining would be used for the Next Generation Air Transportation System.

It also authorizes the Secretary to take actions as necessary to administer the EAS program within the amount of funding made available for the program.

The Senate is also trying to keep EAS going. Sen. Mark Begich spoke on the Senate floor Monday, saying the program is a vital tool in nationwide aviation. Still, the Alaska Democrat focused on what the program means to his home state.

"Aviation is the lifeblood of Alaska. It's truly our highway in the sky," he said. "We have six times more pilots and 16 times more planes per capita than the rest of the country. In Alaska, small planes are the equivalent of minivans in the Lower 48. They're how Alaskans get around."

He told the Senate EAS is vital in the state, and he has grave concerns for what would happen to rural Alaskans and rural Americans if it were taken away.

"Since 1978, the Essential Air Service program has successfully guaranteed small communities that were served by certified air carriers before deregulation it would maintain a minimal level of scheduled air service. The program has been a vital link for rural America. There are very real consequences to eliminating this program for my constituents, especially in the 44 communities served by the EAS program," he said.

He visually displayed Alaska's limited road infrastructure, explaining that 82 percent of Alaska's communities do not have an outgoing road system and rely on aviation as a primary system for goods, mail and people.

"People in communities face some of the highest costs of living in the country. Rural Alaskans can't drive to a Safeway when they need something. There are no roads, and there are no Safeways," Begich said. "If you eliminate the EAS program, it is going to drive these prices even higher in rural Alaska."

Begich gave an example by means of a letter written to him by Gary Williams, executive director of the Organized Village of Kake, expressing how elimination of the program would "isolate and cripple" the small community.

He said McCain's amendment would also harm jobs in small air carriers and rural communities. To this effect, he read several submitted letters from services.

He also emphasized that one of McCain's reasons for the amendment was that most Americans are within driving distance of hub airports, saying that's not the case for many here.

Begich agreed there should be cuts to reduce the budget deficit, but not with this program, saying, "but I don't believe you should balance the federal budget on the backs of communities and people facing some of the highest costs of living in the toughest conditions in this country."

Begich also noted the 2009 report from the Government Accountability Office that McCain cited in his introduction for the amendment that suggested EAS has outlived its usefulness. Begich said the report also states that analysis focused on reviews in the continental United States because the office felt Alaskan community requirements are different from those of other states and airports outside the Lower 48 and are not representative of the programs found in the rest of the country.

Begich, along with other senators, have written to McCain, expressing their opposition to his proposal.

• Contact reporter Jonathan Grass at 523-2276 or jonathan.grass@juneauempire.com.

February 3, 2011

United States Senator Begich
144 Russell Senate Office Building
Washington, DC 20510

Re: SB 223 Senator McCain Amendments Repealing Essential Air Service (EAS)

Honorable Senator Begich,

I write in opposition to Senator McCain's amendments to S. 223 EAS due to the significant negative impacts it will have upon the aviation transportation system serving Alaskan communities, including ours.

Our community of _____ is dependent upon air transportation for basic needs including health, safety, and economy. The amendment would significantly reduce air service essential to our community and its residents.

As proposed, the McCain amendments are detrimental to the Alaskan communities' viability and we encourage you to oppose the amendment. If you have any questions or concerns please contact me. Thank you for your time and consideration regarding this important matter.

Regards,

CALISTA CORPORATION
www.calistacorp.com

Senator Mark Begich
144 Russell Senate Office Building
Washington, DC 20510

February 1, 2011

RE: SB 223 Repealing Essential Air Service

Honorable Senator Begich:

Senator McCain has introduced amendments to bill S. 223, to modernize the air traffic control system, improve safety, reliability, availability of air transportation in the United States, provide air traffic control modernization, reauthorize Federal Aviation Administration, and repeal Essential Air Service subsidy program (EAS). We strongly oppose any actions to repeal the EAS program for the eligible communities for which it was intended for.

The essential in EAS is just that: "Essential" to the access, survival, and economy of isolated and rural communities throughout America, as well as Alaska which do not have alternatives:

- The EAS program was intended for - and has successfully kept - scheduled air service to those cities and rural Alaskan communities that were served at the time of deregulation, and, which would otherwise lose or have lost ALL air service after the airline deregulation of 1978, and in any anticipated subsequent and more recently poor market conditions.

- EAS ensures small communities served by air carriers before the deregulation, can maintain minimal service to retain their link to the national air transportation system. It guarantees air service even during: low passenger volumes; low profitability to air carriers; less than ideal operating conditions (great distances and remote areas, weather, and mountainous terrain); and periods where air carriers will simply leave for better, easier, and more profitable market areas.

- EAS provides and maintains stability to the National Aviation Transportation System and network in America, by ensuring the system is not overly modified or changed suddenly, again simply due to carrier profitability in some communities or areas at the expense of those smaller and less profitable markets.

- EAS keeps ticket prices to MANY smaller rural communities down. As an example, even with EAS subsidies, ticket costs to some communities can be over $1,100. such as Adak, Alaska, and other cities ranging in population from 35,000 to a few hundred. Nearly every community in Southeast Alaska depends on EAS to receive jet and even any scheduled air service in that area. Without EAS, ticket prices would more than DOUBLE costs of air travel to RURAL communities throughout Alaska; as well as in many cities throughout the U.S.

- In Alaska, EAS provides funding subsidies to 44 of 300+ communities, with 38 of those relying on aircraft as the primary access and transport mode because there is NO other transportation access alternative —they are completely isolated from any roads.

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- The EAS program provides an average $285,559 community subsidy in Alaska, as compared to the average subsidy in other U.S. communities of $1,495,505. Other U.S. communities actually have roads and other transportation mode options and backup.

- Unlike most parts of the U.S. with a long history of infrastructure building and access to well established National Transportation System roads, highways, railroads, buses, ferries, and airports; Alaska is a new state and the only state in the union where a majority (82 percent) of our 300+ remote communities are inaccessible and unlikely (due to being largely or entirely surrounded by Federal wilderness, preserves, park, and restricted lands) to ever become accessible by roads! This problem was realized during the original drafting, debates, and establishment of the EAS program. Airports and airways in Alaska have had to by necessity, had to serve as 'highways' in order to provide reliable, scheduled air service that would become essential to the health, safety, economy, and literally survival of people living in our state. We have 8 times the enplanements and 39 times the freight per capita compared to the rest of the U.S.; and aviation provides 1 in 10 jobs and is the 5th largest employer in Alaska.

- Even the smallest of air carriers often provides a full or part time job in most communities they serve assisting with schedules, passengers, and cargo; while, each runway and airport also has an employee to maintain and operate the smallest of facilities. Airport, carrier, and related service positions provide critical jobs that help support the economy and rural communities.

A better solution (rather than repeal an entire important program such as EAS), would be updating the criteria utilized for EAS eligibility; as well as, including consideration of what nearby airports, carriers', and modes of transportation communities have for access options to receive EAS program funds.

In summary, complete elimination of EAS could destabilize some small communities, would have an extremely negative impact on the integrity of Alaska's interconnected aviation system, and seriously reduce air service. EAS has been and will continue to be critical for the aviation transportation system network, provides important jobs, and enables access for rural isolated communities across America.

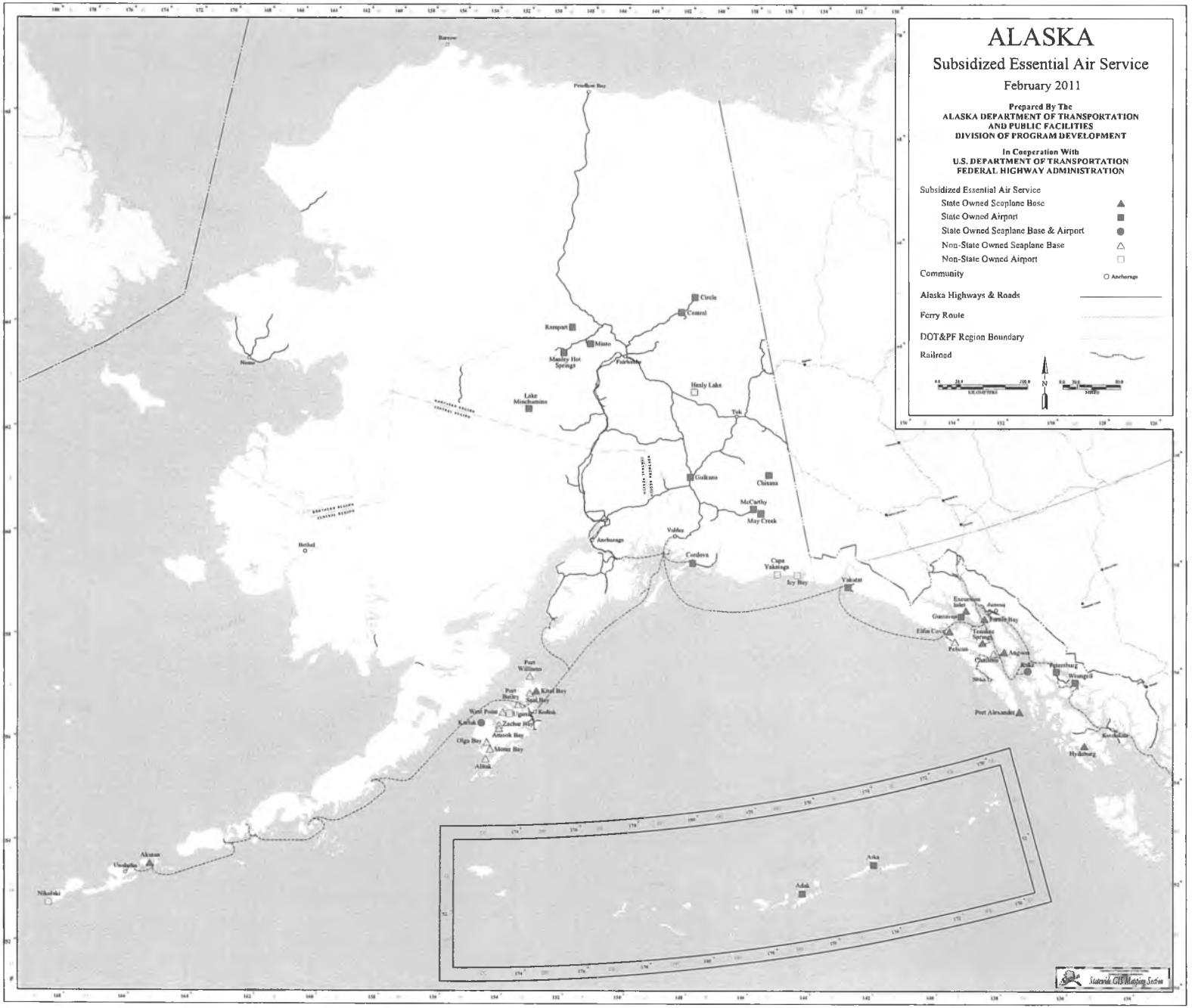
Thank you for your attention and consideration to this serious matter. Please do not hesitate to contact us with questions, or if we can assist in defending this essential program (907) 644-6309.

Sincerely,

CALISTA CORPORATION

Christine Klein, AAE
Executive Vice President & COO

301 Calista Court, Suite A, Anchorage, AK 99518
t: (907) 279-5516 • f: (907) 272-5060 • calista@calistacorp.com



The Essential Air Service Program in Alaska

The Airline Deregulation Act, passed in 1978, gave airlines almost total freedom to determine which markets to serve domestically and what fares to charge for that service. The Essential Air Service (EAS) program was put into place to guarantee that small communities that were served by certificated air carriers before deregulation maintain a minimal level of scheduled air service. The US DOT (United States Department of Transportation) administers the EAS program to ensure that smaller communities retain a link to the national air transportation system with a Federal subsidy where necessary.

There are currently 44 communities in the State of Alaska that receive subsidized air service under the EAS program.

Alaskan communities receiving EAS (Essential Air Service) subsidies set benchmarks for need and cost effectiveness in the program.

- Alaska Communities receiving EAS are the most remote and isolated in the nation.
- There are 44 Alaska communities that receive EAS. Of those communities only 6 are connected to the national transportation system by a road.
- Of these 6, one, McCarthy, does not have road maintenance in the winter months.
- Of the remaining 5, only one is on a paved road (Gulkana) and that one is over 210 miles from the nearest med hub airport.
- The remaining 38 communities are completely isolated from the road system and rely on air travel as their primary means of transportation.
- Alaska communities receiving EAS subsidy far exceed the recommendations to qualify as remote communities.
- The average community subsidy in Alaska is $285,559
- The average community subsidy in the rest of the U.S. is $1,495,505
- Air travel in Alaska is not a convenience; it is a critical transportation mode that provides basic day to day necessities and access to health facilities.

Subsidized Essential Air Service Locator Index

Adak HH3	Kotzebue C3
Akutan I9	Lake Minchumina O5
Aniak N4	Manley P4
Arctic Village O8	Marshall M3
Atka I12	McCarthy T6
Barrow B3	Minto Q4
Bethel L4	Mountain Village K3
Cape Yakataga T6	Nikolai G10
Central S4	Nikolski G10
Chalkyitsik P3	Noatak D3
Chefornak L5	Nome G3
Chignik Lagoon V9	Nuiqsut A3
Chignik Lake V9	Ouzinkie U8
Chisana T5	Perryville U9
Circle S4	Pilot Point V9
Clarks Point N9	Port Alsworth S8
Cordova S6	Port Heiden U9
Deadhorse A3	Port Lions U8
Dillingham N8	Quinhagak M5
Eek M5	Red Devil R8
Elfin Cove W7	Russian Mission K5
Emmonak K3	Sand Point V9
Fort Yukon P2	Savoonga G2
Gambell G1	Scammon Bay L3
Golovin E4	Selawik E3
Grayling K4	Shaktoolik J4
Gulkana S5	Shishmaref E2
Hoonah X7	Shungnak F4
Hooper Bay L3	Stebbins J3
Huslia J5	Takotna N6
Kake Y8	Tanana M4
Kaltag J5	Tatitlek T7
Karluk N8	Tazlina S7
Kiana F3	Teller G3
King Cove V9	Tenakee X8
King Salmon N9	Togiak M7
Kipnuk L5	Toksook Bay L5
Kivalina D2	Tuntutuliak M5
Klawock X8	Unalakleet J4
Kobuk G4	Upper Kalskag M5
Kodiak P8	Venetie N3
Kongiganak M5	Wainwright A2
Kotlik K3	Wales F2
Koyuk H4	White Mountain H4
Koyukuk L5	

FOR IMMEDIATE RELEASE
February 3, 2011
2011-024

Contact: Julie Hasquet, Press Secretary
(907) 258-9304 office
(907) 350-4846 cell

Begich Defends Lifeline for 44 Alaska Communities

Sen. McCain seeks to strip funding for Essential Air Services

Defending a vital lifeline that supports dozens of Alaska communities, U.S. Sen. Mark Begich led Senate colleagues from rural state in denouncing a proposal from Sen. John McCain (R-Ariz.) that would eliminate the Essential Air Services (EAS) program.

EAS provides critical subsidies in support of commercial air service to 44 Alaska communities who rely on air transport as their primary source of goods, mail and medical supplies.

"This amendment is worse than political grandstanding, it's just plain reckless and seriously endangers thousands of Alaskans in dozens of communities from getting food on their tables, heating fuel for their homes, and medical supplies in their clinics," Begich said. "Eliminating EAS means driving up the price of air transportation which inflates the cost of milk, toilet paper, diapers and everything Sen. McCain's constituents can find in a box store or shopping mall."

Begich was joined on a letter to Sen. McCain opposing the elimination of EAS by Sens. Ben Nelson (D-NE), Bob Casey (D-PA) and Joe Manchin (D-WV) all who represent significant rural populations that depend on EAS. Established in 1978 following the deregulation of the airline industry, EAS has grown into a vital, non-controversial program connecting Americans living in rural communities with the rest of the world. The program provides over $12 million in subsidies to air carriers in Alaska each year.

"Terminating the EAS program also means eliminating hundreds of jobs for Alaska's air carriers, many of which are small businesses. At a time when the economy is recovering, it makes no sense to pass an amendment which would put Alaska's small businesses out of work," Begich said.

McCain's proposal comes in the form of an amendment to the FAA Reauthorization legislation currently on the floor of the Senate. Dozens of local communities and air carriers in Alaska have contacted Sen. Begich about the issue, encouraging him to work to preserve the EAS program.

The letter to Sen. McCain is attached.

###

Julie Hasquet
Press Secretary
Office of U.S. Senator Mark Begich
(907) 258-9304
E-newsletter signup: begich.senate.gov

United States Senate

WASHINGTON, DC 20510

February 1, 2011

The Honorable John McCain
United States Senate
241 Russell Senate Office Building
Washington, DC 20510-0001

Dear Senator McCain:

We are writing to express our opposition to your amendment to the FAA Reauthorization bill repealing the Essential Air Service (EAS) program. As it is currently drafted, we will not support your amendment, and will be calling upon other Senators representing communities that benefit from the EAS program to oppose it as well.

As you know, the Essential Air Service was established after the 1978 deregulation of the airline industry and has grown into a vital, non-controversial, program that connects Americans living in rural communities with the rest of the world. According to May 2010 data, there are 109 airports in the contiguous 48 states, Hawaii and Puerto Rico, as well as 44 in Alaska, receiving subsidized service.

Eliminating the program will have a devastating impact on the economies of rural communities. At a moment when the nation's economic recovery is starting to gain momentum, it makes little sense to reduce personal and business travel volume by cutting off residents of rural areas. And at a time when jobs are already so hard to come by in our rural communities, it makes even less sense to enact cuts that will only make the problem worse.

Over the years, Congress and the Department of Transportation have worked to streamline the EAS program to increase its efficiency, mostly by eliminating subsidy support for communities that are within a reasonable driving distance of a major hub airport. The FAA Reauthorization bill currently being debated by the Senate proposes a number of additional improvements, such as allowing new financial incentives for EAS carriers to encourage better service; allowing longer-term EAS contracts if such an arrangement is in the public interest; allowing

incentives for large airlines to code-share on service to small communities; and requiring large airlines to code-share on EAS flights in up to ten communities.

Because we strongly believe in this program and understand the fiscal challenges facing our nation, we would welcome the opportunity to discuss ways to improve EAS. But we strongly oppose ending it. We ask that you abandon your attempts to repeal EAS and work with us to ensure its continued success across the nation.

Sincerely,

Mark Begich
United States Senator

E. Benjamin Nelson
United States Senator

Robert P. Casey Jr.
United States Senator

Joe Manchin III
United States Senator

CC: The Honorable John Rockefeller
The Honorable Kay Bailey Hutchison

Talking Points for Senate Resolution 2 (the House is introducing the same resolution)

Urging the United States congress to fund fully the essential air service

- Provides millions of dollars to subsidize flights to remote Alaska villages and towns is under fire in DC.
-
- The United States Senator from Arizona has proposed amending an FAA authorization bill to cut funding for the Essential Air Service Bill
-
- Program uses federal dollars to lower commercial costs to airports where it might otherwise be too expensive to fly.
-
- This includes 44 communities in Alaska
-
- The amendments are **detrimental** to Alaskan communities viability.
-
- The program was created to ensure that *less profitable routes to small airports wouldn't be eliminated* when airlines service was deregulated in 1978.

Total	Community	Docket	Carrier	Hub	Subsidy Rate @ May 1, 2010	Rate Order	Rate Ends	Aircraft	Seats
1	Adak	2000-8556	Alaska	ANC	$1,483,122	2008-3-36	6/30/2010	B-737	72
1	Akutan	2000-7068	PenAir	DUT	$654,964	2009-5-4	4/30/2011	Goose	9
1	Alitak	2000-6945	Island Air	ADQ	$15,219	2009-4-23	10/31/2011	C-206	5
1	Amook Bay	2000-6945	Island Air	ADQ	$12,175	2009-4-23	10/31/2011	C-206	5
1	Angoon	2006-25542	Alaska Seaplane	JNU	$101,359	2008-12-27	1/31/2011	Beaver	5
1	Atka	1995-363	PenAir	DUT	$513,803	2008-3-36	6/30/2010	T-1040	9
1	Cape Yakataga	1996-2009	Alsek	YAK	$39,000	2008-7-28	10/31/2010	Cessna	4
1	Central	1998-3621	Warbelow's	FAI	$203,360	2009-9-17	11/30/2011	Navajo	8
1	Chatham	1997-3134	Ward Air	JNU	$8,640	2008-6-27	9/30/2010	C-185	3
1	Chisana	1998-4574	40-Mile	TOK	$65,546	2008-4-41	5/31/2010	C-185	3
1	Circle	1998-3621	Warbelow's	FAI	$203,360	2009-9-17	11/30/2011	Navajo	8
1	Cordova	1998-4899	Alaska	ANC/JNU	$2,726,212	2009-2-3	4/30/2011	B-737	72
1	Elfin Cove	2002-11586	Alaska Seaplane	JNU	$92,886	2007-9-7	5/31/2011	Beaver	6
1	Excursion Inlet	2002-12014	Wings	JNU	$34,659	2008-8-16	8/31/2010	C-206	5
1	Funter Bay	1997-3134	Ward Air	JNU	$8,640	2008-6-27	9/30/2010	C-185	3
1	Gulkana	1995-492	Ellis Air	ANC	$251,300	2008-12-19	1/31/2011	PA-31	6
1	Gustavus	1998-4899	Alaska	JNU	$340,777	2009-2-3	1/31/2011	B-737	72
1	Healy Lake	1998-3546	40-Mile	FAI	$77,683	2008-4-41	5/31/2010	C-206	5
1	Hydaburg	1999-6245	Taquan	KTN	$86,755	2007-10-12	10/31/2011	Beaver	6
1	Icy Bay	1996-2009	Alsek	YAK	$39,000	2008-7-28	10/31/2010	Cessna	4
1	Kake	2008-0217	Wings	JNU	$314,302	2008-8-16	8/31/2010	C-208	9
1	Karluk	2004-19342	Island Air	ADQ	$29,481	2009-2-5	3/31/2010	BN-2A	9
1	Kitoi Bay	2000-6945	Island Air	ADQ	$12,175	2009-4-23	10/31/2011	C-206	5
1	Lake Minchumina	2008-0237	Tatonduk	FAI	$42,560	2008-9-21	10/31/2010	PA-32	5
1	Manley	2004-17563	Warbelow's	FAI	$42,085	2008-7-20	8/31/2010	C-206	3
1	May Creek	1996-2009	Ellis Air	GKN	$86,676	2008-12-19	1/31/2011	C-185	3
1	McCarthy	1996-2009	Ellis Air	GKN	$86,676	2008-12-19	1/31/2011	C-185	3
1	Minto	2004-17563	Warbelow's	FAI	$42,085	2008-7-20	8/31/2010	C-206	3
1	Moser Bay	2000-6945	Island Air	ADQ	$15,219	2009-4-23	10/31/2011	C-206	5
1	Nikolski	1995-363	PenAir	DUT	$469,786	2008-3-36	6/30/2010	Goose	9
1	Olga Bay	2000-6945	Island Air	ADQ	$15,219	2009-4-23	10/31/2011	C-206	5
1	Pelican	2002-11586	Alaska Seaplane	JNU	$92,886	2007-9-7	5/31/2011	Beaver	6
1	Petersburg	1998-4899	Alaska	JNU/KTN	$673,598	2009-2-3	4/30/2011	B-737	72
1	Port Alexander	1999-6244	Harris	SIT	$60,083	2009-12-3	2/28/2012	C-185	3

Total	Community	Docket	Carrier	Hub	Subsidy Rate @ May 1, 2010	Rate Order	Rate Ends	Aircraft	Seats
1	Port Bailey	2000-6945	Island Air	ADQ	$12,175	2009-4-23	10/31/2011	C-206	5
1	Port Williams	2000-6945	Island Air	ADQ	$12,175	2009-4-23	10/31/2011	C-206	5
1	Rampart	2008-0201	Warbelow's	FAI	$86,701	2008-9-20	9/30/2010	Navajo	9
1	Seal Bay	2000-6945	Island Air	ADQ	$12,175	2009-4-23	10/31/2011	C-206	5
1	Tenakee	2006-25542	Alaska Seaplane	JNU	$63,748	2008-12-27	1/31/2011	Beaver	5
1	Uganik	2000-6945	Island Air	ADQ	$12,175	2009-4-23	10/31/2011	C-206	5
1	West Point	2000-6945	Island Air	ADQ	$12,175	2009-4-23	10/31/2011	C-206	5
1	Wrangell	1998-4899	Alaska	JNU/KTN	$673,598	2009-2-3	4/30/2011	B-737	72
1	Yakutat	1998-4899	Alaska	ANC/JNU	$2,726,212	2009-2-3	4/30/2011	B-737	72
1	Zachar Bay	2000-6945	Island Air	ADQ	$12,175	2009-4-23	10/31/2011	C-206	5
44									
				Total:	$12,564,599				

Millions in subsidies for rural Alaska flights under fire in D.C.

Posted by thevillage
Posted: February 3, 2011 - 12:40 pm

A federal program that provides millions of dollars to subsidize flights to remote Alaska villages and towns is under fire in D.C.

Sen. Mark Begich and three other Democratic senators recently sent this letter to Sen. John McCain, who has proposed amending an FAA authorization bill to cut funding for the Essential Air Service program.

The program uses federal money to lower commercial air-travel costs to airports where it might otherwise be too expensive to fly. That includes 44 communities in Alaska, Begich says.

The program sends more than $12 million in subsidies to Alaska air carriers each year, he said.

Just how much does each Alaska community get? **Click here** for a Department of Transportation list, with May 2010 rates.

Flights for the Southeast village of Yakutat are receiving about $2.7 million, it says. That amounts to about $4,300 per person in a community of 628 people.

"Eliminating EAS means driving up the price of air transportation which inflates the cost of milk, toilet paper, diapers and everything Sen. McCain's constituents can find in a box store or shopping mall," Begich said in prepared statement.

This today, from The AP:

Rural air subsidies test resolve to cut spending

By JOAN LOWY
Associated Press

WASHINGTON — A senator who is a key figure in aviation issues vowed Thursday to fight off an attempt to eliminate a program that subsidizes air service to small airports, often in remote communities.

The proposal is shaping up as an early test in the new Congress of conservatives' zeal for shrinking the federal government.

Senate Commerce, Science and Transportation Committee Chairman Jay Rockefeller said the proposal to eliminate the $200 million essential air service program is a "nonstarter." He is the chief sponsor of a bill to authorize Federal Aviation Administration programs for the next two years that opponents are trying to amend to eliminate the air service subsidies.

"It makes no sense to choke off rural residents' access to air travel and their connection to jobs and family," the West Virginia Democrat said in a statement. "I will fight tooth and nail against any proposal to eliminate or cut funding for this critical program."

The program pays airlines to provide scheduled service to about 150 communities, from Muscle Shoals, Ala., to Pelican, Alaska. There are five airports in West Virginia with subsidized service.

"I think it will be a test of the willingness to cut spending," said Sen. John McCain, R-Ariz., who proposed the amendment.

Rural blog

The Village — A RURAL BLOG

The Village is a Daily News blog about life and politics in rural Alaska. Its main author is ADN reporter Kyle Hopkins. Come here for breaking news on village issues, plus interviews, videos and photos. But that's just part of the story. We want to feature your pictures, videos and stories, too. Think of The Village as your bulletin board. E-mail us anything you'd like to share with the rest of Alaska -- your letters to the editor, the photos of your latest hunt or video of your latest potlatch. (We love video.)

Contributor

Kyle Hopkins
I was born in Sitka, have lived in Kake, Skagway and Fairbanks and joined the ADN in 2005 after writing for the Anchorage Press and Fairbanks Daily News-Miner. I started blogging for the paper in 2006 with The Trail, our blog about the governor's race. Then came the Alaska Politics blog. Now I'm covering government and rural affairs and live in Anchorage with my wife, Rebecca. (Update: Our daughter Alice was born May 31. Thanks everyone for the suggestions.) E-mail me at **khopkins@adn.com** and find me on Twitter at **twitter.com/ADNVillage**.

khopkins@adn.com

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Blogs

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In the House, the Republican Study Committee — a group of conservative lawmakers — has also proposed killing the program.

But several conservative senators from rural states declined to discuss McCain's amendment when approached by The Associated Press.

"I'll have to see it first. I haven't seen the amendment," said Sen. John Barrasso, R-Wyo. Two communities in Wyoming — Laramie and Worland — receive subsidized service, according to the Transportation Department.

"I just don't know about that," echoed Sen. Orrin Hatch, R-Utah. Three communities in Utah — Moab, Vernal and Cedar City — receive subsidized service

The program was created to ensure that less-profitable routes to small airports wouldn't be eliminated when airline service was deregulated in 1978. Subsidies per airline passenger as of June 1, 2010, ranged as high as $5,223 in Ely, Nev., to as low as $9.21 in Thief River Falls, Minn., according to Transportation Department data for the lower 48 states.

But critics say the airports often serve too few people to merit the amount of money spent in subsidies. Urban growth over the past three decades has also placed transportation alternatives — other airports, trains and bus service — within a reasonable distance of some communities receiving subsidies.

Studies show that in a lot of those communities people drive to larger airports to get better service at a lower cost than they can get at the smaller airport, even with subsidized air service, said Severin Borenstein, a University of California-Berkeley business professor who is an expert on airline competition.

"Some communities can make a credible claim they need the service, particularly in Alaska, but I think those are a relatively small part of the program," he said.

A 2009 Government Accountability report said demographic shifts were also depopulating some of the communities served by program. As a result, the reports said, that on average just over a third of the seats were filled on subsidized flights. For commercial flights nationwide, the average was about 80 percent.

The program has been remarkably resilient, partly due to the protection it receives from lawmakers from rural states and districts. It has been proposed for cuts or elimination many times over the years, but continues to grow.

"It's exactly in the political sweet spot," Borenstein said. Lawmakers don't feel it's worth upsetting the few people the program serves to achieve what amounts to a modest savings in federal budget terms, he said.

Supporters say the small airports and their air service are important to the communities' ability to attract investment and jobs. The Obama administration sought an increase in the program last year.

Four Democratic senators — Mark Begich of Alaska, Ben Nelson of Nebraska, Robert Casey of Pennsylvania and Joe Manchin of West Virginia — sent a letter to McCain Thursday urging him to give up his attempt to kill the program.

"Eliminating the program will have a devastating impact on the economies of rural communities," their letter says.

"At a moment when the nation's economic recovery is starting to gain momentum, it makes little sense to reduce personal and business travel volume by cutting off residents of rural areas," the letter says.

The pending aviation bill would give the Transportation Department more flexibility in structuring contracts with airlines to improve the air subsidies program. It would also let the Transportation Department adjust contracts to take into account rising fuel costs.

Attachment	Size
20110201 EAS_Letter_McCain.pdf	457.79 KB

To leave a comment use the form below

Swalaska (Bethel)
Wasilla, Alaska, by 300 ... and then some

Newspapers & media

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SENATE RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY SENATOR KOOKESH

Introduced:
Referred:

A RESOLUTION

Urging the United States Congress to fund fully the essential air service program.

BE IT RESOLVED BY THE SENATE:

WHEREAS S.223, the FAA Air Transportation Modernization and Safety Improvement Act, has been introduced in the United States Senate; and

WHEREAS Amendment 4 to S.223 by the senior senator from Arizona would eliminate funding for the essential air service program; and

WHEREAS the 44 communities in the state that benefit from the essential air service program under 49 U.S.C. 41731 - 41748 are the most remote and isolated communities in the nation; and

WHEREAS air carriers in the state that are subsidized by the essential air service program provide critical passenger, cargo, and mail services to remote communities; and

WHEREAS, for many remote communities in the state, air travel is not simply a convenience, but the only scheduled passenger service to the rest of the world, making it vital for basic economic, health, and safety needs; and

WHEREAS the essential air service program ensures that remote communities can maintain a link to the national air transportation system; and

WHEREAS Alaska is a young state and, because of the size and the unique geography of the state, relatively few roads provide access to remote communities, making aircraft the dominant mode of transportation in many rural areas; and

WHEREAS the elimination of the essential air service program would significantly increase commodity prices and the cost of general passenger air travel essential to residents of the state's rural communities; and

WHEREAS, without the essential air service program, at least 12,000 Alaskans living off the road system would not be able to afford travel to regional hubs for essential medical care; and

WHEREAS the complete elimination of the essential air service program would have a severe negative economic effect on remote communities in the state, many of which are already economically depressed, and could destabilize those communities;

BE IT RESOLVED that the Senate supports the essential air service program and urges the United States Congress to reauthorize full funding for the program in S.223, the FAA Air Transportation Modernization and Safety Improvement Act.

COPIES of this resolution shall be sent to the Honorable Barack Obama, President of the United States; the Honorable Raymond L. LaHood, United States Secretary of Transportation; the Honorable John McCain, U.S. Senator; the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; and all other members of the 112th United States Congress.

