

Gasline Workforce Scholarship Program**FY2009 Request: \$4,500,000****Reference No: 46871****AP/AL:** Appropriation**Project Type:** Construction**Category:** Education**Location:** Statewide**Contact:** Guy Bell**House District:** Statewide (HD 1-40)**Contact Phone:** (907)465-2700**Estimated Project Dates:** 07/01/2008 - 06/30/2013**Brief Summary and Statement of Need:**

This request would establish a Gasline Workforce Scholarship Program for recent high school or GED graduates preparing for careers in AGIA-related occupations requiring Associates or Certificate level training and enrolling in programs of a minimum of eight weeks in length and up to two years in length.

Funding:	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
Gen Fund	\$4,500,000						\$4,500,000
Total:	\$4,500,000	\$0	\$0	\$0	\$0	\$0	\$4,500,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

No previous funding has been provided for this project.

Project Description/Justification:

Gasline Workforce Scholarship Program \$4,500,000
(AGIA Training Strategic Plan Strategy 4.2f)

This request would establish a scholarship program for recent high school or GED graduates preparing for careers in AGIA-related occupations requiring Associates or Certificate level training and enrolling in programs of a minimum of eight weeks in length and up to two years in length.

Scholarships would be capped at the lesser of student costs to attend (after other non-loan aid) or \$6,000 per year per student for tuition or other education-related expenses such as tools, testing fees tied to industry certification, concurrent (dual) enrollment credits, approved living expenses, etc. Fifty percent of the award will be disbursed on program entry and 50 percent at program midpoint, consistent with federal grants, so long as the student is making satisfactory academic progress.

Eligibility will be limited to the 113 AGIA-related occupations as established by the Alaska Department of Labor and Workforce Development's Research and Analysis section, grouped as follows: Crafts, Equipment Operators, Material Handling, Logistics, Operations, Administration, Camps/catering, Office & Field Engineering, Environmental, and Safety.

Specific credentials will be identified for each scholarship-eligible occupation.

The program will be administered by the Alaska Commission on Postsecondary Education (ACPE). We are proposing to provide approximately 150 scholarships per year and are requesting \$4,500.0 GF over the five-year period. ACPE can manage this program as part of ongoing grants oversight, and forego charging administrative overhead. There may be a minimal cost related to modification of ACPE's grant management system to efficiently accommodate program administration.

The Commissioner of Labor and Workforce Development will develop the rules and procedures for eligibility with review and approval by the Alaska Workforce Investment Board. Rules will include the following:

- Return of funds if student drops out of a program; to keep management simple we will require that the school return any refund due the student to the grant program, and not require return of funds if the student drops after the school refund deadline.
- Distance education program eligibility.
- Requirement that students attend full-time.
- Requiring schools to collect completion and placement rates to document program success.
- Rules to determine whether a program qualifies as AGIA-related.
- Priority for scholarships will be for Alaskans enrolling at publicly funded and accredited postsecondary programs.

Eligible Schools: Any Alaska postsecondary training institution authorized or determined to be exempt from authorization to operate in Alaska by ACPE, and which offers a qualifying program of study. Schools will need to sign a Program Participation Agreement (PPA) indicating their willingness and ability to ensure funds are only disbursed to eligible students and are promptly returned if not used.

Funds disbursement: funds would be disbursed in care of the school upon school certification that the student is enrolled and otherwise eligible.

Preparation: Eligibility is limited to Alaska residents and includes high school diploma or GED and Work Keys scores, or enrollment in a Tech Prep program that is AGIA-related.

Gasline Workforce Development**FY2009 Request: \$34,800,000****Reference No: 46867****AP/AL:** Appropriation**Project Type:** Construction**Category:** Education**Location:** Statewide**Contact:** Guy Bell**House District:** Statewide (HD 1-40)**Contact Phone:** (907)465-2700**Estimated Project Dates:** 07/01/2008 - 06/30/2013**Brief Summary and Statement of Need:**

Funding for a five-year program necessary to implement the strategies from the AGIA Training Plan Steering Committee for skills development in preparation for pipeline occupations.

Funding:	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Gen Fund	\$34,800,000						\$34,800,000
Total:	\$34,800,000	\$0	\$0	\$0	\$0	\$0	\$34,800,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
<u>One-Time Startup:</u>	0	
Totals:	0	0

Additional Information / Prior Funding History:

Previous funding for this program includes a federal grant of \$7.5 million for Pipeliner Training and funds approved by the legislature in the FY09 operating and capital budgets.

Project Description/Justification:**Department of Labor and Workforce Development****Job Awareness Program \$750,000**

(AGIA Training Strategic Plan Strategy 1.1)

Integrated Job Awareness Program for the Department of Labor and AGIA Job Opportunities to maximize Alaska hire. Approximately 19 percent of Alaska's workforce is nonresident and nonresidents earn approximately \$1.5 billion in Alaska wages.

