

ALASKA AIRWAYS CONFIRMATION

3147 HT 1984 MEETING SCHEDULES - ATC CONFIRMATION HEARINGS

Alaska State Legislature

file



House of Representatives

Committee on Transportation

Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

Transportation Phone: 465-4858/4859
Meets: Capitol 112, M-F, 8:30 a.m.

61 WEDNESDAY, JANUARY 11

WORK SESSION: Committee goals, objectives, etc. for 1984.

62 FRIDAY, JANUARY 13

Introduction of H. Glenzer and Admiral Knapp to Committee
General overview of the Department of Transportation

ATC

Confirmation

Hearings

WHAT IS THE PURPOSE OF THE ATC AND HOW DO YOU PERCEIVE YOUR ROLE AS
COMMISSIONER OF ATC?

DO YOU HAVE ANY PREVIOUS OR CURRENT RELATIONSHIPS WITH ATTORNEYS THAT PRACTICE BEFORE THE COMMISSION?

WHY WOULD YOU ACCEPT APPOINTMENT TO A COMMISSION THAT MAY BE ABOLISHED
IN THE NEAR FUTURE?

WHAT IS YOUR RELATIONSHIP WITH WITS TRAVEL? ALL WAYS TRAVEL?

WHAT IS YOUR JUDICIAL ATTITUDE?

WHAT IS THE PURPOSE OF THE ATC AND HOW DO YOU PERCEIVE YOUR ROLE AS
COMMISSIONER OF ATC?

DO YOU HAVE ANY PREVIOUS OR CURRENT RELATIONSHIPS WITH AIR CARRIERS?
MOTOR CARRIERS?

DO YOU HAVE ANY PREVIOUS OR CURRENT RELATIONSHIPS WITH ATTORNEYS THAT
PRACTICE BEFORE THE COMMISSION?

WHAT DO YOU FEEL IS THE FUTURE OF THE ATC?

WHY WOULD YOU ACCEPT APPOINTMENT TO A COMMISSION THAT MAY BE ABOLISHED
IN THE NEAR FUTURE?

OTHER THAN PREVIOUSLY SERVING AS COMMISSIONER OF ATC, WHAT
TRANSPORTATION EXPERIENCE DO YOU FEEL QUALIFIES YOU TO BE APPOINTED TO
THE ATC AS THE MEMBER WITH 10 YEARS MANAGEMENT EXPERIENCE IN
TRANSPORTATION?

WHAT TYPE OF TRANSPORTATION CONSULTING DO YOU CONDUCT?

DO YOU FORESEE ANY PREVIOUS OR CURRENT CLIENTS COMING BEFORE THE ATC?

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 24, 1984

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Kerttula:

Pursuant to applicable law, I submit the following name for legislative confirmation of appointment to the position noted:

BOARDS AND COMMISSIONS
(with Appt/Term)

Alaska Transportation Commission

Robert C. Rucker, Anchorage, 84/04/17 - 89/02/01

Sincerely,

Bill Sheffield
Governor

UA

R E S U M E

ROBERT C. ROCKER
4111 Raspberry Road
Anchorage, Alaska 99502
(907) 243-4521 - Home
(907) 276-1446 - Work

Box 100345
Inc., 99510

PERSONAL BACKGROUND:

Date of Birth: November 13, 1927, Buffalo, N. Y.

Married to Annamae Rocker in 1971. Wife is independent owner/manager of All Ways Travel, a full service retail travel agency in Anchorage. We have no children.

Political Affiliation: Lifelong registered democrat.

Hobbies: Golf, fishing, swimming.

Have never had any judgments or liens filed against me or my wife.

Never accused of or convicted of any felony.

Approximate Net Wroth: \$500,000

All federal and state taxes filed and current.

EDUCATION:

Lafayette High School Graduate, 1946 - Buffalo, N. Y.

University of Buffalo - 1947-1948

University fo Washignton - 1947-1950

Degree in Business Administration, 1950

Major in Finance and Minor in Accounting

MILITARY:

U. S. Navy - 1945-1946 Honorable Discharge

BUSINESS BACKGROUND:

Miscellaneous jobs until 1948.

Employed by Northwest Airlines from 1950 - 1958
in capacity of Transportation Agent and Senior Transportation Agent.
Duties consisted of weight and balance preparation, passenger
service functions and shift supervision. Moved to Alaska - 1951
(33 year resident)

- 1959 - 1961 Manager, Brad Phillips Travel Service
- 1961 - 1964 Vice President, Western International Travel Service & WITS Air Cargo
- 1964 - 1971 Owner and Manager, WITS Travel Service and Vice President, North Land Tours, Seattle, Washington.
- 1971 - 1977 Served as Commissioner on Alaska Transportation Commission. 1971 - 1975 served as Chairman. Personally prepared budget and oversaw all functions of the Commission. The Commission lapsed funds every year that I was in charge.
- 1974 - 1977 Served on the Motor & Air Committee of the National Association of Regulatory and Utility Commissions from 1974 - 1977. Represented the State of Alaska through the Alaska Transportation Commission at many hearings before the Civil Aeronautics Board and the Interstate Commerce Committee.
- 1977 - Present Transportation consulting and operate as Owner/Broker ERA-Rocker Realty, a franchised real estate office. I am a licensed Real Estate Broker in the State of Alaska #3667.

COMMENT:

I have been in a management capacity for the past twenty five years. More details or authentication of any of the above as well as personal and financial references are available upon request.

BOARD: TRANSPORTATION COMMISSION, ALASKA

TITLE: Alaska Transportation Commission

DEPT: DCED

AUTHORITY: AS 42.07.011

STATUS: ACTIVE

REQUIREMENTS: LEGISLATIVE CONFIRMATION AND FINANCIAL DISCLOSURE

PROHIBITIONS: Conflict of Interest - restrictions in AS 42.07.061

TERM: 6-year - staggered

DESCRIPTION: 3 members appointed by Governor: with regard to fitness and ability to exercise the powers and duties of the commission, based upon experience and familiarity with principles of public utility regulation or educational and experience background (refer to statute); 1 graduate of accredited university with major or degree in economics; 1 with major or degree in financial management or business administration; and 1 with 10 years management experience in transportation; terms begin on February 1; Governor designates chair for 2-year term.

SPECIAL FACTS: May be removed for cause; quorum - 2 members; AG is legal counsel; annual report to Legislature

FUNCTION: Supervise and regulate transportation in the State

COMPENSATION: SALARIED - Range 26, Step C

MEETINGS: Continuous hearings throughout year

*CONTACT: Commerce, Alaska Transportation Commission 3601 C Street Suite 778 Frontier Building Anchorage 99503 - 561-4216

Transportation Commission

<u>MEMBER</u>	<u>APPT</u>	<u>REAPPT</u>	<u>TERM</u>
Keith Miller 338 Denali St. Anchorage 99501 Salaried/Econ. - Chair	77/01/20		85/02/01
Hesden D. Scougal P.O. Box 29 Petersburg 99833 Salaried/Bus.	81/02/19		87/02/01
VACANT Salaried/Mgmt.			89/02/01

Confirmation
Hearings

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

NEWS RELEASE

Shonda

FOR INFORMATION CONTACT: GINGER JOHNSON, INFORMATION OFFICER (907) 465-3900

FOR IMMEDIATE RELEASE

DOT&PF Appointments
124

MAR 9 1983

March 8, 1983

Commissioner Dan Casey today outlined his streamlining of deputy commissioner duties to make the Department of Transportation and Public Facilities more quickly responsive to regional and local needs.

At the same time, in a speech at Fairbanks, Casey announced the appointment of two deputy commissioners, two more in an acting capacity, and several directors to carry out his goals in a reorganized department.

Topping Casey's staff are H. "Glen" Glenzer, previously Executive Director of Alaska Construction Industry Advancement Program, as Deputy Commissioner for the Interior Region; Fred Seeger, a former private engineering consultant and construction manager, as Deputy Commissioner for Standards and Statewide Programs; Jon Scribner, formerly Deputy Commissioner for Design and Construction, as Acting Deputy Commissioner for Southeast Region; and William Snell, who has been Director of Planning and Programming, as Acting Deputy Commissioner for Central Region.

In addition, the Commissioner has appointed John Eates, a former Deputy Commissioner, as Director for Planning and Programming, and Ron Lind, who moved from Deputy Commissioner for Administration to Director of Administrative Policy and Fiscal Management. He also announced that Marty Nusbaum remains Acting Director of the

(More)

DOT&PF Appointments...Add 1

Marine Highway System, and Mark Hickey is Coordinator for the Alaska Railroad Transfer Team.

Commissioner Casey said making the new deputy commissioners directly responsible for all DOT&PF operations in their regions will greatly improve first hand attention to regional needs, and will strengthen close contact with local officials and residents.

He explained the reorganization is a change from statewide deputy commissioner authority based on departmental functions to "a line organization" structure of responsibility. The new system, he said, will enable deputy commissioners to respond decisively to the whole range of needs in their regions rather than, as in the past, having their powers to act fragmented along functional lines. The public, he said, now will have a designated person to turn to below the commissioner level who is conversant with all the needs and problems of their regions. This same approach will also apply to the Marine Highway System.

The only other exception, Casey said, is Standards and Statewide Programs which logically remains on a statewide basis since its area of responsibility involves not day-to-day operations but department-wide policies and positions.

The commissioner noted that the reorganization reaches only to the top management alignment, and he stressed that it impacts few employees as to where they are assigned and what they do.

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Fred Seeger

BACKGROUND INFORMATION

Summary

Fifteen years experience in engineering and construction of oil and gas industry related capital projects with emphasis in the State of Alaska.

1979-1983: Engineering and construction management consultant engaged in providing management service to major oil industry engineering and construction companies, including North Slope producers such as ARCO Alaska, Inc. Specific service functions included construction planning and design during the engineering phase of the projects, estimating and scheduling, economic analyses, and contracting strategy. Represented clients as construction manager to deliver projects within budget, schedule and quality requirements during the construction phase of the projects.

1978-1979: Employed by Northwest Alaska Pipeline Company in Senior Project Planning position involved with the Alaska Natural Gas Transportation System. Performed conceptual engineering and construction planning for the gas pipeline project relating to capital cost estimates, schedules, manpower and equipment estimates, labor relations, procurement and logistics.

1975-1977: Employed by Alaska Pipeline Service Company, in Senior Project Management position during construction of the Trans Alaska Pipeline. Developed and implemented policy and procedure to improve quality of construction on a section of the oil pipeline. Directed various construction programs, particularly those associated with the special Arctic construction and engineering problems; provided direction to contractor's management in planning and engineering.

1974-1975: Employed by Bechtel Incorporated, as Assistant Deputy Manager on Trans Alaska Pipeline and Roads Project. Handled administration and coordination of personnel in Engineering, Procurement, Inspection, and Traffic Departments for the proper and timely supply of over \$2 billion worth of materials and equipment for camp and pipeline construction; coordinated task force groups in the development of unique Arctic construction procedures for the installation of engineered pipeline components; generated estimates and budgets for management.

1969-1973: Employed by Shell Oil Company, as Project Engineer and Project Manager. Through various assignments was responsible for producing project feasibility studies, capital budgets, project design, specifications, contracts, negotiations on right-of-way, and managing construction.

EDUCATION

Purdue University, School of Civil Engineering, Lafayette, Indiana. Earned Master of Science in Civil Engineering and Construction Management.

Clarkson College, School of Civil Engineering, Potsdam, New York. Earned Bachelor of Science in Civil Engineering.

Registered Professional Engineer in the States of Alaska, California, New York, and Washington.

H. "Glen" Glenzer

BACKGROUND INFORMATION

Summary

Over 30 years of active service as a U.S. Naval Aviator in positions of increasing responsibility, including command, exercising management control of national programs. Record of achievement in planning functions and policy development.

Experienced in the administration and management of a large air station and maritime terminals with all the problems and considerations of a civilian facility including management, operation, maintenance, development and FAA and maritime rules and regulations, as well as all other civil and governmental agencies.

Served as chief staff executive with Alaska Chapter of Associated General Contractors of America, Inc. involved with all problems and considerations commensurate with the construction industry. Directly involved with highway, building and utility construction as well as labor negotiations, personnel administration, education and training programs. Also active in safety, equal employment opportunity, ecology, budgeting, and all management functions pertaining to large construction contractor firms dealing extensively with governmental and civilian agencies and corporations. Most recently served as Executive Director of the Alaska Construction Industry Advancement Program involved with all the above activities including A.G.C. members plus others in the industry.

1981-1983: Executive Director - ACIAP. All duties incumbent upon previous position as they related to not only AGC members but entire industry at large. Also had various consulting jobs mainly pertaining to Aviation and Marine Transportation.

1973-1981: Chapter manager, Alaska Chapter Association General Contractors of America, Inc. Responsible for Safety Public Relations, Equal Employment Opportunity & Ecology compliance as well as participated in and reviewed bargaining agreements and grievances of labor union contracts. Performed all duties attendant with personnel and engineering management functions, in relation to heavy construction industry. Also taught courses in financial management, economics and marketing at Alaska Pacific University.

1970-1973: Naval Safety Center, Norfolk, VA., Director of Aviation Safety Directorate. Supervised, established and administered safety programs within entire naval establishment and with other service and agencies including FAA, CAB and all airlines connected with them.

1968-1970: Commanding Officer, Naval Station, Adak, Alaska. Commanded large Naval Station which in addition to the administration of a community of 6000 people included a naval station and terminal as well as surface shipping harbor and terminal. Administered a \$4.5 million operating budget and \$5 to \$12 million annual construction project funds. Conducted contract negotiations and awarded and supervised contracts with airlines, contractors and industrial concerns.

1947-1968: U.S. Navy

EDUCATION

BA, University of Maryland. Earned Business Administration degree, Master of Science Degree from the George Washington University of business Administration. Graduate of University of Southern California Safety Management Course, the George Washington University Safety Course, the George Washington University Course in Multi-Variants and Naval Post Graduate School of Monterey, California.

Summary

Fifteen years experience in engineering and engineering management. Has worked for private industry, military, and government in the fields of design and construction of all types of public facilities, environmental engineering and public health. Experience includes engineering investigations, teaching, planning, and management.

1982 - 1983: DOT&PF; Acting Deputy Commissioner, Design & Construction. Responsibility included those described for the Assistant Deputy Commissioner.

1979 - 1982: DOT&PF; Assistant Deputy Commissioner, Design & Construction. Supervised over 1500 positions. Program size of \$400 million representing about 600 projects. Under general administrative direction of deputy commissioner. Responsible for administrative activities and programs of the unit, including budgeting, accounting, purchasing and supply, data processing, and personnel management.