Nancy Barnes

From: Nancy Barnes
Sent: Monday, February 14, 2011 10:36 AM
To: 'Brennan Cain'; Rod Worl; Jason Barnes; Jason Borer; Geraldine O'Brien; Jim McDaniel; Jim Ujioka; John Johnson; Nancy at home; Nancy Barnes; Roxanne Hansen; Steve Donaldson; Sylvia
Subject: FW: Dermot Cole: Republicans say Alaska subsidized flights 'may' continue after 2013; The Village blog/Daily News: House bill would spare cuts to flight subsidies in Alaska; Empire editorial: Effort to cut EAS misguided

Republicans say Alaska subsidized flights 'may' continue after 2013
Dermot Cole
Feb 12, 2011

House Republicans have called for the end of the Essential Air Service federal subsidies in the Lower 48, while showing some support for continued subsidies in Alaska and Hawaii.

Sen. John McCain has called for an end to all of the subsidies. The program now costs up to $200 million a year.

Alaska air carriers received about $12 million last year, with about $8 million going to Alaska Airlines for flights to five Southeastern communities and Adak.

In this part of the state, the program subsidizes flights to Circle, Central, Manley, Minto, Rampart, Healy Lake and Lake Minchumina.

The bill, introduced Friday by House Transportation & Infrastructure Committee Chairman John Mica, a Florida Republican, says funding for the program will end in the Lower 48 on Oct. 1, 2013, but it might continue in Alaska and Hawaii after that.

I say "might" because the bill does not use the word "shall."

It says the U.S. transportation secretary "may continue to carry out the essential air service program under this subchapter in Alaska and Hawaii following the sunset date. . ."

Rep. Don Young is a co-sponsor of the bill.

This provision is one of many in a bill to reauthorize the Federal Aviation Administration.

The bill says that starting in the 2014 fiscal year, the "EAS program would receive from overflight fees only the amount needed to provide essential air service to eligible communities in Alaska and Hawaii."

Source: Fairbanks Daily News-Miner - entry Republicans say Alaska subsidized flights may continue after 2013

House bill would spare cuts to flight subsidies in Alaska

Posted by thevillage

Posted: February 11, 2011 - 5:03 pm

Remember that push to cut a federal subsidy that reduces airfare costs in rural Alaska to the tune of more than $12 million a year?

Today, House Transportation Committee leaders introduced a bill that would spare Alaska and Hawaii from the cuts.

"Congressman Young had discussions with Chairman Mica which resulted in Alaska and Hawaii being exempt from the 4-year phase-out of (Essential Air Service) that will occur," Rep. Don Young spokeswoman Meredith Kenny said in an e-mail.

Root around in the section-by-section summary of the House's FAA reauthorization bill and you'll see **plans to sunset the subsidy program "everywhere except Alaska and Hawaii as of October 1, 2014**."

That's good news for Alaska air carriers and some rural towns and villages that were worried about losing millions in federal funding -- Alaska Airlines gets the biggest chunk in our state -- but what's happening over on the Senate side?

UPDATE: A spokesman for Sen. Mark Begich says that **Sen. John McCain, R-Ariz., has not scaled back his original call to get rid of the EAS program. In other words, his amendment in the Senate would still strip the money from Alaska**.

Source: http://community.adn.com/adn/node/155726#ixzz1DrwfyKoJ

Empire editorial: Effort to cut EAS misguided
JUNEAU EMPIRE

Wednesday, the Alaska Senate passed a resolution encouraging the U.S. Congress to fully fund the Essential Air Service (EAS) program in Alaska. While the resolution won't actually guarantee any funding for the program, **we applaud its intent and strong, unanimous message to Washington, and we are hopeful the House, Senate and White House will listen.**

Sen. John McCain's efforts to eliminate subsidized air travel to and from small communities across America, including **44 here in Alaska**, suggest he is on a mission to answer only the question "How much can we cut?" and ignoring the interrogatory "What are we cutting?"

And that's not a good thing.

EAS subsidies sprang up in the late 1970s as airlines moved toward government deregulation. The purpose of the EAS program was to ensure airlines suddenly free from government mandates to provide service to smaller towns would still have an economic incentive to do so. Many of these cities, despite being some distance from a larger airport, served and continue to serve as regional centers of economic activity, and it was deemed important to make sure people who relied on these smaller hubs for business could connect from there to the rest of the nation by air. Even today, a drive from EAS city Liberal, Kan. to its nearest major hub airport in Denver takes 61/2 hours while a flight takes 20 minutes, saving nearly a day of travel time.

In Alaska, EAS subsidies are even more important, as much of the state is disconnected from the road system. Driving from Angoon to Juneau to catch a flight simply isn't an option. Sure, there's the ferry. Twice a week. An option, perhaps, if a trip can be planned in advance and if someone's got seven or so hours to kill. That's not always practical or possible.

Of course, given the federal debt stood at $13.5 trillion in September 2010, everything Washington spends money on is fair game for scrutiny. Had McCain suggested a review of the EAS program, and urged cuts where they can be reasonably made, we'd be much more inclined to support his stance. Maybe, in this fiscal day and age, it's appropriate to save $1.5 million a year by asking the residents of Clovis, N.M. to drive a couple of hours to Lubbock, Texas to catch a flight. But not every government dollar spent is wasted or is in vain, and if cuts need to be made to programs such as EAS, we encourage the federal government to scale them back to efficient executions of their good intentions, instead of simply dropping them altogether simply because it can be difficult to separate the necessary from the excess.

Finally, it must be pointed out that, in 2010, EAS received about $175 million from the federal government. Put another way, that's about .00005 percent of the $3.55 trillion Washington spent in 2010. Again, no expenditure can be considered sacrosanct, but we'd rather Congress take its scalpel to bigger slices of the spending pie — such as the excesses in Social Security and defense spending — before looking to toss crumbs from the tin.

Affordable air travel is a necessity for Alaskans as well as for many in the Lower 48. If there are efficiencies to be found in how it is funded, then here's hoping they are implemented. But to toss an entire program that provides essential accessibility to Alaska's — and America's — travel hubs is **misguided political puffery**, not an honest attempt to address our country's fiscal woes.

Nancy Barnes

From: Christopher Clark [cgcalaska@yahoo.com]
Sent: Saturday, February 12, 2011 1:05 PM
Subject: Jill Burke/Alaska Dispatch: Should funding for rural flights be phased out?

Should funding for rural flights be phased out?

Jill Burke | Feb 11, 2011

As promised, Republican lawmakers in Congress are going after the nation's Essential Air Service program, which subsidizes flights to rural communities that otherwise would be left without service.

"Proposed legislation in the U.S. House of Representatives would roll back funding for air traffic control and would eliminate a popular airline subsidy that ensures service to small communities," according to Reuters.

The cuts are part of a nearly $60 billion proposed funding plan for the Federal Aviation Administration which supposedly cuts spending by $4 billion.

http://openx.alaskadispatch.com/www/delivery/ck.php?n=ad4d56d84eaf99c&cb=1297537102' target='_blank'>
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border='0' alt=" />
"This is a lean bill that recognizes our current budgetary difficulties and the need to do more with less," said House Transportation and Infrastructure Chairman John Mica, R-Fla., according to The Hill.

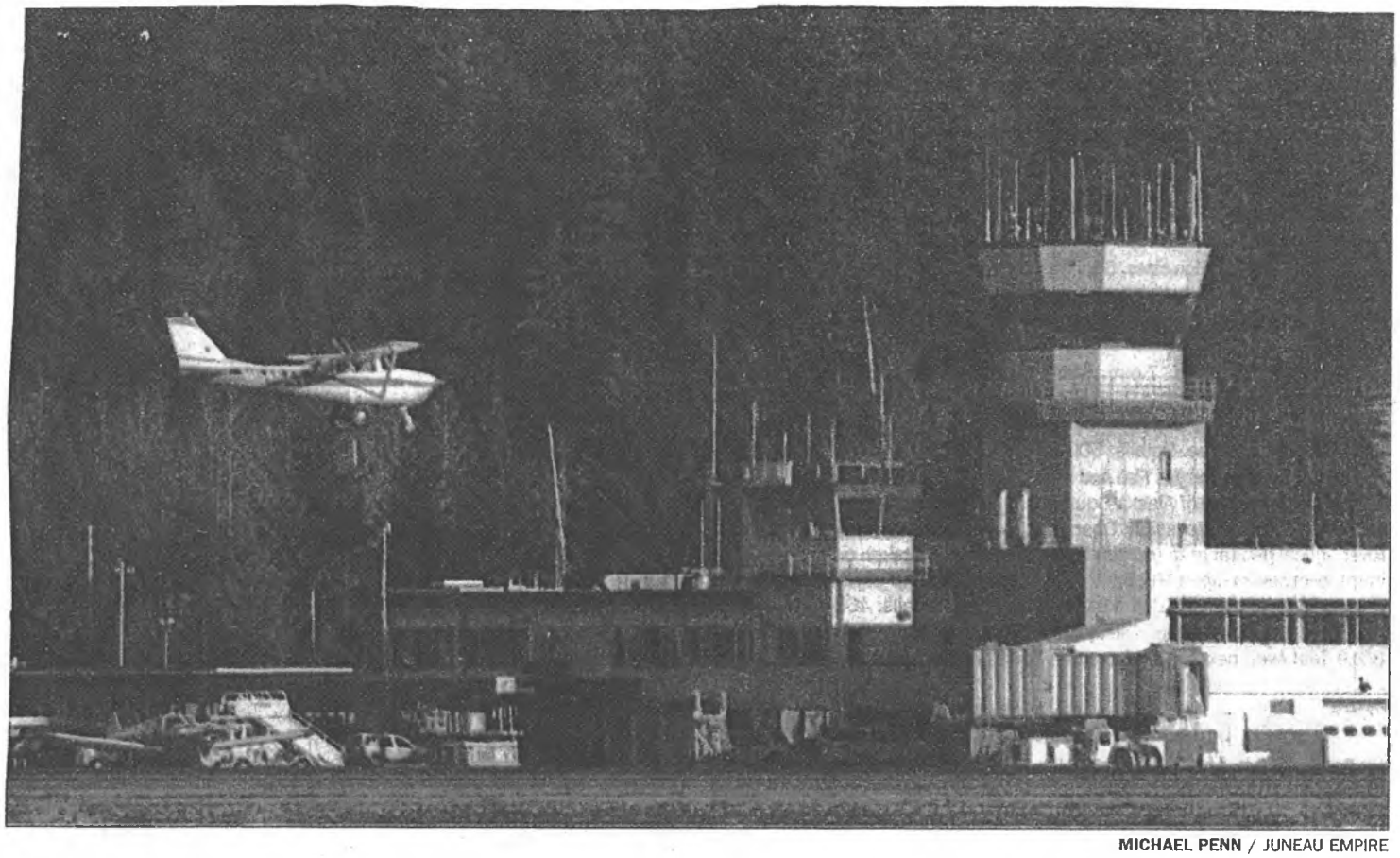
Rep. Mica, who introduced the legislation, further said the bill "saves $4 billion, requiring FAA to find significant cost savings without negatively impacting safety."

The bill calls for phasing out the Essential Air Service program, which currently costs about $170 million annually, over four years. Alaska relies heavily on the program and is home to nearly one third of the 150 communities served nationwide by it. Of the 44 villages in Alaska that the program helps, aviation is for most the only transportation in or out of the community. In 2010, Alaska received nearly $12.5 million in EAS subsidies.

Both Reuters and The Hill note that the House measure is similar to one already under consideration in the Senate. While the reports make no specific mention of whether Alaska is included in the proposed air service cuts, **word on the ground from people familiar with the newly filed legislation is that it may exempt Alaska from the affected service areas**.

Contact Jill Burke at jill(at)alaskadispatch.com

JUNEAU EMPIRE FEB. 8, 2011



MICHAEL PENN / JUNEAU EMPIRE

A small plane lands at the Juneau International Airport Monday. Sen. John McCain introduced legislation that could cut air services to rural spots.

McCain targets cash for Essential Air Service for rural communities

By JONATHAN GRASS
JUNEAU EMPIRE

Sen. John McCain, R-Ariz., addressed the Senate on Monday on a bill that would amend the Essential Air Service program, essentially cutting a large chunk in subsidies from the program. Many Alaskan air services and rural communities are taking this proposal hard, hoping it doesn't pass.

McCain is proposing a bill amendment that would eliminate the $200 million program, as he feels it's unnecessary and outlived its purpose. Yet, many rural Alaska communities feel just the opposite. They feel the daily air service is their lifeline.

The Empire contacted McCain's office on Monday, but a response was not received by press time. However, McCain spoke on the Senate floor Monday, saying he feels the program is unnecessary and promotes needless government spending at time when voters are calling for less.

The amendment to repeal $200 million in government subsidies "may not, may not be significant, $200 million in light of a $1.5 trillion deficit this year is probably not a lot of money, but a lot of Americans on Nov. 2 said they wanted us to stop spending things that are not absolutely essential. Although this program is called the Essential Air Service, in my view it's far from essential," he said.

He said the program's expendability stems from that most Americans live within 120 miles to major hub airports and so bypass EAS flights. He said the program originated because airline deregulations inspired Congress to subsidize carriers to service small communities "at a loss because otherwise no sane business would serve a market at a loss."

He said the $200 million savings may not make much of a difference in reducing the national debt, "but it might be nice to start somewhere."

However, the driving distance point of McCain's argument does not reflect the many Alaska communities that have no outgoing roads and rely on EAS for the majority their of goods and services, virtually everything from medical equipment and laboratory work to fresh seafood, not to mention visitors and tourists that represent large contributions to community economies. Alaska's lawmakers are fighting on this point.

In a release, Sen. Mark Begich stated, "This amendment is worse than political grandstanding, it's just plain reckless and seriously endangers thousands of Alaskans in dozens of communities from getting food on their tables, heating fuel for their homes and medical supplies in their clinics. Eliminating EAS means driving up the price of air transportation

Please see **RURAL**, Page A6

Rural: Sen. Begich penned letter to McCain in February

Continued from Page A1

tion which inflates the cost of milk, toilet paper, diapers and everything Sen. McCain's constituents can find in a box store or shopping mall."

In a Feb. 1 letter to McCain, Begich writes, "We are writing to express our opposition to your amendment to the FAA Reauthorization bill repealing the Essential Air Service (EAS) program. ... Eliminating the program will have a devastating impact on the economies of rural communities. At a moment when the nation's economic recovery is starting to gain momentum, it makes little sense to reduce personal and business travel volume by cutting off residents of rural areas. And at a time when jobs are already so hard to come by in our rural communities, it makes even less sense to enact cuts that will only make the problem worse."

The letter was also signed by Sens. Benjamin Nelson (D-Neb.), Robert P. Casey Jr. (D-Pa.) and Joe Manchin (D-W. Va.).

McCain quoted the letter yet did not identify the senators behind it. He responded, "I believe the real devastation to rural communities, big communities, small communities, medium-size communities, if we don't stop mortgaging our children and grandchildren's futures, if we don't stop doing things that are unnecessary. This program was put into being in 1978, was supposed to be there for 10 years, was a few million dollars, and now according to this bill it's going to be $200 million. So it's about time that we matched our redirect with our votes."

Of the total $200 million in EAS funding, $12,564,599, or about 6.3 percent of it went to Alaska last year, serving 44 communities. Alaska Air Carriers Association Executive Director Joy Journeay said federal subsidies are essential in the Alaskan market since many communities, several in the Southeast, rely on the program for almost all of their needs and some even have no their ways to get vital services. These are the communities accessible only by sea or air.

In his speech, McCain brought up this fact, quoting Severin Bornstein of the University of California as saying, "'Some communities can make a credible claim they need the services, particularly in Alaska, but I think these are a relatively small part of the program,'" he said. Bornstein is a business professor and expert on airline competition.

Several air services and communities fiercely want the EAS to remain intact, and have written in support of Begich's opposition. Some of these include Calista Corp., Ward Air, PenAir, Alaska Air Carriers Association and the Organized Village of Kake.

Kake relies on EAS contracts for everything like basic household goods, mail, medicine, utility maintenance and educational needs, said Gary Williams, executive director of the Organized Village of Kake. He said that as an island community, they rely on it for everything. Adding to the necessity of EAS, he said the ferry service can be sparse, increasing the reliance on daily air service.

"I frankly can't imagine being without that service. It would isolate and cripple us on many levels," Williams said.

Kake Mayor Henrich Kadake Sr. agrees, saying many people in rural areas like this live on fixed incomes and this is their only link to Juneau, so the loss would hurt them badly. He said many can't afford to find other ways out for family emergencies or even school functions.

"Working for a tribal government, we have a responsibility to make sure the welfare of the community is taken care of. We're watching this one. That's why we jumped on it with a quick response," Williams said of the letter to Begich.

Wrangell is another example of an isolated place that fully supports the EAS program. The borough's economic development director, Carol Rushmore, said it's critical to continue such service contracts to transport all manners of goods, services, cargo and people, as well as anything they need to export. She said the ability to fly everything in or out is a vital part of its economy.

As for the argument that EAS carriers are too expensive, Wings of Alaska Regional Manager Richard Cole said the loss of subsidies would increase service costs.

It's not only the small carriers that feel this way.

"In terms of the impact, the EAS program is critical in the state of Alaska to those smaller communities like Adak, and those in Southeast, where there is truly no alternative for getting essential supplies and connecting to the nation's transportation system. Obviously, we are not in favor of a change that would negatively impact Alaskan communities, like this would," said Marianne Lindsey, a spokeswoman for Alaska Airlines, which holds two EAS contracts.

McCain said EAS has been proposed for cuts or elimination many times over the years but has remained resilient, partly because of lawmakers for rural states and districts. He said in July 2009 the Government Accountability Office questioned whether EAS had outlived its usefulness and said growth of air services, especially low cost carriers serving most U.S. hub airports, weighed against relatively high fares and inconvenience of EAS flights that can lead people to bypass EAS and drive to hub airports anyway.

He added that many watchdog organizations like Citizens Against Government Waste and National Taxpayers Union support his amendment.

• Contact reporter Jonathan Grass at 523-2276 or jonathan.grass@juneauempire.com.

SJR

6

<TARGET><BILL>SJR 6</BILL><SUBJECT>SJR
6</SUBJECT><COMM>STRA27</COMM></TARGET>

CS/SCS for Calendar Back-up

RE: SJR 6 * Fiscal note included

To Be Published Today - 2/9/11

27-LS0498\I

CS FOR SENATE JOINT RESOLUTION NO. 6(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR OLSON

A RESOLUTION

Urging the United States Army and United States Air Force to extend the public comment period for the Joint Pacific Alaska Range Complex Modernization and Enhancement Environmental Impact Statement, which is set to end February 18, 2011, for a minimum of 30 days to allow for effective communication and full state and user involvement during the comment period.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Alaska's Military Operations Areas, including in the air and on the land and sea, are necessary to replicate realistic conditions for training and testing of combat systems; and

WHEREAS expanded weapons and sensor capabilities, extended mobility, and improved communications have driven the need for larger training areas; and

WHEREAS the federal Environmental Impact Statement for the actions and projects identified by the United States Army and the United States Air Force in a proposal known as Joint Pacific Alaska Range Complex Modernization and Enhancement was released for public comment on December 10, 2010, preceding the holiday season; and

New Text Underlined [DELETED TEXT BRACKETED]

WHEREAS the proposals involve expanding and establishing new Military Operations Areas, restricted airspace, and airspace corridors, expanding access to training areas, and developing new ranges and facilities to provide adequate resources to conduct training and testing under realistic and varied conditions; and

WHEREAS the proposed significant expansion of those Military Operations Areas will have far-reaching effects across multiple segments of the state's communities, industries, and activities, including hunting, tourism, commerce, and aviation; and

WHEREAS aviation represents approximately $3,500,000,000 in economic activity in the state and supports an estimated 47,000 jobs, constituting a significant component of the state's economy; and

WHEREAS proposals for Joint Pacific Alaska Range Complex modernization and expansion may greatly affect aviation in the state; and

WHEREAS the aerospace needs of the civil aviation community have evolved significantly since the last major expansion of Military Operations Areas in the mid-1990s, and the emergence of new technologies has changed how aviation uses airspace; and

WHEREAS a complete review of existing and proposed airspace uses is needed to consider which alternatives may best suit the overall aviation needs of all users now and in the future; and

WHEREAS it is vital to ensure that citizens are allowed access to their villages at all times and for all reasons; and

WHEREAS four villages in the state currently cannot be accessed by air during military operations; and

WHEREAS proposed military expansion into air corridors will significantly interfere with air traffic into and out of Fairbanks and will affect training operations conducted in the area by general aviation and commercial operators; and

WHEREAS all divisions and departments of state government must be given adequate time to evaluate thoroughly the effects from the proposed changes in military air space; and

WHEREAS it is paramount that, for all potential contact between civilian and military operations involving both United States and foreign military aircraft, safety prevails;

BE IT RESOLVED that the Alaska State Legislature urges the United States Army

and United States Air Force to extend the public comment period for the Joint Pacific Alaska Range Complex Modernization and Enhancement Environmental Impact Statement, which is currently scheduled to close on February 18, 2011, for a minimum of 30 days past that date to allow for effective communication and full state and user involvement during the comment period.

COPIES of this resolution shall be sent to the Honorable Robert M. Gates, United States Secretary of Defense; the Honorable John M. McHugh, United States Secretary of the Army; the Honorable Michael B. Donley, United States Secretary of the Air Force; and the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number 1
Bill Version CSSJR 6(TRA)
(S) Publish Date 2/9/2011

Identifier (file name)
Title SJR 6-MILITARY OPERATIONS AREAS EXPANSION
Sponsor Senator Olson
Requester (S) Transportation

Dept. Affected
Appropriation
Allocation
OMB Component Number

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2011) cost

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Senate Transportation Committee
Division
Approved by /s/ Senator Kookesh, Chair

Phone
Date/Time 2/8/11 12:00 AM
Date

(Revised 1/27/2011 OMB)

FISCAL NOTE #1

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. CSSJR 6(TRA)

Analysis

No Fiscal Impact

Good morning,

I just wanted to let you know we have Sen. Kookesh **making the Floor motion for the Senate to adopt the Transportation Committee Substitute for SJR 6.**

Please let me know if you need anything from our office.

Thanks

Josh Applebee, Senate Majority Staff | Senator Kevin Meyer, Majority Leader
Room 103 | State Capitol Building, Juneau, AK 99811 | ☎: 907.465-4945 | 🖷: 907.465-3476 | ✉: josh_applebee@legis.state.ak.us

Official Business

Alaska State Legislature

Twenty-Seventh Legislature - First Session

SENATE CALENDAR

Twenty-Third Legislative Day

Wednesday, February 9, 2011 - 11:00 a.m.

Chaplain: Pastor Steve Evenson, Juneau Seventh-day Adventist Church

SECOND READING OF SENATE RESOLUTIONS

SJR 6
Urging the United States Army and United States Air Force to extend the public comment period for the Joint Pacific Alaska Range Complex Modernization and Enhancement Environmental Impact Statement that ends February 18, 2011, for a minimum of 90 days to allow for effective communication and full state and user involvement during the comment period.

TRA RPT TODAY W/CS
RULES TO CALENDAR PENDING REFERRAL

Citations

Honoring - Nella and Jess Wooten, 60 Years of Adventure in Alaska
Senator(s) Dyson, Stevens, Coghill, Davis, Egan, Ellis, French, Giessel, Hoffman, Huggins, Kookesh, McGuire, Menard, Meyer, Olson, Paskvan, Stedman, Thomas, Wagoner, Wielechowski
Representative(s) Fairclough, Stolze, Saddler

Honoring - Professor Rick Steiner
Representative(s) Gardner
Senator(s) Ellis, Stevens, Coghill, Davis, Dyson, Egan, French, Giessel, Hoffman, Huggins, Kookesh, McGuire, Menard, Meyer, Olson, Paskvan, Stedman, Thomas, Wagoner, Wielechowski

Publication Notice – Citations

Honoring - Florence and Harold Esmailka, 50th Wedding Anniversary
Senator(s) Kookesh, Stevens, Coghill, Davis, Dyson, Egan, Ellis, Giessel, Hoffman, Huggins, McGuire, Menard, Meyer, Olson, Paskvan, Stedman, Thomas, Wagoner, Wielechowski
Representative(s) Dick

Honoring - University of Alaska Trio Programs
Representative(s) Guttenberg
Senator(s) Paskvan, Thomas, Stevens, Coghill, Davis, Dyson, Egan, Ellis, Giessel, Hoffman, Huggins, Kookesh, McGuire, Menard, Meyer, Olson, Stedman, Wagoner, Wielechowski

over

Commemorating - March 2011 American Red Cross Month
Representative(s) Millett
Senator(s) McGuire, Meyer, Stevens, Coghill, Davis, Dyson, Egan, Ellis, Giessel, Hoffman, Huggins, Kookesh, Menard, Olson, Paskvan, Stedman, Thomas, Wagoner, Wielechowski

Commemorating - Law Enforcement Memorial Day, May 6, 2011
Representative(s) Chenault
Senator(s) Wagoner, Stevens, Coghill, Davis, Dyson, Egan, Ellis, Giessel, Hoffman, Huggins, Kookesh, McGuire, Menard, Meyer, Olson, Paskvan, Stedman, Thomas, Wielechowski

In Memoriam - Beulah Elaine Roppel
Senator(s) Stedman, Stevens, Coghill, Davis, Dyson, Egan, Ellis, Giessel, Hoffman, Huggins, Kookesh, McGuire, Menard, Meyer, Olson, Paskvan, Thomas, Wagoner, Wielechowski
Representative(s) Johansen

In Memoriam - Maurice Tyrone Mitchell
Senator(s) Davis, Stevens, Coghill, Dyson, Egan, Ellis, Giessel, Hoffman, Huggins, Kookesh, McGuire, Menard, Meyer, Olson, Paskvan, Stedman, Thomas, Wagoner, Wielechowski

In Memoriam - John W. Billings, Sr.
Senator(s) Kookesh, Stevens, Coghill, Davis, Dyson, Egan, Ellis, Giessel, Hoffman, Huggins, McGuire, Menard, Meyer, Olson, Paskvan, Stedman, Thomas, Wagoner, Wielechowski
Representative(s) Dick

In Memoriam - Peter F. Mysing
Representative(s) Chenault, Olson
Senator(s) Wagoner, Stevens, Coghill, Davis, Dyson, Egan, Ellis, Giessel, Hoffman, Huggins, Kookesh, McGuire, Menard, Meyer, Olson, Paskvan, Stedman, Thomas, Wielechowski

In Memoriam - Andrew Lawrence Mullen
Representative(s) Fairclough
Senator(s) Meyer, Dyson, Stevens, Coghill, Davis, Egan, Ellis, Giessel, Hoffman, Huggins, Kookesh, McGuire, Menard, Olson, Paskvan, Stedman, Thomas, Wagoner, Wielechowski

In Memoriam - Sylvia Carlsson
Representative(s) Gardner
Senator(s) Ellis, Stevens, Coghill, Davis, Dyson, Egan, Giessel, Hoffman, Huggins, Kookesh, McGuire, Menard, Meyer, Olson, Paskvan, Stedman, Thomas, Wagoner, Wielechowski

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 508
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

SPONSOR STATEMENT

SENATE JOINT RESOLUTION 6

SJR 6 urges the U.S. Army and U.S. Air Force to extend the comment period on the environmental impact statement associated with the Joint Pacific Alaska Range Complex modernization and enhancement proposal.

The current comment period began at the height of the holiday season on December 10, 2010 and closes on February 18, 2011.

Alaskans rely heavily, and in many instances solely, upon the aviation industry and any significant expansion of Military Operations Areas may have a far-reaching impact across multiple segments of the state's communities, industries, and economic activities.

The aviation industry in Alaska creates approximately $3,500,000,000 in economic activity and supports an estimated 47,000 jobs.

I respectfully urge you to support this resolution and allow a significant sector of Alaska's economy to weigh in on this proposal.

Rural survey respondents emphasized the importance of air travel in rural Alaska. For many communities, especially in Alaska's West and Interior, air travel is the only means to get in and out of the communities; there are no roads or ferry service. These villages rely on air travel for emergencies, family visits, work-related travel, social and vacation trips, and transportation of supplies. Some communities do not offer medical services and residents need to travel for all medical visits. This situation is especially common in small communities and the survey data indicate that community airport respondents made more than twice as many family or personal business related and medical trips than those in larger communities.

Some rural communities in Western and Interior Alaska would be completely isolated in the winter without their rural airports. In parts of Central and Southeast Alaska, ferry or road transportation may be alternatives, but communities still rely heavily on their airports for swift and reliable travel and cargo transport.

By contrast, rural communities in the Lower 48 more often commented that their community would be less attractive for people visiting or doing business but that they could likely live without an airport.

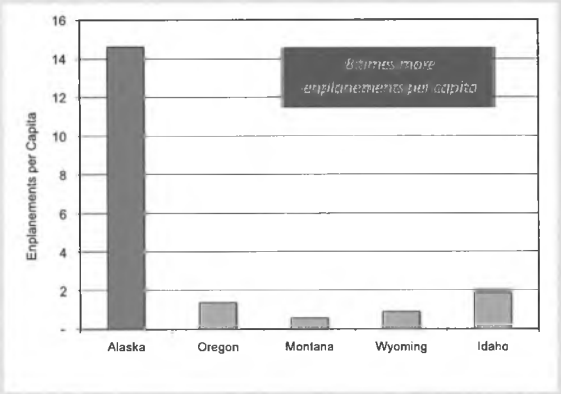


Figure 4 **Comparison of Enplanements per 1,000 Persons for Selected Community Airports, 2007**

Sources: Bureau of Transportation Statistics, 2008. U.S. Census Bureau, 2008.

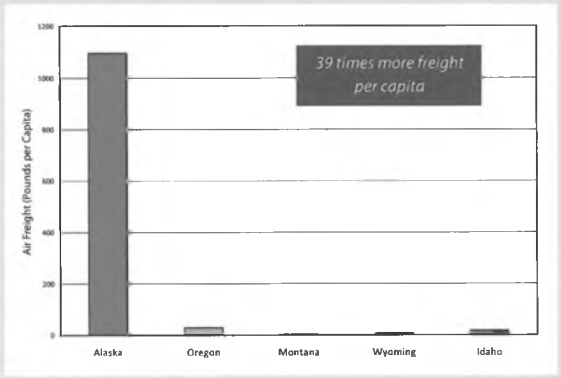


Figure 5 **Air Freight per Capita for Selected Community Airports, 2007**

Sources: Bureau of Transportation Statistics, 2008. U.S. Census Bureau, 2008.

This report was prepared by Northern Economics, Inc. For more information please call ADOT&PF Aviation Division at (907) 267-0730. www.dot.state.ak.us

The Economic Contribution of the Aviation Industry to Alaska's Economy

Alaska Aviation System Plan

Introduction

As an economic engine for the State of Alaska, Alaska's aviation industry contributes $3.5 billion dollars and over 47,000 jobs to the state's economy. Aviation is a critical component of the state's economy and the vitality of Alaska's communities. The Alaska Department of Transportation & Public Facilities (ADOT&PF), Aviation Division recently embarked on updating the Alaska Aviation System Plan. An important part of that update is determining the value and contribution of Alaska's aviation industry to the state's economy. This determination was accomplished through an extensive survey effort targeting all public airports managed by ADOT&PF, public airports managed by other entities, private airports throughout the state, leaseholders located on ADOT&PF airports, and 600 residents in rural Alaska and the Railbelt who have flown within the last 12 months. The study included interviews with airport managers, city officials and other community leaders in 18 selected communities in Alaska, and four western states to evaluate the importance of airports to remote, rural communities.

Contributions to Alaska's State Economy

Airports and aviation-related businesses create significant economic value within the State of Alaska. In fiscal year (FY) 2007, the Alaska aviation industry contributed $3.5 billion to the state economy and supported over 47,000 jobs statewide. The aviation industry contributed about 8 percent of Alaska's gross state product of $44 billion in 2007 and supported almost 10 percent of 2007 statewide annual average employment. If compared to the primary economic sectors the aviation industry would be the fifth largest employer in Alaska.

Economic Activity

The aviation industry contributes to Alaska's economy by supporting local businesses and employing citizens in year round operations. The value of the economic activity generated by the operation of the airports, the businesses, and agencies operating within the airport premises in FY2007 amounted to more than $2.1 billion.

This direct spending by airports, businesses located on the airports and their employees in turn creates additional employment and income in other sectors of the economy. The economic contribution of the aviation industry through those secondary (multiplier) expenditures is estimated to be $1.4 billion in FY2007 resulting in a total of $3.5 billion in economic activity. **(See Figure 1)**

This Alaska Aviation System Plan was conducted in accordance with FAA Advisory Circular 150/5070-7: The Airport System Planning Process. The economic analysis described in this brochure was conducted pursuant to Section 101.a(3) of that document.