This program will address the current demand for existing jobs and training opportunities, with a second phase to focus exclusively on AGIA-related job opportunities.

This comprehensive outreach effort will make all Alaskans aware of training opportunities and in-demand occupations. The focus will be on the 113 gasline occupations identified by the Gasline Training Strategic Plan Steering Committee. A variety of media vehicles and resources will be used to reach all Alaskans, from urban areas to rural communities.

Pipeline Administrator \$800,000

(AGIA Training Strategic Plan Strategy 1.2a)

The Pipeline Training Program Administrator will be the Department of Labor and Workforce Development's project manager for implementation of the Alaska Gasline Training Strategic Plan: http://www.labor.state.ak.us/AGIA_teams/docs-combined/agiaweb.pdf

The Administrator will work closely with each agency involved in plan implementation, the gasline licensee, training providers, and private industry to maximize employment of Alaskans on the gasline. This request fulfills strategy 1.2a of the Gasline Strategic Plan.

Pipeline Training Program Administrator Range 23F

- Salary and Benefits \$ 131,900
- Travel, Contractual, Supplies \$ 28,100
- Total \$ 160,000

Adult Basic Education Increase \$2,500,000
(AGIA Training Strategic Plan Strategy 2.5a)

The Adult Basic Education (ABE) program prepares Alaskans for employment by providing instruction in the basic skills of reading, writing, mathematics, and General Educational Development (GED) preparation and testing. In addition to basic skills instruction, ABE provides assistance with basic reading and math components need for trades apprenticeships and job training curriculum. An increase in funding will allow for remediation of basic skills deficiencies with an emphasis on preparation for AGIA-related occupational training programs. In effect, ABE provides developmental reading, writing, and math which would not otherwise be available.

The targeted funding will better meet the current demands of Alaskans wishing to enter post-secondary training and the labor market in AGIA and high-growth industries. The requested increase in funding will result in an increase of 20,830 direct instructional hours.

The state will also realize added value to by reducing attrition in federal and state-funded training programs, which will ultimately place more Alaskans into good jobs.

Alaska Vocational Technical Center Instructional Expansion \$1,500,000
(AGIA Training Strategic Plan Strategy 3.1a)

Expand welding program to offer a second shift structural welding class to train an additional 30 welders a year. Welding Instructor \$100,000 annually.

Upgrade and expand Diesel/Heavy program by incorporating CDL training into existing Diesel/Heavy program, replace key equipment, and improve shop. Heavy/CDL Instructor \$100,000, Instructional Aide \$50,000, Equipment \$50,000 annually.

Gasline Occupations Grant Program \$26,500,000
(AGIA Training Strategic Plan Strategy 3.1c)

Purpose: Competitive grant program promoting public/private education partnerships aimed at youth to develop and implement enhanced career and technical education programs geared toward high-growth jobs (especially relating to gasline occupations), especially in regions with limited economic and employment opportunities.

Time-frame: Multi-year program is needed to ensure adequate development and implementation time, and assist each partnership's ability to incorporate the programs into their on-going efforts for sustainability.

Issue: Career and Technical Education (CTE) is a proven dropout prevention and career building program for youth. School districts need private partners and state funding to provide additional CTE programs.

Process: RFP's will be jointly issued by DOLWD and DEED; school districts will have the ability to develop innovative programs that are relevant to their regions and students. Funding must SUPPLEMENT, not supplant, existing efforts.

Expected Outcomes: Reduced dropout rates, improved test scores, more high school graduates going on to post-secondary training and then becoming employed.

Funding:

1 PFT DEED/1PFT DOLWD for administration:	\$ 1,025,000 (\$205,000 per year)
Travel, Contractual, etc. for staff:	\$ 475,000 (\$95,000 per year)
Grants	\$25,000,000 (\$5M per year)

Note: First year funding may need to be larger as school districts may have to invest in facility development to deliver programs. Flexibility in grants to include capital improvements, equipment and supplies acquisition, to be included in grants process.

Regional Training Centers Gasline Training \$2,000,000
(AGIA Training Strategic Plan Strategy 4.2e)

Enhancement to the Federal Alaska Pipeline Worker Training Project.

The state's focus is on aligning resources to strengthen public-private partnerships for enhanced development and delivery among existing training programs. The idea is to foster a statewide climate of institutional innovation and teaching excellence in strategic locations to capitalize on existing infrastructure, sustainability, and each region's capacity to show significant return on investment. This integrated system will connect an articulated career pathway from high school to post-secondary education and training; transition participants from school to work; incorporate career technical education standards, and use industry-based standards. The integrated career technical education system will "feed" youth and adults with career interest and capability through the system from entry

to journey level advancement.

