

01/23/14
OVERVIEW:
DEPARTMENT OF
TRANSPORTATION
AND PUBLIC
FACILITIES

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Alaska Department of Transportation & Public Facilities

Overview for 2014 Alaska Legislature

Commissioner Patrick Kemp, P.E.

January 23, 2014



Executive Organization

- Management team
- Intellectual capital
 - Unique opportunity to improve our services
- Break down silos in the department
 - Cohesive management team
- Improve communications
 - Internal and external



What did We Accomplish in 2013?

- Routine services and operations
 - Maintenance and Operations
 - Construction program administration
 - Commercial Vehicle Enforcement
- Noteworthy accomplishments



Where are We Headed?

- Our lingering MAP-21 challenge
- Focus on mission and essential public services
- Utilize the team and experience to find more efficiencies
- Continue to enhance legislative and public communications
- Institute changes that are sustainable



Department of Transportation and Public Facilities
Joint Transportation Committee Meeting
January 23, 2014

2013 Noteworthy Milestones

1. In 2006 the Department of Transportation and Public Facilities (the Department) issued a Request for Proposal to construct a new day boat ferry that would allow more “hub and spoke” routes similar to the fast ferry vehicles. Over the next six years the vessel became known as the Alaska Class Ferry and the scope changed from a day boat to a conventional mainline vessel without passenger staterooms. Faced with an estimate that had grown from \$30 million in 2006 to over \$150 million in 2012, the Department revisited how the cost could be brought back to the legislative appropriated amount of \$120 million, why the scope changed, and whether the change was appropriate. The Department determined the best course of action was to return the vessel back to a day boat operation and construct two vessels for the amount appropriated. The change reduced capital costs, operating costs, provided more capacity, more flexibility, and more opportunity to travel. It was recently found that over the 50 year life of the vessels the change will save the state \$250 million.
2. The Department instituted a policy to incorporate hard rock aggregate into new pavements in high traffic areas to reduce the rate of rutting. This policy will result in significant cost savings and safer roadway surfaces as pavement life is increased throughout many areas of the state. A hard rock site near Cantwell was utilized to pave Dimond Boulevard and DeBarr Road in Anchorage last summer.
3. The Anchorage Airport master plan is being updated. The revised plan includes a phased approach that will maximize all operations at the airport and incorporate Fairbanks International Airport into the cargo operations mix before considering the construction of a new runway. This is an acceptable plan to the community and the users, as well as a sensible, fiscally responsible, path forward for the airport.
4. The Commissioner requested the Attorney General (AG) settle the Fast Ferry Litigation. The state and the engine manufacturer had come to loggerheads in the negotiations and a long protracted court case was scheduled to begin in the spring of 2013. The

settlement, under the direction of the AG, resulted in four new engines installed in each vessel plus a heavily discounted “swing” engine that could be used as a spare during periods of maintenance. Engines are currently being installed on the FVF Fairweather and next winter they will be installed on the FVF Chenega. The new engines have a proven past unlike the hybrid engines that were initially installed.

5. The Department modified its speed limit policy to allow for more reasonable driving speeds, especially on our remote corridors such as the Glenn, Richardson, and Alaska Highways. The Department’s policy on speed limits evolved from one that fulfilled the intent of speed limit designs to one that incorporated other roadway features to justify speed limits over 55 miles per hour. Department staff unwound the additional requirements which actually lessened safety. Residents from smaller communities that use the highways on a regular basis have expressed their thanks with the more common sense approach.
6. The Department eliminated almost all of the discount fare programs and retooled the way travel agents are paid for commissions for travel on the Alaska Marine Highway System. Over the past decade discount fares were put into place with the anticipation of increasing ridership. Ridership (and corresponding revenue) did not materialize as predicted but the discounts were left in place. The Department also brought a common sense approach to travel agency commissions much like the airlines have incorporated with expanded use of the internet. The Department has eliminated all in-state and military commissions and asked that travel agencies focus on bringing in new out-of-state or overseas business to the system.
7. For the first time the Department published a status book of all state owned airports in Alaska. The Alaska Airport Needs Directory provides runway information, navigation aids in place, revenues, enplanements, and other information for those in the aviation industry. It is the Department’s intent to work with the Aviation Advisory Board and carriers to better describe the capital needs and possible changes to operations to enhance the use. The report is available at:
http://dot.alaska.gov/documents/aviation/Airport_Needs_Directory.pdf
8. Each year the Department has to “obligate” about \$500 million of federal highway funds prior to October 1. Obligating a project for construction means that approvals are given for the design, the right of way is secured, utilities have been moved or contracted to be moved, the environmental documentation is approved and, all permits are in hand. 2013 was a record year for the Department, obligating \$714 million.

