

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7322 HOUSE TRANSPORTATION

amount of administration by both agencies which does not efficiently serve the interests of the state. How can this duplication of service be minimized?

ISSUE AREA: JURISDICTIONAL RESPONSIBILITY

In Alaska, local road needs are not easily separated from state needs. Unlike many other states where local taxes pay for local roads, in Alaska state dollars routed to local governments have paid for roads at this level, too. The reason for this is that an inconsistency exists between accepted responsibility among municipalities, organized boroughs, the unorganized boroughs and among private ventures. For the local government entities, the range of powers granted under the Municipal Code (AS 29.35) for duties related to transportation issues vary significantly from one local government type to another. Governments across Alaska have a difficult time meeting their transportation responsibilities because current program arrangements ignore the relationship between funding and responsibility.

Transfer of Responsibility

In 1987 the Alaska Legislature set forth the following directive to begin dealing with the issue of road control:

"It is the intent of the legislature that DOT&PF establish a road responsibility task force comprised of representatives of DOT&PF, local governments, unorganized areas, and user groups. The task force is to evaluate the feasibility of transferring the responsibility of direct maintenance on certain transportation facilities from the state to local governments, and to examine reasonable and equitable funding sources for maintenance activities, including a review of the motor fuel tax and of the existing road service account in the state revenue sharing program. The task force shall also study the issue of road ownership, liability, and the transfer of equipment and employees."

In July, 1988, the Governors' Task Force on Transportation Facilities compiled a report on the delivery of transportation services in Alaska. The task force recommended a realignment of responsibility, clarification of areas of responsibility and transfer of some transportation facilities from the state to local governments to enable DOT&PF to more clearly focus on strategic statewide planning. In addition to the benefits gained, the task force determined that the delivery of transportation services could be more efficiently and equitable provided if the continued care of some of Alaska's transportation facilities would be more widely distributed among various private and governmental entities. How should the financing responsibility be allocated between local and state government and the private sector?

Functional Classification and Administrative Jurisdiction

The classification of highways, airports, and harbors into systems provides a basis for assigning responsibility for administration and finance at the level of government most directly concerned with the service provided. Inherent in the functional classification process is the

implication of differing levels of importance based on service function. Without a classification system it is difficult to compare facilities fairly.

Importance is based on economic and social values which are measured in a variety of ways. However, the basic idea is the same regardless of the system: more important facilities or more critical needs deserve the most attention which usually means more funding. Some of the uses of functional classification are to: 1) provide a basis for assigning jurisdictional responsibility according to overall importance of the facility; 2) provide for appropriate design standards according to service function; 3) provide a basis for evaluating present and future needs; and, 4) provide a basis for the apportionment of scarce fiscal resources. Should there be a more active department role in standardizing functional classification of the transportation system to meet these uses?

ISSUE AREA: FINANCIAL RESOURCES

There will be increasing demands for investment in transportation to keep up with rising costs and emerging needs, and the necessary funding will have to come from a variety of sources. The state needs a more rational, systematic approach for meeting its transportation responsibilities. It is important that the necessary funds be identified to support the transportation system.

Budget Crisis

Unlike most states where user taxes and fees--motor fuel taxes, motor vehicle registration fees and other special taxes--are the funds used to support transportation system improvements, Alaska's user taxes and fees meet only a small fraction of the cost. The state receives approximately 85 percent of its general revenue from petroleum taxes and royalties.

Alaska's good fortune resulting from the oil finds of recent years is well-known. The wealth was so great at one time that the state eliminated personal income taxes. In early 1986, however, the price of oil dropped. Oil industry employment declined rather than increased, and the state government was in a tenuous financial situation. And then, in August, 1990, Iraq invaded Kuwait and oil prices soared once again.

Presently, it looks as if the latest price spike will balance the budget for the coming year. But in FY'91 it appeared the state would be hundreds of millions of dollars short, causing the Governor to veto \$325 million from the \$2.9 billion budget enacted earlier in the year by the legislature. Transportation suffers from the inability of the current budgeting process to provide a stable source of funding for maintenance and capital improvements. The lack of stable funding hinders long-range planning and interferes with the delivery of transportation services to Alaskans. Should the department pursue a stable funding source? What are the barriers to establishment of such a funding source?

Federal Program Receipts

In addition to the volatile state revenue picture, the state faces a potential decline of unknown magnitude in the federal contribution to the highway and aviation capital construction program. The statute that authorizes federal highway dollars expires in October, 1991 and it is recognized that the program as it exists today may be greatly changed. At the same time, reauthorization of the federal aviation construction program in 1992 could have a similar impact on the aviation construction program.

Dedicated trust funds have provided the foundation for federal transportation programs for highways since 1956, for aviation since 1971, and for transit since 1982. Taxes on motor vehicles fuels and on heavy vehicles go into the Highway Trust Fund are disbursed to the States, with a specific matching level of funds contributed by the states themselves. Aviation users contribute to the Airport and Airways Trust Fund. These funds are disbursed in much the same way.

The federal highway program is paid for by federal gasoline taxes that are channeled into the Federal Highway Trust Fund. This tax is now 9 cents a gallon, with one cent dedicated to mass transit. There are donor states like California, that get only 80 cents back on every dollar their motorists pay. Then there are states like Alaska that in 1985 received \$5.50 for every dollar spent at the pump.

This is primarily due to the fact that state apportionments of federal funds are related to the extent of land area in each state. Alaska, having the largest proportion of land of any state in the nation, receives a disproportionate share of federal highway program receipts. Alaska currently receives approximately a seven to one return on its tax payments. The national direction, however, is toward a program directed toward congestion relief and tax refund, or "turnback", which would relate each state's fund return to the levels the state deposited in the trust fund.

The federal Airport Improvement Program (AIP) is financed by several aviation user taxes (airline ticket tax, fuel tax, freight waybill tax) that are channelled into the Aviation Trust Fund. The State of Alaska receives between \$35-40 million in AIP funding annually, divided into specific funding categories. In addition to funding earned by airports enplaning > 10,000 passengers annually, the state also receives approximately \$13 million in AIP funding based on the state's area and population. Another \$10.1 million in "Alaska Supplemental" funding is apportioned to the state annually. No other state receives a similar, special apportionment.

Should the state augment its current improvement capabilities through the establishment of a state funded transportation improvement program? Such a program could broaden the state's capability to meet transportation improvement needs by supplementing and complementing our current improvement efforts which are typically restricted to facilities eligible for federally-funded improvements.

Federal Program Criteria

Federal highway funds are restricted by federal mandate for capital improvements as well as planning, research and safety activities. Federal highway funds cannot be directed to maintenance activities. Airport improvement funds are available for airport development, airport planning and noise compatibility project. Like highways, routine maintenance work is not eligible for federal reimbursement. How do we ensure that there is an adequate operating budget to maintain the federally-funded capital improvements and meet our grant obligations?

Design Standards

Rigid design standards directly govern project financing and feasibility. These standards can impose unnecessary costs and prevent the state and local governments from pursuing the most cost-effective options. Standards also impact user costs and maintenance

costs. How much flexibility is available to the department to apply innovative design solutions to construction? How would any deviation affect liability?

User Costs

An important principle of allocating development responsibilities is that the users of services or infrastructure should pay their costs. Users may include a development company, subsequent developers attracted by the initial infrastructure investment, or the residents of the community who benefit from the improvements to the airports, road or harbors. Are user charges applied appropriately? How should costs of transportation services be assigned between users and non-users? To what extent could innovative financing techniques, including developer's fees, contribute to infrastructure financing?

Tax Policy

Tax policies can have a considerable effect on transportation financing. For example, fuel taxes affect freight rates that in turn affect modal choices and freight volumes. If highway fuel taxes are increased but rail fuel taxes are not, there would be an immediate shift in competitive advantage from trucking to the rail mode. To what extent should the department lobby for changes in state tax policy to finance capital and operating costs of the transportation system? To what extent do existing policies stimulate or impair competition between and within modes?

Deferred Maintenance/Infrastructure Disinvestment

There is a vast inventory of transportation facilities that require constant maintenance and periodic rehabilitation. Current inadequate funding, combined with the addition of a significant number of lane miles to the road network, increased traffic, and expanded state maintenance responsibilities, have placed increased demands on the maintenance budget.

Responsibility for 270 airports and 5,500 miles of state highway is now spread among a maintenance force of 570 people (6/30/87) as compared to 661 people at the same point in time in 1985. Furthermore, the highway and aviation portion of the maintenance and operations expenditures dropped 24 percent from \$71.2 million in FY'86 to \$53.9 million in FY'87. How do we ensure that there is adequate and adequately maintained infrastructure to meet transportation needs?

Distribution of Resources Within the State for Construction of Capital Improvements

Most of Alaska's population growth is expected to occur in the metropolitan areas. This fact underscores the need to focus major transportation investments in these areas. Nevertheless, urban areas do not exist in isolation. Many of the goods consumed in the urban areas are not produced there, and vice versa. City dwellers travel to rural areas or other cities for recreation and other purposes. Tourism, agriculture, mining, forest products, fisheries and other industries vitally important to Alaska's economy are largely located in rural areas.

In recent years, the DOT&PF has based the distribution of highway capital improvement funds within the state on a formula that includes population, land area, paved lane-miles of highway, total lane-miles of highway and annual vehicle-miles of travel in each region. The total highway capital improvement program closely matches the highway

distribution targets. The distribution process may not be promoting equity in the modernization and upgrade of the transportation system.

The distribution of aviation funding with the state has essentially been according to the number of airports in each geographic region. However, because AIP funding is received in separate funding categories, which restricts use to certain airport facilities, some of the higher priority project must be delayed because of funding limitations. How can we ensure that investment is directed wisely and that financing decisions balance competing priorities--capacity expansion versus rehabilitation, urban highways versus village airports?

Local Service Roads & Trails Program

The Local Service Roads and Trails Program provided for construction of local roads and trails which were not included in the federal-aid primary, urban or interstate highway systems. Local labor and equipment were utilized wherever practical in the construction of these projects. Not only was this beneficial to the economy of the communities, but it normally reduced the overall cost of the project. A side benefit was the training of local residents who did, in many cases, maintain the completed project. Loss of funding for this program has meant a loss of flexibility for the department in meeting local community needs. Should the department pursue reestablishment of the LSR&T program?

Alaska Constitution

Alaska's Constitution precludes strict dedication of any tax. Under the Alaska Constitution, tax revenues may be dedicated for a specific purpose only if a constitutional amendment to that effect is approved by the voters. While it is possible to earmark a portion of a particular tax stream for a special purpose, it is not possible to bind the actions of future legislatures to that dedication with a constitutional amendment.

As has been the experience of state transportation program managers in other states, the earmarking of user taxes and fees for the transportation program or distinct parts of the program, such as highway and airport maintenance, harbor development, etc., has enabled program managers to better plan efficient and effective long-term programs. Should the department propose a constitutional amendment that dedicates transportation revenues solely for transportation purposes?

System Expansion

Alaska is at a time in its development when diversification of the economy is becoming critical. Each opportunity must be examined and fairly valued for its contribution potential immediately and in the future. Mining, timber industries, fishing, tourism, the oil industry, and others can fit into a system that supports this development.

Most of Alaska's Interstate Highways, Principal Highways, Minor Arterials and Major Collectors that link together Alaska's economic centers were built over the past 50 years. To meet long-term transportation needs, the state must anticipate and plan for expansion in the current system. The Western Access Road from the Interior to the Seward Peninsula, completion of the road to Cordova (Copper River Highway), and new access to Kantishna (Stampede Road) are among the most prominent. The Bradfield Canal Road and the Taku

Highway could prove a valuable asset for tourism, recreation and international commerce (Canadian access to seaport).

In the aviation system, though it is not expected that a great number of new facilities will be constructed, it is anticipated that some resource development areas may require new airports. Further, as demand for more economical air service in the villages increases, there will be a need to expand existing facilities to accommodate that demand.

Some important needs for transportation improvements are being ignored because our budget process discourages attention to statewide needs and programs. In particular, careful analysis of economic justification will lead to the conclusion that some extensions to our existing transportation system are warranted. What are the barriers to expanding the existing systems, and how might those barriers be overcome?

Provision of Emergency Transportation Services

Probably one of the most critical services offered by any transportation system is emergency transportation. Whether it is for the transport of persons in need of emergency health care unavailable in their community or for the movement of emergency cargo such as medical equipment, food or special tools or equipment. How can the development of the transportation system help meet the needs of emergency transportation services?

Provision of Transportation Services to Major Recreation Facilities

Alaska's outdoor recreation-oriented residents and the increasing numbers of out-of-state visitors desire and expect accessible outdoor recreation opportunities. Accessible public recreation areas are important to the state. To that end, should the department enter into cooperative agreements with other agencies to provide specialized services, such as maintenance of parks roads and parking areas, etc?

ISSUE AREA: ENGINEERING/ENVIRONMENTAL CONSTRAINTS

The annual cost of administering, maintaining and improving the Alaska transportation system is above comparable national averages. This is due to Alaska's severe weather conditions, unusual foundation characteristics (permafrost), difficult terrain, restricted building and repair seasons, remoteness of many parts of the system and the high cost of materials, supplies, equipment and services.

Climate

There are four climate zones in Alaska. The maritime climate zone includes Southeast, the northern gulf coast and the Aleutian Chain. Temperatures are mild--relatively warm in the winter and cool in summer. Precipitation is heavy, 50 to 200 inches annually along the coast and up to 400 inches on mountain slopes. The transition zone is the area between the coastal mountains and the Alaska Range. Summer temperatures are warm, with cold winter temperatures and less precipitation than the maritime zone.

The continental climate zone covers the majority of Alaska except the coastal fringes and the arctic slope. It has extreme high and low temperatures and low precipitation. Precipitation is light because air masses affecting the area lose most of their moisture crossing the mountains to the south. The Arctic, north of the Brooks Range, has cold winters, cool summers and desertlike precipitation. Prevailing winds are from the northeast off the arctic ice pack, which never moves far offshore. What further research is needed to meet this challenge?

Permafrost

Permafrost, perennially frozen ground, is defined as ground which remains frozen for two or more years. In its continuous form, permafrost underlies the entire arctic region to depths of 2,000 feet. Discontinuous permafrost occurs south of the Brooks Range and north of the Alaska Range. Much of the Interior and some of Southcentral are underlain by discontinuous permafrost. How should the department use its resources to promote innovation in ways to deal with this engineering hurdle?

Global Warming

The global warming theory has enormous implications in Alaska. Many roads and airports are built over permafrost that will become unstable if the climate warms. A series of warmer than normal winters has already had an effect in marginal permafrost areas. What is the effect of global warming on performance of the transportation system?

Earthquakes

Between 1899 and mid-1989, ten Alaska earthquakes occurred that equaled or exceeded a magnitude of 8 on the Richter scale. During the same period, more than 70 earthquakes took place that were of magnitude 7 or greater. Alaska is the most seismic of all the 50 states. How can we mitigate the risks associated with this phenomenon?

