

ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE

April 15, 2021

3:04 p.m.

MEMBERS PRESENT

Representative Jonathan Kreiss-Tomkins, Chair
Representative Matt Claman, Vice Chair
Representative Geran Tarr
Representative Andi Story
Representative Sarah Vance
Representative James Kaufman
Representative David Eastman

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 55

"An Act relating to participation of certain peace officers and firefighters in the defined benefit and defined contribution plans of the Public Employees' Retirement System of Alaska; relating to eligibility of peace officers and firefighters for medical, disability, and death benefits; relating to liability of the Public Employees' Retirement System of Alaska; and providing for an effective date."

- MOVED HB 55 OUT OF COMMITTEE

HOUSE BILL NO. 63

"An Act relating to the duties of the Department of Transportation and Public Facilities; renaming the Alaska Marine Transportation Advisory Board the Alaska Marine Highway Operations Board; relating to the membership and duties of the Alaska Marine Highway Operations Board; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 55

SHORT TITLE: PEACE OFFICER/FIREFIGHTER RETIRE BENEFITS

SPONSOR(S): REPRESENTATIVE(S) JOSEPHSON

02/18/21 (H) PREFILE RELEASED 1/15/21
02/18/21 (H) READ THE FIRST TIME - REFERRALS
02/18/21 (H) STA, FIN
03/13/21 (H) STA AT 1:00 PM GRUENBERG 120
03/13/21 (H) Heard & Held
03/13/21 (H) MINUTE(STA)
03/27/21 (H) STA AT 1:00 PM GRUENBERG 120
03/27/21 (H) Heard & Held
03/27/21 (H) MINUTE(STA)
04/13/21 (H) STA AT 3:00 PM GRUENBERG 120
04/13/21 (H) Heard & Held
04/13/21 (H) MINUTE(STA)
04/15/21 (H) STA AT 3:00 PM GRUENBERG 120

BILL: HB 63

SHORT TITLE: ALASKA MARINE HIGHWAY OPERATIONS BOARD

SPONSOR(S): REPRESENTATIVE(S) STUTES

02/18/21 (H) PREFILE RELEASED 1/15/21
02/18/21 (H) READ THE FIRST TIME - REFERRALS
02/18/21 (H) TRA, STA
03/11/21 (H) TRA AT 1:30 PM BARNES 124
03/11/21 (H) Heard & Held
03/11/21 (H) MINUTE(TRA)
03/18/21 (H) TRA AT 1:30 PM BARNES 124
03/18/21 (H) Moved CSHB 63(TRA) Out of Committee
03/18/21 (H) MINUTE(TRA)
03/20/21 (H) TRA RPT CS(TRA) NT 4DP 2NR
03/20/21 (H) DP: DRUMMOND, HANNAN, SPOHNHOLZ,
HOPKINS
03/20/21 (H) NR: MCCABE, CRONK
03/30/21 (H) STA AT 3:00 PM GRUENBERG 120
03/30/21 (H) Heard & Held
03/30/21 (H) MINUTE(STA)
04/06/21 (H) STA AT 3:00 PM GRUENBERG 120
04/06/21 (H) Heard & Held
04/06/21 (H) MINUTE(STA)
04/15/21 (H) STA AT 3:00 PM GRUENBERG 120

WITNESS REGISTER

KERRY CROCKER, Staff
Representative Louise Stutes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 63, answered questions on behalf of Representative Stutes, prime sponsor.

ROB CARPENTER, Deputy Commissioner
Office of the Commissioner
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 63, answered questions from committee members.

SANDON FISHER, Attorney
Legislative Legal Services
Legislative Affairs Agency
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 63, answered questions from committee members.

ACTION NARRATIVE

[3:04:59 PM](#)

CHAIR JONATHAN KREISS-TOMKINS called the House State Affairs Standing Committee meeting to order at 3:04 p.m. Representatives Tarr, Vance, Story, Claman, Eastman, and Kreiss-Tomkins were present at the call to order. Representative Kaufman arrived as the meeting was in progress.

HB 55-PEACE OFFICER/FIREFIGHTER RETIRE BENEFITS

[3:06:14 PM](#)

CHAIR KREISS-TOMKINS announced that the first order of business would be HOUSE BILL NO. 55, "An Act relating to participation of certain peace officers and firefighters in the defined benefit and defined contribution plans of the Public Employees' Retirement System of Alaska; relating to eligibility of peace officers and firefighters for medical, disability, and death benefits; relating to liability of the Public Employees' Retirement System of Alaska; and providing for an effective date."

CHAIR KREISS-TOMKINS invited comments from committee members.

[3:06:49 PM](#)

REPRESENTATIVE STORY believed that a new retirement system was desperately needed in many areas of state government, including

for teachers and public employees. She expressed her support for moving the proposed legislation from committee and opined that implementing defined benefits would help with recruitment and retention.

REPRESENTATIVE TARR noted that when the commissioner designee for the Department of Public Safety (DPS) was before the House Special Committee on Tribal Affairs (HTRB) to discuss comprehensive public safety issues, he specifically mentioned that fixing the retirement system was an absolute necessity for recruitment and retention. The commissioner designee conveyed that there were only 52 village public safety officers (VPSOs); however, the goal was to have 120. Additionally, 36 State Trooper positions were filled, but 33 were lost to retirement and attrition.

REPRESENTATIVE EASTMAN expressed his appreciation for the current language in the proposed legislation. He said he was interested to see how it progressed through the legislative process. He shared his belief that the tools, by which the [retirement] package would be adjusted for inflation, should receive higher scrutiny as a season of higher inflation was approaching.

[3:09:22 PM](#)

REPRESENTATIVE KAUFMAN expressed concern about the defined benefit plan creating a future obligation. He suggested that other areas of dissatisfaction were more significant to retention, including improvements in leadership and culture. He opined that the proposed legislation was attempting to fix the wrong concern. He said he would have preferred that other departmental issues were focused on first.

CHAIR KREISS-TOMKINS welcomed an opportunity to address the issues that Representative Kaufman had mentioned. He opined that the proposed legislation was extremely well crafted. He said as a younger person, he was drawn to retirement systems that made public servants and retirees "whole" in a reasonable way and provided a certain amount of security and dignity while remaining cautious about the potential of liabilities that the state would assume. He asserted that on an intergenerational basis, previous retirement systems had been grossly inequitable to younger generations that were disproportionately paying older generations' retirements. He expressed his appreciation for the risk aversion that was included in this legislation and surmised

that the bill would be intergenerationally equitable while remaining fair to retirees.

[3:12:23 PM](#)

REPRESENTATIVE CLAMAN moved to report HB 55 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 55 was reported out of the House State Affairs Standing Committee.

HB 63-ALASKA MARINE HIGHWAY OPERATIONS BOARD

[3:12:51 PM](#)

CHAIR KREISS-TOMKINS announced that the final order of business would be HOUSE BILL NO. 63, "An Act relating to the duties of the Department of Transportation and Public Facilities; renaming the Alaska Marine Transportation Advisory Board the Alaska Marine Highway Operations Board; relating to the membership and duties of the Alaska Marine Highway Operations Board; and providing for an effective date." [Before the committee was CSHB 63(TRA).]

[3:13:00 PM](#)

CHAIR KREISS-TOMKINS prefaced the consideration of amendments by explaining that several amendments [Amendment 8 and Amendment "G.17"] would no longer be offered; further, he noted that he and Representative Kaufman were co-sponsoring Amendment 12.

