

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

April 27, 2004

1:40 p.m.

MEMBERS PRESENT

Representative Jim Holm, Chair
Representative Beverly Masek
Representative Vic Kohring
Representative Dan Ogg
Representative Nick Stepovich
Representative Albert Kookesh

MEMBERS ABSENT

Representative Mary Kapsner

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 255(FIN)

"An Act relating to traffic preemption devices."

- MOVED CSSB 255(FIN) OUT OF COMMITTEE

SENATE BILL NO. 316

"An Act relating to motor vehicle safety belt violations."

- HEARD AND HELD

HOUSE BILL NO. 556

"An Act relating to a port development project at Lynn Canal, providing legislative approval for the Alaska Industrial Development and Export Authority to issue bonds or otherwise provide financing for the project; and providing for an effective date."

- MOVED CSHB 556(TRA) OUT OF COMMITTEE

HOUSE BILL NO. 526

"An Act relating to a transportation corridor for extension of the Alaska Railroad to Canada and to extension of the Alaska Railroad to connect with the North American railroad system."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: SB 255

SHORT TITLE: ILLEGAL USE TRAFFIC PREEMPTION DEVICE

SPONSOR(S): SENATOR(S) THERRIAULT

01/12/04 (S) PREFILE RELEASED 1/9/04
01/12/04 (S) READ THE FIRST TIME - REFERRALS
01/12/04 (S) STA, JUD, FIN
02/12/04 (S) STA AT 3:30 PM BELTZ 211
02/12/04 (S) Heard & Held
02/12/04 (S) MINUTE(STA)
03/02/04 (S) STA AT 3:30 PM BELTZ 211
03/02/04 (S) Heard & Held
03/02/04 (S) MINUTE(STA)
03/04/04 (S) STA AT 3:30 PM BELTZ 211
03/04/04 (S) Moved CSSB 255(STA) Out of Committee
03/04/04 (S) MINUTE(STA)
03/05/04 (S) STA RPT CS 3DP SAME TITLE
03/05/04 (S) DP: STEVENS G, COWDERY, STEDMAN
03/19/04 (S) JUD RPT CS(STA) 3DP 1NR
03/19/04 (S) DP: SEEKINS, OGAN, THERRIAULT;
03/19/04 (S) NR: FRENCH
03/19/04 (S) JUD AT 8:00 AM BUTROVICH 205
03/19/04 (S) Moved CSSB 255(STA) Out of Committee
03/19/04 (S) MINUTE(JUD)
04/01/04 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/01/04 (S) Heard & Held
04/01/04 (S) MINUTE(FIN)
04/15/04 (S) FIN RPT CS FORTHCOMING 3DP 2NR 2AM
04/15/04 (S) DP: WILKEN, DYSON, STEVENS B;
04/15/04 (S) NR: GREEN, HOFFMAN; AM: OLSON, BUNDE
04/15/04 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/15/04 (S) Moved CSSB 255(FIN) Out of Committee
04/15/04 (S) MINUTE(FIN)
04/16/04 (S) FIN CS RECEIVED SAME TITLE
04/20/04 (S) TRANSMITTED TO (H)
04/20/04 (S) VERSION: CSSB 255(FIN)
04/21/04 (H) READ THE FIRST TIME - REFERRALS
04/21/04 (H) TRA, JUD
04/27/04 (H) TRA AT 1:30 PM CAPITOL 17

BILL: SB 316

SHORT TITLE: SEAT BELT VIOLATION AS PRIMARY OFFENSE

SPONSOR(S): SENATOR(S) BUNDE

02/11/04 (S) READ THE FIRST TIME - REFERRALS
02/11/04 (S) STA, JUD

02/26/04 (S) STA AT 3:30 PM BELTZ 211
02/26/04 (S) Moved SB 316 Out of Committee
02/26/04 (S) MINUTE(STA)
02/27/04 (S) STA RPT 2DP 1NR
02/27/04 (S) DP: STEVENS G, COWDERY; NR: STEDMAN
03/12/04 (S) JUD RPT 1DP 2NR
03/12/04 (S) DP: SEEKINS; NR: FRENCH, THERRIAULT
03/12/04 (S) JUD AT 8:00 AM BUTROVICH 205
03/12/04 (S) Moved SB 316 Out of Committee
03/12/04 (S) MINUTE(JUD)
03/19/04 (S) TRANSMITTED TO (H)
03/19/04 (S) VERSION: SB 316
03/22/04 (H) READ THE FIRST TIME - REFERRALS
03/22/04 (H) TRA, JUD
04/23/04 (H) JUD AT 1:00 PM CAPITOL 120
04/23/04 (H) <Bill Hearing Postponed>
04/27/04 (H) TRA AT 1:30 PM CAPITOL 17

BILL: HB 556

SHORT TITLE: AIDEA BONDS FOR LYNN CANAL PORT

SPONSOR(S): STATE AFFAIRS

04/21/04 (H) READ THE FIRST TIME - REFERRALS
04/21/04 (H) TRA, FIN
04/27/04 (H) TRA AT 1:30 PM CAPITOL 17

WITNESS REGISTER

DENNIS MICHEL, Staff
to Senator Gene Therriault
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 255 on behalf of its sponsor,
Senator Therriault.