Construction Camps

The issue of construction camps or campgrounds on remote state construction projects was raised in the 16th Legislature. It was a high priority of organized labor groups, as they lost this benefit in labor agreements several years ago. It would require the state mandate camps and food service for construction workers on projects meeting the definition of "remote." The department responded administratively by requiring full-service campgrounds for such projects, which addresses the basic sanitation and living condition problems typically used to support the legislative initiative. How can we best balance the concerns of labor and the work place?

ISSUE AREA: REGULATORY POLICIES

State and federal laws and regulations describe established national and state policy for transportation. These laws and regulations stipulate requirements to be met in transportation planning and, therefore, they form

an important basis for the planning program. A significant issue that must be addressed is how can we best balance environmental concerns and what role should the department play in doing so?

National Environmental Policy

Spurred by policies set forth in the National Environmental Policy Act and other environmental legislation, federal, state, and local policy makers have become increasingly concerned with the effects of their decisions on environmental quality. The problems receiving the most attention today relate to the environmental damage associated with the use of transportation facilities. These issues, ranging from air and noise pollution to tanker spills, are like to continue to shape the future of transportation.

An important concern in developing and operating transportation systems is the contribution of vehicles with internal combustion engines to urban air pollution, acid rain, and potential global climate changes. Transportation activities generate noise and congestion. Transportation is a major contributor to air pollution, including emissions of carbon monoxide and a variety of other pollutants, even in Alaska. Transportation cannot avoid affecting the environment, but a major goal must be to minimize the negative side effects.

Existing laws already require assessment of the effects of significant actions on the environment, special attention to air pollution, and protection of wetlands and coastal zones. The Clean Air Act requires the EPA to enforce vehicle and equipment maintenance standards to preserve emission control performance.

The Environmental Protection Agency (EPA) is intensifying its enforcement of wetlands regulations, and transportation agencies are required to mitigate wetland losses by creating new wetlands, often in substantially greater amounts than are lost in taking of the rights-of-way. The Corps of Engineers and the USDOT also exercise regulatory responsibilities relating to wetland preservation. The USDOT, in coordination with other agencies, is developing guidelines for carrying out the "no net loss" goal with respect to the effects of transportation on wetlands.

How can the department balance the conflicting demands for a quality environment with the need for responsive, inexpensive transportation?

FAA Security/Safety Programs

FAA regulations require that the state maintain a specified level of security at state-owned and operated airports which receive scheduled service by aircraft having a passenger seating configuration of more than 30 seats. Amendments to 14 Code of Federal Regulations (CFR) Part 107, the regulation governing airport security, are resulting from an increased national emphasis on the need to improve security at airports. The requirements of the revised regulations, together with stricter interpretation by the FAA of existing regulations, will continue to result in increased operating and capital costs at many rural airports throughout the state. These include, for example, Part 107 fencing and access control requirements and law enforcement officer (LEO) response requirements.

In addition, Part 139, the federal regulation which governs airport certification and operation for airports served by aircraft having a seating capacity of more than 30 seats, may

be expanded by Congress to apply to airports receiving service by aircraft with 10 passenger seats or more. This could potentially impact an additional 48 state-owned airports and would result in increased capital and operating costs for ARFF vehicles and associated personnel costs, safety fencing, etc.

The State of Alaska has, in the past, received waivers from the FAA for many of the more stringent regulatory requirements. Current efforts to extend these waivers to apply to the revised regulations have been unsuccessful. If the department is forced to comply with the more stringent regulatory requirements, our operating costs at many airports would increase substantially. What course of action should the department pursue in complying with this regulation? And, at what cost?

Disadvantaged Business Enterprise/External EEO Programs

Current short-term issues within the Disadvantaged Business Enterprise and External Equal Employment Opportunity (DBE/ExEEO) office are as follows: 1) complete new Title VI Plan; 2) complete DBE Procedure Manual; 3) eliminate backlog of DBE certifications and recertifications; 4) prepare procedure manual for EEO/DBE Contract Compliance Reviews; 5) fill DBE and Supportive Services Coordinator positions; 6) develop Supportive Services Program to assist DBE's; 7) review and revise methodology for setting DBE utilization goals for construction projects; and 8) write policies and procedures. How can the department fairly meet DBE/ExEEO goals in the future?

Encroachments/Trespass

Under Alaska Statutes, the department has the responsibility for the protection and control of highways and airports. The control of trespass and unauthorized encroachments are included in that responsibility. Trespass is an illegal activity that can increase the state's liability exposure and jeopardize federal-aid funding. To what extent should the department rely on regulatory authority to overcome this problem?

Placement of political signs or other outdoor advertising in the right-of-way and, in many cases, adjacent to, is in violation of both state and federal law. The signs create roadside obstacles to sight distance along the roadways. Statutes currently require a 30-day notice prior to requiring removal of illegal signs. What are the most effective means of dealing with this problem?

Utility Relocation

Currently the state pays to relocate utilities within the state right-of-way that are in conflict with construction projects. Alaska is the only state that entirely funds the cost of utility relocation with highway construction funds. Should the department continue to bear this financial burden? And, at what cost to other transportation improvements?

Motor Carrier Regulation

Regulation of the trucking industry has an impact on the transportation system of the state and the delivery of goods. The state imposes registration requirements on motor carriers operating within the state, and requires various billing and reporting requirements. The state also issues permits for oversize and overweight truck movements.

Under the established domestic weight limits for moving freight on state highways, significant numbers of overweight containers are being shipped over those roads, causing additional wear and safety concerns, without adequate contribution in highway user fees to compensate. Stricter enforcement of weight limits could alleviate the problems somewhat, but questions of incentives and liability for overweight shipments would still remain. Given the differences among modes and their user fees (taxes), how can this be done fairly, without inappropriate competitive advantages for one mode over another?

ISSUE AREA: POLITICAL ENVIRONMENT

Transportation is vitally important to the social and economic well-being of Alaskans. The public side of the Alaska transportation system--highways, airports, ferries and harbors--is a fragile network and the public responsibility to keep the system up and operating safely and efficient is great.

Short Time Horizons for Decision Making

The department is subject to scrutiny from the mass media and from a wide array of interest groups that have a stake in the decisions which it makes. Probably the most important difference in the time frame of public and private sector managers is related to the political cycles of government. The appropriation process generally operates on an annual basis. Governors often serve only one or two terms (two-term limit) and support for a specific policy may turn into a liability when the next governor takes over. This leads to constant pressure to achieve quick results. What strategy is available to the department to minimize this shortcoming?

Rights-vs-Responsibilities

Alaskans have grown accustomed to low state and local taxes. Even though individual Alaskans carry the lightest state and local tax burden in the nation, many Alaskans believe they are already paying more than enough for government services. Just about everyone is convinced that he's already paying his fair share of taxes, and that if taxes have to be raised somebody else should pay.

Despite these arguments against taxes, in the "typical state" taxes and user fees paid by individuals and businesses necessarily represent the cost of public services the government provides. But in the past decade, when petroleum revenues paid for almost everything, Alaska lost the link between what residents pay in taxes and what they receive in services. When citizens aren't aware of the cost of services, public spending is no longer restrained by a sense of the value of services provided.

The psychological and symbolic nature of government and political authority create significant expectations on the part of the public. Once the state budget is moved to a higher level, the political and economic realities of the situation make it difficult to later reverse. The individual comes to assume that the provision of basic services is a "right" and that it is the "responsibility" of government to continue to provide these services. To regain the balance between taxes and spending, citizens must gradually shoulder more of the cost of government.

A key transportation issue is what level of transportation service is a public sector responsibility, and how should that responsibility be divided among local and state government?

Environmental Activism

Alaska is a focal area for both local and national protection and conservation efforts. How can the department work cooperatively with environmental activist in achieving environmental goals?

ISSUE AREA: ORGANIZATIONAL ENVIRONMENT

If an issue related to organizational goals has managed to reach a point where formal action is required, then it is reasonable to assume that it is a strategic issue.

Leadership Turnover

The department has experienced a high rate of turnover at the top two levels of management. Since 1977, the DOT&PF has had six chief administrative officers. Communications, plans, programs, and policies all go through transition as the new team of managers moves into their function and responsibilities over a large organization with a large budget. How can the length of this transition period be minimized?

Strategic Management Process

A key development from the Management Plan is the commitment to develop a strategic management process. One part of the strategic management process is the continuation of the management plan. However, the strategic management process goes further in that it also links department planning resources, department policy development and the department's priority strategies into one cohesive effort. What innovative techniques are available through this process to improve the organizational management?

General Efficiency

In the previous era of the 1980's, there was a greater emphasis on the department getting work done quickly rather than getting work done in the most efficient manner. One of the legacies of the oil boom years is the perception that the department's design and construction staff grew significantly in response to increased capital spending in the beginning of the decade, but has not reduced its staff as those general funded projects disappeared toward the end of the decade.

Measurements of comparative efficiency of in-house work-vs-contracted work have been extremely difficult to quantify. Efforts are in progress to develop systematic methods for capture of reliable data for comparative analysis of efficiency. To what extent should this information be used to improve planning, design and construction management?

Program Development Cycle

All but the simplest capital projects take from three to seven years from initial funding to completion. Major urban highway projects can take ten years or more to begin construction. Issues of local, state and national significance have increasingly made the project development process more complex and more controversial.

Land acquisition has been more contentious in urban areas due to declining land values and in rural areas due to changing and new interrelationship of federal and native land interest. The preservation of wetlands, the discovery of hazardous waste sites and a greater emphasis on public involvement have added time and expense to the project development process.

These factors, combined with an annual allocation of federal highway capital funds, which for the most part must be used within a fiscal year or lost, yield an inelastic process within a fixed funding cycle. With the exception of AIP discretionary funding, all other categories of AIP funding have a three year life.

What changes might be accomplished in the budget or management process to reduce this lengthy development cycle?

Training and Productivity

Ultimate success by the department in achieving its goals and basic mission is dependent on the abilities and dedication of its employees more than any other single factor. The department has traditionally had a well-trained and competent work force. The first retirement incentive program (RIP) resulted in a considerable loss of knowledge and experience within a relatively short period of time. The new RIP will exacerbate this situation. How can the department meet this manpower loss?

System Management

The department has developed a number of methods to manage its vast transportation system. It is strengthening its data collections and information management activities in order to provide more accurate monitoring and description of the system. Are there significant other gaps in current data resources that hamper research and development efforts and innovation?

Accountability to the Public through Improved Reporting

One of the major strategies identified in the FY'90-91 DOT&PF Management Plan was the need to prepare a Management Reporting System to provide easily understandable presentations (report, graphs, etc.) which may be used by the managers to support their strategic and operational decision-making. How can we improve the assembly, management, transmission, and analysis of transportation-related data to make it more understandable to the public?

DOT&PF Legal Services

Department managers are convinced that relations between the department and its attorneys within the Department of Law (DOL) are too fragmented to allow a good attorney-client relationship. Because of this fragmentation, the state has increased legal exposure,

especially for tort liability, but also believes the department has a less than optimal operational arrangement for public contracts and condemnation cases. In the latter two situations, the fragmented system does little to capture or utilize the collective expertise established in either agency. What are the barriers to overcoming this issue?

ISSUE AREA: AVAILABILITY OF ENERGY FOR TRANSPORTATION

The future of transportation is tightly linked to the future of world energy markets, particularly petroleum. Although there have been significant gains in energy efficiency in transportation, consumption continues to grow. Reliance on petroleum persists.

During the 1981 to 1987 period, motor vehicle travel in Alaska increased 62 percent, airport enplanements increased by 25 percent and Marine Highway System passengers were up by 9 percent. Furthermore, the lane-miles of state highway increased 12 percent, thereby increasing the demand for energy consumption. Although improvements in fuel efficiency have made an important contribution to energy conservation in transportation, the overwhelming reliance on petroleum for meeting the demands of the transportation sector is expected to continue into the foreseeable future.

The role of the department to resolve energy concerns is limited. However, priorities established and actions taken in the planning and development of transportation facilities and services by the state can have a sizeable impact upon use of available transportation energy use within the state. How should the department address this issue in the upcoming decade?

ISSUE AREA: SPECIAL TRANSPORTATION NEEDS

Some Alaskans--especially the elderly, disabled, and low-income--have special transportation needs that are unmet. Many of these persons are unable to use automobiles and do not have alternative forms of transportation available to them. Various programs have been implemented in some areas to make facilities more useable and provide specialized services to more adequately meet the needs of these individuals. Significant architectural barriers remain that have an affect on their mobility.

The U.S. Congress recognized the need for public transportation for physically and mentally disabled persons in the 1970 and 1974 amendments to the Urban Mass Transportation Act of 1964. Additional Congressional interest in improving the travel environment for persons with disabilities was expressed in the Rehabilitation Act of 1973, which prohibits discrimination on the basis of handicap in federally assisted and administered programs. The Air Carrier Access Act of 1986 requires the U.S. Department of Transportation to issue regulations prohibiting discrimination in air travel on the basis of handicap.

How can the transportation network better respond to the special needs of elderly, disabled, and low-income travellers? Who should bear the cost of such services?

ISSUE AREA: TECHNOLOGY

There are countless technological possibilities for the transportation system of the future. Technological advances along with population and economic development patterns, all are contributing to growth and change in transportation demand. Use of computers has changed the automobile by reducing emissions, increasing fuel efficiency, and improving operating safety. Technological progress will continue to change transportation in many ways.

An issue which relates to flights via the USSR concerns aircraft technology advancements and the ability of airlines to fly non-stop between Europe and Asia. As airlines explore the profitability of operating between Asia and Europe, non-stop service will become more attractive as a competitive tool. On the other hand, passenger comfort demands for an enroute stop may prove continued incentives to maintain an Alaskan presence for passenger aircraft.

How can the department better prepare itself to be responsive to technological innovation and impact on the transportation system?

**CHALLENGES FACING THE DELIVERY OF TRANSPORTATION SERVICES
IN ALASKA: AN IDENTIFICATION OF THE ISSUES**

The first step in the issues identification process was to review previously published reports (i.e. system and regional planning studies, Transition Reports, Management Plans, Crossroad Report, etc.). Numerous issues were identified in the reports. Next, The Technical Review Committee identified any additional issues to incorporate in the issues paper. Now, the "long list" must be narrowed to concentrate on those issues that relate directly to the delivery of transportation services. This process will distinguish service delivery issues from those issues that relate to the management of the department.

Service delivery issues generally deal with the different modes; their physical and service properties; the way people, vehicles, and freight move over different systems; how well they function; and how they can be improved. Management issues generally deal with procedures for implementation, communications, detailed programming of projects, and monitoring system performance.