1975 - 1979: Department of Environmental Conservation, Director, Division of Water Programs. Headed up division with major responsibility for statewide planning, water supply, water pollution control, monitoring, construction grants and village safe water programs. Overall manager of \$20 million C.I.P. per year grant program for water and waste water systems and \$3 million C.I.P. per year for sanitation facilities in rural villages. Responsible for preparing and managing construction of annual operating budget (\$2 million/year).

1974 - 1975: Department of Environmental Conservation, Acting Director, Division of Water & Air Quality Control. Duties similar to above.

1971 - 1974: Department of Environmental Conservation, Chief of General Engineering. Responsible for water supply, radiation control, solid waste management, pesticide control, air quality control on statewide level. Established and directed state's first village safe water program. Responsible for preparation and management of operating budget and management of \$8 million C.I.P.

1969 - 1971: Department of Health and Welfare, Regional Sanitary Engineer. Responsible for all environmental health and engineering activities in the northern half of Alaska. Independently planned, directed and controlled all areas of responsibility as Office Manager. Conducted pollution surveys, assisted government and industry to meet pollution requirements reviewed and approved water/sewer plans.

1967 - 1969: Employed by the U.S. Army as Captain, Sanitary Engineer. Instructor of graduate sanitary engineering officers in advanced sanitary engineering. Also gained practical experience in water supply, solid waste treatment, sanitation, industrial hygiene engineering and air pollution control.

1967 - 1967: Employed by Metcalf and Eddy Engineers as a Sanitary Engineer. Responsible for investigation, laboratory analysis, and reporting on ways to economically improve existing waste water treatment systems for a major west coast refinery to meet state standards for oil and suspended solids content.

EDUCATION

University of California. Earned Bachelor of Science in Civil Engineering.
Stanford University. Earned a Master of Science in Civil Engineering.
University of Alaska, Juneau and Fairbanks. Engineering and Management, Personnel Management, and Construction Management Systems.

Registered Professional Engineer, Alaska

John C. Bates

BACKGROUND INFORMATION

Summary

Thirteen years of experience in transportation in Alaska. Including design construction planning and administration.

1979 - 1983: Employed by the Department of Transportation & Public Facilities as Deputy Commissioner, Planning and Programming. Administered the development of the state transportation planning system leading to the development of the Department's Capital Improvements budget.

1979 - 1979: Employed by the Department of Transportation & Public Facilities as Director of Interior Region Planning and Programming. Directed the Interior regional development of the State's transportation plans. This included management of consultant contracts in the areas of transportation planning.

1978 - 1979: Employed by the Department of Transportation & Public Facilities as Director of Research. Handled the administration of the Department's research staff. Areas included advanced transportation systems, permafrost engineering related to transportation systems, building and engineering systems.

1977 - 1978: Employed by the Department of Transportation & Public Facilities as State Maintenance Engineer. Established policy for the maintenance of the States roadways by the various regions. Compiled the Department's statewide M & O budget.

1974 - 1977: Employed by the Department of Transportation & Public Facilities as the Central District Maintenance Engineer.

1972 - 1974: Employed by the Department of Transportation & Public Facilities as the Central District LSR&T Engineer.

1970 - 1972: Employed by the Department of Transportation & Public Facilities as the Central Region Design Engineer.

1967 - 1970: Employed by the Pearl Harbor Naval Shipyard as a General Engineer, GS-11. Was head of the scientific computer section for the shipyard.

EDUCATION

Bradley University. School of Engineering, Peoria, Illinois. Earned a Bachelor of Science in Civil Engineering.

University of Hawaii. School of Engineering, Honolulu, Hawaii. Earned a Master of Science in Civil Engineering.

Registered Professional Engineer in the State of Alaska. Registered Land Surveyor in the State of Alaska

Ronald Lind

BACKGROUND INFORMATION

Summary

1980-1983: Deputy Commissioner for Administration and Marine Operations. Responsible for supervision and operation of five major divisions of DOT&PF with an authorized staff of approximately 1200 and an operating budget of approximately \$75 million. These divisions are responsible for the operation of the Alaska Marine Highway, State equipment fleet, data processing development and operation, financial services, personnel, supply, payroll and EEO.

1979-1980: Deputy Commissioner for Administration, DOT&PF. Responsible for direction and supervision of the State equipment fleet, financial management, data processing, personnel, supply and general administrative services of the Department of Transportation and Public Facilities. 400 employees and an operating budget of \$25 million.

1976-1979: Director of the Division of Budget and Management, Office of the Governor, State of Alaska. Responsible for preparation of operating, capital and supplemental budgets submitted by the Governor to the Legislature. Provided recommendations to the Governor on fiscal impact of legislation and programs proposed to him for approval. Responsible for presentation of budget revisions to the Legislative Budget and Audit Committee (an interim committee of the Legislature) to obtain their approval. Reviewed proposed budgetary amendments of State agencies to assure that they were within legal and policy boundaries.

1973-1976: Deputy Director, Division of Budget and Management, Department of Administration. Responsible for providing recommendations to Budget Director for budgetary items from all State agencies. Responsible for coordination of technical aspects of budget preparation, printing of budget documents and providing computer tapes to Legislative Finance staff. Provided testimony to legislative committees concerning specific programs and coordinated budgetary information with House and Senate finance committee chairmen. Responsible for analysis and review of the Transportation category.

1972-1973: Administrative Officer III, Department of Commerce. Responsible for the supervision and provision of administrative services of the Department of Commerce. Areas included Personnel, supply and financial activities.

1971-1972: Program Budget Analyst IV, Division of Budget and Management, Department of Administration. Responsible for supervision of budget analysts as well as personally responsible for the analysis of the Transportation and General Government categories. Among others, was specifically responsible for the analysis of the Department of Highways and Department of Public Works.

1969-1971: Budget and Management Analyst III, Division of Budget and Management, Department of Administration. Responsible for the review of State agency budget requests. At this time, the division of Budget and Management had only five professional staff members for the evaluation and preparation of the entire State budget; therefore through rotation of assignments, gained knowledge of all State agencies' operations.

EDUCATION

University of Alaska, Fairbanks, Graduated 1966, Cum Laude, Bachelor of Business Administration Degree.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

POUCH 2
JUNEAU, ALASKA 99811
(TELEX 45328)

March 8, 1983

Dear Employee:

I want to inform you first-hand of some changes the Department is undergoing to bolster our efficiency in carrying out projects and programs. This entails an improved system of direct responsibility through regional deputy commissioners, each in charge of all of the Department of Transportation and Public Facilities operations, except for the ferry system, for their region. Marine Transportation also will be headed by a deputy commissioner.

Heading regional offices at this time under the new system will be Jon Scribner, as Acting Deputy Commissioner of Southeast region, a move from his post as Deputy Commissioner of Design and Construction; H. "Glen" Glenzer, previously Executive Director of Alaska Construction Industry Advancement Program, as Deputy Commissioner Interior Region; William Snell, who has been a Director of Planning and Programming as Acting Deputy Commissioner for Central Region; and Fred Seeger, formerly a private engineering consultant and construction manager, as Deputy Commissioner for Standards and Statewide Programs.

In other changes, John Bates, who has been Deputy Commissioner for Planning and Programming becomes Director of Planning and Programming, and Ron Lind moves from Deputy Commissioner for Administration to Director of Administrative Policy and Fiscal Management. Marty Nusbaum remains Acting Director of Marine Transportation, pending a permanent deputy commissioner appointment to head the ferry system. Mark Hickey is Coordinator for the Alaska Railroad Transfer Team.

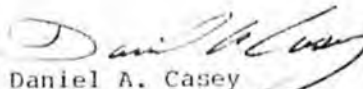
The reorganization is a change of statewide deputy commissioner authority, based on departmental functions, to one of a line organization. The Department through the regional deputy commissioner, can respond decisively to any need in the region, rather than, as in the past, have its power to act fragmented along functional lines.

The only other exception will be planning and programming functions, which will remain on a statewide basis. This unit will not be involved in day-to-day operations, but will formulate the department-wide policies and positions for overall relations with the state agencies and the legislature.

As permanently assigned deputy commissioners proceed on the job, they in turn will make their own assessments of directors and operations. There are several functions in the Department, as regards decentralization, that we need to work through together. Our plan is to initiate task force teams made up of representatives across the Department to develop specific proposals.

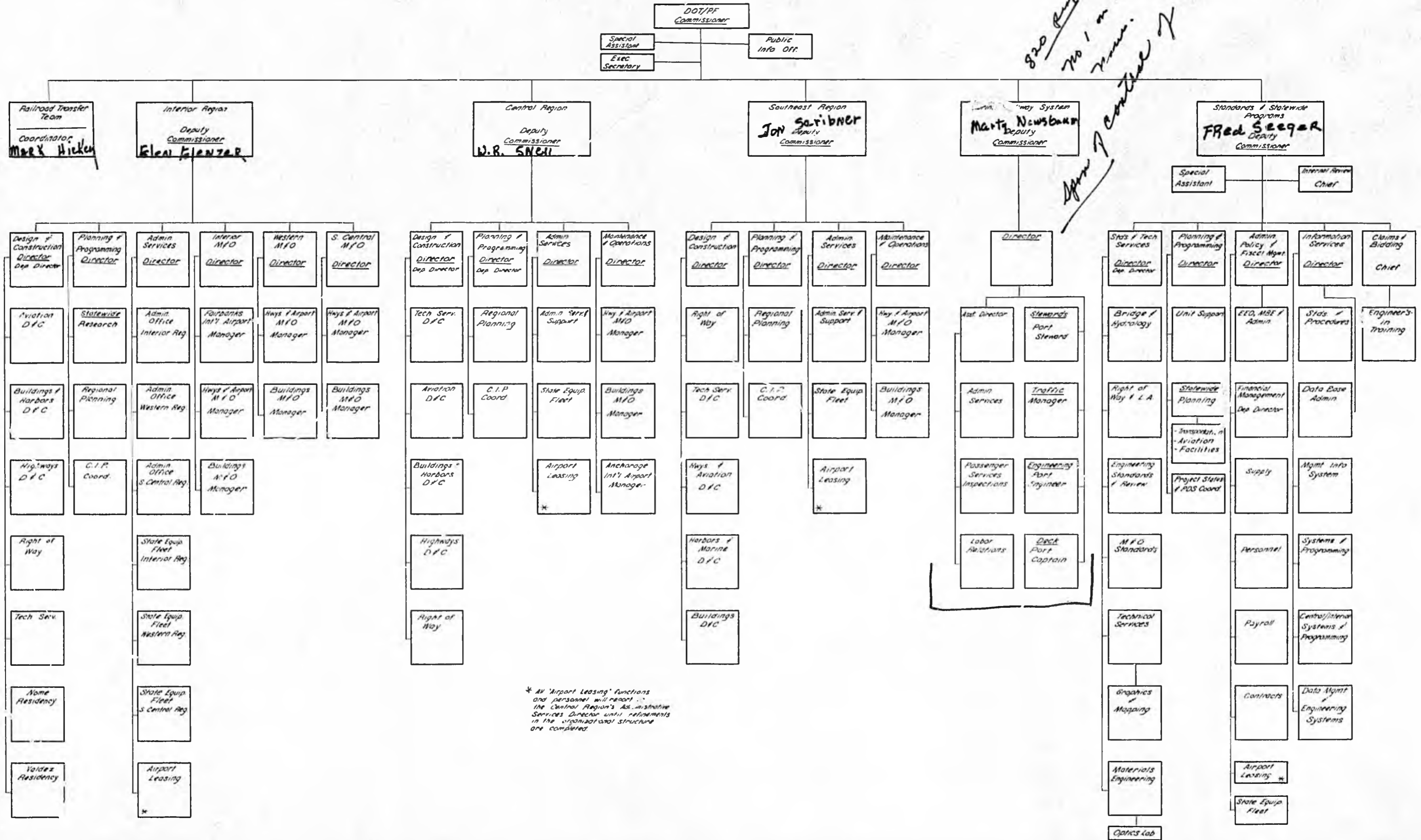
I recognize there has been considerable anticipation about possible changes in the Department but these are in fact only in top management alignment and they impact few employees as to where they are assigned and what they do. I continue to find lots to be proud of, able work and good efforts, and the intent is that these changes will provide more opportunity for low-level authority and localized team work.

Sincerely,


Daniel A. Casey
Commissioner

State of Alaska
Department of Transportation & Public Facilities

ORGANIZATION CHART 3/8/83



*820 people
no 1 on 1 as a matter
of control of at least 3.*

* All 'Airport Leasing' functions and personnel will report to the Central Region's Administrative Services Director until refinements in the organizational structure are completed.

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH 2
JUNEAU, ALASKA 99811
(TELEX 45-328)

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Heading regional offices at this time under the new system will be J.C. Scribner, as Acting Deputy Commissioner of Southeast region, a move from his post as Deputy Commissioner of Design and Construction; H. "Glen" Glenzer, previously Executive Director of Alaska Construction Industry Advancement Program, as Deputy Commissioner Interior Region; William Snell, who has been a Director of Planning and Programming as Acting Deputy Commissioner for Central Region; and Fred Seeger, formerly a private engineering consultant and construction manager, as Deputy Commissioner for Standards and Statewide Programs.