TOM WILSON
Public Transportation
Municipality of Anchorage (MOA)
Anchorage, Alaska

POSITION STATEMENT: During discussion of SB 255, answered
questions.

ALLEN STOREY, Lieutenant
Central Office
Division of Alaska State Troopers
Department of Public Safety (DPS)
Anchorage, Alaska

POSITION STATEMENT: Testified in favor of CSSB 255(FIN) and SB 316.

LAUREN WICKERSHAM, Staff
to Senator Con Bunde
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 316 on behalf of the sponsor,
Senator Bunde.

RICK MORRISON

National Automobile Dealers Association (NADA);
Alaska Automobile Dealers Association (AADA)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 316.

KURT WINSTON, Regional Administrator
National Highway Traffic Safety Administration
US Department of Transportation
(No address provided)

POSITION STATEMENT: Testified in support of SB 316.

JOAN DIAMOND, Public Health
Department of Health & Human Services
Municipality of Anchorage
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 316.

PAUL HARRIS, Director
Fairbanks Police Department
City of Fairbanks
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 316.

PETE EAGAN

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 316.

MARTHA MOORE

Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 316.

DON SMITH, Administrator

Alaska Highway Safety Office
Division of Program Development
Department of Transportation & Public Facilities

Juneau, Alaska

POSITION STATEMENT: Urged the committee to report SB 316 out of committee.

CINDY CASHEN, Executive Director

Juneau Chapter

Mothers Against Drunk Driving (MADD)

Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 316.

REPRESENTATIVE BRUCE WEYHRAUCH

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Spoke as the sponsor of HB 556.

JIM McMILLAN, Deputy Director, Credit

Alaska Industrial Development & Export Authority (AIDEA) and

Alaska Energy Association (AEA)

Department of Community & Economic Development (DCED)

Anchorage, Alaska

POSITION STATEMENT: During discussion of HB 556, explained the IRS requirements for this project to be tax-exempt bonds.

TIM ARNOLD, Vice President/General Manager

Coeur Alaska

Juneau, Alaska

POSITION STATEMENT: Discussed HB 556.

ACTION NARRATIVE

TAPE 04-15, SIDE A

Number 0001

CHAIR JIM HOLM called the House Transportation Standing Committee meeting to order at 1:40 p.m. Representatives Holm, Masek, Stepovich, and Kohring were present at the call to order. Representatives Ogg and Kookesh arrived as the meeting was in progress.

SB 255-ILLEGAL USE TRAFFIC PREEMPTION DEVICE

CHAIR HOLM announced that the first order of business would be CS FOR SENATE BILL NO. 255(FIN), "An Act relating to traffic preemption devices."

Number 0050

DENNIS MICHEL, Staff to Senator Gene Therriault, Alaska State Legislature, presented SB 255 on behalf of its sponsor, Senator Therriault. He explained that in Alaska traffic preemption devices (TPDs) were originally only used by emergency response providers. This legislation would only allow use of TPDs when en route to an official emergency. This legislation would make it a class A misdemeanor to own or operate TPDs in a nonofficial capacity. However, the legislation does include an exemption allowing maintenance personnel to repair or maintain these devices. There is also an exemption for state or municipal road maintenance vehicles such that in the middle of the night snowplows would be able [to utilize TPDs] and not have to stop at a stop light with a blade full of snow. The legislation also includes an exemption for public transit so that TPDs could be used in order to create more efficient bus service. The aforementioned would have to be approved by the local community.

MR. MICHEL noted that SB 255 has three zero fiscal notes and one indeterminate fiscal note. Mr. Mischel stated that SB 255 is legislation that would increase the security of intersections and streets throughout the state. In response to Chair Holm, Mr. Michel confirmed that the thought behind the exemption for public transit is that when there is no one at the stoplight save the bus, the bus driver could press the button and not wait the few minutes for the light to cycle to green. He further noted that with these larger maintenance vehicles, the starting and stopping increases maintenance costs for the vehicle as well as creates pollution.

