

ALASKA LEGISLATURE COMMITTEE FILES 1987 - 1988 8672  
5134 HTRA COMM. MTGS: ORGANIZ. MTG. - CAPITAL PROJECTS CLEANUP

706

DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.

\*\*\* SOUTHEAST REGION \*\*\*

PROJECT	EXP			89	90	91	92	93	94	COMMENTS
	ED	ALT	PHASE							
KTN.-TONGASS AVE. TRAFFIC IMPROVEMENTS	1	ALT	4	644.0						
KTN.-TONGASS AVE. TRAFFIC IMPROVEMENTS	1	EXP	4		644.0					
LUTAK ROAD - STAGE 2 - CONSTRUCT & SUPPLEMENTAL	2	EXP	4		1413.2					
WILKOFF HWY.-SCOW BAY TO CRYSTAL LAKE PVMT. RESUR	1	EXP	2,4	2283.8						
NO. DOUGLAS HWY.- PAVEMENT OVERLAY	4	ALT	2	91.4						NEW PROJECT
NO. DOUGLAS HWY.- PAVEMENT OVERLAY	4	ALT	2,4		1918.4					ALT FOR 92 EXP
NO. DOUGLAS HWY.- PAVEMENT OVERLAY	4	EXP	2			91.4				
NO. DOUGLAS HWY.- PAVEMENT OVERLAY	4	EXP	4				1827.0			
NO. TONGASS - NEW UPPER ROUTE	1	EXP	2	225.0						DELAYED
NO. TONGASS - NEW UPPER ROUTE	1	EXP	2		458.6					PARTIAL DELAY FROM 89
NO. TONGASS - NEW UPPER ROUTE	1	EXP	3			4341.4				ACQUISITION DELAYED FROM '90
NO. TONGASS - NEW UPPER ROUTE	1	EXP	4					5000.0		CONST PHASE SPLIT FUNDED
REGIONWIDE REFLECTIVE PAVEMENT MARKERS	91	EXP	4				500.0			NEW PROJECT
S.E. REGION-HSIP	91	EXP	4	400.0						
S.E. REGION-HSIP	91	EXP	2,4		400.0					
S.E. REGION-HSIP	91	EXP	2,4			400.0				
S.E. REGION-HSIP	91	EXP	2,4				400.0			
S.E. REGION-HSIP	91	EXP	4					400.0		
S.E. REGION-HSIP	91	EXP	4						400.0	NEW PROJECT
SITKA AIRPORT ACCESS ROAD	3	ALT	2	137.1						NEW PHASE
SITKA AIRPORT ACCESS ROAD	3	EXP	2		137.1					NEW ESTIMATE
SITKA AIRPORT ACCESS ROAD	3	ALT	4		2740.5					
SITKA AIRPORT ACCESS ROAD	3	EXP	4			2740.5				
SITKA-HALIBUT POINT ROAD - LAKE ST. TO PIONEER PA	3	ALT	2	274.1						ALT FOR 90 EXP
SITKA-HALIBUT POINT ROAD - LAKE ST. TO PIONEER PA	3	EXP	2		274.1					
SITKA-HALIBUT POINT ROAD - LAKE ST. TO PIONEER PA	3	EXP	4				2466.5			

KEY: EXP = Project expected to be funded during indicated fiscal year; ALT = Project will be funded during indicated fiscal year if funding available.  
 PHASE: 1=Unallocated; 2 = Engineering; 3 = R-O-W; 4 = Construction; 7 = Utilities; 8 = Combined Phases/Operational  
 Project costs expressed in thousands of dollars

DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.

\*\*\* SOUTHEAST REGION \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
THANE ROAD RECONSTRUCTION	4	EXP	2				274.5			EXISTING CONDITION DICTATES ACTION
ZIMOVIA HWY.-BENNET ST. TO MILL @ 6.5 MI. PVMT. R	1	EXP	2	182.7						CONSTRUCTION PHASE DELAYED
ZIMOVIA HWY.-BENNET ST. TO MILL @ 6.5 MI. PVMT. R	1	ALT	4	1644.3						ALT FOR 90 EXP
ZIMOVIA HWY.-BENNET ST. TO MILL @ 6.5 MI. PVMT. R	1	EXP	4		1644.3					CONSTRUCTION DELAYED FROM 89

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DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
Federal Airport Improvement Program

## DRAFT OBLIGATION PLAN &amp; SIX-YEAR C.I.P.

## \*\*\* SOUTHEAST REGION \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
CRAIG SPB EXPANSION	2	ALT	2,3,4	1700.0						ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
CRAIG SPB EXPANSION	2	EXP	2,3,4		1700.0					ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
EDNA BAY SEAPLANE FLOAT	2	ALT	2,4	180.0						ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
EDNA BAY SEAPLANE FLOAT	2	EXP	2,4		180.0					ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
GUSTAVUS AIRPORT IMPROVEMENTS PHASE 2	2	EXP	2,3,4,7					600.0		DELAYED FROM '89, DUE TO PROJECT DEVEL. PROBLEMS.
HAINES AIRPORT IMPROVEMENTS PHASE 2	2	EXP	4		2600.0					MOVED UP IN RESPONSE TO INCREASED AIP EXPECTATION
HOONAH AIRPORT IMPROVEMENTS	2	EXP	2,3,4	4500.0						ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
HYDABURG SEAPLANE FACILITY	2	ALT	2,3,4		500.0					ALT. NOT PREVIOUSLY SHOWN FOR FY '90.
HYDABURG SEAPLANE FACILITY	2	EXP	2,3,4			500.0				ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
HYDER SEAPLANE FLOAT	1	ALT	2,4	120.0						ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
HYDER SEAPLANE FLOAT	1	EXP	2,4		120.0					ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
KAKE AIRPORT IMPROVEMENTS	2	ALT	2,4	1350.0						MOVED TO 88 AS AN ALTERNATE
KAKE AIRPORT IMPROVEMENTS	2	EXP	2,4			1350.0				
KASAAH SEAPLANE FLOAT	2	EXP	2,4	254.0						ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
KETCHIKAN AIRPORT SHUTTLE- GRAVINA TERMINAL	1	EXP	2,4				1900.0			
KETCHIKAN AIRPORT WEST TAXIWAY	1	EXP	2,4					5000.0		
KETCHIKAN WEST TAXIWAY PAVING	1	EXP	2,4					2500.0		NEW PROJECT.
KLAWOCK AIRPORT IMPROVEMENTS (SAFETY AREA)	2	EXP	2,4					2650.0		NEW PROJECT.
KLAWOCK APRON IMPROVEMENTS	2	EXP	2,4			800.0				ADDED IN RESPONSE TO INCREASED AIP EXPECTATION

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Project costs expressed in thousands of dollars

DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.

\*\*\* SOUTHEAST REGION \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
METLAKATLA SEAPLANE FLOAT EXPANSION	2	ALT	2,3,4	630.0						ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
METLAKATLA SEAPLANE FLOAT EXPANSION	2	EXP	2,3,4		630.0					ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
PETERSBURG AIRPORT EQUIPMENT BUILDING	1	ALT	2,4,7	540.0						
PETERSBURG AIRPORT EQUIPMENT BUILDING	1	ALT	2,4,7		540.0					ALT. NOT PREVIOUSLY SHOWN FOR FY '90.
PETERSBURG AIRPORT EQUIPMENT BUILDING	1	EXP	2,3,4			540.0				
PETERSBURG AIRPORT IMPROVEMENTS	1	EXP	2,4				2500.0			ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
S.E. AIRPORT MASTER PLANS (KAKE, KLAWOCK)	2	EXP	8	200.0						REVISED COST ESTIMATE
SITKA AIRPORT IMPROVEMENTS	3	EXP	2		200.0					MOVED FROM 88 EXP., DUE TO FAA P.E. GRANT RESTRICTIONS.
SITKA AIRPORT IMPROVEMENTS	3	EXP	2,3,4				900.0			
SITKA RUNWAY GROOVING	3	ALT	2,4	2200.0						
SITKA RUNWAY GROOVING	3	EXP	2,4		2200.0					
SKAGWAY AIRPORT IMPROVEMENTS, PHASE 1	2	EXP	2,3,4,7				900.0			DELAYED FROM '89, DUE TO PROJECT DEVEL. PROBLEMS
THORNE BAY SEAPLANE FACILITIES	2	EXP	2,3,4	500.0						ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
WHALE PASS SEAPLANE FACILITIES	2	EXP	2,3,4	388.0						ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
WRANGELL AIRPORT IMPROVEMENTS	1	ALT	2,4		2500.0					ALT. NOT PREVIOUSLY SHOWN FOR FY '90.
WRANGELL AIRPORT IMPROVEMENTS	1	EXP	2,4			2500.0				ADDED IN RESPONSE TO INCREASED AIP EXPECTATION
YAKUTAT AIRPORT GENERATOR & TAXIWAY LIGHTS	2	EXP	2,4	100.0						ADDED IN RESPONSE TO INCREASED AIP EXPECTATION

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DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
 Federal Highways Administration Program

 DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.  
 \*\*\* MARINE HIGHWAY SYSTEM \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
AUKE BAY SEC. TERM REHAB.	4	EXP	4	2500.0						
BARTLETT AUX. MACHINERY REFURB.	91	EXP	2,4				1450.0			PROJECT ACCELERATED DUE TO VESSEL CONDITION
BARTLETT HOTEL REFURB. PE	92	ALT	2				242.1			
BARTLETT HOTEL REFURB. PE	92	EXP	2					242.1		
COLUMBIA DECK & HOTEL REFURB	91	ALT	4				8007.9			
COLUMBIA DECK & HOTEL REFURB	91	EXP	4					8007.9		
COLUMBIA REFURB	91	ALT	2	500.0						#OR 87-11 ZERO OUT MFE 9/87: PROJECT ACCELERATED DUE
COLUMBIA REFURB	91	EXP	2		500.0					#OR 87-11 ZERO OUT MFE 9/87: PROJECT ACCELERATED DUE
COLUMBIA REPOWER	91	EXP	2				400.0			PROJECT ACCELERATED DUE TO VESSEL CONDITION
COLUMBIA REPOWER	91	EXP	4						6500.0	
HAINES STRUCTURES PE	2	ALT	2			91.4				
HAINES STRUCTURES PE	2	EXP	2				91.4			
HAINES UPLANDS IMPROVEMENTS	2	EXP	4	525.3						
HIGH SPEED FERRY (HSF) VESSEL #1	91	EXP	4		3828.6					PROJECT DELAYED PENDING ADOPTION OF AMHS MASTER PLAN
HIGH SPEED FERRY (HSF) VESSEL #2	91	ALT	4		3300.0					PROJECT DELAYED PENDING ADOPTION OF AMHS MASTER PLAN
HIGH SPEED FERRY (HSF) VESSEL #2	91	EXP	4			3300.0				PROJECT DELAYED PENDING ADOPTION OF AMHS MASTER PLAN
HIGH SPEED FERRY SHORE FAC. MOOS PH. A	91	ALT	4		1900.0					PROJECT DELAYED PENDING ADOPTION OF AMHS MASTER PLAN
HIGH SPEED FERRY SHORE FAC. MOOS PH. A	91	EXP	4			1900.0				PROJECT DELAYED PENDING ADOPTION OF AMHS MASTER PLAN
HIGH SPEED FERRY VESSEL #3	91	ALT	2,4				5481.0			PROJECT DELAYED PENDING ADOPTION OF AMHS MASTER PLAN
HIGH SPEED FERRY VESSEL #3	91	ALT	2,4					5481.1		

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DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.

\*\*\* MARINE HIGHWAY SYSTEM \*\*\*

PROJECT	EXP			89	90	91	92	93	94	COMMENTS
	ED	ALT	PHASE							
HOMER FERRY TERMINAL	6	ALT	2			200.0				
HOMER FERRY TERMINAL	6	ALT	2				200.0			
HOMER FERRY TERMINAL	6	EXP	2					200.0		
HOMER FERRY TERMINAL	6	EXP	4						1060.0	
HOONAH STRUCTURAL & UPLANDS IMPR.	2	EXP	2,4				475.0			PRIORITY CHANGE DUE TO FACILITY CONDITION
KETCHIKAN FERRY TERM RENOV.	1	EXP	4	434.0						
KODIAK FERRY TERMINAL	27	EXP	4			2600.0				
LECONTE DECK & HOTEL REFURB.	91	EXP	2			242.1				
LECONTE DECK & HOTEL REFURB.	91	EXP	4				3032.0			
LECONTE REPOWER & MACHINERY REFURB	91	EXP	2	250.0						
LECONTE REPOWER & MACHINERY REFURB	91	EXP	4			2442.0				PROJECT ACCELERATED DUE TO VESSEL CONDITION
MALASPINA AUXILIARY MACHINERY	91	ALT	4	1250.0						
MALASPINA AUXILIARY MACHINERY	91	EXP	4		1250.0					
MALASPINA HOTEL REFURBISHMENT	91	ALT	4	3125.0						
MALASPINA HOTEL REFURBISHMENT	91	EXP	4		3125.0					PROJECT ACCELERATED DUE TO VESSEL CONDITION
SEWARD FERRY TERMINAL	6	ALT	4			2968.9				
SITKA UPLANDS IMPROVEMENTS	3	EXP	2					150.0		PROJECT ADDED DUE TO FACILITY CONDITION
SITKA UPLANDS IMPROVEMENTS	3	EXP	4						1096.2	
SOUTHERN TERMINUS PE	99	EXP	2	228.4						PRIORITY CHANGE DUE TO LEGISLATIVE INTEREST
TAKU REPOWER	91	EXP	4			275.0				
TAKU REPOWER	91	ALT	4						4567.5	
TUSTUMENA REFURBISHMENT PH B	92	EXP	4	4200.0						

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Project costs expressed in thousands of dollars

DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.

