

ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE

February 25, 2020

1:03 p.m.

MEMBERS PRESENT

Representative Louise Stutes, Chair
Representative Matt Claman
Representative Harriet Drummond
Representative Andi Story
Representative Dave Talerico
Representative Mel Gillis

MEMBERS ABSENT

Representative Bryce Edgmon

COMMITTEE CALENDAR

HOUSE BILL NO. 185

"An Act relating to the registration of commercial vessels; and providing for an effective date."

- MOVED CSHB 185 (TRA) OUT OF COMMITTEE

HOUSE BILL NO. 253

"An Act relating to the powers of the Department of Transportation and Public Facilities; and relating to the sale, transfer, or disposal of state ferries."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 185

SHORT TITLE: REGISTRATION OF BOATS: EXEMPTION

SPONSOR(S): REPRESENTATIVE(S) STUTES

01/21/20	(H)	PREFILE RELEASED 1/10/20
01/21/20	(H)	READ THE FIRST TIME - REFERRALS
01/21/20	(H)	FSH, TRA
02/04/20	(H)	FSH AT 11:00 AM GRUENBERG 120
02/04/20	(H)	Heard & Held
02/04/20	(H)	MINUTE (FSH)
02/06/20	(H)	FSH AT 11:00 AM GRUENBERG 120

02/06/20 (H) Moved CSHB 185(FSH) Out of Committee
02/06/20 (H) MINUTE(FSH)
02/07/20 (H) FSH RPT CS(FSH) 4DP 1NR
02/07/20 (H) DP: KOPP, EDGMON, TARR, STUTES
02/07/20 (H) NR: NEUMAN
02/13/20 (H) TRA AT 1:00 PM BARNES 124
02/13/20 (H) Heard & Held
02/13/20 (H) MINUTE(TRA)
02/25/20 (H) TRA AT 1:00 PM BARNES 124

BILL: HB 253

SHORT TITLE: SALE, TRANSFER, OR DISPOSAL OF FERRIES

SPONSOR(s): REPRESENTATIVE(s) KREISS-TOMKINS

02/17/20 (H) READ THE FIRST TIME - REFERRALS
02/17/20 (H) TRA, STA
02/25/20 (H) TRA AT 1:00 PM BARNES 124

WITNESS REGISTER

MATT GRUENING, Staff
Representative Louise Stutes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented CSHB 185(FSH) on behalf of Representative Stutes, prime sponsor.

DALE KELLEY, Commissioner
Commercial Fisheries Entry Commission
Department of Fish & Game
Juneau, Alaska

POSITION STATEMENT: Provided information during the hearing on CSHB 185(FSH).

REPRESENTATIVE JONATHAN KREISS-TOMKINS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 253.

MATT MCLAREN, Business Development Manager
Alaska Marine Highway System
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Provided information during the hearing on HB 253.

MIKE LESMANN, Legislative Liaison

Department of Transportation & Public Facilities

POSITION STATEMENT: Provided information during the hearing of HB 253.

ACTION NARRATIVE

[1:03:10 PM](#)

CHAIR LOUISE STUTES called the House Transportation Standing Committee meeting to order at 1:03 p.m. Representatives Claman, Drummond, Story, and Stutes were present at the call to order. Representatives Gillis and Talerico arrived as the meeting was in progress.

HB 185-REGISTRATION OF BOATS: EXEMPTION

[1:04:24 PM](#)

CHAIR STUTES announced that the first order of business would be HOUSE BILL NO. 185, "An Act relating to the registration of commercial vessels; and providing for an effective date." [Before the committee was CSHB 185(FSH).]

[1:05:19 PM](#)

CHAIR STUTES [moved to adopt] Amendment 1, labeled 31-LS1250\S.2, Klein, 2/25/20, which read as follows:

Page 2, following line 21:

Insert a new bill section to read:

"* Sec. 3. AS 16.05.475 is amended by adding new subsections to read:

(e) The Alaska Commercial Fishing Entry Commission shall assess a commercial fishing vessel registration fee of \$8 a year.

(f) Fees collected under (e) of this section shall be separately accounted for as provided in AS 05.25.096(b)."

Renumber the following bill sections accordingly.