Alaska Aviation System Plan

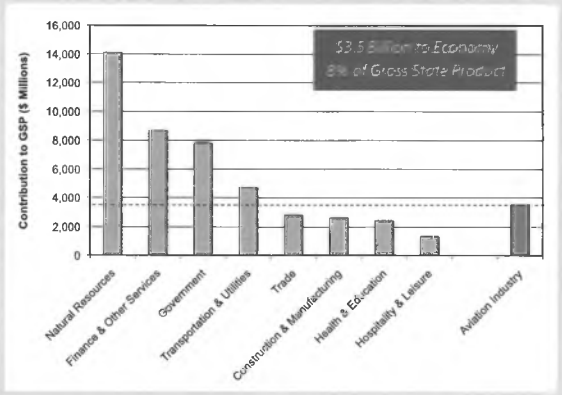


Figure 1 **The Aviation Industry's Contribution to GSP Compared to Primary Economic Sectors, 2007**

Source: Northern Economics estimates, 2008

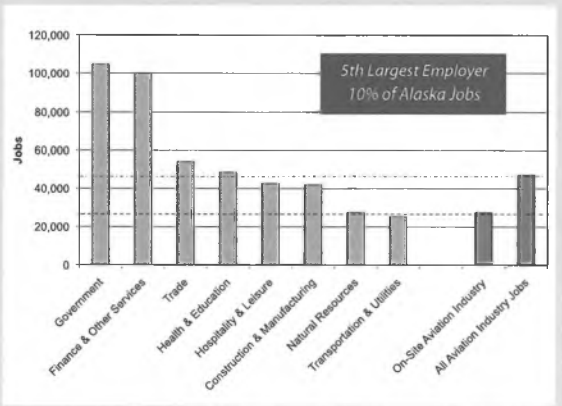


Figure 2 **The Aviation Industry's Contribution to Available Jobs Compared to Primary Economic Sectors, 2007**

Source: Northern Economics estimates, 2008

Employment

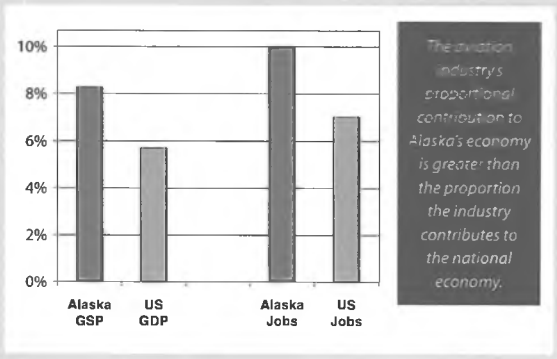
In 2007, the aviation industry provided over 47,000 on-site and off-site jobs across the state. The highest concentration of jobs are located at the international airports in Anchorage, Fairbanks, and the state's regional hubs. These jobs include more than 27,000 on-site jobs and nearly 20,000 off-site jobs created by this industry. **(See Figure 2)** The on-site jobs include more than 2,000 full-time and part-time jobs directly related to the operation and maintenance of public and private airports in Alaska as well as more than 25,000 jobs created by on-site businesses, organizations, and government agencies operating out of the airports. These businesses include commercial air carriers, fixed-base operators, fuel distributors, caterers, air taxis, charter operations, general aviation services, state agencies and other public agencies. The number of on-site jobs underscores the value of airport infrastructure in creating jobs in various businesses and communities across the state.

The nearly 20,000 off-site jobs are created when goods and services are purchased from other businesses in the state to support the operations and maintenance of airports and businesses located at airports, and when on-site employees spend their wages on goods and services within the state.

Over 47,000 jobs generated by the firms, agencies and businesses that make up the industry provided approximately 10 percent of the total jobs in Alaska's economy in 2007, including the self-employed and the military. The aggregate aviation industry was smaller than the government, finance and other services, trade, and health & education sectors, but larger than the hospitality & leisure, construction & manufacturing, natural resources, and transportation & utilities sectors.

Figure 3 shows that the aviation industry's proportional contribution to Alaska's economy is greater than the proportion the industry contributes to the national economy. In actuality, the figure underestimates the relative importance of the aviation industry to Alaska as the true difference is even greater than shown; the national data include the expenditure of visitors and this study does not include this factor in the estimates for Alaska's economy.

Figure 3 **Economy and Jobs: Importance in Alaska vs. the US**



Importance of Alaska's Airports to Alaska's Communities

Telephone surveys of 500 households were conducted in 18 selected communities throughout the state, 100 households within the Railbelt stretching from Fairbanks to the Kenai Peninsula, and also with airport managers, community officials, and other leaders in these communities to evaluate the importance of Alaska's airports to state residents.

The study compared the importance of Alaska's airports to remote airports in other rural, western states. Interviews were made with airport managers and community officials for airports in Idaho, Montana, Oregon and Wyoming, for a comparison of enplanements and freight volumes per capita for the 18 airports in Alaska and the airports in the western U.S. **Figures 4** and **5** show that enplanements and air freight loads are much higher per capita in Alaska than for airports in the western U.S. Enplanements for Alaska communities can exceed enplanements of other rural U.S. communities by eight times per person while air freight loads can be more than 39 times higher per person.

EMPLOYMENT

Jobs related to aviation:

2,000 jobs to operate airports statewide, full and part time
25,000 jobs due to on-site business, organizations and agencies
20,000 jobs created due to multiplier effect from aviation jobs
47,000 total jobs attributed to aviation in Alaska in 2007

This represents about **10% of all jobs** in Alaska

"If we didn't have the airport we wouldn't have anything. The airport is a fact of life for living out here in the villages. The airport is our roads, highway, ocean, our lifeline."

What is the Joint Pacific Alaska Range Complex (JPARC)?

At present, the JPARC consists of all land, air, and sea training areas used by the Army, Navy, and Air Force in Alaska. The military currently uses the JPARC to conduct testing, training, and to support joint exercises and mission rehearsals. The Army and Air Force, through Alaskan Command, are proposing to modernize and enhance the JPARC to enable realistic joint training for the Army, Navy, Marine Corps, and Air Force.

Pursuant to the National Environmental Policy Act (NEPA), the Army and Air Force are preparing an environmental impact statement (EIS) to analyze potential environmental consequences associated with the JPARC enhancements. The *Environmental Impact Statement for the Modernization and Enhancement of Ranges, Airspace, and Training Areas in the Joint Pacific Alaska Range Complex in Alaska (JPARC Modernization and Enhancement EIS)* will evaluate the elements of these proposals that are reasonably foreseeable.

The JPARC modernizations and enhancements would provide adequate resources to enable the Services to train realistically and jointly for military personnel to succeed in their mutually supportive combat roles when exposed to situations faced in actual combat.

The National Environmental Policy Act (NEPA)

NEPA is our national mandate for making informed decisions while considering environmental impacts. When federal agencies propose projects having the potential to significantly impact the environment, NEPA requires the following process be undertaken as part of the planning process before final decisions are made:

- Evaluation and consideration of potential environmental consequences for proposals that may significantly impact the environment
- Consideration of public and government agency comment

Where the potential for significant environmental impacts exists, this evaluation is presented in an EIS, which:

- Identifies and describes the affected environment
- Evaluates the potential environmental consequences from a range of reasonable alternatives
- Identifies environmental permits and specific mitigation measures to avoid, minimize, or reduce environmental impacts if required

Notice of Intent and Scoping

The EIS process begins with publication of a Notice of Intent (NOI), stating the intent of the Army and Air Force to prepare an EIS. The NOI is published in the *Federal Register*, and provides basic information on the proposed action in preparation for the scoping process. The NOI provides a brief description of the proposed action and possible alternatives. It also describes the proposed scoping process, including any meetings and how the public can get involved.

Scoping is an early and open process for (1) actively bringing the public into the decision-making process, (2) determining the scope of issues to be addressed, and (3) identifying the major issues related to a proposed action. Scoping begins before any significant analysis is completed. Public participation is an integral part of scoping. The purpose of soliciting public comments is to identify interested parties and relevant issues so they can be considered in the EIS. Please take this opportunity to learn about the proposal, identify community-specific issues, and make sure you are included on our mailing list.

How to Submit Public Comments

Submit comments electronically at www.jparceis.com or by mail before ***February 4, 2011*** to: ALCOM Public Affairs, 9480 Pease Avenue, Suite 120, JBER, AK 99506, Phone: (907) 552-2341; FAX: (907) 552-5411

Purpose and Need

The U.S. Department of Defense (DoD) continues to face exceptional challenges to meet increasingly urgent national security needs. The overall purpose of the proposed actions in the *JPARC Modernization and Enhancement EIS* is to enhance and modernize the capabilities of the JPARC to meet the needs of the military units within the State of Alaska more effectively. These proposed modernizations and enhancements to the JPARC are required because of:

- Significant advances in warfighting technology
- Advances in combat tactics and lessons learned from combat
- The need for realistic, yet efficient training
- Requirements for the military to train to operate jointly

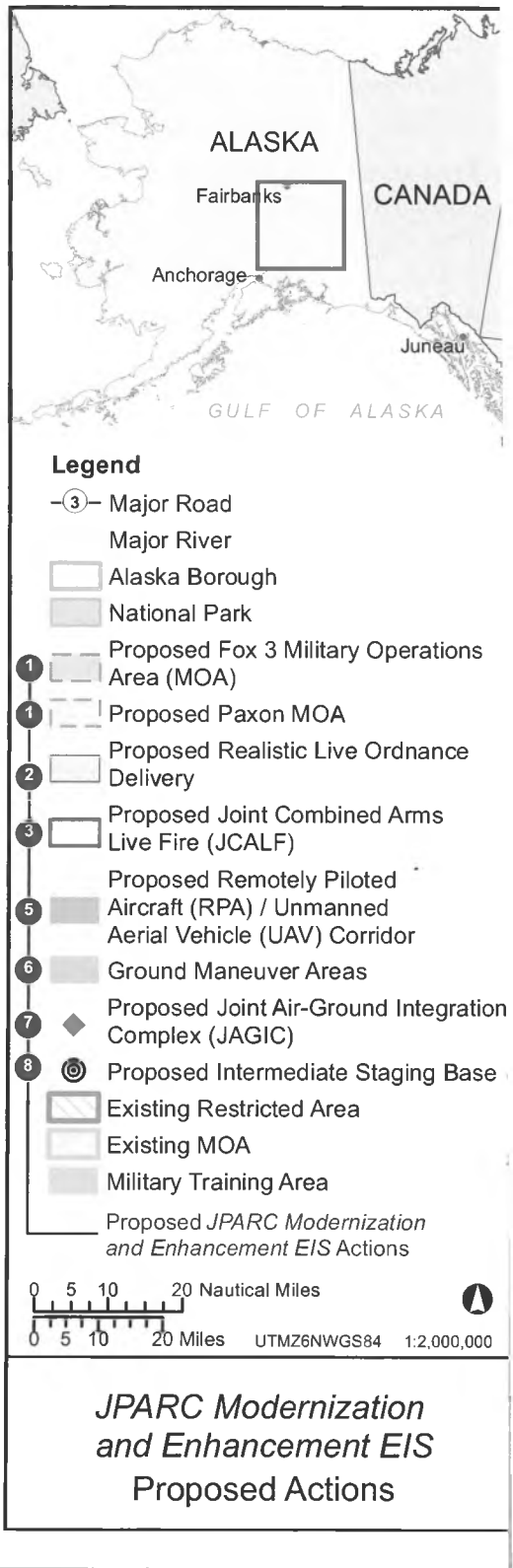
Currently, Alaska's military assets include air, land, and sea areas to replicate realistic conditions for training and testing of combat systems. However, expanded weapons and sensor capabilities, expanded mobility, and improved communications have all driven the need for larger training areas and safety zones. To address this need, the Army and Air Force undertook a rigorous screening and evaluation process to identify actions and projects in the *JPARC Modernization and Enhancement EIS* shown at right.

Generally, the proposals involve expanding and/or establishing new Military Operations Areas, restricted airspace, airspace corridors, expanding access to training areas, and developing new ranges and facilities to provide adequate resources to conduct training and testing under realistic and varied conditions.

NEPA requires the EIS to identify and evaluate alternatives for each proposed action. The EIS process is meant to evaluate the potential impacts of each proposed action on the environment and select the alternative that is reasonable and practicable as may be required.

Each of the proposed actions and alternatives in *JPARC Modernization and Enhancement EIS*, including taking no action, are described on the following pages.

Developing the JPARC would build on a firm foundation of extensive training, decades of testing, and range infrastructure already in place in Alaska. Future investments would come from the individual Services–Army, Navy, and Air Force–that would jointly benefit from these capabilities.

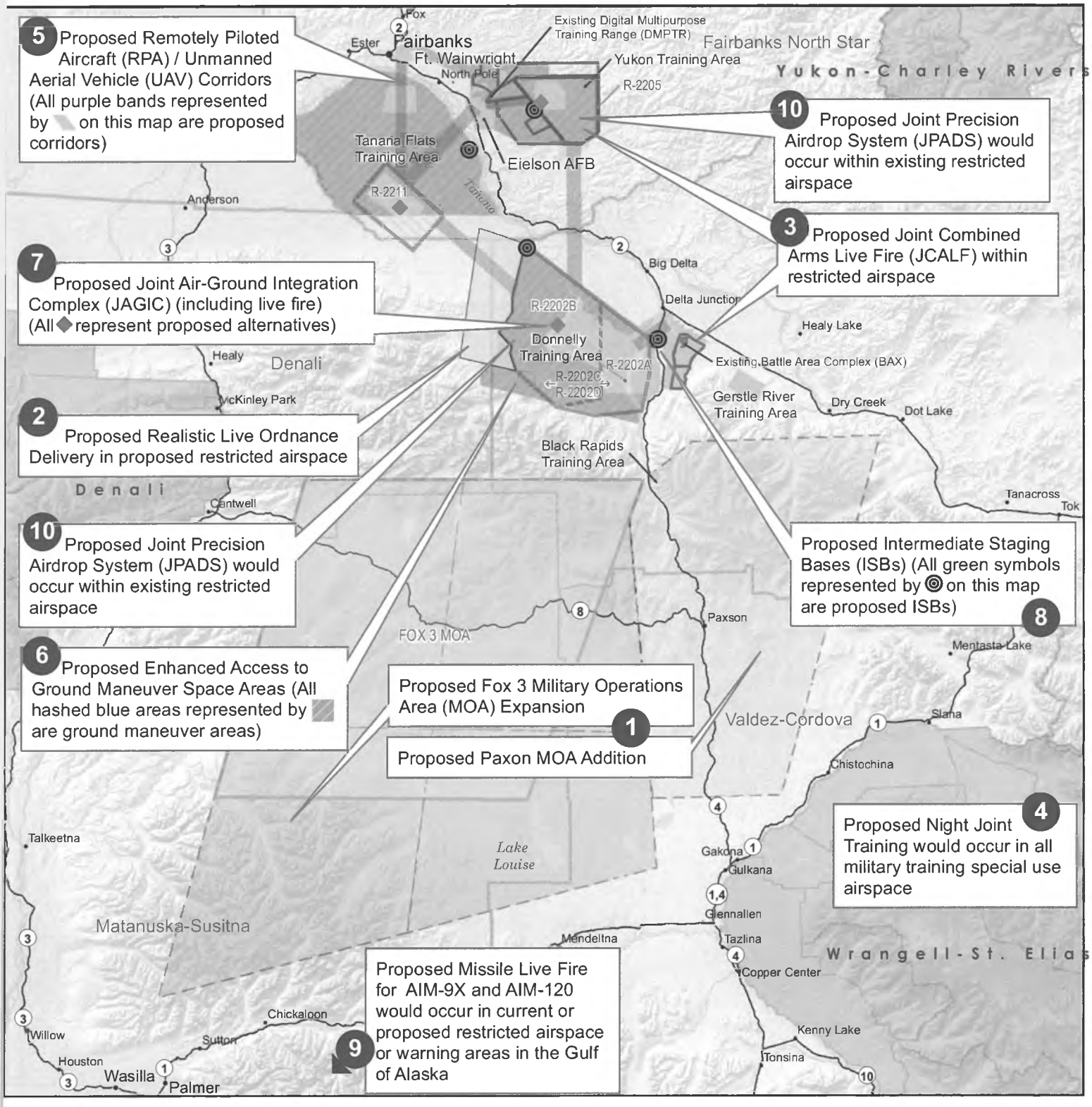


JPARC Modernization and Enhancement EIS
Proposed Actions

Environmental Resource Areas

The anticipated environmental resource areas to be studied in the draft EIS include the following:

- **Airspace Operations**
  Airspace, Noise, Air Quality, and Safety (Ground and Air)
- **Natural Resources**
  Geology, Soils, Water, and Biological Resources
- **Cultural Resources**
  Cultural, Alaska Native, and Subsistence Resources
- **Human Resources**
  Land Use, Recreation and Visual Resources, Socioeconomics, Environmental Justice, and Risks to Children
- **Community Infrastructure**
  Public Services, Hazardous Materials and Waste, and Transportation



❶ Proposed Fox 3 Military Operations Area (MOA) Expansion and New Paxon MOA

Proposed Action: The Army and Air Force propose to expand the Fox 3 MOA into new proposed Fox 3, 4, 5 and 6 MOAs and to establish a new, adjacent Paxon MOA to provide the vertical and horizontal airspace structure needed to better accommodate low-altitude threat and multiple-axis mission activities during the JPARC training exercises.

Key Components: Expand the boundaries of the existing Fox 3 MOA, currently extending from 5,000 feet above ground level (AGL) up to, but not including, flight level (FL) 180 (18,000 feet above mean sea level [MSL]), to the south and east and subdivide it into four sectors (proposed Fox 3, 4, 5, and 6 MOAs) with the newly expanded sectors extending from 500 feet AGL up to, but not including, FL180. Establish a new Paxon MOA, extending from 500 feet AGL up to, but not including, FL180, to adjoin the proposed expanded Fox 3 MOA to the east.

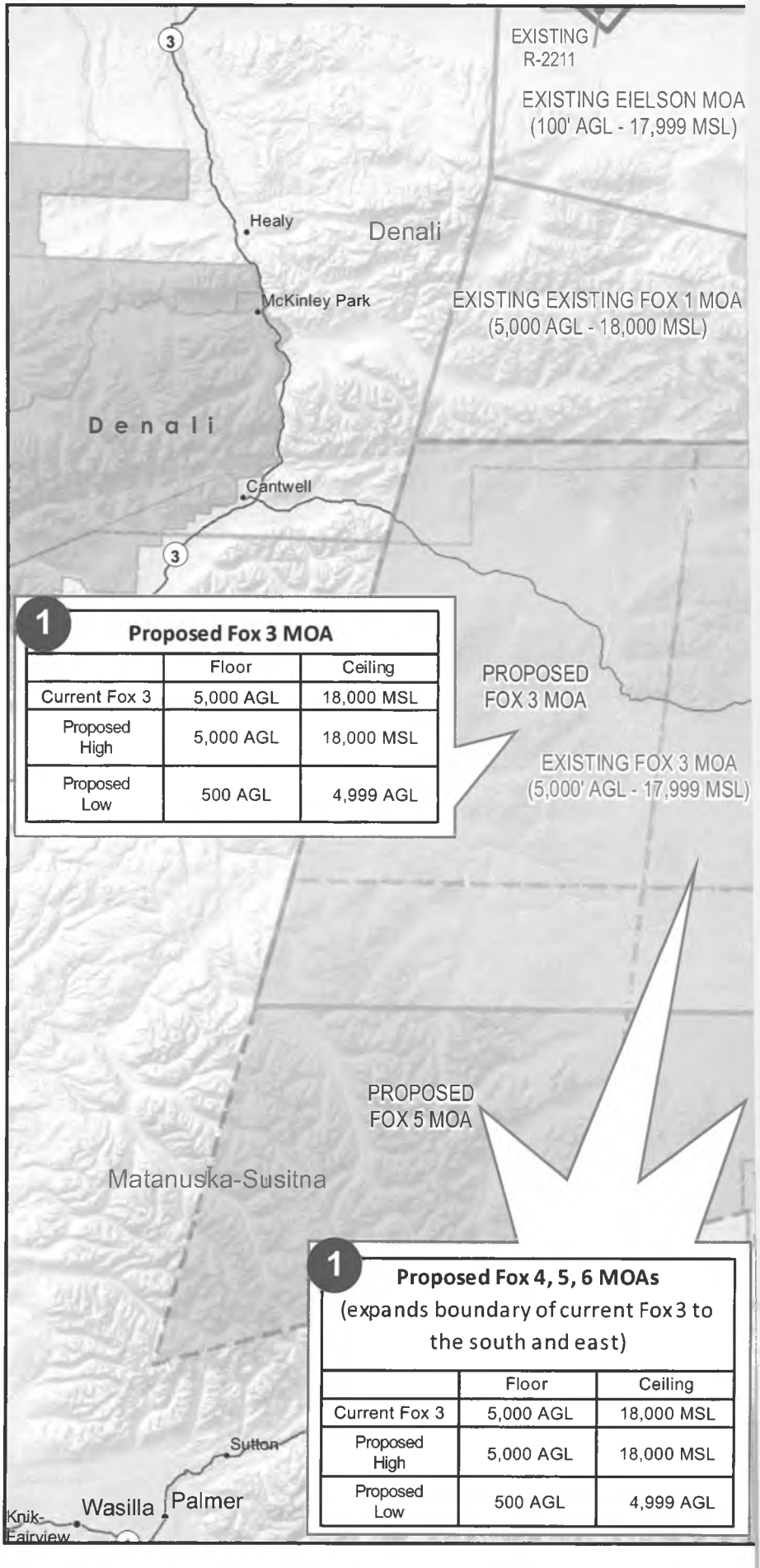
Alternative A - Includes the proposed expanded Fox 3 MOA (proposed Fox 3, 4, 5, and 6 MOAs) and the proposed new Paxon MOA with both the high- and low-altitude MOAs.

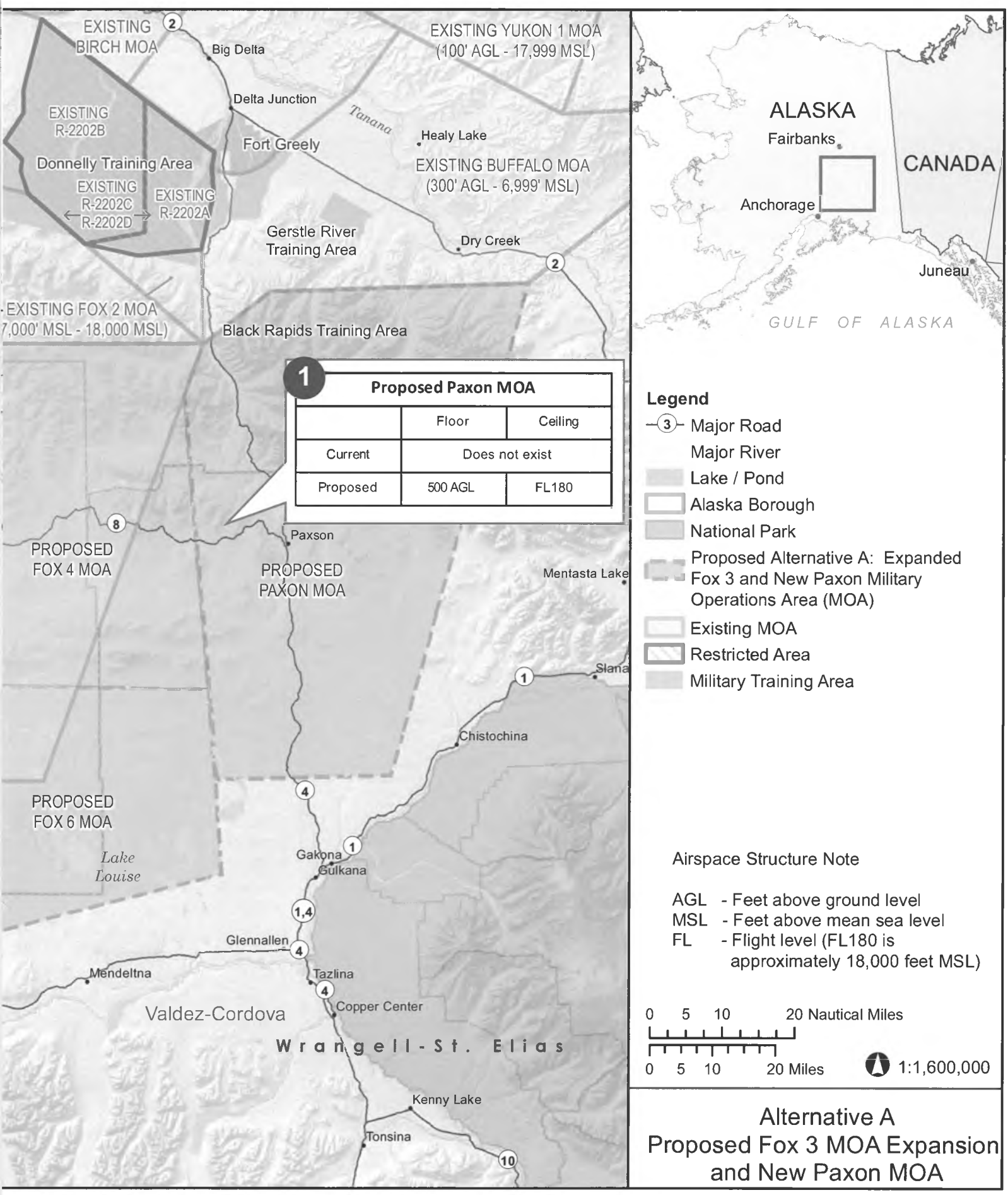
Alternative B - Includes only the Fox 3 MOA expansion (proposed Fox 3, 4, 5, and 6 MOAs, as in Alternative A) but would not include the proposed new Paxon MOA.

Alternative C - Includes the Fox 3 MOA expansion (proposed Fox 3, 4, 5, and 6 MOAs) without the low-altitude MOA.

Alternative D - Proposes keeping the Fox 3 MOA boundaries the same as they currently exist, but separating the MOA into four subdivided sectors and high- and low- altitude strata. The low-altitude MOA stratum would extend from 500 feet AGL up to, but not including, 5,000 feet AGL. The high-altitude MOA stratum would match what currently exists.

No Action - No changes to current Fox 3 MOA and no proposed addition of Paxon MOA. This would not satisfy the requirement for multiple-axis, low-altitude threat training that is needed to effectively train with fifth-generation fighter aircraft. This alternative would continue to require distant travel, which would negate opportunities for potential energy savings.

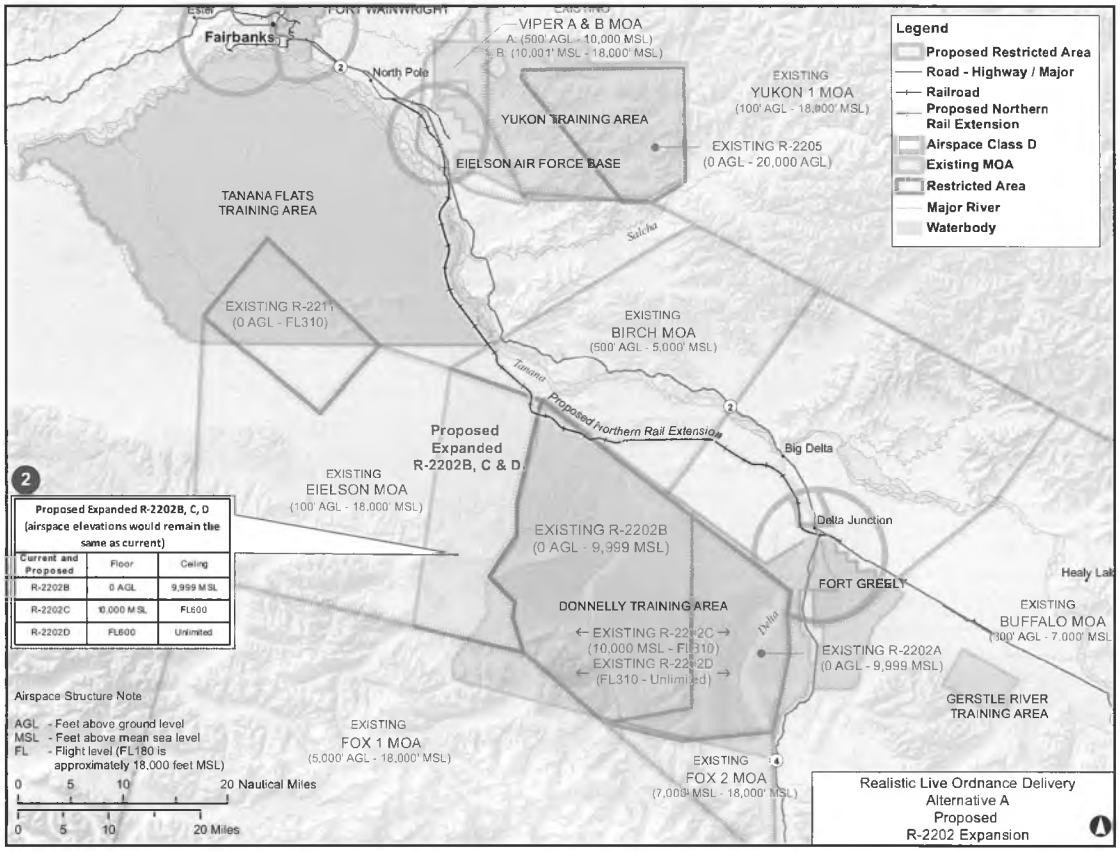




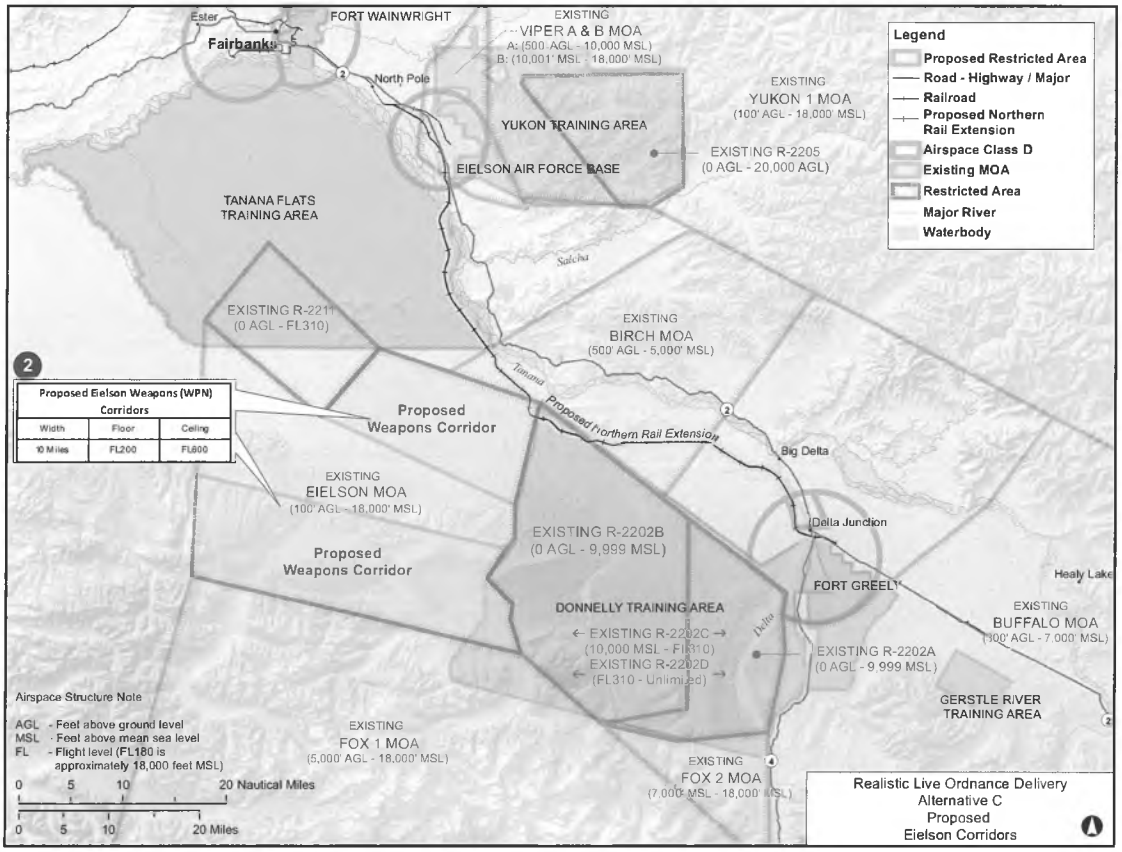
Alternative A
Proposed Fox 3 MOA Expansion and New Paxon MOA

❷ Proposed Realistic Live Ordnance Delivery

Proposed Action: The proposed action is to establish a realistic air and ground training environment that would accommodate live ordnance delivery of modern weapons.