As young people enter the system through high schools, and through construction, pre-apprenticeship training, and vocational programs, it will be necessary to move them through a series of training steps. These steps are broadly categorized as entry level training, industry based training and occupational training. For those individuals interested in vocational or university based training programs, it is necessary to provide activities that increase math and reading skills to a point where they can successfully participate in training. Once an individual is past the need of intensive support in applied reading and math they enter into industry based training. Training at this level includes post-secondary training, course-related instruction for their apprenticeship, and specific skill development, such as welding to prepare them for working in the industry. The third and final stage of training is in support of skilled professionals, incumbent workers and journeymen. During occupational training workers learn the unique skills required by their position, apprenticeship sponsor or employer. Specialized training on the latest technology or skills necessary to be competitive is the focus of occupational specific training.

Three core areas of expenses including instructional supports such as curriculum development to meet industry training needs, training aides such as classroom videos and tools and equipment, such as classroom tool cribs, will be funded through the supplement to the federal grant. Approximately \$400,000 per year will be allocated to support training programs that lead to employment in gasline related occupations.

Overall the appropriation will support the training of 900 Alaskans in entry level training, 900 Alaskans in industry based training and 700 Alaskans in occupational training for a total of 2,500 participants over the next five years.

Skill Upgrade Training \$750,000
(AGIA Training Strategic Plan Strategy 4.4b)

The Department received a \$7.5 million grant from the U.S. Department of Labor for pipeliner training. The grant included \$150,000 over four years for a Train the Trainer instructor program. With the increasing retirement of baby boomers there is a significant need to supply the next generation of supervisors and trainers. This funding would expand our efforts, enabling increased training of trainers and pipeline occupation supervisors. We anticipate training an additional 60 trainers and 150 supervisors with this funding.

Alaska Works Partnership Gasline Workforce Development FY2009 Request: \$2,287,500
Reference No: 46870

AP/AL: Appropriation
Category: Education
Location: Statewide
House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2008 - 06/30/2013

Project Type: Construction
Recipient: Alaska Works Partnership
Contact: Guy Bell
Contact Phone: (907)465-2700

Brief Summary and Statement of Need:

Alaska Works Partnership (AWP) proposes equipping the Fairbanks pipeline training center with welding stations and other welding training equipment, which will be used to train entry level students to the master pipe welder level, and other essential equipment for comprehensive pipeliner training.

Funding:	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
Gen Fund	\$2,287,500						\$2,287,500
Total:	\$2,287,500	\$0	\$0	\$0	\$0	\$0	\$2,287,500

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:

No previous funding has been provided for this project.

Project Description/Justification:

Alaska Works Partnership AGIA Equipment List
 (AGIA Training Strategic Plan Strategy 3.1a)

This equipment will increase the capacity of the Pipeline Training Center to train the next generation of pipeline workers for building large diameter cross-country oil and gas pipelines. Trainees require hours of actual hands-on training to learn and demonstrate skills so they can work safely and efficiently. Providing additional equipment for training will help the state assist employers meet the current and anticipated future demand for skilled workers in the pipeline construction industry. Welding shacks, trucks, welding machine positioners and a mobile welding van will increase the number of persons trained in pipeline welding skills at the Fairbanks Pipeline Training Center and in communities along Alaska's transportation system. There is a shortage of sidebooms in Alaska due to increased development and pipeline repair activity on the North Slope and providing one for training will increase the number of persons qualified to operate sidebooms. A tractor trailer will provide trainees opportunities to learn how to safely and efficiently load, unload and transport heavy equipment used for civil and pipeline construction projects. Private employers and trade apprenticeship programs will contribute a match of 25% of the value of each piece of equipment, which includes cash and in-kind resources for insuring, storing and maintaining this equipment for continual use as training equipment.

Nationally, there is a critical shortage of skilled welders. In an article published in the Wall Street Journal, the American Welding Society (AWS) estimates a shortage of 200,000 welders by the year 2010. The need to begin training Alaska's workforce to meet the existing and future workforce needs can be supplemented through additional dedicated welding booth spaces. Alaska Works Partnership (AWP) proposes equipping the Fairbanks pipeline training center with twenty welding stations, which will be used to train entry level students to the master pipe welder level. All booths would contain a multi-process welding machine, the necessary power and hand tools and environmental fume extraction equipment.