Page 2, following line 24:

Insert a new bill section to read:

"* Sec. 5. Section 3 of this Act takes effect January 1, 2021."

Renumber the following bill section accordingly.

Page 2, line 25:

Delete "This"

Insert "Except as provided in sec. 5 of this Act,
this"

[1:05:28 PM](#)

REPRESENTATIVE CLAMAN objected to the motion, for the purpose of discussion.

[1:05:41 PM](#)

MATT GRUENING, Staff, Representative Louise Stutes, Alaska State Legislature, presented CSHB 185(FSH) on behalf of Representative Stutes, prime sponsor. Mr. Gruening imparted that Amendment 1 would bring CSHB 185(FSH) to cost-neutral by charging an \$8 fee per year in lieu of the three-year \$24 fee that would have been charged at the Division of Motor Vehicles (DMV). Under Amendment 1, he added, a Commercial Fisheries Entry Commission (CFEC)-registered vessel would still be required to pay the \$8 per year to the Department of Natural Resources (DNR) for boating safety programs and the Derelict Vessel Fund, but CFEC-registered vessels would not be required to go into the DMV or display the decal. Mr. Gruening informed the committee that Amendment 1 also included a delayed effective date for those folks who may be wondering about the current year.

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REPRESENTATIVE DRUMMOND asked what costs would be involved with the administration of such a minimal fee.

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MR. GRUENING replied that he guessed that the cost would be part of the transfer, but that he would defer to the CFEC to determine what administrative costs, if any, would be associated.

[1:08:07 PM](#)

DALE KELLEY, Commissioner, Commercial Fisheries Entry Commission, Alaska Department of Fish & Game (ADF&G), said she appreciated the delayed effective date but that some vessels were already one year into the three year combined fee, so there

may be some issues on the CFEC end, but the CFEC would be able to work through those issues.

[1:09:20 PM](#)

REPRESENTATIVE STORY said that she appreciated the continued funding for the Derelict Vessel Fund.

[1:09:37 PM](#)

MR. GRUENING said that as a fisherman, he also appreciates not having to go to the DMV to fill out extra paperwork, and that the money is going toward a problem that exists statewide (derelict vessels).

[1:10:08 PM](#)

REPRESENTATIVE CLAMAN removed his objection to the motion to adopt Amendment 1 to CSHB 185(FSH). There being no further objection, Amendment 1 was adopted.

[1:10:47 PM](#)

REPRESENTATIVE CLAMAN moved to report CSHB 185(FSH), as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 185(TRA) was reported out of the House Transportation Standing Committee.

[1:11:29 PM](#)

The committee took an at-ease from 1:11 p.m. to 1:13 p.m.

HB 253-SALE, TRANSFER, OR DISPOSAL OF FERRIES

[1:13:29 PM](#)

CHAIR STUTES announced that the final order of business would be HOUSE BILL NO. 253, "An Act relating to the powers of the Department of Transportation and Public Facilities; and relating to the sale, transfer, or disposal of state ferries."

[1:14:37 PM](#)

REPRESENTATIVE JONATHAN KREISS-TOMKINS, Alaska State Legislature, as prime sponsor, introduced HB 253, a three-line bill which would ask for approval from the legislature before

disposal of assets of the Alaska Marine Highway System (AMHS). He added that HB 253 is in response to frustration in Coastal Alaska over the state of the AMHS. Even with more [AMHS] structure and funding, Representative Kreiss-Tompkins imparted, if core assets were "rashly" disposed of, then there would no longer exist a system to put back together.

[1:16:22 PM](#)

CHAIR STUTES added that she would like to amend HB 253 to say that if any AMHS assets were sold, then the funds would go back into the AMHS.

[1:17:09 PM](#)

REPRESENTATIVE CLAMAN asked how HB 253 would deal with the legislature's lack of fast action when it may be needed.

[1:18:00 PM](#)

REPRESENTATIVE KREISS-TOMKINS replied to Representative Stutes that he thought there was a lot of logic in putting proceeds from asset sales back into the AMHS fund. Addressing Representative Claman, he said he saw that lack of fast action as analogous to the court system where individual legislation is required to add specific judgeships: it would be an administrative change and yet it would be a modification of statute; similarly to the legislative/judicial branch interaction, it seems functional that there would be an interaction between the executive branch and the legislative branch in terms of vessel sales.