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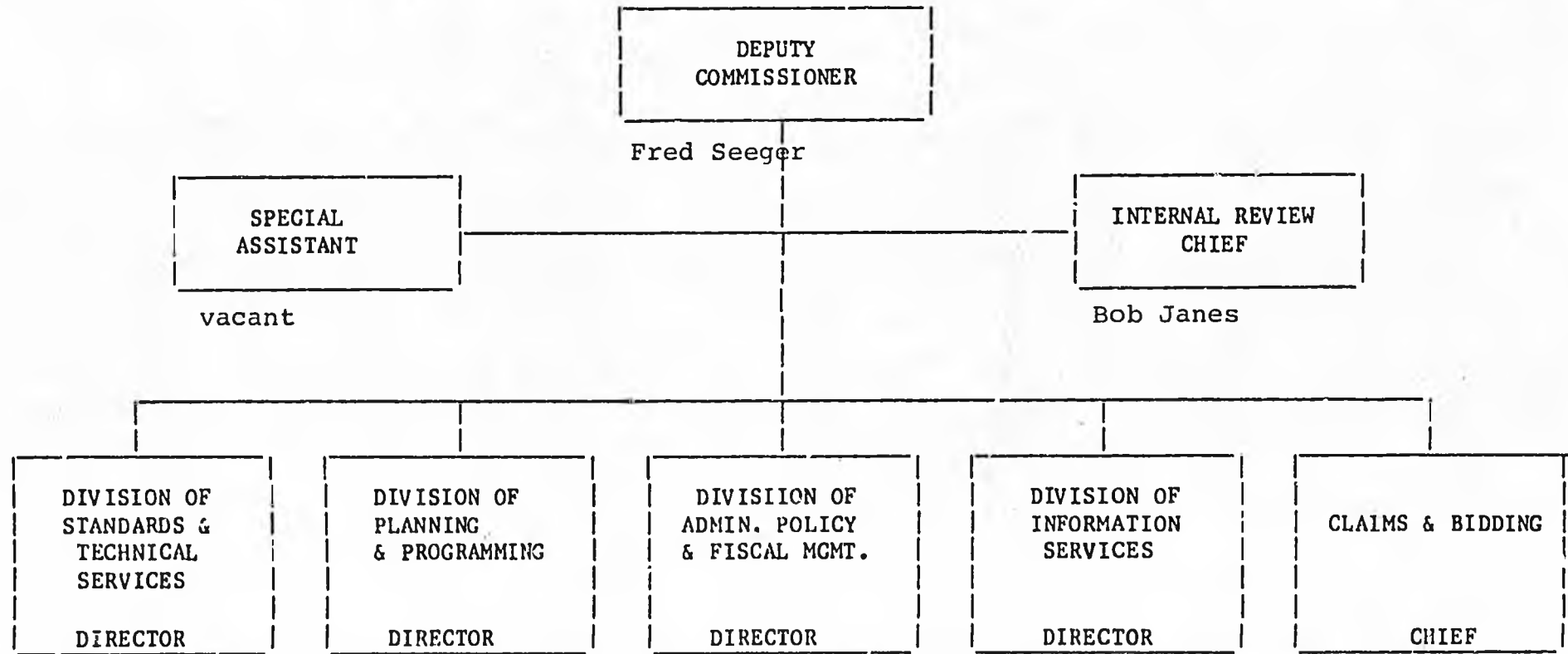
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Sincerely,


Daniel A. Casey
Commissioner

STANDARDS AND STATEWIDE PROGRAMS



* John Simpson * John Bates * Ron Lind * Mike Statso Loren Rasmusson
 classified

Approved: [Signature]
 Commissioner of Transportation & Public Facilities

* Acting

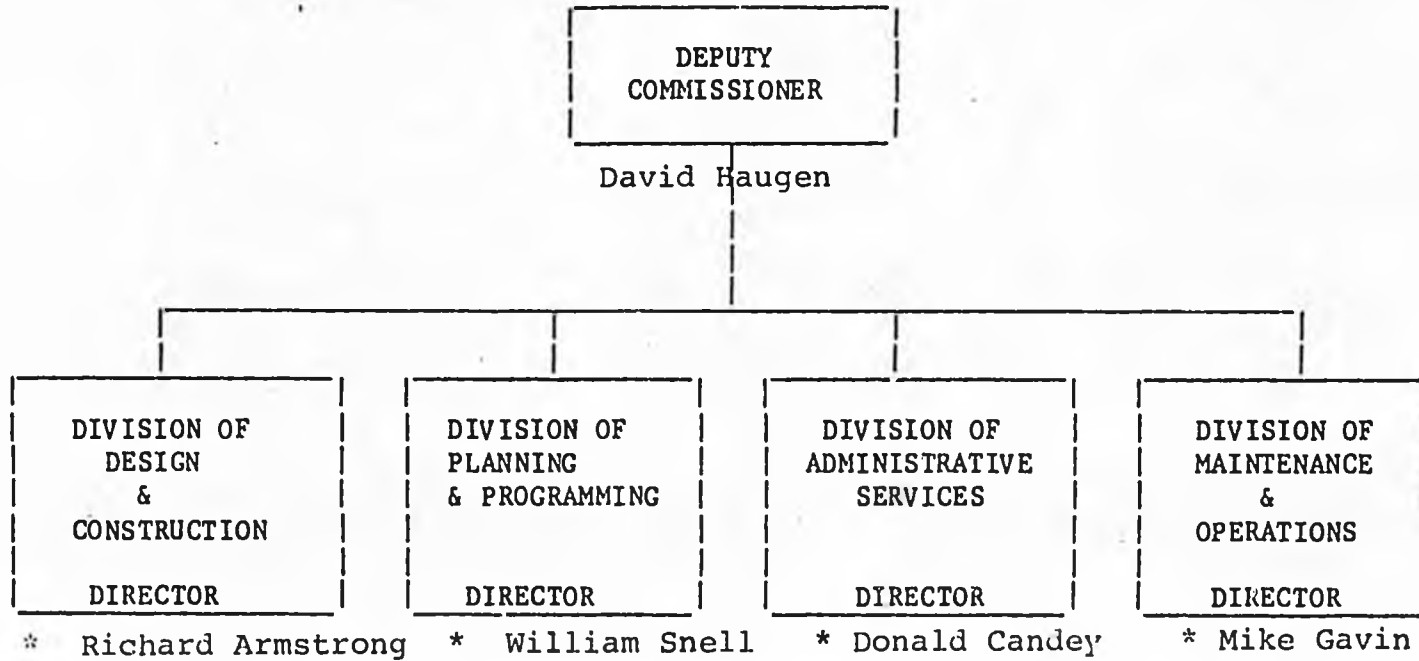
Approved: [Signature] 5/20/83
 Director of the Office of Management & Budget

Approved: [Signature] 5/23
 Governor of Alaska

Effective Date: 2/4/83


DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

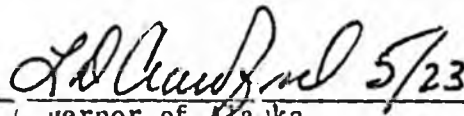
CENTRAL REGION

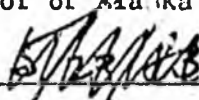


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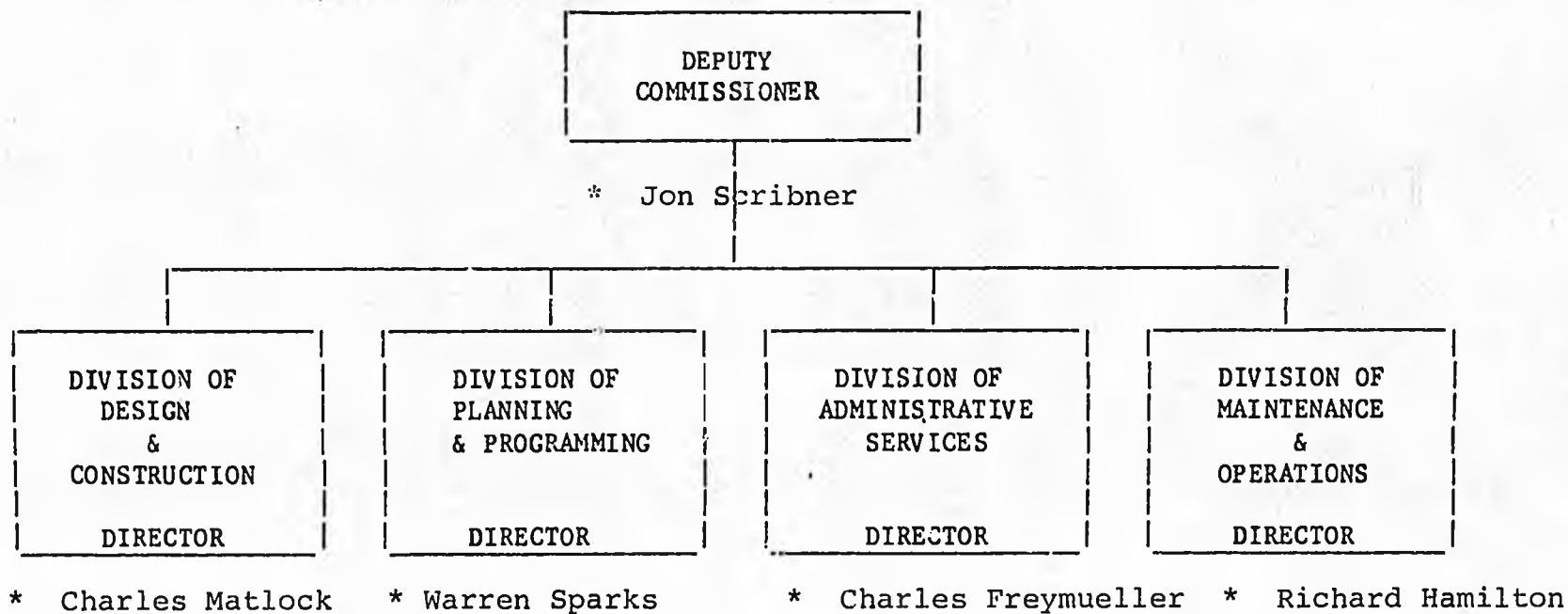
Approved: 
Commissioner of Transportation & Public Facilities

Approved:  5/20/83
Director of the Office of Management & Budget

Approved:  5/23
for Governor of Alaska

Effective Date:  2/4/83

SOUTHEAST REGION



* Acting

Approved: [Signature]
Commissioner of Transportation & Public Facilities

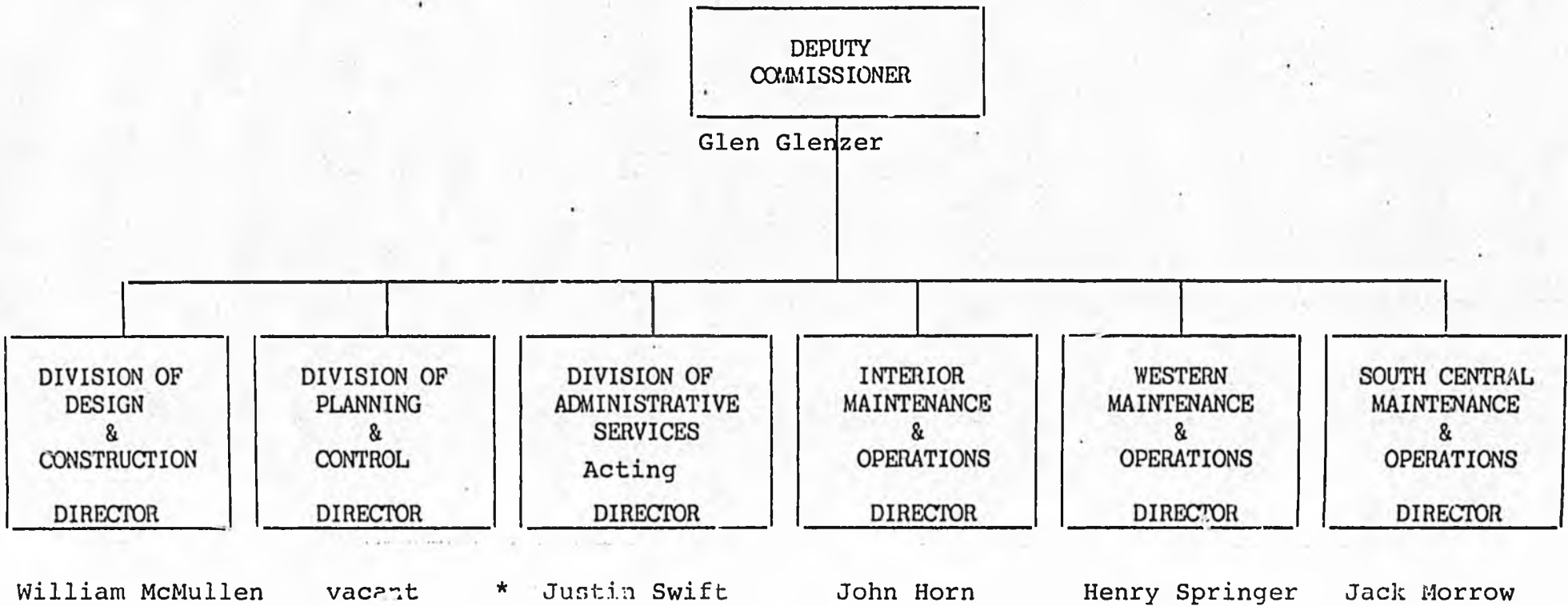
Approved: [Signature] 5/20/83
Director of the Office of Management & Budget