1. In 2008, AWP plans to train Alaska welders on recently received 24" diameter pipe (approximately 3,000 feet of pipe donated by the producers). The large diameter pipe will require additional truck-mounted welding machines, and associated pipeline welding equipment such as magnatech pipeliner orbital welding head and power source, beveling machines, etc. - \$800,000
2. (1) - Mobile Welding Unit – Welding mobile unit classroom w/ tractor – \$250,000
3. (3) - Arctic welding shacks for cross-country pipeline welding - \$150,000
4. (2) - 3500, 4 x 4, Crew Cab, Dual Rear Wheel, 9' bed welding trucks - \$100,000
5. (1) - 583 Sideboom pipelayer - \$750,000
6. (1) - Tractor power unit w/ 60 ton, 3-axle lowboy trailer, longer deck w/ load booster - \$275,000
7. Build and equip health and safety lab at pipeline training center, i.e., confined space rescue equipment, swing stage platforms, ventilation fans and ducts, hazwopper, decontamination set-up, first aid stations, lock-out tag out equipment, North Slope Training Consortium training, personal protection equipment, etc. - \$250,000
8. Equip pipeline training center with necessary classroom equipment, including tables, chairs, desks, cabinets, smart boards, technology systems, office equipment, etc. - \$350,000
9. Air compressors, space heaters w/ duct, oil spill containment van - \$125,000

Total - \$3,050,000 less 25% Industry Contribution: \$2,287,500 GF

Gas Pipeline Implementation

FY2009 Request: \$15,000,000
Reference No: 46873

AP/AL: Appropriation **Project Type:** Planning
Category: Natural Resources
Location: Statewide **Contact:** Leta Simons
House District: Statewide (HD 1-40) **Contact Phone:** (907)465-3379
Estimated Project Dates: 07/01/2008 - 06/30/2013

Brief Summary and Statement of Need:

Implementation of the Alaska Gasline Inducement Act (AGIA) will require the retention of outside experts and consultants on certain aspects of gas pipeline project implementation. Specifically, outside experts will be needed to: analyze and advise the state on pipeline engineering and practices; tariffs, cost overruns, federal loan guarantees, royalty valuation methodology, and enforcement. Additionally, it will be necessary to develop and implement a program for project management associated with the AGIA inter-state gas pipeline project, the AGIA Pipeline Coordinator, and oversight of state AGIA license expenditures.

Funding:	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
Gen Fund	\$15,000,000						\$15,000,000
Total:	\$15,000,000	\$0	\$0	\$0	\$0	\$0	\$15,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

\$6,550,000 in sec. 2(a), ch. 6, SLA 2007

Project Description/Justification:

Provide expertise and advice to the state related to natural gas pipeline or mega-project planning, management, permitting, and construction:

- Tariffs and ratemaking;
- Policies of the Federal Energy Regulatory Commission, the Regulatory Commission of Alaska, and the Canadian National Energy Board;
- Gas pipeline access;
- Aspects of gasline project engineering to evaluate design and expansion provisions;
- Project economics, cash flow, state fiscal terms, and forecast modeling;
- Risk assessment;
- Project financing and federal loan guarantees;
- Input to project economics and state revenue projections;
- Develop and implement program for project management; and
- Develop and implement oversight process and for state AGIA license expenditures.

Why this Project is Needed Now: This request will provide funds to implement a gas pipeline contract under AGIA. These funds may be expended directly by the Department of Natural Resources or may be RSA'd to

Gas Pipeline Implementation

FY2009 Request: \$15,000,000

Reference No: 46873

the Department of Revenue, the Department of Law, or the Governor's Office to pay for contracts with outside experts. Implementation of the gas pipeline project is expected to begin in FY 09. The expenditure of these funds is expected to continue through FY 13.

Line Item Expenditures: Services \$15,000,000 -- Funding will pay for outside experts and an Intra-state Gas Pipeline Coordinator to facilitate in-state gas project development.

**Capitalization of the Alaska Gasline Inducement Act
Reimbursement Fund**

**FY2009 Request: \$164,000,000
Reference No: 46874**

AP/AL: Appropriation
Category: Development

Project Type: Construction

Location: Statewide

Contact: Jerry Burnett

House District: Statewide (HD 1-40)

Contact Phone: (907)465-2312

Estimated Project Dates: 07/01/2008 - 06/30/2013

Brief Summary and Statement of Need:

This reflects the estimated amount necessary to fully capitalize the Alaska Gasline Inducement Act Reimbursement Fund at \$500 million after the reappropriation of approximately \$336 million from the Alaska Housing Finance Corporation.

Funding:	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
Gen Fund	\$164,000,000						\$164,000,000
Total:	\$164,000,000	\$0	\$0	\$0	\$0	\$0	\$164,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:

\$300 million to AHFC in sec. 14, ch. 13, SLA 2006. This appropriation and all interest earned are reappropriated to the Alaska Gasline Inducement Act Reimbursement Fund.

Gas Pipeline: Spur Line Segment

FY2009 Request: \$25,000,000
Reference No: 46875

AP/AL: Appropriation
Category: Development
Location: Statewide
House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2008 - 06/30/2013

Project Type: Planning
Contact: Jerry Burnett
Contact Phone: (907)465-2312

Brief Summary and Statement of Need:

This project will cover work on right-of-way, preliminary engineering, permitting, planning, and design of a 370 mile spur line from Delta Junction to Beluga. This request will help fund the costs of outside experts and consultants.