Please take a few minutes to read through the list of issues and check the category which you think the issue area affects most greatly: Service Delivery ("What We Do") or Management ("How We Do Things"). There is a large gray area into which many issues will fall. Please select the category you feel "best" represents the issue. Add short definitions under the "Rationale" column if you feel it is necessary to illustrate the reason for your choice. Your comments will be used by the strategy managers to help in the final selection of issues for this project.

ISSUE AREA	WHAT WE DO	HOW WE DO IT	RATIONALE
Geographic Diversity			
Global Location			
Intermodal Demands			
Population Growth			
Federal Ownership			
ANCSA			
Adequate Title Interest			
Surveying, Mapping & Monumentation			
Real Property Management			
Public Land Order and Other Right-of-Way Reservations			
Reserved Estates			
Local Platting & Zoning			
DNR/DOT&PF Land Management Responsibilities			
Transfer of Responsibility			

Functional Classification and Administrative Jurisdiction			
Budget Crisis			
Federal Program Receipts			
Federal Program Criteria			
Design Standards			
User Costs			
Tax Policies			
Deferred Maintenance/ Infrastructure Disinvestment			
Local Service Roads & Trails			
Alaska Constitution			
System Expansion			
Provision of Emergency Transportation Services			
Provision of Transportation			
Services to Major Recreation Facilities			
Climate			
Permafrost			
Global Warming			
Earthquakes			
Construction Camps			
National Environmental Policy			
FAA Security/ Safety Programs			
Disadvantaged Business Enterprise/External EEO			
Encroachments/Trespass			
Utility Relocation			
Motor Carrier Regulation			

CORRECTION

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**CHALLENGES FACING THE DELIVERY OF TRANSPORTATION SERVICES
IN ALASKA: AN IDENTIFICATION OF THE ISSUES**

The first step in the issues identification process was to review previously published reports (i.e. system and regional planning studies, Transition Reports, Management Plans, Crossroad Report, etc.). Numerous issues were identified in the reports. Next, The Technical Review Committee identified any additional issues to incorporate in the issues paper. Now, the "long list" must be narrowed to concentrate on those issues that relate directly to the delivery of transportation services. This process will distinguish service delivery issues from those issues that relate to the management of the department.

Service delivery issues generally deal with the different modes; their physical and service properties; the way people, vehicles, and freight move over different systems; how well they function; and how they can be improved. Management issues generally deal with procedures for implementation, communications, detailed programming of projects, and monitoring system performance.

Please take a few minutes to read through the list of issues and check the category which you think the issue area affects most greatly: Service Delivery ("What We Do") or Management ("How We Do Things"). There is a large gray area into which many issues will fall. Please select the category you feel "best" represents the issue. Add short definitions under the "Rationale" column if you feel it is necessary to illustrate the reason for your choice. Your comments will be used by the strategy managers to help in the final selection of issues for this project.

ISSUE AREA	WHAT WE DO	HOW WE DO IT	RATIONALE
Geographic Diversity			
Global Location			
Intermodal Demands			
Population Growth			
Federal Ownership			
ANCSA			
Adequate Title Interest			
Surveying, Mapping & Monumentation			
Real Property Management			
Public Land Order and Other Right-of-Way Reservations			
Reserved Estates			
Local Platting & Zoning			
DNR/DOT&PF Land Management Responsibilities			
Transfer of Responsibility			

Functional Classification and Administrative Jurisdiction			
Budget Crisis			
Federal Program Receipts			
Federal Program Criteria			
Design Standards			
User Costs			
Tax Policies			
Deferred Maintenance/ Infrastructure Disinvestment			
Local Service Roads & Trails			
Alaska Constitution			
System Expansion			
Provision of Emergency Transportation Services			
Provision of Transportation			
Services to Major Recreation Facilities			
Climate			
Permafrost			
Global Warming			
Earthquakes			
Construction Camps			
National Environmental Policy			
FAA Security/ Safety Programs			
Disadvantaged Business Enterprise/External EEO			
Encroachments/Trespass			
Utility Relocation			
Motor Carrier Regulation			

Short Time Horizons for Decision Making			
Rights-vs-Responsibilities			
Environmental Activism			
Leadership Turnover			
Strategic Management Process			
General Efficiency			
Program Development Cycle			
Training and Productivity			
System Management			
Accountability to the Public Through Improved Reporting			
DOT&PF Legal Services			
Availability of Energy for Transportation			
Special Transportation Needs			
Technology			

TRANSPORTATION SERVICE DELIVERY: AN IDENTIFICATION OF THE KEY (STRATEGIC) ISSUES

GENERAL CATEGORIES	SPECIFIC CATEGORIES	ISSUES
GEOGRAPHY	Geographic Diversity	Should the department adopt minimum service guidelines for implementing its programs?
	Global Location	What action is needed to ensure Alaska's infrastructure supports participation in the global marketplace?
	Intermodal and Multimodal Demands	<p>What actions need to be taken to improve intermodal connections?</p> <p>What actions need to be taken to improve capital choices between modal investments?</p>
JURISDICTIONAL RESPONSIBILITY	Transfer of Responsibility	<p>What criteria defines appropriate state responsibility for transportation services?</p> <p>Should the service life (life expectancy) and jurisdictional responsibility be determined before construction financing is approved?</p>
	Population Migration and Growth	What actions will be needed to accommodate population migration and population change?
DEMOGRAPHIC AND ECONOMIC GROWTH	Economic Development	What actions should the department take to promote economic growth in Alaska?
	Access	What action does the department need to take to preserve access corridors across federal lands?
LAND OWNERSHIP AND USE	Surveying, Mapping & Monumentation	What level of surveying, mapping and monumentation should the department provide to adequately manage and operate facilities?
	Transportation Budget	What actions should the department take to pursue stable and adequate funding for capital development, replacement and operations?
FINANCIAL RESOURCES	Federal Program Receipts	What state programs are needed to complement federal program receipts, particularly if they decline in the future?

GENERAL CATEGORIES	SPECIFIC CATEGORIES	ISSUES
	Federal Program Criteria	What action does the department need to take to ensure that there is an adequate operating budget to maintain federally-funded capital improvements?
	User Fees	What role should user fees play in paying for state transportation services?
	Deferred Maintenance	What should be the department's standards for asset management—(replacement-vs-reconstruction)?
	User Costs	What actions does the department need to take to provide a cost effective transportation network that minimizes <u>both</u> user costs and infrastructure costs?
	System Expansion	What process should the department recommend to help determine the system expansions needed?
	Provision of Emergency Transportation Services	What changes should be made to department programs to identify short-term and long-term emergency transportation requirements, and to assure that the transportation system can fulfill its role in meeting those requirements in the event of a catastrophic disaster?
	Provision of Transportation Services to Major Recreation Facilities	What transportation services should be provided by the department to support the recreation industry?
ENGINEERING AND ENVIRONMENTAL CONSTRAINTS	Global Warming	What alternatives need to be considered to accommodate trends in global warming?
	Design Standards	What design standards should change to encourage innovative solutions to Alaska's special transportation needs?
REGULATORY POLICIES	National Environmental Policy	What can the department do to balance the conflicting demands for a quality environment with the need for an efficient transportation system?

GENERAL CATEGORIES	SPECIFIC CATEGORIES	ISSUES
POLITICAL ENVIRONMENT	FAA Security/Safety Programs	What course of action should the department pursue to comply with the more stringent federal regulatory requirements at certificated airports?
	Utility Relocation	What responsibility does the department have for the financial burden of relocating utilities in state right-of-way?
	Motor Carrier Regulation	What position should the department take regarding heavy vehicle usage on highways?
AVAILABILITY OF ENERGY FOR TRANSPORTATION	Public-Private Partnership	What transportation responsibilities in the state are better borne by the private sector and improve the efficiency with which we use our transportation system?
	Energy Use	What programs should the department develop to help conserve energy used for transportation within the state?
SPECIAL TRANSPORTATION NEEDS	Special Travellers Needs	What can the department do to better respond to the special needs of elderly, disabled and low-income travellers?

STATE TRANSPORTATION PLAN

Background Report

TRANSPORTATION SERVICE DELIVERY: AN IDENTIFICATION OF THE KEY (STRATEGIC) ISSUES

Policy Review Committee

Department of Transportation & Public Facilities
Mark S. Hickey, Commissioner

December, 1990

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TRANSPORTATION SERVICE DELIVERY: AN IDENTIFICATION OF THE KEY (STRATEGIC) ISSUES

The first phase of this project involved taking a look at what is going on in the state that affects the delivery of transportation services. The first product, *Challenges Facing the Delivery of Transportation Services in Alaska: An Identification of the Issues*, represented an overview of the existing situation. The Technical Review Committee assisted in this task.

The next task was to divide these issues into two broad categories. The Task Managers (Kit and Clyde) were responsible for sorting the list of issues between service delivery functions-vs-management functions (*what we do-vs-how we do it*).

In this phase of the study the objective is to select the key (strategic) issues. The key issues will become the focus of the plan. This focus will help set priorities so efforts can be concentrated on those issues thought to have overriding importance and upon which the department can affect change.

ISSUE AREA: GEOGRAPHY

Adequate transportation services are essential for the residents of Alaska to accommodate the movement of people and goods. Providing adequate transportation services in Alaska is more difficult than in most areas of the United States, or even the world, because of the geographic diversity of the state and the impacts of its strategic global location.

Geographic Diversity

The total land area of Alaska is 586,412 square miles--approximately one fifth the total area of the 48 contiguous states. Its 33,000 miles of coastline is half again that of the continental United States. Alaskan coasts face two oceans (North Pacific and Arctic) and two major seas (Bering and Chukchi). The state stretches out between latitudes of 51 degrees and 72 degrees north and meridians 130 degrees west and 173 east--an east-west span of 2,400 miles and a north-south span of 1,400 miles. Because of this

subcontinental size, Alaska is not a single homogenous region but several distinct regions.

Thousands of acres of forest and tundra, miles and miles of rivers and streams, valleys, bays, coves and mountains, are spread across a vast area. The remoteness of some places, the water barriers and the difficulty of traversing the terrain have made overland connections between communities either impossible or inordinately expensive to construct. To meet this diverse need the department operates and maintains a comprehensive transportation network, including 5,500 miles of roads, two international airports, 270 smaller airports, a fleet of ferry vessels, 80 ports and harbors, and more than 500 public buildings.

Given the number and variety of available transportation modes in Alaska and competing demands for public funding to support those improvements, **should the department adopt minimum service guidelines for implementing its programs?** Minimum service guidelines would establish criteria that would distinguish between those transportation facilities that are, at a minimum, needed to provide basic access and those facilities that go beyond minimum service levels and provide a more efficient and convenient service.

Global Location

In business and industry, domestic companies that span the country and multinational corporations that span the globe require long-distance passenger travel and also change the patterns for movement of freight around the world. Because of its global location, Alaska has become a *transportation crossroads* for Europe, Asia and the Soviet Union. Airlines have seen huge growth in the number of passengers moving between Alaska and Europe, Asia, and other continents.

Future transshipment of cargoes by sea between Europe and Asia may require port development along Alaska's Bering Sea coast. Support of activities which complement or augment marine commerce and which contribute to the state's economic development will be important in the future. As the global economy requires more interconnections, the ability of people and products to transfer from one mode of transportation to another in moving across the state or the ocean will become even more essential.

In addition to the civilian use of Alaska as a center of operations, the military has developed a number of strategic bases in the state to support critical missions. The location of these bases has provided opportunities for the development of the civilian transportation network.

What action is needed to ensure Alaska's infrastructure supports participation in the global marketplace?

Intermodal and Multimodal Demands

No matter how good the individual parts of the transportation system may be, the effectiveness of the overall system depends on the effectiveness of the connections a traveler or a carrier can make in getting from origin to destination. Intercity passenger travel frequently involves use of air or rail service in combination with a shorter trip by automobile, taxi, or local bus. For freight, many shipments are picked up and delivered by truck, but piggybacked onto the railroad for the long-distance journey. Millions of shipping containers each year are moved on linerships across the ocean and transferred to rail or truck to get between a port and other points in the state.

The transportation system that serves this diverse state cannot work effectively if critical segments in the system are not connected. When trips involve transfers from one form of transportation to another, good connections between modes are essential from local streets and arterials to the interstate highways, from air travel to shorter distance ground transportation, from truck to rail, from rail to ship.

An additional set of problems must be faced to determine the extent of state financial support to the multimodal system. The difficulty is to determine what is adequate access. The state continues to provide financial assistance to support facilities on the basis of fundamental need. This includes facilities needed to assure transportation service for the delivery of goods required to support community life. All communities in Alaska are now served by some form of transportation.

In the past, uneconomic but needed service has had to compete for state dollars with projects that could clearly demonstrate greater economic feasibility. Direction is needed to help separate out the pursuit of social goals (access) from economic development goals. In the future, it will be necessary to make difficult choices between modes. The state may no longer be able to construct multiple transportation modes for each

community. An economic test to determine least-cost alternatives may need to be applied to justify state investment in any project over and above minimum service needs (access).

What actions need to be taken to improve intermodal connections in Alaska? And, what actions need to be taken to improve capital choices between modal investments?

ISSUE AREA: JURISDICTIONAL RESPONSIBILITY

In Alaska, local access needs are not easily separated from statewide needs. Unlike many other states where local taxes pay for transportation improvements, in Alaska state dollars routed to local governments have paid for improvements at this level, too. The reason for this is that an inconsistency exists between accepted responsibility among municipalities, organized boroughs, the unorganized boroughs and among private ventures. For the local government entities, the range of powers granted under the Municipal Code (AS 29.35) for duties related to transportation issues vary significantly from one local government type to another. Governments across Alaska have a difficult time meeting their transportation responsibilities because current program arrangements ignore the relationship between funding and responsibility.

Transfer of Responsibility

In 1987 the Alaska Legislature set forth the following directive to begin dealing with the issue of road control:

"It is the intent of the legislature that DOT&PF establish a road responsibility task force comprised of representatives of DOT&PF, local governments, unorganized areas, and user groups. The task force is to evaluate the feasibility of transferring the responsibility of direct maintenance on certain transportation facilities from the state to local governments, and to examine reasonable and equitable funding sources for maintenance activities, including a review of the motor fuel tax and of the existing road service account in the state revenue sharing program. The task force shall also study the issue of road ownership, liability, and the transfer of equipment and employees."

In July, 1988, the Governors' Task Force on Transportation Facilities compiled a report on the delivery of transportation services in Alaska. The task force recommended a realignment of responsibility, clarification of areas of responsibility and transfer of some transportation facilities from the state to local governments to enable DOT&PF to more clearly focus on strategic statewide needs.

What criteria defines appropriate state responsibility for transportation services? And, should the service life (life expectancy) and jurisdictional responsibility be determined before construction financing is approved?

