

HOUSE TRANSPORTATION STANDING COMMITTEE

March 4, 1998

1:15 p.m.

MEMBERS PRESENT

Representative William K. (Bill) Williams, Chairman
Representative Beverly Masek, Vice Chair
Representative John Cowdery
Representative Bill Hudson
Representative Jerry Sanders
Representative Kim Elton

MEMBERS ABSENT

Representative Albert Kookesh

COMMITTEE CALENDAR

*HOUSE BILL 412

"An Act providing for the transfer of certain land to the City of Whittier; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL 227

"An Act relating to the Alaska Capital Improvement Project Authority; relating to the powers and duties of the Department of Transportation and Public Facilities; and providing for an effective date."

- HEARD AND HELD

(* First public hearing)

PREVIOUS ACTION

BILL: HB 412

SHORT TITLE: TRANSFER RAILROAD LAND TO WHITTIER

SPONSOR(S): REPRESENTATIVES(S) COWDERY, Sanders, Ryan, Ivan, Hudson, Foster, Martin

Jrn-Date	Jrn-Page	Action
2/16/98	2331	(H) READ THE FIRST TIME - REFERRAL(S)
2/16/98	2331	(H) TRANSPORTATION, FINANCE
2/20/98	2391	(H) COSPONSOR(S): SANDERS, RYAN, IVAN,
2/20/98	2391	(H) HUDSON
2/23/98	2409	(H) COSPONSOR(S): FOSTER, MARTIN
3/04/98		(H) TRA AT 1:00 PM CAPITOL 17

BILL: HB 227

SHORT TITLE: CAPITAL IMPROVEMENT PROJECT AUTHORITY

SPONSOR(S): REPRESENTATIVES(S) PHILLIPS, Cowdery

Jrn-Date	Jrn-Page	Action
4/03/97	923	(H) READ THE FIRST TIME - REFERRAL(S)
4/03/97	923	(H) TRANSPORTATION
4/21/97		(H) TRA AT 1:45 PM CAPITOL 17
4/21/97		(H) MINUTE(TRA)
2/09/98		(H) TRA AT 1:00 PM CAPITOL 17
2/09/98		(H) MINUTE(TRA)
3/02/98		(H) TRA AT 1:00 PM CAPITOL 17

3/02/98 (H) MINUTE(STA)
3/04/98 (H) TRA AT 1:00 PM CAPITOL 17

WITNESS REGISTER

DENNIS POSHARD, Legislative Liaison
Office of the Commissioner
Department of Transportation and
Public Facilities
3132 Channel Drive
Juneau, Alaska 99801
Telephone: (907) 465-3904
POSITION STATEMENT: Testified on HB 412.

JERRY GEORGE, Chief Design and Construction
Division of Engineering and Operations
Department of Transportation and
Public Facilities
4111 Aviation Avenue
Anchorage, Alaska 99502
Telephone: (907) 269-0410
POSITION STATEMENT: Testified on HB 412.

REPRESENTATIVE GENE KUBINA
Alaska State Legislature
Capital Building, Room 404
Juneau, Alaska 99801
Telephone: (907) 465-4859
POSITION STATEMENT: Testified in support of HB 412.

CARRIE WILLIAMS, City Manager
City of Whittier
P.O. Box 608
Whittier, Alaska 99693
Telephone: (907)2337
POSITION STATEMENT: Testified in support of HB 412.

JOHNE BINKLEY, Chairman
Board of Directors
Alaska Railroad Corporation
C/o Alaska Riverways, Incorporated
1975 Discovery Drive
Fairbanks, Alaska 99709
Telephone: (907) 479-6673
POSITION STATEMENT: Testified in opposition HB 412

BILL COUMBE, Mayor
City of Whittier
P.O. Box 608
Whittier, Alaska 99693
Telephone: (907) 472-2337
POSITION STATEMENT: Testified in support of HB 412.

JOE GRAY, Council Member
and Zoning Committee Member
City of Whittier
P.O. Box 613
Whittier, Alaska 99693
Telephone: (907) 472-2431
POSITION STATEMENT: Testified in support of HB 412.

MARCO PIGNALBERI, Legislative Assistant
to Representative Cowdery
Alaska State Legislature
Capitol Building, Room 416

Juneau, Alaska 99801
Telephone: (907) 465-3879
POSITION STATEMENT: Presented HB 227.

PETE ECKLUND, Legislative Assistant
to Representative Williams
Alaska State Legislature
Capitol Building, Room 424
Juneau, Alaska 99801
Telephone: (907) 465-3424
POSITION STATEMENT: Testified in support of HB 227.

STEVE MORENO, Administrator
Alaska Division
Federal Highway Administration
P.O. Box 21468
Juneau, Alaska 99802
Telephone: (907) 586-7180
POSITION STATEMENT: Testified on HB 227.

ACTION NARRATIVE

TAPE 98-11, SIDE A
Number 0001

CHAIRMAN WILLIAM K. (BILL) WILLIAMS called the House Transportation Standing Committee meeting to order at 1:15 p.m. Members present at the call to order were Representatives Williams, Cowdery, Sanders, and Elton. Representatives Hudson and Masek arrived at 1:17 and 1:18 p.m. respectively.

HB 412 - TRANSFER RAILROAD LAND TO WHITTIER

CHAIRMAN WILLIAMS announced HB 412, "An Act providing for the transfer of certain land to the City of Whittier; and providing for an effective date," before the committee. He said he intends holding HB 412 in committee for further review.

Number 0010

REPRESENTATIVE JOHN COWDERY presented HB 412. He said "The railroad is about meeting the transportation needs of the state. The State of Alaska acquired the Alaska Railroad from the federal government because we deemed it necessary to maintain an (indisc.) rail transportation system that would otherwise be shut down by the federal government. It has come to pass that the vast real estate holdings of the railroad are proven to be more of a money-maker for them than the operation of the railroad. This wasn't the case under the federal ownership because they didn't operate the railroad to maximize profit. Now, as a State-owned corporation, they are mandated to maximize profit. In the process of maximizing income from the real estate holdings is a large part of what they do. In as much as the railroad owns land in every community along the railbelt, the instances of conflict between (indisc.) land use and the railroad is increasing."

REPRESENTATIVE COWDERY continued, "Whittier is in the extreme case of the ratio of railroad land because the ratio of the railroad land to the city is so great. The City of Whittier cannot carry out its government functions if it can't control its land. By virtue of its land holdings in Whittier that railroad dictates land use patterns to the city instead of vice versa, the railroad that's in fact assuming the powers of local government, this was not intended when the state of Alaska bought the railroad because we wanted to preserve our rail transportation system."