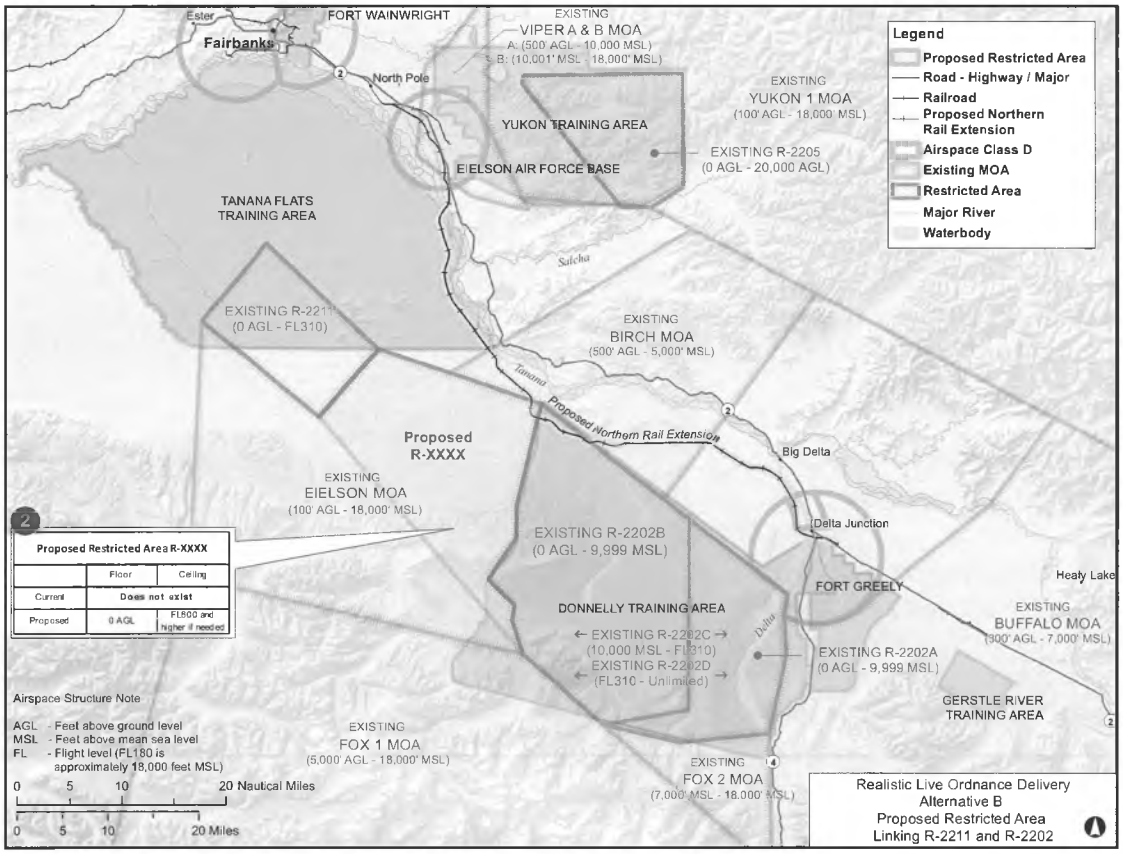


Alternative A
Proposed R-2202 Expansion -
Proposes the use of existing targets in the Oklahoma Impact Area within Restricted Area 2202 (R-2202) with the expansion of this restricted airspace to the west to encompass the airspace and underlying lands for larger types of ordnance.

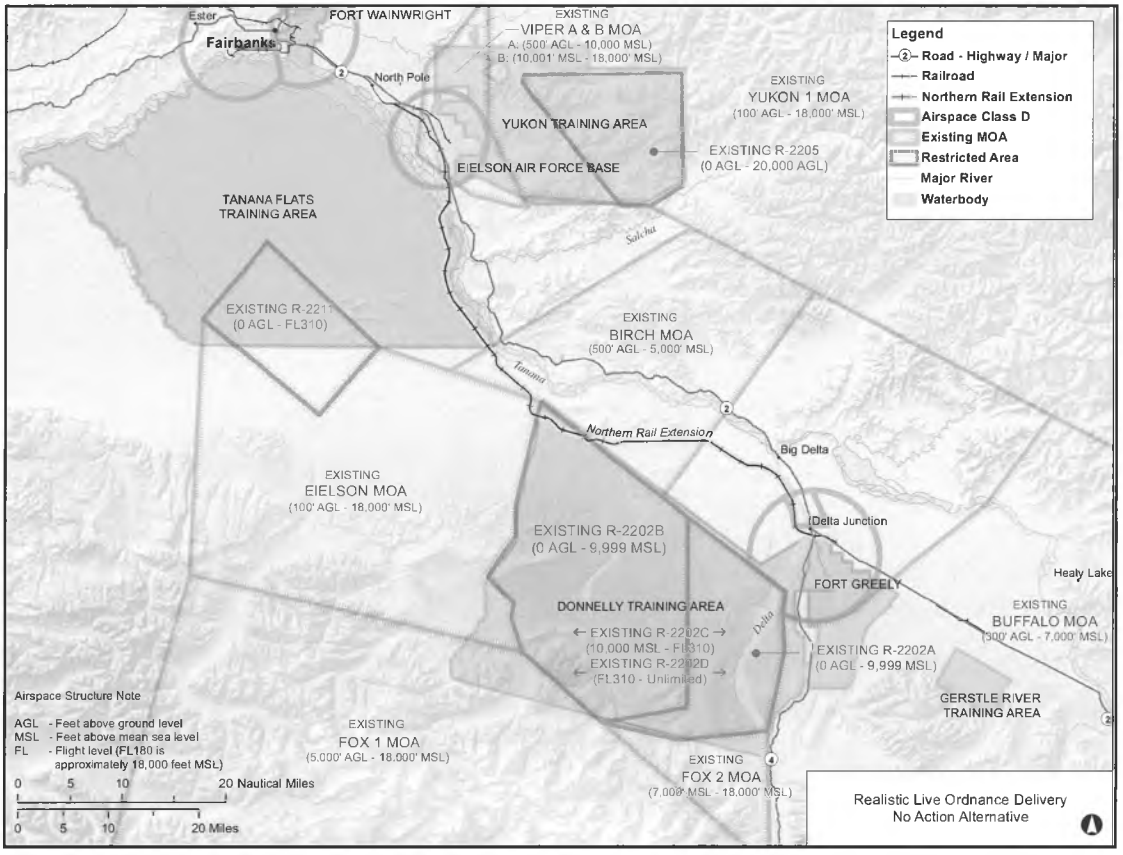


Alternative C
Proposed Eielson Weapons Corridor -
Proposes weapons corridors through the Eielson Military Operations Area and overlying air traffic control assigned airspace. The corridors would provide two protective pathways for live ordnance use within the Oklahoma Impact Area. These corridors would be approximately 10 miles in width and extend from FL200 to FL600, as needed, to accommodate the delivery altitudes of the ordnance types being delivered.

Key Components: As the range and lethality of modern weapons increases so do the amounts of training and airspace areas required to safely and effectively train with these weapons. The current ranges and restricted airspace of the JPARC are not capable of supporting realistic training with modern weapons. Under the proposed actions, live ordnance activities would be executed as part of both individual pilot training and joint training with other air and ground units.



Alternative B Proposed Restricted Area Linking R-2211 and R-2202 -
Proposes that live fire ordnance delivery be made from new restricted airspace that links R-2211 and R-2202 to existing ground targets within the Oklahoma and Blair Lakes Impact Areas. The proposed ceiling altitude for the new restricted airspace would be up to FL600, as needed, to support larger types of ordnance.



No Action -
No expansion of the footprint, associated weapon danger zone, and hazard areas for ordnance delivery or the use of ordnance requiring an expanded footprint.

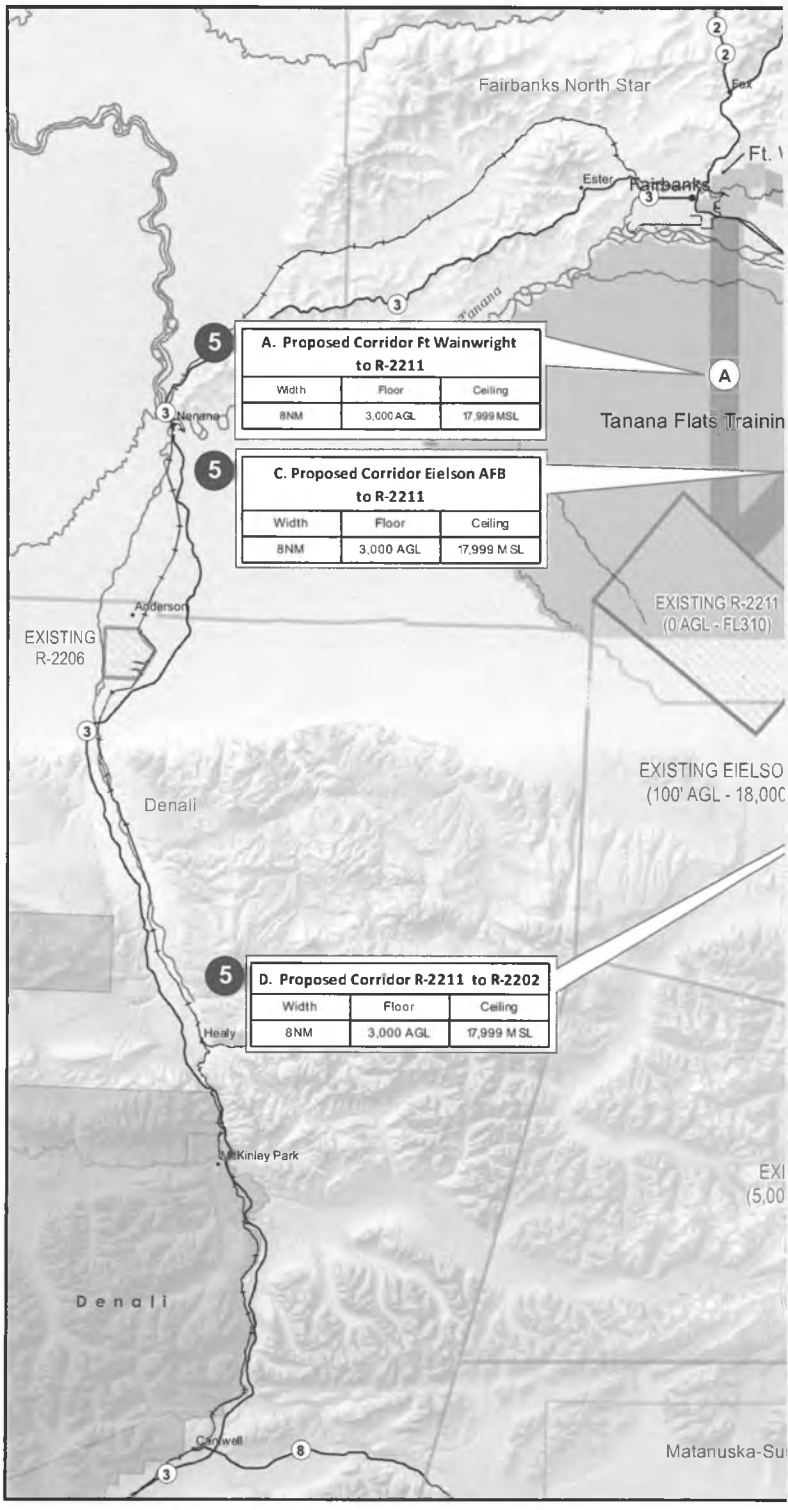
❸ Proposed Joint Combined Arms Live Fire (JCALF):

Proposed Action: The Army and Air Force propose to establish a new restricted area over the Battle Area Complex (BAX near North Pole to support controlled live fire training. This restricted area would provide protective areas for the hazardou

Key Components: JCALF is a critical component of Army and Air Force training because this exercise activity involves m reconnaissance helicopters and ground forces practice maneuvering together against the same objectives with A-10 aircra

Action Alternative - Establishes new restricted area directly over the BAX in the DTA and expands the restricted area located within YTA to support controlled firing areas. The proposed restricted areas within DTA and YTA would provide protective areas to accommodate hazardous activities and weapons surface danger zones of sufficient size for the types of ordnance used.

No Action - No establishment or expansion of restricted areas to support the creation and operation of JCALF, thus denying realistic joint training.



❺ Proposed Remotely Piloted Aircraft (RPA)/ Unmanned Aerial Vehicle (UAV) Access:

Proposed Action: RPAs/UAVs conduct reconnaissance and surveillance activities. RPA/UAV access throughout the JPARC ranges, training land, and airspace is critical to enhance the JPARC training and exercises. The following RPA/UAV corridors have been developed as individual, standalone proposed actions and alternatives: Eielson Air Force Base (AFB) to Restricted Area 2211 (R-2211); Eielson AFB Class D airspace to R-2205; Allen Field to R-2202; R-2202 to R-2211; R-2205 to R-2202; Fort Wainwright to R-2211; and Fort Wainwright to R-2205.

Key Components: Establish new restricted area or other suitable airspace, or establish an area authorized by a Certificate of Authorization (COA), to support RPA/ UAV movement. New airspace or COAs would have to be approved by the Federal Aviation Administration. RPA/UAV activity would be intermittent, activating airspace areas or COAs only during training or exercises when RPAs/UAVs are required. Each corridor would be between 5 and 8 nautical miles in width and of varying altitudes. Primary considerations include: the corridors must be in controlled airspace, the expected impact on civil air traffic must be minimal, and the corridors must be within radio and radar coverage.

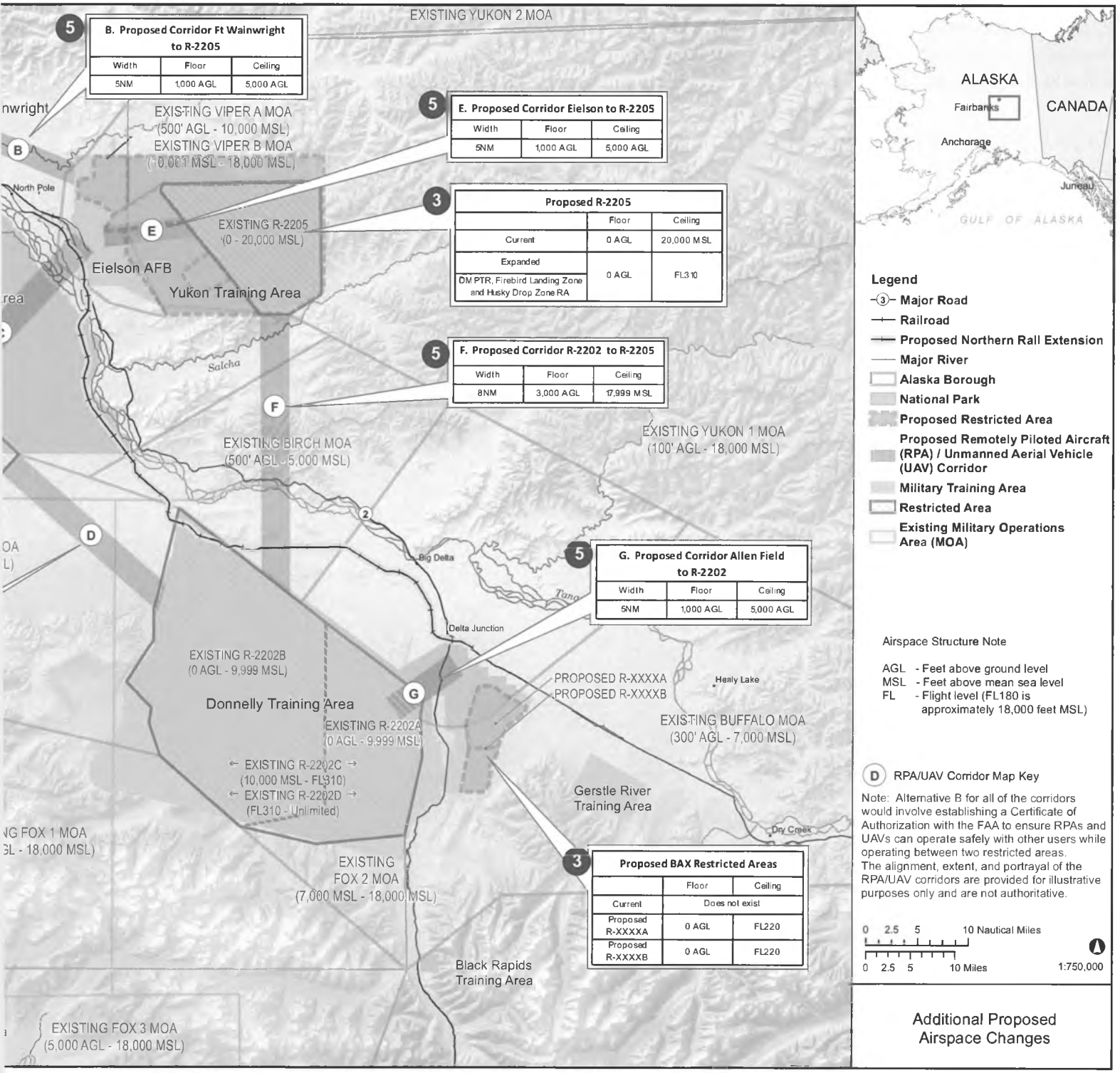
Alternative A - Proposes establishing new restricted areas for each RPA/UAV corridor identified above and by Ⓐ through Ⓖ in the map.

Alternative B - Proposes establishing a COA for each RPA/UAV corridor identified above and by Ⓐ through Ⓖ in the map

No Action - Would not provide the means of operating RPAs/UAVs between Eielson AFB, Allen Field, restricted areas, and integrated with overall JPARC and exercises.

n Donnelly Training Area (DTA) near Delta Junction and to expand the restricted area in the Yukon Training Area (YTA) activities and weapons surface danger zones of sufficient size for the types of ordnance used.

iple combat functions operating together to accomplish the same mission objectives. For example, armed support.



ort Wainwright, thus preventing use of this airspace to conduct RPA/UAV training activities as a critical requirement to be

❻ Proposed Enhanced Access to Ground Maneuver Space:

Proposed Action: Provide expanded access to maneuver ground space and year-round accessibility in the Army's Tanana Flats (TFTA), Donnelly (DTA), and Yukon (YTA) Training Areas and assess specific alternatives for the proposed Blair Lakes Road Alignment to provide year-round access into TFTA. These alternatives have been developed as alignments extending from the proposed Salcha Bridge crossing to the Blair Lakes Impact Area.

No Action - Would not allow for the expansion and operation of year-round access to maneuver space in TFTA, DTA, or YTA, preventing the Army from conducting brigade-sized, non-live-fire maneuver exercises and meeting currently required training components.

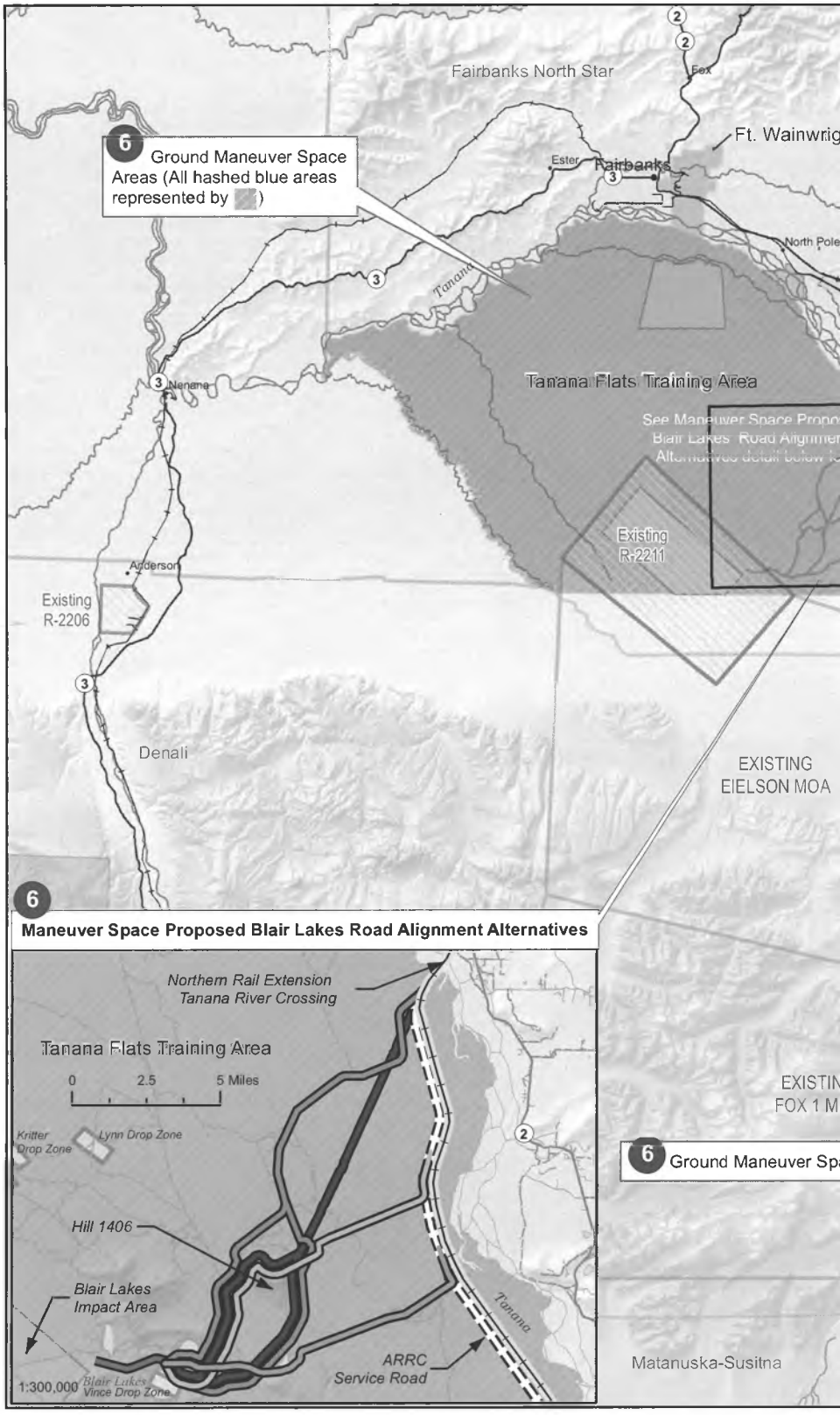
Blair Lakes Road Alignment Alternatives:

TFTA Access Road Alternative A: Follows the proposed railroad alignment 11 miles, and then crosses the Tanana Flats along an existing winter-access trail to higher ground around Blair Lakes.

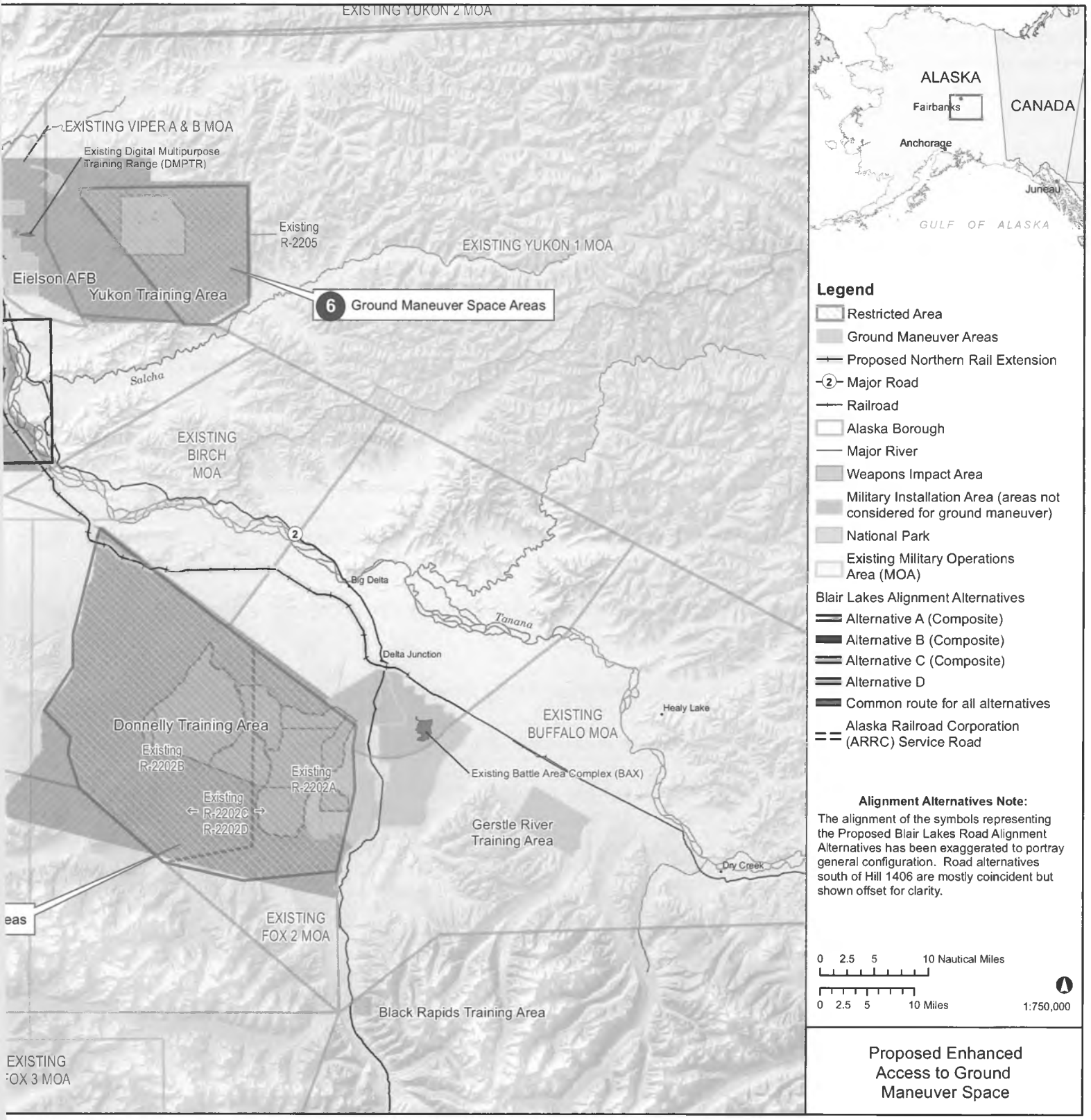
TFTA Access Road Alternative B: Follows the proposed railroad alignment 8 miles before crossing the Tanana Flats toward Hill 1406. The route traverses the eastern slopes of Hill 1406, then a broad terrace southeast toward Blair Lakes, crossing Dry Creek near Blair Lakes.

TFTA Access Road Alternative C: Follows existing trail systems southwest across the Tanana Flats toward Hill 1406, avoiding open areas as much as possible. From Hill 1406, two possible routes to Blair Lakes are being considered: the first traverses the eastern slopes of Hill 1406 and then a broad terrace southeast toward Blair Lakes, crossing Dry Creek near Blair Lakes; the second route remains on the flats north of Hill 1406, crossing Dry Creek where the creek enters the flats, then running up the Dry Creek Valley to the higher ground around Blair Lakes.

TFTA Access Road Alternative D: Similar to Alternative C, except it takes a more direct route from the Tanana River toward Hill 1406. From Hill 1406, two routes to Blair Lakes are being considered: the first traverses the eastern slopes of Hill 1406, then a broad terrace southeast toward Blair Lakes, crossing Dry Creek near Blair Lakes; the second route remains on the flats north of Hill 1406, crossing Dry Creek, and then running up the Dry Creek Valley to higher ground around Blair Lakes.



Key Components: The expanded access to maneuver space would support year-round training, internal circulation routes, and integration of proposed Intermediate Staging Bases. The training frequency at this time is planned to support six combat maneuver battalions and their supporting elements training in these areas for a 10- to 14-day event at least once a year per battalion. The desired road surface would be a 35-foot-wide aggregate surface to allow two Stryker vehicles access and circulation.



❼ Proposed Joint Air–Ground Integration Complex (JAGIC):

Proposed Action: The JAGIC is a proposed JPARC capability for joint and combined live-fire training. The JAGIC would allow Army combined arms capabilities to jointly operate with the Air Force, Navy, and Marine air-to-air and air-to-ground capabilities, along with Special Operations Forces. The primary focus of the range complex is to train aviation units and crews on the skills necessary to detect, identify, and effectively engage stationary and moving infantry and/or armor targets in a tactical array.

Key Components: The JAGIC is a digitally integrated combat training area with a total footprint of approximately 12 by 18 km. The JAGIC would consist of target arrays with service roads, range support buildings, parking area, range tower, convoy live-fire route, urban centers, and an area for rocket training. Most of the target arrays, the convoy live-fire route, and the urban facilities would be concentrated in a 9- by 12-km area within the range. The JAGIC would be strategically placed to provide adequate airspace and controlled-access land for the safety buffers needed to train with a full range of munitions that may be used in combat.

❽ Proposed Intermediate Staging Bases (ISBs):

Proposed Action: The Army proposes to locate and construct a 1,000-Soldier ISB near the existing Battle Area Complex (BAX) in Donnelly Training Area-East (DTA-East), along with three 200- to 500-Soldier ISBs at YTA, Donnelly Training Area-West (DTA-West), and Salcha to reduce travel time, increase safety, and increase available training time.

Key Components: The ISBs would include permanent barracks, large parking areas, dining facilities, ammunition storage points, petroleum-oil lubricant areas, maintenance facilities, and possibly airfields to house, maintain, and stage Soldiers before insertion into surrounding combat training areas. They would also provide maintenance and logistics support away from main cantonment areas.

Alternative A - Proposes to provide a permanent 1,000-Soldier ISB near the existing BAX, along with three permanent 200- to 500-Soldier ISBs at YTA, DTA-West, and Salcha. The facility would be for joint use, not Army use only. These are proposed at key points along the planned rail corridor close to the planned bridge crossings.

Alternative B - Proposes to use existing temporary "relocatable" ISB facilities over the next 7 years, and then replace them with permanent facilities.

No Action - Would continue the use of existing "relocatable" ISB facilities that do not reflect real-world, deployed ISB scenarios.

❿ Proposed Joint Precision Airdrop System (JPADS) Drop Zones:

Proposed Action: The Air Force and Army propose to establish JPADS drop zones as part of JPARC training exercises.

Key Components: JPADS is a GPS [global positioning system]-guided precision airdrop system designed to deliver supplies and equipment to ground forces. JPADS is not currently used within the JPARC. Alaska-based aircrews with the requirement to train on JPADS must currently travel to Yuma Proving Grounds to conduct this training. Current or proposed restricted area is proposed to support JPADS drop zone training with a system of GPS receivers and steerable parachutes to support aerial resupply training under realistic and varied conditions.

Alternative A - Proposes conducting reduced operations in R-2205 in the YTA.

Alternative B - Proposes conducting reduced operations in R-2202 outside of the Oklahoma Impact Area and other known dudded impact areas. (The key distinction between Alternatives A and B is that R-2205 currently has more time available to accommodate JPADS drop zone training exercises).