ISSUE AREA: DEMOGRAPHIC AND ECONOMIC GROWTH

The strategic planning process must also start with a review of factors affecting the state's future mobility needs. Many of these trends are demonstrated in the changing patterns of people and the movement of goods. The state has a history of rapid growth, both in population and the economy, punctuated by periods of short, but severe declines. Major population shifts are often associated with these cycles, both within the state and into and out of the state. Possible consequences of these changes include increases in the growth of personal travel and tourism and growth in demand for specialized transportation services and improved transportation amenities

Population Migration and Growth

In the last fifteen years, the population of Alaska has grown at an average annual rate of 4 percent (Alaska Department of Labor). Alaska's rate of increase during the decade was the third highest among all states, but the population remains at just over half a million people (537,800).

Alaskan mobility is characterized by population migration within the state and population migration between the states. Anchorage held 57 percent of the state's total population in 1987, compared to 48 percent in 1960. Young adults have been the most mobile, as is true elsewhere. The pattern of intrastate and interstate migration during the last twenty years has markedly changed the regional distribution of population, with the population concentrating in the Anchorage/Southcentral urbanized region.

Net migration flows are difficult to predict, but clearly are related to the relative growth rates of employment opportunities in Alaska compared to the other states. The average absolute value of net migration as a percentage of population was 2.94 percent from 1974 to 1987. The gross migration flows represent an even larger percentage of population, but net flows amounting to almost 3.0 percent per year can have a significant impact on the size of the population by the year 2000.

For the past 25 years, there has been a rising trend in the United States and in Alaska of the ratio of total employment to total population. Some of the reasons for this upward trend are the increased entry into the labor market of women, the rapid growth of the labor force due to the aging of the "baby boom" generation, and the changing structure of the United States economy.

It is expected that Alaska's population will grow very slowly between now and the year 2000, more slowly than the United States as a whole. Based on a total employment estimate of 294,829, the estimated population in 2000 is 575,100. That is a 1987-2000 annual growth rates of 0.52 percent. By comparison, the U.S. Bureau of Labor Statistics projected national population annual growth rate (moderate case) for the years 1986-2000 is 0.75 percent.

Growth rate comparisons are slightly distorted by the fact that, unlike the United States, Alaska was in a deep recession at the beginning of the forecast period (1987). The Alaska population fell in 1987 from 547,600 to 537,800. This situation has since reversed itself and Alaska continues to recover, while the rest of the nation enters a period of economic recession. Population changes in response to economic conditions generally lag economic changes because most people are not immediately mobile. But this reversal could have significant impact on the future population growth. A high growth scenario estimates an Alaskan population of 621,000 by the year 2000 a growth rate of 1.11 percent.

What actions will be needed to accommodate population migration and population growth?

Economic Development

The general economy of Alaska reflects its vast federal, state and native land holdings, government employment, military importance, natural resources, construction, tourism and agriculture. There is very little

manufacturing in Alaska. Most finished products must be transported to the state from the other states or foreign markets. Therefore, the condition of Alaska's transportation delivery system is a critical factor in enhancing the state's productivity and Alaska's ability to compete and survive in today's demanding economic environment.

The greatest number of jobs in 1989 was in the government sector (66,000) followed by seafood processing (9,000) and oil and gas mining (8,100). Employment is but one measure of activity within the state. In terms of labor force, there are some prominent patterns. Since 1950, the labor force participation rate of females has increased substantially. The retail trade and service sectors of the economy have high relative growth rates, and women comprise a relatively large part of employment in these sectors. There has been a trend toward early retirement. And, the unemployment rate has fluctuated seasonally and annually.

Development of Alaska's natural resources--fuel, energy, and minerals--take on national importance not only because of the energy crisis but also relative to unstable international markets and the international balance of payments deficit. While the availability of transportation does not assure development, it is a necessary condition and consideration for resource development.

Alaska's potential for petroleum production has been recognized for a long time. Exploration activities began early in this century, and in 1923, a large area in northern Alaska was designated Naval Petroleum Reserve #4. It was in the late 1950's and early 1960's that the first significant production began on the Kenai Peninsula in southcentral Alaska, and in adjacent waters of Cook Inlet. These developments were of moderate size and although they caused a flurry of local activity, had only a minor influence on the growth of the state as a whole. Then, with the discovery of oil on the North Slope and the Prudhoe Bay lease sale in 1969, Alaska entered fully into the age of petroleum. The state was catapulted into an entirely new phase of economic growth.

There are many natural resources in Alaska beyond oil and gas. According to the Mineral Industry Research Laboratory at the University of Alaska in Fairbanks, there are two "World Class" mineral deposits in the United States and both of them are in Alaska. One is found in the Kobuk Region east of Kotzebue, and the other is in a large band on the north side of the Alaska Range extending generally east from the Usibelli Coal Mine

toward Delta Junction. A resurgence in the minerals market continues to impact Alaska's mining industry.

In recent years, some of the most significant transportation improvements have involved the development of public/private sector partnerships (e.g. the 360-mile Dalton Highway built by oil interests, the 52-miles of Red Dog Mine Access Road being financed by the Alaska Industrial Development and Export Authority, and the \$1.3 million contribution by a trucking firm for the upgrade of the Klondike Highway to allow heavy-laden ore trucks to gain access from Canadian mines to the port of Skagway). In spite of these major capital improvements, future expansion of the transportation infrastructure for strategic economic development is in danger of stagnation because of the declining funds available for new capital construction.

Given the number and variety of available transportation improvements associated with economic development opportunities and competing demands for public funding to support those improvements, what actions should the department take to promote economic growth in Alaska?

ISSUE AREA: LAND OWNERSHIP AND USE

The issue of land ownership is an important key to the development of the state's transportation infrastructure. Specifically, if transportation systems are to be extended in Alaska, provision must be made for access and rights-of-way through various use classifications of federal lands.

Access

Transportation throughout much of Alaska is not adequate for anticipated needs in the future. Numerous corridors have been proposed to improve existing capabilities to move people, goods, forest and agriculture products, minerals, crude oil, natural gas, electricity and other commodities within Alaska. Each transportation and utility development has special requirements for location and a compulsion to take the shortest, more direct route possible. New corridors for public access across federal lands will be essential to development of resources.

What actions does the department need to take to preserve access corridors across federal lands?

Surveying, Mapping & Monumentation

Existing facilities including highway rights of way, airport boundaries, and public facilities are inadequately surveyed, mapped, and monumented. The result is that airport and highway property managers cannot effectively control encroachments and trespass, adjoining property owners cannot define their boundaries, and M&O forces are unable to determine the limits of their operation.

What level of surveying, mapping and monumentation should the department provide to adequately manage and operate facilities?

ISSUE AREA: FINANCIAL RESOURCES

Many of the facts about high state spending have become obscured by where the money has gone. Alaska conditions--huge area, small population, and harsh climate--do increase government costs in Alaska. Yet, those factors account for a relatively modest share of Alaska's higher spending. More important are the realities that Alaska has a number of unique transfer payment programs. Much of the increased state spending in recent years has been in transfer payments to individuals and local government--the Permanent Fund dividend program, the Longevity Bonus program, the Power Cost Equalization program, Revenue Sharing, Municipal Assistance Program, School Foundation, School Debt Reimbursement, Pupil Transportation, Aid to Families with Dependent Children, and Adult Public Assistance, among others.

Between 1981 and 1988 \$34 billion passed through the state general fund. Two-thirds of the total \$34 billion went for purposes other than state agency spending. This shift in government spending priorities--away from investment in the future and toward public consumption in the present--is at the root of some of our most important long-term economic difficulties. This is particularly true for "core" infrastructure development--streets and highways, mass transit, airports, ports and harbors, water and sewer systems, and gas and electrical facilities.

National economic experts agree there is a clear and compelling linkage between the amount of infrastructure investment and an economy's ability to increase its level of productivity. The state needs a rational, systematic approach for meeting its basic infrastructure responsibilities. More attention must be paid to the composition of government's expenditures, and particularly the effects various spending patterns may have on the state's private sector productivity. The private sector needs a good infrastructure to be competitive.

Transportation Budget

Unlike most states where user taxes and fees--motor fuel taxes, motor vehicle registration fees and other special taxes--are the funds used to support transportation system improvements, Alaska's user taxes and fees meet only a small fraction of the cost. The state receives approximately 85 percent of its general revenue from petroleum taxes and royalties.

Alaska's good fortune resulting from the oil finds of recent years is well-known. The wealth was so great at one time that the state eliminated personal income taxes. In early 1986, however, the price of oil dropped. Oil industry employment declined rather than increased, and the state government was in a tenuous financial situation. And then, in August, 1990, Iraq invaded Kuwait and oil prices soared once again.

Alaska has been through repeated episodes of exhilaration and anxiety as the price of oil moved up and down. Oil prices fluctuate because they are controlled by the Organization of Petroleum Exporting Countries (OPEC) cartel. The cartel assigns production quotas to each member, but when prices are high OPEC members exceed their quotas and when prices fall they cut production. So there is no stable price, but rather an endless cycling.

Transportation investment suffers from the inability of the current budgeting process to provide a stable source of funding for maintenance, replacement and capital improvements. The lack of stable funding hinders long-range planning and interferes with the delivery of transportation services to Alaskans.

What actions should the department take to pursue stable and adequate funding for capital development, replacement and operations?

Federal Program Receipts

In addition to the volatile state revenue picture, the state faces a potential decline of unknown magnitude in the federal contribution to the highway and aviation capital construction program. The statute that authorizes federal highway dollars expires in October, 1991 and it is recognized that the program as it exists today may be greatly changed. At the same time, reauthorization of the federal aviation construction program in 1992 could have a similar impact on the aviation construction program.

What state programs are needed to complement federal program receipts, particularly if they decline in the future?

Federal Program Criteria

Federal highway funds are restricted by federal mandate for capital improvements as well as planning, research and safety activities. Federal highway funds cannot be directed to maintenance activities. Airport improvement funds are available for airport development, airport planning and noise compatibility project. Like highways, routine maintenance work is not eligible for federal reimbursement. As a federal-aid recipient, it the responsibility of the state to preserve the transportation infrastructure through sound management of our capital assets.

What action does the department need to take to ensure that there is an adequate operating budget to maintain the federally-funded capital improvements?

User Fees

The psychological and symbolic nature of government and political authority create significant expectations on the part of the public. Once the state budget is moved to a higher level, the political and economic realities of the situation make it difficult to later reverse. The individual comes to assume that the provision of basic services is a "right" and that it is the "responsibility" of government to continue to provide these services. In the past decade, when petroleum revenues paid for almost everything, Alaska lost the link between what residents pay in taxes and what they receive in services. When citizens aren't aware of the cost of services, public spending is no longer restrained by a sense of the value of services provided.

An important principle of allocating responsibilities is that the "users" of services or infrastructure should pay their costs. Users may include a development company, subsequent developers attracted by the initial infrastructure investment, or the residents of the community who benefit from the improvements to the airports, road or harbors.

Currently, there is no clear view of who should pay for services at what level or what revenue sources should be tapped. Moreover, this results in major differences between the support that government subsidized transportation services provide to some users and the impacts that these users have on the system.

What role should user fees play in paying for state transportation services?

Deferred Maintenance

Responsibility for 270 airports and 5,500 miles of state highway is now spread among a maintenance force of 570 people (6/30/87) as compared to 661 people at the same point in time in 1985. Furthermore, the highway and aviation portion of the maintenance and operations expenditures dropped 24 percent from \$71.2 million in FY'86 to \$53.9 million in FY'87.

Since Alaska does not build the cost of operating and maintaining new and improved capital stock into the cost of construction, it is not surprising that operation and maintenance costs are not accurately reflected in the state budget. Current inadequate funding, combined with the addition of a significant number of lane miles to the road network, and increased traffic have placed increased demands on the maintenance budget. Alaska cannot continue to add to the transportation infrastructure without recognizing the need to add to the costs of government.

What should be the department standards for asset management--(replacement-vs-reconstruction)?

User Costs

While government's cost of maintaining a quality transportation system may seem high, the direct transportation costs to the user are also much higher. Last year, there were 4 billion vehicle-miles driven on

Alaskan roads. That represents \$1.3 billion spent annually by the public on highway transportation.

Data collected by the department indicates that 48 percent of Alaska's roads are in good condition, 42 percent are in fair condition, and 10 percent are in poor condition. A study by the World Bank shows that a poor road increases the user costs by 25 percent and a fair road increases the user costs by 10 percent. That means that poor roads are costing Alaskan motorists about \$30 million per year in vehicle operating costs.

Poor roads also mean slower driving speeds. Assuming \$10/hour for vehicle occupant costs, these slower speeds result in another \$12 million cost to the user. There are other sources of delay. About 8 percent of Alaska's roads are under construction each year. The estimated cost of delays on construction projects is about \$10 million annually.

Highway quality transportation infrastructure can easily reduce the user costs by 10 to 15 percent. Ideally, the department should manage its transportation systems to minimize the total costs (user costs and government's infrastructure costs) while maximizing the overall benefits. Too often, the cost of building and maintaining our transportation facilities is the sole decision-making criteria.

How actions does the department need to take to provide a cost-effective transportation network that minimizes both user costs and infrastructure costs?

System Expansion

Most of Alaska's Interstate Highways, Principal Highways, Minor Arterials and Major Collectors that link together Alaska's economic centers were built over the past 50 years. To meet long-term transportation needs, the state must anticipate and plan for expansion in the current system. The Western Access Road from the Interior to the Seward Peninsula, completion of the road to Cordova (Copper River Highway), and new access to Kantishna (Stampede Road) are among the most prominent. The Bradfield Canal Road and the Taku Highway could prove a valuable asset for tourism, recreation and international commerce (Canadian access to seaport).

In the aviation system, though it is not expected that a great number of new facilities will be constructed, it is anticipated that some resource

development areas may require new airports. Further, as demand for more economical air service in the villages increases, there will be a need to expand existing facilities to accommodate that demand.

Some important needs for transportation improvements are being ignored because our budget process discourages attention to statewide needs and programs. In particular, careful analysis of economic justification will lead to the conclusion that some extensions to our existing transportation system are warranted.

What process should the department recommend to help determine the system expansions needed?

Provision of Emergency Transportation Services

Probably one of the most critical services offered by any transportation system is emergency transportation. Whether it is for the transport of persons in need of emergency health care unavailable in their community or for the movement of emergency cargo such as medical equipment, food or special tools or equipment in the event of a disaster. Many of the state's transportation facilities and transportation providers have a role in mobilization and deployment of personnel and equipment in the event of emergency medical transport or natural disaster.

What changes should be made to department programs to identify short-term and long-term emergency transportation requirements, and to assure that the transportation system can fulfill its role in meeting those requirements in the event of a catastrophic disaster?