[3:15:38 PM](#)

REPRESENTATIVE VANCE moved to adopt Amendment 1 to CSHB 63(TRA), labeled 32-LS0286\G.1, Fisher, 3/29/21, which read:

Page 2, line 12, following "state":

Insert ", and no more than two of whom may be members, or retired members, of a union that represents employees of the Alaska marine highway system"

Page 2, line 24, through page 3, line 3:

Delete all material and insert:

"(5) two public members, at least one of whom has experience in business and finance, appointed by the speaker of the house of representatives and who

serve at the pleasure of the speaker of the house of representatives;

(6) two public members, at least one of whom has experience in business and finance, appointed by the president of the senate and who serve at the pleasure of the president of the senate."

REPRESENTATIVE CLAMAN objected.

[3:15:43 PM](#)

REPRESENTATIVE VANCE explained that Amendment 1 would provide diverse experience and a range of competency by allowing union membership on the [Alaska Marine Highway Operations Board]. She noted that no more than two of the nine board members could be union representatives.

REPRESENTATIVE KAUFMAN noted that Amendment 5 [which had not been offered yet] included elements to ensure that board members would be competent.

CHAIR KREISS-TOMKIINS asked Mr. Crocker to share the bill sponsor's perspective on Amendment 1.

[3:17:03 PM](#)

KERRY CROCKER, Staff, Representative Louise Stutes, Alaska State Legislature, on behalf of Representative Stutes, prime sponsor of HB 63, remarked:

We don't understand or necessarily agree that being a union member or ... retiring from a union ... why that would preclude you from serving on the board or why that would disqualify you from serving on the board given the parameters of choosing the board.

REPRESENTATIVE CLAMAN noted that his objection was maintained.

REPRESENTATIVE VANCE clarified that Amendment 1 would in no way preclude union members from serving on the board. She explained that the proposed amendment stated that no more than two union representatives could sit on the board to allow for other members of the public to provide representation from alternative perspectives.

[3:18:25 PM](#)

A roll call vote was taken. Representatives Vance and Eastman voted in favor of the adoption of Amendment 1. Representatives Tarr, Story, Claman, Kaufman, and Kreiss-Tomkins voted against it. Therefore, Amendment 1 failed by a vote of 2-5.

[3:19:17 PM](#)

REPRESENTATIVE STORY moved to adopt Amendment 2, to CSHB 63(TRA), labeled 32-LS0286\G.2, Fisher, 4/1/21, which read:

Page 5, line 3:

Delete "January 1, 2022"

Insert "July 1, 2021"

REPRESENTATIVE CLAMAN objected for the purpose of discussion.

[3:19:24 PM](#)

REPRESENTATIVE STORY believed Amendment 2 was important because "members" across the state wanted this plan to be completed. She expressed her hope that the proposed legislation would be implemented as soon as possible so the new board could start working at the beginning of fiscal year 2022 (FY 22).

REPRESENTATIVE KAUFMAN suggested that [the effective date] should coincide with when legislators were in session.

REPRESENTATIVE STORY opined that [the board] could begin before the legislature was in session.

CHAIR KREISS-TOMKINS questioned what would happen if the proposed legislation failed to pass this session. He gathered that if that were to happen, the effective date could be revised.

REPRESENTATIVE STORY, in response to Representative Kaufman, said she appreciated his concern about timing. She expressed her hope that the legislature recognized the urgency of this issue.

[3:21:59 PM](#)

CHAIR KREISS-TOMKINS asked for the sponsor's perspective on Amendment 2.

MR. CROCKER relayed that the sponsor was supportive of Amendment 2 and emphasized the importance of "[getting] the ball rolling."

CHAIR KREISS-TOMKINS asked for the Department of Transportation & Public Facilities' (DOT&PF's) perspective on amending the effective date to July 1, 2021.

3:22:39 PM

ROB CARPENTER, Deputy Commissioner, Office of the Commissioner, Department of Transportation & Public Facilities, said he had no problem with the proposed effective date or an immediate effective date. He agreed that [an earlier effective date would be better].

3:22:58 PM

REPRESENTATIVE EASTMAN asked for a clearer picture of what would happen if the bill were to pass after July 1, 2021. He inquired about the timeline for appointing members and getting the work started.

MR. CARPENTER indicated that he was not entirely sure. He explained that it would take time to establish a "recruiting mechanism" to identify and vet potential board members; further, there would need to be an appointment process. He reiterated that the sooner the legislation was effective, the sooner that process could begin.

REPRESENTATIVE EASTMAN questioned how much time would be allowed for the appointment process if the bill were to pass after the effective date of July 1, 2021. He asked when the board would be required to have members. To clarify, he proposed a scenario in which the bill passed on August 1, 2021, with an effective date of July 1, 2021. He questioned what the timeframe would be for identifying recruitments, vetting candidates, appointing members, and the [first] board meeting.

MR. CARPENTER suggested deferring the question to Legislative Legal Services. He shared his understanding that the proposed legislation did not identify a recruitment timeline or recruitment processes.

CHAIR KREISS-TOMKINS questioned how the 30-day vacancy filling requirement would be reconciled under a scenario in which the proposed legislation was passed after the effective date. He asked if that clarified what Representative Eastman had asked.

REPRESENTATIVE EASTMAN said he was attempting to clarify whether the candidates had to be identified, vetted, and appointed within 30 days or less.

CHAIR KREISS-TOMKINS said it was unlikely that the legislature would pass a bill with an effective date that was prior to the date of passage; nonetheless, he directed the question to Mr. Fisher for further comment.

[3:27:45 PM](#)

SANDON FISHER, Attorney, Legislative Legal Services, Legislative Affairs Agency, offered his services if the legislature were to consider the proposed legislation after its effective date. He noted that it would not be difficult to update the effective date. He explained that an interested party could require the appointing authority to comply with the statute via court order if the appointing authority had failed to follow the requirement to fill a vacancy within 30 days, as outlined in Section 4 of the bill

[3:29:25 PM](#)

MR. FISHER, in response to a question from Representative Eastman regarding vacancies, confirmed that the steps for filling a vacancy must be completed within 30 days per Section 4 of the bill.

[3:29:44 PM](#)

REPRESENTATIVE VANCE proposed a conceptual amendment to Amendment 2, such that the effective date would be changed from July 1, 2021, to effective immediately.

REPRESENTATIVE STORY explained that an immediate effective date required a two-thirds vote in both the House and the Senate, which is why she preferred the effective date of July 1, 2021.

REPRESENTATIVE EASTMAN shared his understanding that regardless of the effective date, an effective date clause is what required a two-thirds vote. He asked if that was correct.

CHAIR KREISS-TOMKINS understood that any effective date clause required a two-thirds vote otherwise the legislation would become effective 90 days after passage by default.

MR. FISHER believed that an immediate effective date required a supermajority vote. He offered to follow up on the voting specifics of effective date clauses.

CHAIR KREISS-TOMKINS proposed that Amendment 2 be set aside until the committee ascertained that information.

[3:32:06 PM](#)

The committee took a brief at-ease.

[3:32:29 PM](#)

CHAIR KREISS-TOMKINS asked Representative Story if she would be willing to withdraw Amendment 2.

REPRESENTATIVE STORY [moved to withdraw] Amendment 2. [There being no objection, Amendment 2 was withdrawn.]