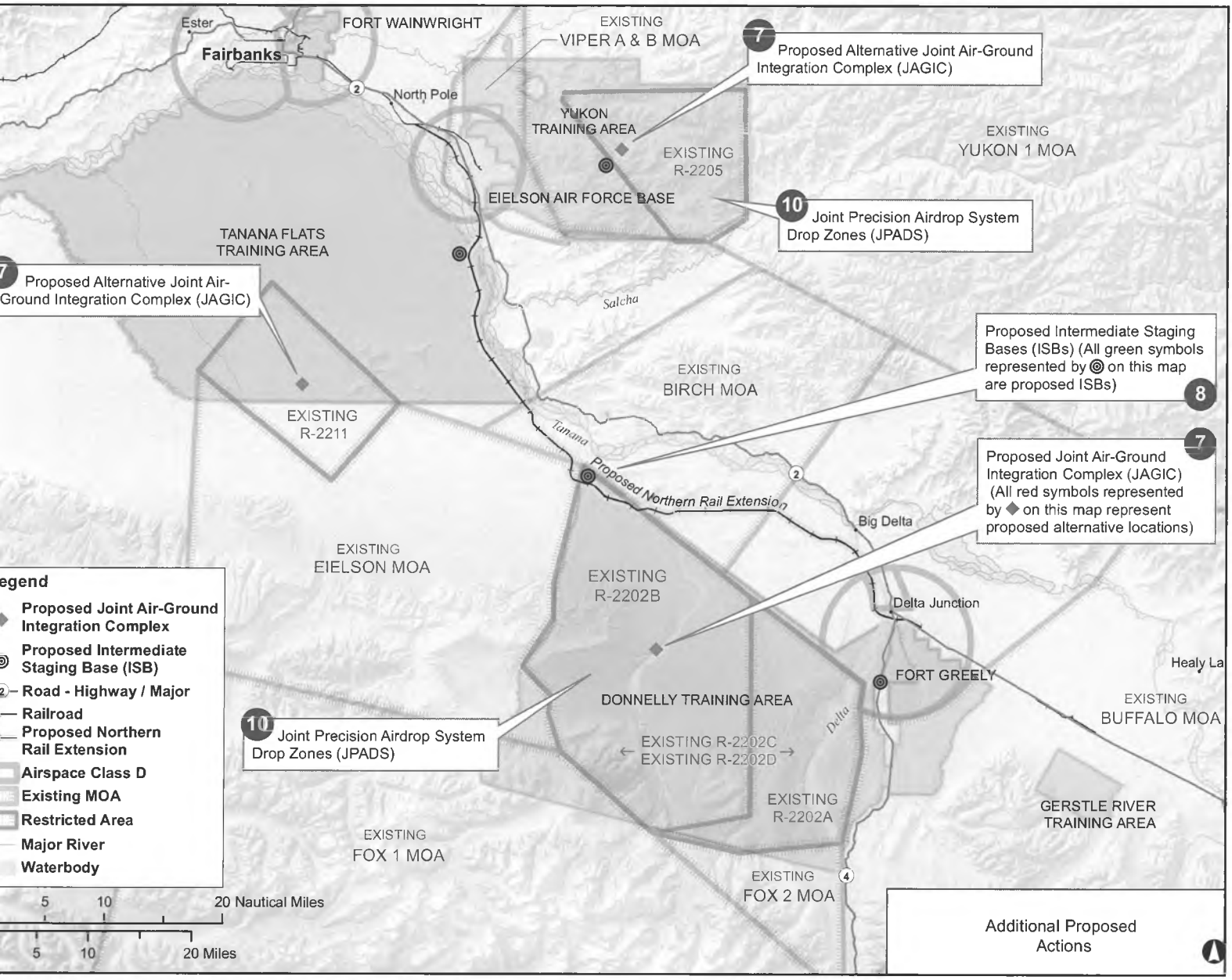
No Action - Would not provide for JPADS training exercises, an important part of realistic joint training.

Alternative A - Proposes to locate the JAGIC in the central area of Donnelly Training Area-West (DTA-West), proximate to the western boundary of the Oklahoma Impact Area.

Alternative B - Proposes to locate the JAGIC in the Stuart Creek Impact Area within Yukon Training Area (YTA).

Alternative C - Proposes to locate the JAGIC in the Blair Lakes Impact Area near the southern boundary of the Tanana Flats Training Area under the existing Restricted Area 2211 (R-2211).

No Action - Would not provide for the creation and operation of the JAGIC, denying realistic joint training.



❹ Proposed Night Joint Training:

Proposed Action: Proposes the extension of night, joint, flight training operating hours to allow after-dark events during major exercises.

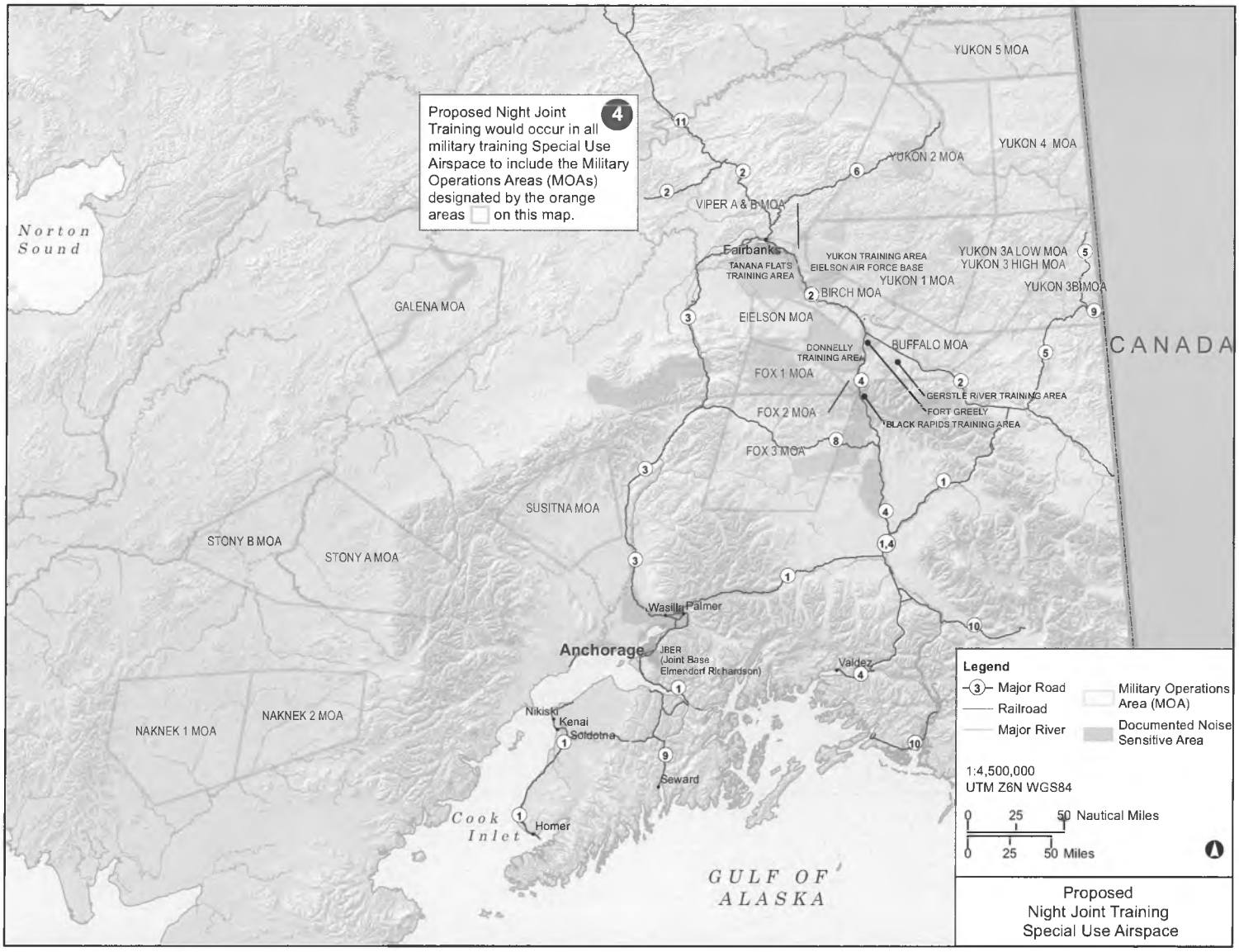
Key Components: Key considerations for night joint training include: (1) that impacts on noise sensitive areas be minimized and (2) that existing MOAs be available for night training. Coordinated Universal Time would be considered, which would provide the time-use stability by remaining on the sun clock, as daylight savings time could be changed again.

Alternative A - Proposes to extend the special use airspace hours to 11:00 p.m. with landing by midnight, local time, to accommodate night training for major flying exercises during March and October. The hours are currently set to cease training activities by 10:00 p.m., with landing by 11:00 p.m., local time. The number of nighttime sorties is expected to remain the same, but the sorties would be divided between the months of March and October.

Alternative B - Proposes to extend the JPARC operating hours to allow tactical flight operations until midnight and landing by 1:00 a.m., local time, during March and October. This would allow night training during these months from a minimum of 1.5 hours to a maximum of 2.5 hours for each exercise.

Alternative C - Proposes the maximum extension of JPARC operating hours to allow tactical flight operations until midnight and landing by 1:00 a.m., local time, during all months of the year and for all training purposes, not just for major flying exercises, as is the current situation.

No Action - Existing flight training would continue to allow a maximum of two night training exercises during October. It would not compensate for the extended length of daylight saving time into March and November, which impedes training during these months.



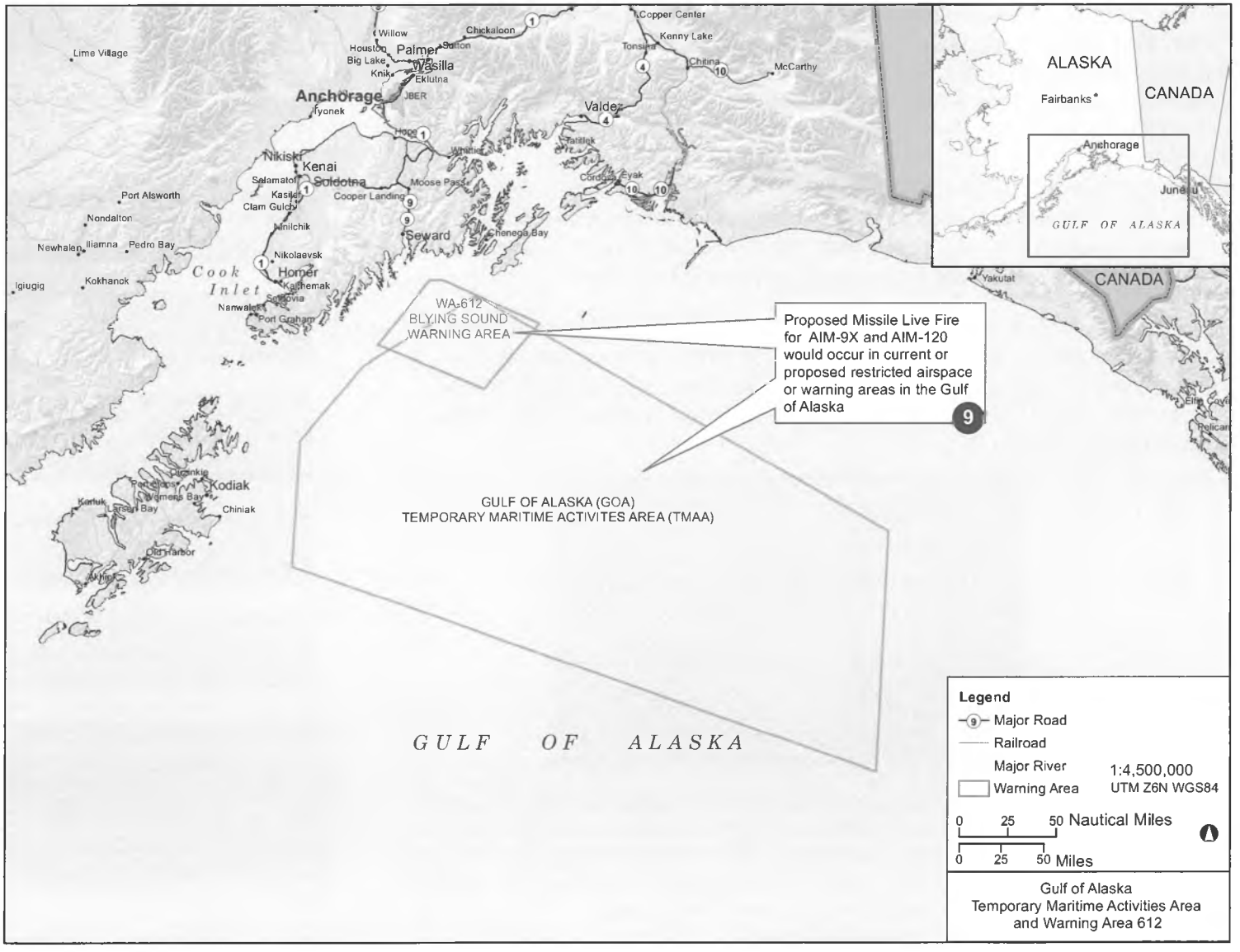
⑨ Proposed Missile Live Fire for AIM-9X and AIM-120 in the Gulf of Alaska:

Proposed Action: The Army and Air Force propose to consider the existing Temporary Maritime Activities Area (TMAA) and Warning Area 612 (WA-612) in the Gulf of Alaska (GOA) for the live ordnance delivery of the AIM-9X and AIM-120 missiles by Air Force fighter aircraft.

Key Components: The AIM-9X and AIM-120 missile systems are the main air-to-air armaments for the F-22 Raptor and F-15 Eagle. For effective training to be conducted with these systems, live training shots need to be executed as part of both individual pilot training and joint training exercises with other air and ground units. Live ordnance delivery requires use of either restricted area with range target areas or a warning area of sufficient size to contain the explosive hazard areas associated with these missile systems. Instrumentation would be needed to control drones, radar, radio relays, and weapon telemetry and termination equipment in support of this training activity.

Action Alternative - Proposes that the existing TMAA (300 nautical miles [NM] long by 150 NM wide; 0 feet above ground level [AGL] to flight level (FL) 600; includes subsurface areas) and WA-612 (0 feet AGL to FL290) in the GOA be considered for the missile live fire delivery of the AIM-9X and AIM-120 missiles by Air Force F-22 fighter aircraft for two exercises annually. The Air Force estimates that approximately 100 annual live-fire sorties would be conducted by the Air Force to meet training requirements.

No Action - Would not provide for training with the AIM-9X and AIM-120 missiles in the GOA within the JPARC.



Why Alaska?

Because of its strategic location and vast size, Alaska is vital to maintaining peace and stability for the United States and the Pacific region. Alaska provides:

- The largest available land, air and sea training area in the world.
- Established joint and combined training venues and exercises.
- Existing Army and Air Force base infrastructure (Fairbanks, Delta Junction, Anchorage).
- Training on "U.S. soil."
- Large expanses of contiguous airspace.
- All weather training.

How Will This Benefit Alaskans?

Economic Benefits –

Through the modernization of JPARC, the military would potentially increase infrastructure, bringing new contracts and jobs to Alaskans. As Alaska becomes more prominent in the global training environment, additional infrastructure would follow to support training activities. The Department of Defense spends about $3.2 billion a year in Alaska and the military industrial complex constitutes about 7.8% of total state employment opportunities.

Stewardship of the Air, Land and Water –

Alaskan Command and all the Armed Forces are committed and bound to Alaska communities and the American people to be good stewards of the air, land, and water. Command leadership recognizes many Alaskans and non-residents use the airspace for transportation, emergency response, and recreational activities. The Army and Air Force would continue to work cooperatively with the FAA to determine the best allocation of training airspace to minimally impact public use. The Services will fully consider subsistence and recreational activities, along with community needs. The Army and Air Force will strive to maintain and enhance public use. In water and marine environments, the Services will continue to implement protective measures in their standard operations to protect marine mammals and federally listed species during training activities.

To foster cooperation, Alaskan Command and the Services will continue to engage with communities and stakeholders to gather their comments and perspectives and address issues and concerns. Particular attention will be given to the impacts on wildlife, waterways, fisheries, and the Alaska Native subsistence lifestyle.

Alaska provides a unique backdrop with an uncluttered electromagnetic environment, minimal encroachment, and a strategic location within the United States. The expanse and availability of military ranges, training land, and airspace would allow Service members to train jointly from individual skills up to complex, interrelated tasks.

The EIS Timeline

Opportunities for Public Involvement

Publication of *Draft Gulf of Alaska Navy Training Activities EIS/Overseas EIS*
December 2009

↓

JPARC 20-year Vision Developed
Fall 2009 - Spring 2010

↓

Notice of Intent to Prepare *JPARC Modernization and Enhancement EIS*
Published in *Federal Register*
December 10, 2010

↓

2-Month
JPARC Scoping Period
December 10, 2010 - February 4, 2011

↓

Preparation of *Draft JPARC Modernization and Enhancement EIS*
2010 - 2011/2012

↓

45-day
***JPARC Modernization and Enhancement EIS* Public Comment Period**
2011/2012

↓

Preparation of *Final JPARC Modernization and Enhancement EIS*
2012 - 2013

↓

Notice of Availability of *Final JPARC Modernization and Enhancement EIS*
2013

↓

30-day
***JPARC Modernization and Enhancement EIS* Waiting Period**
2013

↓

Record of Decision
2013

↓

Formal Airspace Request Made to FAA
2014

For more information contact:

ALCOM Public Affairs
9480 Pease Avenue, Suite 120
JBER, AK 99506
Phone: 907-552-2341; Fax: 907-552-5411

Alaska Airmen's Association
4200 Floatplane Drive
Anchorage, AK 99502

2-11-11

Dear Sir,

RE: JPARC

As you are surely already aware, the US Air Force is proposing to grab significantly more air space in the Denali Hwy. - Paxson - Glenn Hwy. area: (Joint Pacific Alaska Range Complex - www.JPARCEIS.com/JPARC.ASPX).

This additional air space, plus changes to existing Military Operations Areas will be detrimental, disruptive, and even dangerous to civilian private and commercial flying.

Enclosed are several letters by individual pilots expressing their concerns. There is fear that these individual voices will not be heard, yet we do not wish to remain silent on this issue.

MAKE NO MISTAKE ABOUT THIS, THE AIR FORCE IS NOT ASKING OUR OPINION ON THEIR AIR SPACE PROPOSAL, **THEY ARE TELLING US WHAT THEY ARE GOING TO DO!!**

REMEMBER: **IT'S OUR SKY TOO!!**

David Parker (AAA # 8576)

P.O. Box 382
Tok, AK 99780

cc:

Governor Sean Parnell
P.O. Box 110001
Juneau, AK 99811

Senator Lisa Murkowski
709 Hart Senate Bldg
Washington, DC 20510

Senator Mark Begich
144 Russell Senate Bldg
Washington, DC 20510

Representative Don Young
2111 Rayburn Bldg
Washington, DC 20515

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Senator Albert Kookesh
Alaska State Capital Room 11
Juneau, AK 99801

Representative Alan Dick
Alaska State Capital Room 114
Juneau, AK 99801

Representative Dan Saddler
Joint Armed ServicesCommittee
Alaska State Capital Room 409
Juneau, AK 99801

Senator Donald Olson
Alaska State Capital Room 508
Juneau, AK 99801

AOPA
Tom George
P.O. Box 83570
Fairbanks, AK 99780

Fairbanks Flight Standard District Office
John Chalston
4419 Airport Way
Fairbanks, AK 99709

1 Proposed Fox 3 Military Operations Area (MOA) Expansion and New Paxon MOA

Proposed Action: The Army and Air Force propose to expand the Fox 3 MOA into a new proposed Fox 3, 4, 5, and 6 MOAs and to establish a new, adjacent Paxon MOA to provide the vertical and horizontal airspace structure needed to better accommodate low-altitude threat and multiple-axis mission activities during the JPARC training exercises.

Key Components: Expand the boundaries of the existing Fox 3 MOA, currently extending from 5,000 feet above ground level (AGL) up to, but not including, flight level (FL) 180 (18,000 feet above mean sea level [MSL]), to the south and east and subdivide it into four sectors, (proposed Fox 3, 4, 5, and 6 MOAs) with the newly expanded sectors extending from 500 feet AGL up to, but not including, FL180. Establish a new Paxon MOA, extending from 500 feet AGL up to, but not including, FL180, to adjoin the proposed expanded Fox 3 MOA to the east.

Alternative A - Includes the proposed expanded Fox 3 MOA (proposed Fox 3, 4, 5, and 6 MOAs) and the proposed new Paxon MOA with both the high- and low-altitude MOAs.

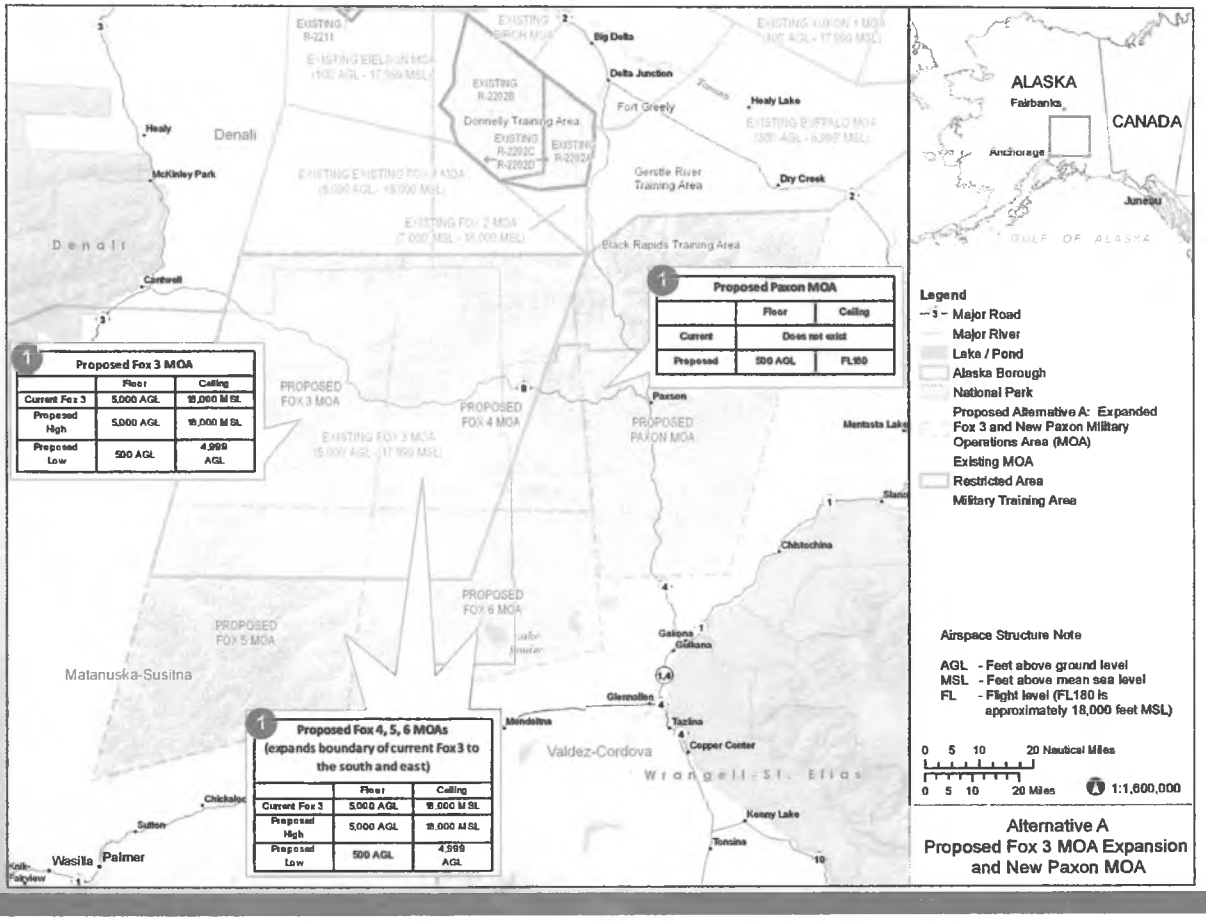
Alternative B - Includes only the Fox 3 MOA expansion (proposed Fox 3, 4, 5, and 6 MOAs as in Alternative A) but would not include the proposed new Paxon MOA.

Alternative C - Includes the Fox 3 MOA expansion (proposed Fox 3, 4, 5, and 6 MOAs) without the low-altitude MOA.

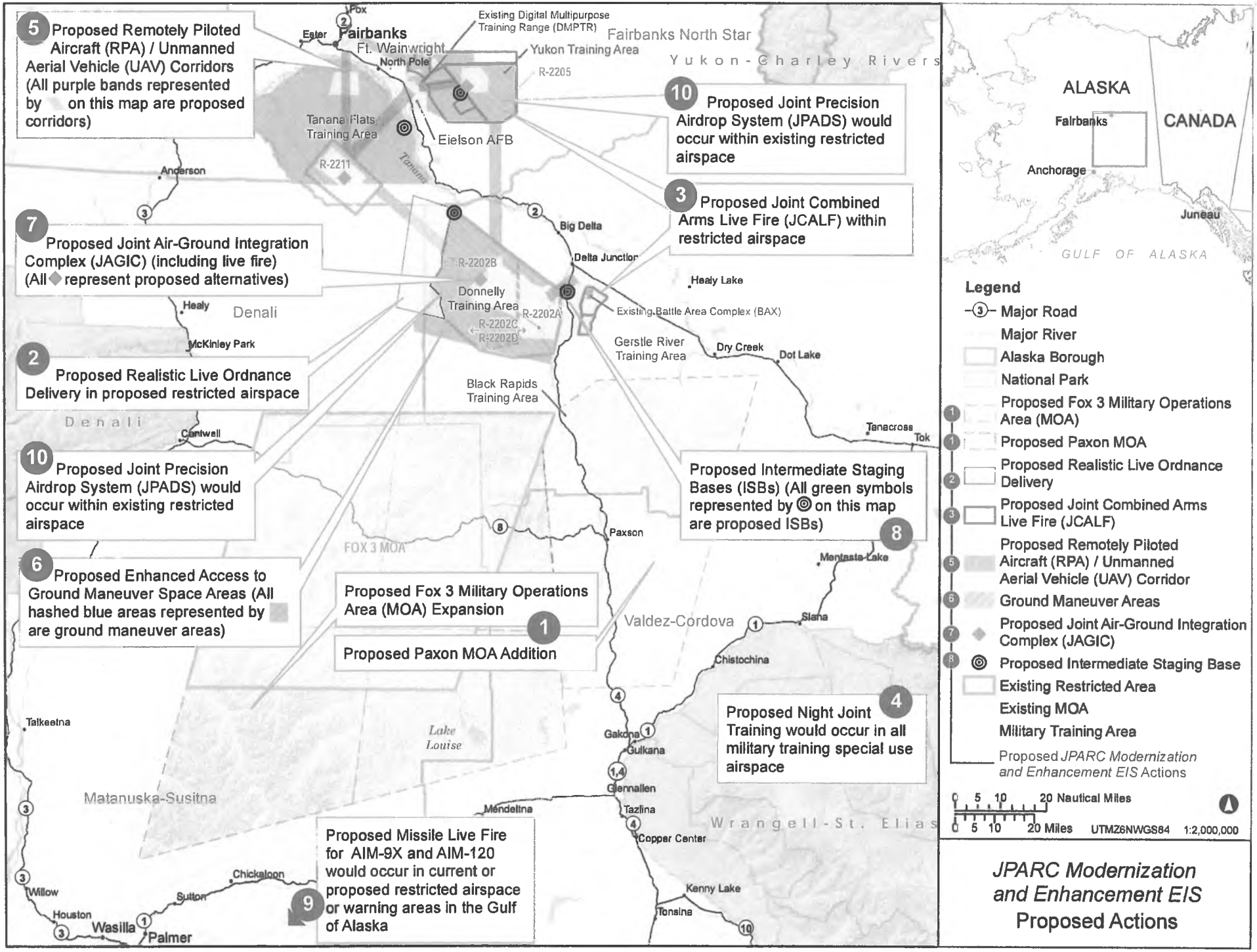
Alternative D - Proposes keeping the Fox 3 MOA boundaries the same as they currently exist, but separating the MOA into four subdivided sectors and high- and low-altitude strata. The low-altitude MOA stratum would extend from 500 feet AGL up to, but not including, 5,000 feet AGL. The high-altitude MOA stratum would match what currently exists.

No Action - No changes to current Fox 3 MOA and no proposed addition of Paxon MOA. This would not satisfy the requirement for multiple-axis, low-altitude threat training that is needed to effectively train with fifth-generation fighter aircraft. This alternative would continue to require distant travel, which would negate opportunities for potential energy savings.

Proposed Fox 3 MOA Expansion and New Paxon MOA



WWW.JPARCEIS.COM/JPARC.ASPX


5 Proposed Remotely Piloted Aircraft (RPA) / Unmanned Aerial Vehicle (UAV) Corridors (All purple bands represented by on this map are proposed corridors)
10 Proposed Joint Precision Airdrop System (JPADS) would occur within existing restricted airspace
3 Proposed Joint Combined Arms Live Fire (JCALF) within restricted airspace
7 Proposed Joint Air-Ground Integration Complex (JAGIC) (including live fire) (All ◆ represent proposed alternatives)
2 Proposed Realistic Live Ordnance Delivery in proposed restricted airspace
10 Proposed Joint Precision Airdrop System (JPADS) would occur within existing restricted airspace
6 Proposed Enhanced Access to Ground Maneuver Space Areas (All hashed blue areas represented by are ground maneuver areas)
Proposed Fox 3 Military Operations Area (MOA) Expansion
1 Proposed Paxon MOA Addition
Proposed Intermediate Staging Bases (ISBs) (All green symbols represented by ◎ on this map are proposed ISBs)
8
4 Proposed Night Joint Training would occur in all military training special use airspace
9 Proposed Missile Live Fire for AIM-9X and AIM-120 would occur in current or proposed restricted airspace or warning areas in the Gulf of Alaska
Fox
Ester
Fairbanks
Ft. Wainwright
North Pole
Existing Digital Multipurpose Training Range (DMPTR)
Yukon Training Area
R-2205
Fairbanks North Star
Yukon-Charley Rivers
Tanana Flats Training Area
Eielson AFB
R-2211
Tanana
Anderson
Big Delta
Delta Junction
R-2202B
Donnelly Training Area
R-2202A
R-2202C
R-2202D
Healy Lake
Existing Battle Area Complex (BAX)
Gerstle River Training Area
Dry Creek
Dot Lake
Healy
Denali
McKinley Park
Black Rapids Training Area
Tanacross
Tok
Cantwell
Paxson
FOX 3 MOA
Mentasta Lake
Slana
Valdez-Cordova
Chistochina
Gakona
Gulkana
Glennallen
Tazlina
Copper Center
Lake Louise
Talkeetna
Matanuska-Susitna
Mendeltna
Wrangell-St. Elias
Kenny Lake
Tonsina
Chickaloon
Willow
Sutton
Houston
Wasilla
Palmer
ALASKA
CANADA
Fairbanks
Anchorage
Juneau
GULF OF ALASKA
Legend
Major Road
Major River
Alaska Borough
National Park
Proposed Fox 3 Military Operations Area (MOA)
Proposed Paxon MOA
Proposed Realistic Live Ordnance Delivery
Proposed Joint Combined Arms Live Fire (JCALF)
Proposed Remotely Piloted Aircraft (RPA) / Unmanned Aerial Vehicle (UAV) Corridor
Ground Maneuver Areas
Proposed Joint Air-Ground Integration Complex (JAGIC)
Proposed Intermediate Staging Base
Existing Restricted Area
Existing MOA
Military Training Area
Proposed JPARC Modernization and Enhancement EIS Actions
0 5 10 20 Nautical Miles
0 5 10 20 Miles
UTMZ6NWGS84
1:2,000,000
JPARC Modernization and Enhancement EIS
Proposed Actions

Alcom Public Affairs
9480 Pease Ave
Suite 120
JBER, AK 99506

1-27-11

Dear Sir,

I SPEAK AGAINST ANY MORE AIRSPACE GRAB IN ALASKA!

I occasionally fly around the Mancomen Lake - Hoodoo Mountain area which is in the proposed new Paxson MOA, and may be affected. I thought you had enough air space after you grabbed the 40-Mile Buffalo and Yukon MOA's... apparently you need the entire State of Alaska! Where does it stop... or, does it?

What's with the 500' low-altitude floor?? I fly a super cub and you fly heavy metal... if you fly over me at 500' while I'm at 400', you'll roll me out of the sky! Why not just admit that you're commandeering from ground level up to any stated ceiling!

You have enough territory in Alaska already making recreational, sport, hunting etc. flying inconvenient at the least and downright onerous for one to follow MOA covenants! Go grab some more land at Nellis AFB... they have a live fire range and a pile of cactus!

As the American economy tanks and Congress looks for areas to cut, I'll suggest Military Training... cutbacks here could save big $$ ... and besides, who is the Air Force at war with right now besides us civilians?? One exercise per year, and every other year to be held in January!

It's My Sky Too!

David Parker
P.O. Box 382
Tok, AK 99780

I am opposed to any expansion of Military airspace in Alaska. Given the blatant lack of concern that has been shown by the Military in the existing Military Airspace, for Alaskan Civilian user's needs and safety there is no way I could support any expansion.

AREA AFFECTED

The current MOA's, a large percentage of which were established in the 1990's cover millions of acres of land in interior Alaska. These areas include a tremendous amount of big game habitat. These and some of the proposed expansions include areas that Alaskan's have historically used to support their subsistence lifestyles and economic livelihoods for generations. The current MOAs include the entire Alaskan portion of the 40-mile caribou and a big portion of the porcupine herd range. A large part of the area in the proposed Paxson MOA and the expansion of the Fox 3 MOA are intensely used by Alaskan's for hunting and outdoor recreation. This area would take in Lake Louise, Summit, Paxson, and the entire Delta controlled use Area which is a draw only trophy management area for Dall Sheep. A huge portion of this area is not only accessed by airplanes, but by boats, ATVs,highway vehicles, and snow machines.