Approved: [Signature] 5/23
Governor of Alaska

Effective Date: 2/4/83

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

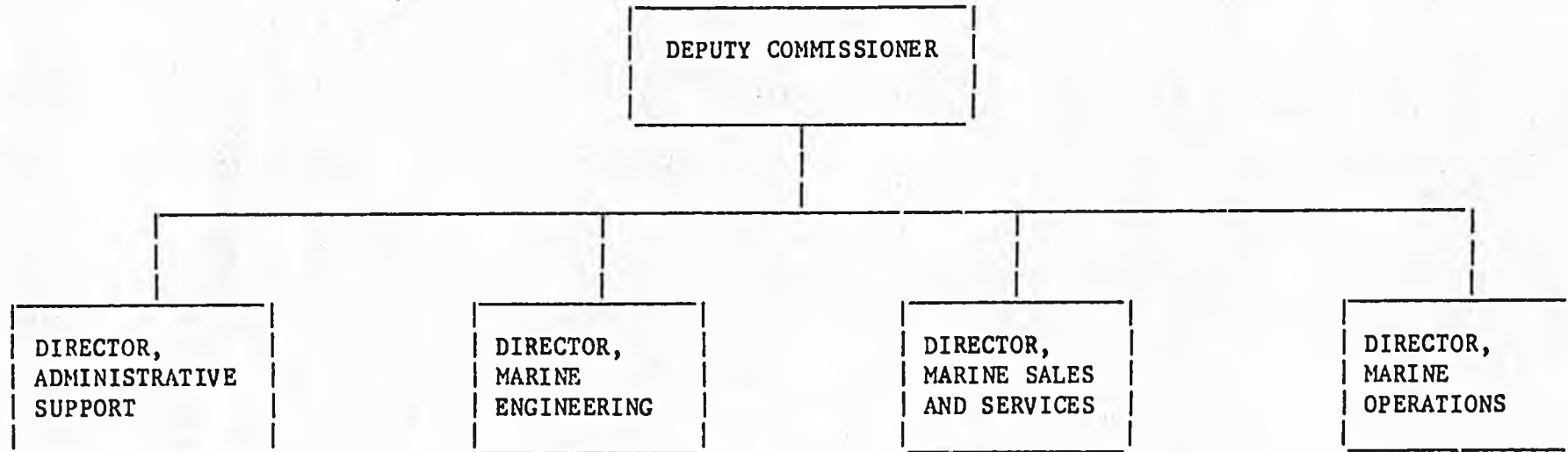
INTERIOR REGION



* Acting

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

MARINE HIGHWAY SYSTEM



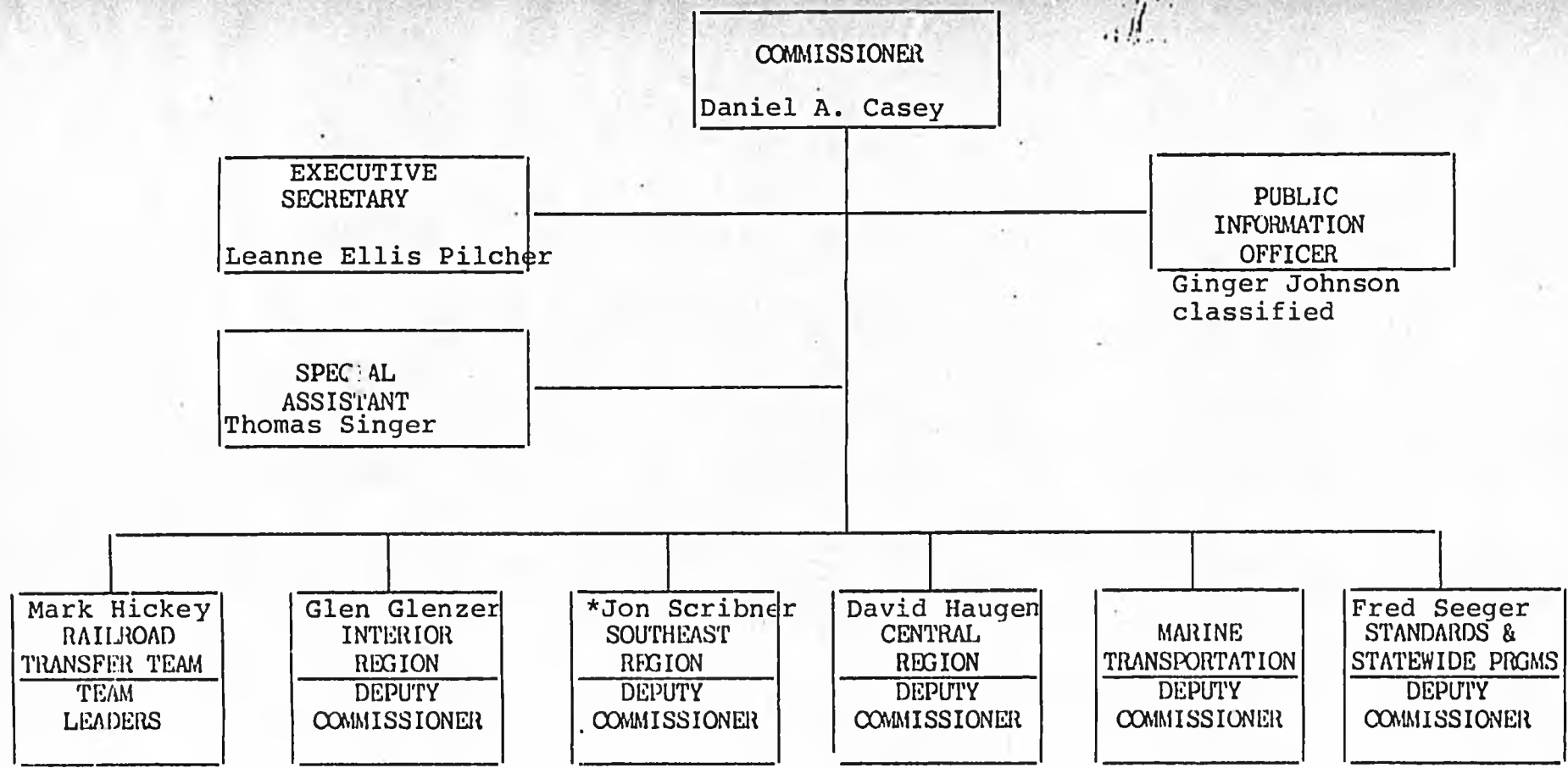
* Martin Nusbaum
* Acting

Approved: *[Signature]*
Commissioner of Transportation & Public Facilities

Approved: *[Signature]* 5/20/83
Director of the Office of Management & Budget

Approved: *[Signature]*
for Governor of Alaska

Effective Date: 5/23/83



* Acting

Approved: *Daniel A. Casey*
Commissioner of Transportation & Public Facilities

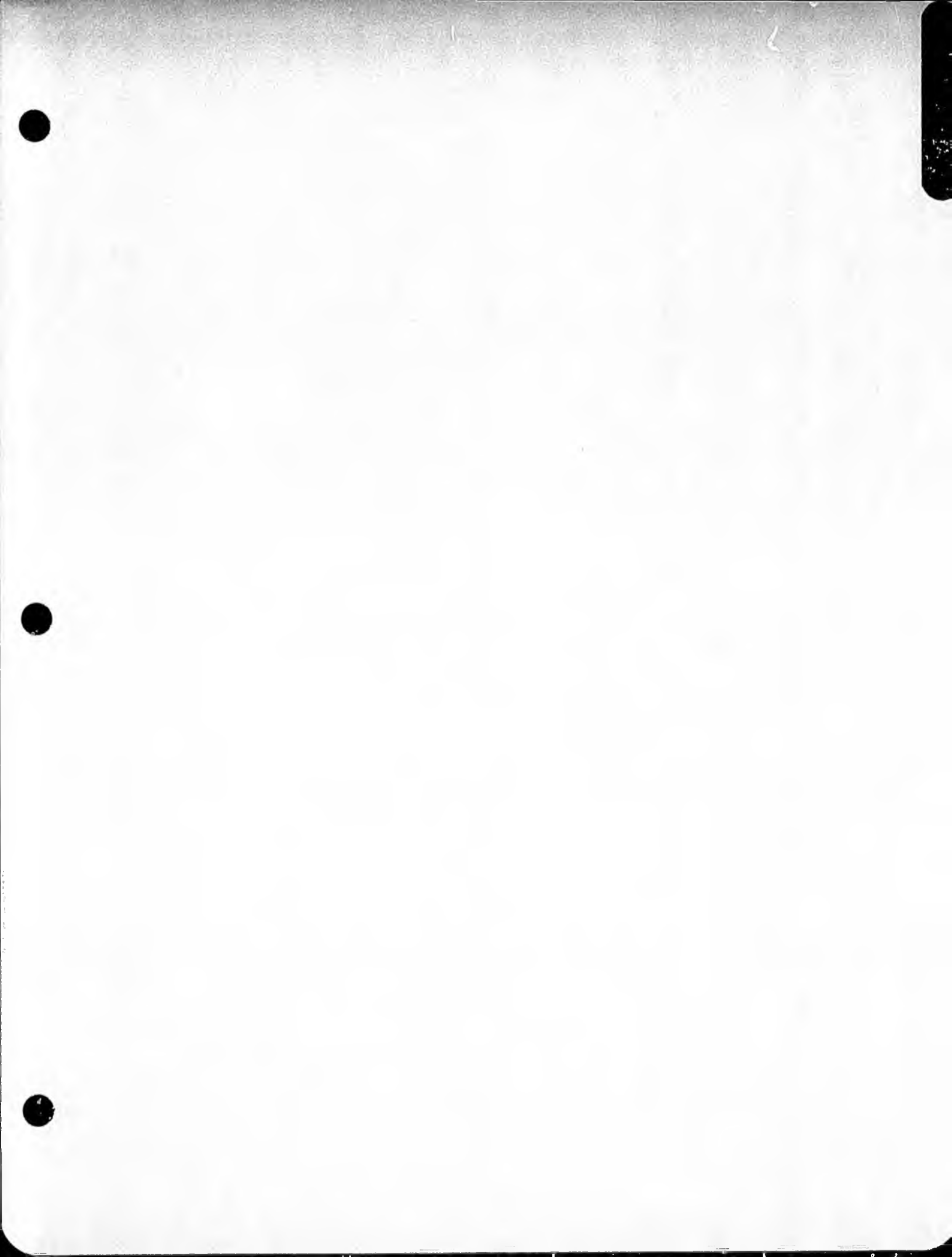
Approved: *DPM 2/5/83 /LCC*
Director of the Office of Management & Budget

Approved: *Bill Sheffield*
Governor of Alaska

Effective Date: *2/7/83*

CONFIRMATION HEARING
INDEX OF MATERIALS

- I Daniel Casey's Resume
- II House Transportation Committee questions, answers, and committee minutes of DOT overview.
- III Capital Improvement Projects supplemental requests related correspondence i.e. Commissioner Casey's commitments, Committee correspondence to Commissioner Casey and his response.
- IV Senate Transportation Committee questions, answers, and committee minutes of DOT overview.
- V DOT News Release of March 8, 1983 regarding DOTPF appointments.



SUPPLEMENT TO RESUME OF DANIEL A. CASEY
WORK EXPERIENCE

LINE
EXPERIENCE
3/81-Present

ATLANTIC RICHFIELD COMPANY

Anchorage/Prudhoe Bay, Alaska

As North Slope Project Manager, Anchorage-based Contract Administration, Accounting, Employee Relations, Labor Relations and Lower '48 based Coordinators were added to my responsibilities. The organization subsequently tripled again with the total Project growing to 2000 people and over \$200 million annually. As the largest spending unit for ARCO in Alaska and the largest construction employer in the state, added emphasis was placed on labor relations strategy, contracting strategy, including the involvement of the Native Regional Corporations, incentives for contractors' affirmative action, and community/government relations.

5/79-2/81

ATLANTIC RICHFIELD COMPANY

Anchorage/Prudhoe Bay, Alaska

Promoted to North Slope Construction Manager responsible for all aspects of the company's construction activities at Prudhoe Bay. During this time organizational build-up (three-fold) was a major undertaking. Four departments were set up encompassing field construction, administration and planning, quality assurance and safety, and construction support. Warehouses, equipment fleets, camps, EDP systems, policies and procedures were implemented as the construction program grew to require 1200 people at \$100 million annually.

6/77-4/79

ATLANTIC RICHFIELD COMPANY

Prudhoe Bay, Alaska

As Senior Facility Engineer, supervised a team of engineers and contractors handling one-half of ARCO's field construction activities at Prudhoe Bay. This responsibility encompassed all technical disciplines for process facilities, (including the world's largest gas compression plant) pipelines and civil construction.

9/74-1/76

CUMMINS ENGINE COMPANY, INC.

Jamestown, New York

Employed as Manufacturing Team Advisor. Worked with top plant management in developing organizational plans, involving "Plants within a plant" and "Job Enrichment" approaches, for a new, one million square-foot, diesel components manufacturing facility. Supervised debug of new equipment for first two lines, including multiple station transfer machine-tools using minicomputer controllers. Responsible for hiring and training first two manufacturing teams. Developed and obtained top management approval of the application of a system of computer controlled industrial robots and automated conveyance which was a precedent-setting first for the machining industry. These organizational plans, machines and teams are successfully intact today.

6/70-9/72

V. E. CONSTRUCTION, INC.

Kenai, Alaska

Employed as Construction Foreman, and subsequently Superintendent. Responsible for new system installations on ARCO oil platforms in the Cook Inlet. Also represented firm in making contract proposals to primary producers. Supervised crew assignments, on-board equipment arrivals, material procurement, on-site changes and startup tests to yield least cost, quality performance without compromising platform personnel safety. (Interim leaves for school and government assignments totaled ten months.)

7/69-2/70

WAGELY CONSTRUCTION INC. (McDERMOTT SUBSIDIARY)

Anchorage, Alaska

Employed as Construction Safety Inspector supervising all on-site personnel safety for multimillion dollar projects on ARCO oil platforms. Responsibility included insuring proper use of protective gear, hot work clearance, approval of system tie-ins, and material quality control (ASTM specs and component-system design compatibility).

6/69-7/69

UNITED STATES FOREST SERVICE

Anchorage, Alaska

Although scheduled to begin preceding job, employed as Fire Line Boss. Assumed emergency responsibility for firewise strategic planning on several thousand-acre burn. Charge included over three hundred fire fighters from throughout Northwest with numerous tankers, bulldozers, helicopters and transport vehicles.

4/68-9/68

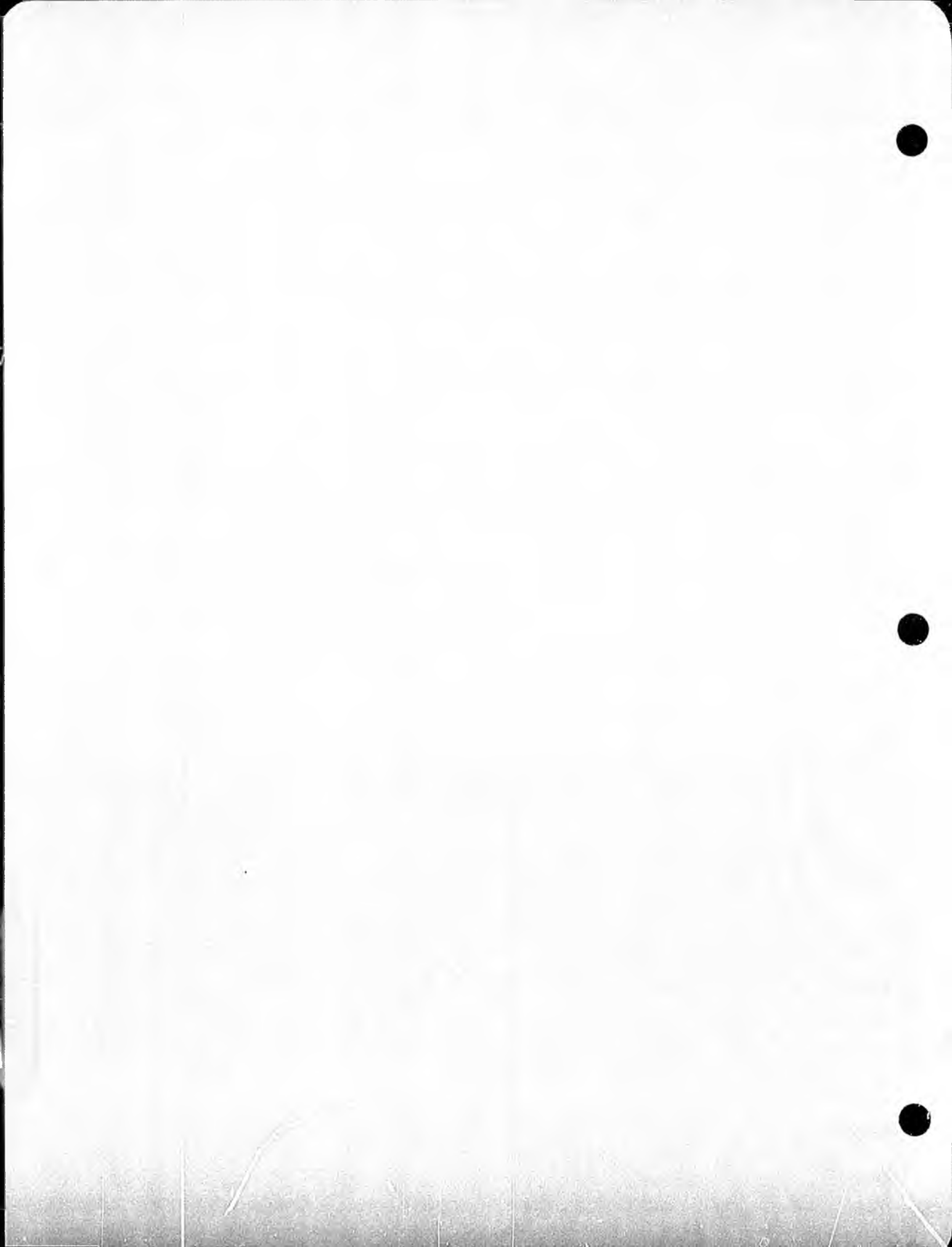
BUREAU OF LAND MANAGEMENT

Fairbanks, Alaska

Employed as Smokejumper providing swift attack on new fires throughout Alaska. Assumed major overhead positions on project fires (as illustrated in preceding job description). Assisted in air cargo and loft operations when not deployed.