[3:32:45 PM](#)

REPRESENTATIVE EASTMAN moved to adopt Amendment 3 to CSHB 63(TRA), labeled 32-LS0286\G.3, Fisher, 4/5/21, which read:

Page 1, line 3:

Delete "**Highway**"
Insert "**Transportation**"

Page 1, line 4:

Delete "**Highway**"
Insert "**Transportation**"

Page 1, lines 10 - 11:

Delete "**Highway Operations** [TRANSPORTATION
ADVISORY]"
Insert "**Transportation Operations** [ADVISORY]"

Page 1, line 13, through page 2, line 1:

Delete "**Highway Operations** [TRANSPORTATION
ADVISORY]"
Insert "**Transportation Operations** [ADVISORY]"

Page 2, lines 6 - 7:

Delete "**Highway Operations** [TRANSPORTATION
ADVISORY]"
Insert "**Transportation Operations** [ADVISORY]"

Page 2, lines 8 - 9:

Delete "Highway Operations [TRANSPORTATION
ADVISORY]"

Insert "Transportation Operations [ADVISORY]"

Page 3, line 27:

Delete "Highway Operations [TRANSPORTATION
ADVISORY]"

Insert "Transportation Operations [ADVISORY]"

Page 4, line 13:

Delete "HIGHWAY"

Insert "TRANSPORTATION"

Page 4, line 18:

Delete "Highway"

Insert "Transportation"

Page 4, line 29:

Delete "Highway"

Insert "Transportation"

Page 4, line 31:

Delete "Highway"

Insert "Transportation"

REPRESENTATIVE CLAMAN objected.

[3:32:51 PM](#)

REPRESENTATIVE EASTMAN explained that Amendment 3 would change the board's name from the Alaska Marine Highway Operations Board to the Alaska Marine Transportation Operations Board. He reasoned that AMHS would not be garnishing scenic highway funding in the future, as it had not been eligible in over a decade. Additionally, he believed that the board's scope should not be limited to AMHS. Therefore, he posited that "Highway Operations" should be replaced with "Transportation Operations."

[3:35:09 PM](#)

REPRESENTATIVE TARR questioned whether there would be a material difference with the use of the term "transportation."

MR. CARPENTER said he was unsure. He pointed out that the board should be specific to AMHS, adding that Amendment 3 could make the mission broader.

MR. CROCKER cited Section 11.21 of the Energy, Dependency, and Security Act; Section 405 of the Coast Guard and Maritime Transportation Act of 2012; and the National Defense Authorization Act of FY 16. He expressed his concern that [by changing the name], AMHS could miss out on grant money. He added that if the U.S. Department of Transportation had designated a Marine Highway Program, Alaska should do the same.

REPRESENTATIVE EASTMAN clarified that Amendment 3 would not change AMHS's name. He believed that the amendment made sense because the proposed legislation pertained to the board specifically. Additionally, he shared his understanding that some of the laws cited by Mr. Crocker disqualified AMHS from garnering scenic highway funding. He conveyed that Amendment 3 would ensure that the board's scope was appropriate.

[3:39:02 PM](#)

REPRESENTATIVE KAUFMAN commented that he was weighing the costs and benefits of changing the name. He indicated that both arguments were compelling.

REPRESENTATIVE STORY expressed her opposition to Amendment 3. She opined that AMHS was long established as a unique part of Alaska's highway system. Further, she emphasized the importance of optimizing federal funding.

REPRESENTATIVE KAUFMAN reiterated that Amendment 3 was specific to the board, not AMHS itself.

REPRESENTATIVE TARR said without more time to ensure that no unintended consequences would ensue from the proposed name change, she would be opposing Amendment 3. She echoed Representative Story's sentiments and added that she didn't want to dilute AMHS's struggle by expanding the board's scope.

[3:41:41 PM](#)

CHAIR KREISS-TOMKINS referenced the cost/benefit framework that Representative Kaufman had referenced, adding that he didn't perceive any active harm other than the potential for confusion. He pointed out that the correlation between AMHS and "highway" had been instilled in the public's consciousness. He opined that maintaining the current language would provide the benefit of clarity; therefore, he respectfully opposed Amendment 3.

[3:42:27 PM](#)

REPRESENTATIVE EASTMAN [moved to withdraw] Amendment 3. [There being no objection, Amendment 3 was withdrawn.]

[3:42:53 PM](#)

REPRESENTATIVE KAUFMAN moved to adopt Amendment 4, to CSHB 63(TRA), labeled 32-LS0286\G.4, Fisher, 4/14/21, which read:

Page 1, line 7, through page 2, line 4:

Delete all material and insert:

"* **Section 1.** AS 19.65.011 is amended to read:

Sec. 19.65.011. Short-term and comprehensive [COMPREHENSIVE] long-range plans [PLAN]. The Department of Transportation and Public Facilities, in consultation with the Alaska Marine **Highway Operations [TRANSPORTATION ADVISORY]** Board, shall prepare a **short-term plan and a comprehensive long-range plan** for the development and improvement of the Alaska marine highway system and shall, in consultation with the Alaska Marine **Highway Operations [TRANSPORTATION ADVISORY]** Board, revise and update the **short-term plan annually, and the comprehensive long-range plan** at least every **three [FIVE]** years. **The short-term plan must describe the means by which effective and efficient progress toward priorities and goals defined in the comprehensive long-range plan will be attained. The comprehensive long-range plan must include priorities and goals for the Alaska marine highway system and may recommend performance measures, including output, efficiency, and effectiveness measures.** The department shall submit **both the short-term and the comprehensive long-range plans [PLAN]** and revisions and updates of the **plans [PLAN]** to the legislature **and the governor and make the plans available to the public.**"

REPRESENTATIVE CLAMAN objected for the purpose of discussion.

[3:43:03 PM](#)

REPRESENTATIVE KAUFMAN explained that Amendment 4 would create a hierarchy of plans by aligning a tactical short-term plan with a strategic long-term plan. He conveyed that the requirement for a plan in the proposed legislation would be made more operational with this amendment, such that the board would be

involved in forming the short-term and long-term plans to drive improvement.

REPRESENTATIVE VANCE, referring to line 11, inquired about the one-year timeframe for the short-term plan and three-year timeframe for the long-range plan. She asked what would be accomplished in that time.

REPRESENTATIVE KAUFMAN indicated that the long-range plan was subject to change because it would be impacted by the short-term plan. The [three-year] timeframe would offer a beneficial synchronicity between the two plans, he said.

[3:45:58 PM](#)

REPRESENTATIVE EASTMAN observed that Amendment 4 and Amendment 10 [which had not been offered yet] both addressed performance measures. He proposed combining the two amendments by adding the language from page 2, lines 11-15, of Amendment 10, which considered goals for fare box recovery, to Amendment 4.

CHAIR KREISS-TOMKINS said, as the sponsor of Amendment 10, he would not be averse to that proposal. However, in the interest of process, he suggested that Amendment 4 be considered in isolation. He noted that given the "profundity" of amendments, a committee substitute (CS) that incorporated all the [adopted] amendments would ultimately be created to ensure that there were no drafting errors, [unintended] fiscal notes, or constitutional issues. He proposed that Amendment 10 be set aside and considered at a later date in relation to the [forthcoming] CS.

REPRESENTATIVE EASTMAN concurred.

[3:47:45 PM](#)

REPRESENTATIVE TARR said she wanted to be realistic about expectations. She questioned whether the accelerated timeline for the long-range plan could be accomplished and whether there was adequate capacity to complete [the short-term plan] on an annual basis. She reiterated that she did not want to create unrealistic expectations that could not be achieved with the department's available resources.

MR. CARPENTER recognized that [DOT&PF] was limited in personnel and AMHS was "strapped" trying to maintain system operations. He speculated that staff from the Office of the Commissioner could assist the board with these plans, and new personnel could

be added to address these efforts in the future. He acknowledged that this was a concern, as any administrative increases would impact the agency.

REPRESENTATIVE TARR understood that previous plans had been implemented that were multi-year efforts. She pointed out that if this bill were to pass, it would effectively "benchmark" as the start date for a new comprehensive long-range plan. She questioned how much of the three-year timeframe would be absorbed by drafting versus the implementation/oversight phase.

MR. CARPENTER said Representative Tarr had addressed another good point. He shared his understanding that previous testimony had indicated that "a short three-year timeline could be a setup of continuous planning versus having a plan in place and having some time to implement it," which could be a concern, he said, if plans were being constantly developed.