Provision of Transportation Services to Major Recreation Facilities

Alaska's outdoor recreation-oriented residents and the increasing numbers of out-of-state visitors desire and expect accessible outdoor recreation opportunities. Accessible public recreation areas are important to the state. While much of Alaska's future is difficult to predict because of its heavy ties to resource development, Alaska's picturesque scenery and exceptional hunting, fishing and camping opportunities continue to attract residents and visitors alike.

The Alaska Department of Natural Resources/Division of Parks and Outdoor Recreations is devising a number of strategies to reduce costs and increase revenue, maintaining the level of recreation opportunities and

serving as a catalyst for the outdoor recreation industry. One of the objectives proposed by the Alaska State Park System to increase the efficiency of state park system management is to enter into a cooperative agreement with the department to maintain park roads and parking areas.

What transportation services should be provided by the department to support the recreation industry?

ISSUE AREA: ENGINEERING/ENVIRONMENTAL CONSTRAINTS

The annual cost of administering, maintaining and improving the Alaska transportation system is above comparable national averages. This is due to Alaska's severe weather conditions, unusual foundation characteristics (permafrost), difficult terrain, restricted building and repair seasons, remoteness of many parts of the system and the high cost of materials, supplies, equipment and services.

Global Warming

The global warming theory has enormous implications in Alaska. Many roads and airports are built over permafrost that will become unstable if the climate warms. A series of warmer than normal winters has already had an effect in marginal permafrost areas.

What alternatives need to be considered to accommodate trends in global warming?

Design Standards

Rigid design standards directly govern project financing and feasibility. These standards can impose unnecessary costs and prevent the state and local governments from pursuing the most cost-effective options in construction. At the same time there is a need to introduce innovative techniques in construction and maintenance to build a system which lasts longer with less maintenance.

What design standards should change to encourage innovative solutions to Alaska's special transportation needs?

ISSUE AREA: REGULATORY POLICIES

State and federal laws and regulations describe established national and state policy for transportation. These laws and regulations stipulate requirements to be met in transportation planning and, therefore, they form an important basis for the planning program. A significant issue that must be addressed is how can we best balance environmental concerns and what role should the department play in doing so?

National Environmental Policy

Spurred by policies set forth in the National Environmental Policy Act and other environmental legislation, federal, state, and local policy makers have become increasingly concerned with the effects of their decisions on environmental quality. Many aspects of transportation have adverse effects on the environment. The need to clean up toxic conditions on or near transportation properties and to replace leaking fuel tanks is posing more concerns for the health and safety of the public. The astronomical cost to clean up hazardous wastes and the need to meet fuel storage and monitoring requirements could adversely affect the future development of the transportation system.

The problems receiving the most attention today relate to the environmental damage associated with the use of transportation facilities. These issues, ranging from air and noise pollution to tanker spills, will continue to shape the future of transportation. Transportation activities generate noise and congestion. Transportation is a major contributor to air pollution, including emissions of carbon monoxide and a variety of other pollutants, even in Alaska. Transportation cannot avoid affecting the environment, but a major goal must be to minimize the negative side effects.

Existing laws already require assessment of the effects of significant actions on the environment, special attention to air pollution, and protection of wetlands and coastal zones. The Clean Air Act requires the EPA to enforce vehicle and equipment maintenance standards to preserve emission control performance.

The Environmental Protection Agency (EPA) is intensifying its enforcement of wetlands regulations, and transportation agencies are required to mitigate wetland losses by creating new wetlands, often in

substantially greater amounts than are lost in taking of the rights-of-way. The Corps of Engineers and the U.S. Department of Transportation (USDOT) also exercise regulatory responsibilities relating to wetland preservation. The USDOT, in coordination with other agencies, is developing guidelines for carrying out the "no net loss" goal with respect to the effects of transportation on wetlands.

What can the department do to balance the conflicting demands for a quality environment with the need for an efficient transportation system?

FAA Security/Safety Programs

FAA regulations require that the state maintain a specified level of security at state-owned and operated airports which receive scheduled service by aircraft having a passenger seating configuration of more than 30 seats. Amendments to 14 Code of Federal Regulations (CFR) Part 107, the regulation governing airport security, are resulting from an increased national emphasis on the need to improve security at airports. The requirements of the revised regulations, together with stricter interpretation by the FAA of existing regulations, will continue to result in increased operating and capital costs at many rural airports throughout the state. These include, for example, Part 107 fencing and access control requirements and law enforcement officer (LEO) response requirements.

In addition, Part 139, the federal regulation which governs airport certification and operation for airports served by aircraft having a seating capacity of more than 30 seats, may be expanded by Congress to apply to airports receiving service by aircraft with 10 passenger seats or more. This could potentially impact an additional 48 state-owned airports and would result in increased capital and operating costs for Airport Rescue & Firefighting (ARFF) vehicles and associated personnel costs, safety fencing, etc.

The State of Alaska has, in the past, received waivers from the FAA for many of the more stringent regulatory requirements. Current efforts to extend these waivers to apply to the revised regulations have been unsuccessful. If the department is forced to comply with the more stringent regulatory requirements, our operating costs at many airports would increase substantially.

What course of action should the department pursue to comply with the more stringent federal regulatory requirements at certificated airports?

Utility Relocation

Currently the state pays to relocate utilities within the state right-of-way that are in conflict with construction projects. Alaska is the only state that entirely funds the cost of utility relocation with highway construction funds. This expense often represents a significant financial burden to the overall construction cost.

What responsibility does the department have for the financial burden of relocating utilities in state right-of-way?

Motor Carrier Regulation

Regulation of the trucking industry has an impact on the transportation system of the state and the delivery of goods. The state imposes registration requirements on motor carriers operating within the state, and requires various billing and reporting requirements. The state also issues permits for oversize and overweight truck movements.

Under the established domestic weight limits for moving freight on state highways, significant numbers of overweight containers are being shipped over those roads, causing additional wear and safety concerns, without adequate contribution in highway user fees to compensate. Stricter enforcement of weight limits could alleviate the problems somewhat, but questions of incentives and liability for overweight shipments would still remain.

What position should the department take regarding heavy vehicle usage on highways?

ISSUE AREA: POLITICAL ENVIRONMENT

Transportation is vitally important to the social and economic well-being of Alaskans. The public side of the Alaska transportation system--highways, airports, ferries and harbors--is a fragile network and the responsibility to keep the system up and operating safely and efficient is great. Changes in the relative technical and financial capabilities of state and local governments and private interest, and competing priorities for resources have altered people's expectations and focused attention on the roles of the private and public sectors.

Public-Private Partnership

State and local governments provide the major share of public sector transportation financing. They also build and maintain facilities such as roads, and airports, in addition to operating and managing ports and rail services.

The private sector has responsibility for providing most transportation services--operating the trucks and airlines, intercity buses, pipelines, marine vessels, and other commercial vehicles carrying people and goods. Cargo terminals and piers generally are owned and operated by private firms. Private companies also own and maintain the extensive network of gas, oil, and chemical pipelines. There are additional areas in which private capital investment in transportation would be both profitable and in the public interest.

The mixed system of ownership and financial and operating responsibility in transportation is complicated. But this mix of public and private sector participants can contribute to the state's ability to use resources efficiently and respond quickly and effectively to ever-changing demands.

State and local governments across the country are working with the private sector to build new highways as toll roads, with private sector involvement that ranges from financing and managing construction to owning and operating the roads. Integration of trucking companies, shipping lines, and air carriers has improved the productivity and attractiveness of many services. Innovative approaches to managing and financing transportation are emerging that can attract additional investment to transportation.

What transportation responsibilities in the state might be better borne by the private sector and improve the efficiency with which we use our transportation system?

ISSUE AREA: AVAILABILITY OF ENERGY FOR TRANSPORTATION

The future of transportation is tightly linked to the future of world energy markets, particularly petroleum. Although there have been significant gains in energy

efficiency in transportation, consumption continues to grow. Reliance on petroleum persists.

During the 1981 to 1987 period, motor vehicle travel in Alaska increased 62 percent, airport enplanements increased by 25 percent and Marine Highway System passengers were up by 9 percent. Furthermore, the lane-miles of state highway increased 12 percent, thereby increasing the demand for energy consumption. Although improvements in fuel efficiency have made an important contribution to energy conservation in transportation, the overwhelming reliance on petroleum for meeting the demands of the transportation sector is expected to continue into the foreseeable future.

The role of the department to resolve energy concerns is limited. However, priorities established and actions taken in the planning and development of transportation facilities and services by the state can have a sizeable impact upon use of available transportation energy within the state.

What programs should the department develop to help conserve energy used for transportation within the state?

ISSUE AREA: SPECIAL TRANSPORTATION NEEDS

Some Alaskans--especially the elderly, disabled, and low-income--have special transportation needs that are unmet. Many of these persons are unable to use automobiles and do not have alternative forms of transportation available to them. Various programs have been implemented in some areas to make facilities more useable and provide specialized services to more adequately meet the needs of these individuals. Significant architectural barriers remain that have an affect on their mobility.

The U.S. Congress recognized the need for public transportation for physically and mentally disabled persons in the 1970 and 1974 amendments to the Urban Mass Transportation Act of 1964. Additional Congressional interest in improving the travel environment for persons with disabilities was expressed in the Rehabilitation Act of

1973, which prohibits discrimination on the basis of handicap in federally assisted and administered programs. The Air Carrier Access Act of 1986 requires the U.S. Department of Transportation to issue regulations prohibiting discrimination in air travel on the basis of handicap.

What can the department do to better respond to the special needs of elderly, disabled and low-income travellers?

A Test for Defining Strategic Issues

QUESTION	INTUITIVE TEST			COMMENT
	L	M	H	
GEOGRAPHY				
Should the department adopt minimum service guidelines for implementing its programs?				
What action is needed to ensure Alaska's infrastructure supports participation in the global marketplace?				
What actions need to be taken to improve intermodal connections?				
What actions need to be taken to improve capital choices between modal investments?				
JURISDICTIONAL RESPONSIBILITY				
What criteria defines appropriate state responsibility for transportation services?				
Should the service life (life expectancy) and jurisdictional responsibility be determined before construction financing is approved?				
DEMOGRAPHIC AND ECONOMIC GROWTH				
What actions will be needed to accommodate population migration and population change?				
What actions should the department take to promote economic growth in Alaska?				
LAND OWNERSHIP AND USE				
What action does the department need to take to preserve access corridors across federal lands?				
What level of surveying, mapping and monumentation should the department provide to adequately manage and operate facilities?				
FINANCIAL RESOURCES				
What actions should the department take to pursue stable and adequate funding for capital development, replacement and operations?				
What state programs are needed to complement federal program receipts, particularly if they decline in the future?				
What action does the department need to take to ensure that there is an adequate operating budget to maintain federally-funded capital improvements?				
What role should user fees play in paying for state transportation services?				
What should be the department's standards for asset management—(replacement-vs-reconstruction)?				

What actions does the department need to take to provide a cost effective transportation network that minimizes <u>both</u> user costs and infrastructure costs?				
What process should the department recommend to help determine the system expansions needed?				
What changes should be made to department programs to identify short-term and long-term emergency transportation requirements, and to assure that the transportation system can fulfill its role in meeting those requirements in the event of a catastrophic disaster?				
What transportation services should be provided by the department to support the recreation industry?				
ENGINEERING AND ENVIRONMENTAL CONSTRAINTS				
What alternatives need to be considered to accommodate trends in global warming?				
What design standards should change to encourage innovative solutions to Alaska's special transportation needs?				
REGULATORY POLICIES				
What can the department do to balance the conflicting demands for a quality environment with the need for an efficient transportation system?				
What course of action should the department pursue to comply with the more stringent federal regulatory requirements at certificated airports?				
What responsibility does the department have for the financial burden of relocating utilities in state right-of-way?				
What position should the department take regarding heavy vehicle usage on highways?				
POLITICAL ENVIRONMENT				
What transportation responsibilities in the state are better borne by the private sector and improve the efficiency with which we use our transportation system?				
AVAILABILITY OF ENERGY FOR TRANSPORTATION				
What programs should the department develop to help conserve energy used for transportation within the state?				
SPECIAL TRANSPORTATION NEEDS				
What can the department do to better respond to the special needs of elderly, disabled and low-income travellers?				

STRATEGIC ISSUES

I. ECONOMIC DEVELOPMENT

What actions should the department take to support economic growth in Alaska?

- a. What action is needed to ensure Alaska's infrastructure supports participation in the global marketplace?
- b. What actions does the department need to take to preserve access corridors across federal lands.
- c. What process should the department recommend to help determine the system expansions needed?
- d. What transportation services should be provided by the department to support specific development (e.g., recreation)?

II. FINANCIAL RESOURCES

What actions should the department take to pursue stable and adequate funding for capital development, replacement and operations?

- a. What state programs are needed to complement federal program receipts, particularly if they decline in the future?
- b. What actions does the department need to take to ensure that there is an adequate operating budget to maintain capital improvements?
- c. What role should user fees play in paying for state transportation services?
- d. What actions does the department need to take to provide a cost effective transportation network that minimizes both user costs and infrastructure costs?
- e. What design standards should change to encourage innovative solutions to Alaska's special transportation needs (i.e. demands of heavy vehicle usage on highways, etc.)?

III. TRANSPORTATION RESPONSIBILITY

What criteria defines appropriate state responsibility for transportation services?

- a. Should the service life (life expectancy) and jurisdictional responsibility be determined before construction financing is approved?
- b. What transportation responsibilities in the state are better borne by the private sector and improve the efficiency with which we use our transportation system?
- c. What responsibility does the department have for the financial burden of relocating utilities in state right-of-way?
- d. Should the department adopt minimum service guidelines for implementing its programs (e.g., not only capital improvements but maintenance and operations, as well).

IV. ENVIRONMENTAL AND REGULATORY POLICY

How should the department respond to the changing federal and state regulatory environment?

- a. What can the department do to balance the conflicting demands for a quality environment with the need for an efficient transportation system?
- b. What course of actions should the department pursue to comply with the more stringent federal regulatory requirements at certificated airports?
- c. What programs should the department develop to help conserve energy used for transportation within the state?
- d. What can the department do to better respond to the special needs of elderly, disabled and low-income travellers?

WHY PLAN FOR THE FUTURE?

The difference between Alaska and the rest of the nation is that the majority of Alaska's communities are not connected by a road system. Remoteness, water barriers and difficulty traversing the terrain have made road connections either impossible or inordinately expensive. As a result, Alaska relies on a multi-modal system of ferries, airports and roads to meet its needs.

While service needs and statutory responsibilities have continued to increase, revenues to support this diverse system have declined in both absolute and real terms. The department's challenge is to find ways to ensure the provision of high quality services in an era characterized by continuing cost increases and declining revenues.

To meet this challenge the department initiated preparation of a State Transportation Plan. This project is being undertaken to identify the key issues which are likely to impact services and performance in the near future. This action is essential if the department is to identify a strategy that meets transportation needs in the future.