REPRESENTATIVE KREISS-TOMKINS added that the underlying motivation behind HB 253 is one of defense. Alaskans wish to prevent the AMHS from becoming dismantled, to protect assets, and to ensure that rash decisions are not being made. He went on to say that there is currently no check on mainline ferries, the main assets of the AMHS, from being eliminated. Furthermore, he admitted that if the AMHS did move to the public corporation model and it did have independent governance of the system, then HB 253 may become moot. Since the AMHS is currently not operating under the public corporation model, however, and there is currently real existential concern about the AMHS, HB 253 is a defensive reaction.

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REPRESENTATIVE CLAMAN said he could see how HB 253 does speak to the lack of long-term planning. It would be one thing, he added, if there were a decision made over the course of a year that determined a fast ferry should be sold, and quite another to suddenly decide to sell one of the fast ferries within a month if it were not being used. One scenario suggested planning and time to coordinate with the legislature while another suggested a decision that may not be made with any kind of in-depth analysis, Representative Claman surmised; HB 253 would facilitate the former and hinder the latter.

[1:22:00 PM](#)

REPRESENTATIVE KREISS-TOMKINS said that he agreed with Representative Claman regarding the fast ferries not coming back, at least in the foreseeable future. The main idea behind HB 253 was making sure the mainliner vessels, which are the fleet's core assets, were protected and not eliminated.

[1:23:45 PM](#)

REPRESENTATIVE DRUMMOND asked whether the M/V Chenega and the M/V Fairweather could return to service or whether it had been decided that they were too expensive to operate. She also mentioned that the M/V Tazlina and the M/V Hubbard had long been problematic but the former two could have been "pinch hitting" during this time when no ships were in operation. Representative Drummond disagreed that the M/V Chenega and the M/V Fairweather should be eliminated from the impact of HB 253 as it is currently written.

[1:25:52 PM](#)

REPRESENTATIVE KREISS-TOMKINS said that he would defer to the will of the committee and stakeholders, and if they did not object, then he did not object either.

[1:26:50 PM](#)

REPRESENTATIVE STORY asked Representative Kreiss-Tompkins to refresh her memory on how the M/V Taku was handled, as she had heard from constituents that its removal had been hasty.

[1:27:15 PM](#)

REPRESENTATIVE KREISS-TOMKINS answered that he thought the Department of Transportation & Public Facilities (DOTPF) had

been in contact with an outfit in Portland, Oregon, who had expressed interest in buying it for use as an attraction on the waterfront, but that fell through, and ultimately the vessel was sold for only "\$100,000 or \$200,000" to a shipwrecking yard in Bangladesh or India. He added that the low price point of the M/V Taku sale was indicative of there being no market for the ships.

[1:29:22 PM](#)

MATT MCLAREN, Business Development Manager, Alaska Marine Highway System, Department of Transportation & Public Facilities, informed the committee that the M/V Taku had sold for \$172,000.

[1:29:50 PM](#)

REPRESENTATIVE STORY repeated that some of her constituents felt there had not been an adequate public process regarding the M/V Taku and she had been wondering about the legislative and public input stages.

[1:30:08 PM](#)

MR. MCLAREN said that the first step had been to see if there were any other public entities in Alaska or in the U.S. that were interested in the vessel's purchase. Mr. McLaren said he was unaware of public process as far as input. In response to a follow-up question, he confirmed he was not aware of any process or approval that went through the legislature.

[1:31:20 PM](#)

MIKE LESMANN Legislative Liaison, Department of Transportation & Public Facilities, recalled going to Ketchikan for a public meeting on the M/V Taku and seeing Representative Ortiz and community members in the room.

[1:32:21 PM](#)

REPRESENTATIVE STORY asked whether the Alaska Railroad Corporation is required to go through the legislature if it is going to dispose of any assets.

[1:32:40 PM](#)

REPRESENTATIVE TALERICO said that he believed legislative approval was required.

[1:32:58 PM](#)

CHAIR STUTES announced that HB 253 would be held over.

[1:33:55 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 1:34 p.m.