\*\*\* MARINE HIGHWAY SYSTEM \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
VALDEZ TERMINAL REPLACEMENT PE	6	ALT	2			182.7				
VALDEZ TERMINAL REPLACEMENT PE	6	EXP	2				182.7			

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DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
Federal Airport Improvement Program

DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.  
\*\*\* ANCHORAGE INTERNATIONAL AIRPORT \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
AIA FLOAT PLANE EXPAN. & WETLANDS MITIGATION	9	EXP	2,4		937.0					NEEDED TO MITIGATE WETLANDS FOR G/A EXPANSION
AIA FLOAT PLANE EXPANSION PHASE I	9	EXP	2		1538.0					DELAYED FROM FY89 DUE TO MITIGATION, TENANT & ROAD RELO
AIA FLOAT PLANE EXPANSION PHASE II	9	EXP	2,4					3094.0		PHASE II OF LAKE HOOD FLOAT PLANE EXPANSION
AIA GA APRON TAXIWAY EXPANSION PHASE I	9	EXP	2		4537.0					NEED TO HANDLE ALL FIXED-WHEEL TIE-DOWNS
AIA GA APRON TAXIWAY EXPANSION PHASE II	9	EXP	2,4				1406.0			ADDED TO ALLOW ONE LOCATION FOR ALL FIXED-WHEEL TIE-DOW
AIA GA APRON TAXIWAY EXPANSION PHASE III	9	EXP	2,4					1031.0		NEW PROJECT
AIA GA ENVIRONMENTAL ASSESSMENT/DESIGN	9	EXP	2	469.0						NEEDED FOR WETLAND PERMITS FOR G/A EXPAN.
AIA NOISE ABATEMENT BERM	9	EXP	2,4					1654.0		NEW PROJECT
AIA NOISE ABATEMENT PROGRAM	9	EXP	2,4					2800.0		USAGE OF ADDITIONAL AIP PARTICIPATION
AIA NORTH APRON EXPANSION	9	EXP	2,4		4688.0					NEEDED INCREASED EFFICIENCY FOR INTN'L FLIGHTS
AIA OVERLAY & GROOVE RUNWAY 14/32	9	EXP	2,4		2343.8					
AIA RECONSTRUCT TAXIWAY "G"	9	EXP	2,4	2074.7						REVISED ENGINEER ESTIMATE
AIA RECONSTRUCTION OF RAMP AREAS FY92	9	EXP	2,4				2800.0			NOW PARTIAL AIP PARTICIPATION
AIA RELOCATE GRAVEL RUNWAY 13/31	9	EXP	2,4		1406.0					OUTCOME FROM NOISE COMPATIBILITY STUDY (PART 150)
AIA RELOCATE LAKESHORE DRIVE	9	EXP	2,4		703.0					NEEDED BECAUSE OF LAKE HOOD, FLOAT PLANE EXPANSION
AIA REMOTE FUELING APRON EXPANSION	9	EXP	2,4	4219.0						NEEDED TO FACILITATE INCREASED INTN'L FLIGHTS

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DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.  
 \*\*\* ANCHORAGE INTERNATIONAL AIRPORT \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
AIA SOUTH AIRPARK DEVELOPMENT	9	EXP	2,4						1875.0	NEW PROJECT
AIA TAXIWAY "D" RECONSTRUCTION	9	EXP	2,4		4688.0					ADDED TO HANDLE WIDE BOOY B-747 TYPE AIRCRAFT
AIA TAXIWAY "H" RECONSTRUCTION	9	EXP	2		1678.0					NEEDED UPGRADE PER MASTER PLAN UPDATE
AIA TAXIWAY "K" RESURFACE	9	EXP	2,4	2812.5						
AIA TAXIWAY "R" RESURFACE	9	EXP	2,4						2813.0	NEW PROJECT
AIA UPDATE EXISTING MASTERPLAN & NOISE STUDY	9	EXP	2,4		468.8					

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DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
International Airport Revenue Funds

DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.  
\*\*\* ANCHORAGE INTERNATIONAL AIRPORT \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
AIA AIRCRAFT STORAGE AREA	9	EXP	2,4		1300.0					
AIA AIRPORT DRAINAGE PLAN	9	EXP	2		500.0					ADDED AS PART OF INTERNAL ROAD PROJECT
AIA AIRPORT FENCING REHABILITATION	9	EXP	2,4						3000.0	NEW PROJECT
AIA ANNUAL IMPROVEMENTS	9	EXP	2,4	650.0						
AIA ANNUAL IMPROVEMENTS	9	EXP	2,4		700.0					
AIA ANNUAL IMPROVEMENTS	9	EXP	2,4			750.0				
AIA ANNUAL IMPROVEMENTS	9	EXP	2,4				750.0			
AIA ANNUAL IMPROVEMENTS	9	EXP	2,4					800.0		
AIA ANNUAL IMPROVEMENTS	9	EXP	2,4						650.0	NEW PROJECT
AIA FLOAT PLANE EXPAN. & WETLANDS MITIGATION	9	EXP	2,4		63.0					NEEDED TO MITIGATE WETLANDS FOR G/A EXPANSION
AIA FLOAT PLANE EXPANSION PHASE I	9	EXP	2			102.0				DELAYED FROM FY89 DUE TO MITIGATION, TENANT & ROAD RELO
AIA FLOAT PLANE EXPANSION PHASE II	9	EXP	2,4					206.0		PHASE II OF LAKE HOOD FLOAT PLANE EXPANSION
AIA GA APRON TAXIWAY EXPANSION PHASE I	9	EXP	2			343.0				NEED TO HANDLE ALL FIXED-WHEEL TIE-DOWNS
AIA GA APRON TAXIWAY EXPANSION PHASE II	9	EXP	2,4				44.0			ADDED TO ALLOW ONE LOCATION FOR ALL FIXED-WHEEL TIE-DOW
AIA GA APRON TAXIWAY EXPANSION PHASE III	9	EXP	2,4						69.0	NEW PROJECT
AIA GA ENVIRONMENTAL ASSESSMENT/DESIGN	9	EXP	2	31.0						NEEDED FOR WETLAND PERMITS FOR G/A EXPAN.
AIA GA EXPANSION/TENANT RELOCATION	9	EXP	2,4		3000.0					NEEDED DUE TO LAKE HOOD, FLOAT PLANE EXPANSION
AIA GA ROADWAY/COMMERCIAL RELOCATION	9	EXP	2,4				1320.0			LAKE HOOD FLT. PLANE EXPAN. REQUIRED PROCESS
AIA GARAGE REHABILITATION & IMPROVEMENT	9	EXP	2,4						1000.0	NEW PROJECT

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 \*\*\* ANCHORAGE INTERNATIONAL AIRPORT \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
AIA GENERAL AVIATION PAVING	9	EXP	2,4	1000.0						
AIA INTERNAL ROAD IMPROVEMENTS	9	EXP	2,4	1000.0						
AIA MAINTENANCE COMPLEX REHAB & EXPANSION	9	EXP	2,4						2500.0	NEW PROJECT
AIA MAINTENANCE EQUIPMENT	9	EXP	2,4	540.0						
AIA MAINTENANCE EQUIPMENT	9	EXP	2,4		1000.0					
AIA MAINTENANCE EQUIPMENT	9	EXP	2,4			1200.0				
AIA MAINTENANCE EQUIPMENT	9	EXP	2,4				1200.0			
AIA MAINTENANCE EQUIPMENT	9	EXP	2,4					1500.0		
AIA MAINTENANCE EQUIPMENT	9	EXP	2,4						1600.0	NEW PROJECT
AIA MONITORING SYSTEM	9	EXP	2,4	400.0						NEEDED FOR ADDITIONAL SNOW & ICE CONTROL
AIA NOISE ABATEMENT BERM	9	EXP	2,4						110.0	NEW PROJECT
AIA NOISE ABATEMENT PROGRAM	9	EXP	2,4			7500.0				
AIA NOISE ABATEMENT PROGRAM	9	EXP	2,4					2200.0		USAGE OF ADDITIONAL AIP PARTICIPATION
AIA NOISE MONITORING EQUIPMENT FY90	9	EXP	2,4		100.0					
AIA NORTH AIRPARK DEVELOPMENT PH II	9	EXP	2,4		3200.0					NOW PARTIAL AIP FUND PARTICIPATION
AIA NORTH AIRPARK DEVELOPMENT PH III	9	EXP	2,4				1700.0			NOW PARTIAL AIP PARTICIPATION
AIA NORTH APRON EXPANSION	9	EXP	2,4		312.0					NEEDED INCREASED EFFICIENCY FOR INTN'L FLIGHTS
AIA NORTH TERMINAL EXPANSION STUDY	9	EXP	2			100.0				
AIA OVERLAY & GROOVE RUNWAY 14/32	9	EXP	2,4			156.3				
AIA OVERLAY RUNWAY 6L/24R	9	EXP	2,4					2500.0		ADDED AIP PARTICIPATION & INCREASED GROOVING

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 \*\*\* ANCHORAGE INTERNATIONAL AIRPORT \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
AIA PAVE TUG ROAD PHASE II	9	EXP	2,4		300.0					
AIA POSTMARK DRIVE REALIGNMENT	9	EXP	2,4					1640.0		ADDED PER MASTER PLAN UPDATE
AIA RECONSTRUCT TAXIWAY "G"	9	EXP	2,4	138.3						REVISED ENGINEER ESTIMATE
AIA RECONSTRUCTION OF INTERNAL ROADWAYS	9	EXP	2,4		3537.0					AIRPORT DRAINAGE PLAN SPLIT FROM PROJECT
AIA RECONSTRUCTION OF INTERNAL ROADWAYS	9	EXP	2,4			13100.0				
AIA RECONSTRUCTION OF RAMP AREAS	9	EXP	2,4	1000.0						
AIA RECONSTRUCTION OF RAMP AREAS	9	EXP	2,4		1000.0					
AIA RECONSTRUCTION OF RAMP AREAS	9	EXP	2,4			1000.0				
AIA RECONSTRUCTION OF RAMP AREAS	9	EXP	2,4				3000.0			NOW PARTIAL AIP PARTICIPATION
AIA RECONSTRUCTION OF TAXIWAYS	9	EXP	2,4			2000.0				
AIA RECONSTRUCTION OF TAXIWAYS	9	EXP	2,4				1000.0			NOW PARTIAL AIP PARTICIPATION
AIA RELOCATE GRAVEL RUNWAY 13/31	9	EXP	2,4		94.0					OUTCOME FROM NOISE COMPATIBILITY STUDY (PART 150)
AIA RELOCATE LAKESHORE DRIVE	9	EXP	2,4		47.0					NEEDED BECAUSE OF LAKE HOOD, FLOAT PLANE EXPANSION
AIA REMOTE FUELING APRON EXPANSION	9	EXP	2,4	281.0						NEEDED TO FACILITATE INCREASED INTN'L FLIGHTS
AIA SOUTH AIRPARK DEVELOPMENT	9	EXP	2,4					125.0		NEW PROJECT
AIA SURVEY/UPDATE LAND OCCUPANCY MAP	9	EXP	2	300.0						NEEDED FOR UP-TO-DATE LAND STATUS MAPS
AIA TAXIWAY "D" RECONSTRUCTION	9	EXP	2,4		312.0					ADDED TO HANDLE WIDE BODY B-747 TYPE AIRCRAFT
AIA TAXIWAY "H" RECONSTRUCTION	9	EXP	2			112.0				NEEDED UPGRADE PER MASTER PLAN UPDATE
AIA TAXIWAY "K" RESURFACE	9	EXP	2,4	187.5						
AIA TAXIWAY "R" RESURFACE	9	EXP	2,4					187.0		NEW PROJECT

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 PHASE: 1=Unallocated; 2 = Engineering; 3 = R-O-W; 4 = Construction; 7 = Utilities; 8 = Combined Phases/Operational  
 Project costs expressed in thousands of dollars

DRAFT OBLIGATION PLAN & SIX-YEAR C I.P.  
 \*\*\* ANCHORAGE INTERNATIONAL AIRPORT \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
AIA TERMINAL REHAB & REMODELING (BOTH TERMINAL BL	9	EXP	2,4				5000.0			
AIA UPDATE EXISTING MASTERPLAN & NOISE STUDY	9	EXP	2,4			31.3				

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 Project costs expressed in thousands of dollars

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
Federal Airport Improvement Program

DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.  
\*\*\* FAIRBANKS INTERNATIONAL AIRPORT \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
FIA NW Apron & Taxiway	20	ALT	2,3,4,7	1300.0						Moved from FY89 EXP
FIA NW Apron & Taxiway	20	EXP	2,3,4,7		1300.0					Moved from FY89
FIA NW Apron & Taxiway Ph 2	20	EXP	4,7				600.0			Moved from FY90

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 Project costs expressed in thousands of dollars

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
International Airport Revenue Funds

DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.  
\*\*\* FAIRBANKS INTERNATIONAL AIRPORT \*\*\*

PROJECT	EXP		89	90	91	92	93	94	COMMENTS
	ED	ALT							
FIA Annual Improvements	20 EXP	2,4,7	300.0						Revised cost estimate
FIA Annual Improvements	20 EXP	2,4,7		300.0					Revised cost estimate
FIA Annual Improvements	20 EXP	2,4,7			300.0				Revised cost estimate
FIA Annual Improvements	20 EXP	2,4,7				300.0			Revised cost estimate
FIA Annual Improvements	20 EXP	2,4,7					300.0		Revised cost estimate
FIA Annual Improvements	20 EXP	2,4,7						300.0	No change
FIA Automobile Parking Lot Expansion	20 EXP	2,3,4,7				800.0			No change
FIA CFR Bldg Upgrade	20 EXP	2,4,7	2000.0						No change
FIA Equip Replac.	20 EXP	2,4			1000.0				Revised cost estimate, revise title
FIA Float Pond Expansion	20 EXP	2,3,4,7		600.0					No change
FIA Fuel Hydrant Repairs	20 EXP	2,4,7					400.0		Moved from FY90
FIA Gen Aviation Apron & Txyw Expan, Ph 2	20 EXP	2,3,4,7				1000.0			Moved from FY93
FIA Maint Facil. Expan.-Equip Shop,Vehicle Storag	20 EXP	2,3,4,7					700.0		No change, revised title
FIA Maint Facil. Expan.-Equip Shop,Vehicle Storag	20 EXP	2,4,7						1500.0	Moved from FY92
FIA Noise Abatement Program	20 EXP	3,4,8			800.0				No change
FIA NW Apron & Taxiway Extension, Ph 1	20 EXP	2,3,4,7		100.0					Moved from FY89
FIA NW Apron & Taxiway Extension, Ph 2	20 EXP	2,4				1000.0			Moved from FY90
FIA Runway Brooms Purchase	20 EXP	2,4	600.0						Moved from 91; project title change
FIA Terminal Area Landscaping	20 EXP	2,3,4,7						500.0	Moved from FY89

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Project costs expressed in thousands of dollars

DRAFT OBLIGATION PLAN & SIX-YEAR C.I.P.  
 \*\*\* FAIRBANKS INTERNATIONAL AIRPORT \*\*\*

PROJECT	EXP		PHASE	89	90	91	92	93	94	COMMENTS
	ED	ALT								
FIA Terminal Bldg. Repairs	20	EXP	2,3,4,7		400.0					Added to program, high M&O priority
FIA Terminal Remodel	20	EXP	2,3,4					500.0		No change, revised title
FIA West Apron Sealcoat	20	EXP	2,4,7	300.0						Addition to program
FIA West Industrial Rd Drainage Imprv & Paving	20	EXP	2,3,4,7					1200.0		No change

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 Project costs expressed in thousands of dollars

THE ALASKA MARINE HIGHWAY - SOUTHEAST SYSTEM

A HOLISTIC CONCEPT  
BY

REPRESENTATIVE BILL HUDSON

December 10, 1987

Executive Summary

INTRODUCTION: The Alaska Marine Highway System (AMHS) is fast approaching 25 years of service in Southeast Alaska and by all accounts has served well. The system consists of seven vessels serving 18 S.E. communities via an inter and intrastate Marine highway over 1000 nautical miles long, connecting this landlocked Alaskan region to Land highways at Prince Rupert and Seattle to the South and Haines and Skagway to the North.

PURPOSE OF THIS PAPER: I have prepared this paper to stimulate discussion and debate on issues surrounding the future of this our essential Marine Highway system.

It is my belief that we must find consensus for and immediately begin the implementation of a Marine Highway plan that will carry this system into the next 20 years of service!