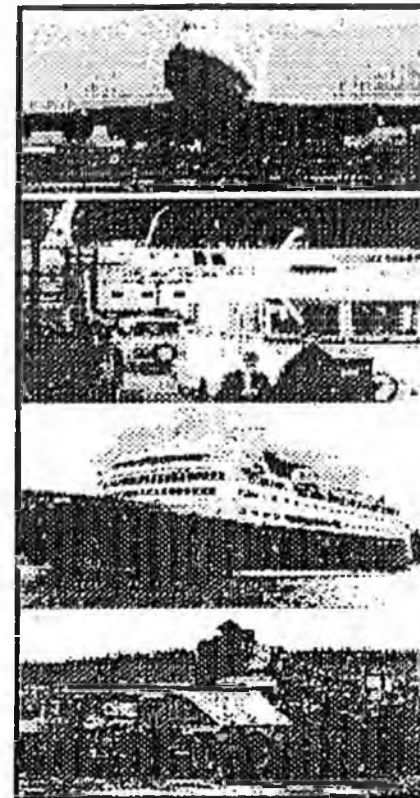
For more information contact:
M. Clyde Stoltzfus
Chief, Strategic Management, Planning
and Policy
Department of Transportation and
Public Facilities
P.O. Box Z
Juneau, Alaska 99811
(907) 465-3900

February 1991



Department of
Transportation and
Public Facilities

State Transportation Plan



PUBLIC & AGENCY
PROCESS

*What is in store for our Roads,
Airports, and Harbors?*

Frank G. Turpin
Commissioner



DOT&PF
State Transportation
Plan

NEW DIRECTIONS
NEW OPPORTUNITIES

The Alaska Department of Transportation and Public Facilities is one of the most comprehensive transportation agencies in the United States. The department has responsibility for 5,500 miles of roads, two international airports, 270 smaller airports, a fleet of ferry vessels, 80 docks and harbors and 500 public buildings.

In Alaska, problems relating to our transportation system are becoming so complex and so costly that we must face up to the situation if we are to survive economically. It is no longer a matter of trying to get "a little more for a little less". We must plan for the future.

A long-range plan is important since it can identify priorities for funding so that in future years the department can focus limited state and federal financial resources where state government responsibility is most appropriate, and where the greatest public benefit can be achieved.

WHAT ARE THE MOST CRITICAL ISSUES WE MUST FACE?

There is no simple, permanent solution to the problems that we face. To manage a department so complex, an endless series of choices must be made. There will be difficult tradeoffs in the future allocation of our limited transportation resources.

Four areas have been identified by the department as key to the development of the future transportation system. The goal in preparation of a State Transportation Plan is to identify a range of options that might be appropriate to deal with these issues.

ECONOMIC DEVELOPMENT

What should we do?

What actions should the department take to support long-term economic growth, development and to help diversify our oil-dependent economy?

**ENVIRONMENTAL AND
REGULATORY POLICY**

How do we proceed?

What actions should the department take to minimize the impact of state and federal laws and regulations on the cost of development of the transportation system while still maximizing the benefits of an efficient transportation system?

FINANCIAL RESOURCES

How do we pay?

What actions should the department take to create stable and adequate funding sources so that a sound financial base for transportation capital improvement programming, as well as maintenance and replacement of facilities can be developed?

**TRANSPORTATION
RESPONSIBILITY**

Who should do what?

What actions should the department take to define "appropriate state responsibility" for transportation services and what can be done to facilitate the transfer of transportation facilities in which there is "no compelling state interest" to local government?

WHAT IS IN STORE FOR OUR ROADS, AIRPORTS AND HARBORS

OPEN HOUSE

Sponsored by the Alaska Department of Transportation and Public Facilities

WELCOME!

This is an informational open house. There is no scheduled activity. This time is provided for you to talk, listen, read, review, write comments, and look around as long as you wish. Representatives from the Department of Transportation and Public Facilities have on name tags. They are here to provide you with information and answer your questions.

The department is interested in receiving your comments regarding four important questions:

"WHAT SHOULD WE DO?" What actions should the department take to support economic growth in Alaska given the number and variety of available transportation improvements associated with economic development opportunities and competing demands for public funding to support those improvements?

"HOW DO WE PAY?" What actions should the department take to pursue stable and adequate funding sources so that a sound financial base for transportation capital improvement programming, as well as maintenance and replacement of facilities can be developed?

"HOW TO PROCEED?" What actions should the department take to minimize the impact of state and federal laws and regulations on the cost of development of the transportation system while still maximizing the benefits of an efficient transportation system?

"WHO SHOULD DO WHAT?" What actions should the department take to define "appropriate state responsibility" for the provision of transportation services and what can be done to facilitate the transfer of transportation in which there is "no compelling state interest" to local government?

It is our goal to identify a range of options that might be appropriate and select a future course of action that will best improve the quality of transportation services provided to you. With your help we can explore new solutions to our problems.

YOUR COMMENTS

A table is set up with a "COMMENT FORM". You may complete the form here, or you may take your form home and mail it to Janet George, Project Manager, Department of Transportation and Public Facilities, P.O. Box 196900, Anchorage, AK 99519-6900. Please return your comments by March 15, 1991. If you prefer, call Janet at 266-1442 with your comments.

STATE TRANSPORTATION PLAN COMMENT FORM

Name: _____

Address: _____

City: _____

"WHAT SHOULD WE DO?"

ECONOMIC GROWTH: What actions should the department take to support economic growth in Alaska given the number and variety of available transportation improvements associated with economic development opportunities and competing demands for public funding to support those improvements?

"HOW DO WE PAY?"

FINANCIAL RESOURCES: What actions should the department take to pursue stable and adequate funding sources so that a sound financial base for transportation capital improvement programming, as well as maintenance and replacement of facilities can be developed?

"HOW TO PROCEED?"

ENVIRONMENTAL AND REGULATORY POLICY: What actions should the department take to minimize the impact of state and federal laws and regulations on the cost of development of the transportation system while still maximizing the benefits of an efficient transportation system?

"WHO SHOULD DO WHAT?"

TRANSPORTATION RESPONSIBILITY: What actions should the department take to define "appropriate state responsibility" for the provision of transportation services and what can be done to facilitate the transfer of transportation in which there is "no compelling state interest" to local government?

(Please use additional pages if necessary)

Janet George, Project Manager
Alaska Department of Transportation and Public Facilities
P.O. Box 196900
Anchorage, AK 99519-6900

STATE TRANSPORTATION PLAN Meetings & Open Houses

Community	Date	Time	Meeting
Unalaska	January 31	10:30 a.m.	Meeting with Paul Fuhs, Mayor, City of Unalaska and Polly Prchal, City Manager/DOT&PF Conference Room
Mat-Su Borough	February 7	2:00 p.m.	Meeting with Dorothy Jones, Mayor, Don Moore, Manager, and Roy Carlson, Public Works Director
Nome	February 11	7:30 p.m.	Presentation to the Nome City Council/Nome City Council Chambers
	February 12	10:00 a.m.- 1:00 p.m.	Open House for the Nome Area/Nome City Council Chambers
Kotzebue	February 12	6:00 p.m.- 8:00 p.m.	Open House for the Kotzebue Area/Kotzebue City Council Chambers
	February 13	9:00 a.m.- Noon	Open House for the Kotzebue Area/Kotzebue City Council Chambers
Kodiak	February 14	Noon	Presentation to the Kodiak Chamber of Commerce/RESCHEDULED DUE TO WEATHER
	February 14	2:00 p.m.- 5:00 p.m.	Open House for the Kodiak Island Borough/RESCHEDULED DUE TO WEATHER
Ketchikan	February 19	2:00 p.m.	Presentation to the Ketchikan Area Transportation Study Committee including Mayors from the City of Ketchikan, City of Saxman, and Ketchikan Borough
	February 19	5:30 p.m.	Presentation to the Ketchikan Borough Assembly
Bethel	February 21	Noon	Presentation to the Bethel Chamber of Commerce
	February 21	2:00 p.m.	Meeting with City of Bethel: Manager, Public Works Director, Chief of Police, Fire Chief, Harbormaster
	February 21	5:00 p.m.- 7:00 p.m.	Open House/Bethel City Conference Room
Alaska State Chamber of Commerce	February 22	Noon	Distribute Open House Meeting Notice following presentation by Dennis Nottingham, Alaska Highway Users Federation
Anchorage	March 4	11:00 a.m.- 6:00 p.m.	Open House/DOT&PF Main Conference Room
Barrow	March 6	3:00 p.m.- 7:00 p.m.	Open House/North Slope Borough Chambers
Fairbanks	March 7	7:00 a.m.	Presentation to the Fairbanks Chamber of Commerce/Transportation Committee
	March 7	3:00 p.m.- 7:00 p.m.	Open House/North Star Borough Chambers
Southwest Cities	March 13	11:00 a.m.	Presentation to the Southwest Municipal Conference/Transportation Committee (in Anchorage)
Anchorage	March 20	2:00 p.m.	Presentation to the Anchorage Metropolitan Area Transportation Study Technical Committee
Kodiak	March 21	Noon	Presentation to the Kodiak Chamber of Commerce (Rescheduled)
	March 21	3:00 p.m.- 7:30 p.m.	Open House for the Kodiak Island Borough (Rescheduled)
Juneau	April 9	7:00 p.m.	Presentation to the Juneau Planning Commission

STEVE COWPER, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

P.O. BOX 2
JUNEAU, ALASKA 99811-2500
PHONE: (907) 465-3900

OFFICE OF THE COMMISSIONER

September 21, 1990

Mr. Frank Turpin, President & CEO
Alaska Railroad Corporation
421 W. 1st Avenue
Post Office Box 107500
Anchorage, AK 99510-7500

Dear ~~Mr.~~^{FRANK} Turpin:

The Alaska Department of Transportation and Public Facilities (DOT&PF) is one of the most comprehensive and diverse transportation agencies in the United States. Yet, it has been almost a decade since we have taken a look at a state transportation plan.

The department has responsibility for planning, constructing and operating roads, the international airports, most regional and feeder airports, a fleet of ferry vessels, ports and harbors, public buildings, and rail and transit system support. In the past, we have dealt with our transportation system and our public facilities too often as if they were all operating in isolation. However, the relationships are very intricate. We need to recognize these relationships and enhance opportunities for state development and economic growth.

The 1989-90 DOT&PF Management Plan redefined the overall mission of the department and identified the need to develop a long-range, multimodal state transportation plan as a high priority. The intent is to focus on the fundamental responsibilities of the department so that investments and resource allocations are made wisely in the future. The plan will include all transportation modes (aviation, highway, marine, pedestrian, public transportation, pipelines, and railroad services).

A long-range plan is important since it can identify priorities for funding so that in future years the department can focus limited state and federal financial resources where state government responsibility is most appropriate, and where the greatest public benefit can be achieved. We feel it is important that we involve other agencies in this effort, since the relationship between transportation facilities, land use, economic development, urban and rural development and environmental protection is so significant.

September 21, 1990

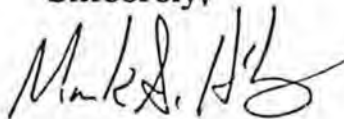
Overall responsibility for preparation of the state transportation plan is being shared by M. Clyde Stoltzfus, Chief, Office of Strategic Management, Planning and Policy, and Kit Duke, Regional Director, Central Region. The preparation of the document is to be aided by the help of a technical committee of department personnel. Sandi Anderson, DOT&PF Alaska Railroad Coordinator, has been appointed a member of the technical committee. A draft of the plan is to be available in January. The draft document will be used to help facilitate the transition to the new administration. Publication of the statewide transportation plan will not end with this effort. The plan is to become a biennial activity of the department, better communicating information on development needs to the Governor, the Legislature, and the public.

A critical factor in enhancing the state's productivity and Alaska's ability to compete and survive in today's demanding international economic environment is the condition of our transportation delivery system. In Alaska, the desire is for extension and expansion of the transportation system to provide the infrastructure needed to unlock the mineral resources of the state, in which expansion of the rail mode has an important role to play. While the Alaska Railroad operates as a separate entity under the auspices of the Alaska Department of Commerce and Economic Development, we share the common goal of a well-coordinated and responsive transportation system for the benefit of the state. For this reason, the railroad's participation in this effort is very important to us.

Over the course of the next few months there will be a variety of opportunities to exchange information and discuss issues regarding the transportation plan. It is our intention to distribute key documents for interagency review and comment. Please let me know if there is a contact person at the Alaska Railroad that you can appoint to work with us on this project in addition to Sandi. A well-coordinated interagency effort can help define realistic strategies for future management of our entire transportation system.

If you have any questions regarding the planning project, please call Clyde (465-3900) or Kit (266-1440).

Sincerely,



Mark S. Hickey
Commissioner

cc: M. Clyde Stoltzfus, Chief, Office of Strategic Management,
Planning and Policy, DOT&PF
Kit Duke, Regional Director, Central Region, DOT&PF
Sandi Anderson, Alaska Railroad Coordinator, DOT&PF

**DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
STATE TRANSPORTATION PLAN
PUBLIC INVOLVEMENT PROGRAM**

As part of the process in development of the State Transportation Plan, a strong public involvement effort was initiated. During February and March, comments were solicited from consumers, labor, business, government agencies, elected officials, environmental groups and many others to help identify options to address the four key issues. This was done by:

- Publication of a newsletter distributed to more than 300 community leaders and organizations throughout the state.
- A series of open houses held at various locations throughout the state.
- Establishment of an Inter-agency Review Committee.

The department received many comments on a wide variety of topics. The following summary is not intended to represent them all. The items included here are only those which speak most directly to the four issues of primary concern in the current study effort. We paraphrased to the best of our ability the comments received.

Many participants, especially other state agencies, expressed strong support for a serious, multi-modal, long-range planning effort for provision of transportation services and facilities. The consensus among participants was that the transportation infrastructure is falling apart. There is concern for the fiscal capability of all parties, including local governments, to be able to physically preserve and upgrade the existing system within existing means. Specific concerns include:

ECONOMIC DEVELOPMENT

Public Meeting Participants

There is no formal connection between economic development decisions and transportation planning. Participants expressed concern about the need for a formal statewide strategy to address economic growth.

Public Recommendation: *Coordinate with DCED, DNR, DCRA, AIDEA and ARR to assure that the capacity and potential of Alaska's surface transportation facilities support "designated" growth areas. Transportation infrastructure improvements should be done in support of economic development initiatives developed by other agencies/organizations.*

Many people/organizations believe their communities would benefit economically from having DOT&PF build access to potential sites of developable resources, or transportation links with other developed areas.

Public Recommendation: *Coordinate and undertake improvements in facilities and services that maximize the benefits of energy-efficient and cost-effective goods movement.*

There is an understanding that growth creates a demand for transportation, and new transportation facilities can, in turn, increase pressure for development on adjacent land. Striking the proper balance between desired land-use patterns and needed transportation facilities and services is a growing concern for those involved in city/village, regional, and state planning and development.