9. The Department's goal over the next few years is to get a full year ahead in federal obligations. This will reduce a significant amount of stress put on our staff and our consultants each year as we face the "use it or lose it" proposition at the end of each federal fiscal year. In 2013 the Department had to obligate \$100 million more than expected because of de-obligations that materialize when a project is closed. In addition to that unanticipated need, the Department also made about \$140 million of projects ready for federal fiscal year 2014 obligations. By the end of the current federal fiscal year we are hoping to have about \$240 million of "shelf ready" projects ready to go in federal fiscal year 2015.
10. In addition to highway funding the Department also secured about \$200 million in aviation grants, advertised a number of 2008 bond projects, and a variety of general funded projects for facilities, highways, airports and ferries. The Department processed about a billion dollars of capital work last year which is a new high.
11. Working with our sister agency, Public Safety, crashes in our designated safety corridors were significantly reduced. The rates were reduced so much that the Department doubts the Seward Highway, Sterling Highway, Parks Highway, and Knik Goose Bay Road would qualify for such a designation today.
12. We improved our external communications via social media – creating multiple forums for two-way communication between the Department and the general public. The Department Facebook "likes" increased by 2,672 (600%) in 2013. The Department has also expanded its audience reach via its GovDelivery attracting nearly 1,000 new subscribers in 2013. The Department continues to maintain a strong relationship and presence with traditional media statewide. Central Region continues to provide quarterly reports and Statewide Aviation publishes the quarterly newsletter "Plane Talk." The Department also increased its proactive efforts in notifying the public of maintenance, construction, and other significant events that may impact travel across the state. The Department recently garnered positive national news for its innovative and industry-leading methods used for winter maintenance.
13. The Department entered into a ten year operating agreement with the carriers who use our international airport system. This is almost unheard of nationwide and its implementation brings fiscal stability and transparency between the Department and carriers. We have entered a new level of communication with these carriers and

continue to work hard to accommodate their needs, ensure economic viability, and see the system grow in a healthy manner.

14. The Department has incorporated a number of efficiencies with our equipment fleet. Tow plows, ice grinders, protection of our anti-icing chemicals, and other changes have increased our level of maintenance at nominal costs.
15. The Department developed a strategic Integrated Pest Management Plan that incorporates the use of herbicides as a vegetation management tool. The use of herbicides in a strategic, targeted manner will provide economic benefits in future years by establishing longer maintenance cycles. By establishing longer maintenance cycles, herbicide-treated areas require less-frequent intervention and lower costs than mechanical methods. Herbicides also effectively control tree roots, which eliminates incompatible vegetation and allows low-growing plants to form a barrier against invading brush, weeds, and tall-growing trees. The use of herbicides will allow us to change the vegetation within the Department's Right of Way from tall woody vegetation to natural or native low-growing desirable plant communities. Ultimately our integrated vegetation management program will help the Department with our overall effectiveness regarding budget, social, environmental, and safety goals.
16. The expanded use of anti-icing chemicals improved traveler safety and has reduced the amount of sand purchased. The purchase and use of less sand has reduced the cost of street sweeping and storm drain cleaning. In addition, the construction of simple, covered salt storage has allowed us to purchase bulk salt as opposed to bagged salt at a cost savings of over \$150 per ton.