REPRESENTATIVE COWDERY concluded, "The Railroad Corporation has progressed from a transportation function to a real estate and transportation function too, now a local government. It is the Legislature's responsibility to restore balance among the railroad and the City of Whittier."

CHAIRMAN WILLIAMS stated for the record that Representatives Masek, Hudson and Kubina are present.

DENNIS POSHARD, Legislative Liaison, Office of the Commissioner, Department of Transportation and Public Facilities came before the committee, he mentioned Dave Eberle and Jerry George of Central Region, DOT/PF, are on line in Anchorage. He said Mr. George is prepared to give an overview of the Whittier Access Project.

Number 0052

JERRY GEORGE, Chief Design and Construction, Division of Engineering and Operations, Department of Transportation and Public Facilities, testified via teleconference. He noted he has been the project manager for the Whittier Access Project since its conception. The original railroad improvement was built during the Second World War as a rail improvement. Since that time, there has been over 19 studies in the intermediate 50 years to convert the railroad to the joint rail, automobile, transportation corridor (indisc.) paving over the tracks in the tunnel. He stated they are looking for alternate routes out of Whittier. Those 19 studies indicated a growing need over a very long period of time for improved access to Prince William Sound and to the Port of Whittier.

MR. GEORGE explained the current study began in 1993. Due to an Environmental Impact Statement, that process took DOT/PF three years to complete, it was a rather exhaustive study, not only the economic and social impacts but also the environmental impacts of the project. For example, by the year 2020 they anticipate there will be million-four visitors to the Port of Whittier in form of tourists, recreation, business, residents transiting the tunnel. He indicated that mandated DOT/PF to look at what those social and economic impacts would be, where the infrastructure development funding would come from, and issues like that were dealt with extensively.

Number 0077

MR. GEORGE mentioned one of the issues that came up with, of course was, how would the city would develop land use planning issues. He stated, "That was something that we could not deal within the EIS (Environmental Impact Statement) with the federal funding that was funding the EIS so the railroad, DOT, and the City of Whittier secured other funds other than the EIS and retained the (indisc.) which is the International Resort Development Planning Organization. They develop major projects like the Fishermen's Wharf in San Francisco, major ski resorts like Vale and are very successful in planning and developing these destination resorts. They helped develop a land use plan for Whittier and as part of that, also looked at how the funding for that infrastructure development would come to pass. That was all developed in parallel with the EIS incorporation with the City of Whittier, the (Alaska) Railroad and DOT/PF."

MR. GEORGE continued, "In 1996 we finally got a record to the decision on the EIS and properly defended it through the Ninth Circuit Court and successfully defended it. After the EIS was

completed, we completed the designs of the Portage segment which was now under construction. And the segment that goes from Portage Visitor's Center, across Portage Creek through a short tunnel and on into Bear Valley where there will be a staging area to (indisc.) the vehicles up for one-way passage through the converted railroad tunnel. That project is scheduled for completion this fall, and the road and two bridges will be passable for the contractor that the (indisc.--noise) tunnel. That tunnel contractor is presently advertised and we should be selecting the contractor for that project by the end of this month. The tunnel conversion will be done by a designed-built contractor and is scheduled to be complete by April of 2000."

MR. GEORGE concluded that DOT/PF will be looking at a variety of issues both in terms of short-term needs, the immediate-needs of the city as well as developing planning for long-term.

Number 0115

REPRESENTATIVE COWDERY asked how many cars will utilize this on a daily basis.

MR. GEORGE replied there will be a mixture of vehicles, there will be approximately 8,000 vehicles a day depending on how the cruise ship business develops, how much of that is captured by the railroad versus how much is captured by the busses. He said that's projected out to occur by the year 2020.

REPRESENTATIVE COWDERY asked how many parking spaces would have to be made.

Number 0136

MR. GEORGE replied that was developed as part of the intra plan, the plan that was adopted by the City of Whittier as the land use plan did provide parking for the number of vehicles that was anticipated for the year 2020. He said he doesn't know what that number is.

REPRESENTATIVE COWDERY asked are the present parking facilities in Whittier are adequate.

MR. GEORGE replied no.

REPRESENTATIVE COWDERY asked if the restrooms and power hookups for RV's (recreational vehicles) are adequate for the year 2000 and 2020, or is it going to take major improvements.

MR. GEORGE responded they identified those needs were in the EIS so it's clear to everybody what the projected needs for parking, for toilets, for (indisc.) space, the impact on the school system. All of those kinds of impacts were quantified in some detail in the EIS so that everybody knows what is available there today and what the needs would be for the future. He noted the infrastructure is not in place today to handle that influx of people.

REPRESENTATIVE COWDERY asked how many visitors are anticipate in the year 2000.

MR. GEORGE said, "We're arranging for 800 vehicles of our capacity and anticipation with the cruise ships will be coming back and that the day cruisers and those types of operations will take advantage of the new road as quickly as possible. It's difficult for us to predict until we see what the industry is going to do to react to this project. I think that they are, now that the law suites are

over, believe that the project is real and are now beginning to share their plans with us. And that's rather a new wrinkle here is getting everybody to share those plans with us. We anticipate that it will probably be 600,000 probably within the first summer."

Number 0164

REPRESENTATIVE BILL HUDSON asked are there plans for further development of small boat facilities.

MR. GEORGE replied DOT/PF has no current plans for the expansion of the small boat harbor in Whittier or for the development of Shotgun Cove. However, the City of Whittier and the Corps of Engineers have been working on those projects.

Number 0173

REPRESENTATIVE GENE KUBINA asked if DOT/PF has met their commitments that they have given the City of Whittier while this project was in the planning stages. Is the department planning to do everything that they have committed to do?

MR. GEORGE replied DOT/PF has gone above and beyond the call of duty in helping the City of Whittier on this project. They have asked that information by the citizens be included in the EIS, and they've held numerous public meetings in Whittier which was highly complimented by the citizens of Whittier. The citizens were also pleased with the environmental document, with the work that Intra did in coming up with the infrastructure and land use plans. He said he believes the city may be frustrated in areas where DOT/PF is not in the position to help - DOT/PF is not in the police business, the fire business, or school business. However, DOT/PF was able to identify those needs clearly in the EIS so that they can plan for them.

MR. GEORGE concluded, "We have to be very careful because we're using federal highway dollars for this project so we're constrained on how we can use those funds and what we can do for the city with those funds."