WORK EXPERIENCE
(Continued)

- 6/67-4/68 UNITED STATES FOREST SERVICE Cave Junction, Oregon
Employed as Smokejumper. Upon successful completion of jump training, mission was quick control of inaccessible fires throughout Northwest. Winter work included jumps for emergency helispot construction, qualifying for FAA Senior Rigger License and experimental jumps to test new equipment.
- 6/66-1/67 UNITED STATES FOREST SERVICE Platina, California
Employed as Mounted Wilderness Patrolman. Given an assistant, government vehicles, horses and mules, responsible for fire prevention and game regulation programs affecting visitors to the Yolla-Bolly Wild Area. Also provided logistical support to forest service crews in the back country.
- STAFF
EXPERIENCE
2/76-5/77 ATLANTIC RICHFIELD COMPANY Prudhoe Bay, Alaska
Employed as Administrative and Planning Supervisor. Responsible for all aspects of cost control, construction planning, contract compliance, document control, accounting, and administrative procedures for the Prudhoe Facilities Project Group at Prudhoe Bay. Directly, or through those managers and senior professional people reporting to me, supervise a staff of 15-40, depending on the level of construction activities. Total project was \$1.7 billion.
- 6/73-9/73 BEROL CORPORATION, INC. Danbury, Connecticut
Employed as Corporate Consultant. Assignment was initiating programs to better integrate marketing and manufacturing operations of heretofore autonomous subsidiaries. Completed firm's first set of international product line displays and data comparisons, proposals for enhancing intercountry marketing and product standardization and a cost/benefit analysis of interaffiliate production mold exchanges.
- 12/72-3/73 ARTIC ENTERPRISES, INC. Washington, D.C.
Employed as part-time Consultant while at Harvard. Developed proposal suggestions on Alaskan Federation of Natives Application for National Science Foundation Sponsorship of ETV experiment in Bethel, using satellite carry. Assisted in analysis of TELSAT, Canada's Northwest Territories programming application to Alaska.
- 5/71-8/71 LEGISLATIVE AFFAIRS AGENCY Juneau/Washington D.C.
Employed as Legislative Consultant to develop recommendations for telecommunications legislation in Alaska. Worked with House Speaker, Finance Committee Chairman and State officials on budgetary programs. Represented legislative thinking to those involved in FCC hearings on domestic satellite certification (i.e., Alaskan Congressional Delegation, COMSAT, Fairchild Corporation, HEW, Lockheed, President's Office of Telecommunications, RCA, etc.).
- 1/71-5/71 ALASKA STATE LEGISLATURE Juneau, Alaska
Employed as Administrative Assistant to the House Commerce and House State Affairs Committee. Given unique dual assignment by the Speaker: Responsibility was smooth functioning of each committee while advising both Chairmen on their personal legislative programs. Either directly or through my staff, exemplary function included arranging for appropriate witnesses and briefs; drafting bills, amendments and press releases; speech and letter writing; and sounding out lobbyists, officials and constituents impacted by bills under consideration.
- 5/69-6/69 INSTITUTE OF SOCIO-ECONOMIC RESEARCH College, Alaska
Employed as Research Consultant, evaluating central management and finances of Native Fishing Cooperatives in western Alaska. This report provided background for an OEO field team evaluating co-ops as a vehicle for development.
- COMMENT For each job held, there exists a standing invitation to return.



House of Representatives



Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

Rep. Bette Cato, Chairman

Committee on Transportation

MEMORANDUM

TO : Dan Casey, Commissioner
Department of Transportation and
Public Facilities

FROM : Rep. Bette Cato, Chairman *BC*
House Transportation Committee

DATE : March 7, 1983

RE : Committee Briefing Meetings

In anticipation of your visit to the House Transportation Committee next week, I have put together some general topics that we would like to discuss. At this writing, I am unsure of your schedule as to which day(s) you will be attending the meetings.

The committee had a general discussion of issues in our meeting. Transportation issues are foremost in the minds of many Alaskan's and the committee feels the need to become informed and address these issues.

This list of issues and concerns covers almost all phases and modes of transportation. We would like you to address these discussion questions and it has been strongly requested by the committee that as much visual aid as possible be used in making your presentation, i.e. maps of proposed roads and facilities, etc.

-We have been led to expect a change in the philosophy and in organization of the Department of Transportation and Public Facilities from the previous administration. Is this true and in what ways will it be different?

-What is your policy, as Commissioner, and that of the Governor, on surface transportation on new and existing infrastructure, such as: Alaska Highway, other state highways.

-In regards to Capital Improvement Projects, what are the plans of DOT/PF for new and existing projects; i.e. major international airports, rural airports, strips? Would you describe the system you use to put together the CIP

proposal? What are the priorities? Who determines the priorities?

-What improvements have been made or will be made to the Alaska Marine Highway System? What is the ferry maintenance plan for the ferries? What are the completion dates? What is the overall plan for the next 6 years for new and existing dock and port facilities; river transportation?

-What priority does maintenance have in DOT/PF? What is the status of maintenance on new and existing roads? Are you keeping up with the State of the art? What is the feasibility of contracting maintenance?

-How do you plan to develop a regional organization structure to improve the efficiency of administering the CIP within the region?

-Do you plan to increase, decrease or maintain the present level of department-wide personnel? How will you make DOT more responsive to local entities?

-How do you plan to improve dialogue with the Legislature to notify them of funding problems or other technical problems on approved CIP's?

Do you plan to continue the Local Service Roads and Trails program?

In addition to the above "discussion" questions, the committee has requested the following questions be answered with a written response:

- 1) Do you have established procedures for review and control of incumbrances and related expenditures in the capital projects area in accordance with the State Administrative Manual? Is a copy of these procedures available? Who is responsible for assuring they are being followed?
- 2) "What" type of monitoring and "who" monitors departmental expenditure controls and budgets to prevent overexpenditures? (travel and other)
- 3) Are specific and distinct appropriations commingled or combined for reporting purposes on the Management Information System? What on the MIS differentiates between allocations, appropriations or bonded projects? How are theses handled by the Department?
- 4) How do you plan to improve budgetary and expenditure controls over Reimbursable Service Agreement projects?
- 5) How do you plan to improve flow of data to Legislators (existing project status, funding levels of projects,

expenditures to date, etc.) and also how do you intend to provide estimates for future Capital Project appropriations? Does DOTPF reduce program appropriations when program revenues fall short and request supplemental appropriations? Or are funds transferred from the accounts to make up the shortfall? How is this handled? Who makes the determination of shortfall or overexpenditure?

- 2) Do you maintain perpetual inventory systems that provide accurate accountability of departmental assets?
- 7) What determining factors are used to justify transfer of expenditures between budget accounts? Transfer between appropriations? What happens to balances in accounts after projects are completed? Are General Fund project authorizations left on DOTPF books after projects are completed for use at a later date? Once a project is closed what is considered a "late" billing? What method is used to allow funds to remain for payment of these bills?
- 8) Do you obtain legislative approval before expending program receipts? Are expenditures against program receipts approved by the legislature?
- 9) Is it the procedure of DOTPF to reduce appropriated CIP funds to establish funding for administrative and planning positions that were not approved in DOTPF's operating budget request? If so, are these truly associated projects costs or operations cost?
- 10) What is your formal budgeting process for CIP planning and overhead cost?
- 11) What accurate and timely financial information is available on various projects?
- 12) Do you have a two-year (or two-phase) budget cycle for projects appropriated by the Legislature as additions to the Department's proposed budget?

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

March 25, 1983

The Honorable Bette Cato
Chairman
House Transportation Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Cato:

Thank you for the opportunity to respond in writing to the questions you raised in your March 7 letter. To shorten our reply, numbers were assigned to each paragraph and our response follows in the same sequence.

- 1) Yes we follow the State Administrative Manual and in addition a copy of the appropriate section of our Financial Management Operations Manual is enclosed for your information.
- 2) Project Managers and Section Heads are responsible for monitoring expenditure controls and budgets through the review of cost accounting records indicating funds which are expended and their own projection of funds required to complete the work.
- 3) The control of appropriations and accounting by allocation as contained in legislation is done through the state accounting system and not the Department's current Financial Management System, FMS. Our current FMS provides reporting capability which identifies the project number and the various state accounting codes associated with it, as well as the total funding and expenditures related to the project.

The Management Informations System (MIS) which we are developing will continue to be subsidiary to the state accounting system but its capability to provide information concerning legislative allocations, appropriations, funding sources and interrelationships of projects will be greatly enhanced.

- 4) Individual RSA's are set up in a separate State accounting code and separately controlled. Identification of funding data and related controls will be enhanced by the MIS.
- 5) We have completed development and have entered the operational phase of automated systems called Program Development System (PDS) and Scheduling and Resource Allocation System (SRA) to provide the Department and the Legislature with more timely information. Also a publication entitled "Capital Budget Project Status" is enclosed.

Estimates for future capital project appropriations will be developed during the Capital Improvements Program process or via fiscal notes. When funds are not adequate to complete a project, contingency funds are used if available. If those funds are not available, then other projects in the allocation are reviewed for possible transfer. If funds are not available, and the scope of the project cannot be reduced, a supplemental is requested to complete the project.

Funds transferred between projects are handled in accordance with statutory procedures.

- 6) Perpetual Inventory is maintained for accountable property and items of a sensitive nature, such as guns, ticket validators, museum items and licensed communication equipment.
- 7) Transfer between budget accounts are evaluated for their impact on each activity. Budgets are estimates made some time in advance, and there is a need as well as an expectation that changes will be required. Managers are expected to make these adjustments to provide the highest priority service. Each condition requires a separate evaluation. Transfers between appropriations may only be made by a bill which is enacted into law and, therefore, is also evaluated by the legislature.

Project balance are "left on the books" if there is an expectation that they will be needed to complete other projects in the same allocation. A project is then closed so that new activities may not be started, however, the funds are not immediately lapsed. A late billing, if received after closure but before lapse, would be paid by "reopening" the project record to allow payment. If the funds had been lapsed, the billing could only be paid from a contingency source or held and submitted to the legislature for a supplemental appropriation.

- 8) Our procedure is to obtain legislative approval before spending program receipts.

March 25, 1983

- 9) The Department does not reduce CIP funds to establish funding for administrative and planning positions. Since FY83, all planning and administration positions are listed in the operating budget.
- 10) All CIP planning and overhead costs are shown in the operating budget request.
- 11) We have monthly full cost reports; however, there is a four to six week delay in the personnel and equipment information due to processing and printing time. This should be corrected when the FMS becomes operational.
- 12) Once funded and approved, legislative add-ons are handled in the same manner as projects developed by the Department. There are no special two year budget cycles for those projects. Projects that we do not have Preliminary Engineering or right of way for, usually take two years to complete. For projects that are scoped and have cost estimates with adequate data, through Public Facilities Planning Fund funding or advance project definition funding, the Department uses a one year cycle.

During the coming months, you can expect to see improvements made in several of the areas of concern.

Sincerely,


Fred J. Seeger
Deputy Commissioner

Enclosures

cc: John C. Bates
Wayne E. Weeks
Ron Lind
Daniel A. Casey

FJS/WW/ag

CHAPTER: Accounts Payable
SUBJECT: CIP Project Contract Payments & Encumbrances
EFFECTIVE: February 1, 1982
UNIT: Regional Accounting Units

PURPOSE:

To establish a standard procedure for the payment and encumbering of CIP contracts.

POLICY:

The CIP Project Authorization Balances (R01-TBR-1615) will be referred to when preparing all CIP project contract payments and encumbrances.

PROCEDURE:

The instructions for preparing a payment or encumbrance on a CIP project contract are:

1. The payment clerk must verify that the collocation code where payment of encumbrances is requested is on the Outstanding Encumbrance Analysis under that project.
2. The payment clerk will check the project number in the R01-TBR-1615 (1615) to verify that sufficient funds are available in the project collocation code being encumbered, and the project net balance is sufficient to pay the bill or encumber the cost.
3. If the funding and collocation code do not agree, or if funding is not available, the clerk will inform the Accounts Payable Supervisor.

The Accounts Payable Supervisor will do the following:

1. Contact Budget & Analysis to determine if funding is available and in process of being input into FMS. Also determine what collocation code the funding is being recorded into in FMS.
2. Notify person who requested payment or encumbrance of funding of the collocation code problem.
3. Notify Planning & Programming of any project funding problem that cannot be solved by Budget & Analysis.

If supervisor is unable to solve the problem, the Accounting Supervisor and Regional Administrative Officer are to be notified and will take whatever action is necessary to bring the problem to a conclusion.

Project funding must be available in the 1615, or a PDA to establish the funding must have been received before bills are paid or contracts encumbered.

If the payment and/or encumbrance passes the manual edits, the documents can be prepared and processed. If the payment is against an encumbrance consult the latest Outstanding Encumbrance Analysis, use either a 371 or 381 transaction code and hand code the collocation code on to the document.