GENERAL CONCEPT: I am proposing a holistic concept that addresses such issues as: Bellingham vs Seattle, Roads vs. Hi-Speed Ferries, System Marketing, Thru-Haul vs. Segmentation Scheduling, and the Need for Compatibility with Regional Economic Development Plans.

TIMELINESS: Given the fact that Marine Union contracts expire March 30, 1988, any operational changes contemplated in the next three years should be established soon.

Vessel age and years of hard use dictate a need for major rehabilitation and/or costly replacement within the next 5 - 10 years.

Southcast Alaska's regional economic development growth will depend on a future system that compliments and supports local independent visitor tourism, emerging seafood production in Southeast Alaska and other businesses relying on marine transportation.

Finally, like any \$60 million a year transportation system, we must assure it remains alive and progressive - growing to meet the needs of our state and this region.

CONSIDER OUR PRESENT SYSTEM: Alaska operates this seven vessel fleet at about 67% capacity with far more offline-layup than most private or public shipping companies would.

The system was tailor made to meet peak summer demands and evolved to accommodate many smaller communities over the years.

Ships largely call through Southeast communities and I believe, unknowingly, discourage stopover travel. In fact, I suspect a careful review of traffic figures would show that most of the 45,000 passengers who annually embark at Prince Rupert and Seattle do not spend much time in Southeast communities, to the economic loss of these communities.

Some value added benefits to the system are being realized in every community, especially the larger towns like Juneau, Ketchikan and Sitka, but, every community is losing value because of short docking times, time of arrival and/or the location of our terminals.

Vessel fares are marginally at the point of diminished returns and do not encourage widespread local use.

The system marketing, advertising and promotion is almost non-existent and may be a prime reason why shoulder traffic has not increased appreciably.

RECOMMENDED CHANGES: I believe it is time to implement some of the changes proposed in the 1986 Southeastern Transportation Plan and the Southeast Conference Community Perspective Report. It is time to actively seek demonstration project funds to acquire two properly configured surface effect or conventional high speed vessels to employ in the Lynn Canal corridor between Juneau, Haines and Skagway, and between Ketchikan and Prince Rupert. I intend to approach our Congressional delegation for a realistic determination of this support.

It is time to consider moving our southern terminus from Seattle to Bellingham and to implement a sound marketing and sales program to increase year around passenger, vehicle and freight sales and service.

Traffic should analyze the probable effects of operating a turnaround schedule between Bellingham and Ketchikan interconnecting with an intrastate route between Ketchikan and Juneau with as-needed trips to Sitka. Under this model all mainline traffic would end in downtown Juneau and travellers would proceed north by road and hi-speed ferries.

With this move I recommend we consider the benefits of relocating the Juneau Auke Bay operations to a site in Echo Cove, and to operate directly into downtown Haines or to a terminal site closer to Juneau on the Chilkat Peninsula. Our long-term priority must remain for a road. Realistically we will likely have to wait for significant mining development or exceptional federal funding to justify constructing a \$400 million dollar road between Juneau, Skagway and Haines .

I propose that the time saved by stopping mainline traffic in Juneau and relocating to Bellingham be allocated to longer dock time at smaller communities such as Petersburg and Wrangell for sightseeing, local shopping and other such economic benefits as well as to structure more frequent trips.

As a former Director of the AMHS, I understand the many complexities of this unique system and the time honored constraints. I am confident

that vessel employees, shipping and travel agency partners would be willing to consider some changes for the improvement of the system.

I realize the problems associated with changing a system that has operated essentially the same for 25 years; yet I urge change because the present system is becoming increasingly regressive, more costly and is out of sync with the original legislative intent and the economic development needs of the very communities it was created to serve.

I urge creative marketing, such as booking on-board, off-season conventions, university and school field trips, coordinated trip sales with B.C. ferries and perhaps it is time to offer space available travel as a negotiable labor contract provision in lieu of wages. I would consider offering a once a year space available round trip to Alaska residents (at least SE residents) at a minimal charge to garner the passenger service revenue at a time when passenger loads are down. A little revenue is better than no revenue - providing costs are offset to show some profit.

I recommend all changes be coordinated with the Southeast Conference members and Legislators as well as traditional users of the system. Alaskans should be able to use their only highway at less cost.

POTENTIAL BENEFITS OF CHANGE: I believe the changes I have proposed will increase revenue to the system, appreciably increase economic benefits to Southeast communities, increase employment for Southeast crew members, provide affordable, more frequent and dependable transportation

for all Southeast residents and essentially connect the 70,000 Southeast residents with the Yukon, British Columbia, and the rest of our State. Clearly these changes will increase the value added potentials in every community we serve.

I foresee greatly increased tourism activity, less costly travel between cities in Southeast Alaska and expanded travel between Southeast and our neighbors in the Yukon as well as two way travel between Southeast and the rest of our state. Southeast benefits because our highway now supports our economic development plans and the rest of Alaska benefits because Southeast, especially our Capital city, is easier to access and the 70,000 people of SE Alaska can now travel to Anchorage easier and more frequently. Haines and Skagway benefit because they would have direct and frequent, affordable access to other SE markets and legislative activities.

Orienting the ferry system more to a hub in Ketchikan and one in Juneau may encourage many of those Seattle resident employers to relocate back to Alaska.

FINALLY: This paper is meant to be constructive. It should not be construed as a detailed plan, but rather a conceptual plan to build upon. We still need much debate and a whole lot of in-depth study on this vital system.

Whatever we do, we must begin to implement some of the changes to make the system more beneficial to the inevitable growth of our region.

I welcome your comments and input. I seek your support.

Respectfully submitted,

Bill Hudson

# THE FLEET

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The *M/V Aurora*—the newest addition to the fleet—was built by Peterson Shipbuilders in Sturgeon Bay, Wisconsin, and began service in 1977. The *Aurora* is 235 feet long, and can transport 250 passengers and 47 standard vehicles at a service speed of 14 knots. Since the *Aurora* is used for short runs, staterooms are not available, although food service, a cocktail lounge, and a solarium are provided.

The *M/V Bartlett* was launched in 1968 at Jeffersonville, Indiana, and went into service from her home port of Cordova the following year. She is 193 feet long, with capacity for 38 standard vehicles, and a passenger capacity of 170. Service speed is 14 knots. Because the *Bartlett* is only used for short voyages, staterooms are not available. However, food service and a solarium are provided.

The *M/V Chilkat*, the original ship of the Alaska Marine Highway fleet, was taken over by the State of Alaska following admission to the Union in 1959. Today she serves the Southern Panhandle area between Ketchikan, Metlakatla, and Hollis. The *Chilkat* measures slightly under 100 feet in length, and cruises at 10 knots. There is room aboard for 15 vehicles and 75 passengers.



The *M/V Columbia*, Alaska's largest ferry, is the flagship of the Marine Highway fleet. Launched by Lockheed Shipbuilding in Seattle in 1973, the *Columbia* is 418 feet long, with capacity for 1,000 passengers and 180 standard vehicles. She has a service speed of 19 knots. There are 20 2-berth cabins and 71 4-berth cabins, including 5 deluxe units with sitting rooms. Food service, a cocktail lounge, and a solarium are also available.

The *M/V LeConte*, launched in late 1973 by Peterson Shipbuilders in Sturgeon Bay, Wisconsin, joined the Alaska Marine Highway fleet in 1974, as the vessel serving the Northern Panhandle area. The *LeConte* is 235 feet long, with capacity for 250 passengers and 47 standard vehicles, and has a service speed of 14 knots. Since the *LeConte* is used for short runs, staterooms are not available, although food service, a cocktail lounge, and a solarium are provided.



M/V LE CONTE



M/V TAKU



M/V MALASPINA



M/V TUSTUMENA



M/V MATANUSKA

The M/V Malaspina carries 750 passengers, and provides 56 4-berth and 30 2-berth cabins. She was built in Seattle, Washington in 1963, at the Lockheed Shipbuilding yards; then lengthened and renovated in 1972 at the Willamette Iron and Steel Company shipyard in Portland, Oregon. The Malaspina is now 408 feet long, with capacity for 120 standard vehicles, and has a service speed of 16.5 knots. Food service, a cocktail lounge, and a solarium are available.

The M/V Matanuska was built by Puget Sound Bridge & Dry Dock Company of Seattle, and began service in 1963. In 1978, she was lengthened and renovated; making her 408 feet in length, with capacity for 120 standard vehicles and 750 passengers. She has a service speed of 16.5 knots. There are 84 2-berth, 24 3-berth, and 4 4-berth cabins. Food service, a cocktail lounge, and a solarium are available.

The M/V Taku was built by Puget Sound Bridge & Dry Dock Company of Seattle, and began service in 1963. She is 352 feet long, with capacity for 105 standard vehicles, and a passenger capacity of 500. Her service speed is 16 knots. Renovated in 1981, the Taku has 35 2-berth and 9 4-berth cabins. Food service, a cocktail lounge, and a solarium are available.

The M/V Tustumena was built at Sturgeon Bay, Wisconsin, in 1964, sailed Alaskan waters for five years, then was renovated in San Francisco in the winter of 1969. She is 296 feet long, and has a service speed of 14 knots. The Tustumena has space for 50 standard vehicles, and a passenger capacity of 220—with 25 2-berth and 2 4-berth cabins. Food service, a cocktail lounge, and a solarium are available. The Tustumena provides service to Seldovia, Homer, Port Lions, and Kodiak from her home port of Seward. She also sails from Seward to Valdez and Cordova, on Prince William Sound.

BELLINGHAM AS SOUTHERN TERMINUS  
OF  
THE ALASKA MARINE HIGHWAY

The city of Bellingham, the Port of Bellingham and the Whatcom County Chamber of Commerce are very enthusiastic in their attempt to establish Bellingham as the southern terminus of the Alaska Marine Highway (AMH). To this end, the Port of Bellingham has allotted \$2 million of its calendar year 1988 budget for terminal infrastructure construction. City staff has produced two videos supporting the move which have already been shown publicly in both Alaska and Washington, and civic and community leaders continue to be in contact with Alaskan transportation, business and government leaders.

When the current lease, held by the Port of Seattle, expires in September of 1989, Bellingham intends to submit a bid for the contract. During interim, Rep. Bette Cato and staff visited Bellingham and spoke with interested parties from the city, port and community of Bellingham regarding the feasibility of such a move. As a result of that trip, the following report was prepared.

1. Location of Terminal

Bellingham is proposing that one of two sites near its downtown area be chosen as the future site of the southern terminus of the Alaska Marine Highway. Both sites are located in Whatcom International Shipping Terminal which is adjacent to the present Port of Bellingham administration building. Some of the appropriate infrastructure already exists. Other infrastructure such as a terminal facility built to state of Alaska specifications, would have to be added. There is ample space available at either of these locations for parking, storage, loading and off-loading, and maneuvering of freight and vehicles. The Port of Bellingham is a deep water port that would require no dredging. Port security includes the city of Bellingham police, and Port of Bellingham and Georgia Pacific pulp mill securities.

The Seattle terminus is located near the heart of downtown Seattle which can be a very congested area. The space available for parking, storage, loading and off-loading, and maneuvering of freight and vehicles is quite limited.

## 2. Terminal Access

Northwest travelers currently access the Alaska ferry terminal in Seattle either by taxi from Sea-Tac International Airport, or they drive their own vehicles to the terminal because they plan to take them north. Cab fare for the trip from the airport to the Seattle ferry ranges between \$15.00 and \$24.00, and traveling time is 30 - 60 minutes. Travelers planning to bring their own vehicles onto the ferry face limited parking opportunities and a lack of nearby RV (recreational vehicle) facilities.

If the terminus were to be located in Bellingham, travelers flying into Sea-Tac airport would be able to catch any one of 30 twenty-minute flights per day to Bellingham International Airport at a cost of \$19 or \$44. They would then take a 15 minute cab or bus ride from the Bellingham airport to the Bellingham ferry terminus. Or, travelers flying into Sea-Tac airport could take a commercial bus from the airport to the downtown Seattle bus terminal and then transfer to a another bus headed for Bellingham. Greyhound has three connections to Bellingham daily. One way fare is \$12.45.

Travelers planning to take their vehicles with them onto the ferry would drive to Bellingham. Bellingham is located 86 miles north of Seattle and 54 miles south of Vancouver, B.C. It is accessed by Interstate 5, and the proposed terminal is a five minute turn off of the interstate. Because Bellingham has had more of an opportunity to plan for its development, access to the city is much less congested than in the Seattle area. City traffic is minimal, and parking opportunities near the proposed site are abundant. Nearby RV facilities already exist, and on site RV facilities have been included in the development plan.

For travelers concluding their trip at the southern terminus, the procedure would be reversed.

## 3. Cost Comparison.

Bellingham is located 80 nautical miles north of Seattle. This translates into a savings of roughly 4-6 hours of traveling time in one direction. As Puget Sound becomes more congested, the time savings may become even greater. Less distance traveled means less fuel consumed, and at an average of 21 gallons of fuel burned per nautical mile, over 3,000 gallons of fuel per trip could be saved if the terminal was located in Bellingham. Less distance traveled would also mean less wear and tear on equipment.

Salary savings would be realized only if the shorter distance to Bellingham resulted in the ship's completing its

overall trip in less time, and only if labor contracts could be negotiated to include a shorter work week. No salary savings would be realized if the overall trip took the same amount of time because the crew is paid the same regardless of whether the ship is in port or on the water. Since Juneau and Ketchikan are the only points at which crew can begin and end their work weeks, they would still be considered to be at work when the ship was docked in Bellingham.

The state of Alaska currently pays the Port of Seattle \$6.00 for every passenger up to 40,000 passengers that either gets on or off the ferry per year in Seattle. This agreement results in a maximum amount payable per year to the Port of Seattle of \$240,000. In FY'87, 34,374 passengers were billed to the state by the Port of Seattle at a cost to the state of \$206,244.

Rather than bid a fixed fee per passenger up to a maximum cap, the Port of Bellingham is planning to propose a sliding fee scale which would be tied into meeting certain goals of passenger and freight. In other words, the more passengers and freight that moved through Bellingham, the higher the fee received by Bellingham, but because there would be no cap on the number of passengers for which Bellingham would be paid, the incentive would be there for Bellingham to draw as many passengers as possible. Since there would be no cap, the incentive for Bellingham to draw additional passengers could ultimately result in additional revenue for the state of Alaska. As it currently stands, there is no incentive for the Port of Seattle to service more than 40,000 passengers.

At this point, it is not clear whether or not there would be a cost savings in freight if the terminus were to be located in Bellingham. Although freight could be transported to and from Seattle in less time on Interstate 5 than it could be transported by ferry, the time savings may be overridden by the increased transportation costs of trucking freight to a central consolidation area which is done in order to consolidate ferry freight with other freight in the area for the purpose of long distance transporting. For instance, Lynden Transport, Incorporated, a major shipper to Alaska via the Alaska Marine Highway System, currently transports its freight from the Seattle ferry terminal to Kent, a suburb of Seattle, where it is then consolidated with other LTI freight. Since the distance from Bellingham to Kent is greater than the distance from Seattle to Kent, it may at first appear there would be no cost savings associated with the move and, in fact, it may appear that the shipping costs would be higher because of the additional trucking costs. However, there are many variables inherent in this issue including but not limited to whatever offer is made to shippers by the Port of Bellingham should Bellingham be successful in its bid for the southern terminus. It is also

not clear if the AMH would lower its shipping rates in response to the fact that the trip to and from Bellingham is shorter. However, Lynden Transport, Inc., in a letter sent to the Commissioner Hickey of the Alaska Dept. of Transportation and Public Facilities, has stated that it would support any move by the ferry that would improve services and reduce costs to its customers in southeastern Alaska.