REPRESENTATIVE TARR stated that she liked the idea of a short-term and long-term plan; however, she indicated that the timeline was concerning for the agency. She explained that three years could go by too quickly if the majority of it was dedicated to drafting.

[3:51:26 PM](#)

REPRESENTATIVE KAUFMAN noted that most endeavors operated with an annual plan and a multi-year plan. He said the goal would be to align existing operations around process improvement and performance improvement. He added that the cadence could always change in the future if it was burdensome or unworkable. He conceded that five years could also work; however, he said the initial idea was to channel expediency to ensure this was launched [as soon as possible].

REPRESENTATIVE VANCE said she appreciated the concerns about the timeframe; however, in regard to expediency, she suggested that Alaskans wanted solutions as opposed to a continuous discussion of plans. She opined that the annual short-term plan would be a good measure to indicate to Alaskans that the long-range plan was progressing. Further, she believed that the merits of a three-year, four-year, or five-year timeframe for the long-range plan should be discussed further to identify which would be feasible.

CHAIR KREISS-TOMKINS asked for the bill sponsor's opinion on Amendment 4.

[3:54:03 PM](#)

MR. CROCKER stated that a five-year plan was preferred. Nonetheless, he said he was open to further discussion.

CHAIR KREISS-TOMKINS recognized that Mr. Carpenter had identified fiscal impact as a consideration, indicating the potential for a fiscal note. He said he liked where the amendment was headed; however, a fiscal note was "a bright red line," as it could change the outlook for the proposed legislation. He proposed that given the impending CS, Representative Kaufman could take a few days to collaborate with the department on a zero fiscal note outcome.

REPRESENTATIVE KAUFMAN said he would consider a conceptual amendment if the three-year timeframe lacked support. He explained that the core utility [of Amendment 4] was to produce a short-term tactical report that would align with the long-range strategic plan.

CHAIR KREISS-TOMKINS expressed his interest in voting on Amendment 4 in its current form. He conveyed that if the bill were to pick up a fiscal note, further amendments could be considered upon deliberation of the impending CS to ensure that the proposed legislation left the committee without a fiscal note.

[3:56:05 PM](#)

REPRESENTATIVE TARR stated her support for the annual plan. She pointed out that the budget had been delayed in recent years, which impacted the delivery of state services and led to ferry cancellations. She indicated that if a similar situation were to occur, it could be disruptive of a shorter timeline. She said she would be happy to offer a conceptual amendment if it was in the interest of the committee.

CHAIR KREISS-TOMKINS asked whether that would be considered a "friendly" conceptual amendment.

REPRESENTATIVE KAUFMAN replied in the affirmative.

[3:57:02 PM](#)

REPRESENTATIVE TARR moved to adopt Conceptual Amendment 1 to Amendment 4, such that the deleted language on line 11 would be

reinserted. Effectively, the adoption of the conceptual amendment would maintain a five-year timeframe for the long-range plan. There being no objection, Conceptual Amendment 1 to Amendment 4 was adopted.

CHAIR KREISS-TOMKINS questioned whether there was further objection to Amendment 4, as amended. He then objected for the purpose of a roll call vote. He invited final comments from the committee on Amendment 4, as amended.

REPRESENTATIVE EASTMAN expressed his support for the conceptual amendment and for the flexibility that [Amendment 4, as amended] would provide to the board.

[3:58:24 PM](#)

A roll call vote was taken. Representatives Eastman, Tarr, Story, Vance, Kaufman, and Kreiss-Tomkins voted in favor of the adoption of Amendment 4, as amended. Therefore, Amendment 4, as amended, was adopted by a vote of 6-0.

[3:59:06 PM](#)

REPRESENTATIVE KAUFMAN moved to adopt Amendment 5, to CSHB 63(TRA), [as amended], labeled 32-LS0286\G.5, Fisher, 4/14/21, which read:

Page 2, line 3, following "years.":

Insert **"The short-term plan must include a description of skill or competency gaps in the membership of the Alaska Marine Highway Operations Board."**

Page 2, line 20, through page 3, line 3:

Delete all material and insert:

"(4) six public members

(A) who collectively have experience in enterprise, architecture, business operations, financial management, risk management, logistics, supply chain management, engineering, project management and controls, marine operations, strategy, regulatory compliance, ship maintenance, construction, and repair, quality management, continuous improvement, sales, marketing, communications, customer interface, or experience management;

(B) two of whom are appointed by the governor, two of whom are appointed by the speaker of

the house of representatives and who serve at the pleasure of the speaker of the house of representatives, and two of whom are appointed by the president of the senate and who serve at the pleasure of the president of the senate."

CHAIR KREISS-TOMKINS objected for the purpose of discussion.

3:59:15 PM

REPRESENTATIVE KAUFMAN explained that the purpose of Amendment 5 was to guarantee that the board's composition comprised core competencies to drive improvement. Amendment 5 added characteristics that were typical of a high-level enterprise, such as AMHS, to ensure that the board could make a meaningful difference.

CHAIR KREISS-TOMKINS asked for the bill sponsor's perspective on the proposed amendment.

MR. CROCKER expressed support for the Amendment 5. He believed the proposed amendment would strengthen the board by requiring [that members be equipped with] the necessary skills to govern.

CHAIR KREISS-TOMKINS asked for DOT&PF's perspective on Amendment 5.

MR. CARPENTER responded that the department had no position on Amendment 5 at this time. He inquired about the language regarding the appointment of board members.

CHAIR KREISS-TOMKINS sought to confirm that the agency's position was no position.

MR. CARPENTER indicated that DOT&PF was indifferent in regard to [lines 1-3] of Amendment 5. He expressed concern about [lines 5-18], which specified "the appointment of members by the legislature," he said. He referenced a legal memorandum ("memo") that spoke to that concern.

4:02:04 PM

REPRESENTATIVE TARR asked for clarification on the language, such as "marine operations", in proposed subparagraph (A) of Amendment 5. She observed that the aforementioned language differed from the language on page 2, lines 22-23 of CSHB 63(TRA), [as amended,] and sought further explanation.

CHAIR KREISS-TOMKINS surmised that "marine operations" would encompass much of the existing language in [CSHB 63(TRA), as amended].

REPRESENTATIVE TARR said she wanted to ensure that the inserted language in proposed subparagraph (A) wouldn't exclude any important skillsets that had been included in the deleted language.

REPRESENTATIVE KAUFMAN explained that the intent was to capture the necessary skills for running a marine operation. He said the language in Amendment 5 would cover all the essential requirements.

[4:04:59 PM](#)

REPRESENTATIVE TARR asked whether the bill sponsor was supportive of the language in Amendment 5.

MR. CROCKER restated his support for the proposed amendment, noting that he had worked with Representative Kaufman to draft language that mirrored AMHS's organizational charts and encompassed the board's needs.

CHAIR KREISS-TOMKINS removed his objection. There being no further objection, Amendment 5 was adopted.

[4:05:44 PM](#)

REPRESENTATIVE KAUFMAN moved to adopt Amendment 6, to CSHB 63(TRA), as amended, labeled 32-LS0286\G.6, Fisher, 4/14/21, which read:

Page 3, line 18:
Delete "a new subsection"
Insert "new subsections"

Page 3, following line 24:
Insert a new subsection to read:
"(f) If the board determines that the Alaska marine highway system has deviated from a plan, policy, or procedure described in the short-term plan or comprehensive long-range plan prepared under AS 19.65.011, the board may prepare a report recommending corrective action. The board shall submit a report prepared under this subsection to the

legislature and the governor and shall make the report available to the public."

CHAIR KREISS-TOMKINS objected for the purpose of the discussion.