Number 0320

REPRESENTATIVE STEPOVICH asked if public transit includes school buses.

MR. MICHEL explained that the public transit exemption was included because Anchorage would like to permit the use of TPDs on its [city] bus, not a school bus. This [exemption] could be applied to school buses, although it would require a vote of the municipality.

Number 0372

REPRESENTATIVE MASEK inquired as to the reason this legislation was introduced.

MR. MICHEL said that currently TPDs aren't illegal, and therefore there is no data regarding whether [the unofficial use

of] these devices have caused accidents. However, in the Lower 48 there have been situations in which the [unofficial] use of TPDs have caused accidents. This legislation is preventative. Mr. Michel explained that this legislation was brought to Senator Therriault by Dave Tyler (ph), North Star Fire Service, because Lower 48 fire chiefs have related problems with the use of TPDs.

REPRESENTATIVE STEPOVICH asked if all the signals are fitted with this capability.

MR. MICHEL replied no. Currently, only state roads have receivers for TPDs. In Anchorage, approximately 27 intersections on the large roads have these receivers. Anchorage and Fairbanks are special cases in that the city or municipality includes states roads in its city or borough, and therefore, [some state roads] appear to be city roads.

CHAIR HOLM asked if there is any reason why Anchorage can't utilize TPDs on city or municipal roads.

MR. MICHEL answered that he didn't believe so, but opined that only the state wanted the added costs of putting these [receivers for TPDs] on stoplights.

Number 0555

TOM WILSON, Public Transportation, Municipality of Anchorage (MOA), said that MOA has been looking into using these TPD receivers on city roads. In fact, an ad hoc study group of several municipal agencies has been formed. The primary obstacle with moving forward on this is that the traffic department doesn't have the staff to perform the signal studies and the timing. However, there has been increased emphasis and interest in it. In response to Chair Holm, Mr. Wilson confirmed that Public Transportation with MOA is in favor of this legislation. Anecdotal information in the transit industry has illustrated that significant efficiencies can be achieved with the use of low-priority signal preemption. He emphasized that if this legislation passes, the transit portion of the legislation would be a low-priority device while emergency responders would continue to have a high-priority preemption. Therefore, if there was ever a conflict between the two, the high-priority preemption would take precedence. Studies have shown increases in efficiency as high as 46 percent in one case.

Number 0722

REPRESENTATIVE STEPOVICH inquired as to the percentage of state and city traffic lights that don't have TPD receivers.

MR. WILSON said that he didn't know, but agreed with Mr. Michel's earlier statement that 27 signals throughout MOA are fitted with the receivers. Therefore, MOA faces a steep curve in order to put in place an effective system. In further response to Representative Stepovich, Mr. Wilson said that he didn't know how many lights are in the MOA.

Number 0856

ALLEN STOREY, Lieutenant, Central Office, Division of Alaska State Troopers, Department of Public Safety (DPS), began by testifying in support of this legislation because TPDs are certainly helpful to all emergency responders. He emphasized that one of the most dangerous things that emergency responders do is driving the vehicles and even more dangerous is transiting through intersections. Therefore, any device to help emergency responders make it [safely] through the intersections is welcome. However, the concern is that these TPDs are readily available on the open market and can be used by anyone for illegitimate purposes that result in chaos at intersections. The only legitimate use for TPDs is for emergency responders and government agencies, he stated.

Number 0992

REPRESENTATIVE MASEK inquired as to how law enforcement would be able to catch an individual with a TPD in his or her vehicle.

LIEUTENANT STOREY answered that for the most part law enforcement would have to directly observe use of the device. However, it could result from the investigation of an accident.

CHAIR HOLM informed the committee that none of the lights in Kodiak have these receivers.

REPRESENTATIVE STEPOVICH surmised that this legislation attempts to plan for the future and have [receivers] in the stoplights for use.

LIEUTENANT STOREY agreed, but reminded the committee that there are already 27 devices in use in the Anchorage bowl and a fairly large number in Fairbanks as well. He reiterated the need to

ensure that these devices are properly used only by those with a legitimate purpose.

CHAIR HOLM commented that TPDs seem comparable to radar detection devices, which defeat traffic control. Therefore, he said this is probably a good thing.

Number 1159

REPRESENTATIVE MASEK moved to report CSSB 255(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

The committee took an at-ease from 1:59 p.m. to 2:00 p.m.

SB 316-SEAT BELT VIOLATION AS PRIMARY OFFENSE

CHAIR HOLM announced that the next order of business would be SENATE BILL NO. 316, "An Act relating to motor vehicle safety belt violations."