#### 4. Special Attractions

Seattle and Bellingham both have much to offer the Northwest traveler.

Bellingham is a growing community of 50,000 people located on the Inside Passage. Bellingham Bay is to the west and the beautiful Northern Cascade Mountains are to the east. Major industry in the area includes agriculture, commercial fishing, forestry, manufacturing and recreation. It is home of the famous "From Ski to Sea in 60 Minutes" race, as well as sport fishing, scuba diving, beach combing, sailing, camping and hiking. It is home of Western Washington University. Temperatures range from 30 - 74 degrees Fahrenheit with an average of 49 degrees, and rainfall averages 34 inches. A world trade center and a regional shopping center are currently in the process of being built.

In addition to its many tourist attractions, Whatcom County is host to four foreign trade zones. Because of the special tax exemptions afforded these areas, much new business has been attracted to the area. The trade zones should provide a positive position within the international market place for Whatcom County. Bellingham is an important regional and transportation hub without the congestion of Puget Sound.

Seattle is also an attractive destination for northwest travelers. Its many well-known attributes include Pike Place Market, the Seattle Aquarium, numerous fine restaurants, the theater, the Kingdome, the University of Washington and other respected universities and colleges, excellent sailing opportunities, etc.

The point is, both locations have much to offer the traveler interested in extending his or her vacation beyond the ferry ride. The difference is, the Port of Bellingham plans to market these attractions to potential passengers should it become the southern terminus of the ferry system.

#### 5. Market Development

Whatcom County already hosts more visitors from outside the state than any other county in Washington. Using the theme "The Last Great Marine Adventure" and expanding the services

available to passengers, civic leaders plan to draw even more visitors to their county by actively recruiting passengers to the Alaska Marine Highway. Plans are to target Canada as well as the United States. Ideas for expanding and improving service to AMH passengers via the Port of Bellingham include allowing passengers to book on shore reservations by computer while still on board the ferry, using computers to suggest trips and map routes for passengers to use once they hit the shore, and the convenient, on shore availability of tax exempt cards for residents of the state of Alaska.

## 6. Summary

Intent language inserted in Alaska's FY'88 operating budget stated: "It is the legislature's intent that the Department [of Transportation and Public Facilities] study the potential cost savings of using Bellingham as the southern terminus of the Alaska Marine Highway System. The study should examine fuel savings, more efficient use of vessels, labor savings, lease savings, and the relative quality of passenger facilities which might be offered in Bellingham as compared to Seattle. The study should be submitted to the legislature no later than December 1, 1987."

The Department of Transportation and Public Facilities is currently in the process of compiling its interim study. While cost saving factors have yet to be determined, locating the southern terminus of the Alaska ferry system in Bellingham will give the Alaska Marine Highway a much more visible profile. Because it would be one of the biggest fishes in a little pond, the city and Port of Bellingham and the Whatcom County Chamber of Commerce are willing to develop the terminus to the fullest marketing extent possible. Their cooperation is impressive. They are eager to work with the state of Alaska in order to further their goals. They are willing to address whatever questions and concerns may arise regarding the relocation and they are determined to make their dream a reality. They want to work with the state of Alaska in order to expand recreational opportunities, especially for the RV traveler. The community of Bellingham would like to develop a partnership with the state of Alaska that extends beyond the Alaska Marine Highway.

UPDATE ON BELLINGHAM AS AN ALTERNATIVE FOR THE SOUTHERN  
TERMINUS

The current lease between the state of Alaska, Marine Highway System and the Port of Seattle expires September 30, 1989.

Commissioner Hickey and Mr. George Davidson travelled to Bellingham this past summer to look at the Port of Bellingham, the facilities available, the existing infrastructure in place and many other areas the state of Alaska will have to carefully research before consideration can be given to relocating the southern terminus in Bellingham.

The Department of Transportation has prepared a full report on the current alternatives available (Bellingham and Seattle). In discussions with Alaska Marine Highway Management, it seems apparent no real conclusions or decisions will be reached until all parties actually sit down and begin discussions as there are still so many questions that can only be answered or agreed upon during the final stages.

If Bellingham is to be seriously considered these discussions and negotiations would have to begin in the next few months as a final decision would be necessary in June or July of this year to allow Bellingham time to construct and prepare the facilities required.



# Port of Seattle

November 16, 1987

The Honorable Mark Hickey  
Commissioner  
Department of Transportation and Public Utilities  
State of Alaska  
P. O. Box Z  
Juneau, Alaska 99811

Dear Commissioner Hickey:

The Alaska Marine Highway System (AMHS) is a long-time, valued and important tenant of the Port of Seattle. As the governing body of the Port, we want to express both our appreciation and keen interest in continuing to serve as the system's southern terminus. We also want to underscore, following your recent meeting with Port staff, our commitment to serving the needs of the AMHS.

We believe our relationship has been a mutually beneficial one that has served ferry users well over the years. Your terminal at Pier 48 is in the heart of Seattle's central waterfront -- walking distance to the best hotels, restaurants and shops available in the Pacific Northwest. The region's financial, government, retail and hospital districts are centered within a few short blocks of the terminal. Pioneer Square, the Kingdome, the Seattle Center, and the new Convention Center are nearby. And major highway, rail, bus and air connections are just minutes away. Seattle is the region's major distribution center and the origin of freight now using the AMHS.

We want to work with the State of Alaska to make Pier 48 the central focus of the AMHS, including an "Alaska Gateway Center" that would draw public attention to the historic relationship between the residents of Seattle and Alaska. It could serve as a key distribution point for travel information to the thousands of people from all over the world who visit Seattle's central waterfront each year. We want to make Pier 48 a major attraction in itself.

Seattle's central waterfront is undergoing a renaissance -- and Pier 48 is right in the midst of it. The AMHS and the Port have a tremendous opportunity to participate. Planned redevelopment projects, both public and private, along the waterfront now total more than \$200 million. The central waterfront will be transformed into a major regional attraction. The projects include removal of the railroad tracks along Alaskan Way, traffic and pedestrian improvements, doubling the size of the Seattle Aquarium, rebuilding the Washington State Ferry Terminal, and a transformation of the properties near our headquarters at Pier 66. We have budgeted \$200,000 in 1988 to begin work at Pier 48. Our planning will, of course, look at additional uses that are compatible and supportive of the system.

PO Box 1209  
Seattle, WA 98111 U.S.A.  
(206) 728-3000  
Telex 703433

The Honorable Mark Hickey, Commissioner

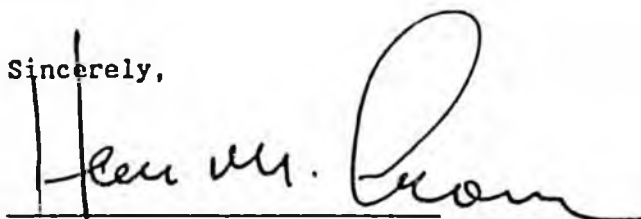
November 16, 1987

Page 2

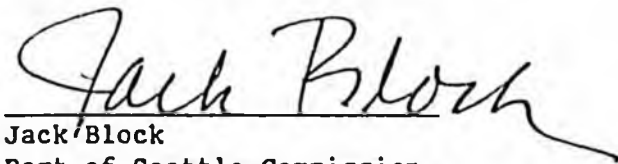
There is a great deal of untapped interest in travel to Alaska. The successful promotion involving the Port, Alaska Airlines and the AMHS last winter demonstrated the potential that exists here. This winter, with the support of the AMHS, the promotion is being expanded. Beginning in January, we will join in hosting a luncheon seminar on board an Alaska ferry at Pier 48 for 70 travel agents each Friday for 12 weeks. In addition, another 24 travel agents will participate in a familiarization trip via the ferry to Juneau, again each week for 12 weeks. While cruising, the travel agents will get a two-day seminar on the history, people and opportunities in Alaska. Working with Alaska Airlines, the travel agents will be flown to Seattle from throughout the airline's system to participate in the program. We think the promotion offers an unparalleled opportunity to sell travel to Alaska, as well as travel on the AMHS.

In summary, we want you to know of our appreciation for past and current programs, and of our interest in expanding on these successes in the future.

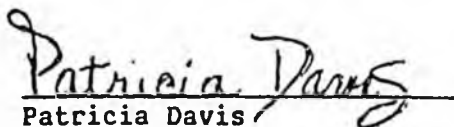
Sincerely,



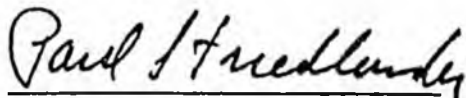
Henry M. Aronson, President  
Port of Seattle Commission



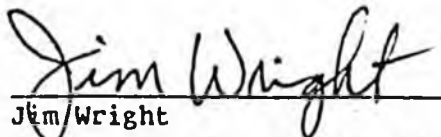
Jack Block  
Port of Seattle Commission



Patricia Davis  
Port of Seattle Commission



Paul S. Friedlander  
Port of Seattle Commission



Jim Wright  
Port of Seattle Commission

## Update of Federal Highway Funds for FY 89

Federal fiscal year: October 1 thru September 30 each year

Each year the state is given a dollar amount by the federal government. This amount is called apportionment. Recently, this amount has been around \$150 million.

Just before the federal fiscal year begins, the federal government provides the state of Alaska with the authority to spend a given amount. This is called the obligation amount and has been around \$129 million.

The dollar difference between the obligation amount and the apportionment amount is carried over by the state.

Periodically throughout the year, the federal D.O.T. contacts each state to assess its ability to spend the obligated amount. If any state finds it is unable to spend the amount it has been obligated, these funds go back to the federal D.O.T. and are available to other states to spend up to their apportionment amount. Alaska has traditionally been able to pick up considerable extra dollars in unspent funds.

In December, 1987 the federal government revised the authorized for Alaska to spend amount. The current amount of federal monies obligated to the State of Alaska for FY 89 is \$128.8.

### Comparison

FY 87	Obligated amount \$145.8 million
	Leftover funds made available to Alaska \$6.6

Total FY 87 funds funds highway funds to Alaska: \$152.4 million

### Concern

Because the amount of of obligated funds made available to each state has been reduced significantly, the likelihood of other states being unable to spend their obligated amount is reduced.

At the present time the federal highway dollars available to the state of Alaska have been reduced almost \$17 million which is 10%. This reduction, coupled with the concerns over reduced "unspent" funds being available to the state will have a significant impact on the state of Alaskas federal highway program.

COMMITTEE

MEETING:

CAPITAL

PROJECTS

CLEANUP

1-18-88

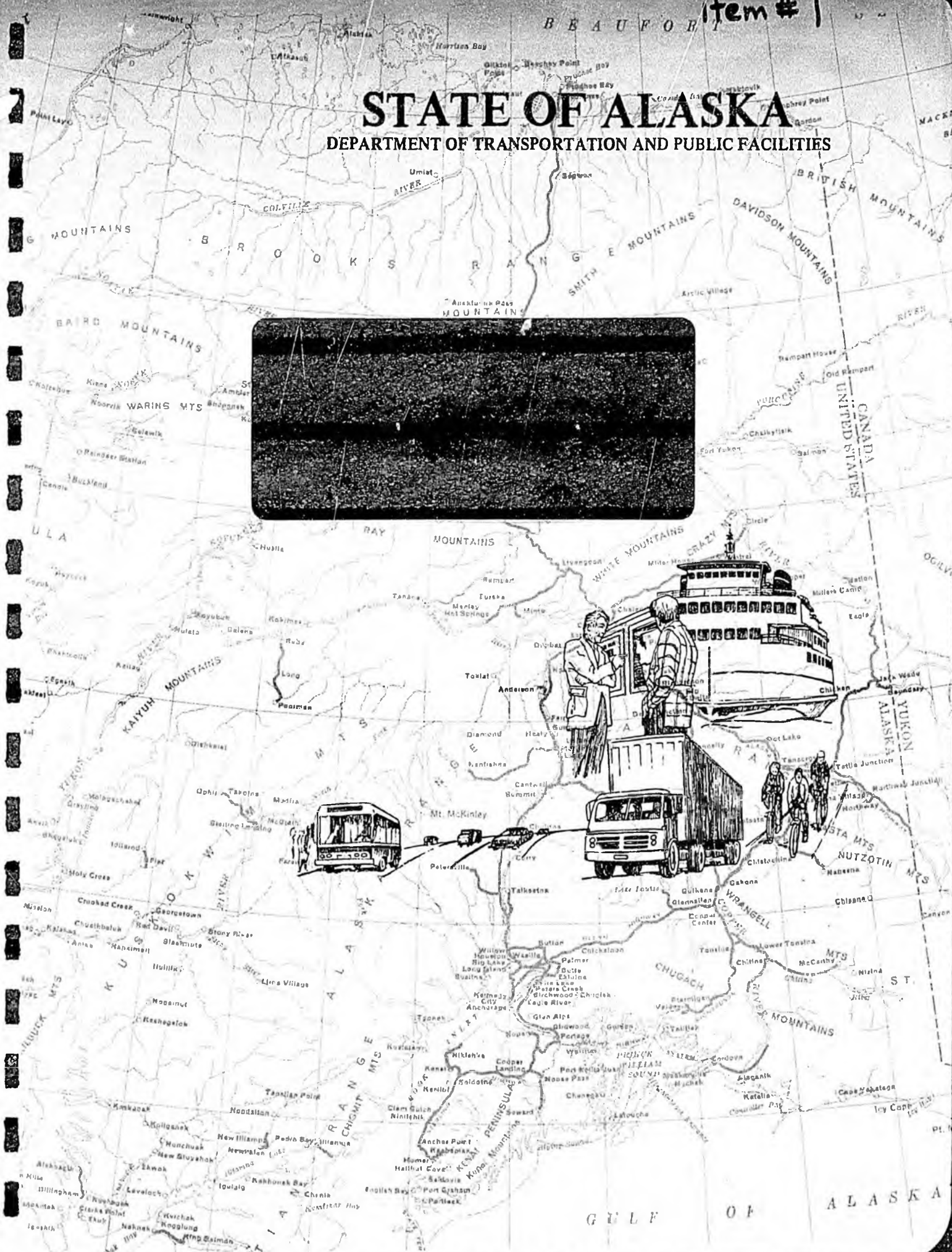
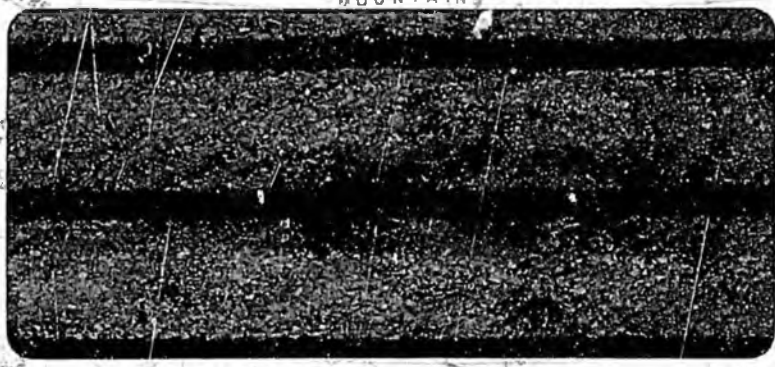