[4:05:52 PM](#)

REPRESENTATIVE KAUFMAN explained that Amendment 6 would enable the board to prepare a corrective action report. He noted that this was a common tool of continuous improvement that was used throughout the industry. If deviation from the short-term or long-range plan occurred, the proposed amendment would allow the board to issue a report recommending corrective action. He explained that the report would require a technically confident answer [from AMHS] that would be monitored to ensure that the solution was implemented.

[4:07:10 PM](#)

REPRESENTATIVE VANCE in an attempt to avoid potential fiscal notes, proposed a friendly conceptual amendment to Amendment 6 on line 10, such that the board would submit an electronic report, effectively inserting the word "electronic."

CHAIR KREISS-TOMKINS suggested postponing the conceptual amendment to allow the bill sponsor and DOT&PF to share their opinions on Amendment 6.

REPRESENTATIVE STORY appreciated the detail in Amendment 6 and asked whether it was attempting to implement "good management" procedures into policy.

CHAIR KREISS-TOMKINS deferred Representative Story's question to the sponsor of the proposed amendment and asked the bill sponsor and DOT&PF to comment on Amendment 6.

[4:08:39 PM](#)

MR. CROCKER expressed the bill sponsor's full support for Amendment 6. He said he was excited at the prospect of the board being able to report if recommendations were not being followed.

MR. CARPENTER said the department had no position on Amendment 6. He opined that it was conceptually sound, then added that he was unsure of its administrative impact.

[4:09:48 PM](#)

The committee took an at-ease from 4:09 p.m. to 4:11 p.m.

[4:11:50 PM](#)

REPRESENTATIVE VANCE moved to adopt a Conceptual Amendment 1 to Amendment 6, such that "electronic" would be inserted on line 10 before the word "report" to specify that the board shall submit an electronic report. There being no objection, Conceptual Amendment 1 to Amendment 6 was adopted.

CHAIR KREISS-TOMKINS invited comments from committee members on Amendment 6, as amended.

REPRESENTATIVE EASTMAN stated his understanding that although corrective action reports were required of other boards, they were not often followed through on. He believed that putting this requirement in writing could encourage other boards to act.

CHAIR KREISS-TOMKINS withdrew his objection. There being no further objection, Amendment 6, as amended, was adopted.

[4:13:50 PM](#)

REPRESENTATIVE KAUFMAN moved to adopt amendment 7, to CSHB 63(TRA), as amended, labeled 32-LS0286\G.7, Fisher, 4/14/21, which read:

Page 3, following line 17:

Insert a new bill section to read:

"* Sec. 6. AS 19.65.120 is amended by adding a new subsection to read:

(e) The board shall provide newly appointed members with information about the board and the Alaska marine highway system, including information about the business, operations, and regulatory obligations of the Alaska marine highway system."

Renumber the following bill sections accordingly.

REPRESENTATIVE EASTMAN objected for the purpose of discussion.

[4:13:56 PM](#)

REPRESENTATIVE KAUFMAN explained that Amendment 7 would help onboard members and ensure that new appointments were provided

with a high-level overview [of the board and AMHS]. He said the purpose was to ensure that new members would be ready to work and were equipped with any assistance they needed.

MR. CROCKER expressed the bill sponsor's support for the proposed amendment.

MR. CARPENTER said DOT&PF was not opposed to Amendment 7.

[4:15:24 PM](#)

REPRESENTATIVE EASTMAN asked who would provide newly appointed members with information about the board.

REPRESENTATIVE KAUFMAN explained that once the board was established there would be an "onboarding package" as members were periodically replaced. He suggested that veterans from the previous board could help during the initial formation.

[4:16:30 PM](#)

REPRESENTATIVE EASTMAN withdrew his objection. There being no further objection, Amendment 7 was adopted.

CHAIR KREISS-TOMKINS announced that Amendment 8 would not be offered.

[4:16:52 PM](#)

CHAIR KREISS-TOMKINS moved to adopt Amendment 9, labeled 32-LS0286\G.9, Nauman/Fisher, 4/14/21, which read:

Page 3, following line 17:

Insert a new bill section to read:

"* Sec. 5. AS 19.65.180(d) is amended to read:

(d) The board may receive information from the department as the board considers necessary to carry out its duties, and the department shall provide information requested to the board in a timely and responsive manner."

Renumber the following bill sections accordingly.

REPRESENTATIVE TARR objected for the purpose of discussion.

[4:16:57 PM](#)

CHAIR KREISS-TOMKINS explained that Amendment 9 would clarify that the department shall be responsive to the board in a timely and substantive manner. He said the idea originated from the circumstance of the Marine Transportation Advisory Board (MTAB) becoming a "lost child" to DOT&PF. He elaborated that there was not a close advisory or consultative relationship between MTAB and the department, which the proposed amendment intended to correct.

REPRESENTATIVE EASTMAN questioned whether, on line 6, "requested by the board" would be clearer than "requested to the board".

CHAIR KREISS-TOMKINS answered yes.

[4:18:03 PM](#)

REPRESENTATIVE EASTMAN moved to adopt Conceptual Amendment 1 to Amendment 9, which deleted "to" on line 6 and inserted "by". There being no objection, Conceptual Amendment 1 to Amendment 9 was adopted.

CHAIR KREISS-TOMKINS asked whether the bill sponsor had a position on Amendment 9, as amended.

[4:18:29 PM](#)

MR. CROCKER shared the bill sponsor's support for the amendment; however, he expressed his hope that the concept was already standard operating procedure for the department.

MR. CARPENTER believed the proposed amendment made sense, adding that DOT&PF was happy to respond. He opined that with a representative from the department on the board, information would be provided in [a timely and responsive] manner.

[4:19:25 PM](#)

REPRESENTATIVE EASTMAN withdrew his objection to Amendment 9, as amended.

REPRESENTATIVE KAUFMAN objected for the purpose of expressing his support for Amendment 9, as amended, then subsequently removed his objection. There being no further objection, Amendment 9, as amended, was adopted.

[4:20:12 PM](#)

The committee took two consecutive at-eases from 4:20 p.m. to 4:21 p.m.

4:21:18 PM

CHAIR KREISS-TOMKINS announced that Amendment 10 would not be offered given the intersection of Amendment 10 and previously adopted [Amendment 4]. He said he intended for the spirit of Amendment 10 to be considered once the impending CS was adopted to provide a cleaner process for drafting purposes.

4:21:48 PM

CHAIR KREISS-TOMKINS moved to adopt Amendment 11, to CSHB 63(TRA), as amended, labeled 32-LS0286\G.11, Nauman/Fisher, 4/15/21, which read:

Page 3, line 18:

Delete "a new subsection"

Insert "new subsections"

Page 3, following line 24:

Insert a new subsection to read:

"(f) The board shall

(1) create and update a proposed strategic maintenance and vessel replacement plan;

(2) update the plan created under (1) of this subsection at least every two years;

(3) deliver the plan created under (1) of this subsection, and each update of the plan under (2) of this subsection, to

(A) the governor;

(B) the senate secretary and the chief clerk of the house of representatives and notify the legislature that the report is available; and

(C) the Department of Transportation and Public Facilities."

REPRESENTATIVE EASTMAN objected for the purpose of discussion.

4:21:58 PM

CHAIR KREISS-TOMKINS explained that Amendment 11 would add a new subsection that created a strategic maintenance and vessel replacement plan.

MR. CROCKER expressed the bill sponsor's support for the proposed amendment.

MR. CARPENTER believed that DOT&PF supported the amendment conceptually. He noted that the department was in the process of improving maintenance planning efforts for AMHS.

