



Department of Transportation & Public Facilities
Statewide Design & Engineering Services Division

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TO: Distribution

DATE: November 26, 2025

FROM: Lauren Little, P.E. *LL*
Chief Engineer

SUBJECT: Chief Engineer's Directive:
Utility Relocation Benefits

This Chief Engineer's Directive establishes a uniform process for utility relocation benefits applicable to all the DOT&PF utility agreements consistent with state and federal law, the *Alaska Utilities Manual* and in accordance with Administrative Order No. 360 (AO 360). This directive clarifies how the Department will determine eligibility and provide reimbursement for utility relocations on federally funded projects. It is effective immediately.

AO 360, which was issued by Gov. Dunleavy on Aug. 4, 2025, directs all state agencies to improve regulatory clarity, remove inconsistencies, and provide Alaskans with transparent, predictable processes. Agencies are required to review and revise permitting procedures to eliminate unnecessary steps, simplify application requirements, and streamline internal workflow to reduce inefficiencies and delays, and to promote predictability in decision-making by applying regulatory standards consistently.

This directive will ensure transparency and provide utilities with the same access to guidance as DOT&PF staff. Consistent application of this directive, coupled with clear recordkeeping of denials, will strengthen Department's partnerships with utility stakeholders, reduce the likelihood of disputes or delays, and uphold the Department's responsibility to steward public funds fairly.

Guidance

There are two standard options when issuing utility permits within DOT&PF right-of-way.

- (1) The PERMITTEE will be reimbursed in full by the DEPARTMENT for all costs incurred in making such changes or alterations to the FACILITY that qualified under the provisions of AS 02.15.104(c), AS 19.25.020(c), or AS 35.10.220(c).
- (2) The PERMITTEE is aware that FACILITIES permitted under this permit shall NOT be eligible for relocation benefits for the following reason:
 - a. The FACILITY is located on the James Dalton Highway and are precluded from relocation benefits per AS 19.40.200(d).
 - b. The PERMITTEE has waived relocation benefits.

Option 1 is the standard selection for most utility permits, consistent with state law.

AS 02.15.104 (c)(4), AS 19.25.020 (c)(4), and AS 35.10.220 (c)(4) include exemptions from relocation benefits when a construction contract for a DOT&PF project is advertised within 5 years of the date of permit issuance. For planning purposes, the DOT&PF and utility companies should consider the Statewide Transportation Improvement Program (STIP) as the official, public record of highway projects programmed within five years.

In accordance with Alaska Statute, relocation benefits will not apply if the time lapsed between advertising the construction contract and issuance of the utility permit is less than 5 years, absent a public interest finding under AS 02.15.104 (c)(5), AS 19.25.020 (c)(5) and AS 35.10.220 (c)(5).

Option (2)b. should only be exercised in rare circumstances, where the cost or practicality of relocating the facility is not an acceptable risk or cost for the public to bear. Examples of this would include significant utility transmission systems such as pipelines, physical structures such as communications huts, or instances where the utility must be located within the operational area of the highway right-of-way (for example in a ditch line as opposed to at edge of right-of-way).

When a utility company applies for a permit within a known DOT&PF project limit, the Utilities Section will coordinate with the project team to ensure the permitted utility is not in conflict with the proposed improvements.

Utilities must also be installed in the specified location authorized by their permits.

Reimbursement is only available when a facility is located as permitted or under a compensable property right. If a utility is placed outside its permitted location, DOT&PF reserves the right to deny reimbursement for relocation costs in the future. This reinforces the importance of accuracy in utility design, installation, and inspection.

Relocation benefits must be addressed consistently in both relocation agreements and permits. A relocation agreement that is silent on, or provides for reimbursement, cannot later be contradicted by a permit that restricts reimbursement. Staff must ensure that all agreements and permits clearly state the reimbursement eligibility and that these terms align.

Action

Division Directors, Utility Engineers, and Project Managers will review this directive with staff and ensure it is applied immediately to all utility permits. Division Directors are the appropriate point of conflict resolution for individual permit issuance.

Each Region will maintain a log of all denials of utility relocation reimbursement benefits. This log should include the utility name, project, basis for denial (e.g., within the five-year rule, not in permitted location, Dalton Highway exclusion), and the date of determination. The log will be kept on file for internal review upon request.

This directive clarifies expectations and establishes a consistent and defensible process. Uniform application of this guidance is essential. All DOT&PF regions must apply the same standards and processes when working with utility companies.

Any unusual cases or uncertainties should be elevated to the Chief Engineer for review. This ensures decisions are aligned with statute and regulation, consistent across regions, and transparent to stakeholders.

Authority

- AS 02.15.104 (Relocation of utility facilities incident to airport projects)
- AS 19.25.020 (Relocation of utility facilities incident to highway projects)
- AS 35.10.220 (Relocation of utility facilities incident to public facility projects)
- AS 19.40.200(d) (Disposal of land or materials, James Dalton Highway)
- 17 AAC 15.011 (Utility permits)

Attachments: None.

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