Item # 1

BEAUFORT

# STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES



ALASKA DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES

CAPITAL PROJECT CLEAN-UP

INTERIM STATUS REPORT

SENATE TRANSPORTATION COMMITTEE  
HOUSE TRANSPORTATION COMMITTEE

NOVEMBER 9, 1987

JUNEAU, ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES (DOT&PF)  
CAPITAL PROJECT CLEAN-UP (CPC)  
INTERIM STATUS REPORT

PRESENTATION OUTLINE

- BRIEF REVIEW OF HISTORY LEADING TO CURRENT CPC EFFORT
  - ° FACTORS WHICH LED TO THE PROBLEM
  - ° PREVIOUS DOT&PF EFFORTS TO CORRECT THE PROBLEMS
  - ° STEPS TAKEN THIS TIME TO MAKE CPC SUCCESSFUL
  
- CPC CONCEPT
  - ° NOT JUST A CLEAN-UP OF PROJECT HISTORY DATA
  - ° GOAL OF CPC EFFORT
  - ° OVERALL APPROACH
  - ° OWNERSHIP OF SOLUTION
  - ° CHANGE IN PHILOSOPHY
  
- REVIEW OF CPC WORK EFFORT AND UPDATE OF CURRENT STATUS
  - ° CAPITAL PROJECT REPORT
  - ° THIRD PARTY BILLING SYSTEM
  - ° DEVELOPMENT OF AKSAS TRAINING PROGRAM
  - ° ESTABLISHMENT OF ACCOUNTING PROCEDURES AND CONTROLS
  - ° ESTABLISHMENT OF NEW AKSAS STRUCTURES
  - ° EVALUATION AND CORRECTION OF PROJECT HISTORY DATA
  - ° REVIEW OF ORGANIZATIONAL STRUCTURE
  - ° EVALUATION AND IMPROVEMENT OF MANAGEMENT REPORTING
  
- WHAT CAN YOU EXPECT NEXT LEGISLATIVE SESSION
  - ° JANUARY 1 REPORT *Short - numbers will not be updated - file -*
  - ° POSSIBLE SUPPLEMENTAL APPROPRIATION BILL
  - ° SIGNIFICANTLY INCREASED ACCOUNTABILITY
  - ° ON-GOING CPC EFFORTS
  
- WHAT CAN THE LEGISLATURE DO TO HELP PREVENT THIS FROM HAPPENING AGAIN
  
- QUESTIONS AND COMMENTS

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Capital Project Clean-up

Workplan

(Revised October 20, 1987)

Task Number	Task Description	Responsibility	Status *
1.0	<u>PROJECT MANAGEMENT</u>		
1.1	Develop project workplan and Gantt chart - Review plan with staff in Headquarters, Southeastern, Central and Northern regions. - Review plan with legislative staff. - Review plan with legislative committees if they are interested.	RGP	C
1.2	Monitor performance against workplan.	RGP TGK RS RB	A
1.3	Provide monthly status reports to: - Governor - Commissioner - Regional Directors - Interested Legislators - Others as required	RGP RB	A
2.0	<u>CAPITAL PROJECT REPORT</u>		
2.1	Reconcile State Legislative Appropriation (SLA) to AKSAS appropriation data at total control level:		
2.1.1	SLA 1980 to present (Fund 11100) researched and 100% reconciled.	JM	A
2.1.2	Pre 1980 SLA (Fund 11100); establish policy to address unreconcilable balances.	JM	C
2.2	Bond issues current funding mix researched and reconciled.	JM	A
2.3	Identify miscellaneous RSA's and all other unidentified appropriations. Develop procedures and timelines to close appropriations.	JM RB	C
2.4	Develop list of capital projects using AKSAS data for review and completion of costs-to-complete by regions.	RGP JM RL	C
2.5	Input regional data into 4/15 report program and AKSAS where applicable. Analyze data and prepare 4/15 report format.	RGP JM	C
* A = In Progress    C = Completed    N = Not Started			

Task Number	Task Description	Responsibility	Status
2.6	Present corrected list of capital projects.	RGP	C
2.7	Update initial 4/15 Report to include phase appropriations not programmed to the intended projects.	JM	C
2.8	Establish capital project control file to accumulate adjustments identified during financial clean-up in workplan section five.	JM BA	A
2.9	Develop new Capital Project Report file which incorporates financial clean-up activity with current AKSAS balances. This file will provide a data base for producing CIP status reports until AKSAS has been updated for all clean-up activity.	JM RB	A
3.0	<u>ESTABLISH ACCOUNTING PROCEDURES AND CONTROLS</u>		
3.1	Review and respond to the Legislative Audit and DOT&PF Internal Review audit reports (Headquarters and regional administrative functions).	RS RB	C
3.2	Establish procedures to monitor "A" errors.	TH RB	C
3.3	Review the use of PCIS system and assure that appropriate controls are in place between this system and AKSAS.	RB DH	C
3.4	Coordinate with regional project managers to develop management reports from PCIS for use as project status/management tool.	RS RB TGK	A
3.5	Establish control to assure that programming of funds to project appropriation structure does not exceed SLA appropriation (by source).	TH RB JM	C
3.6	Develop control sheet for cross entity controls to be included in the project appropriation structure.	TH RB	C
3.7	Develop new structure implementation check-list for all CIP projects. (Headquarters structure review).	TH RB	C
3.8	Evaluate current Financial Management Operations Manual (FMOM) for completeness. Identify items requiring update and prepare policies and procedures to support all new activities.	RS RB PR	A
3.8.1	Develop and implement policy and procedures for closing out old CIP projects.	RS TH RB	C

Task Number	Task Description	Responsibility	Status
3.9	Monitor implementation of new accounting systems in Section 4 and 6. Initiate management reports to document controlled and reconciled implementation.	RB TH	A
4.0	<u>ESTABLISH AND IMPLEMENT NEW AKSAS STRUCTURES</u>		
4.1	Enhance and develop project status structures (active, completed, closed).	RS RB	C
4.1.1	Repoint all projects to correct status.	RS JM	A
4.2	Review current appropriation and project AKSAS structures for efficient financial roll-up and reporting.	RB	C
4.3	Establish new standard "DOT&PF project appropriation" structures (80,000 series) for all active and completed projects (prepared in region).	RS RB	A
4.4	Enhance project structure to include breakout of expenditures by classification (i.e., participating, non-participating and deferred).	TH RB	C
4.5	Enhance SLA appropriation structure to include allocation of funding between source (G.F., FHWA, etc.)	TH RB	C
4.6	Input 4/15 report data (election district) into contract structure.	JM RB	A
4.7	Establish Funding Source level total control (TC), AR's for all current SLA TC appropriations.	TH JM	C
4.7.1	Fund old total control AR equal to expenditures and change status to inactive, (i.e., lockdown).	TH JM	A
4.7.2	Program new AR's for net appropriation balance carried forward. Identify funding and provide new appropriation mix factor.	JM	A
4.7.3	Discuss procedures with representatives from D.O.A. and O.M.B..	TH JM RB	C
4.8	Program costs to complete of active projects into DOT&PF project appropriation structures (80,000 series).	TH JM RB	A
4.9	Develop procedures for back charging expenditures against the SLA appropriation structure.	TH RB	A
4.10	Produce procedures manual to document new RSA/PDA accounting process. Coordinate with Regions for training and development.	RB DK	C

Task Number	Task Description	Responsibility	Status
5.0	<u>EVALUATION OF PROJECT DATA HISTORY</u>		
5.1	Evaluate and reconcile 6/30/85 to 7/1/85 conversion of project and appropriation balances (PBA - AKSAS).	JM TH DH	C
5.1.1	Develop automated process to evaluate history conversion - (appropriation and project).	JM RB DH	A
5.1.2	Develop processes and procedures to correct conversion problems identified in 5.1.1.	JM RB BA	A
5.2	Develop processes to evaluate and reconcile all project expenditures from a transaction register 7/1/85 to lock-down date (project managers). Identify actual project expenditures.	JM RB BA	A
5.2.1	Project managers confirm validity of expenditures and sign off.	JM RB	N
5.3	Evaluate and reconcile all federal-aid project expenditures within the billing system.	TH RB JM	A
5.3.1	Reconcile AKSAS to FMS billing system.	TH RB JM	A
5.4	Evaluate and reconcile revenue received by project with the expected revenue.	TH JM	A
5.4.1	Correct revenue recording errors.	TH JM	A
5.5	Evaluate and determine correct funding mix to be applied to lockdown AR using new appropriation mix factors determined in 4.7.2.	JM RB	A
5.5.1	Incorporate 6/30/85 funding mix into data recorded from 7/1/85 through lockdown.	JM RB	A
5.5.2	Calculate mix in lockdown.	JM RB	A
5.6	Evaluate and correct current SLA appropriation series funding problems identified in 5.5.	JM RB	A
6.0	<u>DEVELOP THIRD-PARTY BILLING SYSTEM</u>		
6.1	Develop Request for Proposal (RFP) and Letter of Interest.	RGP TGK	C

Task Number	Task Description	Responsibility	Status
6.2	Review RFP and Letter of Interest with regions, FHWA, Headquarters, DOA and AG's Office.	RGP TGK	C
6.3	Mailout Letter of Interest and distribute RFP's as requested by interested vendors.	TGK	C
6.4	Hold Pre-Bid Conference with vendors.	TGK	C
6.5	Respond to vendors questions prior to proposal due date.	TGK	C
6.6	Evaluate proposals and select three (3) finalists for oral presentation.	TGK Eval. Committee	C
6.7	Select vendor and conclude contract negotiations.	TGK Eval. Committee	C
6.8	Monitor vendor performance, provide appropriate guidance to vendor (e.g., steering committee, review meetings, etc.) and provide State data processing support as required.	RGP TGK	C
6.8.1	Assist vendor in early implementation of Federal "front-end edits."	RS TH TGK	C
6.9	Participate in development of vendor's system conversion plan.	RS TH TGK	C
6.10	Participate in development and performance of user training.	RS RB TGK ES	A
6.11	Participate in development and presentation of user and system documentation.	RS TH RB TGK	C
6.12	Coordinate State resources necessary for system conversion.	RGP TH TGK	A
7.0	<u>EVALUATE AND IMPROVE MANAGEMENT REPORTING</u>		
7.1	Review current management reports received from AKSAS, PCIS, PDS, SRA and Federal Billing.	TGK RB	C
7.2	Determine what management reporting capabilities currently exist with these systems but which are presently unused.	TGK RB	A

Task Number	Task Description	Responsibility	Status
7.3	Assess DOT&PF requirements for additional management reporting and determine how existing capabilities can address these needs.	TGK RS RB	A
7.4	Establish priority list to address management reporting needs and develop workplan for their implementation.	TGK RB	A
7.4.1	Review requested enhancements for the Project Cost Information System (PCIS). Address uniformity within regions and compatibility with AKSAS.	RB DH	A
8.0	<u>REVIEW ORGANIZATIONAL STRUCTURE AND STREAMLINE AS APPROPRIATE</u>		
8.1	Document problems currently experienced by DOT&PF staff as they relate to - project cost accounting - general accounting issues - administrative function	RGP RS RB	
8.1.1	Develop survey to identify problem areas.	RGP RS RB	N
8.1.2	Conduct more detailed interviews with DOT&PF staff, as required, to gain further knowledge of problems identified in 6.1.1.	RGP RS RB	N
8.2	Develop workplan to address management problems identified in 8.1.	RGP RS RB	N
9.0	<u>DEVELOP STATEWIDE AKSAS TRAINING PROGRAM</u>		
9.1	Outline objectives for a three session training program. Identify level of AKSAS transactions to be included in each.	RGP RB ES	C
9.2	Produce training manuals to support each level of training.		
9.2.1	Level One Manual.		C
9.2.2	Level Two Manual. (IIA and IIB).		A
9.2.3	Level Three Manual.		N
9.3	Designate a Training Coordinator in each region to assist in implementation of the program.		C
9.4	Identify personnel within each region to serve as local program instructors.		C

Task Number	Task Description	Responsibility	Status
9.5	Compile listing of staff requiring AKSAS training and establish class schedules.	RGP RB ES	A
10.0	<u>FORMAL COMPLETION PRESENTATION</u>		
10.1	Develop Information and Education Plan.	RGP	N
10.1.1	Identify key external mailing lists of individuals who can build support for results of CPC effort.	RS JM RB	N
10.1.2	Develop "interim" reports to keep individuals abreast of progress.		A
10.1.3	Develop internal confidence, acceptance and training.		A
10.2	Prepare formal completion presentation.		N
10.2.1	Prepare completion document for distribution.		
10.3	Formal Completion Presentation.		
10.3.1	Prepare news release.		
10.3.2	Distribute final completion document.		

# MEMORANDUM


## State of Alaska Department of Transportation & Public Facilities

TO: Mark S. Hickey  
Commissioner

DATE: October 30, 1987

FILE NO:

TELEPHONE NO: 465-3900

  
FROM: Robert G. Poe, Jr.  
Deputy Commissioner  
Budget and Finance

SUBJECT: October Capital Project  
Clean-up Status Report

The Capital Project Clean-up (CPC) effort continues to require the commitment of a large number of Departmental employees. The majority of these personnel resources are focused on two distinct objectives. One is identify and isolate the significant financial inaccuracies recorded in the Alaska State Accounting System (AKSAS) data base while developing an interim data base to compile, organize, adjust and report the financial status of capital projects. Secondly, the implementation of new accounting subsystems and controls, within AKSAS, to enable the long term maintenance, control and reporting of corrected financial data. Both of these major tasks made significant progress in the past month. The time line for implementation of the new subsystem will be extended beyond the initial estimate (January 1, 1988). The time extension is necessary because several workplan steps required to correct the AKSAS data base are being incorporated into the implementation phase rather than handled as a separate task. The CPC effort extends beyond the efforts of the Department of Transportation and Public Facilities (DOT&PF) and is receiving needed support from the Department of Administration and Office of Management and Budget. This support consists of technical and procedural reviews and accounting system enhancements. Overall the CPC program continues to make progress in all significant workplan sections. Status of the specific tasks is outlined below.

### PROJECT MANAGEMENT

The CPC workplan was developed in February and is continually under review. The October 20th revision (attached) incorporates the most recent revisions and details the status of each task.