[4:23:24 PM](#)

REPRESENTATIVE KAUFMAN questioned whether the board was the right entity to be creating [the strategic maintenance and vessel plan]; further, he wondered whether "shall" would be setting exceptionally high expectations that would be a detriment to recruitment. He opined that DOT&PF or AMHS should create the plan.

CHAIR KREISS-TOMKINS announced his intention to set aside Amendment 11 for later consideration. He said he wanted to explore its origin and how it may intersect with Amendment 4.

REPRESENTATIVE EASTMAN directed attention to lines 12-13 and suggested that the legislature may not want to receive each update of the plan, as the updates may be numerous and "microscopic." He recommended that updates be delivered every two years to provide the board with more latitude.

REPRESENTATIVE KAUFMAN opined that the content of the amendment was good, but it could be made more effective.

[4:26:02 PM](#)

CHAIR KREISS-TOMKINS [moved to withdraw] Amendment 11. [There being no objection, Amendment 11 was withdrawn.]

[4:26:27 PM](#)

REPRESENTATIVE KAUFMAN moved to adopt Amendment 12, to CSHB 63(TRA), as amended, labeled 32-LS0286\G.12, Bullard/Fisher, 4/14/21, which read:

Page 3, line 18:
Delete "a new subsection"
Insert "new subsections"

Page 3, following line 24:
Insert a new subsection to read:

"(f) The board may establish a task force that includes members who are not members of the board and that is tasked with investigating matters relevant to the Alaska marine highway system and reporting to the board. Members of a task force established under this subsection are not entitled to receive a salary, per diem, or travel expenses."

REPRESENTATIVE EASTMAN objected for the purpose of discussion.

REPRESENTATIVE CLAMAN objected.

[4:26:34 PM](#)

CHAIR KREISS-TOMKINS explained that Amendment 12 outlined the board's authority to establish a task force that was ancillary to the core competencies of the board. He noted that the task force could include members who were not seated on the board itself.

REPRESENTATIVE TARR questioned whether the authority to establish such a task force would be delegated equally amongst board members.

CHAIR KREISS-TOMKINS speculated that a board motion would suffice.

[4:28:38 PM](#)

REPRESENTATIVE EASTMAN withdrew his objection.

CHAIR KREISS-TOMKINS objected for the purpose of further discussion on Amendment 12.

MR. CROCKER stated the bill sponsor's support for the proposed amendment, characterizing it as "excellent."

MR. CARPENTER shared his belief that a similar function existed for MTAB. He stated that his only concern was the potential administrative burden.

[4:29:43 PM](#)

CHAIR KREISS-TOMKINS withdrew his objection.

REPRESENTATIVE CLAMAN withdrew his objection. There being no further objection, Amendment 12 was adopted.

[4:30:06 PM](#)

CHAIR KREISS-TOMKINS moved to adopt Amendment 13, to CSHB 63(TRA), as amended, labeled 32-LS0286\G.13, Bullard/Fisher, 4/14/21, which read:

Page 2, line 2:
Delete "**three** [FIVE]"
Insert "five"

REPRESENTATIVE CLAMAN objected for the purpose of discussion.

REPRESENTATIVE TARR noted that Amendment 13 had already been addressed in a conceptual amendment that was previously adopted.

CHAIR KREISS-TOMKINS [moved to withdraw Amendment 13. [There being no objection, Amendment 13 was withdrawn.]

[4:30:42 PM](#)

CHAIR KREISS-TOMKINS moved to adopt Amendment 14, to CSHB 63(TRA), as amended, labeled 32-LS0286\G.14, Bullard/Fisher, 4/14/21, which read:

Page 3, line 6:
Delete "three-year"
Insert "**six-year** [THREE-YEAR]"

Page 4, line 20:
Delete "one-year"
Insert "two-year"

Page 4, line 23:
Delete "one-year"
Insert "two-year"

Page 4, line 25:
Delete "two-year"
Insert "four-year"

Page 4, line 27:
Delete "three-year"
Insert "six-year"

REPRESENTATIVE CLAMAN objected.

[4:30:49 PM](#)

CHAIR KREISS-TOMKINS explained that Amendment 14 would change the term [length] for board members from three years to six years for continuity and the accrument of knowledge.

REPRESENTATIVE VANCE opined that a six-year term was a substantial commitment and believed it would narrow the field of candidates. She asked whether other boards had lengthy [term lengths].

CHAIR KREISS-TOMKINS referenced the University of Alaska (UA) Board of Regents, which was composed of six-year terms at minimum. He added that the length was an intentional vetting mechanism to identify individuals who were committed to accruing the knowledge.

REPRESENTATIVE VANCE asked whether those who served on [the UA Board of Regents] were compensated.

CHAIR KREISS-TOMKINS believed there was no salary or honorarium associated with service; however, he said they might receive per diem for travel.

REPRESENTATIVE VANCE acknowledged the need for longevity on the board. Nonetheless, she expressed interest in learning about the success of other boards with similar tenure.

[4:34:44 PM](#)

REPRESENTATIVE CLAMAN understood that the UA Board of Regents had a one-term limit. Additionally, he noted that the Alaska Judicial Council had six-year terms as well.

REPRESENTATIVE EASTMAN recalled the difficulty of trying to encourage people to volunteer for appointment to the Alaska Public Offices Commission (APOC) due to the five-year term. He also observed that it was customary for people not to finish out their term, which impeded the longevity that the proposed amendment was attempting to accomplish. He suggested implementing a shorter initial term and making it easier for first-time members to be reappointed for a subsequent term.

REPRESENTATIVE STORY reflected on school board service, which entailed two-year and three-year terms. She expounded that after serving an initial term, people often returned to

contribute the knowledge they gained. She expressed support for the knowledge and continuity that a longer term would provide.

[4:38:27 PM](#)

MR. CROCKER indicated that the bill sponsor was supportive of Amendment 14. He stated that the continuity it would provide was a benefit.

MR. CARPENTER said DOT&PF had no stance on the amendment.

[4:39:10 PM](#)

REPRESENTATIVE KAUFMAN expressed his interest in ensuring that core competencies were consistently present on the board. He indicated that he would support the proposed amendment upon receipt of the forthcoming CS.

CHAIR KREISS-TOMKINS acknowledged the comments and concerns and believed it came down to a policy call. He opined that there were ways to harmonize Amendment 14 with Representative Kaufman's comments and [Amendment 5].

REPRESENTATIVE TARR clarified that the UA Board of Regents served eight-year terms and the Regulatory Commission of Alaska (RCA) served six years, indicating that a six-year term would not be atypical.

REPRESENTATIVE CLAMAN pointed out that AMHS was high on the list of organizations that incited passion from Alaskans. He opined that people who were willing to serve would be happy to commit to a longer term. Additionally, he expressed appreciation for Representative Eastman's suggestion; however, he indicated that increased complication could cause confusion and stated his support for a basic term length. On that basis, he withdrew his objection to Amendment 14.

[4:42:24 PM](#)

REPRESENTATIVE EASTMAN objected. He inquired how often the board would be expected to meet.

CHAIR KREISS-TOMKINS replied quarterly. He noted that the frequency was not included in the bill language. He deferred the question to Mr. Crocker.

MR. CROCKER believed the statute specified that the board would meet quarterly. He deferred to Legislative Legal Services.

REPRESENTATIVE EASTMAN questioned whether a new [presiding officer] would have the opportunity to replace board members with his/her own selections.

CHAIR KREISS-TOMKINS responded that his intent was that some presiding officers, speakers, or presidents would [have that opportunity if they are serving when appointments need to be made]. He gave the example Present Geissel and Speaker Edgmon making appointments to the reapportionment board because "they happened to be the presiding officers when that decadal cycle rolled around."