CHAIR HOLM informed the committee that this legislation has two indeterminate fiscal notes, one from the Alaska Court System and one from the Department of Public Safety (DPS). Those fiscal notes are indeterminate because there is no way to determine the impact to these two agencies. He further informed the committee that SB 316 is the companion to HB 392, which has previously been heard in this committee.

Number 1288

LAUREN WICKERSHAM, Staff to Senator Con Bunde, Alaska State Legislature, presented SB 316 on behalf of the sponsor, Senator Bunde. Ms. Wickersham explained that basically SB 316 changes Alaska's seat belt law from secondary to primary status. Therefore, it provides the ability for enforcement of a law that is already in statute. The current seat belt law is nearly unenforceable because law enforcement can't stop individuals for seat belt violations alone. The change proposed in SB 316 will save lives, she emphasized. She related that with the passage of SB 316 seat belt usage in Alaska could increase to 15 percent, which correlates to approximately 10-12 lives saved in the first year alone. Furthermore, this change will mean that the state will gain federal funds, totaling close to \$4 million, for highway repairs. Additionally, the state will receive funds for safety belt education campaigns. The combination of

education and enforcement leads to the greatest safety belt use possible, she opined.

MS. WICKERSHAM informed the committee that Alaskans annually spend millions on motor vehicle crashes and this legislation will save Alaskans thousands in the first year alone. She related that 85 percent of all costs involved in motor vehicle accidents are paid for by society through the public or private sectors. In fact, last year the average Alaskan paid \$120 per person through accident-related costs. Ms. Wickersham pointed out that both national and Alaskan surveys indicate that people support the primary seat belt law. Furthermore, a telephone survey by the Alaskan Injury Prevention Center found that 67 [percent] of the 800 surveyed supported a primary seat belt law. Ms. Wickersham concluded by highlighting that SB 316 would save lives and money.

Number 1500

RICK MORRISON, National Automobile Dealers Association (NADA); Alaska Automobile Dealers Association (AADA), informed the committee that he has been in the automobile industry for 30 years and has watched the innovative safety advancements in the industry. However, he pointed out that all of the safety advancements work with the seat belt. He noted that NADA has assisted in this campaign nationwide because making the seat belt law a primary [offense] will save lives. In addition to the 10-15 lives that would be saved in Alaska in the first year of this proposed law, there is the potential to obtain almost \$4 million from the federal government. Mr. Morrison informed the committee that statistics show that the use of a seat belt in a car provided an additional 45 percent increase in effectiveness in passenger cars and 60 percent increase in effectiveness in sport utility vehicles (SUVs). Furthermore, states enforcing laws such as that proposed in SB 316 have less highway deaths. Moreover, thousands of injuries can be avoided with seat belt use. Therefore, from both a national and state perspective, it's time to step forward and promote seat belt use as a primary offense in order to encourage use of seat belts. Mr. Morrison concluded by noting his support of SB 316.

Number 1607

KURT WINSTON, Regional Administrator, National Highway Traffic Safety Administration, US Department of Transportation, informed the committee that he works with the states of Alaska, Idaho, Oregon, and Washington. He noted that his written testimony has

been filed with the committee. Mr. Winston highlighted that passage of this legislation will save an estimated 12-15 lives in Alaska in the first year of implementation. Furthermore, the legislation will prevent 300 very serious injuries that cost approximately \$66,000 each, which amounts to "\$20 million leakage of your budget because most of that is paid for with taxpayers' money." Under President George W. Bush's highway plan, which is currently in Congress, Alaska would receive \$3.9 million in bonus highway aide. Mr. Winston related that his son is a member of the Chugiak Fire Department and he has responded to several crashes. In those crashes in which the individuals were wearing restraints, the individuals rarely require transport to a hospital. However, those crashes in which the individuals aren't restrained often result in catastrophic results. Mr. Winston said that the [US Department of Transportation] and the Bush Administration urge passage of SB 316.

Number 1730

JOAN DIAMOND, Public Health, Department of Health & Human Services, Municipality of Anchorage, testified in support of this legislation. This legislation would require every driver in Alaska to participate in public safety.

