

# ALASKA STATE LEGISLATURE

## SESSION

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## SENATOR BERT K. STEDMAN

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### **Stedman Initiates Legislative Audit of Gravina Bridge**

*Audit to examine DOT's management of federal and state bridge funds*

(Juneau) – Today the Legislative Budget & Audit Committee directed the Legislative Audit Division to initiate an audit of the Department of Transportation's handling of the Gravina Access Project. The audit was requested by Senator Bert Stedman who is Co-Chair of Senate Finance Committee and a member of the committee.

"The Gravina Bridge is a top priority for the state, but has been stalled by a bureaucratic process within DOT," Senator Stedman said. "Alaskans want results, and we need assurance that this project has been administered consistent with congressional, legislative, and public intent. This audit will give the public a fresh look at how their money has been managed on this important infrastructure project."

The Gravina Access Project was initiated 30 years ago to improve surface transportation between Revillagigedo Island and Gravina Island. After exhaustive study and review, the Federal Highway Administration selected a two span, 320-foot bridge as the preferred alternative. Despite the fact that the project has received substantial federal and state appropriations, bridge construction has not begun.

"After years of effort, access to Gravina has not improved, there is no bridge in sight, and still no clear explanation as to why," said Stedman. "This audit should answer some very important questions."

For more information, contact Miles Baker at (907) 465-3873

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It is essential that the legislature, the community of Ketchikan and the public at large have a full accounting of the financial management and administration of this project. In particular, I would request the Legislative Audit Division examine the following aspects of the project and report their findings to the legislature:

- Identify all monies authorized and appropriated by both the Federal Highway Administration and the Alaska legislature for the Gravina Access Project since 1996.
- Evaluate the process and methodology DOTPF has used in developing their cost estimates for the project. Are standard practices being used with regard to costs, contingencies, escalators, etc.? Have internal procedures for developing project completion costs been applied fairly and uniformly to this project?
- Prepare a schedule that identifies by specific project/phase the total amount that has been spent and the total receipts collected from the federal government. This schedule should briefly describe the purpose of the project/phase and if the projects goals have been completed. Additionally it should identify the specific category of federal fund used to reimburse the project costs.
- Examine the project work DOTPF has completed and charged to the Gravina Project. Are these charges appropriate and within the approved scope of work for Gravina Access. In particular, how does work done in upgrading Lewis Reef Road, building a runway underpass and making other improvements in the immediate vicinity of the Ketchikan International Airport, fit within the scope of the Gravina Bridge project? Did DOTPF follow state and federal law in making the decision to allocate what appear to be runway extension and safety area upgrades to the Gravina Bridge project?
- Examine whether DOTPF has correctly interpreted and applied state laws and regulations with regard to the distribution and allocation of federal earmarks for this project. The Federal Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) enacted in 1998 and the Safe Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) enacted in 2005 both contained Gravina earmarks.
- Examine whether an inconsistency exists between congressional intent as it applies to Gravina earmarks and DOTPFs use of these funds. In particular, examine the appropriateness of DOTPF's decision to treat bridge earmarks as formula funds in order to distribute them away from the Gravina project and allocate them into other state transportation program categories. In late 2005

Congress amended the earmarks (Section 186, Public Law 109-115) but allowed the state to keep the funds.

- DOTPF has reallocated funds that Congress and FHWA clearly intended be spent on the Gravina Bridge, to other projects. Is this reallocation within the authority of the state? If so, did DOTPF follow federal rules and Alaska's State Transportation Improve Plan (STIP) process in reallocating the funds?
- The concept of improving access from Ketchikan to its airport on Gravina Island has long been a goal of the State. I would like the auditor to chart DOTPF's progress or lack thereof towards achieving that goal. Has the project been efficiently managed in order to achieve that goal in the most cost effective and time sensitive manner?

I appreciate the Committee's consideration of this critically important audit request.