Funding:	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
Gen Fund	\$25,000,000						\$25,000,000
Total:	\$25,000,000	\$0	\$0	\$0	\$0	\$0	\$25,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

\$4,000,000 sec. 10, ch. 29, SLA 2008

Project Description/Justification:

Alaska residents need new sources of low cost energy. The gas pipeline from the Alaska North Slope to Alberta presents an opportunity for that energy. The spur line could bring North Slope gas to many Alaska residents beyond those that live along the pipeline route.

This CIP request would provide expertise and advice to the Alaska Natural Gas Development Authority (ANGDA) regarding construction of a spur line from Delta Junction to Southcentral Alaska. More specifically:

- o Ensure that all right-of-way issues are adequately resolved and permissions in place as expeditiously as possible;
- o Review and advise on aspects of gasline project engineering and design to ensure feasibility and integrity of the take-off point design;
- o Develop contract and bonding documents for aggregation of utility gas needs;
- o Evaluate capacity requirements to support LNG;
- o Develop joint venture partnership documents, financing plan, request certificate of public convenience and necessity;

Gas Pipeline: Spur Line Segment

FY2009 Request: \$25,000,000

Reference No: 46875

- Provide consultation and assistance obtaining any state or federal permits associated with the spur line segment; and
- Purchase propane on North Slope for “pilot” project and tank rental.

Why this Project is Needed Now: The timing of an open season for a mainline project is short. The initial open season will occur in calendar year 2010. It is imperative that the spur line be positioned to offer transportation service at the same time the open season for the mainline is conducted. This work is expected to begin in FY09. The expenditure of funds is expected to continue through FY13.

Line Item Expenditures: Services \$25,000,000 for contracting out the right-of-way, engineering, financing, permitting, and design of a spur line.

Gas Pipeline Infrastructure Preparation

FY2009 Request: \$129,900,000

Reference No: 46877

AP/AL: Appropriation with Allocations

Project Type: Construction

Category: Transportation

Location: Statewide

Contact: Frank Richards

House District: Statewide (HD 1-40)

Contact Phone: (907)465-3900

Estimated Project Dates: 07/01/2008 - 06/30/2012

Brief Summary and Statement of Need:

This request is the initial stage of a large scale effort to address highway, airport, bridge, and maintenance facility needs to support the construction of a large diameter natural gas pipeline from the North Slope to the Canadian Border and Midwestern states. The Dalton, Elliott, Richardson, Haines and Alaska Highways will be impacted by the projected increases in heavy truck traffic and the movement of pipe and oversized construction modules.

Funding:	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
Gen Fund	\$129,900,000	\$275,000,000	\$275,000,000	\$250,000,000	\$150,000,000	\$150,000,000	\$1,229,900,000
Total:	\$129,900,000	\$275,000,000	\$275,000,000	\$250,000,000	\$150,000,000	\$150,000,000	\$1,229,900,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

Preconstruction - Dalton, Elliott, Richardson, Alaska, and Haines Highways **FY2009 Request: \$31,000,000**
Reference No: 46878

AP/AL: Allocation **Project Type:** Construction
Category: Transportation
Location: Statewide **Contact:** Frank Richards
House District: Statewide (HD 1-40) **Contact Phone:** (907)465-3900
Estimated Project Dates: 07/01/2008 - 06/30/2011
Appropriation: Gas Pipeline Infrastructure Preparation

Brief Summary and Statement of Need:

This project is the initial stage of a large scale effort to address highway, airport, bridge, and maintenance facility needs to support the construction of a large diameter natural gas pipeline from the North Slope to the Canadian Border and Midwestern states. The Dalton, Elliott, Richardson, Haines and Alaska Highways will be impacted by the projected increases in heavy truck traffic and the movement of pipe and oversized construction modules.

Funding:	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Gen Fund	\$31,000,000	\$75,000,000	\$75,000,000	\$50,000,000			\$231,000,000
Total:	\$31,000,000	\$75,000,000	\$75,000,000	\$50,000,000	\$0	\$0	\$231,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

Project Description/Justification:

Large scale investment of state funding is needed if we are to prepare our infrastructure before gas pipeline construction begins. Federal construction funds are inadequate to address this need and the federal project development process is too time-consuming to meet the required schedule.

Improvements needed to handle this expected traffic influx include highway reconstruction to strengthen highway embankments and pavement along selected segments. Widening and realignment will be done where existing shoulders and alignments are inadequate. Passing lanes, truck pullouts and rest areas will be constructed and enlarged. Bridges will also be improved to increase clearances and load capacity. Enlarged maintenance shops and equipment warm storage buildings to accommodate needed snowplows and other heavy equipment will be provided.