Number 1743

PAUL HARRIS, Director, Fairbanks Police Department, City of Fairbanks, informed the committee that he is a retired state trooper who began his career in law enforcement in Alaska in 1972. Therefore, he has had experiences with traffic crashes [in which the individuals] were and were not wearing seat belts. He related that most law enforcement officers he is in contact with are in support of SB 316. Mr. Harris highlighted that law enforcement doesn't have much it can do in the way of preventing accidents, save enforcement. The only argument against [this legislation] that he has heard is that it's inconvenient and restricts an individual's rights. However, he submitted that being strapped to a backboard for six months is truly an inconvenience and a restriction of rights. The fact is that there is already the ability to reduce those instances. Although Alaska already has a mandatory seat belt law, it's unenforceable. Therefore, law enforcement needs a seat belt use law that is enforceable.

Number 1926

REPRESENTATIVE KOHRING commented that he didn't believe anyone would argue that seat belts save lives and prevent injuries. However, he admitted that until he was married he didn't wear a seat belt because he resented government telling him what to do. Representative Kohring asked if law enforcement would stop someone if the law enforcement officer suspected a violation [of this proposed seat belt law].

MR. HARRIS answered that when law enforcement has probable cause to believe there is a violation, an individual can be stopped. Mr. Harris recalled when Fairbanks had a primary seat belt use law. At that time, he said he received no telephone calls from individuals charging that he or she had been stopped incorrectly. He noted that if an individual doesn't have a shoulder strap, it's difficult to determine whether he or she has on a seat belt. Mr. Harris said that law enforcement is looking for obvious violations, and therefore chances are that an individual driving safely without a visible shoulder strap won't be stopped. However, if that same individual was driving recklessly, he or she would probably be stopped.

REPRESENTATIVE KOHRING expressed concern that law enforcement may use this to stop people unnecessarily. He mentioned his own experience with being stopped in situations he didn't feel were appropriate. Representative Kohring felt resentful that so many law enforcement officers on the Glenn Highway between Anchorage and Wasilla are looking to pull over individuals for relatively minor violations when those resources could be better directed at those committing serious crimes.

Number 2100

CHAIR HOLM questioned how law enforcement will have the resources to enforce SB 316, if law enforcement doesn't have the resources to follow-up on burglaries and other crimes that seem to be of greater [importance].

MR. HARRIS directed attention to the statistics the committee has been given in regard to the number of dollars, lives, and people impacted by traffic accidents. He said that bad driving is a primary bad act, and therefore law enforcement does place a lot of emphasis on it. Mr. Harris said that when law enforcement makes a stop for traffic violations, equipment violations, and a child not wearing a seat belt, law enforcement is dealing with a bad actor. The aforementioned is the only chance to prevent an injury. On the other hand in the case of a burglary or a homicide, the property has been taken and an

individual's rights have already been violated by the time law enforcement is involved. "This is one opportunity that government has to keep people alive and protect them. I think it is a priority," he said.

CHAIR HOLM maintained that law enforcement has far better things to do than [deal with traffic violations]. "I'm not convinced yet," he said.

Number 2227

REPRESENTATIVE STEPOVICH recalled reading that there are over 180 primary reasons to stop someone in their vehicle.

MR. HARRIS said he didn't know the exact number, but suspected that there are more than 180 reasons.

REPRESENTATIVE STEPOVICH opined that this seat belt law won't cause more individuals to be stopped by law enforcement. There's already enough reasons to stop someone, he remarked. With regard to burglary, it's a felony with jail time of five years or more. However, people continue to steal. Representative Stepovich emphasized that this legislation doesn't save lives, it's wearing one's seat belt. He opined that proper education is important.

MR. HARRIS related his belief that education and enforcement go hand-in-hand. When adults are motivated to wear seat belts, it sets an example for children. Therefore, wearing a seat belt will be automatic for those in future generations. Having a primary seat belt law is one of the educational tools.

CHAIR HOLM commented that the only reason he ever wore a seat belt was when his wife's car had an automatic seat belt.

TAPE 04-15, SIDE B

CHAIR HOLM commented that an automatic seat belt could be placed in automobiles, and questioned why engineers couldn't do such.

Number 2309

ALLEN STOREY, Lieutenant, Central Office, Division of Alaska State Troopers, Department of Public Safety (DPS), related the belief that voluntary compliance is preferable to enforced compliance. He highlighted that there is no request for enhanced penalties for seat belt violations, although he

supports making it a primary offense so that people are encouraged to wear seat belts. Lieutenant Storey echoed earlier remarks that seat belts save lives. Furthermore, he opined that seat belts prevent accidents because as a driver maneuvers around something, perhaps a moose, on the road, the driver can maintain control of the vehicle because he or she is strapped in. With regard to police harassment, law enforcement officers have a heavy workload and aren't in the business of harassment. Lieutenant Storey said, "It seems ... the requirement to wear a seat belt is an extension of a privilege of having a driver's license, its not an extension of a right. And it seems like in return for that privilege to be able to share the highway and be part of that carefully choreographed process of moving traffic from place to place that the need to wear a seat belt is a small expense." Lieutenant Storey related an experience he had with a death notification, and said that law enforcement officers don't like to notify the next of kin or perform death investigations because a person didn't wear a seat belt. The belief is that having seat belt use as a primary offense will generate a higher rate of voluntary compliance.