IMPACT TO PEOPLE AND ANIMALS

The impact to any person or animal on the ground while in one of these MOAs during a two week Red Flag exercise is huge. The economic affect to Guides and transporters whose clients are going to subjected first hand to these exercise's will reverberate statewide. Due to the advent of the F-22 which can break the speed of sound without the use of an afterburner, the amounts of sonic booms have increased dramatically affecting hunter and game. A Person who has not spent time on the ground trying to interact with their environment, during these sonic booms, as they go off for hours at a time, from all directions, cannot fully be aware of the overall impact. Fall of 2010 a red flag exercise was held starting August 9. They currently have them scheduled during hunting season through 2013. When I asked them at a recent ACMAC meeting in Eielson if this could be changed the response was no. They explained that a large percentage of the aircraft involved in these exercise's are from foreign countries and they already have them scheduled for these time period's. Alaska is being used as a training ground for air forces from all over the world. When I asked why they couldn't do this during the winter months they explained that it was dark and cold. A strong military and there need for training is imperative to the survival of our great nation but equally important is Alaskans need to be able to keep their way of life and traditions alive. There is no reason that both of these needs cannot be met.

AVIATION SAFETY

When the large MOA's were established one of the key points that the general aviation community tried to establish was the importance of in flight communications with the military to ensure separation-air safety. To date even though millions of dollars have been spent for military installations throughout the MOA's, the vast majority of the area is uncovered by any medium to low level radio communication for general aviation. Since 1994 I have personally had three extremely close near misses with military

aircraft during hunting season, the time of by far the highest density of air traffic throughout the state. With the large red flag exercise's now being scheduled during the most active time for all general aviation aircraft in Alaska the potential for deadly conflict has increased dramatically. To knowingly continue to mix small slow aircraft with the high speed military aircraft in large numbers, with not as much as radio communication between the two is irresponsible and reckless with people's lives.

Submitted by Leif Wilson, Tok, Alaska

February 8, 2011

Regarding JPARCEIS proposed actions and any future actions for airspace, lands and residents.

I have very high concerns for public safety as well as animal harassment issues.

My main concern is that a large portion of these proposed areas are very active with small aircraft all year around. The 500 ft. lower floor is unacceptable for the bullets that you are flying. Jet aircraft at super-cub altitude spells DISASTER !

After one public meeting with the air force, some years back, myself and others came away with the out look that we were being told what YOU were going to do and that our concerns meant nothing.

I am a Vet. from the 60's and have been flying these Alaskan skies since 1980 and as I recall the first duty of the armed forces is to protect it's citizens. That is all I am asking. Stop endangering our lives and **Dictating**. Raise the lower levels up to a level that we all can "LIVE" at !

Hopefully, you are willing to consider mine and others concerns today before someone is seriously injured or even killed.

Ron Sakalaskas
P.O. Box 147
Tok, Alaska 99780

Matthew Snyder

HC 72 Box 805

Tok, Alaska 99780

ALCOM Public Affairs

9480 Pease Avenue, Suite 120

JBER, AK 99506

To whomever it may concern,

January 25th, 2011 Statement regarding the JPARC EIS and future restrictions for residents or activities potentially creating human or animal safety or health concerns in the proposed areas (listed map http://www.jparceis.com/prop_actions.aspx) from a lifelong resident and active participant of recreation and subsistence activity in the area.

A large portion of the huge areas in the proposal are very active throughout the year with recreation, hunting, fishing and subsistence activities by Alaskans and other participants. Safety concerns arise with the number of small aircraft used during hunting season or for other yearlong activity (mining or exploration for an example). Impact on wildlife control or protection could be devastating as these areas become "no fly" zones, inhibiting the use of airspace available to the parties responsible for the wildlife and habitat. The blocks of land in the map could be some of the most active in the state. Are there other options available as far as land location, possibly further away from the entire area of the "main triangle" of transportation in the state? This proposal is not viable due to basic health and safety concerns as well as location and project scope.

Matthew Snyder
Alaska Hunting Adventures

Tok, Alaska
(907)883-3083 Home
(907)632-1666 Cell

February 10, 2011

Dear Sir,

Regarding JPARCEIS proposed actions

I feel that enlarging the MOA at those low levels is a very high risk.

As a super cub pilot, most of our flying is at low altitude. We feel that 1500 feet AGL should be the bottom for all jet aircraft for the safety of everyone and the environment.

DuWayne and Mary Young
P.O. Box 308
Tok, Alaska 99780

Dear JPARK,

I am against the newly proposed MOA's and training areas in Alaska.

I currently fly between seven and eight hundred hours a year. Much of this is done in the 40-mile and upper Yukon River country. In the past 15 years I have had some close encounters with low flying fighter jets in these areas. There isn't any way to communicate with these aircraft, and to see and avoid is impossible in a cub.

Looking at my sectional charts and GPS, as I fly along it seems to me you have more than enough training areas in our state.

There is also a concern for wildlife and the effect these missions have on them.

I am all for our great country having the best prepared forces, but is this proposed land grab necessary?

Sincerely,

Paul S. Zaczkowski

Papa Zulu Air service Inc.

Phone#: 907-883-4554

Address: Papa Zulu Air service Inc.

PO Box 403

Tok, Alaska 99780

LETTERS TO THE Editor

Shot down

Feb. 18, 2011

To the editor:

I have just read your story about a program — wellness court. I am deeply annoyed by the praise the program was boasting.

Incarcerated on a fourth Driving Under the Influence, I was wowed to hear of such a program. With hope, determination and eagerness on my mind, I began the application process. After completing a short essay with confidence that I was a perfect candidate, I turned it in and awaited response.

After a month of painstaking expectation, I was denied my only chance at a program that would help me get my license for the first time in my life. That would have meant the world to me, considering I had a job and have two active daughters.

I questioned why? After the response, my heart sank with discouragement because I could not come to reason with the prosecutor's decision "she was denied because of a past assault."

I feel the screening committee overlooked the fact that I've completed anger management, studied coping mechanisms to deter violence, and have the credentials to prove it.

My next question was "when can I try again?" I was appalled by the fact there is no appeal process.

The article praised the program for its benefits to people just like me, in the same situation as me. Wellness Court sounded like a helpful opportunity until I was denied and found out I have no chance to apply a second time. The article only rubbed it in my face that I was denied an exciting opportunity to change my poor driving habits.

Please see that this screening process and future appeal process are amended so future hopefuls as myself don't get their dreams shot down and torn to pieces. Please don't keep us trapped in the system. Change is in all of us, including those who encourage it to happen. God bless.

Jenevie Star Burgess
Fairbanks

General's agenda

Feb. 18, 2011

To the editor:

Taking the oath to "defend the Constitution against all enemies, foreign and domestic" in 1971 as a soldier in the United States Army ranks among the most important events of my life. I did not thoughtlessly repeat those words. I meant them then as I do now. Values of equality, life, and liberty ring true within my heart. In their defense I remain a soldier.

Lt. Gen. Dana Atkins' video introduction to the Joint Pacific Alaska Range Complex environmental impact statement presented doctrine that conflicts with the values for which I took the oath. It struck that moral core within me, leaving me saddened and angry.

Gen. Atkins spoke of the strategic importance of Alaska in its geographic location — uniquely situated as a launching point to project power and influence anywhere on the globe. In contrast, President (General) George Washington, in his farewell address, asked his fellow countrymen to chart a different course than that taken by the imperial warring countries of Europe. He asked that his young country "give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence." He asked "Why quit our own and stand on foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor or caprice?"

I do not believe the good general and father of our country would approve of the foreign adventures of our military forces — the nearly 800 foreign bases or continuous wars in behest of corporate "ambition, rivalship, interest, humor or caprice." I believe the commander of the Continental Army would be appalled at the suggestion that one of the states of the Union be used as a permanent training ground and launch pad for such ambitions.

In deference to my oath and in consideration of universal human rights, I hereby protest the expansion of and the continuing nefarious abuse by the "military industrial complex" of tens of thousands of square air, land and nautical miles of my beloved Alaska.

Rob Mulford
Fairbanks

HB 115

<TARGET><BILL>HB 115</BILL><SUBJECT>HB 115</SUBJECT><COMM>STRA27</COMM></TARGET>

Alaska House of Representatives
Representative Craig Johnson
House Rules Chairman

Session Contact
State Capitol Room 216
Juneau AK, 99801
Phone: 907-465-4993
Fax: 907-465-3872

Interim Contact
716 W. 4th Ave. Suite 640
Anchorage AK, 99501-2133
Phone: 907-269-0200
Fax: 907-269-0204

MEMORANDUM

TO: Senator Albert Kookesh, Chair
Senate Transportation Committee

FROM: Representative Craig Johnson, Chair
House Rules Committee

DATE: March 29, 2012

SUBJECT: Scheduling Request for CS for HB 115(TRA) – Pending Referral

---

I respectfully request that CS for HB 115(TRA) "An Act designating a portion of Minnesota Drive and a portion of O'Malley Road in Anchorage the Walter J. Hickel Expressway" be considered for scheduling in your committee at your earliest convenience.

Attached is a copy of the original bill, the sponsor statement and backup documents.

If you have any questions or need additional information, feel free to contact me or my staff, Yasmine Habash, at 465-6871.

Thank you for your consideration of this request.

FISCAL NOTE

STATE OF ALASKA cost ≠ codes
2012 LEGISLATIVE SESSION

Bill Version: **CSHB 115(TRA)**
Fiscal Note Number: **2**
Publish Date: **3/21/12 (H)**

Identifier (file name): HB115-DOT-CRHA-1-11-12
Title: Naming Hickel Expressway
Sponsor: Rep. Johnson, Lynn
Requester: H (FIN)

Dept. Affected: DOT&PF
Appropriation: Highways, Aviation & Facilities
Allocation: Cen. Region Highways & Aviation
OMB Component Number: 564

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY13**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
Personal Services							
Travel							
Services							
Commodities	30.0						
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	**30.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	30.0						
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		**30.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs _____ *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Update to fiscal note 2011

Prepared by: Brenda Hewitt, Legislative Liaison — Phone 465-4772
Division: Commissioner's Office — Date/Time 1/11/12 4:00 PM
Approved by: Pat Kemp — Date 1/13/2012
Deputy Commissioner

(Revised 8/17/2011 OMB)

FISCAL NOTE #2

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSHB 115(TRA)

Analysis

House Bill 115 would designate a portion of Minnesota Drive in Anchorage from 15th Avenue to the New Seward Highway to be named the Walter J. Hickel Expressway.

To adequately cover all entrances and exit ramps and the North and South signs would require manufacture and installation into concrete bases of two large, potentially 114" x 42", signs on each end for $5,000 each.

Eight smaller 42" x 36" notices for each direction internally $20,000 is recommended by the department. Internal locations: C St, Dimond/100th on ramps, Raspberry Rd, and International Airport Road.

2 large signs @ $5000/ea	$10,000
8 smaller signs @ $2,500/ea	$20,000
Total	$30,000

Alaska House of Representatives
Representative Craig Johnson
House Rules Chairman

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Juneau AK, 99801
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Anchorage AK, 99501-2133
Phone: 907-269-0200
Fax: 907-269-0204

Sponsor Statement for House Bill 115

Naming Walter J. Hickel Expressway

Walter J. Hickel served as the Governor of Alaska twice, served with distinction as U.S. Secretary of the Interior, and led and inspired the development of the State of Alaska and the Circumpolar Arctic Region throughout his long and distinguished career. In Governor Hickel's many elected and public roles he successfully pushed to open Prudhoe Bay to oil development and oversaw the permitting process for the Trans Alaska Pipeline among many other accomplishments.

HB 115 designates concurrently naming a portion of Minnesota Drive and O'Malley Road in Anchorage the Walter J. Hickel Expressway from 15th Avenue to the New Seward Highway. This section of highway is 7.5 miles long and by concurrently naming this section of highway there will be no need for any household or business to change their addresses.

Alaska House of Representatives
Representative Craig Johnson
House Rules Chairman

Session Contact
State Capitol Room 216
Juneau AK, 99801
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Interim Contact
716 W. 4th Ave. Suite 640
Anchorage AK, 99501-2133
Phone: 907-269-0200
Fax: 907-269-0204

Changes from HB 115 to CS HB 115( )

Walter J. Hickel Expressway

1. In HB 115 on line 1 "and a portion of O'Malley Road" was inserted after "Minnesota Drive" in CS HB 115 (TRA) on line 1.

2. In HB 115 on line 6 "and the portion of O'Malley Road" was inserted after "Minnesota Drive" in CS HB 115 (TRA) on line 6.

Ermalee Hickel
1905 Loussac Drive
Anchorage, AK 99507

April 6, 2011

Representative Craig Johnson
State Capital Room 216
Juneau, AK 99801

Dear Craig,

I read about your bill, HB 115, which honors my late husband by concurrently naming Minnesota Boulevard it be the Walter J. Hickel Expressway. Wally would be honored.

Wally drove this road practically every day; from the time it was a pioneer road out of downtown. It connects Alaskans with many places he helped build – beginning near the Hotel Captain Cook that he started in 1964, passing Alaska's first modern shopping center, The Northern Lights Center, built in 1959, and going by the Turnagain, Spenard, and Campbell Lake neighborhoods he helped develop from the early 1950's forward. It also passes the trails stemming from Westchester Lagoon, which he walked frequently.or strapped on shoeshoes.

I write not to seek any aggrandizement for Wally or our family, but simply to say we are touched. Wally always thought of Alaska as pioneering country, and trails that became roads, and roads that became highways symbolize the progress he stood for. As Governor and Secretary of Interior, he also stood for keeping our roads scenic, and this road has beautiful views, parks and open spaces Alaskans treasure.

Sincerely,

Ermalee Hickel

Ermalee Hickel

Lieutenant Governor Mead Treadwell
STATE OF ALASKA

April 7, 2011

The Honorable Craig Johnson
Alaska State House
State Capitol, Room 216
Juneau, AK 99801

Dear Representative Johnson,

As one who had the privilege of working with the late Governor Wally Hickel in business, politics, government and civic life since 1974, I was very happy to learn about your HB 115. It is a fine idea to concurrently name Minnesota Boulevard as the Walter J. Hickel Expressway in honor of the late Governor.

I can think of no better road to bear Wally Hickel's name. Governor Hickel always relished the beautiful views along that route, particularly frequenting what is now the Coastal Trail to walk or snowshoe. This road runs through much of the Anchorage life and infrastructure that Wally helped build: from the neighborhoods along Campbell Lake, Spenard, and Turnagain that he worked to develop from the 1950's on, to the Northern Lights Center of 1959 (the first modern shopping center in Alaska), and the downtown Hotel Captain Cook that he started in 1964.

This christening is a fitting tribute to the man who believed roads could be beautiful and enhance the environment. It reflects the progress we have made from the early days of rutted trails to the sophisticated transportation systems of today, while protecting the beauty of the surrounding land and views.

Thank you for sponsoring this legislation. Please let me know how I can support this honor an extraordinary leader and of one of Alaska's great pioneers.

Sincerely,

Mead Treadwell
Lieutenant Governor

Juneau Office: Post Office Box 110015 • Juneau, Alaska 99811 • 907.465-3520 voice • 907-465-5400 fax
Anchorage Office: 550 West 7th Avenue, Suite 1700 • Anchorage, Alaska 99501 • 907.269.7460 voice • 907-269-0263 fax
lt.governor@alaska.gov • www.ltgov.alaska.gov

Resolution of the
Alaska Republican Party

State Central Committee

By Kirk Wickersham
District 25

Whereas Walter J. Hickel was elected Governor of Alaska twice, served with distinction as U.S. Secretary of the Interior, and led and inspired the development of the State of Alaska and the Circumpolar Arctic Region throughout his long and distinguished career,

Resolved that the Alaska Republican Party supports the renaming of (1) Minnesota Drive from 15th Ave. to O'Malley Rd. and (2) O'Malley Rd from Minnesota Dr. to the Old Seward Highway, all within the Municipality of Anchorage, to the **Walter J. Hickel Expressway.**

Adopted this 28th Day of August, 2010.

_____
Chairman

_____
Secretary

The Secretary will transmit a copy of this Resolution to the Governor of Alaska, the Speaker of the Alaska House of Representatives and the President of the Alaska Senate.

SENATE COMMITTEE REPORT

DATE: 3/30/12

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4/3/12

Transportation Committee considered CS FOR HOUSE BILL NO. 115(TRA)

HB 115-NAMING WALTER J. HICKEL EXPRESSWAY

"An Act designating a portion of Minnesota Drive and a portion of O'Malley Road in Anchorage the Walter J. Hickel Expressway."

and recommends:

[ ] be **replaced** with **SCS** _____ (_____) *[ ] Same Title [ ] Technical Title Change [ ] New Title/SCR No._____*

[ ] adopt **previous SCS** _____ (_____) *[ ] Same Title [ ] Technical Title Change [ ] New Title/SCR No._____*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DOT	✓			2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Egan	✓			
	Thomas	✓			
	Menard	✓			
	Huggins	✓			
CHAIR:	Kookesh	✓			

HB 131

<TARGET><BILL>HB 131</BILL><SUBJECT>HB 131</SUBJECT><COMM>STRA27</COMM></TARGET>

REPRESENTATIVE CATHY MUÑOZ

MEMORANDUM

TO: Representative Bill Stoltze
Finance Co-Chair

CC: James Armstrong
Finance Committee Aide

FROM: Representative Cathy Muñoz

DATE: March 23, 2011

RE: Changes in CS HB131 (TRA)

Two amendments were adopted in House Transportation.

(1) Page 3, line 7 the language "or is otherwise unable to serve" was added to allow Board members the ability to petition the Governor to be removed from the board for circumstances which are outside the control of a member and beyond the already stated reason for missing more than two meetings.

(2) Page 4, section (c) (2) – adding language which directs the Board to review federal funding sources and report to the legislature if there are changes in the funding. This language was added because there was concern about keeping track of the federal funding since the majority of the funding for this Board is coming from federal receipts.

STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-3744 • FAX (907) 465-2213
REPRESENTATIVE_CATHY_MUNOZ@LEGIS.STATE.AK.US

Excerpted from the February 11, 2010 Governors Coordinated Transportation Task Force Executive Summary Long Term Recommendations:

"The Governor's Coordinated Transportation Task Force (CTTF), tasked under Administrative Order 243 to "facilitate and enhance the coordination and integration of community-based public transportation services for the benefit of persons with special needs," is pleased to present this Recommendations Report to the State for consideration and implementation.

Recommendations – Long Term

The CTTF recommends that:

I. The State of Alaska enact a statute that establishes, enables and requires coordination of community-based transportation services that utilize state and federal grant funding. The statute would:

A. Establish a Governor-appointed Coordinated Transportation Commission, composed of a broad cross-section of agencies with responsibility for transportation, related human services, and advocates for special populations. The Commission would be established for a four-year period, with a review at that juncture to determine **whether to continue or to sunset the Commission. This would be accompanied by a funding commitment that will not negatively impact the existing limited funding for public transportation activities throughout the state.** The Commission would:

Oversee, implement, assess and periodically update the Coordinated Transportation Action Plan generated by the reconstituted CTTF, which brings to fruition the recommendations generated in this report...

Continue to identify, coordinate and leverage collective state agency resources so that they are most efficiently and effectively providing transportation services to persons with special needs

Continue to identify and address barriers to coordination in addition to those identified and addressed in this report as the coordinated system evolves and matures.

Advocate for a uniform budgeting structure that tracks and reports transportation expenditures on state clients.

State agency tracking and reporting on transportation expenditures is essential to effective, measurable coordination and leveraging state resources. Such data collected, updated, used and shared will meet federal accounting requirements, facilitate coordination and help best leverage state resources. State-funded expenditures on human service public transportation identified through this tracking mechanism can be used as match money to increase the availability of federal funding for transportation.

Develop and establish performance measures that identify entities that receive any type of public funding and measure coordination efforts through a statewide data base.

Performance measures need to specifically address and evaluate the effectiveness of coordinating and providing transportation services for people with special needs, which are measures that would look

quantifiably different and possibly in addition to standard transit measurements typically used today. Emerging legislation from Congress is establishing performance measurements as a new requirement of virtually every federally funded program. This recommendation also recognizes that measuring performance will be a new requirement for many agencies.

Articulate issues of policy and decision-making criteria associated with coordination plan implementation.

Develop a minimum taxicab standard for state-owned facilities such as airports and ferries to ensure those with disabilities are not overlooked.

State-owned ferry or airport terminals are a major destination for taxi businesses. To ensure those with disabilities are not overlooked, generate accessibility standards or regulations for taxicab businesses serving state-owned facilities, which includes a provision for permitted use of designated pickup and drop off zones. Alternate strategies include a recommendation for local government taxi codes that establish minimum capacity for accessible taxicabs and establish a basic standard in state law.

Governors Coordinated Transportation Task Force

Identify and address barriers to coordination associated with vehicle insurance, including cost, joint coverage, policy writing, and the sharing of publicly funded transportation vehicle assets.

Prepare an annual report to the State Legislature that summarizes the status of coordinated transportation within the state and make recommendations as appropriate."

The Trust
The Alaska Mental Health Trust Authority

Alaskan Seniors Living Longer Growing Stronger
from the Alaska Commission on Aging

Statewide Suicide Prevention Council

alaska brain injury network

Advisory Board on Alcoholism and Drug Abuse
abada amhb
Alaska Mental Health Board

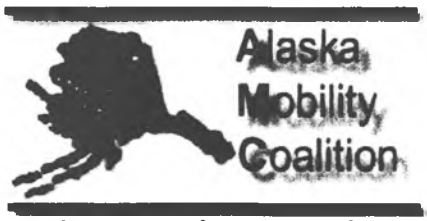
Governor's Council on Disabilities and Special Education

Coordinated Transportation for Alaskans

Working with the Alaska Mobility Coalition (AMC), the Governor's Council on Disabilities and Special Education, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse and the Alaska Commission on Aging, in collaboration with the Alaska Mental Health Trust Authority, the Alaska Brain Injury Network and the Alaska Suicide Prevention Council, have identified as two of their joint priorities, the creation of legislation addressing the role of public and community transportation in Alaska and the establishment of a permanent Coordinated Transportation Commission. The partner boards also support the creation of a statewide fund for public and community transportation in Alaska. Following are overviews of these priorities:

Creation of legislation identifying 1) the role of public and community transportation in Alaska and 2) establishing a permanent commission to address public and community transportation in Alaska. Alaska does not have enabling statutes within state law that define the state's role in public and community transportation. This role should be defined and developed to serve all public and community transportation users – including Alaskans with disabilities. Additionally, in July 2010, Governor Parnell signed an administrative order reestablishing a statewide task force on public and community transportation in Alaska that has a sunset provision (January 2012). The AMC and the partner boards believe a permanent commission will be needed to address the ongoing transportation needs of Alaskans across the state.

Creation of a statewide fund for public and community transportation in Alaska. Alaska is one of only three states that does not provide operating support for public transportation. Therefore, in Alaska, the burden shifts to local governments, tribal governments, and non-profits to partner with the federal government to provide these services. In some cases, transit agencies have had to turn down federal money because they did not have the match funds available. This has had an impact on all users of public transportation, particularly in tough economic times when bus fares have increased and hours of service have been cut back. The boards support requesting $3 million dollars to partner with local transit systems, with a match requirement (in kind or cash) for transit systems to participate in the program.



Achieving mobility through community appropriate transportation services

3705 Arctic Blvd #1777
Anchorage, AK 99503.
907-240-2702

February 15, 2011

Representative Cathy Munoz
State Capitol Room 403
Juneau AK, 99801

Dear Representative Munoz:

On behalf of the Alaska Mobility Coalition (AMC), we strongly support HB 131 (Alaska Community and Public Transportation Advisory Board).

The AMC is a private, non-profit membership organization that represents and advocates for public and community transportation in Alaska. The AMC has ninety seven members across the state from Bethel to Prince of Wales Island. The AMC membership provides over seven million rides annually for Alaskans to get to work, school, shopping trips, recreational opportunities and medical appointments. For more information on the AMC, I have linked information from our website for your review (http://www.alaskamobility.org)

In the fall of 2008, former Governor Sarah Palin signed an administrative order creating the Governor's Coordinated Transportation Task Force. I have linked copy of the final report for your review. (http://www.dot.state.ak.us/stwdplng/cttf/docs/CTTF_recommendations_report_signed_021101.pdf) The Governor task force recommended and we agree, that there needs to be a permanent voice at the state level to make state agencies to work together to share information and resources on coordinated transportation in Alaska.

Thank you for your efforts in supporting transit in Alaska. I look forward to working with you and the Alaska legislature on your legislation during the current session.

Sincerely,

David M. Levy
Executive Director

STATE OF ALASKA
DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SEAN PARNELL, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

March 16, 2011

The Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska State Capitol, Room 408
Juneau, AK 99801-1182

Subject: Support for HB 131, Alaska Community and Public Transportation Advisory Board

Dear Chair Wilson:

The Alaska Commission on Aging (ACoA) is pleased to offer our support of HB 131 that would establish a *permanent* Governor-appointed Coordinated Transportation Commission to address the ongoing community transportation needs of all Alaskans, specifically older Alaskans and Alaskans with physical and cognitive disabilities. This advisory board would be responsible for developing a long-range coordinated transportation plan that would include participating in policy-making decisions related to mobility of seniors and people with disabilities, identifying barriers related to community transportation, encouraging regional transportation planning to maximize limited resources and improving efficiencies, and providing assistance with coordinating resources to improve transportation services for people with special needs.

Transportation is one of the top needs consistently identified in statewide surveys of senior needs, including the elder-senior community forums and a statewide senior survey recently conducted by ACoA to determine priority concerns of older Alaskans. Seniors identified transportation not only as a barrier to accessing health care services but also as a factor leading to social isolation that prevents seniors from taking part in community life.

With the graying of Alaska's population, there will be an increasing number of older Alaskans who depend on reliable, safe, and accessible mobility options to take them to medical appointments, work, and volunteer placements, to the senior center for lunch, shopping and other purposes. Community transportation is a life-line for seniors and people with disabilities to ensure a health quality of life. Planning for effective transportation and efficient use of resources that serves all Alaskans is an investment in our future.

Thank you for your consideration and support of HB 131. Please contact Denise Daniello, ACoA's executive director (465-4879 or denise.daniello@alaska.gov) should you require additional information about our position.

Sincerely,

Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello
ACoA Executive Director

Cc: Vice-Chair Lance Pruitt
Representative Eric Feige
Representative Craig Johnson
Representative Max Gruenberg
Representative Pete Peterson
Representative Cathy Muñoz

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

March 14, 2011

The Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska State Capitol, Room 408
Juneau, AK 99801-1182

RE: HB 131 (Munoz)--Support

Dear Chair Wilson:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Transportation Committee to support HB 131, authored by your Committee colleague Representative Cathy Munoz and co-sponsored by Representative Chris Tuck.

HB 131 will establish an Alaska Community and Public Transportation Advisory Board which will have the opportunity to participate in long-range transportation planning.

From AARP's perspective, we would expect that the Advisory Board, among its other duties, would

- Consider the effects of transportation planning and land-use decisions on the mobility of older Alaskans and people with disabilities
- Coordinate planning and programming activities to ensure that regional priorities are reflected in fiscally constrained state transportation plans
- Examine the benefits of public transportation service improvements before undertaking major road-building projects; and
- Actively promote the public participation of consumers, including older people, in transportation planning decisions on such issues as routing services, placing and designing highways and roads, transportation demand management, and investing in and deploying intelligent transportation systems.

With the aging of Alaska's population, we will have an increasing number of older Alaskans for whom mobility will be a critical "peace of mind" issue. Planning for effective transportation that works for Alaskans of all ages and abilities is important now and will only become more important in the future.

AARP requests an "AYE" vote on HB 131.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Lance Pruitt
Representative Eric Feige
Representative Craig Johnson
Representative Max Gruenberg
Representative Pete Peterson
Representative Cathy Munoz

JEDC Juneau Economic Development Council

JEDC.org
612 West Willoughby Ave.
Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

March 15, 2011

Honorable Cathy Munoz
State Capitol Room 403
Juneau AK, 99801

Dear Representative Munoz:

The Juneau Economic Development Council (JEDC) enthusiastically supports HB 131 that will found a permanent Alaska Community and Public Transportation Advisory Board.

Public transportation provides positive economic impacts in small communities. A 2010 study entitled "The Economic Effects of Bus Transit in Small Cities" showed that the presence of bus transit significantly lowers unemployment rates, lowers growth in family assistance and food stamp payments, and increases population and employment. These findings suggest transit increases low-income individuals' ability to get and maintain jobs.

JEDC staff conducted executive interviews with ten of Juneau's larger private employers to ask how public transportation issues impacted business operations in regards to their employees. Six of these organizations, including Wal-Mart, Home Depot, Fred Meyers, Warehouse Demo Services (an employer at Costco), Goldbelt Hotel, and Safeway reported a significant number of their employees use the bus. Public transit use estimates among employees in these organizations ranged from 30% to 75%.

Combined, these organizations have more than 350 employees using public transportation to get to work. Generally the business operations of these establishments, along with the work schedules of their employees, are highly impacted by public transit schedules and bus stop locations. These and other businesses, rely on public transportation to be successful in our community.

Our recent work with the City and Borough of Juneau, Southeast Alaska Independent Living, REACH, Southeast Senior Services and the Alaska Mobility Coalition to develop a coordinated transportation plan for Juneau has demonstrated that a collaborative, integrated effort to coordinate transportation resources is in the best interests of our state and its citizens.

Sincerely,

Kurt Fredriksson
Board Chair

Brian Holst
Executive Director

Cc: Senator Dennis Egan
Representative Beth Kerttula

JEDC Juneau Economic Development Council

JEDC.org
612 West Willoughby Ave.
Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

March 15, 2011

Honorable Cathy Munoz
State Capitol Room 403
Juneau AK, 99801

Dear Representative Munoz:

While the Juneau Economic Development Council (JEDC) enthusiastically supports HB 131 and appreciates your leadership in developing statewide coordinated transportation planning, we are concerned the Advisory Board composition proposed in HB 131 has too few members which actually operate public transportation systems.

In FY10, Juneau residents and visitors took 1.23 million trips on the local Capital Transit bus system. This represents 3,380 rides per day, and a 22 percent increase over FY2002. The Capital City Transit system is currently working at capacity.

JEDC strongly suggests HB 131 be amended be add one additional municipality to the membership of the Alaska Community and Public Transportation Advisory Board.

Sincerely,

Kurt Fredriksson
Board Chair

Brian Holst
Executive Director

Cc: Senator Dennis Egan
Representative Beth Kerttula

JEDC Juneau Economic Development Council

RESOLUTION of the Board of Directors in support of State of Alaska House Bill 131

"An Act establishing the Alaska Community and Public Transportation Advisory Board and relating to a long-range community and public transportation plan; and providing for an effective date."

Resolution 03-11

WHEREAS, JEDC has provided leadership for completion of the City and Borough of Juneau's (CBJ's) coordinated transportation plan.

WHEREAS, the Governor's Coordinated Transpiration Task Force recommended there should be a permanent authority at the state level to ensure state agencies work together to share information and resources on coordinated transportation in Alaska.

WHEREAS, coordination of transportation plans among state and local governments and other organizations providing transportation services is likely to be a requirement for federal transportation funding.

WHEREAS, the availability of public transportation is a key requirement for maintaining an adequate workforce for service jobs.

WHEREAS, House Bill 131 is a legislative priority for the Alaska Mobility Coalition, the Governor's Council on Disabilities and Special Education, Advisory Board on Alcoholism and Drug Abuse, the Alaska Commission on Aging, Alaska Mental health Trust Authority, Alaska Brain Injury Network and the Alaska Suicide Prevention Council.

NOW, THEREFORE, BE IT RESOLVED THAT:

On this 15th day of March 2011, the Board of Directors of the Juneau Economic Development Council hereby authorizes JEDC to issue appropriate letters of support for House Bill 131.

K. J. Fadeik
Board President

3-17-2011
Date

B Schoonmaker
Board Secretary

3.17.2011
Date

SENATE COMMITTEE REPORT

DATE: 1/30/12

FURTHER: Community and Regional Affairs

DATE TURNED IN TO OFFICE: 2/9/12

Transportation Committee considered CS FOR HOUSE BILL NO. 131(TRA) am

HB 131-COMMUNITY AND TRANSPORTATION ADV. BOARD

"An Act establishing the Alaska Community and Public Transportation Advisory Board and relating to a long-range community and public transportation plan; and providing for an effective date."

and recommends:

[ ] be **replaced** with **SCS** _____ (_____) *[ ] Same Title [ ] Technical Title Change [ ] New Title/SCR No._____*

[ ] adopt **previous SCS** _____ (_____) *[ ] Same Title [ ] Technical Title Change [ ] New Title/SCR No._____*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
Joe Thomas	THOMAS	✓			
Linda Menard	Menard	✓			
	Huggins	✓			
CHAIR: Albert Kookesh	Kookesh	✓			

REPRESENTATIVE CATHY MUÑOZ

HB131: Community & Transportation Advisory Board

House Bill 131 creates a Community and Transportation Advisory Board which will assist in the development and procedural recommendations for existing programs of state, federal and local agencies that provide community-based transportation services. Public and community transportation is integral in connecting communities, supporting development and serving our most vulnerable constituents.