Number 0204

CARRIE WILLIAMS, City Manager, City of Whittier, came before the committee. She said the city, its councilmen and public have supported the road access since its conception, they've been involved in the comments and impact issues. Now it's become a reality, however, the city is not in a position without help to handle these impacts. She pointed out they have sought after ways to attain lands for parking lots and restrooms because they currently have 100 parking spaces and one public restroom. There are three volunteer EMTs (emergency medical technicians), one of which is herself, trying to deal with the visitors that they have now of 177,000 a year. She said they are contacted daily by individuals wishing to come in on a privatized basis to develop the infra-structural needs.

MS. WILLIAMS mentioned the 1994 study that made large assumptions that the railroad service would be gone from the area. She said, if you review this document, they have turned Whittier into a parking lot with a single rail ability. She noted they support the railroad's presence in Whittier, they anticipate doubling freight traffic in the next few years and hopefully providing passenger service to cruise ships, should they return. So it's a valuable service to Whittier.

MS. WILLIAMS stated Whittier is looking at providing the other services. She said, "We have one gas pump, we need to provide areas for motor homes, we need to provide public information fee-free areas. Those of you who are familiar with Whittier are aware that there are two boat ramps, constantly now lined up, our kayakers are launching within that harbor. ... We have applied for and received some of our tidelands, and the balance of the tidelands is currently under application." She said the BLM (Bureau Land Management) lease in the Dog Lake area would make an ideal parking lot, a RV facility, and possibly even an additional harbor area. However, they are unable to access that land because they are landlocked. They can't get in by road and cannot get to the waterfront in the current situation. She stated, when they come through, 800 capacity per hour, or 400 an hour, they will come through the tunnel on a two-lane road and thusly need those areas at the head of the bay and diverse throughout the city.

Number 0236

MS. WILLIAMS said, "We currently have no water, sewer or streets, a sight protection, all our wells set on railroad property and can be deposed in one year. Our sewer system, primary treatment, (indisc.) main and much of the main service lines are on railroad property, can be deposed in 90 days. Our streets, we have none, once you leave, what you see is the red encompassed area (on the map), we are in a trespass state and on very little general funding are plowing those roads at risk to ourselves and to the railroad properties. It is all owned and controlled by the Alaska Railroad."

MS. WILLIAMS said they were losing their road last fall to erosion at Whittier Creek.

CHAIRMAN WILLIAMS asked Ms. Williams to point that area out on the map.

MS. WILLIAMS explained the Department of Defense, who has ceased operations, still maintains the permit. She said they did everything they could to address this problem and the State Department of Emergency Service did come out. She indicated, when inquiring of the railroad for assistance, the response was that they are railroad and did not care about the road situation unless it affected the railroad operations of the operational tracks. After three months the railroad did volunteer to bring in the riprap, machinery and manpower to put a temporary fix on that. She added that it will face them again this spring.

MS. WILLIAMS said the city council was very responsive for years, they have negotiated for licenses, permits, leases, anything to move forward. She referred to a document that lists specific items. She stated the only one that they even come close on is a possible water-sewer-storm-sewer license and there is not clarification to this point whether that will even protect their wells.

MS. WILLIAMS mentioned the city didn't ask for any land that would interfere with any transportation functions what so ever. They simply want to be able to get this process moving and are not asking for funding from the state to address any of these issues. She said they believe they can solve these problems through privatization.

MS. WILLIAMS concluded, "I just built a home and it took me a year, these people need to build a city to provide for a million and a half visitors a year and 5,000 cars. And we want to do this in a

responsible manner. There are many with the concern of the impact on the (Prince William) ..., but it's no where to take a road. We want to keep those vehicles there and keep Whittier able to support that."

Number 0268

REPRESENTATIVE COWDERY indicated, if they came to a resolution, the bill wouldn't be needed. He mentioned over \$200,000 was spent in attorney fees for negotiations in a city of 260.

MS. WILLIAMS replied yes.

REPRESENTATIVE COWDERY mentioned assurances were made that a resolution was supposed to be made last week. He asked Ms. Williams what she got for spending \$200,000 in attorney fees to negotiate a settlement.

MS. WILLIAMS replied the \$200,000 is strictly over a period of the last three years. She said the progress is slow and painstaking, she and the council have negotiated and worked on simple things over the last year or so, such as a RV park which they haven't been able to get resolution on. What they have is a dedication of DOT/PF and railroad funds to address immediate and long-term impacts. Ms. Williams said they were given hopes and promises, immediate and swift and positive resolution to specific problems. She indicated nothing has essentially moved at all.

REPRESENTATIVE COWDERY asked, can you tax the railroad for their property.

MS. WILLIAMS responded no.

REPRESENTATIVE COWDERY asked if the city has any leverage to negotiate with the railroad.

MS. WILLIAMS replied no, she doesn't know what it would be. She said they are not liable under the state statute to even collect the city's sales tax. Railroad improvements and properties are fully tax exempt so there are no revenues, although there is great responsibility.

REPRESENTATIVE COWDERY asked someone to point out the land that the city would like to acquire.

Number 0300

MS. WILLIAMS pointed out the watershed area that runs up the hill to the front of the glacier and comes down Whittier Creek, and taking in the road. She noted there has been talk of trying to relocate them because there is such small land mass, but as we know that's an expense and a long-term project in seeking a secondary water source.

REPRESENTATIVE COWDERY asked does the city currently maintain that road.

MS. WILLIAMS replied yes.

REPRESENTATIVE COWDERY asked does the railroad maintains any of it.

MS. WILLIAMS responded no, it is not a railroad obligation. If there is a true blizzard situation, they all help each other.

MS. WILLIAMS reported the city currently leases the small boat

harbor upland, a portion above the whited area (on the map) is currently under a long-term lease from the railroad and they would like to acquire that. The city has asked for ownership of the harbor to be transferred from DOT/PF and they will be going out for bonding to expand that harbor when they find the design that will accommodate that. The other area that they are interested in is the non-rail essential area by the airport.

MS. WILLIAMS pointed out they would like to provide a fee-free visitors area at McNeil Creek. She said the Parks and Recreation Division has a plan for a public information area.

MS. WILLIAMS noted, in looking at the Alaska Railroad's leasing pattern, the city realized this was not going to be rail-developed in the near future because of a long-term obligation lease that just went in here cutting off access - there's a big building going in there facilitating fiber optics cable. And that road of course belongs to the railroad and the city maintains that to the end of the bay.