Public Recommendation: *To be effective, land use and transportation planning must be connected. There should be a defined relationship between local, regional, and state transportation plans.*

Enhancement of existing transportation facilities to support economic development was a strong theme in many areas and from many people. We heard that the poor condition of roads and runways was stalling development. Maintaining air service to small communities is a major concern.

Public Recommendation: *Preservation of the state's existing surface transportation system should be the primary goal of any future transportation program since it is this system which provides the basic network upon which the economic health and international vitality of the state depends.*

Small, local, relatively low cost enhancements could provide some opportunities for private investment in resource development. Pertinent to the enhancement theme were comments recommending we look closely at the use of "appropriate technology" for facilities to provide "basic access."

Public Recommendation: *Flexible standards which are more compatible with local needs should be developed.*

Preservation of a water transportation system should be a primary goal of the state since the water mode is part of the intermodal movement of goods which supports the state's economic strength.

Public Recommendation: *Funds generated by water transportation-related activities (from user fees, etc.) should be returned to the water transportation industry. Clear priorities should be established for state investments in ports and harbors development. A state policy is needed to guide state, regional and local efforts in a manner that will encourage the development of projects that best serve the interests of the state.*

One concern was voiced in several rural communities which are reliant on air transportation. DOT&PF's policies for management of its properties have a significant influence in the operation of "supply and demand" for private sector providers of transportation services. It appears that incognizance of this fact has resulted in a pricing structure which may not be in the public interest.

Public Recommendation: *Manage state-owned highway, marine, and air properties to assure maximum public benefit--including sale of surplus properties, use of market-rate rentals where appropriate, and examine airport administration.*

An overriding theme which emerged is that a single development strategy is not appropriate for such a large, diverse state as Alaska. A state of contrasts--a resources rich state (fisheries, forests, and minerals) and a land of natural beauty and recreational attractions--Alaska each year attracts an increasing number of visitors. Yet, there is tremendous geographical disparity in the distribution of resources and wealth.

Public Recommendation: *Any economic development strategy or infrastructure plan to support development will need to be a composite of various smaller strategies which are tailored to the needs of various geographical regions.*

State Agency Reviewers

All of the agency participants are enthusiastic that DOT&PF is undertaking a coordinated multi-agency planning process. Most of the state agencies commented that DOT&PF's role in specific resource or community development strategies is supportive, with other state agencies developing economic growth plans.

The Department of Commerce and Economic Development (DCED), the Department of Natural Resources (DNR) and Community and Regional Affairs (CRA) provided recommendations for addressing the economic goals of transportation infrastructure planning:

DCED & DNR Recommendations: *Emphasize future planning for resource development related access to state lands over short term planning. Use Alaska Regional Development Organizations (ARDORs) for perspective on the economic utility of transportation proposals. Develop project ranking criteria focused on investment opportunities; the criteria should be reviewed by a working group of state, industry, and community representatives.*

Additionally, DOT&PF should work with the Jones Act, exploring exemptions, such as for the Yukon River, for sea transport options and exploring the possibilities for repeal. We should work actively to assert Alaska's rights under RS2477 to obtain fee simple title to these rights-of-way, and work with DNR's land selection process toward additional state ownership. DNR believes we should focus on providing trunk routes for resource development purposes--multimodal if possible--with feeder routes to communities wanting them.

Specifically, DOT&PF is urged to take actions which promote Alaska in the international market (including consideration of transshipment staging areas to make Alaska a hub in Pacific Rim transport of goods), supporting the opening of a Northern shipping route, and exploring expansion of our transportation links with Canada, especially through Southeast Alaska.

CRA Recommendations: *DOT&PF should address site control by comprehensive local/regional planning and work toward more flexible federal land ownership/transfer mechanisms. Examples include airport relocations and upgrades, easements, and staff for planning. The Local Service Roads & Trails program for rural communities should be reestablished. Their success was due to not having extensive design standards, ROW, etc. This comment echoed the appropriate technology concept voiced at the public meetings.*

The Departments of Fish and Game (F&G) and Community and Regional Affairs provided some additional cautions to be considered in planning transportation infrastructure:

F&G Recommendations: *DOT&PF should emphasize long term stability over short term economic growth. Additionally, planning should include economic least-cost alternatives, with costs including fish and wildlife related tourism and recreation, environmental impacts, subsistence use interests, etc. Specific objectives/policies were offered which DOT&PF could incorporate to address F&G interests. They also urged that long term maintenance of facilities be adequately funded.*

CRA Recommendations: *Criteria for decision-making regarding capital investments should include social goals (basic transportation service) and*

generation of development, as well as economic feasibility. Transportation corridor decisions should consider social and economic impacts to owners and residents (subsistence, etc.).

FINANCIAL RESOURCES

Public Meeting Participants

Alaska is faced with a gap between the needs of the transportation system and the revenues anticipated to meet these needs. The large gap between revenues and needs indicates that a greatly increased effort is needed to keep the existing system from falling into a worsened state of disrepair. Of great concern is the fact that postponement of needed rehabilitation work will greatly increase the costs of repairs when they are eventually undertaken.

The public generally voiced support for drawing a connection between the costs of transportation system maintenance and operations, and revenues collected from user fees.

Public Recommendations: *The department should identify funding mechanisms to support the continuing development and maintenance of highways, airports and harbors and promote partnerships with government and community groups to strengthen the funding, construction and maintenance of the transportation system.*

User and benefiter fees, set at an appropriate level to cover the economic cost of the transportation facilities provided, should be dedicated to funding transportation improvements.

DOT&PF should work with local governments to promote balanced taxing and funding mechanisms to support the construction and maintenance of state and local transportation systems.

Attention to use of "appropriate technology" for transportation facilities could make construction and maintenance money go farther. There is interest in reinstating the Local Service Roads & Trails program.

Public Recommendation: *Provide technical information, facilitate local and regional trail development, and cooperate with other state agencies' trail initiatives.*

There are opportunities for substantial savings from timely highway maintenance that reduces ultimate replacement and reconstruction costs. Supporting programs of effective and timely maintenance and improvements can affirm public confidence that payments for infrastructure are well managed.

Public Recommendation: *Routine, continuous pavement maintenance programs need to be established to preserve the state's investment in infrastructure.*

State Agency Reviewers

DCED Recommendations: *Design standards should be amended to give priority to highest potential use system additions, and should be lowered for specific user needs where possible. Commitment to commercial user fees should be obtained prior to construction. DOT&PF is also urged to investigate the federal "aviation trust" account for potentially greater support funding.*

DNR Recommendations: *The gas tax approach to funding is appropriate, and toll roads should be considered where appropriate. The DOT&PF should, however, analyze dedicated funds carefully before committing the state to a fixed percentage. We should consider a state lottery for highway expansion, and private industry should build and maintain some components--especially bridges, ports, railroad, pipelines, airports, ice roads.*

F&G Recommendations: *DOT&PF should seek new sources of revenues. F&G provided an interesting list of possibilities.*

CRA Recommendations: *The financial discussion should address the influence of DOT&PF's property management policies on availability of economical air service. This comment reiterated a concern heard in the public meetings.*

TRANSPORTATION RESPONSIBILITY

Public Meeting Participants

Most communities stated that taking over any additional maintenance/operation responsibilities for transportation facilities and services would be unacceptable without some arrangement for increasing their revenues. Various possible methods for funds transfer were brought up by the communities.

The public meetings never got to consideration of criteria for "appropriate state responsibility." Discussion in this area was clouded by the Category III roads issue. The public's reaction is quite defensive and some undoing of public perception about our intentions may be required before we can get a fair reading on transfer of responsibility. Public perception is key to the success of any future initiative.

Public Recommendation: *Utilizing functional classification as a general philosophy might provide a framework in which to discuss administrative jurisdiction. These criteria should be measurable and applied with sensitivity to local circumstances.*

Many rural communities believe that transfer of responsibility without funding would create unfair hardship on them because they lack a tax base from which to increase their own revenues. Urban areas believe that it would be unfair to transfer maintenance responsibilities there, but not in the unorganized borough.

Public Recommendation: *The range of transportation funding alternatives for rural communities will in most cases be much narrower than for more urban areas due to the size and density necessary to make many options viable.*

State Agency Reviewers

DCED Recommendations: *The 1988 Task Force recommendations should be redistributed in the context of this planning process. Private sector responsibilities may not have been adequately addressed. Responsibility for relocation of utilities should be legally established, if not through law or regulation, then through right-of-way agreements. And, again, it was suggested that DOT&PF change road construction standards to provide minimum service guidelines.*

DNR Recommendations: *DOT&PF should be responsible only for main trunks. Industry and communities should build the feeder systems. Maintenance responsibility should be identified in planning phase of projects, so that design is appropriate to available levels of maintenance funding. Additionally, the state should monitor overloads by heavy trucks.*

CRA Recommendations: *Any discussion of funding responsibility for transportation, either construction or maintenance, must consider the ability of local government or users to pay for them. Furthermore, any planning regarding jurisdictional responsibility must include representation from municipalities, the legislature, Alaska Municipal League, Native Corporations, industry and the DCRA.*

ENVIRONMENTAL AND REGULATORY POLICY

Public Meeting Participants

Although most people at the public meetings indicated that little could be done about state and federal environmental and administrative requirements, several stated that DOT&PF could make an active effort to work with other agencies to reduce conflicts in timing of requests, permitting, avoiding duplication, etc. We must ensure that transportation policies are not at odds with social and economic goals in such areas as the environment and public safety since these are important goals. Transportation solutions must be sensitive to these concerns.

Public Recommendation: *Develop, maintain and expand (where appropriate) procedures and agreements with state and federal environmental agencies to identify and help resolve issues early in the planning process. This cooperative approach would help bring to light subtleties of costs and benefits and ensure that decisions result from consensus building among all affected parties.*

State Agency Reviewers

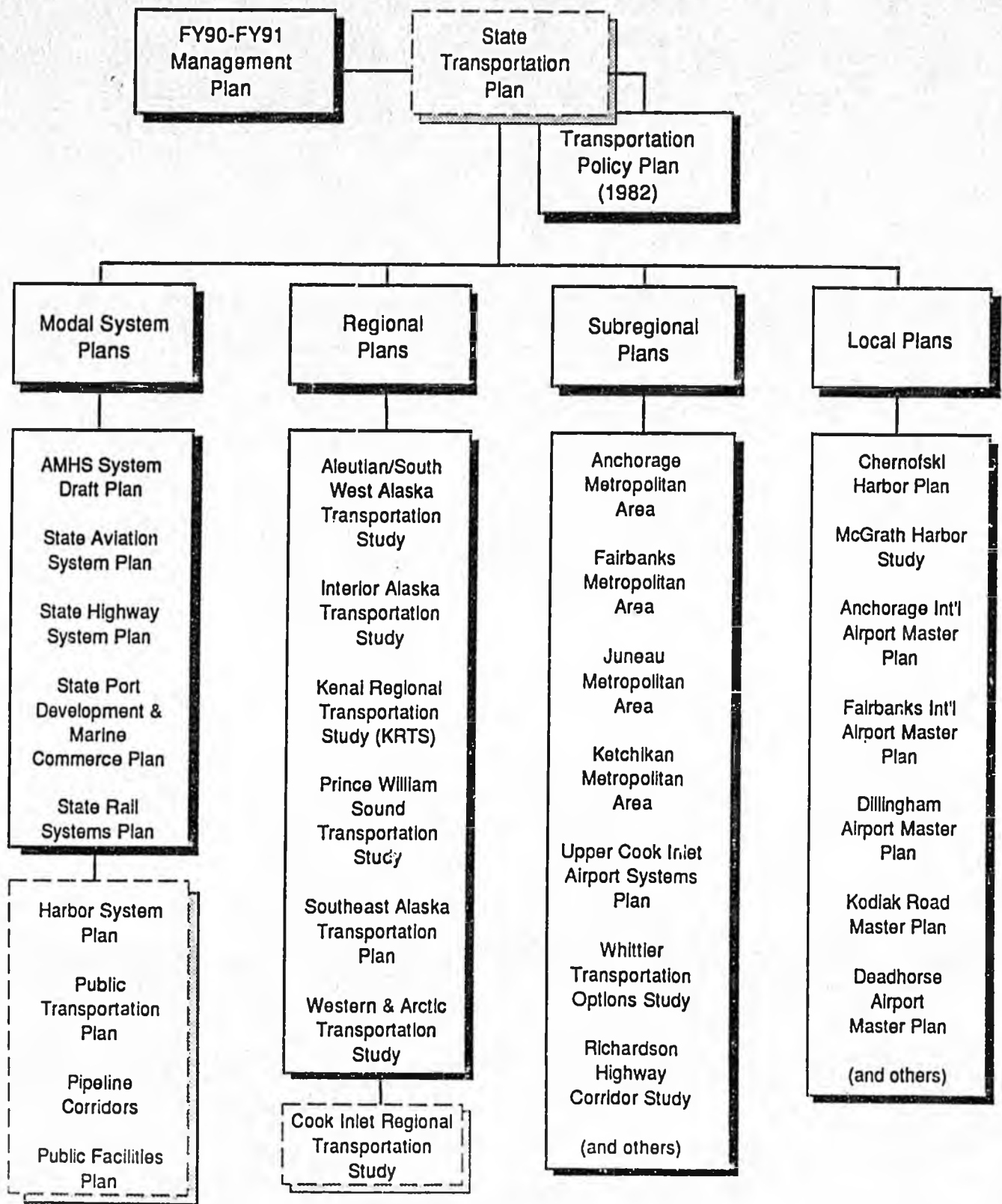
DCED Recommendations:
DOT&PF must balance conflicting demands, examining requirements for reasoned, factual basis and actively helping to keep the extremes in check. DOT&PF must balance habitat requirements of other species with consideration of human needs and full presentation of the benefits of the project. Energy conservation would be best served by DOT&PF's siting roads and facilities to maximize their usefulness.

DNR Recommendations: *Initial planning should build in environmental benefits (scenic turnouts, campgrounds, etc.) and consider environmental policies and laws.*

F&G Recommendations: DOT&PF should accept and accommodate required compliance and work on reducing costs (time delays, litigation, etc.) F&G provided a list of ways we can do that by early planning to accommodate, etc.

CRA Recommendations: DOT&PF should establish policies which will prevent development in areas subject to flooding and erosion when "no-build" or other viable alternatives exist. A multi-agency review of FAA requirements is needed to determine where they are inappropriate and should be amended or waived. There is also a need to examine FAA policies related to ANCSA's denying compensation for airport properties selected by the community or state.