### CAPITAL PROJECT REPORT

DOT&PF Divisions of Management and Finance (DMF) and Information Systems (ISD) have established a complete data base file to compile updated information on the status of capital appropriations and project expenditures. As the correct status and financial standing of capital projects is identified, any variances from the current AKSAS balances will be reconciled and adjustments made. Actions taken during the past month are as follows:

- ° The Capital Project Report data base contains approximately 3,600 projects (including RSAs). A preliminary control report has been prepared and forwarded to the regions for review. This report classifies 1,300 projects as active and 2,300 as completed or closed. The task of compiling project indicative data (i.e., completion date and cost to complete by fund source) began October 20 and is scheduled for completion November 20. The Project Cost Information System (PCIS) was modified to receive and maintain this project information for monthly management reporting.
- ° Work continues to update the report data base with financial information from the previous DOT&PF and state accounting system files. This data was evaluated and adjusted during prior CPC efforts and will provide corroborating information for any AKSAS adjustments identified.

#### DEVELOP ACCOUNTING PROCEDURES AND CONTROLS

Establishing specific accounting procedures and controls within DOT&PF (statewide) is critical to assure accurate and timely information for capital project activity. Successful implementation will require development of new AKSAS structures and supporting accounting controls. Actions taken to achieve these goals are as follows:

- ° All regions continued work on converting active capital appropriations and projects into the new accounting sub-system. To date twelve percent of the projects have been converted. In addition, the CPC effort has initiated closing procedures on ten percent of closed projects.
- ° The Policy and Procedure (P&P) section has proposed formation of a management team to address all issues related to setting guidelines for Federal participation in administrative costs. The management team's goal is to review past practices and develop parameters to be followed in development of a new statewide policy on this issue. A field review team will be assigned to gather data and develop recommendations.

#### EVALUATION OF AKSAS DATA HISTORY

Both DOT&PF Internal Review and Division Directors and Legislative Auditors have raised concerns over the accuracy of historical data transferred into AKSAS when the State converted from the old accounting system (PBA). In an effort to evaluate and substantiate or correct this data the following steps have been taken:

- ° As addressed in our September report the DMF and ISD have developed an automated screening process to highlight erroneous transactions recorded in the AKSAS data base. Since that report an additional review step has been added

to perform an "accounting" review of detailed transaction reports. This review is necessary to segregate erroneous transactions which could not be sorted in the computer screening. This review is scheduled for completion by November 25. At that time reports detailing adjusted, inception to date, project expenditures will be forwarded to project managers for review.

#### ENHANCEMENT OF THE FEDERAL BILLING SYSTEM

Due to the loss of Federal certification of the present Federal Billing System, we are currently developing a new Third Party Billing System (TPB). The following is a summary of the steps completed in the past month:

- ° The technical problems which delayed implementation for four weeks have been resolved. The DMF is reviewing Federal projects for a clean financial cut-off from the current billing system. Final adjustments should be completed and billings produced in the new TPB system for federal reimbursement by November 9th.

#### EVALUATE AND IMPROVE MANAGEMENT REPORTING

The ISD has indicated the need to compile data and examine in detail the Department's current reporting and systems maintenance workload. The Division's goal is to develop a long term plan to coordinate ISD resources to meet the Department's management reporting needs. Actions taken to achieve these goals are as follows:

- ° DOT&PF executive management met October 5 on the topic of management reporting requirements within the Department. This group identified a variety of subjects which, if reported on periodically, would aid management both in the operation of the Department, and in responding to outside inquiries about the department's activity. ISD is to analyze the list to determine what percentage of the subject information is currently available and what the costs of providing the balance are. This analysis is expected by December.
- ° ISD technicians have completed and implemented an automated reconciliation to assure that PCIS and AKSAS remain in balance. This program has identified that all but 71 (two percent) of the projects that are recorded in PCIS are currently in balance. These 71 projects are being reviewed and necessary adjustments will be made to correct the variances. The reconciliation will be run on a regular basis to assure that any variances are researched immediately.

DEVELOP STATEWIDE AKSAS TRAINING PROGRAM

In January, the Department conducted a training needs assessment survey. This survey indicated an overwhelming desire for AKSAS training. In response, a three level DOT&PF Statewide program is being developed. Significant accomplishments are as follows:

- ° The Level I (introductory) program continues with classes being held statewide. Level I classes have been available for four months and 230 employees have been through training. Level IIA (data input) classes were initiated at Headquarters during October and 14 employees attended. Classes are expected to begin in the regions during December.

Please call if you have any additional questions or if we can be of further assistance.

cc: The Honorable Steve Cowper, Governor  
Garrey Peska, Chief of Staff  
House Finance Committee Members  
House Transportation Committee Members  
Senate Finance Committee Members  
Senate Transportation Committee Members  
DOT&PF Regional Directors  
Marsha Hubbard, Deputy Commissioner, Admin. Management, DOA  
Jay Hogan, Director, Budget Review, OMB

# MEMORANDUM


## State of Alaska Department of Transportation & Public Facilities

TO: Mark S. Hickey  
Commissioner

DATE: September 30, 1987

FILE NO:

TELEPHONE NO: 465-3900

  
FROM: Robert G. Poe, Jr.  
Deputy Commissioner  
Budget and Finance

SUBJECT: September Capital Project  
Clean-up Status Report

During September the Capital Project Clean-up (CPC) program continued work on the implementation of two new accounting subsystems. These current tasks are the key steps necessary to provide the Department of Transportation and Public Facilities (DOT&PF) with corrected financial data and accounting systems which can control and report financial activity. Additionally, significant progress was made in researching the problems created when the Department recorded historical financial data from the old state accounting system into the new Alaska State Accounting System (AKSAS). Conversion to the new Third Party Billing System was delayed one month. This delay was necessary to allow the Division of Management and Finance (DMF) time to correct revenue recording problems and to identify variances from the current billing system. The AKSAS Training Program continued to grow, approximately 180 people have attended Level One, with Level Two classes scheduled for October. The accomplishments in all workplan areas, during the last month, are as follows:

### PROJECT MANAGEMENT

The CPC workplan was developed in February and is continually under review. There have been no significant revisions to the workplan since the July 10th revision, which was attached to the July status report. Critical steps necessary to meet the January, 1988 Capital Project Report are being monitored against an updated time chart.

### CAPITAL PROJECT REPORT

DOT&PF Divisions of Management and Finance (DMF) and Information Systems (ISD) have established a complete data base file to compile updated information on the status of capital appropriations and project expenditures. As the correct status and financial standing of capital projects is identified, any variances from the current AKSAS balances will be reconciled and adjustments made. Actions taken during the past month are as follows:

- ° The control report for capital appropriations currently identifies 2156 total control appropriations (including RSA's) for which the DOT&PF is responsible. This preliminary report has been forwarded to the regions for review and verification.

- Initial research has begun to identify the financial status of all prior year Capital Project Funds. These funds were established between 1976 and 1980 and contain unexpended Federal authorization and bond proceeds. The current balances recorded in AKSAS indicate significant financial clean-up is required.

#### DEVELOP ACCOUNTING PROCEDURES AND CONTROLS

Establishing specific accounting procedures and controls within DOT&PF (statewide) is critical to assure accurate and timely information for capital project activity. Successful implementation will require development of new AKSAS structures and supporting accounting controls. Actions taken to achieve these goals are as follows:

- All regions continued work on converting active capital appropriations into a new subsystem designed to provide accounting control. To date 95 appropriations have been converted. The Department of Administration (DOA) has provided DOT&PF with a unique budget transaction which will simplify the process. This task is scheduled for completion by January, 1988.
- The Policy and Procedure (P&P) section coordinated policy development activity related to Departmental financial and legal responsibility for state and federal projects granted to municipalities, procedures for professional services contracts and audit procedures for Internal Review. Work continued on P&P's for Federal participation in administrative costs and for timesheet processing. These items are expected to be ready for management review in October.

#### EVALUATION OF AKSAS DATA HISTORY

Both DOT&PF Internal Review, Division Directors and Legislative Auditors have raised concerns over the accuracy of historical data transferred into AKSAS when the State converted from the old accounting system (PBA). In an effort to evaluate and substantiate or correct this data the following steps have been taken:

- The DMF and ISD have developed an automated screening process to highlight erroneous transactions recorded in the AKSAS data base. Reports detailing adjusted inception to date project expenditures will be produced in October. These reports are to be reviewed by project managers to determine the reasonableness of project costs.
- The DMF has initiated a process to update a capital project budget file. This file is necessary to provide a detailed breakout of the various project funding sources. The previous AKSAS structures did not provide adequate data for control of individual fund source balances. Once this file is reestablished the actual project expenditures can be allocated to the appropriate fund source.

ENHANCEMENT OF THE FEDERAL BILLING SYSTEM

Due to the loss of Federal certification of the present Federal Billing System, we are currently developing a new Third Party Billing System (TPB). The following is a summary of the steps completed in the past month:

- ° The TPB transaction edit system, for both Federal highway and aviation projects, achieved final acceptance sign off. The system has been in operation for seven weeks on a limited basis. The indicative data for all highway projects should be completely input by mid October and edits initiated at that time.
- ° The new billing module of the TPB system has been successfully tested. The implementation of active projects has been delayed four weeks. Technical problems related to project revenue recorded by the Time and Equipment subsystem are being discussed with the DOA. In addition the DMF is reviewing individual project balances recorded in AKSAS and comparing this to the amounts billed to date in the current billing system. Variances identified will be reconciled and appropriate adjustments recorded.

EVALUATE AND IMPROVE MANAGEMENT REPORTING

The ISD has indicated the need to compile data and examine in detail the Department's current reporting and systems maintenance workload. The Division's goal is to develop a long term plan to coordinate ISD resources to meet the Department's management and financial reporting needs. Actions taken to achieve these goals are as follows:

- ° ISD technicians have finished modifications to stabilize the Project Cost Information System (PCIS). Current work entails development and implementation of an automated reconciliation to assure that PCIS and AKSAS remain in balance.
- ° An executive level team to study DOT&PF's management reporting requirements has been formed and their first working meeting is scheduled for October 5th.

DEVELOP STATEWIDE AKSAS TRAINING PROGRAM

In January, the Department conducted a training needs assessment survey. This survey indicated an overwhelming desire for AKSAS training. In response, a three level DOT&PF Statewide program is being developed. Significant accomplishments are as follows:

- ° The Level One (introductory) program has been available for three months. Approximately 180 employees have been through training. Classes are scheduled to continue through December.

- ° Level IIA (data entry) training manual and materials are completed and presentations are scheduled for the first and third weeks in October.
- ° Level IIB (customized management report writing) draft manual is completed and going through preliminary review. The manual will be distributed for the regions to review and provide comments during October.

Please call if you have any additional questions or if we can be of further assistance.

cc: The Honorable Steve Cowper, Governor  
Garrey Peska, Chief of Staff  
House Finance Committee Members  
House Transportation Committee Members  
Senate Finance Committee Members  
Senate Transportation Committee Members  
DOT&PF Regional Directors  
Marsha Hubbard, Deputy Commissioner, Admin. Management, DOA  
Jay Hogan, Director, Budget Review, OMB

# MEMORANDUM


## State of Alaska Department of Transportation & Public Facilities

TO: Mark S. Hickey  
Commissioner

DATE: August 31, 1987

FILE NO:

TELEPHONE NO: 465-3900

  
FROM: Robert G. Poe, Jr.  
Deputy Commissioner  
Finance and Budget

SUBJECT: August Capital Project  
Clean-up Status Report

The Capital Project Clean-up (CPC) program continues in full swing. Seven of the nine CPC workplan sections are in the implementation phase while the other two, management reporting and organizational review, are in the research and development stages. Significant August activity included the partial implementation of two newly designed accounting subsystem, Capital Project Funding and Federal Billing, which will be integrated into the Alaska State Accounting System (AKSAS). They are two of the key components of the Third Party Billing System which will allow the Department to meet it's financial accounting and reporting objectives. Implementation of the new Capital Project Funding subsystem includes not only setting up new appropriations and projects in the subsystem, but also the conversion of all current active appropriations and projects into it. The specific progress of each workplan section is detailed below.

### PROJECT MANAGEMENT

The CPC workplan was developed in February and is continually under review. There have been no significant changes to the workplan since the July 10th revision, which was attached to the July status report.

### CAPITAL PROJECT REPORT

DOT&PF Divisions of Management and Finance (DMF) and Information Systems (ISD) have established a complete data base file to compile updated information on the status of capital appropriations and project expenditures. As the correct status and financial standing of capital projects is identified, any variances from the current AKSAS balances will be reconciled and adjustments made. Actions taken during the past month are as follows:

- One hundred and forty capital appropriations have been identified as inactive. Steps are being taken to identify the financial status and prepare appropriations for close-out.
- There are numerous interdepartmental Reimbursable Service Agreements (RSA's) in AKSAS which are inactive. The State agencies associated with the RSA's are being contacted to confirm their status. Where applicable, financial transactions to officially close agreements will be processed.

DEVELOP ACCOUNTING PROCEDURES AND CONTROLS

Establishing specific accounting procedures and controls within DOT&PF (statewide) is critical to assure accurate and timely information for capital project activity. Successful implementation will require development of new AKSAS structures and supporting accounting controls. Actions taken to achieve these goals are as follows:

- As stated above, implementation has begun for a new process designed to control accounting for capital appropriations (Capital Project Funding). To date, twenty appropriations have been converted into the new subsystem. This task is scheduled for completion by January 1988. To ensure the success of this task, which we feel is crucial to the success of CPC, eight Departmental personnel have been temporarily reassigned to the divisions responsible for the conversion.
- The DMF has recently developed new procedures for closing out completed capital projects. During August, the regional Project Control groups forwarded forty-eight State-funded projects to the DMF and forty-three were formally closed under the new procedures.
- The Policy and Procedure (P&P) Section continued to work on several tasks. These included P&P's relating to Federal participation in administrative costs and procedures for time sheet processing. In addition, the section is working closely with DOT&PF Internal Review and Engineering and Operations Standards divisions on other statewide issues which affect financial operations.

EVALUATION OF AKSAS DATA HISTORY

Both DOT&PF Internal Review, Division Directors and Legislative Auditors have raised concerns over the accuracy of historical data transferred into AKSAS when the State converted from the old accounting system (PBA). In an effort to evaluate and substantiate or correct this data the following steps have been taken:

- The DMF and ISD are developing an automated screening process to highlight erroneous transactions recorded in the AKSAS data base. The initial design is complete and currently being tested.
- In addition to the data base files established for the Capital Project Report section, two additional files are being established to aid in evaluating AKSAS history data. These files consist of the June 1985 data from the PBA and FMS accounting systems which were the previous DOT&PF accounting systems. Prior CPC efforts reconciled the two data bases as of June 30, 1985, and provided information which will corroborate adjustments identified in history clean-up.

ENHANCEMENT OF THE FEDERAL BILLING SYSTEM

Due to the loss of federal certification of the present Federal Billing System, we are currently developing a new Third Party Billing System (TPB). The following is a summary of the steps completed in the past month:

- ° Phase one of the new TPB, AKSAS transaction edits for the Federal Highway Administration (FHWA) program, was implemented successfully. AKSAS expenditure transaction edits (for federal billing) are operating for fifty-three capital projects. The majority of FHWA projects will be under edits by the end of September.
- ° Phase two of the new TPB, production of the FHWA bill, is in the final stages of testing. Implementation of this system is scheduled for early September. This will be a significant step towards the DOT&PF goal of reestablishing a certified billing system. Total conversion to this system is expected to take six months. Capital projects will only be converted to the new system after they have been evaluated by the CPC effort.
- ° An extensive users manual for TPB is in draft form and has been distributed for review. A training program for selected individuals involved in the federal billing process is being developed.