MS. WILLIAMS explained they are away from rail operations and want to provide for the economic growth, possibly alternate housing, RV parking, basic essential services. She indicated there is private money wanting to come to Whittier. One of the most important pieces for livability is the Whittier Manor. She said, "Our sewer system sits southwest of that on railroad property. We would ask that that come to the city. Almost more importantly, these people live in a military - a former housing unit that needs desperate repair and because they do not have those properties, cannot even obtain funding to get rid of the asbestos and address it. They should be transferred that property for a buck so they can develop it."

Number 0335

REPRESENTATIVE COWDERY said if this bill passed, or you come to some agreement with the railroad, who would pay for the survey.

MS. WILLIAMS replied she believes that would be the City of Whittier's responsibility.

REPRESENTATIVE KUBINA asked what is the city's tax base. How much are you able to raise in taxes to run the city with what you're currently able to tax?

MS. WILLIAMS replied the tax base is nine million dollars and they have a five mil, it's taking into account everything within the city, real and personal property. They are also able to tax boats.

Number 0347

REPRESENTATIVE KIM ELTON referred to page 3, lines 6 through 12. He said it refers to a perpetual easement that would be retained, and an exclusive-use easement. He asked would those provisions impede the city at some point from selling the land to private parties and therefore getting that land that the city receives on the tax rules.

MS. WILLIAMS replied the perpetual easement in this would be in regard to the rail that parallels the road right-of-way going out to the tunnel. She explained the DOT/PF plan calls for a seaward expansion of that road in the future, although not designed at this point. As the city grows, it will need to cross this. She said one of her larger concerns is pedestrian safe crossing. Those things are workable with the railroad. So, an easement left for

that rail right-of-way, she thinks protects the Alaska Railroad from future municipal direction that may violate the intent of the statute to maintain transportation service. And if they are going to increase freight, they need to have those lands protected. Ms. Williams indicated the community would prefer to see the cruise industry come in with the railroad.

REPRESENTATIVE ELTON said, if he understands it correctly, these easements make sense and wouldn't get in the way of transferring lands.

MS. WILLIAMS replied she doesn't believe they would because they need those protections and respects their right to have those.

Number 0372

CHAIRMAN WILLIAMS announced HB 412 will be held in the House State Affairs Committee, possibly Monday.

REPRESENTATIVE HUDSON said there appears to be a reluctance of providing this transfer from the railroad. He asked what is the railroad's official position.

CHAIRMAN WILLIAMS announced people from the railroad will be testifying.

MS. WILLIAMS responded that she doesn't want to speak on behalf of the railroad. She indicated the reason stated to the City of Whittier is that it is against railroad policy to give up title to land.

Number 0384

JOHNE BINKLEY, Chairman, Board of Directors, Alaska Railroad Corporation, testified in opposition to HB 412 via teleconference. He said he currently serves on the Board of Directors of the Alaska Railroad and has since the spring of 1996, and more recently as Chairman of the Board of the Alaska Railroad Corporation since September 1997.

MR. BINKLEY pointed out the position paper that was prepared by the management of the Alaska Railroad that pertains to their position on HB 412. He also mentioned three management officials of the Alaska Railroad are available to answer questions and provide information.

CHAIRMAN WILLIAMS noted the committee does not have the statement.

MR. BINKLEY said it was relayed to Juneau. He said he would outline what their position is and will comment on prior testimony.

TAPE 98-11, SIDE B
Number 0001

MR. BINKLEY continued, "...the Department of the Army to choose Whittier as a port and to construct the tunnel necessary to provide additional ice-free port to a railhead in addition to Seward and that was accomplished during World War II. In the 1960's the Alaska Railroad initiated rail-barge service from Prince Rupert, British Columbia, and also from Seattle into Whittier. Whittier was really an ideal location for the transit of railcars on barges from the Pacific Northwest up to Alaska. ... That really is our rail-link to the Lower 48. Railcars that are loaded and hauled by rail up to Seattle and Prince Rupert, that freight stays right on those actual railcars - those actual railcars roll right on barges,

... and it's a very efficient rail-link between the Lower 48 and Alaska. During the 60's, when Whittier ceased to (indis.) an Army post, the city really began to evolve at that point as a community. The State of Alaska, during that time, recognized the needs to provide better access to the newly formed community and they actually contracted with the Alaska Railroad, then owned by the federal government, to provide shuttle service for the people of Whittier between Portage and Whittier. At that time the State of Alaska paid to the federal government, through the Alaska Railroad, about \$900,000 to provide that service. When the Alaska Railroad was purchased by the State of Alaska in 1985, then of course that subsidy was terminated and the Alaska Railroad absorbed those costs to provide that shuttle service to the people of Whittier."

MR. BINKLEY stated the State of Alaska, as Mr. George mentioned, has recognized the need for better access, not only for the people of Whittier to a vast number of people in Southcentral Alaska to utilize the Prince William Sound area for recreational and commercial purposes. And that of course began the work on the tunnel which should be completed in the year 2000.

MR. BINKLEY said since the time that the state seriously began looking at constructing the tunnel, up through the recent court decision that allowed it to continue on, the railroad has made numerous efforts to assist the City of Whittier. He indicated the state has been lacking in not looking at what the impacts are going to be on the community on Whittier, the state should help Whittier prepare for those impacts that are going to be inevitable as that tunnel is completed.

Number 0040

MR. BINKLEY mentioned a few examples that have been ongoing and some that the Alaska Railroad has concluded. In 1996 the Alaska Railroad agreed to a longstanding tidelands dispute that was between the railroad and the Alaska Department of Natural Resources. That agreement directly benefited the city by making tidelands available for conveyance from the State of Alaska to the city. He said they stepped forward in 1996 and initiated the talks and got them concluded so the City of Whittier could have title to those tidelands. Mr. Binkley also noted they worked closely with the City of Whittier to provide a lease for the small boat harbor area for expansion and commercial development that really recognized the city's needs and made railroad land available for far less than fair market value to the city to accommodate those needs. He mentioned he was personally involved in that and noted the railroad was very sincere in their efforts to reach an agreement with the City of Whittier to give them every benefit in terms of profiting from the operation of the small boat harbor and providing public amenities through parking, restroom facilities, movement for city equipment in terms of running the small boat harbor.

MR. BINKLEY reported they recently finalized an agreement with the city for lands that are occupied by various basic utilities, it's a long-term 35-year contract with no annual fee, and renewable up to 35 years to really allow the city control of the community's utility infrastructure. Mr. Binkley said he thinks it's important that the city maintain control over those utilities, as was pointed out by Ms. Williams, and they have done that through a long-term contract. He mentioned they recognize Whittier's geographical situation and the city's lack of funds. The utility systems themselves, were previously inherited from the federal government, were donated to the city a number of years ago. A roadway agreement, similar in structure to the utility agreement is next up

for finalization and is very close to being finalized right now.