Any final payment against an encumbrance should use a 381 transaction code, though since this will liquidate the entire encumbrance, supervisory approval must be sought before this transaction code may be used.

HOUSE TRANSPORTATION
STANDING COMMITTEE

March 9, 1983

8:30 a.m.

Members Present: Rep. Cato, Chairman
Rep. M. Miller, Vice-Chairman
Rep. Phillips
Rep. Lacher
Rep. Davis
Rep. Herrmann
Rep. Abood
Rep. Szymanski

Members Absent: Rep. McBride

COMMITTEE CALENDAR

Department of Transportation Overview/Discussion of issues and concerns

WITNESS REGISTER

Dan Casey
Commissioner
Department of Transportation and
Public Facilities
Pouch Z
Juneau, Alaska 99811
465-3900

Position Statement: Respond to committee questions and explain re-organization of department.

PREVIOUS ACTION

NONE

ACTION NARRATIVE

TAPE# 22
Recording
Number 0003

Chairman Cato called the meeting to order at 8:35 a.m. Staff present were Rhonda Cargill and Steve Soenksen. The purpose of this meeting was to talk with Commissioner Casey as to what his plans and programs are for the department and to give the committee a chance to ask various questions.

Number 0041

Commissioner Casey began his presentation by

explaining he had just returned from Fairbanks where he made an announcement of his appointments and to describe his shift from a functional organization to the line management organization. This change includes the establishment of three regions with headquarters in Fairbanks, Juneau and Anchorage, as well as a stand alone organization in the marine highway system and a headquarter's organization titled Standard and Statewide Programs. He gave further explanation of the above.

Each region will have a Deputy Commissioner who will have resources reporting to them in regions that execute the program. These appointees include: Glenn Glenzer-Interior; Riley Snell, Acting Deputy Commissioner for Anchorage; John Scribner, Acting Deputy Commissioner, Southeast Region.

Number 0112

Rep. Phillips requested resumes and re-organization plans in writing in save some time.

Number 0124

Commissioner Casey agreed and finished with information that a Deputy Commissioner for the ferry system has not been appointed but Marty Nusbaum is Acting Director; Fred Seger is Deputy Commissioner for Statewide Standards Programs. John Bates is Director of Planning and Program within the Standards and Statewide Programs; Ron Lind is Director of Administrative Services within the Standard and Statewide Program.

All Directors are acting until the Deputy Commissioners have been put in place and have had the chance to work with the Directors and they will have the latitude to make a decision.

In terms of a change in philosophy; the change from an organizational management to a line organization structure is reflective of personal style preference and feels that the Deputy Director level will provide for better teamwork and coordination of functions at local levels; explanation of reorganization plans.

One change Commissioner Casey pointed out is the moving of bid openings to local regions rather than in Juneau; try to get in place

prior to summer construction programs.

Questions and discussion on procedures for bid openings.

Commissioner Casey continued that he would like to see more emphasis on project control and cost accounting; the department realizes they have a long way to go. Needs more visibility on regular reporting basis on distinction between engineer estimates and actual bids received; then can highlight the differences and focus attention on improvement.

Will apply the concept of the learning curve to project improvements or problems for projects in order to be more effective.

In regards to cost accounting in relationship to maintenance and operation; maintenance and operation had been funded at maintenance level or continuation level. He has grave concern of "deferred maintenance". He feels there are techniques which can be applied to get a handle on what those maintenance liabilities are; ought to be able to catalogue the capital stock of transportation facilities and public facilities...to compute the total budget of what maintenance should be. One of the challenges the department has is, exactly where does the department stand on maintenance liabilities as compared to traditional maintenance levels; to get a better judgement on development of the budget.

Number 0336

Rep. Aboud asked if Commissioner Casey has any plans for replacement of equipment for road work or if he will contract it out to private industry. Also interested in the type of equipment which can be used for interchange...to become more efficient in equipment problems.

Number 0358

Commissioner Casey replied that they do charge equipment at hourly rate (or milely rate) to cover maintenance cost as well as replacement cost. This year's operating budget reflects a decrease to cover maintenance cost and depreciation of equipment.

As a matter of philosophy, we should position users to have increased flexibility to make their own trade-offs between cost to use the state equipment fleet and cost to use private sector provided equipment. Commissioner further explained cost effectiveness of equipment.

Number 0418

Chairman Cato asked if Commissioner Casey will continue his low bid equipment procedure, whether equipment fits the situation or not?

Number 0430

Commissioner Casey explained that where you have a definal of scope, low bid is the best way to go. The problem you may have with the equipment not doing the job, may not have defined specifications for equipment provisions; then have to make sure low bidder is meeting specifications.

There has been frustration relative to control and selectability of equipment. Within the re-organization, have decentralized responsibility of equipment within the regions. There needs to be statewide procedures and policies and accounting, which will attempt to give more authority over equipment fleet at lower level so those people can budget to do the work within the budget - alot of trade-offs. Create environment of delegation and accountability; area manager responsible for maintenance of road system within the budget.

Number 0468

Rep. Phillips asked if the \$85 million the administration has projected is for the three regions.

Number 0472

Commissioner Casey replied yes; the type of projects would merit conclusion in capital budget as opposed to part of maintenance and operation.

Number 0480

Rep. Phillips asked what projects are in the \$85 million.

Commissioner Casey referred to John Bates who then listed the various projects which would cover all major highways in the State.

Number 0499

Rep. Phillips asked how they do research? Who are you dealing with as far as research?

Number 0508

Commissioner Casey said that the research division works at the U of A campus. He went into further detail explaining about the research division and John Bates added to the types of research which has and is being done.

Further discussion and questions by the committee.

Number 0652

Rep. M. Miller requested a listing of equipment in different regions.

Discussion of equipment and inventory.

Number 0702

Commissioner Casey ended with voicing his concerns with the equipment and accountability and realized there are legitimate concerns which DOT should be able to have control over and that needs to be addressed.

Number 0719

Meeting was adjourned.

HOUSE TRANSPORTATION
STANDING COMMITTEE
March 11, 1983
8:33 a.m.

Members Present: Rep. Cato, Chairman
Rep. M. Miller, Vice-Chairman
Rep. Lacher
Rep. Herrmann
Rep. McBride
Rep. Phillips
Rep. Abood
Rep. Davis

Members Absent: Rep. Szymanski

COMMITTEE CALENDAR

Department of Transportation/Overview

WITNESS REGISTER

Daniel A. Casey
Commissioner
Pouch Z
Juneau, Alaska 99811
465-3900

John Bates
Deputy Commissioner
Planning and Programming
Pouch Z
Juneau, Alaska 99811
465-3900

PREVIOUS ACTION

NONE

ACTION NARRATIVE

TAPE#24, Side 1
Recording
Number 0003

Chairman Cato called the meeting to order at 8:33 a.m., and indicated the members present. Staff members present were Rhonda Cargill and Steve Soenksen. Chairman Cato requested Commissioner Casey to go through the DOT news release which tells of his appointees as she noticed quite a few

individuals have remained.

Number 0034

Commissioner Casey asked to defer the question as the members' copies didn't appear to have the organizational chart which should have been attached.

Commissioner Casey continued on with an explanation of the policy development regarding surface transportation. He explained the dramatic shift of \$85 million in the capital budget and the development of a policy and cost...surface maintenance of state inventory. DOT is working on an inventory of road systems and has a good handle on the amount of years a road will last between refurbishing; department needs the inventory of these life cycles and test the budgeting to maintain inventory stock.

Discussion of inventory of roads.

Number 0158

Rep. Herrmann asked about plans for rural Alaska refurbishing.

Number 0164

John Bates answered that in this budget road systems in rural areas were not in the plan for refurbishing; but rural airports were.

Discussion of refurbishing roads - techniques, gravel and paving - effectiveness.

Number 0214

Discussion of making trade-offs and questions of existing capital stock and new facilities. Commissioner Casey pointed out that through needs assessments over \$6 billion of needs have been identified.

Commissioner Casey; what isn't known is on annual basis how much should the administration spend? Don't know where the breaking point should be - directionally concerned with maintenance.

Number 0290

Rep. Davis asked if they knew how long it will take to know how much to take.

Number 0295

Commissioner Casey felt alot of background has been put together and alot of history can be pulled out, its a matter of pulling it together before the 1985 budget process. Commissioner Casey continued to give explanation on what should be spent out of the operating budget on maintenance; the

volume has grown but the budget has been kept at a continuation level. He also gave policy for new and existing infrastructure, trade-offs and examples of projects and reason for road access and dock facilities.

Commissioner Casey said they are wrestling with the "authority" concept. Authorities were originally envisioned as optimism match that revenues will meet their cost - they are stand alone; viewed with public sector domain...explanation of policy view on authorities.

Number 0453

Rep. Phillips showed interest in the planning process and explained that presently the delegates had to try to initiate planning and design and he feels this is DOT's responsibility.

Number 0470

Commissioner Casey was in agreement and explained that in port it is happening; but it's not being done sufficiently. The Commissioner gave an example of recent meeting with Kenai Peninsula delegation where the people are marching together.

Continuation on discussion of planning process.

Number 0565

Chairman Cato asked about the department's priority list.

Number 0570

Commissioner Casey explained the problems of prioritization and the introduction of using a rating sheet for each project, its the beginning of an effort to recommend priorities on basis all can agree to. He feels one problem both the Administration and Legislature has is to educate the public of the gap between "needs" and "money available". Once the public is appreciative of the gap, then they can do battle with merits and try to reach an agreement.

Discussion on public understanding of gap, on percentage of money spent on planning as opposed to construction and what it takes to get a project done.

Number 0766

Brief discussion on what is done with money not in use, (invested by Department of Revenue).

Number 0793

Brief discussion on gag rule, more delegation of responsibilities within the department.

Number 0835

The meeting was adjourned.

HOUSE TRANSPORTATION
STANDING COMMITTEE
March 16, 1983
8:30 a.m.

Members Present: Rep. Cato, Chairman
Rep. M. Miller, Vice-Chairman
Rep. Herrmann
Rep. Abood
Rep. Phillips
Rep. McBride

Members Absent: Rep. Davis
Rep. Lacher
Rep. Syzmanski

COMMITTEE CALENDAR

Commissioner Casey, Department of
Transportation Overview

WITNESS REGISTER

Daniel A. Casey
Commissioner
Department of Transportation and
Public Safety
Pouch Z
Juneau, Alaska 99811
465-3900

Fred Seeger
Deputy Commissioner
Standards and Statewide Programs
Department of Transportation and
Public Facilities
Pouch Z
Juneau, Alaska 99811
465-3900

Jon Scribner
Acting Deputy Commissioner
Southeast Region
Department of Transportation and
Public Facilities
Pouch Z
Juneau, Alaska 99811
465-3900

John Bates
Director
Planning and Programming

Department of Transportation and
Public Facilities
Pouch Z
Juneau, Alaska 99811
465-3900

PREVIOUS ACTION

See minutes of March 9, 11 and 14, 1983.

ACTION NARRATIVE

TAPE#26, Side 2
Recording
Number 0003

Chairman Cato called the meeting to order and indicated all the members present. The purpose of the meeting was to talk with Commissioner Casey on the reorganization of the department and questions of the Marine Highway System.

Number 0050

Rep. Phillips requested visual aid for the Governor's budget on roads, airports, ports, docks and etc., and get down to the Administration's plan for the next four years.

Number 0075

Chairman Cato; referring to the memo - have not received written response to the questions we posed.

Number 0086

Rep. Abood; (February 3, 1983), December 1981 - Capital Improvement Projects - status projects; noted there were allocations made for project - fund sourcing - total of \$5-9 million for Sand Point dock, but its not in the book.

Number 0114

Mr. Scribner said the reason the Sand Point project is not in the book is because its a completed project.

Number 0131

Mr. Scribner said it took all the money, plus there was a design error, and so the Legislature last year funded additional funds for the project. They went back to the designer who made up the money on error; the money goes back to the state.

Number 0152

Rep. Abood requested a breakdown on monies given and recuperated on Sand Point project.

Further discussion on funding of Sand Point project and old ports and harbor bond issues; enabling legislations.

Number 0292

Rep. Abood; Capital Improvement Project status project system is provided for the Legislature? Is this report compiled from data by the department? Is it used for anything other than for Legislature?

Number 0299

Mr. Bates stated it actually wasn't developed as main function of reporting to the Legislature. It was developed to keep the people above the project manager informed of the capital project status, its a quick and easy reference. It started two years ago in the House as a tool to keep track of capital projects because the existing accounting system was not oriented to keep track of capital project system; actually stored in computer in Texas contracted with Boeing. Developed a new Management Information System which takes over project status system and puts on state computer. It started 2 1/2 months ago and still debugging the program; its a major effort; installing capability to have regional office input on active basis. Inter-active type data with Texas, it can get information from terminal once the data is converted from the old system.

Further discussion on new data system and access to reports, it should be on screens for next session.

Number 0396

Rep. Abood said one or two years ago the Legislature came up with over \$900 million in balance of total Capital Improvement Projects - what happened to the balance?

Number 0406

Mr. Scribner; have a breakdown of what the Legislature authorized - actual contract awards - \$900 million; looked like \$500 million did not get out; in between showed \$1.1 billion; cash available got out \$900 million; \$1.1 billion and \$1.4 billion authorized; backlog of \$200 million - backlog of one year of projects. Mr. Scribner continued to explain breakdown of funds, including federal funds and what happened there and (over program funds).

Discussion of response to memo written by

committee to Commissioner Casey.

Number 0483 Rep. Abood said will the report show balance of Capital Improvement Projects?

Number 0490 Mr. Scribner gave a summary of the balance.

Number 0503 Rep. Phillips; seems you don't know where committee is coming from on direction of committee in relationship to DOT.

Number 0521 Rep. Abood; do you understand the committee's problem with DOT?

Number 0526 Mr. Scribner; we see problems from different points of view and trying to communicate.

 Discussion by committee of communication between the department and committee; committee's purpose as oversight committee for DOT.

Number 0661 Chairman Cato; plans to make reason out of chaos on the marine highway system.

Number 0666 Commissioner Casey; do not sense attitudinal problem but workable problem and lack of understanding. Takes re-organization to operation while Legislature is in session. Commissioner Casey's presentation of problem and solution to communication with the Legislature.

Number 0719 Rep. Phillips; is there one person to contact to get answers on a variety of problems?

Number 0756 Commissioner Casey; don't have ready answers but do agree should give you answers minus a number of transfers.