Project Justification

This project will initiate design work for construction segments needed to complete highway upgrades. It will address significant problems with embankment and surfacing. It will also address capacity and safety issues associated with substandard width, alignment and steep grades. This project will also fund efforts to secure and develop material sources that are essential for future project construction and highway maintenance, and conduct core drilling and other survey work needed for subsequent project stages. This advance work is essential to shortening project development schedules and enabling critical highway construction to occur prior to gas pipeline start up.

Preconstruction - Dalton, Elliott, Richardson, Alaska, and Haines Highways

FY2009 Request: \$31,000,000
Reference No: 46878

Highway reconstruction projects will focus on the segments of the corridor with the poorest foundations and the greatest pavement and road surface distress. Shoulder widening, realignments, and replacement of failing culverts and other drainage structures will also be addressed. Passing lanes, truck pullouts and rest areas will reduce traffic backups and lessen unsafe passing. Bridge width, height and load bearing capacity will be increased to accommodate gasline modules and other oversized equipment. Maintenance station improvements will focus on accommodating larger snowplows and shop bays to enhance efficiency and equipment availability.

Project Description and Cost Estimates

While the design estimates below total \$53.5 million, this project funding request is for \$31 million to initiate design to ensure the most time critical projects in this corridor can be completed before gasline construction begins. Funding will be allocated to the following identified projects with flexibility retained to shift allocations between projects if necessary:

Dalton Highway

- Dalton Highway MP 0 to 9 Reconstruction: This project will reconstruct and widen the embankment and pavement structures and improve drainage.
Design: \$3,000,000
Construction: \$27,000,000 (future funding)
- Dalton Highway MP 18 to 37 Reconstruction: This project will reconstruct and widen the embankment and pavement structures and improve drainage.
Design: \$6,000,000
Construction: \$60,000,000 (future funding)
- Dalton Highway MP 49 to 55 Reconstruction: This project will reconstruct and widen the embankment and pavement structures and improve drainage.
Design: \$2,000,000
Construction: \$18,000,000 (future funding)
- Dalton Highway Material Site Development and Corridor Surveys: This project will conduct corridor surveys and geotechnical investigations for material site development.
Design: \$13,000,000
- Dalton Highway MP 9 to 11 Realign and Reconstruction
Design: \$500,000

Elliott Highway

- Elliott Highway MP 0 to 28 Reconstruction: This project will reconstruct and widen the embankment and pavement structures and improve drainage.
Design: \$6,000,000
Construction: \$43,000,000 (future funding)

Alaska/Richardson Highways

- Alaska/Richardson Highways Passing Lanes: This project will construct passing lanes at approximately 20 locations to accommodate increased truck traffic.
Design: \$4,000,000
Construction: \$60,000,000 (future funding)
- Alaska Highway MP 1235-1256 Rehabilitation: This project will rehabilitate embankment and pavement structures, improve drainage, and widen as necessary.
Design: \$4,500,000
Construction: \$42,000,000 (future funding)

Preconstruction - Dalton, Elliott, Richardson, Alaska, and Haines Highways

FY2009 Request: \$31,000,000
Reference No: 46878

- Alaska Highway Tok River Bridge (#0506) Replacement: This project will replace the existing narrow truss bridge (253' x 24') with one that can accommodate oversized gasoline modules and construction materials.
Design: \$1,500,000
Construction: \$10,000,000 (future funding)
- Alaska/Richardson Highway Truss Bridge Upgrades: This project will upgrade the Johnson River Bridge, Gerstle River Bridge, Tanana River Bridge at Delta Junction to accommodate oversized gasoline modules and construction materials.
Design: \$2,000,000
Construction: To be determined
- Alaska/Richardson Highways Truck Rest Area Upgrades: This project will construct new and upgrade existing truck rest areas to accommodate increased truck traffic.
Design: \$3,000,000
Construction: \$40,000,000 (future funding)
- Alaska/Richardson Highway Maintenance Facility Improvements: This project will construct new shop facilities and equipment warm storage buildings at Delta Junction and Northway to accommodate snowplows and other road maintenance equipment.
Design: \$1,500,000
Construction: \$12,000,000 (future funding)

Haines Highways

- Haines Highway MP 21 to 25.3 Reconstruction, Realignment and Chilkat River Bridge Replacement: This project will replace and relocate the Chilkat River Bridge and brings the Highway to modern approved standards.
Design: \$6,500,000

Dalton Highway Reconstruction**FY2009 Request: \$75,400,000****Reference No: 46865****AP/AL:** Allocation**Project Type:** Construction**Category:** Transportation**Location:** Statewide**Contact:** Frank Richards**House District:** Statewide (HD 1-40)**Contact Phone:** (907)465-3900**Estimated Project Dates:** 07/01/2008 - 06/30/2011**Appropriation:** Gas Pipeline Infrastructure Preparation**Brief Summary and Statement of Need:**

This project is the initial stage of a large scale effort to reconstruct critical segments of this highway prior to construction of the proposed natural gas pipeline. It will address capacity and safety issues associated with substandard width, alignment and steep grades. These conditions are most severe between Fairbanks and the Yukon River, but exist in other areas as well. It will also address significant problems with existing roadway embankment and surfacing.