Number 0071

MR. BINKLEY stated, "Some time ago the Alaska Railroad committed to donating \$35,000 to the city on a matching basis for a land-use plan and infrastructure plan to meet the needs that will arise - obviously when the road opens and the people and cars flood into the community. Recognizing that, Whittier itself has no funds to contribute to the effort, we increased our commitment to \$50,000 and persuaded the State DOT/PF, as Mr. George pointed out, to donate another \$50,000 from DOT/PF to help the city plan for those effects, when the tunnel opens. The meeting that was referred to last Wednesday was the first meeting of that group to start on the planning process for the Department of Transportation. ... Hoping that all these other issues would be solved, but I think the real intent of that was simply to start the planning process for the needs of the community of Whittier. Mr. George also pointed out the study that the Alaska Railroad participated in with the firm Intra - that talked about land-use planning. Within the next week a contract should be in place facilitate some of the planning documents that will be necessary to be drawn up. And within three months we expect to have a short and long-term projects that are identified with time lines and with the scope of work necessary."

MR. BINKLEY further explained a number of these may require some time to develop funding sources, both federal and other parties that can participate in the funding of these projects. He noted they have entered into an agreement with the City of Whittier to build the Viking Harbor, utilizing Corps of Engineers funding, \$1.5 million from the Corps of Engineers, approximately \$187,000 from the city, and between \$2,000,000 and \$3,000,000 from the Alaska Railroad. For their participation, the city will receive one-third of the gross revenue from the harbor with a guaranteed minimum floor of one dollar per passenger that crosses the dock. He noted the bulk of the money and the risk involved in constructing that project will come from the Alaska Railroad. He also mentioned there is another proposal for another small boat harbor in the Whittier area that really has called into question the overall economics of the project, so they are currently reviewing that and anticipate that will go forward.

Number 0105

MR. BINKLEY said they have also committed to leasing other lands to the city at far less than fair market rates, such as an area near the airport and for the RV camper park that is in the core of the city that was referred to earlier. The Alaska Railroad has also approached the federal government for financial assistance in building a pedestrian crossing over the road and the railroad tracks in the core city area. He pointed out a major impediment for pedestrian traffic will be the rail-yard which lies between the core of the City of Whittier and the waterfront. Mr. Binkley said they are trying to work with the federal government for financial assistance in constructing those improvements and are fairly confident that they will be successful in that regard as well.

MR. BINKLEY clarified the Alaska Railroad did provide, on short notice and at no cost to the City of Whittier, approximately 500 tons of ruffraff to help the city stabilize the road into town at Whittier Creek last year. He mentioned the railroad has also provided special rates for passenger shuttles, removed scrap from the city, and cleaned up the rail line between Portage and Whittier. The railroad also contributes approximately \$24,000 annually to help fund the Whittier Police Department.

Number 0132

MR. BINKLEY referred to Ms. Williams testimony regarding the thirteen areas the need to be worked on between the City of Whittier and the Alaska Railroad in which she indicated that only one of those had been completed to their satisfaction. Mr. Binkley stated he met with the city manager and the mayor two weeks ago, on February 18, and that was the first time he saw that list. He said his recollection, they could agree that at least seven of those were either completed or substantially complete to the satisfaction of the City of Whittier.

Mr. Binkley mentioned any future projects the railroad will be working on, for example if the cruise ships hopefully come back to Whittier, the Alaska Railroad will need to repair and upgrade the dock facilities at the passenger access. He said that takes a tremendous amount of capital, all of which are done at the railroad's expense, they are not subject to the general fund or expenditures by the State of Alaska. The real estate revenues that they generate help provide for some of those capital upgrades that they are able to accomplish to improve the area in order to increase the commerce coming into the community.

MR. BINKLEY stated the Alaska Railroad is not taxed on its real property in the community, however, the real value to the City of Whittier will be when private sector development takes place, development on that raw land is what drives your tax base. Mr. Binkley said Ms. Williams testified that every day she has private sector developers who were coming into her office asking about her to lease land. He said he asked Ms. Williams to please send those people to the Alaska Railroad so that they can work with them to develop those lands. He mentioned he also asked for a list but was not provided one person who had actually contacted her.

MR. BINKLEY said the Alaska Railroad has worked closely with the City of Whittier and that they are open, willing and ready to lease any piece of property to help develop the infrastructure in Whittier and to help increase the tax base on which the community can operate. The real estate revenues within the Alaska Railroad have allowed them to finance their own improvements and infrastructure. He reiterated that the income from the real estate has kept the railroad going over some very lean years. He noted the ratio between upgrading revenues and real estate revenues has shifted to where they are about equal between operating revenues and real estate revenues. It used to be the real estate that carried the railroad. It's not any longer. He stated the real estate allows them the ability to go out and finance the heavy capital cost that it takes to develop their properties in Whittier.

Number 0196

MR. BINKLEY noted there are some technical problems with the bill which deal with the original Alaska Railroad Corporation Act, the utility corridors that were provided for in that Act. There are also technical concerns in the present structure of HB 412 regarding the liability of some of those lands - when they were transferred from the federal government to the Alaska Railroad and what happens in the course of transferring those lands onto the City of Whittier. He urged the committee to take the time to look at some of the real technical problems with this legislation and will work with the railroad's legal council in trying to straighten out some of those problems.

MR. BINKLEY stated they feel that the Alaska Railroad has made

every effort to be responsive to the city's needs, although admittedly the relationship between the parties in past years has been adversarial at times. He said he thinks the current management of the railroad has demonstrated a real change in the attitude of railroaders in dealing with the city. Mr. Binkley reiterated that the items he's listed indicate that some progress has been made, they still feel they have a lot more to do. He stressed that the railroad needs to conclude those negotiations to solve those problems so that we can have a healthy viable community that provides services when the tunnel is open. Mr. Binkley stated, "I think we can accomplish these things to the benefit of the City of Whittier and the benefit of the Alaska Railroad, we can all win in this situation, we're committed to do it and we're going to go forward and hopefully this bill won't be necessary to make that happen."

CHAIRMAN WILLIAMS said he didn't want to get into a debated but there have been a lot of accusations made on both sides. He mentioned he does remember the adversary role that the railroad was taking a few years back and feels that it's still there.