EVALUATE AND IMPROVE MANAGEMENT REPORTING

The ISD has indicated the need to compile data and examine in detail the Department's current reporting and systems maintenance workload. The Division's goal is to develop a long term plan to coordinate ISD resources to meet the Department's management and financial reporting needs. Actions taken to achieve these goals are as follows:

- ° ISD personnel have found flawed logic in the Project Cost Information System (PCIS) the system used by project managers to manage capital projects, which has caused erroneous financial reporting in PCIS for some time. Additional resources will be assigned to PCIS in September to make corrections and to begin work on PCIS enhancements identified during earlier research into the Department's management reporting.
- ° The new Deputy Commissioner of Operations was hired during August. This marks the arrival of the last key player for the effective planning of Management Information Systems (MIS) activity at DOT&PF. He is presently being briefed on current MIS capabilities, and formal MIS planning sessions are expected to commence during September.

August 31, 1987

DEVELOP STATEWIDE AKSAS TRAINING PROGRAM

In January, the Department conducted a training needs assessment survey. This survey indicated an overwhelming desire for AKSAS training. In response, a three level DOT&PF Statewide program is being developed. Significant accomplishments are as follows:

- The Level One (introductory) program has been available for two months. Approximately one hundred and twenty employees have been trained and feedback has been overwhelmingly supportive of the program. The majority of trainees have been from the accounting, planning and clerk typist sections. Additional emphasis is now focused on increasing attendance from construction and engineering groups.
- The Level Two (section A) program for data input functions has been completed. The pilot training session was held during August and the manual was updated with final enhancements. Initial training sessions will be held in the Headquarters region during September.

Please call if you have any additional questions or if we can be of further assistance.

cc: The Honorable Steve Cowper, Governor  
Garrey Peska, Chief of Staff  
House Finance Committee Members  
House Transportation Committee Members  
Senate Finance Committee Members  
Senate Transportation Committee Members  
DOT&PF Regional Directors  
Marsha Hubbard, Deputy Commissioner, Admin. Management, DOA  
Jay Hogan, Director, Budget Review, OMB

# MEMORANDUM


State of Alaska  
Department of Transportation & Public Facilities

TO: Mark S. Hickey  
Commissioner

DATE: July 30, 1987

FILE NO:

TELEPHONE NO: 465-3900

FROM:   
Robert G. Poe, Jr.  
Deputy Commissioner  
Finance and Budget

SUBJECT: July Capital Project  
Clean-up (CPC) Workplan  
Status Report

The Department's Capital Project Clean-up (CPC) program has completed six months of work under the new workplan initiated in February. The positive effects of this expanded effort are being reflected in many aspects of the financial operations. Immediate benefits have resulted from the initiation of new accounting procedures and improved communication and flow of financial information between the Statewide and Regional offices. The Department-wide AKSAS Training Program classes for Level One have been very successful. Workplan sections covering enhancements to the State Accounting System (Federal billing and capital project funding) continued in the refinement and integration stage. This time was necessary for review of the new systems, enhancements to the implementation plans and expanding of the knowledge base throughout the Regional offices. Overall the CPC effort continues with all significant workplan sections making progress. Status of the specific tasks are detailed below.

## PROJECT MANAGEMENT

The CPC workplan was developed in February and is continually under review. The July 10th revision (attached) incorporates the most recent updates and details the status of each task.

## CAPITAL PROJECT REPORT

DOT&PF Division of Management and Finance (DMF) has established several data base files to compile updated information on the status of capital appropriations and project expenditures. These files will initially contain data through June 30, 1987. As the current status and financial standing of appropriations and capital projects are identified the appropriate data bases will be adjusted. This activity will be compared with the prevailing AKSAS data and variances reconciled.

## DEVELOP ACCOUNTING PROCEDURES AND CONTROLS

Establishing specific accounting procedures and controls within DOT&PF (statewide) is critical to assure accurate and timely information for capital project activity. Successful implementation will require development of new AKSAS structures and supporting accounting controls. Actions taken to achieve these goals are as follows:

- ° As addressed in previous status reports the department has developed a new process to control accounting for appropriations and project costs. Procedures for converting the current activity have been developed and discussed with regional office personnel. Each region has selected the first group of appropriations for conversion by August 15th.
- ° Due to the previous accounting and billing problems it has been approximately one year since any capital projects have been final vouchered and closed-out. The DMF has recently reestablished procedures for closing out completed capital projects. A proposed Policy and Procedure (P & P) has been implemented and appropriate personnel assigned to initiate it. Selective projects are currently going through the new process.
- ° The DMF's new Policy and Procedure Section has several tasks in progress. The critical projects include an amended P & P for federal participation in administrative costs and a new P & P to achieve timely submission of time sheets for all project chargeable activity. In addition, the project close-out procedures are being refined to accommodate a variety of capital projects, including planning and research projects.

#### ENHANCEMENT OF THE FEDERAL BILLING PROCESS

Due to loss of federal certification of the present Federal Billing System, we are currently developing a new Third Party Billing System. The following is a summary of the steps which have been completed in the past month.

- ° Weyerhaeuser Information Systems (WIS) has completed the initial program coding for the Federal Highway Administration (FHWA) front-end edit transactions and automated billings. WIS is working with the Department of Administration to utilize the AKSAS Test System to check and modify the program execution. Limited live production is scheduled for mid-August.
- ° The DMF is compiling the project specific indicative data necessary to implement the FHWA transaction edits. Implementation begins in mid-August and will take approximately eight weeks to complete. This step is significant as it will have an immediate positive effect on the current billing system. This will minimize the staff time necessary to assure the integrity of current charges appearing in the monthly federal-aid bill.

EVALUATE AND IMPROVE MANAGEMENT REPORTING

The Information Systems Division (ISD) has indicated the need to compile data and examine in detail the Department's current reporting and systems maintenance workload. The Division's goal is to develop a long term plan to coordinate ISD resources to meet the Department's management and financial reporting needs. Actions taken to achieve these goals are as follows:

- ° The Division has completed it's analysis of the key financial and management information systems currently in use. This analysis addresses the capacity, stability and compatability of the various systems. This overview resulted in ISD initiating some preventive maintenance programming to enhance the integrity and integration of certain systems.
- ° Preliminary discussions are being held to identify the management group that will create an information systems plan to comprehensively address the Department's management reporting needs. This effort will incorporate the current capabilities wherever feasible.

DEVELOP STATEWIDE AKSAS TRAINING PROGRAM

In January, the Department conducted a training needs assessment survey. This survey indicated an overwhelming desire for AKSAS training. In response a three level DOT&PF Statewide AKSAS Training Program is being developed. Significant accomplishments-to-date are as follows:

- ° The Level One (introductory) training program is fully developed and regional training schedules are being set-up. Two regions have completed one month of hands on training. Follow up reinforcement training is being made available for course participants.
- ° The Level Two training program is currently being developed. The program will contain two major sections. Section A will detail data entry procedures and Section B will cover customizing management reports. The draft training manual for Section A has been completed and the pilot training course scheduled for August 5th.

Please call if you have any additional questions or if we can be of further assistance.

Attachment

July 30, 1987

cc: The Honorable Steve Cowper, Governor  
Garrey Peska, Chief of Staff  
House Finance Committee Members  
House Transportation Committee Members  
Senate Finance Committee Members  
Senate Transportation Committee Members  
DOT&PF Regional Directors  
Marsha Hubbard, Deputy Commissioner, Admin. Management, DOA  
Jay Hogan, Director, Budget Review, OMB

# MEMORANDUM

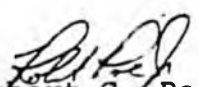
## State of Alaska Department of Transportation & Public Facilities

TO: Mark S. Hickey  
Commissioner

DATE: June 24, 1987

FILE NO:

TELEPHONE NO: 465-3900

FROM:   
Robert G. Poe, Jr.  
Deputy Commissioner  
Finance and Budget

SUBJECT: Capital Project Clean-up  
Status Report

The Department's Capital Project Cleanup (CPC) effort continues to make progress in all key workplan areas. As detailed in our May 10th revised CPC workplan, there are nine distinct steps with tasks in progress. The past months activity centered around the refinement, coordination and integration of the new accounting procedures and computer enhancements being developed by DOT&PF. The principal components include a new Third Party Billing System, RSA/PDA accounting process and financial history clean-up. The planning and design stage of these components have reached the final phase. In addition, the Department's Level One (introductory) AKSAS Training Program is fully developed and personnel training is set to start in two regions. The accomplishments in all workplan areas, during the last month, are as follows:

### PROJECT MANAGEMENT

The CPC workplan was developed in February and is continually under review. There have been no significant changes to the workplan since the May 10th revision attached to the May Status Report. To facilitate the scheduling of workloads and timing of implementation for sections 4, 5 and 6 (new accounting procedures, history clean-up and billing system) additional detailed pert charts are being developed.

### CAPITAL PROJECT REPORT

The initial Capital Project Report (also known as the 4/15 Report), which outlined the financial status of the CPC projects, was updated in early June for additional unprogrammed activity. Information from the June updated report was used to recalculate DOT&PF's share of the general fund continuing programs - capital reserve amount. It was estimated that the reserve could be decreased by \$86 million.

This workplan section will be expanded at a later date to outline the tasks necessary to produce a revised Capital Project Report once the significant clean-up efforts are completed.

DEVELOP ACCOUNTING PROCEDURES AND CONTROLS

Establishing specific accounting procedures and controls within DOT&PF (statewide) is critical to assure accurate and timely information for capital project activity. Successful implementation will require development of new AKSAS structures and supporting accounting controls. Actions taken to achieve these goals are as follows:

- ° In recent months a new accounting process was developed to control DOT&PF accounting for appropriations and project costs. A limited number of appropriations and projects are being accounted for under the new process on a test basis. Minor refinements to this process are being documented and expanded use of the process is anticipated by late July.

EVALUATION OF AKSAS HISTORY DATA

Both Internal Review, DOT&PF Division Directors and Legislative Auditors have raised concerns over the accuracy of historical accounting data transferred into AKSAS when the State converted from the old accounting system (PBA). In an effort to evaluate and substantiate or correct this data the following steps have been taken:

- ° DOT&PF Division of Management and Finance (DMF) and Information System Design (ISD) are researching the transactions which took place during data conversion and the subsequent efforts to record history detail. This research is necessary to identify and correct erroneous or incomplete computer executions. To facilitate this process audit trail computer files, for FY'85, '86, and '87 activity, were provided to ISD. The direct access to this data has greatly enhanced the effort.

ENHANCEMENT OF THE FEDERAL BILLING PROCESS

Due to loss of federal certification of the present Federal Billing System, we are currently developing a new Third Party Billing System. The following is a summary of the steps which have been completed to date.

- ° Weyerhaeuser Information Systems has completed the overall project general design document. Both the Federal Highway Administration front-end edit section and the comprehensive section (FAA, RSA's, revenue and bill production) are in the detailed design stage. Program coding has begun in both sections.
- ° DMF and Weyerhaeuser Information Systems have begun detailing the critical path necessary for implementation. A preliminary workplan is being outlined and will be completed by mid July. Test project implementation is scheduled to begin in early August.

EVALUATE AND IMPROVE MANAGEMENT REPORTING

The ISD has indicated the need to compile data and examine in detail the Department's current reporting and systems maintenance workload. The Division's goal is to develop a long term plan to coordinate ISD resources to meet the Department's management and financial reporting needs. Actions taken to achieve these goals are as follows:

- ° Meetings between ISD and regional staff have been held to identify potential enhancements to the Project Control Information System (PCIS), Project Scheduling (P2) and Resource Allocation System (RAS). These systems are integral management tools for project managers. Enhancements including cleaner interface with AKSAS to insure database integrity are in the design phase.
- ° A workplan is currently being developed to identify the timeframe and resource commitment necessary by ISD to implement the various computer enhancements and new or expanded management reports identified in regional meetings.

DEVELOP STATEWIDE AKSAS TRAINING PROGRAM

In January the Department conducted a training needs assessment survey. This survey indicated an overwhelming desire for AKSAS training. In response a three level DOT&PF Statewide AKSAS Training Program is being developed. Significant accomplishments-to-date are as follows:

- ° The Level-One training program is fully developed and regional training schedules are being set up. Two regions will begin classes in late June.
- ° All regions have now identified personnel to serve as local instructors. An instructors training course will be held in Juneau on July 13th.
- ° The first draft of the Level-Two (section A) Training manual is complete and has been forwarded to the regions for review. The pilot training course is anticipated by late July.

cc: The Honorable Steve Cowper, Governor  
Pete Jeans, Chief of Staff  
House Finance Committee Members  
House Transportation Committee Members  
Senate Finance Committee Members  
Senate Transportation Committee Members  
DOT&PF Regional Directors  
Marsha Hubbard, Deputy Commissioner, Admin. Management, DOA  
Jay Hogan, Director, Budget Review, OMB


# MEMORANDUM

## State of Alaska Department of Transportation & Public Facilities

TO: Mark S. Hickey  
Commissioner

DATE: May 18, 1987

FILE NO:

FROM:   
Robert G. Poe, Jr.  
Deputy Commissioner  
Finance and Budget

TELEPHONE NO: 465-3900

SUBJECT: Capital Project Clean-up  
Status Report

The Capital Project Cleanup (CPC) program is in full swing. An updated CPC Work Plan which is attached, indicates that all nine key sections have tasks in progress. Significant accomplishments during the past month include issuance of the Capital Projects Report (4/15 Report), introduction of the Level One AKSAS Training Manual to regional personnel and implementation of the new AKSAS appropriation accounting process. The status of the work plan tasks addressed during the last month are as follows:

### PROJECT MANAGEMENT

The CPC work plan was developed in February and is continually under review. The May 10th revision incorporates the most recent modifications. A status column was added to the Work Plan which indicates the progress of each task.

### CAPITAL PROJECT REPORT

This report is being developed to identify and communicate to the Commissioner and Governor the financial status of all CIP projects and the cost to complete or cost to cancel each project. The following steps have been performed:

- ° The Capital Project Report was presented to the Governor and House of Representatives Finance Subcommittee on April 15th. Reports were also provided to the offices of all Legislators.
- ° Efforts are continuing, to identify the significant inaccuracies in the AKSAS appropriation and project balances. Data base files, which detail updated appropriation balances, are being compiled for comparison to both the current AKSAS balances and the Capital Project Report information.
- ° The Department is preparing an update to the initial Capital Project Report. This update will detail additional project phase appropriations not yet programmed to the intended project and breakout cost to complete by fund source.