Funding:	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Gen Fund	\$75,400,000	\$200,000,000	\$200,000,000	\$200,000,000	\$150,000,000	\$150,000,000	\$975,400,000
Total:	\$75,400,000	\$200,000,000	\$200,000,000	\$200,000,000	\$150,000,000	\$150,000,000	\$975,400,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:**Project Description/Justification:**

Much of the original highway was constructed with minimal embankment over poor soils and permafrost. In many areas this embankment is no longer sufficient to withstand the anticipated loads of heavy-walled, large-diameter pipe and other construction materials.

Federal construction funds are inadequate to prepare this corridor for projected future traffic. Large scale investment of state funding is needed if we are to address this need before gas pipeline construction begins.

This project includes immediate construction work in three priority areas with design already underway. This project will also fund efforts to secure and develop material sources that are essential for future project construction and highway maintenance, and advance permitting needed for subsequent project stages. This advance work is essential to shortening project development schedules and enabling critical highway construction to occur prior to gas line start up.

Project Justification:

The Dalton Highway Corridor from Fairbanks to Prudhoe Bay is vital to North Slope oil and gas development. This highway a statewide priority, that provides the sole ground transportation link to Alaska's major revenue source. Overland access to these resources is critical to their continued development, to Alyeska Pipeline operation and maintenance and to future gas pipeline construction. Truck traffic is expected to continue to grow as continued oil and gas development requires increasing amounts of drill pipe, materials for production facilities and other supplies. Traffic growth is expected to accelerate significantly with construction of the planned gas pipeline.

Added to this is the steady increase in tourist, recreation and other private vehicle traffic using this route. Traffic conflicts are increasing between experienced corridor users and casual drivers unprepared for the existing narrow roads, tight curves, soft embankments, rough surfaces and other heavy truck traffic that must be contended with.

Project Description and Cost Estimates:

This project funding request is for \$75.4 million to ensure the most time critical projects in this corridor can be completed before gas line construction begins.

- Reconstruct the Dalton Highway MP 175 to 209
 - Design: Completed with federal funds
 - Construction: \$29,600,000

- Realign and Reconstruct Dalton Highway MP 9 to 11
 - Design: Currently in progress with Federal funds
 - Construction: \$22,500,000

- Dalton Highway Culverts MP 260 to 321
 - Design: Completed with federal funds
 - Construction: \$23,300,000

**Haines Highway: MP 21 to 25.3 Reconstruction,
Realignment and Chilkat River Bridge Replacement**

**FY2009 Request: \$23,500,000
Reference No: 46866**

AP/AL: Allocation

Project Type: Construction

Category: Transportation

Location: Haines

Contact: Frank Richards

House District: Cordova/Southeast Islands (HD 5)

Contact Phone: (907)465-3900

Estimated Project Dates: 07/01/2008 - 06/30/2012

Appropriation: Gas Pipeline Infrastructure Preparation

Brief Summary and Statement of Need:

The Haines Highway provides the shortest link between tidewater and 200 miles of the proposed gasline route. Thus, it is the obvious hauling route for this portion of gasline construction, and depending on logistics could be crucial to construction of the entire gasline. Upgrade of this highway is a statewide priority because it links marine transportation (to Alaska) with the Interior. Federal construction funds are inadequate to complete the upgrade of this corridor. Investment of state funding is needed if we are to address this need before gas pipeline construction begins.

Funding:	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
Gen Fund	\$23,500,000						\$23,500,000
Total:	\$23,500,000	\$0	\$0	\$0	\$0	\$0	\$23,500,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
<u>One-Time Startup:</u>	0	
Totals:	0	0

Additional Information / Prior Funding History:

Project Description/Justification:

Almost half of the gasline haul route from the Haines port to the Canadian border requires an upgrade to modern highway standards. The most pressing deficiency is the aging bridge across the Chilkat River. This project will replace the bridge on a shorter alignment located downstream from the current crossing. The new bridge will provide an ultimate load capacity sufficient for the full range of hauling scenarios during gasline construction.

The project includes highway reconstruction from the crossing (MP 23.8) west to the meet point with the previous upgrade (MP 25.3), so that there is no gap between the new bridge and previously improved highway. Relocation of the bridge also addresses problems with the westbound approach, which has advisory speed posting and a history of vehicle rollovers. The eastbound terminus of this project is in the vicinity of Klukwan, where the highway leaves river elevation and climbs before dropping back to river elevation at the MP 23.8 crossing.