Number 0225

MS. WILLIAMS said she would like to give the current and correct status of the list provided by the railroad. She indicated there is not in place at this time the 35-year water sewer - storm sewer agreement, the \$35,000 and \$50,000 are planning monies of DOT/PF and the railroad and a lot of discussion was held on what could be done in the wharf area, the Viking Harbor situation is not going to become a feasible situation, the fish pond project - the city is unable to sign the 28-page document because of the various as sundry items in it. She said, as of this moment, none of the 15 items have come to fruition, and when they speak of the \$24,000 donation to Public Safety, that's erroneous, that is a service contract for the police department to patrol private railroad property at the wharf. The riprap brought in, they were rearing their own lands.

MS. WILLIAMS said she doesn't understand the \$260,000 of lost revenue in 1997 that they show for real estate holdings. She said the key point is that all of the discussion is centered around as what the city sees as a real estate development or a real estate developer might speak, not an industry that was developed by the State and statutorily protected for rail service transportation and passenger. The lands that do belong to the state and are legislatively controlled need to stay inside that statute that tells them to provide our transportation.

CHAIRMAN WILLIAMS asked if there is anyone on teleconference who can't participate on Monday that would like to testify at this time.

MS. WILLIAMS mentioned Mayor Bill Coumbe, and members of the public are on teleconference in Whittier.

Number 0274

REPRESENTATIVE HUDSON referred to the Alaska Railroad's position statement, page 5. He asked Mr. Binkley to provide information on other right-of-ways which would tightly constrain the railroad's operations if HB 412 were to pass to make comparisons and explain the railroad's proposed changes that the railroad would like to make over time in conjunction with mutual agreement with the city and the potential revenue generations for the railroad of \$1.9

million.

REPRESENTATIVE KUBINA pointed out, in the previous administration, the City of Whittier had a sales tax to raise money, however the railroad said you can't sell a round-trip ticket so you couldn't tax the round-trip, you could only sell a one-way ticket. He said, if you were a city official you could feel the frustration there. He also mentioned the city tried to put a head tax on the cruise ships, the cruise ships responded, fine, we're going to Seward. He noted Bill Sheffield, as Chairman of the Alaska Railroad Board, they have been talking a lot more and explain things a lot better. He said Mr. Binkley has helped that out even more so. He mentioned to the 28 page lease agreement - no wonder they spent \$200,000, the tideland issue - we did solve that issue, fighting for easements for their utilities and the roads and not have a guarantee that the road's going to be there 90 days from now - that doesn't make sense. He indicated getting these lists, which he requested, is a step in the right direction.

CHAIRMAN WILLIAMS announced he would like to have testimony by people who are not employed by either the state, railroad or the city, with exception of the mayor.

Number 0319

BILL COUMBE, Mayor, City of Whittier, testified in support of HB 412 via teleconference. He said the bottom line is money, the railroad by statute is required is to make the best use of their resources to make the railroad work, we understand that. And their intent, clearly in Whittier is to maximize their profits and their real estate it helps the railroad get through the lean times. He said, "It's not a personal thing, I think they're fine people and I understand their doing the job the best way they can. What we're trying to do, is we're trying to build a community that we can be proud of. It isn't our business, we don't want to see our town turn into concrete and asphalt in every direction, we would like to see some green (indisc.) areas, maybe a city park where kids could play without paying a fee to the Alaska Railroad to improve it. We'd like to see some recreational buildings built on land that we don't now own so that we could in the long, dark, cold winters have some sort of a (indisc.) social environment, Maybe a swimming pool so our kids that are always at the waterfront can learn to swim. So it isn't just (indisc.) and I think it's important to understand what some of our motivation is in that regard."

Number 0333

JOE GRAY, Council Member, and Planning and Zoning Committee Member, City of Whittier testified in support of HB 412 via teleconference. He said he is one of the few people who live in the Whittier Manor Building which is on railroad property. He said it is true, although he has a long-term lease, with the road coming in much of that property is being sold to people who have cash or are typically from out of town because they can't get financing on leased property. He said that's rather frustrating. Mr. Gray said he hasn't seen the special rates offered to the citizens of Whittier.

Number 0363

CHAIRMAN WILLIAMS announced HB 412 will be held over until Monday.

HB 227 - CAPITAL IMPROVEMENT PROJECT AUTHORITY

Number 0367

CHAIRMAN WILLIAMS announced HB 227, "An Act relating to the Alaska Capital Improvement Project Authority; relating to the powers and duties of the Department of Transportation and Public Facilities; and providing for an effective date," sponsored by Speaker Gail Phillips is before the committee. He said the committee has heard this bill several times and indicated he would like to move HB 227 today.

Number 0376

REPRESENTATIVE HUDSON said he would like to hear from the Office of Management and Budget, as well as the department while they're here.

CHAIRMAN WILLIAMS noted he would first like to hear from the sponsor who is currently attending another meeting. Chairman Williams called for an at-ease at 2:50 p.m.

CHAIRMAN WILLIAMS called the meeting back to order at 2:51 p.m. He asked Mr. Pignalberi to tell the committee what has transpired.

Number 400

MARCO PIGNALBERI, Legislative Assistant to Representative Cowdery, Alaska State Legislature, brought the committee members up-to-date on the changes made. He referred to Version LS0789\F, Utermohle, 2/27/98, page 6, lines 24 through 27. He said the drafter was asked to make that sentence easier to understand.

TAPE 98-12, SIDE A
Number 0001

MR. PIGNALBERI continued, "...that leaves this committee. In addition, Mr. Chairman, I mentioned to the committee that on page 5 of the bill, on line 14, the words 'construction season,' at the end of line 14, it had been suggested to us by the FAA (Federal Aviation Administration) that we change construction season to 'fiscal year.' And Representative Elton was kind enough to point out that splitting the fiscal year splits the construction season, it could be problematical so we discussed this matter with people at DOT/PF and with Federal Highways, and amongst staff, and the drafter of the bill and decided that -- I tried to reach Mr. Simpson, I believe is on line now to let him know that we would not be recommending that as a change, and prefer to leave construction season as it is."

MR. PIGNALBERI referred to page 2, line 15, the section of the bill that has the findings and the intent of the legislature. He said the subparagraph is added at the suggestion of Mr. Simpson, FAA. It reads the authority will:

(4) Evaluate and prioritize projects with a method that is consistent with criteria required by the Federal Aviation Administration, the Federal Highway Administration and other funding sources.

MR. PIGNALBERI asked that be incorporated as an amendment also.