Number 0791 Commissioner Casey gave explanation of reorganization plan referring to the organizational chart. He explained the role of the Deputy Commissioners as having responsibility for execution in his regional area; the purpose of the standards and statewide programs division and if a policy is unique to a division or region. He used the Marine Highway System as an example - pointed out the problems and reasons for the problems and the steps to be taken for solutions. He also explained the importance of the visibility of management level and

giving more attention to the system.

Commissioner Casey also explained the concept of "authorities" and where he feels the difference of opinion lies between Chairman Cato and DCT on establishing a Marine Highway Authority.

He asked the patience or indulgence of the committee on the Marine Highway System for him to bring "quality" to the system.

Number 0931

Chairman Cato adjourned the meeting.



STATE OF ALASKA

MAR 23 1983

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

March 18, 1983

POUCH Z
JUNEAU, ALASKA 99811
(TELEX 45-328)

Representative Al Adams, Chairman
House Finance Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Legislators:

The Governor's FY '83 Capital Improvement Projects supplementary request (SB 162) includes provision for funding allocations to cover both State executed programs as well as grants. Recognizing this change in approach for DOT&PF from the past several years, I would like to provide some accompanying commitments on my part and this Administration's part.

Allocations for Department-executed projects are important in recognition of inadequacies inherent in the estimating process that occur at the early stages in a project's evolution. On the other hand, I empathize with the frustration on the part of the Legislature and the Public where in the past some projects, approved on an allocation basis, were subsequently shelved because of agency desires to expend monies for differing projects or to spend more money on one project than anticipated to the detriment of another project. Not only is legislative intent undetermined in the latter case with regard to which projects should be undertaken, but also, within a reasonable range of dollars, the legislative intent with regard to even authorizing a project based on the Legislature's and Governor's comparison of merits relative to anticipated cost. To notably increase the amount of money spent on a given project is to undermine the decision making process. Consequently, the Legislature and the Governor may not have approved that project had they known it was going to involve significantly higher cost. Therefore, I pledge the following policy for the Department of Transportation and Public Facilities:

EVERY PROJECT WILL BE EXECUTED AS LONG AS THE SCOPE CAN BE COMPLETED WITHIN THE DOLLARS SET FORTH IN THE FUNDING BILL APPROVED BY THE LEGISLATURE AND SIGNED BY THE GOVERNOR. THIS WILL BE THE CASE EVENTHOUGH THE MONIES ARE APPROVED ON AN ALLOCATION BASIS. IN ADDITION, ANY PROJECT WHERE IT IS ANTICIPATED THAT THE COST WILL EXCEED THE CORRESPONDING LISTED AMOUNT IN THE BUDGET BY MORE THAN 20% WILL BE TERMINATED UNTIL SUCH TIME AS LEGISLATIVE APPROVAL IS OBTAINED TO PROCEED AT THE REVISED HIGHER COST ESTIMATE.

The above approach will accommodate a reasonable estimating range wherein projects may be completed for somewhat more cost than anticipated at the time the original budget estimate was developed. At the same time, if the costs exceed that budget estimate by a certain amount (as determined by the percentage) the Legislature has an opportunity to review whether or not the anticipated benefits still are meritorious in light of the additional cost. In the absence of allocation flexibility, however, we lose the ability to proceed with projects involving nominal estimating variances until the reconvening of the Legislature.

As many of you recognize, this trade off between cost control through the line item appropriation and execution flexibility through allocation has been, in the past, presented in extremes that have prevented the advantages of both. I am hoping that the approach contained herein will provide an optimal balance. I might add that similar flexibility is a common practice for construction projects within the private sector.

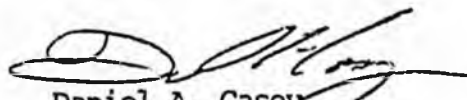
The administration of grants through the Department is also an area in the past that has been of concern. One concern involves experiences where overhead charges appeared to be unreasonable coupled with the untimeliness of funding transmittals to local municipalities, etc. In addition, the Department was not charged with reviewing grants and sponsoring grant programs in parallel with those program that it was to execute directly. We have implemented several changes in the last year and most recently in the last few months in this regard. First, overhead costs for grants and Transfer of Responsibility Agreements (TORAs) are now statutorily funded through the Department's Operating Budget and thereby are not charged to specific projects. In addition, through the Municipal Grant Laws Procedure, if a grant is designated as such under the Department of Transportation and Public Facilities heading within a funding bill, the Department has the responsibility to execute the grant within the same statutory and regulatory guidelines as the Department of Administration. Accordingly, we make the following commitments as already supported by statute and regulation:

THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES WILL EXPEDITE THE DISBURSEMENT OF GRANT MONIES TO THE DESIGNATED RECIPIENT AS HAS BEEN HANDLED IN THE RECENT PAST BY THE DEPARTMENT OF ADMINISTRATION AND WILL NOT WITHHOLD ANY PORTION OF THOSE GRANT MONIES FOR ANY STATE COST.

The advantages of the above approach are similar to the allocation and overrun limit policy previously described. A combination of the expedited fund flows for grants as was sought through the Department of Administration initially and retaining a linkage to DOT&PF to work with the communities in reviewing grant proposals, validating estimated accuracies and supporting planning and engineering integration prior to budget submittal is desirable. In short, we propose to put the Department of Transportation and Public Facilities on a similar footing as the Department of Environmental Conservation and the Department of Education, to name a few, where we close the loop within the same department and still insure cooperative relations with communities.

As suggested by Senate Finance Subcommittee members, we fully support the addition of a grant notation opposite those projects so intended. With that designation you can be assured that the Department of Transportation and Public Facilities will proceed with all vigor as set forth above.

Sincerely,


Daniel A. Casey
Commissioner

cc: Governor Sheffield, State of Alaska
Members of the House Finance Committee
Members of the House Transportation Committee
Members of the Senate Finance Committee
Members of the Senate Transportation Committee
Larry Crawford, Chief of Staff, Office of the Governor
Pete McDowell, Director, OMB
Lisa Rudd, Commissioner, Department of Administration
Fred Seeger, Deputy Commissioner, Standards and Statewide Programs, DOT&PF

Alaska State Legislature

House of Representatives

Committee on Transportation

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

Rep. Bette Cato, Chairman

March 28, 1983

Daniel A. Casey, Commissioner
Department of Transportation and
Public Facilities
Pouch Z
Juneau, AK 99811

Re: Letter to Representative Al Adams dated March 18, 1983

Dear Commissioner Casey:

Thank you for the copy of your letter to Representative Adams regarding the FY '83 Capital Improvements Projects supplementary request (SB 162). I would like to make some general comments regarding the policies set forth in this letter.

It is refreshing to see commitments made by the Department on handling of funding allocations and on Municipal grants. As has been stated before, some of the frustration with DOT/PF has been the lack of written procedures and guidelines.

On your first Pledge, perhaps you could consider the following:

1) I have seen several instances where projects are halted because the engineer's estimate (apparently "in-house" estimates) were higher than the appropriation amount. Often, after bid proposals are submitted by prospective contractors, a figure lower than the engineer's estimate occurs. As stated in your letter, "inadequacies in the estimating process" often occur. The 20% "test" is probably a good one and I recognize that a line has to be drawn somewhere. 2) Please consider adding to this pledge, or at least in practice, provide for notification of legislators representing the districts in the event of a short-fall or possibly the legislative budget and audit committee. We in the legislature usually are not aware of projects being short-funded until a) several years after the appropriation and realization of a short-fall or b) we find that funds have

been transferred to another project; another very sore spot with many legislators.

Last year the entire Ports and Harbors contingency (\$4 million) was placed into one project, namely, the La Touche Harbor Project. In my opinion, the monies for the original appropriation of \$3 million, an additional \$500,000 could have been better spent in Prince William Sound Harbor Projects. To have the Department place a contingency fund completely into one such controversial and in the view of many, "a capital project that serves mainly private landowners interest is inappropriate. (My information is that this project is currently still underfunded as estimates for completion are \$8,700,000 for the harbor alone not including any inner harbor facilities, also who is responsible for police-fire and maintenance).

It is hard for me to consider any allocation when this type of activity occurs. I do not wish to belabor the point but this track record of project funds by DOT/PF with funds controlled by the planning Division must be curtailed if the reputation of DOT/PF is to be improved.

I hope you will consider these as constructive comments and again wish to say that I am encouraged by the developments in DOT/PF to date.

Sincerely,



Bette Cato, Chairman
House Transportation Committee

MEMORANDUM

State of Alaska Department of Transportation & Public Facilities

TO: The Honorable Bette Cato, Chairman
House Transportation Commission
Alaska State Legislature

DATE: April 11, 1983

FILE NO: 000H

APR 14 1983

TELEPHONE NO: 465-3900

FROM: Daniel A. Casey, Commissioner
Department of Transportation
and Public Facilities *DAK*

SUBJECT: Your letter of March 28
concerning my approach
to capital projects account-
ability

I appreciate your gracious and positively toned memo in response to my letter to Representative Adams dated March 18. I wholeheartedly endorse your perspective on the subject. It sounds like we are very much together. I concur with your concerns when an engineer's estimate may be somewhat high. In those instances, we should not prematurely back off from proceeding with the project if there is a reasonable chance that we may receive a bona fide bid at a sufficiently lower amount to enable us to complete the project within the funds available. As you point out, the 20% flexibility does allow us room to maneuver and we rarely find, where we consistently miss the mark, greater than that amount of error.

In addition, when engineer's estimates are close to funds available you can, in good faith, ask for contractors to submit bids, if there is a reasonable likelihood of proceeding with the work. We do not want to misuse good will capriciously due to frequent cancellation of bids for lack of funds. The quality of the contractor's bid work, otherwise, will begin to deteriorate. I think we can watch, in a better fashion, the gaps that occur between engineer's estimate and bids and develop trend lines. This tends to go in a cycle. Frequently, on the economic upswing, bids are found to be slightly high. By the time estimators adjust their assumptions, we are often in a downswing and find bids coming in at a lower amount than the engineer's estimate. In fact, as you might have intended between the lines of your comments, we are currently in the situation where frequently bids are under engineers' estimate. This is in sharp contrast to just a year ago.

With reference to your recommendation that I pledge to notify legislators representing the affected districts or the Legislative Budget and Audit Committee in the event of a shortfall, I apologize for not making that clear in my earlier letter. In the spirit of what we are trying to do, your request is a very reasonable one and one we fully intend to pursue. The hope is that we can develop some rapport with an interim committee and, in some instances at least, be able to get their endorsement to proceed in the absence of a full legislative body. I do think we can do a better job of status briefings, not only on exceptions, but on the bulk of ongoing projects. We have instituted a practice of having deputy commissioners from the various regions regularly assemble in Juneau and take an extra day to visit with legislators from their area. We are also developing status reports on projects and plan twice a year to sit down with legislators and discuss projects in their area. We are tentatively planning to do this at the beginning of the legislative session and in the

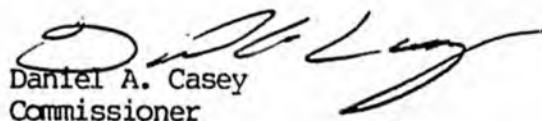
April 11, 1983

early summer. We hope this will better equip the legislators in answering questions from their constituents, as well as serve as a conduit in getting there early-on appraisals where we are running into difficulties. I think in this way you would agree, from the comments you have made earlier, that we can improve the team work between the executive branch and the legislature.

I've taken the liberty to copy this letter, as well as the relevant portion of your letter to me, to all the original recipients of my letter of March 18. I think your comments and my response are of general interest and seem to be complementary to what we set out to do.

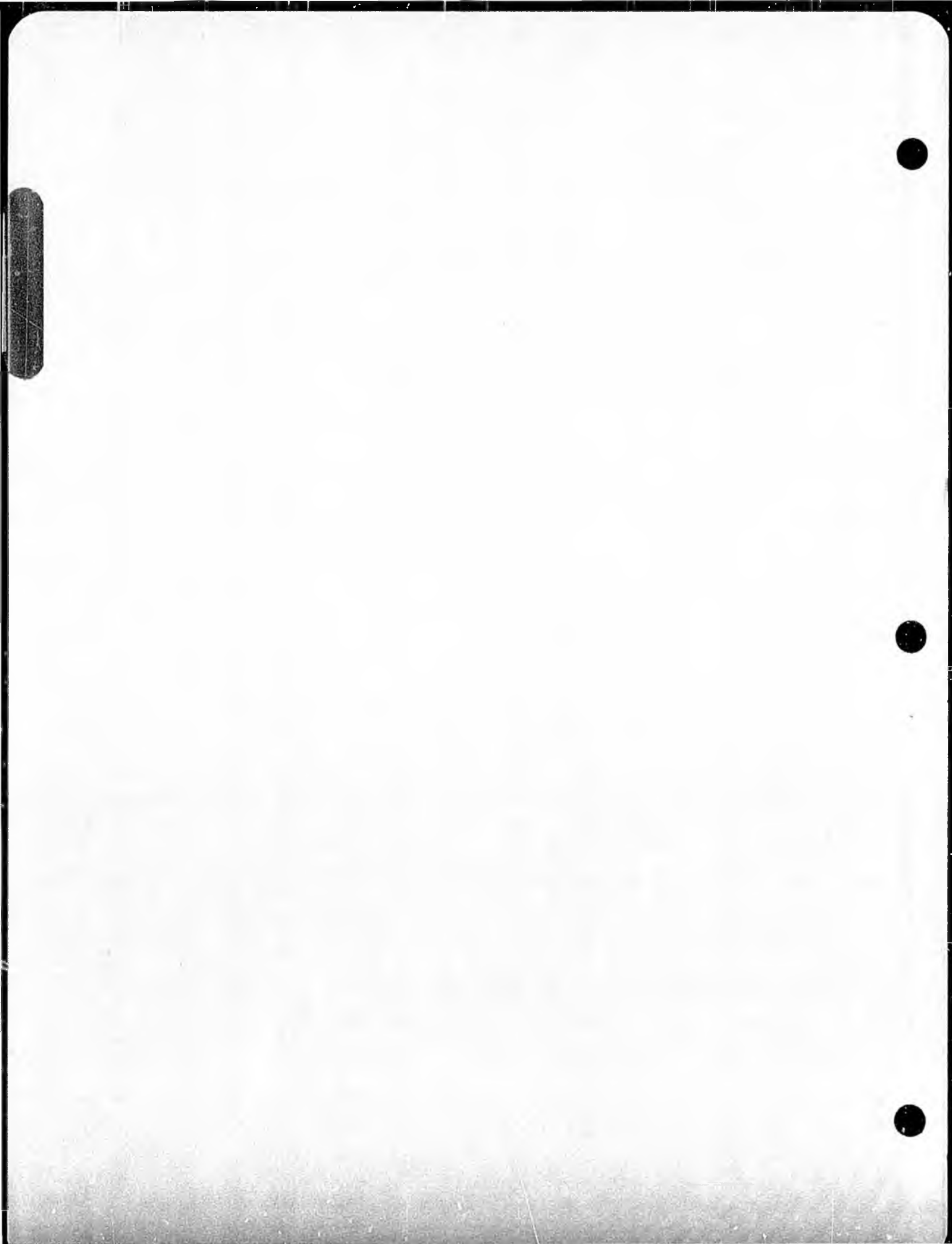
Again I thank you for your interest and support. The encouraging words we have received from you make us attempt all that much harder to see if we can't continue to make good headway.