REPRESENTATIVE STEPOVICH recalled that Lieutenant Storey's testimony used language such as encourage and volunteer. However, he thought this legislation would require the use of seat belts.

LIEUTENANT STOREY said that the question is are people being forced to wear seat belts. Although SB 316 would implement a statute that's a \$15 penalty when people don't wear seat belts, the desire is for people to voluntarily wear seat belts so that no interaction with law enforcement is necessary. The returns for wearing a seat belt far outweigh any pride a person can take in not wearing a seat belt.

REPRESENTATIVE KOHRING said that Lieutenant Storey's testimony is quite convincing. However, he maintained his displeasure with the law enforcement officers who seem "to be on ego trips" and harassing people. Representative Kohring related that during the time he spent in Moscow, Russia, he observed law enforcement efforts. During his two-week period there, he said he never saw an accident despite seeing tens of thousands of automobiles on the roads. Law enforcement officers in Moscow didn't seem to take the same approach in regard to stopping people as they do in Anchorage.

Number 1951

PETE EAGAN stated that it seems the state already thinks wearing seat belts is a good idea since there is already a secondary seat belt law. Statistics show that seat belt use saves lives and primary seat belt laws result in greater use of seat belts. Therefore, he questioned why one wouldn't want to encourage it. He said he wasn't concerned with regard to "Big Brother watching whether or not I'm wearing a seat belt." Wearing a seat belt is the smart thing to do, he remarked. Mr. Eagan viewed this proposed legislation as a tool that would allow law enforcement to do a better job. He informed the committee that Alaska averages 80-plus traffic fatalities a year, and roughly half of those are attributed to drunk driving. Nationwide, there are over 40,000 traffic fatalities a year of which over 17,000 are due to drunk driving. Moreover, injury crashes are far more numerous. Mr. Eagan reminded everyone that in 2001 terrorists killed about 3,000 innocent Americans in one day. However, every 67 days that same year, 3,000 more Americans were killed in car crashes by fellow Americans. Statistics show that a great number of the victims might have survived had they been wearing a seat belt. Therefore, he again questioned why one wouldn't want to encourage the use of seat belts by passage of SB 316. He concluded by urging the committee to pass SB 316.

Number 1820

MARTHA MOORE, Department of Health and Social Services, testified in support of SB 316. She informed the committee that even with the few roads that Alaska has, motor vehicle crashes remain the most common cause of accidental death in Alaska. In 2003, 94 Alaskans lost their lives in crashes of which 24 of those individuals were not wearing seat belts. Ms. Moore related that the Alaska Trauma Registry data shows that crashes in Alaska that involve individuals not wearing seat belts result in 60 new brain injuries a year and 30 new permanent disabilities a year. The costs of the aforementioned are huge. The department's support of SB 316 comes from the concern of the safety and health of the population as well as to keep medical costs down. Ms. Moore echoed earlier testimony regarding that with the passage of a primary seat belt law, there will be increased seat belt usage that will most likely result in saved lives and saved money. The Alaska Trauma Registry data illustrates that over half the medical costs for these crashes are passed on to the federal government, the state government, and the public.

Number 1747

DON SMITH, Administrator, Alaska Highway Safety Office, Division of Program Development, Department of Transportation & Public Facilities, characterized that this legislation is an issue of perception in that individuals would know that there is a primary seat belt law and could be stopped for violations. He said he didn't believe a host of arrests would take place as much as the public will become aware that Alaska has a primary seat belt law. The aforementioned will increase the use rate and save lives. He stated that wearing a seat belt is the best defense against poor drivers. Mr. Smith concluded by requesting that the committee report SB 316 from committee.

Number 1704

CINDY CASHEN, Executive Director, Juneau Chapter, Mothers Against Drunk Driving (MADD), informed the committee that she has three children who will be driving soon, and therefore she wanted her children to be stopped if they weren't wearing a seat belt. She said that she knows that her children won't always remember to wear a seat belt until it becomes an ingrained habit. She further said that she doesn't want to receive a knock on her door and be told by a law enforcement officer that her child was killed because he didn't wear a seat belt. Ms. Cashen opined that this legislation will save lives.