[4:44:20 PM](#)

MR. FISHER explained that if the bill were to pass, a new presiding officer wouldn't terminate the appointment of a currently serving board member, but the board members appointed by the presiding officers would serve at the pleasure of the current presiding officer; therefore, a presiding officer would have the opportunity to remove one of the members that his/her successor had appointed.

CHAIR KREISS-TOMKINS commented that Representative Eastman had highlighted a vulnerability in the legislation.

REPRESENTATIVE EASTMAN suggested that members appointed by the presiding officers should serve terms shorter than six years.

CHAIR KREISS-TOMKINS conveyed his interest in remedying the "failure" in the amendment and bringing it back [before the committee]. He invited further comments on the concept of Amendment 14.

[4:45:26 PM](#)

REPRESENTATIVE VANCE pointed out that it shouldn't be assumed that a presiding officer would want to remove an appointment [made by his/her successor]. She opined that there wasn't necessarily a "failure" in the amendment but a lack of clear intent.

CHAIR KREISS-TOMKINS clarified that even though a presiding officer may elect not to replace the legislatively appointed members on the board, his intent was to provide a "political

fire wall" and the certainty of a six-year term. He explained that a primary idea behind establishing a new board was to create separation between the annual political forces and the "machinations" of new [public officials]. He added that he would want [newly appointed members] to be able to learn without having to look over their shoulders.

REPRESENTATIVE CLAMAN said he was reminded of former Senate President [Cathy Giessel] who advocated that the commissioner of the Department of Corrections (DOC) should not serve at the pleasure of the governor; instead, she believed the commissioner should administrate for a fixed period of time to overcome "bumps" in the administration. He understood that the much of criticism of AMHS related to the lack of a long-term plan, which had been further hindered by administration changes. He opined that a six-year term was appropriate and that members should not serve at the pleasure of a presiding officer. Once appointed, members should serve out the six years, he said, to foster the longevity that had been lacking in marine highway management.

REPRESENTATIVE KAUFMAN remarked:

This discussion is one reason why having ... many of the core competencies listed and having the ... "self-healing" capability ... all works together to be sure that as the political winds blow as they may - and they shall - that the competencies remain; that the board is able to restore its integrity.

[4:49:21 PM](#)

CHAIR KREISS-TOMKINS [moved to withdraw] Amendment 14. [There being no objection, Amendment 14 was withdrawn.]

[4:49:34 PM](#)

CHAIR KREISS-TOMKINS moved to adopt Amendment 15, to CSHB 63(TRA), as amended, labeled 32-LS0286\G.15, Fisher, 4/14/21, which read:

Page 2, lines 11 - 12:

Delete all material and insert:

"(a) The board is composed of the deputy commissioner of transportation and public facilities assigned to the Alaska marine highway system and the following eight public members, each of whom must be a resident of the state:"

Page 2, line 13:
Delete all material.

Renumber the following paragraphs accordingly.

Page 3, lines 5 - 6:
Delete "head of the division of marine transportation"
Insert "deputy commissioner of transportation and public facilities"

Page 3, line 15:
Delete "head of the division of marine transportation"
Insert "deputy commissioner of transportation and public facilities"

Page 4, line 28:
Delete "head of the division of marine transportation"
Insert "deputy commissioner of transportation and public facilities"

REPRESENTATIVE CLAMAN objected.

[4:49:42 PM](#)

CHAIR KREISS-TOMKINS explained that Amendment 15 would name the deputy commissioner of DOT&PF as the department's representative serving on the board [instead of the head of the division of marine transportation].

REPRESENTATIVE EASTMAN questioned what this change would add in terms of value.

MR. CARPENTER said that it wasn't clear who the head of the division of marine transportation would be. He noted that if the head of the division were to be Captain John Falvey, he would not have the time to serve on the board. He said he appreciated the intent of Amendment 15 but hoped it could be broader so that if the deputy commissioner was not available, someone else could act in his/her stead. He emphasized that in terms of value added, it came down to available time and agency hierarchy.

REPRESENTATIVE EASTMAN questioned what would occur if [the deputy commissioner's position] had not been confirmed and how that situation might apply to the proposed amendment.

CHAIR KREISS-TOMKINS pondered broadening the language to include "or designee" to encompass interim vacancies.

[4:52:02 PM](#)

MR. CROCKER shared his believe that deputy commissioners were not subject to confirmations. He indicated that the sponsor had identified that position to be the most appropriate representative of the department.

REPRESENTATIVE KAUFMAN cautioned that including the verbiage "or designee" could result in the downward delegation of responsibilities. He advised considering the level of designee to avoid losing effectiveness.

REPRESENTATIVE STORY expressed her hope that the department's representative would be the person who was responsible for carrying out the board's plans and recommendations. She stressed the importance of identifying who would be able to convey [the board's message with authority].

CHAIR KREISS-TOMKINS agreed that the representative should be an authoritative position within the agency.

[4:54:16 PM](#)

REPRESENTATIVE VANCE concurred with Representative Story's comments and expressed her support conceptually. Further, she encouraged the flexibility of allowing the commissioner [of DOT&PF] to be involved, so that the deputy commissioner would have more latitude. She said she also wanted more insight on whether the deputy commissioner was the most appropriate person for this role.

REPRESENTATIVE EASTMAN stated his understanding that a number of departments had more than one deputy. He indicated that it could be ambiguous if DOT&PF were to also have more than one deputy in the future.

CHAIR KREISS-TOMKINS, as the sponsor of Amendment 15, assured committee members that he would pursue the aforementioned comments and upon receipt of a revised CS, consider additional amendments to satisfy existing concerns.

[4:56:31 PM](#)

REPRESENTATIVE EASTMAN withdrew his objection. There being no further objection, Amendment 15 was adopted.

[4:56:45 PM](#)

CHAIR KREISS-TOMKINS moved to adopt [Amendment 16], to CSHB 63(TRA), as amended, labeled 32-LS0286\G.18, Fisher, 4/14/21, which read:

Page 1, following line 6:

Insert a new bill section to read:

"* Section 1. AS 19.05.030 is amended to read:

Sec. 19.05.030. Duties of department. The department has the following duties:

(1) direct approved highway planning and construction and maintenance, protection and control of highways;

(2) employ assistants and employees;

(3) certify and approve vouchers;

(4) provide a program of highway research;

(5) prepare a budget;

(6) review the annual highway program;

(7) develop and implement an avalanche control plan to protect persons who use public highways;

(8) review and respond to recommendations regarding the statewide transportation improvement program that are made by the Alaska Marine Highway Operations Board established under AS 19.65.110."

Page 1, line 7:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

Page 3, line 18:

Delete "a new subsection"

Insert "new subsections"

Page 3, following line 24:

Insert a new subsection to read:

"(f) The board shall annually submit recommendations to the Department of Transportation

and Public Facilities regarding the preparation of the statewide transportation improvement program."

Page 4, line 17:

Delete "sec. 4"

Insert "sec. 5"

Page 4, line 19:

Delete "sec. 3"

Insert "sec. 4"

Page 5, line 1:

Delete "sec. 3"

Insert "sec. 4"

REPRESENTATIVE EASTMAN objected.

[4:57:15 PM](#)

CHAIR KREISS-TOMKINS explained that [Amendment 16] would grant the board with an "enfranchised voice" in the statewide transportation improvement program (STIP) process, which was how DOT&PF determined where state and federal transportation dollars would flow. Additionally, the proposed amendment would ensure a two-way dialogue between the agency and the board.

REPRESENTATIVE EASTMAN inquired about the statewide transportation improvement program and asked whether that was something the board would create or a program that already existed.

CHAIR KREISS-TOMKINS answered the latter. He conveyed that STIP was an extant process that DOT&PF periodically reviewed. He noted that it included funding priorities for AMHS; therefore, the proposed amendment would allow the board to comment on that in a more enfranchised way.

