

Ports and harbors have no federal capital assistance program comparably to the highway and airport funding programs. Federal funds for ports and harbors come through the U.S. Army Corps of Engineers. The Corps distributes funding on a nationally competitive, project-by-project basis. State and local communities in Alaska have been awarded between \$7 and 15 million annually in federal funding for all Corps of Engineers programs in recent years. For construction, the Corps requires between 20 and 35 percent match for projects such as dredging basins, docks, floats, grids, and upland facilities. Though not a dedicated funding source, the Marine Users Fuel Tax is the traditional foundation of small boat harbor improvements in the State, and general obligation bonds have been the foundation of State assisted port development.

Telecommunications

Need: Unknown.

Annual Funding: \$7.5m in FY03 funding for Regulatory Commission of Alaska's Rural Broadband Internet Grant Program. Several other funding support mechanisms including Universal Service Fund also exist.

Background: In January 2001, the Denali Commission, in partnership with the State of Alaska, completed an inventory of available telecommunication services in rural Alaska. Among other findings, the inventory found that 61% of all Alaskan communities do not have access to local dial-up Internet service. This identified need is being addressed through the Regulatory Commission of Alaska's Rural Broadband Internet Grant Program and Telecommunications Industry investment and expansion of Internet offerings in most rural communities in the next 1–3 years.

Solid Waste Disposal Facilities

Need: Unknown.

Annual Funding: Generally less than \$1,000,000.

Background: Solid waste disposal is a necessity for all rural Alaska communities as it is for every community in the country. Observation would indicate that the majority of rural Alaska communities do not have facilities that meet basic legal requirements for solid waste disposal. The State of Alaska is preparing a state solid waste/regionalization plan. That plan will be available in the fall of 2003 and will include recommendations for managing solid wastes in the different regions of the State.

Community Facilities

Need: Unknown.

Annual Funding: Unknown.

Background: Communities have a need for community assembly facilities for various purposes, including planning, meetings, traditional functions, and recreation for youth. These facilities, when available, are heavily used in rural communities. No assessment mechanism is in place for determining statewide needs for community facilities.

Appendix B: Program Principles Supporting Information

Rural Infrastructure Development

In the evolution of the Denali Commission and its approach to infrastructure development some principles have been established. These include the following:

- Selection of infrastructure themes for allocating funds. In FY99 rural energy was selected as the primary infrastructure theme. That priority was continued in FY00, and is expected to continue in FY01 and beyond. In FY00 rural health care facilities were selected as the second infrastructure theme. Other themes may be selected in future years.
- Selection of program/project partners to carry out infrastructure development. The Alaska Energy Authority (AEA) was selected as the Denali Commission's first partner for rural energy projects. AEA was selected because of its demonstrated capability to prioritize and implement rural energy projects. The Alaska Village Electric Cooperative was selected as the second energy partner and Alaska Native Tribal Health Consortium was selected as the Commission's primary partner for clinic design and construction. The overriding point in selection of a program/project partner is that the Commission wishes to utilize existing capabilities provided by state or federal agencies or other organizations. More than one partner may be identified to participate in carrying out Commission sponsored programs/projects for a particular theme.
- Project selection by the Commission and/or the program/project partner must be defensible and credible. In the case of AEA, two separate comprehensive statewide project priority lists had been developed—one for bulk fuel storage facilities, and a second for power generation/distribution projects. As in the case of AEA the Commission will utilize existing credible priority systems. Where a credible statewide priority methodology for a selected theme does not exist, the Commission in

cooperation with appropriate organizations will foster the development of a system. This is illustrated by the Commission's efforts in partnership with the Alaska Department of Health and Social Services, the Indian Health Service, and the Alaska Native Tribal Health Consortium to develop a prioritization methodology for primary health care facilities.

- Theme selection is a methodical process. The Commission has stressed the importance of comprehensive investigation and exploration of infrastructure themes so that Commission resources are strategically funneled to "gaps" in state and federal funding streams. Carrying out needs assessments on various infrastructure themes is central to the development of a theme. Energy, telecommunications, and rural primary health care facilities are examples of assessments that were initiated in conjunction with interested state and federal agencies in the Commission's first year.

- Commission partners are responsible for compliance with procedural and substantive legal requirements. It is the expectation of the Denali Commission that partners will comply with all applicable local, state and federal laws in carrying out Commission funded programs/projects. For example, the partner must address NEPA and OSHA regulations, federal auditing requirements, competitive procurement issues and so forth. As a result, the Commission will look to partners who have demonstrated both administrative and program/project management success.

- Adherence to the successful project management elements of time, budget and quality. Each of these factors is central to Denali Commission agreements with partners. The Commission wants to put our partners in a position of success in meeting the triple constraint of project management: Deliver the project on time, on budget and completion of the full project scope in a cost effective manner. The challenge to the Commission is to allow sufficient flexibility for each partner to carry out the programs/projects within their own established methods while assuring confident project completion and meeting all requirements of applicable laws and regulations. For example, the AEA employs a project methodology that relies heavily on force account construction (locally sponsored government crews). AEA also uses construction contracting to a lesser degree. In short, each agreement with a partner organization must be tailored to