CHAIR HOLM announced that public testimony on SB 316 was closed and that it would be held over.

HB 556-AIDEA BONDS FOR LYNN CANAL PORT

CHAIR HOLM announced that the final order of business would be HOUSE BILL NO. 556, "An Act relating to a port development project at Lynn Canal, providing legislative approval for the Alaska Industrial Development and Export Authority to issue bonds or otherwise provide financing for the project; and providing for an effective date."

Number 1510

REPRESENTATIVE BRUCE WEYHRAUCH, Alaska State Legislature, sponsor, explained that the area where the dock would be constructed is in the northern edge of the district he represents. The legislation is required because the Alaska Industrial Development and Export Authority (AIDEA) requires legislative approval of a bond issue of this size. The bond funds would be used to construct docks to assist in the development of the Kensington Mine project. Representative

Weyhrauch informed the committee that it's critically important to [Southeast] that it diversify its economy and develop mining opportunities where they exist. Furthermore, the Kensington Mine has shown itself to be an active and responsible developer. The dock will go far in helping bring the resource to market and employ many people in the area.

REPRESENTATIVE WEYHRAUCH indicated his support for those representing the Interior who are dealing with the Pogo mine project. He said that there needs to be a united front statewide to help develop these type of resources.

Number 1429

JIM McMILLAN, Deputy Director, Credit, Alaska Industrial Development & Export Authority (AIDEA) and Alaska Energy Association (AEA), Department of Community & Economic Development (DCED), explained that if AIDEA is going to finance a project under AS 44.88.172, "own and operate," and the proceeds of the bond issue exceed \$10 million, legislative authorization is required. Mr. McMillan further explained that this project would include two dock facilities, which would be used in support of the Kensington gold project. In order to issue tax-exempt bonds for financing of this project, the project must be owned by a government entity and be likely that the [facilities] will be available for public use. Therefore, HB 556 is necessary because of the proposed ownership by AIDEA under the development finance program in order to provide lower cost financing through the issuance of tax-exempt bonds. With regard to the public use requirement, that determination has yet to be made. Because of the somewhat remote location of these facilities, AIDEA will, through bond counsel, seek an Internal Revenue Service (IRS) letter ruling in order to make the public use determination. The aforementioned will be part of the due diligence that will begin shortly.

MR. McMILLAN highlighted that while AIDEA will own these facilities, in order to qualify for tax-exempt bonds conduit revenue bonds will be issued. With conduit revenue bonds, he explained, neither the credits nor assets of AIDEA will be at risk. He reiterated that AIDEA's ownership will allow, if other requirements can be met, for the issuance of tax-exempt bonds.

Number 1273

REPRESENTATIVE MASEK inquired as to the cost AIDEA will face in performing the feasibility, market, and risk analysis for the

project. Would AIDEA pay for the aforementioned study, she asked.

MR. McMILLAN said that there is extensive due diligence and the total cost of it is estimated to be \$150,000. At AIDEA's next board meeting, a resolution will be presented [requesting] authorization to execute a cost reimbursement agreement with the project developer. The agreement will state that if the project and the financing goes forward, costs [for the study] could be included in the financing. However, if the project doesn't go forward, AIDEA must be repaid any sums that it has expended.

REPRESENTATIVE MASEK highlighted that the language in HB 556 refers to "port and related facilities" and inquired as to what "related facilities" would be.

MR. McMILLAN explained that the earlier mentioned IRS code would also apply to any related or ancillary facilities that might be pertinent to the use of the dock. Because the project is in the early stages of due diligence, there is the potential that a storage facility for fuel, for example, could be considered related to the dock use and thus could be included in the financing. The \$20 million authorization does allow for the potential for financing upland improvements if they meet IRS requirements. At this point there is only a conceptual design and rough estimates on project costs. As the design and costs are finalized, there is a real likelihood that "that will go up and that's the real reason for the \$20 million authorization."

MR. McMILLAN, in further response to Representative Masek, opined that the state would benefit from this project in a number of different areas. There is the potential for jobs, 250-300 jobs during the construction period as well as another 110-225 jobs throughout the expected life of the mine. There is also the benefit of the development of the state's natural resources. Another benefit is that both docks will likely be available for public use.

Number 1060

REPRESENTATIVE MASEK inquired as to the location of this project.

REPRESENTATIVE WEYHRAUCH explained that this project would require a road extension, which would be [performed] in conjunction with the Goldbelt Native Corporation. He noted that the road would be available for public use.

