

# InfrastructureUSA

## Guest on THE INFRA BLOG

**Dan Sullivan, Mayor of Anchorage**

**Conversation with Steve Anderson, Managing Director, InfrastructureUSA**

### **Looking Locally for Infrastructure Funding**

As a fiscal conservative, I want to make sure that other people's money is spent as wisely and as efficiently as possible, and I take that very seriously. I go to the Conference of Mayors, and we hear the same story from different jurisdictions all over the country that there is this growing frustration with deferred maintenance not being properly addressed. What's the solution? I don't know. Here we are, a country with pretty extreme debt, at these days \$17 trillion and counting, so there's going to be more and more pressure not to spend money rather than pressure to spend more money. I think people are just going to have to look locally to their local tax base and see what things we can accomplish at the local level. I think our dependency on federal dollars coming in is going to decline, and so we just have to start taking care of our own needs.

### **The Port of Anchorage Modernization Project**

The Port of Anchorage is actually nicknamed the “Port of Alaska” because over 90% of all the goods that come into the state of Alaska pass through the Port of Anchorage, and so when people see things on their shelves in Fairbanks or any of the interior cities or western cities—Nome, Kotzebue—a lot of those goods, most of those goods have come through the Port of Anchorage. So it's a vital port and it's also a strategic military port. There are 19 ports in the nation designated as strategic military ports, and we're one of them. So for both the civilian and for the military needs, this is a key piece and vital piece of infrastructure for the entire state.

### **The Frustration with Federal Funding**

The port project that we've been working on for a number of years now has been about 50/50 funded by the federal government and the state government. We certainly don't want to disparage our federal funders because, quite frankly, they've been pretty good to Alaska overall. But I think there is a general sense that the infrastructure of the United States, whether it's roads, bridges, ports, dams, have not been properly maintained and there is a backlog of deferred maintenance throughout the nation that is going to become critical. The goal originally of the stimulus bills was to get shovel-ready infrastructure projects constructed, and it just doesn't seem to have happened. So I think there's a frustration with that in particular, that many billions of dollars were committed towards the so-called shovel ready projects and just a small fraction of those ever really got built. So we're still in the same situation we were, quite frankly.

### **State Control of Infra is Most Effective**

What happens is that often times the top-down approach is the least effective approach. I think the best way for projects to get done, state-by-state, is for the states to have the lead on them. Let the states handle the design, the review, the environmental, and the

construction rather than having the large hand of the federal government too much involved in these projects. In our port project, for example, the project was managed by MARAD, the Maritime Administration, and MARAD essentially failed, according to the Inspector General, in virtually all aspects of managing the project. So we've spent \$300 million on port redevelopment and most of that money, quite frankly, is going to have to be considered wasted because we are going to have to undo a lot of the work. It was done poorly, and the design does not meet the seismic stability requirements of Anchorage. So it's just, I think, a typical example of what happens when the federal government manages projects that maybe they're not the most qualified to do. But since it's their money they feel like they need to have the heavy hand of the federal government in charge. So we've taken over that project and we're now managing it at the local level, hiring our own project managers and setting up our own systems of quality control, quality assurance, and I think the project's going to end up getting completed because we've taken control of the project. I think that's part of the frustration: we'd like to see our tax dollars come back to the states. We like to see them designated towards good projects, but we need to manage those projects ourselves at the local level.

### **Public Input: A Delicate Balance**

I'm elected to serve the citizens of my community. So their involvement, whether it's a small little neighborhood project or a large infrastructure project like the Port or the Knik Arm Bridge, is a key part of the process. You certainly can't ignore that, but you have to find that balance between good public input and people that are simply looking for extra layers of input to delay projects, and we've seen that as a strategy as well where after a project has been well-vetted, had good public process, then the lawsuits come and people claim that there hasn't been enough process. So you have to find that balance, and it's not an easy thing to say when you've had just enough, or whether you're getting to the point where this is simply holding projects back. So I think every elected official, every government official, has to work to find that balance. But as a general rule you certainly want public input, because as an elected official, and the project you're building, they're designed to serve that very same public. So you certainly want to understand what the needs are and make sure that your project meets those needs.

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