CHAIRMAN WILLIAMS referred to the amendments as F.1 and F.2.

Number 0026

REPRESENTATIVE HUDSON made a motion to move proposed Amendment F.1, Utermohle, 3/3/98 and asked for unanimous consent.

Page 4, line 1:

Delete "facilities"

Insert "facility procurement"

Page 16, line 24:

Delete "its"

Insert "the commissioner's [ITS]"

Page 16, lines 26 - 28:

Delete "approval and for submission of the findings, plans, and recommendations, as approved, to the governor and to the appropriate state agency to facilitate the development of agency capital improvement budget requests."

Insert "approval [GOVERNOR AND TO THE APPROPRIATE STATE AGENCY TO FACILITATE THE DEVELOPMENT OF AGENCY CAPITAL IMPROVEMENT BUDGET REQUESTS]."

Number 0028

REPRESENTATIVE ELTON objected. He said, I've gotten to the first two things that this amendment accomplishes, and so far I would describe them as technical amendments. I would like to have that confirmed by the maker of the amendment." He also asked the third component, beginning on line 7, be explained.

MR. PIGNALBERI asked if he was asking for an explanation of lines 8 through 13 means.

REPRESENTATIVE ELTON replied yes, what that change through the amendment accomplishes.

MR. PIGNALBERI referred back to Version F, Utermohle, 2/27/98, page 16, subsection 6, lines 24 through 28. He said, "The reason why this sentence was so convoluted is because it was trying to do, in one section of the bill - this section having to do with what the commissioner shall do, it was also trying to say what the authority shall do in the section that says what the commissioner shall do, and so it resulted in a very convoluted sentence." Mr. Pignalberi explained the drafter had to put part of the language in different sections of the bill. He said, "The gist of it is that the approval and submission of findings, plans, and recommendations, is being done by the commissioner in this section."

PETE ECKLUND, Legislative Assistant to Representative Williams, Alaska State Legislature, explained the amendment cleans up confusing sentences in Version F, line 24, subsection (6), the commissioner is going to:

submit his findings, plans and recommendations to the authority for their review, revision and approval.

PETE ECKLUND reiterated that they took a convoluted sentence and tried to clarify it. It is saying that "the commissioner is going to submit his findings, plans, and recommendations to the authority for their review, revision and approval." He then referred to Version F, 2/27/98, page 4, lines 14 and 15 of Version F:

the authority shall be submitted to the governor for inclusion in the state capital projects budget and to the legislature.

Number 0062

REPRESENTATIVE ELTON for clarification stated the commissioner submits to the authority and the authority submits to the governor.

PETE ECKLUND replied for the findings, plans and recommendations in this section is correct.

REPRESENTATIVE ELTON withdrew his objection.

Number 0067

CHAIRMAN WILLIAMS asked if there was any other objections. There being none, Amendment F.1 was adopted.

Number 0070

CHAIRMAN WILLIAMS referred to proposed Amendment F.2, page 2, line 15.

(4) Evaluate and prioritize projects with a method that is consistent with criteria required by the Federal Aviation Administration, the Federal Highway Administration and other funding sources.

REPRESENTATIVE HUDSON made a motion to adopt Amendment F.2 and asked for unanimous consent.

CHAIRMAN WILLIAMS asked if there were objections, there being none, Amendment F.2 was unanimously adopted.

CHAIRMAN WILLIAMS asked Mr. Pignalberi if he would like to discuss the fiscal notes that he signed a few minutes ago.

Number 0081

MR. PIGNALBERI explained the fiscal notes simply takes the amount of money that is in the FY 99 budget, for statewide planning BRU (Budget Review Unit), and moves it under a new BRU called the "Alaska Capital Improvement Project Authority." He said the organization chart, the (indisc.) from the budget, gives a more vivid picture of what is paid for by the money, basically this is the statewide planning BRU - and the DOT/PF that would, under this bill, would simply be transferred to the authority.

REPRESENTATIVE ELTON said he was expecting to see a fiscal note from the department and indicated this seems to be a little bit unusual. He asked if the department has had a chance to review the fiscal note that was prepared today for this transfer.

CHAIRMAN WILLIAMS mentioned they will hear from the department.

MR. PIGNALBERI added that they went over the approach to our fiscal note with the department last evening and even made some suggestions that they correct theirs now that they understand how it works. He said, "But the department cannot admit how this bill works because they simply don't like it, and they're not going to prepare a fiscal note to reflect how it really works. ... There was a statement put on the record at our last meeting that this authority would be federally funds ineligible and we checked with both the Federal Highway Administration and the Federal Aviation Administration, both of them I believe have representatives on-line. ... Basically the Federal Department of Transportation is mandated to work with whatever setup the various states come up with. And among the 50 states, there are a variety of planning

organizations and authorities that are eligible for federal funds of which this will just be one. They are concerned that there be no redundant overhead expense and redundant activities so they wouldn't have to pay for the same thing twice. And that obviously is not the case because we're simply taking an existing BRU and putting it under the new authority and there is no redundancy in that. So, the information that was put on the record, was based I believe on an honest misunderstanding of the intent of the bill but we need to have that corrected."

Number 0114

REPRESENTATIVE HUDSON said this not only transfers the money, but it also transfers all the positions out of DOT/PF into the new BRU. He asked if it stipulates where these positions will be located if we approve this.

MR. PIGNALBERI replied no, there's no reason why they can't remain where there are. He said he supposed something would be worked out with the department rather than putting them in a separate building.

REPRESENTATIVE HUDSON stated there wouldn't be any major transfer of positions to new offices or setting up a new quasi-agency with all of these positions. He said he assumed that all the positions remain the same.

MR. PIGNALBERI replied, "It's my own vision and I can't speak for the sponsors of the bill directly in this because they have probably their unique vision on their mind, but I think we're roughly on track with minor differences that the authority would probably have an administrative office in Anchorage and that they would have some minimal administrative support there. But in terms of actually moving all of these positions you see on the organizational chart out of Juneau, I don't think - that's not contemplated."

Number 0128

REPRESENTATIVE HUDSON said he would not support it if it positions were moved out of Juneau because he believes the interrelationship between the planning and the development side, and the operational side is a very important element. He indicated he does see value in the bill of establishing continuity within the planning mechanism, but he doesn't want this thing to become a hindrance or a harm to the department and the rest of its functions. He reiterated that he is not about to vote to move this out of committee until there are very good assurances.