The Hierarchy of Transportation Plans



 = No Plan Available

Broke to work session 9 AM

Gail }
Kama } subcommittee on
Hudson } statewide plan

Blue book represents a process
used to come up with plan

Why a plan

As 42.050 requires statewide transp. plan
only one developed in 1982 - this
was a policy plan

DOT has developed extensive process
Statutes call for annual plan

DOT will do bi annual plans
one year do management plan
second year do state plan

① Some many changing inner relationships
with other issues, need a plan +
need it to be update

② With limited resources - need to prioritize

③ Identify funding

④ Plan over time, plan for future

Plan book

⑤ Bibliography

* Map of all facilities

Clyde eat this blue book section
by section

- 136 - Hudson
move out w/ inlands Kaco.
- 140 - adj to work session.
- 146 - want to talk to Committee & est. a sub Committee
on state wide trans Gayle P. Chairperson
Leman & Hudson member
- 169 - ~~Lyde~~ ^{Lyde} ~~Panel~~ ^{Panel?} DOT - Process of developing the plan
Trip to Rest Room
- 234 - Policy issues
- 240 - ^{Focus} Resources over time
- 249 Short fat Roads - Long skinny Roads
- 253 where funding will come from over time
- 255 Studies by AASST
- 265 Summary - issues over time & performance in future
- 271 Review "Dep State Trans plan"
- 275 Dev. Bibliography of all planning documents
Other documents not included - name them
- 305 Map of Trans facilities - data base inventory all communities
all contracts maintained
- 319 Move into document itself
yellow Tab
- 325 Brown Tab mail outs

- 332 Pink - Analysis of issues
Technical people 12 Sub areas & 52 issues
narrowed these on basis what we do - How we do
- 351 Green Tab - strategic issues identification
est - priorities
- 360 Blue Tab - Issues will actually be in plan
goal to have document under 30 pages
Really pretty well covers all issues
- 374 Golden Rod - public & agency Review Section
- 382 3000 copies sent out to get participation
open House presentations
- 400 - got good comments from public - people do understand
issues
- 407 - letters to state agencies
- 219 - positive responses from various management agencies
such as DNR
- 425 - White Paper public & agency recommendations
- 429 - State plan
- 432 - Hudson excellent process & presentation
concern "Life cycle costing" maintenance
falling apart - Admin build new roads Ferry system
used as example - main line Lake intensive ferries
Complement Dept on public process
- 465 - Bud Trans Responsibility Blue - service life -
life expectancy.
- 472 - Hudson should say must

will help to eradicate preception -

632 - Keith

000 - Choquette Nottingham Drainage -

Wilder had a good relationship w/state

effort to bring private sector into what is going on

know restricted by Fed & Constitutionality - may very well

be constituents don't understand situation -

064 - I need to have some way to respond & not just writing
DOT

075 - Turpin - Be working with Bob on present code

081 - Rep Choquette

087 - Rep Lemay from Trans work with Choquette DOT
one problem -

114 - Adj 9:45

Trans

5/2/91

001 - Call To order 8:50

Foster

Hudson

Kubara

Phillips

Leman 9:55

012 - HB - 295

018 - Witness from motor vehicles

Commercial motor vehicle act of 1986 - Request of State Adoption
to avoid loss of Fed Highway etc funds.

Apr. 1, 1992 must be adopted

Oct 1993 beginning losses \$12, m

No additional funding required

70 - Hudson question re ^{Revenue} loss if bill passed

73 - Reply No loss

81 - Kubara

85 Reply - percentages for revoking Commercial licenses above
that percentage Reg. laws kick in & loss of all
driving privileges.

¹⁰⁶/_K Kubara lower limit to .04 for Commercial 1.0 for regular

118. Phillips concern 4 Committees of equal on bill

121 Reply Leg needed by Apr 1, 1992

125. Wendy asked speaker's office to wave some of committee

130 - Leman supports bill

1-23-91

DOT

Dedicated

Fund (HJR 19)

& Statewide

Plan

1. CALL MEETING TO ORDER
2. NOTE THE DATE: Thursday, January 23rd, 1992
NOTE TIME:
3. ROLL CALL OF MEMBERS PRESENT
4. DURING TODAY'S MEETING WE WILL TAKE UP:
Worksession/overview by DOT on the
statewide transportation plan and the
dedicated fund.
5. INTRODUCE ANY SPECIAL GUESTS OR V.I.P.s
6. REQUEST ANY PERSONS WISHING TO TESTIFY TO SIGN THE
WITNESS REGISTER

ANNOUNCEMENTS AT CLOSE OF MEETING

7. THE NEXT MEETING OF THE HOUSE TRANSPORTATION
COMMITTEE WILL BE:

Tuesday, January 28, 1992

HB 402 - *Nissan Bill*
HJR 60 - *...*
8. ADJOURN MEETING. NOTE TIME OF ADJOURNMENT.



ALASKA STATE LEGISLATURE

Representative Gail Phillips

TO: Paula Ramsey, SMC - DOT

FROM: Representative Gail Phillips

A handwritten signature in cursive script that reads "Gail Phillips".

DATE: November 1, 1991

RE: Evaluation of Statewide Transportation Plan

After reviewing your first draft of the Plan, I had hoped to get together with Clyde Stoltzfus to discuss my thoughts. I'd appreciate you sharing these comments with him. Rather than a formal evaluation, I will comment on the overall plan, and then add my points on a page to page basis.

Frankly, after reading the manuscript, I felt it was not complete, and felt rather disappointed that it did not contain the scope of detail I had expected. I went back and read through the Commissioner's introductory comments again, and realized that this document is intended only as a policy statement, and not necessarily a working plan, which I had expected. As a policy statement, it is good; as a plan, it is incomplete.

With that out of the way, I'll address the points:

Page 3: As you develop a system, you are correct in stating that this cannot be done by just the DOT; it will take several departments, and most importantly, it will take full cooperation of local governments, which it appears you have agreed upon.

Your comment in the last paragraph that states "the following sections detail the elements of change which we think should be supported by all Alaskans." Where is your justification for thinking that Alaskans will support any change?

Page 5: re supporting participation in economic activity: I don't think we can expand the system in any direction unless we have solid economic justification for doing so, such as private partnership agreements for developing resources.

Page 6: last paragraph: I have been working all summer to identify all resource areas in the State. Do you have these identified, and what kind of system have you developed for doing so? Have you established criteria for determining the economic feasibility of the resource areas?

Page 7: this is a good analysis of what has happened. Were you able to identify why? State statutes require an annual plan and yet we've gone several years without one.

Page 8: What is your analysis of why the responsibility for sufficient capital funds have not been provided in the past?

Page 9: Have you identified the statewide needs and priorities. What are they?

Page 13: Map: I feel this contains the one basic fallacy and shortcoming in your plan. It lacks the one most important ingredient in that it does not tie the entire State together. You have portions and segments, but huge areas such as the Northwest are not tied to any surface system, and I feel this is critical if any plan is to succeed. We have lived too long in our State without being "connected", and I feel this is an absolute priority!

Page 16: Rather than focusing on our future as far as a global marketplace, which I agree is very important, please reevaluate what we are trying to do for the good of the people who live here - this comprehensive approach to improving our transportation system will not only be good for commerce, but most importantly, it will be good for Alaskans.

Page 17: It is incredible that our gas tax had not been increased since before Prudhoe - 1961. Were attempts made by DOT to have it increased in the past and dedicated to maintenance?

Page 19: 3rd paragraph: I don't think the Legislature, the Administration nor the public is aware or accepts the fact that we don't have the money to maintain what we have. The public knows we are not doing the job right, but they feel we are just wasting money in other areas.

Page 22: Last paragraph: were any of the recommendations of the 1988 Task Force put into place by DOT or by the Legislature? Was the work done by this group sufficient to use today, without us having to spend any more time and money studying things?

Page 24: The only reasonable and workable solution for transferring responsibility to local municipalities will be with a firm, unbreakable commitment from the State to not only fund the upgrades before ownership transfer, but to also to guarantee the revenues needed for upkeep and maintenance. What mechanism have you developed for outlining the revenue sharing plan with local governments? And, who is going to oversee that the revenues going to the local areas are used as they are intended. What system of checks and balances have you set up?

Page 27: Initiative 1.1: good! what time frame have you established for this? How will you determine which projects get on the priority list? What criteria have you established for including a project on the priority lists?

Initiative 1.2: this is OK.

Initiative 1.3: I don't think this should necessarily be a priority at this time; we have too many critical maintenance

2

projects to be worrying right now about the scenery. Put this part off until we get a handle on our real problems.

Initiative 1.4: this is OK.

Initiative 1.5: this is OK.

Initiative 1.6: I think representatives from the House and Senate Transportation Committees should also be included in this action group.

Initiative 11.1: this is OK. Will the Governor propose the necessary legislation?

Initiative 11.2: this is OK.

Initiative 11.3: Surely, by this time, you have plenty of studies available and all the information necessary to proceed without us having to spend any more time or money on ANY more studies! I don't think we should concentrate on doing any new studies - we just need to get to work!

Initiative 11.4: good - especially having a completed plan to the Legislature by January, 1994.

Initiative 111.1: this is OK, but again - members of the Legislature should be included in developing these agreements.

Initiative 111.2: This is an absolute MUST! What provisions have you made for a local government entity that refuses to accept responsibility. You cannot make one entity cooperate and give exemptions to another - the entire program will be doomed to failure if it is not equitably enacted.

Initiative 111.3: Good!

Initiative 111.4: Local governments must be assured that the State will guarantee funding in order for them to enter into agreements with the State.

Page 33: Why didn't you include Railroads along with the airports, roads and ports and harbors? Many areas of the State cannot be opened up with a road, but a railroad would be feasible. I think you need to expand this section to include rails; and, in the future, possibly other modes such as air-cushioned vehicles, etc.

Page 34: You don't have much depth in this entire discussion; I feel more detail should have been included.

Page 35: You state that the recommended financing structure MUST fully fund the costs of airport maintenance and operations. What time frame are you looking at to accomplish this? And, how do

you intend to make this happen? How much of the revenues generated at the large urban airports will be used to subsidize operations at the smaller, non-profitable airports?

You have a very good idea in identifying a highway alternative in tying areas together to an existing airport. I hope you will give this concept full attention.

Page 36: A key factor in the success of turning ownership of ports and harbors over to local governments is your statement "ONCE HARBORS ARE REHABILITATED". Most local governments cannot assume this responsibility unless they are guaranteed support from the State, not only in repair and replacement, but also for shared revenues for maintenance. When do you plan to be able to put the statewide Port and Harbor Development Program into effect?

The statewide Port and Harbor Association is meeting in Kenai this week. Will you have a presentation ready to make to this organization?

Again, problems will develop if the State requires local responsibility from one entity, but lets another area off the hook with an excuse that they don't have enough money, people, etc. to accept this responsibility.

Page 37: Your last sentence on the page is not complete.

Page 38: Regarding a system-wide fee structure to all State-owned harbors: it will be critical that this be developed fairly for all harbors - to avoid serious problems, the fee structure needs to be fair, and needs to be the same for every harbor, with the differences in fees based on size and types, rather than location.

Page 39: When will you have the Highway System Plan ready? For all the work that has been done in the past, we should already have a plan that we can work with right now.

In your statement that the Alaska Highway System includes too many routes that do not serve long-distance travel, you've missed a major point: it includes too few routes that do! Until we can tie our State together in a comprehensive plan, we will not have a sufficient plan.

Don't you have the identification of the state highway network completed yet?

Page 44: My final comment: IT IS CRITICAL, IF WE ARE GOING TO BE SUCCESSFUL IN CONVINCING ALASKANS TO AGREE TO DEDICATED REVENUES FOR TRANSPORTATION, THAT NOTHING CAN BE DONE TO VIOLATE THAT TRUST! The assurance must be complete, and rock solid or the public will not buy into this and there goes our entire hope of providing adequate transportation infrastructures.

Why did the Legislature in 1960 amend the statute to eliminate the dedication of gasoline tax revenues?

I appreciate the work that has gone into this plan; I see it as the first step in solving a tremendous problem that exists across our State. We must always keep in the forefront that what we are doing or can do must be to the benefit of the people of Alaska before any other considerations come into play.

If you have any questions or need to go into more depth on any of my comments, please feel free to call me at any time.

cc: Representative Richard Foster, Chairman
House Transportation Committee

Worksession overview

8:35

Foster Madrie, Hudson Kubina hemon

020

Clyde Stolfuss

~~The~~ Overview

Read from written testimony

62 million in fuel taxes, land
leases, licensing fees

Hudson
230

Fuel taxes alone

↑ 10¢

Additional \$22 million.

Kubina
240.

would we make money on ↑ transp. taxes.

No.

Kubina

Do you really need dedicated fund

Yes, to really ↑ funds need to have it
dedicated. Had for legislature to justify otherwise.

Kubina
289

If dedicated fund for transp then will want
one for education + others

Clyde.

Different. Transp can + should pay for itself.
Education other can't. Make sense for transp.

Kubina

Why would local community want to
take over roads when know how the
road funds will be decreased.

C.S

In some places, doesn't make sense, others

its good. Need working group with
community representation.

C.S. local counties should contribute some
\$. Must be willing to help.
its time

Hudson - Problem getting dedicated fund.
in store for future.
Maybe ↑ taxes in summer + ↓ in winter.

C.S. Create a dedicated fund - legislature
still appropriate.

Mackie - Concerns, open to suggestions but
do like to restrict funds for future.
Also turning over roads - voluntary or not.
Send Jerry analysis of what roads
in Jerry's district are proposed for turn over.

C.S. Education dedication was endowment.
dedication is user fees
endowment means put money in + live off.

Hammer
Turpin - Taxes are live fees at university (tuition)
Users pay for service
A.M.H.S has dedicated fund.

Hudson Not dedicated but semi recommended.

Mackie adjourn - 9:20

2-25-92

Port of

Bellingham

8:40

Makie, Hudson, Kenner, Phillips Foster

472 - Sponsor statement

No opposition

Phillips adopt c/s

Hudson committee 0

Phillips

Don Fleming -

Deep water - where pier is

Taking a look at another pier

State \$5 million upgrade terminals
\$1 million to Bellingham
Work with Amtrak

Address infrastructure - working
with Jim Ayres - great report.

175
Hudson -

Port authority ??

Pats created 1920.
Send tons + tons of info on port + alterations.

Port
Couns

like A.M.H.S
houses having ferry. Anything to accommodate
looked at bill - No taxing authority.

#10 million - \$2½ taxes
most taxes, fees, boat moorage etc

Our bill under governing municipality.
Ours a lot more independent.
Good + bad - don't have to
consult with canal etc.
Much more autonomy.

Term 6 years - shortening term

Hudson
260

- Beneficial to criticize our proposed
legislators

Phillips -

Dry dock charters.

D F

Discussions but nothing aggressive

Manhica
285

Critic in C.B.A tomorrow.

How aggressive in recruiting conventions.

Thank you for wonderful A.O.A reception.
Wonderful - everything

Hudson -

Floating trade fair.