DEVELOP ACCOUNTING PROCEDURES AND CONTROLS

Establishing specific accounting procedures and controls within DOT&PF (statewide) is critical to assure accurate and timely information for capital project activity. Successful implementation will require development of new AKSAS structures and supporting accounting controls. Actions taken to achieve these goals are as follows:

- ° Draft procedures were prepared to support the new appropriation accounting process. These procedures were presented to the regional Project Control Chiefs for review and approval, on May 1st. As of June 8th it is anticipated that all new projects will be accounted for under the new process.
- ° The Division of Management and Finance (DMF) is currently outlining the course of action necessary to convert all previous appropriations into the new controlled accounting structure. Conversion is scheduled to begin by June 15th.
- ° Based on audit findings of both Internal Review and Legislative Audit staffs and at the direction of the Office of Management and Budget (OMB) it has been determined that certain regional appropriation transactions must be dual approved by the DMF. This control procedure will be active by June 1st.
- ° The DMF is considering a new finance section responsible for development and implementation of policies, procedures and internal control. This will not require the hiring of new staff, but a more efficient use of existing staff. Effective May 1st the DMF assigned one part time position to begin updating the Financial Management Operations Manual (FMOM). We anticipate that this will be a full time position for FY'88. This section's first assignment, to draft project closing procedures, is expected to be implemented by May 20th.

EVALUATION OF AKSAS HISTORY DATA

Both Internal Review, DOT&PF Division Directors and Legislative Auditors have raised concerns over the accuracy of historical accounting data transferred into AKSAS when the State converted from the old accounting system, PBA.

- ° DOT&PF DMF and Information System Design (ISD) are working with the Department of Administration, Division of Finance to research the transactions which took place during the data conversion. This research is necessary to identify and correct erroneous or incomplete computer executions. This process is expected to take two months.

ENHANCEMENT OF THE FEDERAL BILLING PROCESS

Due to loss of federal certification of the present Federal Billing System, we have begun to develop a new Third Party Billing System. The following is a summary of the steps which have been completed to date.

- ° As reported in our April memo, Weyerhaeuser Information Systems was selected to design the new federal billing system. They have completed the front-end edit design criteria and program coding is scheduled to begin immediately. Currently the contractors are ahead of their work schedule which calls for full implementation by late September.

EVALUATE AND IMPROVE MANAGEMENT REPORTING

The ISD has indicated the need to compile data and examine in detail the Department's current reporting and systems maintenance workload. The Division's goal is to develop a long term plan to coordinate ISD resources to meet the Department's management and financial reporting needs.

- ° The Division has completed it's initial review of the Department's information reporting usage and needs. This review has identified in addition to AKSAS, two key peripheral management reporting systems, Project Costs Information System (PCIS) and Project 2 (P/2). Meetings are now being scheduled to plan and develop the most efficient and effective information flow between all three systems.
- ° Regional personnel have provided ISD with a proposed list of enhancements for the PCIS system. The list is being evaluated, in conjunction with the Division's long term plans for uniformity within regions and compatibility with AKSAS. A prioritized list of system enhancements will be distributed for review by June 15th.

DEVELOP STATEWIDE AKSAS TRAINING PROGRAM

In January the Department conducted a training needs assessment survey. This survey indicated an overwhelming desire for AKSAS training. In response a three level DOT&PF Statewide AKSAS Training program is being developed. Significant accomplishments to date are as follows:

- ° A training coordinator has been designated in each region, to assist in program development and implementation.

May 18, 1987

- ° The Central and Northern Regions have identified personnel to serve as local trainers. The Level One Manual was introduced to these trainers during pilot training sessions April 29th and 30th.
- ° The Level Two Training Manual is currently being developed. This manual will contain two major sections. Section one will detail data entry procedures and section two will cover customizing management reports. Completion of both sections is scheduled for the middle of June.

Please call if you have any additional questions or if we can be of further assistance.

Attachment

cc: The Honorable Steve Cowper, Governor  
Pete Jeans, Chief of Staff  
House Finance Committee Members  
House Transportation Committee Members  
Senate Finance Committee Members  
Senate Transportation Committee Members  
DOT&PF Regional Directors  
Marsha Hubbard, Deputy Commissioner, Admin. Management, DOA  
Jay Hogan, Director, Budget Review, OMB

# MEMORANDUM


## State of Alaska Department of Transportation & Public Facilities

TO: Mark S. Hickey  
Commissioner

DATE: April 14, 1987

FILE NO:

TELEPHONE NO: 465-3900

FROM:   
Robert G. Poe, Jr.  
Deputy Commissioner  
Finance and Budget

SUBJECT: Capital Project Clean-up  
Status Report

The Capital Project Clean-up (CPC) effort continues to make progress as measured by the CPC workplan you received with the March 16th status report. Since that report, considerable headway has been made in several key areas including the expansion of field work in DOT&PF regional offices, beginning work on the new Federal billing system and completion of an AKSAS training manual. The status of the workplan tasks addressed during the last month are as follows:

### PROJECT MANAGEMENT

The CPC work plan and gantt chart which were developed in February are continually under review. At this time, there have been no significant revisions to the workplan and all major tasks are proceeding as planned.

Tom Haas (former State Accountant, Department of Administration) accepted the position of Assistant Director, DOT&PF Division of Management and Finance (DMF). His knowledge of and experience with AKSAS along with his years of experience in state government have already enhanced the CPC effort.

### CAPITAL PROJECT REPORT (APPROPRIATIONS 1982 TO PRESENT)

This report is being developed to identify and communicate to the Commissioner, Governor and Legislature the financial status of all CIP projects and the cost to complete or cost to cancel each project. Several phases related to the development of this report are in process. The following steps have been performed:

- ° DOT&PF regional offices have reviewed the preliminary report of capital projects. The estimated costs to complete or cost to cancel each project have been forwarded to DOT&PF DMF for input and evaluation.
- ° Preliminary review has identified certain inaccuracies in AKSAS balances. Specifically, the recorded budgets and inception-to-date expenditures of some CIP projects contain unauthorized transactions. We are designing a reconciliation process to identify and correct the errors.
- ° Presentation of the Capital Projects Report to the Legislature is scheduled for April 15th.

DEVELOP ACCOUNTING PROCEDURES AND CONTROLS

Establishing specific accounting procedures and controls within DOT&PF (statewide) is critical to assure accurate and timely financial information for capital project activity. Successful implementation will require development of new AKSAS structures and supporting accounting controls. Actions taken to achieve these goals are as follows:

- ° As reported in our last memo, we have developed a new process to control DOT&PF accounting for appropriations and project costs. This process has been approved by the Office of Management and Budget (OMB) and we are currently working on specific procedures to assure complete and controlled implementation of the new process.
- ° A review process for the Project Costs Information System (PCIS), which is used for budgeting and cost estimation by project managers in all regions, is currently in the design stage. The Information System Division (ISD) anticipates implementation by June 1st. A regular review process is necessary to assure the integrity of data downloaded from AKSAS to PCIS.
- ° DOT&PF DMF has initiated a project to establish current accounting policies and procedures. The current Financial Management Operations Manual (FMOM) is incomplete and out-dated. Meetings will be held with the regional offices to review current operations and prioritize the areas of need.
- ° After lengthy discussions with the regions, it was determined that written project closeout procedures needed to be developed immediately. Those procedures are currently in draft form and are being reviewed in the regions.
- ° The needs assessment survey conducted in January indicated a high demand for AKSAS training. DOT&PF DMF has initiated a training program to be administered statewide. The program will consist of three levels of training ranging from a basic introduction to advanced structure design. The Level One program and manual is complete and training will begin in the Central Region by May 1st.

EVALUATION OF AKSAS HISTORY DATA

Both Internal Review and division directors for DOT&PF as well as legislative auditors have raised concerns over the accuracy of historical accounting data transferred into AKSAS when we converted from the old accounting system.

- ° DOT&PF DMF and ISD are working with the Department of Administration, Division of Finance to research the transactions which took place during the data conversion. This research is necessary to identify and correct erroneous or incomplete computer executions. This process is expected to take three months.

ENHANCEMENT OF THE FEDERAL BILLING PROCESS

Due to loss of federal certification of the present Federal Billing System, we have begun to develop a new Third Party Billing System. The following is a summary of the steps which have been completed to date.

- ° An RFP review committee evaluated vendor responses and selected Weyerhaeuser Information Systems to design the new federal billing system. Contract negotiations have been concluded and field work was started on Monday April 13th.
- ° The DOT&PF DMF in conjunction with the Federal Highway Administration (FHWA) has instituted a regular billing process and new procedures which will allow a timely processing of the federal-aid bill during development of the new billing system. Part of these new procedures include the development of a billing log which outlines and addresses various concerns of both parties regarding the federal-aid monthly billings.

EVALUATE AND IMPROVE MANAGEMENT REPORTING

Tom Kluberton, Director of ISD, produced a listing which catalogues all accounting and financial reports regularly produced in his division. This listing has been distributed throughout all DOT&PF regions. The regions will compile responses from the various report users and forward this information to Headquarters. Responses will be evaluated and used as a basis to develop a long-term plan to coordinate ISD resources to meet the Department's accounting and financial reporting needs.

cc: The Honorable Steve Cowper, Governor  
Pete Jeans, Chief of Staff  
House Finance Committee Members  
House Transportation Committee Members  
Senate Finance Committee Members  
Senate Transportation Committee Members  
DOT&PF Regional Directors  
Marsha Hubbard, Deputy Commissioner, Admin. Management, DOA  
Jay Hogan, Director, Budget Review, OMB

# MEMORANDUM

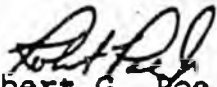
## State of Alaska Department of Transportation & Public Facilities

TO: Mark S. Hickey  
Commissioner

DATE: March 16, 1987

FILE NO:

TELEPHONE NO: 465-3900

FROM:   
Robert G. Yoe, Jr.  
Deputy Commissioner  
Finance and Budget

SUBJECT: Capital Project Cleanup  
Status Report

This is the first in what will be a series of DOT&PF Capital Project Cleanup (CPC) status reports. These memos are intended to keep you informed as to our progress in addressing this critical issue for the Department. As you can see from the attached CPC work plan, we have expanded the scope of our CPC efforts considerably beyond cleaning up capital project historical data. Each month we will report to you on specific progress we have made in addressing each of the areas outlined in the workplan attached to this memo. You may wish to retain the work plan so you can follow our progress. Should you have any questions as we progress through this effort please call me at 465-3900 or Bob Bartholomew or Jim Merrill at 465-3911. The following is a discussion of our progress to date against the CPC workplan.

### Status

#### PROJECT MANAGEMENT

The CPC work plan and gantt chart were developed in February, 1987. The plan has been reviewed with the DOT&PF Headquarters and Legislative Finance Committees staff. We are continuing to refine this workplan.

On March 2, 1987 two new employees, Randy Simmons, CPA, Director of Management and Finance and Bob Bartholomew, CPA, CPC Coordinator were brought on board to assist in CPC efforts.

Randy Simmons will fill the role as Comptroller of DOT&PF and Bob Bartholomew will perform the role of CPC Coordinator.

#### CAPITAL PROJECT REPORT (APPROPRIATIONS 1982 TO PRESENT)

This report is being developed to identify the financial status of all CIP projects post 1982 and report to the Commissioner, Governor and Legislature the cost to complete or cancel each project. Several phases related to the development of this report are in process. The following steps have been performed:

- ° Reconciliation of State Legislature Appropriations (1982 to present) to appropriation data recorded in AKSAS is substantially complete and the final report is being developed. Final variances will be detailed and significant items supported by memorandum.

- ° Prior accounting activity had produced files of unresolved input errors. "E" errors effect the capital project expenditures and require clearing to produce accurate reports. "A" errors are amounts correctly recorded into AKSAS but rejected in the conversion to FMS (Federal Billing System). These items require ongoing research to determine if such costs are federal participation costs. "E" error reconciliation is substantially complete and costs have been correctly recorded into AKSAS. A new system implemented in 1986 has eliminated the occurrence of "E" errors. A detailed listing of current "A" errors is regularly produced and monitored by the Assistant Director. Occurrence of "A" errors will be eliminated during the Federal Billing System Project.
- ° Double recording errors originated when the old State accounting system was converted to AKSAS. Certain appropriation and expense data were double recorded with a net financial effect of \$0. The entries have caused confusion in tying gross balances to source documents. The majority of these items have been identified and where necessary are being corrected in conjunction with the AKSAS appropriation reconciliation referenced above.
- ° A preliminary report of capital projects (1982 to present) has been produced. This report details project budget and expenditures inception to date. The report will be forwarded to the DOT regional offices on 3/13/87 for review and input of estimated costs to complete or cancel each project.
- ° Presentation of the Capital Projects Report to the Legislature is scheduled for 4/15/87.

#### DEVELOP ACCOUNTING PROCEDURES AND CONTROLS

Establishing specific accounting procedures and controls within DOT&PF (Statewide) is critical to assure accurate and timely financial information for capital project activity. Successful implementation will require development of new AKSAS structures and supporting accounting controls. Initial actions taken to achieve these are as follows:

- ° DOT&PF Internal Review Audit Reports issued in January, 1987 have been reviewed and procedures necessary to implement recommended controls are being developed. Draft procedures are anticipated by April 16, 1987.
- ° We have developed new AKSAS reporting and control structures to correct the current problem of monitoring project/appropriation status. Specific procedures are being developed for approval by the Office of Management and Budget. Once approval is obtained new appropriations/projects will be accounted for using the new structures.

- ° Processes to input and control revenue estimates and TANAB controls is scheduled to begin the week of March 16 - March 20.
- ° The Project Costs Information Systems (PCIS) is used for budgeting and latest costs estimates, by project managers in the Southeast and Northern Regions. Review and evaluation of the PCIS is scheduled to begin the week of March 16 - March 20.

#### ENHANCEMENT OF THE FEDERAL BILLING PROCESS

Due to loss of federal certification of the present Federal Billing System, we have begun the process to develop a new Third Party Billing System. The following is a summary of the steps in this process which have been completed to date.

- ° DOT&PF Finance and Information Systems Divisions, developed requirements for a new federal billing system. An RFP was prepared and forwarded to software vendors in February. Proposals were closed 3/6/87 and the review committee is currently evaluating them.

#### MANAGEMENT REPORTING

Tom Kluberton, Director of Information Services, is currently identifying all accounting and financial reports regularly produced in his department. Headquarters and Regional Finance (accounting) departments will be contacted beginning March 16, 1987 to determine their current report usage and whether all needs are being met. A draft overview of the Department's Accounting and Financial reporting requirements will be developed by April 17, 1987.

cc: The Honorable Steve Cowper, Governor  
Pete Jeans, Chief of Staff  
House Finance Committee Members  
House Transportation Committee Members  
Senate Finance Committee Members  
Senate Transportation Committee Members  
DOT&PF Regional Directors (including AMHS)  
Marsha Hubbard, Deputy Commissioner,  
Administrative Management, DOA  
Jay Hogan, Director, Budget Review, OMB

COMMITTEE

MEETING:

HIGHWAY

USERS

FEDERATION

1-22-88

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3900

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Transportation:

1/22/88

# **Alaska Highway Program Review**

*An Evaluation  
by the  
Highway Users Federation  
1987*



File item #1