The designation of this board is a recommendation from the Governor's Coordinated Transportation Task Force which was released in the February 2010 Recommendations Report. The board will continue efforts to address public and community transportation and help fill the gap in transportation for individuals who require more specialized travel – senior citizens, low income individuals, persons with disabilities, and those who are transit-dependent.

The board will consist of 13 members from departments within state and local governments, Denali Commission, Alaska Mental Health Trust Authority, non-profits, and those with expertise in transportation needs for senior citizens, persons with disabilities, and transit-dependent individuals. This broad range of membership will facilitate communication and strategies that will benefit communities of all sizes.

HB131 has support from the Alaska Mobility Coalition, the Governor's Council on Disabilities and Special Education, Advisory Board on Alcoholism and Drug Abuse, the Alaska Commission on Aging, Alaska Mental Health Trust Authority, Alaska Brain Injury Network, and the Alaska Suicide Prevention Council.

Nancy Barnes

From: Terry Harvey
Sent: Wednesday, February 08, 2012 2:50 PM
To: Nancy Barnes
Subject: hb131 presentation

Nancy, this would be how we would like to present, let us know if this is OK, thank you, Terry

Rep Munoz will present
Jeff Ottesen-DOT Division Director-will testify in support, answer questions, can speak to the fiscal note
Camille Ferguson-Sitka tribe of AK-Member Governors Coordinated Transportation Task Force-will testify in support
Jennifer Beckmann-Central Area Rural Transit Kenai-Member Governors Coordinated Transportation Task Force-will testify in support
David Levy-Executive Director-AK Mobility Coalition-supports the bill but does not need to testify, but he will if it is the will of the Chair, and can answer questions

Also, below is a response we made to the woman from up north who was proposing an amendment to designate one of the board members a 'bicycle advocate' Long story short the sponsor is not supportive of this idea for the below reasons, however, she would not want to jeopardize the bill if there was movement from the committee to adopt an amendment, so if the committee does want to do this she wouldn't stand in its way.

"Dawn, I spoke with Representative Munoz regarding your idea that an advisory board member in HB131 be designated as a bicycling advocate.

The Advisory Board will primarily be tasked with serving folks who, for the most part, are not likely to be on bikes. For example, two groups that are mentioned most in support of this bill are seniors and the disabled community and neither is likely to be using bikes as a transportation mode, that is not to suggest that either group never uses a bicycle as a means of transportation. In talking to the AK Dept. of Transportation and others involved in public transportation the general consensus is the majority of bus systems in AK are using bike racks for bicycle commuters and this would probably be the extent the newly created advisory board would be advocating. The infrastructure that bicyclist are more likely to need , such as bike paths & bike lanes, etc. are areas the board will not be focusing and have the ability to impact.

Rep. Munoz , and all of us in the office, have bicycles and are supportive of them for all their various uses. In our own community she has worked with the ADOT to get bike and pedestrian paths built that connect our community, like the new path between our Mendenhall Valley residential neighborhood and our University Campus. But at this time the Rep. does not support the idea of making a change in the bill as you have proposed. Thank you for contacting us on this and feel free to call to further discuss."

Terry Harvey, Committee Aide
House Community & Regional Affairs
Rep. Cathy Munoz, Chair
(907)465 5392

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version: **CSHB 131(TRA)**
Fiscal Note Number: **3**
Publish Date: **1/27/12 (H)**

Identifier (file name): HB131-DOT-PD-1-15-12
Title: Community and Public Transportation Advisory Board
Sponsor: Rep. Munoz, Tuck, Gruenberg, Gara
Requester: H (RLS)

Dept. Affected: DOT&PF
Appropriation: Administration and Support
Allocation: Program Development
OMB Component Number: 2762

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY13**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0
Capital Outlay	0.0		0.0	0.0	0.0	0.0	0.0
Grants, Benefits	0.0		0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
FUND SOURCE			(Thousands of Dollars)				
1002 Federal Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0		0.0	0.0	0.0	0.0	0.0
1004 GF	0.0		0.0	0.0	0.0	0.0	0.0
1005 GF/Prgm (DGF)	0.0		0.0	0.0	0.0	0.0	0.0
1037 GF/MH (UGF)	0.0		0.0	0.0	0.0	0.0	0.0
1178 temp code (UGF)	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
POSITIONS							
Full-time							
Part-time							
Temporary							
CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 112.5 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated from the 2011 fiscal note. Previous version showed cost of $110.0. No appropriations will be required as this will be covered with existing Federal Captial transit grants. See analysis.

Prepared by: Brenda Hewitt — Phone: 465-4772
Division: Commissioner's Office — Date/Time: 1/15/12 10:00 AM
Approved by: Marc Luiken, Commissioner — Date: 1/15/2012

(Revised 8/17/2011 OMB)

COMMITTEE COPY

FISCAL NOTE #3

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSHB 131(TRA)

Analysis

The Governor's Coordinated Transportation Task Force was re-established July 9, 2010 by Governor Parnell under Administrative Order 254. The Task Force is temporary and this legislation seeks to make it permanent with a sunset date of 2016.

HB131 would also increase the size of the board by one member to a total of 13. Agency representatives include: Transportation, Health and Social Services, Labor, the Alaska Mental Health Trust Authority and the Denali Commission. There are eight public members representing various constituencies.

Federal capital funds have covered the operation of this temporary task force for the past four years and there is no impact to the state budget. This fiscal note reflects capital dollars as a pass through from the federal government to the state.

Expenses are similar to current support for the Governor's Coordinated Transportation Task Force. Federal receipts (Federal Transit Administration) for program planning (with state match) augmented by Alaska Mental Health Trust funds in the Department's capital budget supports a facilitator contract. The contract covers planning, three meetings, monthly conference calls, reports and travel reimbursement for non-agency members of the board. State and federal agency members of the board cover travel expenses from their operating budgets.

DOT&PF expenses (capital): $112.5K annually (fed receipts 90K, state match $11.2K, MH-GF $11.3K)

Travel cost assumptions	
Airfare	$500
Lodging	$300
Per diem	$120
Ground transportation	$80
TOTAL	$1,000

Annual costs	# of trips	cost/trip	TOTAL
Department representative	3	$1.K	$3K
Non agency members (8)	24	$1.K	$24K
Facilitator contract			$85.5
Total annual cost			$112.5

Pat Branson

Mayor

710 Mill Bay Road, Kodiak, AK 99615
(907) 486-8636 • Fax (907) 486-8600
mayor@city.kodiak.ak.us

HB 213

<TARGET><BILL>HB 213</BILL><SUBJECT>HB 213</SUBJECT><COMM>STRA27</COMM></TARGET>

Alaska State Legislature

Representative Anna Fairclough – House District 17

House Bill 213

"An Act naming the pathway parallel to the section of Eagle River Loop Road connecting Old Glenn Highway with North Parkview Terrace Loop the Mark Hufford Trail."

Mark Hufford, was an avid handcyclist who competed seven times in the Sadler's Alaska Challenge wheelchair and handcycle competition. The Alaska Challenge, known as the "Tour de France" of wheelchair sports, is the world's longest and toughest wheelchair and handcycle race that starts in Fairbanks and ends in Anchorage. Twice Mark won the Speedy Sourdough Award for the fastest Alaskan. He helped motivate his competitors and encouraged them throughout the races. He was known throughout the handcycle community not only in Alaska but nationally and created a lot of awareness for the sport. He was often seen riding his handcycle in Eagle River – enjoying the beauty of the outdoors and improving his skills.

Mark was a resident of Eagle River, Alaska and a graduate of Chugiak High School. Tragedy struck in 1995 when a hunting accident left Mark a paraplegic and in a wheelchair. This did not slow him down, but gave him more determination. He continued with his education and earned a Bachelor's Degree in Human Services from the University of Alaska Anchorage and helped others overcome their disabilities while working at the Division of Vocational Rehabilitation. Sadly, Mark passed away in January 2011 but he left an indelible mark on those that were encouraged by him and for the sport of handcycling. The community of Eagle River will miss seeing him during the summer months as he made his way on the many bike trails in the area. It would be a fitting tribute to Mark and his family to remember him by naming this local trail in his memory.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
Interim: 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944 • Fax 907-694-8945
Representative_Anna_Fairclough@legis.state.ak.us

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 213
(H) Publish Date: 4/6/11

HB213-DOT-CRDC-4-1-11
Title: Mark Hufford Trail
Sponsor: Representative Anna Fairclough
Requester: H TRA

Dept. Affected: DOT&PF
Appropriation: Highways and Aviation
Allocation: Central Region Highways & Aviation
OMB Component Number: 564

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
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	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version

Prepared by: Brenda Hewitt
Phone: 465-4772
Division: Commissioner's Office
Date/Time: 4/1/11 8:00 AM
Approved by: Mark Luiken
Commissioner
Date: 4/2/2011

(Revised 12/29/2010 OMB)

FISCAL NOTE #1

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB 213

Analysis

HB 213 would name the pathway parallel to the section of Eagle River Loop Road connecting Old Glenn Highway to North Parkview Terrace Loop the Mark Hufford Trail.

The costs associated with this legislation would be minimal and would not require an additional appropriation to the Department of Transportation.

Alaska State Legislature

Representative Anna Fairclough – House District 17

MEMORANDUM

Date: April 8, 2011

To: Senator Albert Kookesh, Chair
Senate Transportation Committee

From: Representative Anna Fairclough

Re: HB 213 Hearing Request

I am requesting a hearing for HB 213 "An Act naming the pathway parallel to the section of Eagle River Loop Road connecting Old Glenn Highway with North Parkview Terrace Loop the Mark Hufford Trail."

Thank you in advance for your consideration.

Attachments:
I. HB 213
II. Sponsor Statement
III. Fiscal Note

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
Interim: 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944 • Fax 907-694-8945
Representative_Anna_Fairclough@legis.state.ak.us

HB 214

<TARGET><BILL>HB 214</BILL><SUBJECT>HB 214</SUBJECT><COMM>STRA27</COMM></TARGET>

Alaska State Legislature

Interim:
50 Front Street, Suite 203
Ketchikan, AK 99901
Phone: (907) 247-4672
Fax: (907) 225-7157

Session:
State Capitol, Room 114
Juneau, AK 99801-1182
Phone: (907) 465-3424
Fax: (907) 465-3793

Representative Kyle Johansen

House District 1

HB 214 - "An Act naming the Ketchikan ferry terminal the Walter L. Kubley Ferry Terminal."

Walter was integral in writing the legislation that created the Alaska Marine Highway System. As the 'Father of the Alaska Highway System,' he had fond memories of bringing his family on the maiden voyage of the M/V Malaspina. The ferry sailed from Seattle to Ketchikan in 1963 with Walter's cousin, Capt. Harold Paine, at the helm and Governor Egan in the wheelhouse.

Walter dove into politics by serving on the Ketchikan City Council from 1957 to 1960. He would be elected twice to the Alaska House of Representatives, serving in the second and third Alaska Legislatures from 1961 through 1964. While in the legislature, Walter became known for his ability to deal with people on both sides on the political aisle in a fair and bipartisan manner. He often said 6 of his greatest years were spent lobbying with his son, Donnie. Together they fought for the same communities and issues that Walter had championed his entire life.

Kubley's career endeavors made him a trusted confidant to U.S. Senators, Representatives, Governors and State Legislators. His friendship to the late Senator Ted Stevens was one of Walter's most cherished relationships and he was an honorable pallbearer at the Senator's funeral services.

Even in retirement, Walter remained active in The Elks, Royal Order of the Moose, Veterans of Foreign Wars and The American Legion. He is remembered as a visionary, a great leader in the state and a dear friend to many.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number
Bill Version **HB 214**
() Publish Date

HB214-DOT-MHS-4-1-11
Title Walter L. Kubley Ferry Terminal
Sponsor Representative Kyle Johansen
Requester H TRA

Dept. Affected DOT&PF
Appropriation Marine Highway Systems
Allocation SMO
OMB Component Number 2789

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
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**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version

Prepared by Brenda Hewitt
Division Commissioner's Office
Approved by Mark Luiken
Commissioner

Phone 465-4772
Date/Time 4/1/11 8:00 AM
Date 4/2/2011

(Revised 12/29/2010 OMB)

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB214

Analysis

House Bill 214 names the Ketchikan ferry terminal the Walter L. Kubley Ferry Terminal. The costs associated with HB 214 are minimal and can be covered by the current budget.

HB

246

<TARGET><BILL>HB 246</BILL><SUBJECT>HB 246</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE TRANSPORTATION COMMITTEE

State Capitol, Room 11
Juneau AK, 99801-1182
907-465-6828

TO: Senate Transportation Committee

FROM: Senator Albert Kookesh, Chair
Senate Transportation Committee

DATE: March 15, 2012

RE: Senate Transportation Schedule for the week
March 19 -23, 2012

Tuesday, March 20, 2012: 1pm to 3pm, Butrovich Room 205

CSHB 246: Naming Certain Bridges and Airports (by the House Finance Committee).

CSHB 271: An Act Relating to motor vehicle requirements. (By the House Transportation Committee).

Thursday, March 22, 2012: 1pm to 3pm, Butrovich Room 205

Bill previously heard or scheduled.

Please contact Nancy Barnes at 465-6828 if you have any questions.

SENATE COMMITTEE REPORT

DATE: 3/6/12

FURTHER: Finance

DATE TURNED IN TO OFFICE: 3/20/12

Transportation Committee considered CS FOR HOUSE BILL NO. 246(FIN)

HB 246-NAMING CERTAIN BRIDGES

"An Act naming certain bridges and airports."

and recommends:

[ ] be **replaced** with **SCS** _____ (_____) *[ ] Same Title [ ] Technical Title Change [ ] New Title/SCR No._____*

[ ] adopt **previous SCS** _____ (_____) *[ ] Same Title [ ] Technical Title Change [ ] New Title/SCR No._____*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DOT	✓			2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
Joe T Thomas	THOMAS	✓			
Linda Menard	Menard	X			
CHAIR: Albert Kookesh	KOOKESH	✓			

CS FOR HOUSE BILL NO. 246(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 2/15/12
Referred: Rules

Sponsor(s): REPRESENTATIVES THOMAS, Dick, Johnson, Austerman, Kerttula

A BILL

FOR AN ACT ENTITLED

"An Act naming certain bridges and airports."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 35.40 is amended by adding new sections to read:

Sec. 35.40.255. Marie Smith Jones Bridge. The bridge over the Eyak River at mile 5.7 of the Copper River Highway is named the Marie Smith Jones Bridge after Marie Smith Jones.

Sec. 35.40.260. Michael Dean Banta Bridge. The Scott Glacier No. 1 bridge at mile 7.5 of the Copper River Highway is named the Michael Dean Banta Bridge.

Sec. 35.40.265. Warren Allen Paulsen Bridge. The Scott Glacier No. 3 bridge at mile 8.1 of the Copper River Highway is named the Warren Allen Paulsen Bridge.

Sec. 35.40.270. David Alen Lape Bridge. The Scott Glacier No. 5 bridge at mile 9.2 of the Copper River Highway is named the David Alen Lape Bridge.

Sec. 35.40.275. David Henry Elisovsky Bridge. The Scott Glacier No. 7 bridge at mile 9.7 of the Copper River Highway is named the David Henry Elisovsky

Bridge.

Sec. 35.40.280. Leonard F. Olson Bridge. The Scott Glacier No. 9 bridge at mile 10.4 of the Copper River Highway is named the Leonard F. Olson Bridge.

Sec. 35.40.285. Norman D. Osborne Bridge. The Scott Glacier No. 11 bridge at mile 11 of the Copper River Highway is named the Norman D. Osborne Bridge.

Sec. 35.40.290. Patrick A. Burchett Bridge. The Sheridan Glacier East Channel bridge at mile 16.3 of the Copper River Highway is named the Patrick A. Burchett Bridge.

Sec. 35.40.295. John W. Jones Bridge. The Flag Point West bridge at mile 26.7 of the Copper River Highway is named the John W. Jones Bridge.

Sec. 35.40.300. W. H. Mumby Bridge. The Flag Point East bridge at mile 26.9 of the Copper River Highway is named the W. H. Mumby Bridge.

Sec. 35.40.305. Matthew Anderson Bridge. The Round Island bridge at mile 27.6 of the Copper River Highway is named the Matthew Anderson Bridge.

Sec. 35.40.310. Lucian Platt Bridge. Bridge number 334 at mile 34.6 of the Copper River Highway is named the Lucian Platt Bridge.

Sec. 35.40.315. Steve Green Bridge. Bridge number 339 at mile 36.2 of the Copper River Highway is named the Steve Green Bridge.

Sec. 35.40.320. William M. Jones Bridge. Bridge number 342 at mile 37 of the Copper River Highway is named the William M. Jones Bridge.

Sec. 35.40.325. James Bennett Bridge. Bridge number 345 at mile 37.9 of the Copper River Highway is named the James Bennett Bridge.

Sec. 35.40.330. Minto-Al Wright Airport. The state-owned airport at Minto, Alaska, also known as the Minto Al Wright Airport, is named the Minto-Al Wright Airport.

Sec. 35.40.335. Koyukuk Station Veterans' Airport. The state-owned airport at Koyukuk, Alaska, known as the Koyukuk Airport, is named the Koyukuk Station Veterans' Airport.

REPRESENTATIVE BILL THOMAS
ALASKA STATE LEGISLATURE DISTRICT 5
e-mail: Representative.Bill.Thomas@legis.state.ak.us
webpage: www.akrepublicans.org/thomas/

State Capitol
Juneau AK, 99801-1182
907-465-3732
888-461-3732
FAX 907-465-2652

MEMORANDUM

Date: 1-26-12

To: Representative P. Wilson, House Transportation Committee Chair

From: Representative Thomas BT

Re: Hearing Request for HB 246 An Act Naming Certain Bridges.

I respectfully request that the House Transportation Committee hear HB 246 at its earliest convenience.

HB 246 names 15 bridges in the Cordova area after prominent Cordova residents.

If you have any questions on this bill please contact Kaci Schroeder Hotch in my office at 465-3732.

REPRESENTATIVE BILL THOMAS
ALASKA STATE LEGISLATURE DISTRICT 5
e-mail: Representative.Bill.Thomas@legis.state.ak.us
webpage: www.akrepublicans.org/thomas/

State Capitol
Juneau AK, 99801-1182
907-465-3732
888-461-3732
FAX 907-465-2652

Sponsor Statement for HB 246 An Act Naming Certain Bridges

Cordova is located in the Copper River Valley and its residents have a strong sense of duty. Duty to country and duty to their people. It is that sense of duty that has spurred the people of Cordova to serve in every major war of the 20th century. It is also that sense of duty that compelled an Eyak elder to nearly singlehandedly preserve the Eyak language for future generations. It is also this sense of duty that prompted the City of Cordova to ask the state to name 15 of its unnamed Cordova-area bridges after some of their finest residents.

In honor of the brave young men who served and made the ultimate sacrifice for their country, the City of Cordova has requested that 14 of their unnamed bridges be named for each of the sons that they have lost. They are:

World War I
James Bennet
William M. Jones
Steve Green
Lucian Platt
Mathhew Anderson
W.H. Mumby
John W. Jones

World War II
Patrick B. Burchett
Norman D. Osbourne
Leonard F. Olson

Vietnam
David Henry Elisovky
David Allen Lape
Warren Allen Paulsen
Michael Dean Banta

The City of Cordova has also requested that the bridge over the Eyak River be named after Marie Smith Jones. Marie Smith Jones was an Eyak elder who worked tirelessly to preserve the Eyak language. She left behind one of the most comprehensive records of any aboriginal language that exists today.

Naming these bridges after some of Alaska's finest residents is the least we can do to thank them for their service and their sacrifice. I urge your support of HB 246.

HB 271

<TARGET><BILL>HB 271</BILL><SUBJECT>HB 271</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE TRANSPORTATION COMMITTEE

State Capitol, Room 11
Juneau AK, 99801-1182
907-465-6828

TO: Senate Transportation Committee

FROM: Senator Albert Kookesh, Chair
Senate Transportation Committee

DATE: March 15, 2012

RE: Senate Transportation Schedule for the week
March 19 -23, 2012

Tuesday, March 20, 2012: 1pm to 3pm, Butrovich Room 205

CSHB 246: Naming Certain Bridges and Airports (by the House Finance Committee).

CSHB 271: An Act Relating to motor vehicle requirements. (By the House Transportation Committee).

Thursday, March 22, 2012: 1pm to 3pm, Butrovich Room 205

Bill previously heard or scheduled.

Please contact Nancy Barnes at 465-6828 if you have any questions.

SENATE COMMITTEE REPORT

DATE: 3/5/12

FURTHER: State Affairs

DATE TURNED IN TO OFFICE: 3/20/12

Transportation Committee considered CS FOR HOUSE BILL NO. 271(TRA) am

HB 271-COMMERCIAL MOTOR VEHICLE REQUIREMENTS

"An Act relating to commercial motor vehicle requirements."

and recommends:

[ ] be **replaced** with **SCS** _____ (_____) *[ ] Same Title [ ] Technical Title Change [ ] New Title/SCR No._____*

[ ] adopt **previous SCS** _____ (_____) *[ ] Same Title [ ] Technical Title Change [ ] New Title/SCR No._____*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
ADM			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
Joe J Thomas	Thomas	✓			
Linda Menard	Menard	✓			
	Huggins	✓			
CHAIR: Mike Kowalski	Kookesh	✓			

CS FOR HOUSE BILL NO. 271(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES KELLER AND PRUITT, Gruenberg

A BILL

FOR AN ACT ENTITLED

"An Act relating to commercial motor vehicle requirements."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 19.10.060(c) is amended to read:

(c) Except for requirements relating to a commercial motor vehicle driver's licensing program under AS 28, the department shall adopt regulations under AS 44.62 (Administrative Procedure Act) that are necessary to implement [REQUIREMENTS IMPOSED BY] federal **statutes** [STATUTE] or **regulations** [REGULATION] that relate to commercial motor vehicles [AND THAT ARE NECESSARY TO AVOID LOSS OR WITHHOLDING OF FEDERAL HIGHWAY MONEY].

*** Sec. 2.** AS 19.10.300(f)(1) is amended to read:

(1) "commercial motor vehicle" means a motor vehicle or a combination of a motor vehicle and one or more other vehicles

(A) used to transport passengers or property **for intrastate commercial purposes**;

(B) used upon a land highway or vehicular way; and

(C) that

(i) has a gross vehicle weight rating or gross combination weight rating greater than 26,000 pounds; **or**

(ii) is designed to transport more than 15 passengers, including the driver; [OR

(iii) IS USED IN THE TRANSPORTATION OF MATERIALS FOUND BY THE UNITED STATES SECRETARY OF TRANSPORTATION TO BE HAZARDOUS FOR PURPOSES OF 49 U.S.C. 5101 - 5128;]

(D) except that the following vehicles meeting the criteria in (A) - (C) of this paragraph are not commercial **motor** vehicles:

(i) emergency or fire equipment that is necessary to the preservation of life or property;

(ii) farm vehicles that are controlled and operated by a farmer; used to transport agricultural products, farm machinery, or farm supplies to or from that farmer's farm; not used in the operations of a common or contract motor carrier; and used within 150 miles of the farmer's farm; and

(iii) [RECREATIONAL] vehicles used exclusively for purposes other than commercial purposes;

*** Sec. 3.** AS 19.10.399(1) is amended to read:

(1) "commercial motor vehicle" means a self-propelled or towed vehicle

(A) used to transport passengers or property for **intrastate** commercial purposes;

(B) used upon a highway or vehicular way; and

(C) that

(i) has a gross vehicle weight rating or gross combination weight rating greater than **14,000** [10,000] pounds; **or**

(ii) is designed to transport more than 15 passengers,

including the driver; [OR

(iii) IS USED IN THE TRANSPORTATION OF MATERIALS FOUND BY THE UNITED STATES SECRETARY OF TRANSPORTATION TO BE HAZARDOUS FOR PURPOSES OF 49 U.S.C. 5101 - 5128;]

(D) except that the following vehicles meeting the criteria in (A) - (C) of this paragraph are not commercial motor vehicles:

(i) emergency or fire equipment that is necessary to the preservation of life or property;

(ii) farm vehicles that are controlled and operated by a farmer; used to transport agricultural products, farm machinery, or farm supplies to or from that farmer's farm; not used in the operations of a common or contract motor carrier; and used within 150 miles of the farmer's farm;

(iii) school buses;

(iv) vehicles owned and operated by the federal government unless the vehicle is used to transport property of the general public for compensation in competition with other persons who own or operate a commercial motor vehicle subject to AS 19.10.310 - 19.10.399, and except to the extent that regulation of vehicles operated by the federal government is permitted by federal law; and

(v) vehicles used exclusively for purposes other than commercial purposes;

27-LS1158\D.1
Martin
2/23/12

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE FEIGE

TO: CSHB 271(TRA)

Page 1, line 14:

Delete "**intrastate**"

Page 2, line 25:

Delete "**intrastate**"

Page 2, line 30:

Delete "**14,000** [10,000]"

Insert "10,000 pounds **for vehicles used in interstate commerce and 14,000 pounds for vehicles used in intrastate commerce**"

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version: **CSHB 271(TRA)**
Fiscal Note Number: **1**
(H) Publish Date: **2/22/12**

Identifier (file name): HB271-DOA-DMV-2-17-12
Title: Commercial motor vehicle requirements
Sponsor: Representatives Keller, Pruitt
Requester: House Transportiation

Dept. Affected: Administration
Appropriation: Motor Vehicles
Allocation: Motor Vehicles
OMB Component Number: 2348

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY13**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs _____ *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable; initial version

Prepared by: Whitney Brewster, Director — Phone: 907-269-5559
Division: Motor Vehicles — Date/Time: 2/17/12 11:30 AM
Approved by: John Cramer, Deputy Commissioner — Date: 2/17/2012
Department of Administration

(Revised 1/17/2012 OMB)

FISCAL NOTE #1

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSHB 271(TRA)

Analysis

There is no specified effective date in this bill.

This legislation changes the definition of a commercial motor vehicle for enforcement purposes. It also inadvertently gives Department of Transportation (DOT) the ability to promulgate regulations when it comes to the Commercial Driver's Licensing (CDL) program, which is a function of the Division of Motor Vehicles (DMV) under AS 28.

As long as DOT does not promulgate regulations for the CDL program that are in conflict with DMV's ability to administer the CDL program in accordance with statutes and regulations, DMV does not anticipate this bill will have a fiscal impact on the DMV.

As vehicles have gotten larger and heavier, many vehicles now fall into the current definition of an intrastate commercial motor vehicle that have historically not been considered commercial vehicles such as pickup trucks, small step vans, small trailers, etc. One of the Alaska Trucking Associations legislative priorities is to change the definition of an intrastate commercial vehicle to reduce the regulatory burden on small businesses.

For purposes of commercial vehicle regulation and inspection, HB271 raises the weight threshold on intra state commercial vehicles from 10,000 pounds, Gross Vehicle Weight Rating (GVWR) to 14,000 pounds GVWR for inspection and safety regulation purposes. This is aimed at the small contractors, i.e. lawn care, carpenters, plumbing & heating, small delivery vehicles and pilot cars.

1. Pick-up trucks and small step vans are getting larger and heavier and are bumping up over the current 10,000 pounds GVWR becoming, by definition, a commercial vehicle for inspection and safety regulation purposes.

2. Pilot cars are those vehicles that accompany oversize loads to serve as an extension of the warning system for the oversize load and their work is almost always "intra state" and would fall under this legislation.

3. This bump causes the driver to obtain a medical certification, complete daily vehicle inspection reports, perform or have performed annual inspections, the vehicle must submit several other items to the state DOT to be in compliance.

4. When over the 10,000 pound GVWR threshold, these vehicles are subject to Federal regulations that have been adopted into the Alaska Administrative Code.

5. When passed, this bill will exclude these commercial vehicles that are no more than 14,000 pound GVWR from the unnecessary regulation.

6. This change does not change the commercial status of these intrastate vehicles for purposes of registration with the Division of Motor Vehicles and therefore there is no fiscal impact on the state.

7. These vehicles do not need that level of scrutiny as typically they are operating in a limited geographical area and are not subject to the wear and tear that other larger commercial vehicles experience.

Aves Thompson | Executive Director | Alaska Trucking Association | www.aktrucks.org
Office 907 276-1149 | Mobile 907 240-0114 | Fax 907 274-1946

Jim Pound

From: Roger.Boylan@norcon.com
Sent: Friday, February 17, 2012 4:25 PM
To: Jim Pound
Subject: HB 271

Mr., Jim Pound

The Bill HB 271 is an excellent choice for Alaska as we use one ton trucks that are over the 10,000 lb. GVWR to pilot equipment to and from job sites. They are less wear and tear on the highway system than a normal pickup truck due to the duel rear wheels putting less PSI on the road way than single rear wheels.

Roger Boylan
Norcon Equipment Manager
6550 A Street
Office: 907-275-6361
Fax: 907-275-6303
Cell: 907-440-2002
Email: roger.boylan@norcon.com

U.S. Department of Transportation

Federal Motor Carrier Safety Administration

Commercial Vehicle Information Systems and Networks (CVISN)

Commercial Motor Vehicle (CMV)

Any self-propelled or towed vehicle used on highways in intrastate or interstate commerce to transport passengers or property:

- if it has a gross vehicle weight rating of 26,001 or more pounds; or
- if it is designed to transport more than 16 passengers, including the driver; or
- if it is used to transport hazardous materials (as defined in 49 U.S.C. App. 1801 et seq.) in quantity requiring placarding under federal regulation [2]

Commercial Motor Vehicle Safety Act (CMVSA)
Requires all states to meet the same minimum standards for testing and licensing drivers of commercial motor vehicles. The act also mandates uniform penalties and a central reporting system.

Monday, Feb 20, 2012 Via e-mail

Jim,
Just letting you know that I wholeheartedly support this bill, as does my husband. I work for Lynden, so I have a bit of knowledge about this. However, my husband is a plumber, and has had experience with the cumbersome & unnecessary additional regulation on vehicles he had as a previous owner, and now as an employee of another small plumbing business.
Thank you for this effort!

Jeanine & Al St. John
Anchorage

NFIB

The Voice of Small Business®

ALASKA

February 17, 2012

The Honorable Wes Keller
State Capitol Building
Juneau, Alaska 99801-1182

RE: House Bill 271

Dear Representative Keller:

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully share our support for House Bill 271. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

HB 271 raises the weight threshold on intra state commercial vehicles from 10,000 lbs to 14,000 pounds for inspection and safety regulation purposes. This will assist small contractors, i.e. lawn care, carpenters, plumbing & heating, small delivery vehicles and pilot cars. As you are aware, pick-up trucks and small step vans are getting larger and heavier and therefore bumping up over the current 10,000 pound limit and becoming by definition a commercial vehicle for inspection and regulation purposes.

Crossing the 10,000 pound threshold causes the driver to obtain a medical certification, complete daily vehicle inspection reports, perform or have performed annual inspections, and submit several other items on the vehicle to the state DOT to be in compliance. Currently, when over the 10,000 pound threshold, these vehicles are subject to Federal regulations that have been adopted into the Alaska Administrative Code. We feel that these vehicles do not need that level of scrutiny as typically they are operating in a limited geographical area and are not subject to the wear and tear that other larger commercial vehicles experience.

Increased regulation makes it more difficult for small businesses to survive. We appreciate your assistance in relieving small businesses from this potential of unnecessary regulation.

Sincerely yours,

Dennis L. DeWitt
Alaska State Director

Cc: Rep. Peggy Wilson
Aves Thompson

Not Your Average Builder. Not Your Average Home

Representative Wes Keller
State Capitol Room 432
Juneau AK, 99801

Phone: 907-465-2186
Fax: 907-465-3818

3/15/2012

Representative Keller,

I wish to express my support for house bill 271.

As a small business owner I have been caught up in the enforcement of the 10,000 pound combined load limit while hauling job materials to a job site. While I had all of the safety equipment required by DOT I did received a citation. Just having the equipment does not meet the letter of the law as I found out the hard way. I find these requirements to be bit over reaching. My pick-up truck is under the 10,000 pound limit until I load it up or haul my tool trailer to the job site.

I believe the 14,000 pound limit is a fair adjustment given the quality of modern vehicles. Raising the limit will help reduce a paperwork burden for small business owners like myself.

Thank you for having the foresight to address this issue.