The existing Chilkat River bridge has numerous problems, including narrow deck width (24 feet for 0.1 miles), no shoulders, grade settlement on both approaches (problematic for heavier vehicles) and poor alignment on the westbound approach. Because of limited width, we anticipate that traffic flow on the highway will be temporarily shut down for hauls of large gasline components. While dependent on component width, it will be necessary to stop or delay traffic to prevent conflicts between high speed motorists and a slow-moving haul vehicle that intrudes into the oncoming traffic lane because of width limitations, both for the bridge and connecting segments of roadway.

**Haines Highway: MP 21 to 25.3 Reconstruction,
Realignment and Chilkat River Bridge Replacement**

**FY2009 Request: \$23,500,000
Reference No: 46866**

Project Description and Cost Estimate:

The estimate for reconstruction between MP 21 and 25.3, including replacement of the Chilkat River bridge, is \$23.5 million if completely state-funded. The relocated bridge will be downstream from the existing one, which reduces the crossing distance by a third. Following modern design practices (e.g., extra span length) will minimize the impacts to river resources in this sensitive area. Width of the new bridge will be 39 feet (including railings), and the reconstructed highway will have a pavement width of 36 feet and a forgiving roadside environment.

Use of state funds simplifies this project by removing a federal requirement from the environmental analysis. The federal requirement is referred to as Section 4(f), which mandates intensive analysis and lengthy approval cycles. While federal Section 4(f) requirements would not need to be met, coordination with the Chilkat Bald Eagle Preserve and tribal entities and state and federal permitting requirements still apply to project delivery.

AP/AL: Appropriation

Project Type: Construction

Category: Education

Location: Statewide

Contact: Guy Bell

House District: Statewide (HD 1-40)

Contact Phone: (907)465-2700

Estimated Project Dates: 07/01/2008 - 06/30/2013

Brief Summary and Statement of Need:

This request would enable acquisition of a machinery simulator package that would support training for any occupation utilizing heavy equipment. This will significantly reduce training cost and expand training opportunities.

Funding:	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Gen Fund	\$1,072,000						\$1,072,000
Total:	\$1,072,000	\$0	\$0	\$0	\$0	\$0	\$1,072,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:

No previous funding has been provided for this project.

Project Description/Justification:

Surface Machinery Simulators

(AGIA Training Strategic Plan Strategy 4.5b)

This request funds acquisition of a machinery simulator package to provide training for any occupation utilizing heavy equipment. Simulators offer a major advance in equipment operator training through a completely safe and truly cost-effective "virtual" hands-on training experience, without the high cost of equipment operation, removing equipment from production and the risk of accidents due to operator inexperience. This will significantly reduce training cost and expand training opportunities for trainees in the mining and oil and gas industries. There is significant overlap between occupational skills required for mining and gasline construction, so these simulators will be applicable to both industries.

Base simulator units and equipment modules to be purchased include the following:

Item	#	Cost	Extension
Base Units	2	\$ 275.0	\$ 550.0
Machine Simulators			
• Front End Loader	1	\$ 85.0	\$ 85.0
• D-11 Track Dozer	1	\$ 85.0	\$ 85.0
• Excavator	1	\$ 120.0	\$ 120.0
• Haul Truck (Offroad)	1	\$ 90.0	\$ 90.0
• Light Vehicle Package	1	\$ 55.0	\$ 55.0
• Surface Mine Visualizer	1	\$ 90.0	\$ 90.0
Computer Based Training for Each Simulator	6	\$ 25.0	\$ 150.0
Subtotal			\$ 1,225.0
Less 25% Industry Contribution			(\$ 300.0)
Maintenance @ 12% base			\$ 147.0
Total General Fund Request			\$ 1,072.0

Machine simulators were selected based on availability and utility to anticipated employer needs. For instance, we believe that training on a D-11 tracked dozer will be excellent preparation no matter what make or model of dozer a student will encounter. The basics are identical and standardization of operation controls and systems makes changeover between Komatsu and Caterpillar fairly routine.

Included is the light vehicle package for pickup and light truck training as well as forklift and similar light vehicles (less than 15,000 pounds). Also included is the surface mine visualizer to provide the necessary realism to retain student attention and contribute to learning operation on various terrain features.

The request also includes elements we consider essential to preparing our upcoming workforce such as the computer based training packages to increase instructor productivity and permit students statewide to access that portion of the training online thus reducing the amount of time actually spent at the simulator facility. Two base units are included to increase student throughput in anticipation of numerous upcoming construction projects. The request is based on a 25% industry contribution to the equipment's cost.

A five-year maintenance package for the entire system is included.

The simulators will be located in Fairbanks to serve construction related equipment training for mine development, road construction and pipeline workforce development.

In the future we will add modules for such equipment as sidebooms, rotary trenchers and mobile rock drills; these items will have to be developed by the vendor as they do not currently include them in their inventory.