Sincerely,


Daniel A. Casey
Commissioner

cc: Bill Sheffield, Governor, State of Alaska
Emil Notti, Legislative Assistant to the Governor
Senate Transportation Committee
Senate Finance Committee
House Transportation Committee
House Finance Committee
All Deputy Commissioners, DOT&PF

Attachment



State Senate

MEMORANDUM

Date: March 3, 1983

Subject: Questions Concerning DOT/PF Policy/Operations

To: Dan Case, Commissioner
Department of Transportation and Public Facilities

From: H. Pappy Moss, Chairman
Senate Transportation Committee



- (1) DOT/PF has been controversial and was even an election issue.
 - a) What are your plans to restore public confidence in DOT/PF?
 - b) I seldom hear anything about cost effectiveness or productivity in DOT/PF. It seems that your answer has always been "more money". What do you plan to do to make the Department more efficient and cost conscious?
 - c) How do you know if your Department is more efficient this year than last? What are your measures for efficiency and productivity?
- (2) How do you feel we can better facilitate a flow of information between our organizations?
- (3) The voters of Alaska in the last election clearly indicated they demanded a change. Governor Sheffield assured us there would be. If I remember right, you, yourself, have indicated these major changes would occur:
 - a) Is your reorganization plan any more than just "inserting another layer of costly overhead without real fundamental changes in the Department?
 - b) Are you anticipating major personnel changes?
- (4) Previous philosophies in the Department have been pretty well reputed. I am speaking of such things as lack of financial accountability, lack of personal accountability and rivalries within the Department.
 - a) What are your plans to correct these or similar problems?

We have copies of many reports and audits which are complimentary of DOT/PF operations. I hear after each year some sort of surface (right of way). It seems that you are continually being clobbered by the Feds for the same things.

a) What's the problem? Can't you learn from past experience or is there some control problem within the Department?

b) Can you describe your control system? What does it cover?

(6) Legislative audits have pointed out an inherent inefficiency with your planning process. According to that report, your planning aspect flows through on a project from its inception to its final completion. This creates an additional layer and continued intervention by the planning division which results in additional project costs. In the legislative audit report there were recommendations made which have not been implemented. Why?

(7) DOT/PF is the largest department in the State. Your employees are not only State employees but are also citizens, some in my District. I understand that morale is extremely low.

a) What are your plans to restore morale to these employees of DOT/PF?

b) Has there been any employee involvement in your reorganization plans? Who? What level and how much?

(8) Since you have taken office have you attempted to analyze the level of technical qualifications of the staff you inherited from the previous administration? Do you have a program to train people within the Department?

(9) We hear that there is widespread dissatisfaction with the personnel system within DOT/PF.

a) What can you do or plan to do to restore employee confidence that the so-called merit system works in DOT?

(10) DOT/PF has completed or has currently in progress a number of regional transportation studies. How have the results of these studies been pulled together as one central planning tool? Have the timing of the regional studies and the statewide transportation plan been coordinated?

(11) The Legislature has given the Department practically every dollar you have asked for to implement a Management Information System. You've been at it for several years now.

a) Where is it?

b) Can you now get reports from this investment?

c) Can the legislative committees get access to this information?

-(12) We used to get reports from the status system -- we don't even get them now.

a) What happened?

-(13) How does one reconcile the CIP project status report (a public document) with the CIP Project Authorization Balance (on internal documents)?

-(14) Audit reports seem to indicate a major problem with you financial system. Employees I have talked to have very little confidence in it. Reports are late, inaccurate and full of errors. I am concerned how you can manage a multi-million dollar operation without good financial information.

a) What are you doing to correct this?

b) What is your time schedule for this?

-(15) a) Could you describe the system you use to put together the CIP proposal? Some people have described it as a very disorganized process.

b) What are priorities established.

c) Who sets priorities?

d) Do you have a system which takes into account:

-- some recognition of the need to dispense CIP projects more evenly around the State?

-- the political reality of Alaska?

-- areas of high unemployment?

-(16) How do you feel legislative add-ons could better fit into the DOT/PF's process?

-(17) The present transportation system is rapidly deteriorating. Many states have established a maintenance first priority.

a) What are your thoughts on our deteriorating transportation system?

b) How can we eliminate the practice of deferred maintenance on our highway system?

- c) what priority does maintenance have in your department?
- d) What evidence can we expect to see of any changes in your maintenance policy?
- e) When you develop your projected maintenance cost for the budget how do you arrive at the figure you eventually settle with?

(18) I am concerned that through the use of authority to shift funds from project to project to cover bad estimating, or even a lack of simple financial controls, that you do not have the resources to complete projects already underway. I have heard of projects that, although authorized for funding, when actual construction took place did not have funding available to pay the bills.

- a) How wide spread is this?
- b) how much additional funding has been committed this way without legislative knowledge or authorization?
- c) Is the legislature going to have a continual request for supplementals to cover already funded projects?
- d) would it be possible for this committee to get a complete listing of the Department's project responsibility as indicated by legislation, and the status of each?
- e) Do you have a backlog of contracts ready to go? If so, why?

Free Subm

Alaska State Legislature

SENATOR
H. PAPPY MOSS
PO BOX 182
DELTA JUNCTION, ALASKA 99737
9071895 4384



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
9071465-4921

State Senate

MEMORANDUM

Date: March 16, 1983

Subject: Senate Transportation Committee
Meeting, March 3, 1983

To: Daniel A. Casey, Commissioner
Department of Transportation and
Public Facilities

From: Senator H. Pappy Moss, Chairman
Senate Transportation Committee *[Signature]*

Attached please find a copy of the minutes for the Senate Transportation Meeting held March 3, 1983. I am forwarding a copy of the minutes to you to assist you as you respond to the remaining questions we provided you. As you will note, we have requested a written response within a week or ten days of our meeting. I respectfully request you expedite your response. ✓

RECEIVED

MAR 16 1983

DOT/PF
COMMISSIONER'S OFFICE

cc: J. Bates
R. Lind
D. Page
W. Merrill

SENATE TRANSPORTATION
STANDING COMMITTEE
March 3, 1983
1:30 p.m.

Members Present: Senator Moss, Chairman
Senator Fahrenkamp, Vice Chairman
Senator Gilman
Senator Faiks

Members Absent: Senator Kerttula.

COMMITTEE CALENDAR

Policy Discussion with Department of
Transportation and Public Facilities
Commissioner Daniel Casey

WITNESS REGISTER

Daniel A. Casey
Commissioner
Department of Transportation and Public Facilities
Pouch Z
Juneau, Alaska 99811
Phone 465-3900
Position Statement: Available for questions

John C. Bates
Deputy Commissioner for Planning and Programming
Department of Transportation and Public Facilities
Pouch Z
Juneau, Alaska 99811
Phone 465-3900
Position Statement: Available for questions

PREVIOUS ACTION

None

TAPE #2, Side A
Recording
Number

ACTION NARRATIVE

800 Chairman Moss called the meeting to order at 1:35, noting that Senators Fahrenkamp, Faiks and Gilman were present. Moss indicated that the purpose of today's meeting was to meet and talk with people in the Department of Transportation and Public Facilities. The Chairman noted that Commissioner Casey was at the witness microphone, and had brought with him a copy of the January, 1983, edition of the Department's Six Year Transportation Improvement Program and the November, 1982, edition of the State Transportation Policy Plan. Moss also indicated that Transportation Committee staff had distributed to all Committee members and to Commissioner Casey a set of questions that would be asked during this meeting, and that Moss would ask for written answers to those questions. The purpose of the this and future meetings, Moss indicated, is to avoid a confrontation and to establish a common direction.

Indicating that the Department of Transportation and Public Facilities (DOT/PF) has been controversial to the point of being an election issue, Moss asked Commissioner Casey about his plans to restore public confidence in DOT/PF and what plans the Commissioner has for making DOT/PF more efficient this year than last.

Commissioner Casey began his presentation by noting that that the reason the above-mentioned books had been distributed only today was that they had only just been published. Casey cautioned that there have been significant changes in everyone's financial outlook, and that the administration is desirous of shifting emphasis to private dollars rather than State dollars. The Six Year Plan, Casey indicated, allows an appreciation of the projects that have been identified on a needs basis, and, in consideration of permit and design lead times, how those projects might be spaced.

- 878 In answer to the questions concerning restoring public confidence in the Department, Casey said that the answer is two-fold. First, Casey indicated, the Department needs to do a better job of communicating to the public the good that has been, and continues to be, done very well within the Department. Next, Casey indicated, he will be putting more emphasis on the relative gap between revenues and the cost to run the system. Casey said he was concerned, especially on the maintenance side, that a much better job could be done of portraying what the cost pattern is from year to year and on what the State should be spending. Casey added that although there has been a tremendous expansion in capital assets in the State over the last few years, maintenance operating funding has only increased at slightly less than the rate of inflation.
- 060 Chairman Moss asked whether Casey was, as had been rumored, on a two-year leave of absence with Atlantic Richfield. Casey responded that he was pleased to clear up a misconception that Moss and other people appear to have held. While Atlantic Richfield does have a leave of absence program for people who go into public service, Casey indicated, he left that company as though he were going to work for a competitor. He stated that he was not on leave of absence and while he expects a check from Atlantic Richfield in the next few weeks, that money represents a liquidation of stock and Casey's portion of the company's savings program.
- 122 Senator Fahrenkamp asked how recent changes in the law, which require limited operating budgets, will affect the transportation system, particularly in regard to improving or enlarging the transportation system.
- 150 Commissioner Casey indicated that he was not too concerned with the spending limit, because, while the spending limit could become an upper restraint on the capacity of the State to expand its capital budget, the revenue capacity of the State could not even reach the spending limit. Some 6.8 billion dollars would be required to meet the State's needs as identified in the Six Year Transportation Improvement Program, spread over a five-year period, while the State's

- revenues have gone from 4.2 billion dollars in FY '80/'81 to a projected FY '85 income of 3.2 billion dollars, Casey noted. One of the biggest challenges that we all face as a team, Casey indicated, is the education of the public as to this tremendous gap between the needs assessments within the State, which amount to 20 billion dollars, and the State's projected income. Casey emphasized that while individual constituencies may favor one project or another, we all have to select and prioritize to get from the 20 billion in needs to what we are able to fund in one particular year.
- 230 Senator Gilman stated that many of the municipalities he represents have indicated they would take over the maintenance of what traditionally have been State roads, if they could get them upgraded through a capital process, so that the municipality would not where they did not have to spend their money to bring the road up to a reasonable standard. Gilman indicated that he supports such arrangements.
- 277 In response to a question from Senator Gilman, Casey said that DOT/PF does have contracts between the Department and the municipalities that transfers responsibility for signaling systems where the Department finds that, for example, ten years ago the signals that the State mounted, maintained, and coordinated were independent in conjunction with a regional or State crew, but now constitute a smaller portion of a whole grid, due to a municipality which has developed around those signals or roads, and it makes a lot more sense for one entity to handle.
- 317 Senator Moss asked what impact of the Surface Transportation Assistance Act of 1982 will have on Alaska, what total dollar amount is authorized for Alaska under STAA, what administrative structures have been designed to accept those funds, what Federal limitations exist on the use of this money as they relate to Alaska, how those funds would be dove-tailed into existing money receipts from both the State of Alaska and Federal funds, which Alaskan highways are designated as Interstate Highways, and how much money the State of Alaska receives for these highways from the Federal government.
- 366 Casey indicated that no organization or procedural changes would be needed in order to accept or administer STAA funds, stating that from DOT/PF's point of view, the major impact in the 5¢ tax increase is an increase in the Federal funds available over DOT/PF traditionally has received. Casey indicated that in 1982, the State received 104 million dollars from the Federal government, administered through the Federal Highway administration and Federal Aid standards, and there are design standards and contract and right of way acquisition standards developed nationally that the State must comply with in the application of those funds.

- 386 Commissioner Casey indicated that staff had prepared a set of handouts to portray visually for the Committee some of the questions raised, and introduced John Bates, Deputy Commissioner for Planning and Programming.

In response to a question from Senator Moss, Bates stated that the increase in Federal receipts is reflected in the FY '84 budget as a budget amendment, since that Bill did not pass until Christmas, and the budget documents had already been prepared and printed. The amendment has been sent to the Office of Budget and Management within the Governor's office.

- 405 Responding to a question from Senator Gilman, Bates indicated that the 5¢ increase in Federal gasoline taxes goes into effect on July 1st.

Senator Moss asked why, if the Federal tax on gasoline is increased from four to nine cents, or nearly doubled, the revenue received is not also doubling. In response Bates indicated, that prior to 1982, Bates indicated, the State of Alaska was receiving eight dollars for every one dollar it contributed to the trust fund through the Surface Transportation Act of 1978, as extended to '81 and '82. The other states were objecting very vehemently to this imbalance, and before the passage of the Surface Transportation Act of 1982 there were a lot of propositions around the house and Senate that gave Alaska almost nothing, Bates indicated. The Alaska delegation, in conjunction with the Governor's office in Washington, D. C. and DOT/PF staff, worked for the present six to one ratio. The Bill, Bates further explained, is a four-year bill which provides for the State of Alaska an increase from 140 million in FY 1983 to 169 million in FY 1986.

- 560 Senator Fahrenkamp indicated that many of the representatives of other States in the Congress of State Legislators were very unhappy with this five cent tax because of all the restrictions put upon the States, and that these representative felt that states were losing rights in the bill.

Bates responded that as far as those things in the bill which decreased states rights, the highway trust fund was already a very regimented pot of money. Traditionally, Bates indicated, if you deal with the Federal Highway Fund, you are used to dealing with rules and regulations and asking HWA what you can and can't do. He indicated that the new STAA had not changed much in that regard. Bates indicated that the new law made some truck size and weight limitations nationally so that the "blocker states" could no longer control the size of trucks going through their interstate system, but that these regulations did not affect Alaska significantly.