MR. PIGNALBERI stated he is sure that the sponsors recognize and desire the authority to be an independent body for the purpose of making the selections and doing the rating so that it's external and there is more accountability that it's an external check on the DOT/PF, recognizing that they absolutely must have a continued working relationship at the staff level - with other people in DOT/PF and that's been a given in the whole process.

REPRESENTATIVE ELTON said that he's not sure that he's was reassured. He said it sounds like we're still "putting lipstick on the hog" and we don't know where these positions are going to be (indisc.--laughter). He referred to the organizational chart and asked who hires these people. Representative Elton stated, "If we're taking these positions, my assumption is that they would report to the director that's hired by the authority."

MR. PIGNALBERI responded that's right, the chairman of the authority.

REPRESENTATIVE ELTON continued, "This director gets the positions, but I would imagine would have the authority to fill them with whomever he or she wants. They get the positions, they don't necessarily get the people. So this director could say, 'well, I don't want this planner...'"

MR. PIGNALBERI interjected, they are state employees still.

Number 0151

REPRESENTATIVE ELTON remarked they are. He said he is assuming the director is going to have the hiring authority on whom they want reporting to them. He asked if the director is mandated to keep the people that they're getting, or is he only getting the PCN'S (Position Control Numbers).

MR. PIGNALBERI responded there is no mandate in the bill for the director or the authority to keep anyone as an employee. He said he didn't know if there was much choice in the matter and didn't know why the desire would be there. He added these positions are classified.

Number 0157

REPRESENTATIVE ELTON asked, are we assuming that the director is going to be a range 26.

MR. PIGNALBERI replied yes - whatever it is now.

CHAIRMAN WILLIAMS said it doesn't look like he's going to be able to get this bill out of here today, so it will be held over until Monday. Chairman Williams asked Mr. Moreno to come forward since he will not be available to testify on Monday.

Number 0169

STEVE MORENO, Administrator, Alaska Division, Federal Highway Administration, said his purpose in being here is to register some concerns he has about the wording that's in the bill and noted FHA is neutral on the proposal.

MR. MORENO stressed that he is concerned with HB 227 because there are words that could get us in trouble here. He said he knows we're talking about a situation in which you have a director who reports to the authority, and the bill as it's written, also has a commissioner in there as well. He noted, because he hasn't seen the organizational chart, he doesn't know who's in charge of DOT/PF in that sense. Mr. Moreno stated, "My relationship is one with typically, and it is in all states, with either the commissioner or the secretary of transportation, depending on what the state is. So now I see we now have a director and we have a commissioner, so who's in charge, I don't know. So I would have a concern about that, whom am I supposed to deal with as an organization."

MR. MORENO also noted there were words that were previously in the bill that the authority would review, revise as appropriate and approve capital improvement projects - budgets, and programs, and projects, and those kinds of words. Mr. Moreno told the committee his concern is whether or not the authority would insert or delete projects or programs of projects from the Statewide Transportation Improvement Program document, which is a federally required item. He said those words appear to still be in here. There was an

attempt to put other words in. He referred to page 8 of Version F, lines 11 through 15:

The authority may make amendments to an approved program that affects projects for construction or maintenance of highways approved by the Federal Highway Administration only if the amendments are adopted in accordance with the program review, revision, and approval process established by the authority.

MR. MORENO asked is that the same process that the balance that DOT/PF uses, or is that a new process that just the authority uses. Do we have two processes now, or one? He stated it's not clear to him.

MR. MORENO concluded those are basically his concerns. He said they're similar to what he had earlier, it was whether or not the authority, or the authority's staff, in this case would substitute their judgement for all the processes that came into play to get to the final list of projects.

MR. ECKLUND said, "We did include language in the bill that talks about the authority maximizing the use of federal funds and not doing anything to make our program federally ineligible. The amendment process he was talking about on page 8, we envision the authority working with the federal government to come up with an amendment process that meets both the federal requirements and that the State can live with. We don't envision the authority just card blanche changing things and making projects federally ineligible. We've included language to try to make that clear."

Number 0206

MR. MORENO gave a specific example, he said, "If the authority put in a project in year one of the document and said, all right this is now the DOT/PF's highest priority - we the authority stick it in there. Our first reaction would be that that was not an eligible project. What would have to happen is that project would have to go back through the entire process again, the STIP (Statewide Transportation Improvement Program) process, and if it was in Anchorage, the AMATS (Anchorage Metropolitan Area Transportation Study) process, and be ranked according to the standard procedure that the department uses. So I don't know how long that takes, whether that's a full legislative season so that it's not until year two that the thing actually becomes eligible for federal aid. Again, it's going to depend on what this modification process is."

MR. ECKLUND explained some of the problems we had in drafting is, a lot of these things that he's talking about are policies, they're not in statute now, they're not in regulation now, and so we had to give the authority some guidance - not to break federal law, to apply with federal law, but also given the latitude to come up with their own policies with the federal government to address these issues. Because it's not in statute now, it's not in regulation now, it's hard to put into a bill. We tried to craft it to give them some leeway, but also make sure that they would follow federal requirements and not make our program ineligible.

MR. MORENO mentioned the last time he was here there was a comment made to the effect that we haven't built any new roads for a long time in Alaska. He referred to two national charts, federal fiscal 1992 to 1996. Mr. Moreno said, "If you look at it in terms of the number of miles that are under construction in any given fiscal year, for the five-year period that I just mentioned, only about 3 percent, that's this little dark slice of the pie here, only about 3 percent of the roadways that are under construction are new

roadways on new alignment. Alternatively, if you look at that and say, well forget about the mileage, let's look at out of eight billion dollars a year that's under construction, nationally, how much of that is new roadway. That number for those same years is in the range of 13 to 17 percent. So again, it's a relatively small piece of the pie, the rest of it is going toward system preservation and capacity improvements."

Number 0229

REPRESENTATIVE BEVERLY MASEK stated for the record that she is concerned and would like answers regarding questions Mr. Moreno asked - who is in charge since we didn't put in the commissioners and address his comment regarding page 8 as well.

Number 0234

REPRESENTATIVE JERRY SANDERS commented, "With this, you're referring to a mature road system which we don't have here in Alaska."

REPRESENTATIVE COWDERY said, "Down town Anchorage don't need more streets or more roads, there's no new roads down there, but certainly some new roads in rural Alaska. And Alaska is maybe more unique than the others."

CHAIRMAN WILLIAMS announced HB 227 will be held over until Monday.

ADJOURNMENT

Number 0239

CHAIRMAN WILLIAMS adjourned the House Transportation Standing Committee at 3:17 p.m.