Number 0931

TIM ARNOLD, Vice President/General Manager, Coeur Alaska, informed the committee that he will be the general manager of the mine once it's in production. He specified that the southern port facility being discussed would be located two miles past the end of the road. Mr. Arnold turned the committee's attention to a document entitled "Update," which was performed in November 2001, and noted that most of the information remains accurate today. He offered to answer any questions.

REPRESENTATIVE STEPOVICH turned attention to the graph in the committee packet that specifies that in 1989 over 70 percent of the jobs in Juneau were state and federal government jobs and in 1999 about 70 percent of the jobs in Juneau were with the state and federal government. He asked if those percentages remain the same.

MR. ARNOLD said that the numbers were accurate when the material was printed, but he said he didn't have an update for 2004.

REPRESENTATIVE KOHRING commented that he would like to help Representative Weyhrauch decrease the percentage [of those working for government] and increase the percentage of those working in mining.

Number 0800

CHAIR HOLM related his assumption that once the two miles of road to the southern terminus of the port and the proposed road extension are built, those would revert to state ownership at some point in time and be left for use in the future [when the mining activities have ceased].

MR. ARNOLD clarified that the two-mile road to Echo Cove will be owned by Goldbelt. The port facilities are the focus of the legislation. Once there [is access] to the other side of Berners Bay, the road up to the property already exists and will merely be upgraded.

REPRESENTATIVE MASEK asked if Goldbelt would own the road, and therefore could decide to charge the public a fee for use of the road. She noted that such a situation exists in Chitna.

MR. ARNOLD said that although he couldn't speak for Goldbelt, discussions with them have brought forth their intent to open the area up and bring people to the facilities.

Number 0632

REPRESENTATIVE KOOKESH pointed out that if Goldbelt didn't want to open the area and bring people to the facilities, the project would be dead. Representative Kookesh emphasized that the state isn't investing money, it's loaning money; AIDEA is a loaning agency not a granting agency, and therefore will be paid back everything it puts out, including interest.

REPRESENTATIVE STEPOVICH asked if the general public would be able to travel to the dock on that two-mile extension.

REPRESENTATIVE WEYHRAUCH answered that it should be open to the public. He related that US Senator Lisa Murkowski's office has been working on a swap. He noted his opposition to any toll roads and added that nothing in the proposal has indicated any [desire] to block public use of the road.

Number 0505

REPRESENTATIVE KOHRING surmised that if an entity is pursuing the state for a loan, perhaps the entity can't obtain conventional, private sector financing. He further surmised that it must be a relatively high-risk proposition. Therefore, he inquired as to any assurances that could be provided that the aforementioned isn't the case. He also inquired as to the reasons the financing is being sought from the state.

MR. ARNOLD said that this project is a win-win situation for Coeur d'Alene Mines Corporation and the state. Coeur d'Alene Mines Corporation, he said, could do this project on its own if it desired to do so. The advantage of the option embodied in HB 556 is that Coeur d'Alene Mines Corporation would receive low cost financing. If Coeur d'Alene Mines Corporation did the project on its own, the dock would be paid for upfront and at the end of the mining operation the company would have to take out the dock as part of remediation. Therefore, the company views HB 556 as a way to obtain low cost financing while providing the state with a great facility that will last 30-40 years.

REPRESENTATIVE WEYHRAUCH noted that AIDEA is an institution of the state that is present to help with these sorts of projects

as it did with the FedEx terminal in Anchorage and the dock facility for the Healy coal project.

Number 0320

REPRESENTATIVE MASEK moved to adopt CSHB 556, Version 23-LS1938\H, Cook, 4/23/04, as the working document. There being no objection, Version H was before the committee.

CHAIR HOLM noticed that the title of Version H was different than that of the original legislation, and inquired as to why.

MR. McMILLAN explained that in the initial discussions with Coeur Alaska, AIDEA provided Coeur some sample language that mirrored language included in authorizations for other development finance projects. In the past, AIDEA has allowed for the issuance of bonds as well as the utilization of other funding, such as AIDEA's cash. The aforementioned was included in the sample language provided to Coeur. Subsequent discussions between the Attorney General's Office and the assistant attorney general that represents AIDEA and staff from Legislative Legal and Research Services determined that it would be limited to bond proceeds. Therefore, if other funds besides bond proceeds were going to be used, it wouldn't be covered under this authorization.

REPRESENTATIVE MASEK reiterated her hope that this road over Goldbelt's land doesn't become an access issue as it did in Chitna.

Number 0122

REPRESENTATIVE MASEK moved to report CSHB 556, Version 23-LS1938\H, Cook, 4/23/04, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 556(TRA) was reported out of the House Transportation Standing Committee.

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 3:15 p.m.