Sincerely,

Alan Wilson, President
907-209-6321

NFIB

The Voice of Small Business®

ALASKA

February 17, 2012

The Honorable Wes Keller
State Capitol Building
Juneau, Alaska 99801-1182

RE: House Bill 271

Dear Representative Keller:

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully share our support for House Bill 271. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

HB 271 raises the weight threshold on intra state commercial vehicles from 10,000 lbs to 14,000 pounds for inspection and safety regulation purposes. This will assist small contractors, i.e. lawn care, carpenters, plumbing & heating, small delivery vehicles and pilot cars. As you are aware, pick-up trucks and small step vans are getting larger and heavier and therefore bumping up over the current 10,000 pound limit and becoming by definition a commercial vehicle for inspection and regulation purposes.

Crossing the 10,000 pound threshold causes the driver to obtain a medical certification, complete daily vehicle inspection reports, perform or have performed annual inspections, and submit several other items on the vehicle to the state DOT to be in compliance. Currently, when over the 10,000 pound threshold, these vehicles are subject to Federal regulations that have been adopted into the Alaska Administrative Code. We feel that these vehicles do not need that level of scrutiny as typically they are operating in a limited geographical area and are not subject to the wear and tear that other larger commercial vehicles experience.

Increased regulation makes it more difficult for small businesses to survive. We appreciate your assistance in relieving small businesses from this potential of unnecessary regulation.

Sincerely yours,

Dennis L. DeWitt
Alaska State Director

Cc: Rep. Peggy Wilson, Chair, House Transportation Committee
Senator Albert Kookesh, Chair, Senate Transportation Committee
Aves Thompson

Classes

Light Duty

Class 1

The **Class 1** truck (GVWR) ranges from **0 to 6,000 pounds.** Examples of trucks in this class include the Ford Ranger, Dodge Dakota and GMC Canyon.

Class 2

The **Class 2** truck (GVWR) ranges from **6,001 to 10,000 pounds.** Examples of vehicles in this class include the Dodge Ram 1500 and the Ford F-150.

Class 2 is subdivided into Class 2a and Class 2b, with class 2a being **6,001 to 8,500 pounds**,

Class 2b being **8,501 to 10,000 pounds**.

Class 2a is commonly referred to as a light duty truck, with class 2b being the lowest heavy-duty class, also called the light heavy-duty class.

Class 3

The **Class 3** (GVWR) ranges from **10,001 to 14,000 pounds.** Examples of vehicles in this class include the Dodge Ram 3500, Ford F-350 and the GMC Sierra 3500, both dual rear wheel and single rear wheel.

The Hummer H1 is another example of a single rear wheel Class 3 truck, with a GVWR of 10,300 lbs.

Medium Duty

Class 4

The **Class 4** truck (GVWR) ranges from **14,001 to 16,000 pounds** Examples of vehicles in this class include select Ford F-450 trucks, Dodge Ram 4500, and the GMC 4500.

Class 5

The **Class 5** truck (GVWR) ranges from **16,001 to 19,500 pounds.** Examples of trucks in this class include the International MXT, GMC 5500.[9] Dodge Ram 5500, and the Ford F-550

Class 6

The **Class 6** truck (GVWR) ranges from **19,501 to 26,000 pounds**. Examples of trucks in this class include the International Durastar, GMC Topkick C6500. and the Ford F-650

Heavy Duty

Class 7

Vehicles in **Class 7** and above require a Class B license to operate in the United States. These include GMC C7500 Their GVWR ranges from **26,001 to 33,000**.

Class 8

The **Class 8** truck (GVWR) is anything above **33,000 pounds**. These include all tractor trailer trucks.

ALASKA STATE LEGISLATURE

Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
Phone (907) 373-1842
Fax: (907) 373-4729

Session:
State Capitol Building
Juneau, Alaska 99801-1182
Phone: (907) 465-2186
Fax: (907) 465-3818

REPRESENTATIVE WES KELLER
DISTRICT 14

MEMO

To: Senator Albert Kookesh, Chair
Senate Transportation Committee

Fm: Representative Wes Keller

Date: March 02, 2012

Re: Request for hearing on CSHB 271(TRA) am (27-LS1158\

Please consider this as a request, pending referral, for you to schedule CSHB 271(TRA) am "Commercial Motor Vehicle Requirements" for consideration by the Senate Transportation Committee. Included with the formal request please find a packet of information and documents in a .pdf format.

CSHB 271 will make life easier for the many Alaskans who drive the new larger pickup trucks and small step vans by saving them the costs of registering them as commercial vehicles. It will also open the door to young people considering driving for a living by allowing them the opportunity to drive pilot vehicles without a Commercial Driver's License.

If you have any questions please feel free to contact my office.

The information contained in this memo is CONFIDENTIAL and/or privileged. This memo is intended to be reviewed initially by only the individual named above. If the reader of this page is not the intended recipient or a representative of the intended recipient, you are hereby notified that any review, dissemination, or copying of this memo or the information contained herein is prohibited. If you have received this memo in error, please immediately notify the sender by telephone and return this memo to the sender at the above address.
Thank you

E-Mail: Representative_Wes_Keller@legis.state.ak.us
Call Juneau Toll free: (800) 468-2186
Website: www.akrepublicans.org/keller/

Jim Pound

From: Dave.Kezer@norcon.com
Sent: Monday, February 20, 2012 10:34 AM
To: Jim Pound

Jim,
As Vice President of a large Alaskan construction company I fully support this bill. The excessive regulation in our industry has caused cost to increase while productivity decreases all with very little value to the public at large. Arbitrary and excessive regulation by government is killing the economy of the this state and the country as a whole, and any attempt to curb government intrusion should be embraced.
Following are a few key points to consider.
Thanks

David M Kezer
Sr. Operations and Maintenance Manager
Vice President
NORCON Inc.
3725 Braddock, Fairbanks AK 99701
907-451-6739- Office
907-456-5425- FAX
907-590-0313- Cell

- Pick-up trucks and small step vans are getting larger and heavier and are bumping up over the current 10,000 pounds GVWR becoming, by definition, a commercial vehicle for inspection and safety regulation purposes.
- Pilot cars are those vehicles that accompany oversize loads to serve as an extension of the warning system for the oversize load and their work is almost always "intra state" and would fall under this legislation.
- This bump causes the driver to obtain a medical certification, complete daily vehicle inspection reports, perform or have performed annual inspections, the vehicle must submit several other items to the state DOT to be in compliance.
- When over the 10,000 pound GVWR threshold, these vehicles are subject to Federal regulations that have been adopted into the Alaska Administrative Code.
- When passed, this bill will exclude these commercial vehicles that are no more than 14,000 pound GVWR from the unnecessary regulation.
- This change does not change the commercial status of these intra state vehicles for purposes of registration with the Division of Motor Vehicles and therefore there is no fiscal impact on the state.

These vehicles do not need that level of scrutiny as typically they are operating in a limited geographical area and are not subject to the wear and tear that other larger commercial vehicles experience.

Alaska Trucking Association, Inc.
3443 Minnesota Drive · Anchorage, Alaska 99503 · Phone (907) 276-1149 · Fax (907) 274-1946
www.aktrucks.org
The authoritative voice of the trucking industry in Alaska

HB 271 COMMERCIAL MOTOR VEHICLE REQUIREMENTS

Senate Transportation Committee

1:00 pm, March 20, 2012

Aves D. Thompson, Executive Director

Alaska Trucking Association

Thank you. Mr. Chairman and members of the committee, I am Aves Thompson, Executive Director of the Alaska Trucking Association. The Alaska Trucking Association is a state wide organization representing the interests of our nearly 200 member companies from Barrow to Ketchikan. Freight movement represents a large chunk of our economy and impacts all of us each and every day. The simple truth is that "if you got it, a truck brought it."

I am here today to testify in support of HB271.

One of the Alaska Trucking Associations' legislative priorities is to change the definition of an intra-state commercial vehicle to reduce the regulatory burden on small businesses. As vehicles have gotten larger and heavier, many vehicles now fall into the current definition of an intra-state commercial motor vehicle that have historically not been

considered commercial vehicles such as pickup trucks, small step vans, small trailers, etc.

For purposes of commercial vehicle regulation and inspection, HB271 raises the weight threshold on intra-state commercial vehicles from 10,000 pounds, Gross Vehicle Weight Rating (GVWR) to 14,000 pounds GVWR. This is aimed at the small contractors, i.e. lawn care, carpenters, plumbing & heating, small delivery vehicles and pilot cars.

- Pick-up trucks and small step vans are getting larger and heavier and are bumping up over the current 10,000 pounds GVWR, becoming, by definition, a commercial vehicle for inspection and safety regulation purposes.
- Pilot cars are those vehicles that accompany oversize loads to serve as an extension of the warning system for the oversize load and their work is almost always "intra-state" and would fall under this legislation.
- This bump causes the driver to obtain a medical certification, complete daily vehicle inspection reports, perform or have performed annual inspections, and the vehicle owner must submit several other items to the state DOT to be in compliance.

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3443 Minnesota Drive · Anchorage, Alaska 99503 · Phone (907) 276-1149 · Fax (907) 274-1946
www.aktrucks.org
The authoritative voice of the trucking industry in Alaska

- When over the 10,000 pound GVWR threshold, these vehicles are subject to Federal regulations that have been adopted into the Alaska Administrative Code.
- When passed, this bill will exclude these commercial vehicles that are no more than 14,000 pound GVWR from the unnecessary regulation.
- This change does not change the commercial status of these intra-state vehicles for purposes of registration with the Division of Motor Vehicles and therefore there is no fiscal impact on the state.

These vehicles do not need that level of scrutiny as typically they are operating in a limited geographical area and are not subject to the wear and tear that other larger commercial vehicles experience.

On behalf of the Alaska Trucking Association, I urge you to act favorably on this bill.

I will try to answer any questions. Thank you for your attention.

HJR

4

<TARGET><BILL>HJR 4</BILL><SUBJECT>HJR
4</SUBJECT><COMM>STRA27</COMM></TARGET>

SENATE COMMITTEE REPORT

DATE: 4/2/12

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4/3/12

Transportation Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 4(RLS)

HJR 4-CONST. AM: TRANSPORTATION FUND

Proposing amendments to the Constitution of the State of Alaska creating a transportation infrastructure fund.

and recommends:

[ ] be **replaced** with **SCS** _____ (_____) *[ ] Same Title [ ] Technical Title Change [ ] New Title/SCR No._____*

[ ] adopt **previous SCS** _____ (_____) *[ ] Same Title [ ] Technical Title Change [ ] New Title/SCR No._____*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
H.FIN			✓	3
GOV	✓			4

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Egan	X			
	Thomas	✓			
	Menard	X			
	Huggins	X			
CHAIR:	Kookesh	✓			

Alaska State Legislature

Representative Peggy Wilson
House District 2

MEMORANDUM

Date: March 28, 2012,

To: Senator Albert Kookesh, Chair

Senate Transportation Committee

From: Representative Peggy Wilson

Re: HJR 4 – Constitutional Amendment:Transportation Fund

I would like to request the Senate Transportation Committee please schedule HJR 4 for a hearing in the Senate Transportation Committee pending referral.

HJR 4 will put a constitutional amendment before voters to change the Alaska constitution to allow a dedicated fund for Capital Transportation Projects.

Alaska is geographically the largest state in the country, and the future of the economic and social well being of its citizens is critically dependent on a reliable transportation system. This change to the State Constitution, allowing a dedicated transportation fund, is needed to create and maintain a modern, reliable transportation system for Alaska.

Thank you for your consideration.

ALASKA STATE LEGISLATURE

Interim:
P.O. Box 109
Wrangell, AK 99929
Phone: (907) 874-3088
Fax: (907) 874-3055

Session:
State Capitol, Room 406
Juneau, AK 99801-1182
Phone: (907) 465-3824
1-800-686-3824
Fax: (907) 465-3175

REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

SPONSOR STATEMENT
House Joint Resolution 4

"Proposing amendments to the constitution of the State of Alaska creating a transportation infrastructure fund"

HJR 4 will put a constitutional amendment before voters to amend the Alaska constitution to reinstate a dedicated fund for Transportation Projects.

Historians write that the drafters of the constitution were concerned that dedicated funds would impair future legislatures from responding to evolving public needs. However, the drafters of our Alaska Constitution grandfathered in two dedicated transportation funds. The first was for highways and the second was for water and harbor facilities. They recognized the public need for dependable and efficient transportation and that need has only grown. HJR 4 will reinstate a single dedicated fund that will serve all modes of transportation.

The roads, bridges, airports, ferries and transit systems that make up our state's transportation system are essential to mobility, commerce and economic development. This system enhances economic competitiveness, increases safety and enhances quality of life. There is a growing imbalance between system use and capacity as well as the need for new infrastructure to access our valuable resources. To insure Alaska has the infrastructure necessary to develop our resources as well as providing a quality of life for our citizens we must commit to funding transportation. Having a dependable revenue stream from year to year will allow Alaska to tackle today's congestion and maintenance projects as well as developing the needed access to resources and energy into the future.

The new CS for HJR 4 FIN has removed all the details defining which funds will go into ATIF, how ATIF will be appropriated and how it will be managed. Instead, the enabling statutes will define what funds will be directed to the ATIF, which projects are eligible for funding and the entity that will prioritize the eligible projects.

The only stipulation is the projects must be transportation related. The cap on the payout rate has been increased to 7% but the enabling legislation will define what rate will be used initially; probably in the 4-4.5% range. These changes were made to make the constitutional amendment not only good for Alaska today but also in 10, 20, and even 100 years. The changes will give the legislature the flexibility to manage transportation funding as we move into the future. We also now have a more clear and concise constitutional amendment that the public can understand and vote on in November.

27-LS0197\T

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHJR 4(TRA)
(H) Publish Date: 3/9/11

Identifier (file name): HJR004-OOG-DOE-2-11-11
Dept. Affected: Office of the Governor
Title: Constitutional amendment related to creating a transportation infrastructure fund
Appropriation: Elections
Allocation: Elections
Sponsor: Representatives P. Wilson, Thompson, Fairclough, Costello
Requester: House Transportation Committee
OMB Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
Personal Services							
Travel							
Services			1.5				
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF			1.5				
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	**0.0**	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by: Gail Fenumiai, Director — Phone: 465-2644
Division: Division of Elections — Date/Time: 2/11/2011, 4:08pm
Approved by: Linda J. Perez, Administrative Director — Date: 2/11/2011
Administrative Services

(Revised 1/27/2011 OMB)

FISCAL NOTE #1

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. CSHJR 4(TRA)

Passage of this resolution would require the constitutional amendment to appear on the 2012 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58, is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHJR 4(TRA)
(H) Publish Date: 4/9/11

Identifier (file name): HJR4-DOR-TRS-3-18-11
Title: Transportation Infrastructure Fund
Sponsor: Representative Peggy Wilson
Requester: House Transportation Committee

Dept. Affected: Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
Personal Services				233.0	238.0	242.0	246.0
Travel							
Services				215.0	220.0	224.0	227.0
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**448.0**	**458.0**	**466.0**	**473.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1178 Temporary Code				448.0	458.0	466.0	473.0
TOTAL	**0.0**	**0.0**	**0.0**	**448.0**	**458.0**	**466.0**	**473.0**

Estimate of any current year (FY2011) cost

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

initial version

Prepared by: Pamela Leary, Comptroller and Jerry Burnett, Deputy Commissioner
Division: Treasury Division
Phone: 907-465-2350
Date/Time: 3/18/11; 2:39pm

Approved by: Ginger Blaisdell, Director of Administrative Services
Department of Revenue
Date: 3/18/11; 3:43pm

(Revised 1/27/2011 OMB)

FISCAL NOTE #2

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. CSHJR 4(TRA)

Analysis

This resolution provides for a Transportation Infrastructure Fund which is assumed to be established in the amount of $1 billion with additional recurring funding from state fuel taxes, registration and driver's license fees, identification card fees, studded tire taxes, state airport lease and space fees, and other designated fees and funds. It is anticipated the fund will be managed with an asset allocation of 38% fixed income, 10% international equity, and 52% domestic equity. Costs of the fund include investment management fees, audit, accounting and custody fees and are projected based on the assumptions provided by the division's investment advisor and the division's cost allocation plan.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version: **CSHJR 4(FIN)**
Fiscal Note Number: **3**
(H) Publish Date: **3/5/2012**

Identifier (file name): HJR004CS(TRA)-DOR-TRS-02-28-12
Title: Transportation Infrastructure Fund
Sponsor: Reps P. Wilson, Thompson, Fairclough, Costello
Requester: (H) FIN

Dept. Affected: Revenue
Appropriation: Treasury and Taxation
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY13**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs _____ *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

The fiscal note was zeroed out by the House Finance Committee.

Prepared by: Joe Michel — Phone: 465-4958
Division: House Finance Committee — Date/Time: 3/2/12 3:35 PM
Approved by: Rep. Bill Stoltze — Date: 3/2/2012
House Finance Co-chair

(Revised 11/18/2011 OMB)

FISCAL NOTE

STATE OF ALASKA cost ≠ codes
2012 LEGISLATIVE SESSION

Bill Version: **CSHJR 4(FIN)**
Fiscal Note Number: **4**
Publish Date: **3/5/12 (H)**

Identifier (file name): HJR004CS(TRA)-OOG-DOE-2-27-12
Dept. Affected: Office of the Governor
Title: Constitutional amendment related to creating a transportation infrastructure fund
Appropriation: Elections
Allocation: Elections
Sponsor: Reps P. Wilson, Thompson, Fairclough, Costello
Requester: House Finance Committee
OMB Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY13**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
Personal Services							
Travel							
Services	1.5						
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	1.5						
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs _____ *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated on new fiscal note form.

Prepared by: Gail Fenumiai, Director — Phone 465-2644
Division: Division of Elections — Date/Time 2/27/2012, 9:46am
Approved by: Guy Bell, Administrative Director — Date 2/27/2012
Administrative Services

(Revised 8/17/2011 OMB)

FISCAL NOTE #4

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSHJR 4(FIN)

Analysis

Passage of this resolution would require the constitutional amendment to appear on the 2012 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58, is $1.5. Should the addition of this resolution require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number
Bill Version **HJR 4**
() Publish Date

Identifier (file name) HJR004-OOG-DOE-2-11-11
Dept. Affected Office of the Governor
Title Constitutional amendment related to creating a transportation infrastructure fund
Appropriation Elections
Allocation Elections
Sponsor Representatives P. Wilson, Thompson, Fairclough, Costello
Requester House Transportation Committee
OMB Component Number 21

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2012**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
Personal Services							
Travel							
Services			1.5				
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF			1.5				
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	**0.0**	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2011) cost

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Gail Fenumiai, Director
Phone 465-2644
Division Division of Elections
Date/Time 2/11/2011, 4:08pm
Approved by Linda J. Perez, Administrative Director
Date 2/11/2011
Administrative Services

(Revised 1/27/2011 OMB)

FISCAL NOTE

STATE OF ALASKA **BILL NO.** HJR 4
2011 LEGISLATIVE SESSION

Passage of this resolution would require the constitutional amendment to appear on the 2012 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58, is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

CALISTA CORPORATION

RECEIVED
FEB 07 2012

February 3, 2012

Alaska State House of Representatives
House Finance Committee Members:

Representative Bill Stoltze	Representative Bryce Edgmon	Representative Les Gara
Representative Bill Thomas	Representative Tammy Wilson	Representative Mike Doogan
Representative Anna Fairclough	Representative Mia Costello	Representative Mike Hawker
Representative Dave Guttenberg		

Alaska State Capital Building
Juneau, Alaska, 99801

Re: State Transportation Program - House Bills 30 and 31

Dear House Finance Representatives:

Calista Corporation is sending this letter in support of an Alaska Transportation Infrastructure Fund Program of House Bills 30 and 31. There have been numerous public hearings all across the state on these bills over the past year; they were vetted in subcommittee through the interim; and now they await a House Finance hearing date. We respectfully request the House Finance committee schedule a date for a hearing on these bills and this important Alaska infrastructure issue.

The two companion bills enable a multimodal Transportation Infrastructure program to be re-established in some form utilizing authority originally established in our constitution. They also directly support the initial intent recognizing the critical needs of both transportation and infrastructure and the role they plan in healthy economic and business development. These needs still exist in Alaska and have never been met to fully provide access to markets, supplies and resources which businesses must have to be competitive and provide economic opportunities in the state. Our region is perhaps a model of how a lack of basic necessary transportation and energy infrastructure can and has had far reaching negative social and economic impacts since statehood. Today the YK region has some of the highest costs of living in the nation, high levels of suicide, few resource businesses, and a district with the lowest per capita income in the country. One of Calista's highest priorities is regional infrastructure –it is needed for community sustainability and development.

- Alaska once had very strong road and airport programs even without the federal funding relied on today. Currently, the state has an $8 billion backlog of needed transportation reconstruction projects that were largely paid for with federal funds, and does not include roads, ports, or airports never yet built to access vast areas. Alaska has become dependent on federal funding for the existence of its transportation infrastructure planning, building, and maintaining a majority of its programs and projects for all the transportation modes Alaskan rely upon. This is unacceptable to other states' pointing to Alaska as: sitting on huge savings, having the lowest fuel tax nationally, contributing little to no fuel tax to the National Transportation trust, and no state tax to support its infrastructure. Furthermore, Alaska has NO state funded program of any kind to count on for basic core infrastructure construction and maintenance needed for commerce.

Issues such as these place Alaska into an untenable situation as one of the only states' which lacks a state funded transportation program of its own. However, our state continues to rely on those federal transportation trust fund dollars paid into and thus supported by all the other states' which have some form of funding program.

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CALISTA CORPORATION

Being in non-compliance with federal grant assurances required to maintain infrastructure places Alaska at great risk. This risk can result in receiving less regular program funding and receiving far less discretionary money from the shrinking federal programs Alaska relies on. The State has certainly been notified of these facts, as have most other organizations, groups, and citizens going to Washington D.C. to request funding.

Aside from the obvious needs already mentioned for an Alaska Transportation Infrastructure fund program, some other positive economic benefits for such a program in our state include:

- Transportation infrastructure investment that provides good paying stable jobs for both the short and long term (47,000 jobs in Alaska today and one of the strongest industry sectors)
- Operational improvements to business and industry costs, efficiencies, and competitiveness
- Access to resources and development in a largely resource dependent state
- Strengthening local, regional, and state economies
- Proper maintenance that results in fewer losses associated with safety, accidents, and vehicles.
- Boosts to both business and leisure travel
- Lower prices for commodities, shipping, and travel
- Reduced economic losses associated with time, travel, congestion, and lack of ready access
- State funded projects that can be built significantly cheaper, faster, and with fewer requirements

House Bills 30 and 31 may not solve each and every transportation intricacy, program, and user issue; however, these steps are required to establish the program and begin solving Alaska's transportation infrastructure needs in a fair, consistent, and thoughtful manner that is standard in every other state in the United States.

Calista supports re-establishment of a state transportation infrastructure program that can be consistently counted on in all regions and communities of Alaska. We look forward to a hearing date on the referenced bills. Thank you for the opportunity to comment on this important piece of legislation.

Respectfully,

Andrew Guy
President and Chief Executive Officer

cc: *Senator Lyman Hoffman*
Senator Donny Olsen
Senator Bert Stedman
Representative Peggy Wilson

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February 9, 2011

The Honorable Peggy Wilson
Alaska State House
State Capitol Room 408
Juneau, AK 99801

Dear Representative Wilson:

The undersigned business associations, working together under the banner of the Business Advocacy Committee, represent hundreds of firms and tens of thousands of employees from every major industry in Alaska. Our organizations share a common vision for Alaska's future – one in which a thriving private-sector economy creates good jobs for Alaskans and attractive economic opportunities for investors. State government, focused on the right issues, can help make this vision a reality.

Our organizations have identified five priority areas to be dealt with during this legislative session. Progress on each of these priorities will make Alaska a better place for business by encouraging private-sector investment and job creation. We urge you and your colleagues to address these issues.

OIL TAX REFORM

Taxes on the oil industry account for nearly nine out of every ten dollars in revenue the state collects. While current oil prices are exceedingly high relative to historic standards, North Slope oil production is only one-third the level of its peak. Alaska's taxation policy should encourage more investment to reverse this dramatic, continuing production decline. We support meaningful reform of Alaska's oil production tax system that reduces the state's tax burden on all Alaska oil and gas exploration and development activities and encourages increased production.

REGULATIONS

The Alaska Coastal Zone Management Program (ACMP) is due to sunset in 2011. We are comfortable renewing the program in its current form. *However, we oppose any changes to the ACMP that diminish the program's ability to provide concise, streamlined, and predictable permitting in Alaska's coastal zone.*

LITIGATION REFORM

Alaska's resource industries are ongoing targets of anti-development groups utilizing the court system and the state and federal appeals processes to stop and delay responsible resource development. Other businesses, local governments and community development projects can also be subject to frivolous lawsuits. Meanwhile, state agencies are forced to spend inordinate amounts of staff and financial resources dealing with third-party lawsuits at the expense of their mission to serve the public at-large. *We support efforts to bring more accountability to the appeals and litigation processes for community and resource development projects.*

FISCAL RESPONSIBILITY

Unrestricted general fund spending within the state's operating budget has increased from $3.1 billion in fiscal year 2006 to $4.8 billion in fiscal year 2011. We do not believe such spending growth is sustainable especially in light of the continuing decline in North Slope oil production. The Legislature and Governor must do more to control growth in the operating budget. *We recommend the Legislature*

hold unrestricted general fund spending in the operating budget to $3.5 billion – a level of spending equal to fiscal year 2010. With regard to the capital budget, we encourage the state to focus on strategic investments that help generate new private sector investment.

STRATEGIC TRANSPORTATION INFRASTRUCTURE

There is strong agreement the long-term economic benefits derived from investment in Alaska's transportation infrastructure far exceed the cost of the initial investment. Considering the vastness of Alaska, the state's current transportation infrastructure is inadequate and requires continued planning, upgrades, and expenditures to assure Alaska citizens are provided with essential services. *We support a state funded transportation program that is adequately and predictably funded, provides continuity between succeeding administrations, and addresses all modes of transportation.*

Working together we can improve Alaska's business climate. We request an opportunity to meet with you to discuss these matters in more detail. A representative from the Business Advocacy Committee will be in touch with your office to schedule a meeting.

Sincerely,

Steve Borell, Executive Director
Alaska Miners Association

Marilyn Crockett, Executive Director
Alaska Oil and Gas Association

Rachael Petro, President & CEO
Alaska State Chamber of Commerce

Rebecca Logan, General Manager
Alaska Support Industry Alliance

Aves Thompson, Executive Director
Alaska Trucking Association

John MacKinnon, Executive Director
Associated General Contractors – Alaska

Mike Satre, Executive Director
Council of Alaska Producers

Scott Hawkins, President
Prosperity Alaska

Jason Brune, Executive Director
Resource Development Council for Alaska, Inc.

ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS
Kim Elliot, Executive Secretary
7 Maksoutoff Street
Sitka, AK 99835
Phone: (907) 747-7677
aahpa@gci.net

February 14, 2011

The Honorable Peggy Wilson
State Capitol Room 408
Juneau, AK 99801-1182

Dear Representative Wilson:

The Alaska Association of Harbormasters and Port Administrators (AAHPA) is a statewide professional organization comprised of senior managers from 31 municipal harbor systems. Our members operate and maintain the majority of the harbors in the State of Alaska.

The AAHPA strongly supports House Bill No. 30, which among other things provides a funding source for the State's Municipal Harbor Matching Grant Program (AS 29.60.800). This grant program was developed with substantial input and support from the AAHPA in 2006; however, it has received funding in only three of the State budgets enacted since then.

The primary target of this grant program is the small boat harbors constructed by the State of Alaska in the 1960s and 1970s, which have been transferred to local municipalities during the past several years. Most of these facilities were in less than stellar condition at the time ownership was transferred and are in need of major repairs or replacement.

These harbors play a critical economic role by enabling trade, transportation, commercial fisheries, tourism, and recreational opportunities across the State. Providing a stable funding source for the Municipal Harbor Matching Grant Program, as HB 30 will do, is a significant step in ensuring that we are able to adequately repair and maintain these valuable facilities throughout the State of Alaska.

Please contact me at (907) 228-6049 if you have any questions regarding AAHPA's support of HB 30.

Sincerely,

Steven R. Corporon, President
Alaska Association of Harbormasters and Port Administrators

From: Steve Sorensen [mailto:steve.ak.ranch@gmail.com]
Sent: Monday, February 14, 2011 9:09 PM
To: Rep. Alan Dick; Rep. Bob Miller; Rep. David Guttenberg; Rep. Scott Kawasaki; Rep. Steve Thompson; Sen. John Coghill; Rep. Tammie Wilson
Cc: Sen. Albert Kookesh; Sen. Joe Thomas; Sen. Joe Paskvan
Subject: HJR 4 and HB 30

Key to Alaska's vitality is its transportation system. I vigorously support HJR 4 – the constitutional amendment to re-instate a dedicated transportation fund and HB 30 - the enabling statutes for the fund. This is long overdue and is sorely needed legislation and will greatly benefit interior Alaska. The Senate needs to get on board and proactively support this legislation.

Sincere Regards,

Steve Sorensen P.E.

"We loved a great many things - birds and trees and books and all things beautiful, and horses and rifles and children and hard work and the joy of life." Teddy Roosevelt

Supporters of Alaska Transportation Infrastructure Fund HJR 4

Associated General Contractors of Alaska

Alaska Municipal League

Alaska AFL-CIO

Alaska State Chamber

Alaska Teamsters Local # 959

Alaska Laborers Local 942 & 341

Alaska Transportation Priorities Project

Alaska Trucking Association

Alaska Harbormasters Association

American Society of Civil Engineers

Alaska Mobility Coalition

Alaska Airports

Alaska Owners and Pilots Association

Alaska Marine Pilots

Marine Transportation Advisory Board

Southeast Conference

SW Alaska Conference of Mayors

Calista Corporation

ASSOCIATED GENERAL CONTRACTORS of ALASKA

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March 1, 2012

Representative Peggy Wilson
State Capitol Building, Room 415
Juneau, AK 99801

RE: HJR4

Dear Representative Wilson:

On behalf of the Associated General Contractors of Alaska, a construction industry trade association of 650 business members, I offer support for HJR4.

HJR4 would put an initiative on the ballot for a constitutional amendment to dedicate certain revenue for a state funded transportation program.

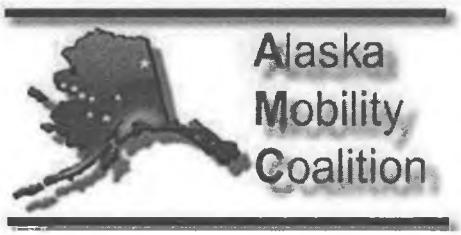
A state funded transportation program has been a legislative priority of the AGC for many years, and dedication of funds is the most certain way to insure that a state funded program is maintained. HJR42 is companion legislation to HB30, the enabling legislation for a state funded program, which is also supported by AGC.

Transportation is one of the most important issues to Alaskans, and something that affects every Alaskan every day. Funding of transportation projects is always well received. I believe there has been only one transportation bond issue since statehood that has not been approved by the voters; most with overwhelming support.

In closing, Alaska needs a transportation program, sufficiently funded with regular, predictable and reliable funding with an annual appropriation of state funds so we can begin to address our many transportation needs, and dedication of funds for such a program is an essential element.

Sincerely,

John MacKinnon
Executive Director
Associated General Contractors of Alaska



Achieving mobility through community appropriate transportation services

3705 Arctic Blvd #1777
Anchorage, AK 99503.
907-240-2702

February 15, 2011

Representative Peggy Wilson
State Capitol, Rm 408
Juneau, AK 99801-1182

Dear Representative Wilson:

On behalf of the Alaska Mobility Coalition (AMC), we strongly support HJR4 (a constitution amendment creating a transportation infrastructure fund) and HB30 (transportation infrastructure fund).

The AMC is a private, non-profit membership organization that represents and advocates for public and community transportation in Alaska. The AMC has ninety seven members across the state from Bethel to Prince of Wales Island. The AMC membership provides over seven million rides annually for Alaskans to get to work, school, shopping trips, recreational opportunities and medical appointments. For more information on the AMC, I have attached a link to our website for your review (http://www.alaskamobility.org)

Alaska is one of just three states that do not provide general operating support for transit service. In addition, there are road maintenance, ferry operation and urban and rural trails that are neglected around the state because of the lack of infrastructure support. The federal government will be reducing its investment in transportation in Alaska in the next few years and it is time for legislature to dedicate its gas taxes and other transportation-related user fees for transportation infrastructure.

The Alaska Mobility Coalition would be honored to serve on the Transportation Infrastructure Fund Advisory Council as proposed in HB 30.

Thank you for your efforts in supporting transit in Alaska. I look forward to working with you and the Alaska legislature on your legislation during the current session.

Sincerely,

David M. Levy
Executive Director

Achieving mobility through community appropriate transportation services

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