REPRESENTATIVE EASTMAN suggested including a requirement regarding the production of STIP to supplement the added language in the proposed amendment.

CHAIR KREISS-TOMKINS suspected that STIP was addressed in other statutes or regulations. He asked Mr. Carpenter whether maintenance of STIP was codified elsewhere.

MR. CARPENTER believed it was mentioned in statute; however, he was not sure of the details. He surmised that it could be

implied in paragraph (6) of Section 1 [AS 19.05.030], which specified: "review the annual highway program". He expounded that STIP was a required planning document to access all federal highway funding. Regarding the language in Amendment 16, he said the department reviewed and responded to all public input regarding the development of STIP.

MR. FISHER, in response to Chair Kreiss-Tomkins, offered his understanding that STIP was mentioned in 1965 with respect to the use of certain funds; however, the actual development of STIP was not referenced in statute. He agreed with Mr. Carpenter's characterization of the program in that it was something that DOT&PF developed for the purpose of obtaining federal funds. He believed it existed under the general duties of the department to administer the highway system, which included developing STIP to access the funding.

[5:02:36 PM](#)

REPRESENTATIVE EASTMAN questioned whether participation in the STIP process or accessing the accompanying information was limited by federal regulations.

MR. CARPENTER sought to determine whether Representative Eastman had asked if there were limitations to the public process from the federal government.

REPRESENTATIVE EASTMAN replied in the affirmative. He questioned how the board would be accessing current information pertaining to STIP and whether municipal transit authorities could participate more in the STIP process than could a member of the public.

MR. CARPENTER understood that a municipal planning organization (MPO) had the same opportunity as the general public to offer comment. He said STIP was publicized for review for a minimum of 30 days; additionally, during development, the department would reach out to boards, regional organizations, and AMHS to gather input. He explained that receiving advisement or recommendation from the new board would essentially be normal procedure.

[5:05:03 PM](#)

CHAIR KREISS-TOMKINS asked for DOT&PF's position on the proposed amendment.

MR. CARPENTER indicated that this was normal procedure for the department, so it wouldn't be problematic.

MR. CROCKER expressed the bill sponsor's support for the board's ability to respond to recommendations regarding STIP.

[5:05:44 PM](#)

REPRESENTATIVE EASTMAN withdrew his objection. There being no further objection, [Amendment 16] was adopted.

[5:06:03 PM](#)

CHAIR KREISS-TOMKINS moved to adopt [Amendment 17], to CSHB 63(TRA), as amended, labeled 32-LS0286\G.20, Fisher, 4/15/21, which read:

Page 3, following line 17:

Insert a new bill section to read:

"* Sec. 6. AS 19.65.120 is amended by adding a new subsection to read:

(e) A regional development organization, including a regional development organization that represents a region of the state that contains a community dependent on the Alaska marine highway system, may recommend a person for appointment to fill a vacancy on the board under (a)(2) - (6) of this section. An appointing authority shall consider the recommendation of the regional development organization but is not required to appoint the person recommended by the regional development organization. In this subsection, "regional development organization" means a nonprofit organization or nonprofit corporation formed to encourage economic development within a particular region of the state that includes the entire area of each municipality within that region and that has a board of directors that represents the region's economic, political, and social interests."

Renumber the following bill sections accordingly.

REPRESENTATIVE EASTMAN objected.

[5:06:20 PM](#)

CHAIR KREISS-TOMKINS explained that [regional development organizations] were being removed from Alaska statute and would no longer receive state funding due to legislative action from several years ago. He articulated that [Amendment 17] incorporated the statutory language that would be otherwise deleted, which defined "regional development organization". The proposed amendment also specified that a regional development organization may recommend a candidate for the appointing authority's consideration to fill a vacancy on the board. The idea, he said, was to establish a relationship with the ferry-dependent communities and the organizations that represent them. He noted that the appointing authorities were not required to appoint the recommended people put forward by the regional development organizations.

REPRESENTATIVE EASTMAN sought to clarify whether any nonprofit organization that formed for the purpose [of economic development] would qualify. He questioned what would happen if a region had more than one economic development organization.

CHAIR KREISS-TOMKINS acknowledged that in its current form, the proposed amendment would allow any organization that fit the relatively broad definition of "regional development organization" to recommend a candidate.

REPRESENTATIVE EASTMAN asked how many regional development organizations existed in Alaska and what regions they represented.

CHAIR KREISS-TOMKINS answered that he was unsure of the exact number. He understood that they broadly reflected the regional structure of Native corporations. He guessed that there were between 8-11 regional development organizations in Alaska and at least one in each coastal region, including the Kenai Peninsula, Southwest Alaska/Gulf Coast, and Southeast Alaska.

[5:11:10 PM](#)

REPRESENTATIVE KAUFMAN asked whether "regional" was defined in statute.

CHAIR KREISS-TOMKINS stated that the proposed amendment was not intended to be exclusive. He explained that the language referenced regional development organizations but could technically encompass many organizations, all of which would be welcome to recommend a candidate if they wished.

REPRESENTATIVE KAUFMAN acknowledged the need to respect regionality; however, he asserted that his goal was to obtain ultimate competency [on the board] and expressed his hope that all future actions would revolve around developing strong core competencies.

CHAIR KREISS-TOMKINS explained that if the presiding officers did not have significant access to coastal Alaska, regional development organizations would be motivated to put forward the most competent individuals for consideration. He said the proposed amendment was aligned with Representative Kaufman's comments.

[5:13:19 PM](#)

REPRESENTATIVE VANCE pointed out that the Kenai Peninsula Economic Development District (KPEDD) provided substantial data on the regional economy; further, the organization stayed active and engaged with the local government and local businesses. She indicated that KPEDD would be able to identify key players who could speak to the issues and provide necessary expertise, which would ultimately benefit the board and add value.

CHAIR KREISS-TOMKINS fully concurred.

[5:15:25 PM](#)

REPRESENTATIVE EASTMAN claimed that the proposed amendment would exclude regional development organizations that did not represent a ferry-dependent region.

CHAIR KREISS-TOMKINS interjected to clarify that the proposed amendment was specifically drafted to be inclusive of all regional development organizations in the state.

REPRESENTATIVE EASTMAN maintained his belief that the language was preferential to communities that were dependent on AMHS. He opined that the language should be inclusive as possible and recommended deleting: "including a regional development organization that represents a region of the state that contains a community dependent on the Alaska marine highway system".

CHAIR KREISS-TOMKINS responded, "We may have to agree to disagree." He believed the language clearly included all regional development organizations, later noting that it was common sense that those representing ferry-dependent communities would be more motivated to participate.

[5:19:06 PM](#)

REPRESENTATIVE KAUFMAN opined that the language on lines 4-6 of the proposed amendment emphasized coastal communities serviced by AMHS but was not exclusive or restrictive.

CHAIR KREISS-TOMKINS agreed.

REPRESENTATIVE EASTMAN maintained his objection.

[5:20:27 PM](#)

A roll call vote was taken. Representatives Kaufman, Tarr, Story, Vance, and Kreiss-Tomkins voted in favor of the adoption of [Amendment 17]. Representative Eastman voted against it. Therefore, [Amendment 17] was adopted by a vote of 5-1.

[5:21:13 PM](#)

REPRESENTATIVE STORY noted that she had withdrawn Amendment 2 with hopes that it would be reconsidered.

[5:21:25 PM](#)

The committee took a brief at-ease.

[5:21:53 PM](#)

CHAIR KREISS-TOMKINS acknowledged that several amendments had been [withdrawn or] set aside. He explained that his intent was to reconsider the outstanding amendments upon drafting a CS that incorporated all the adopted amendments.

[CSHB 63(TRA), as amended, was held over.]

[5:22:17 PM](#)

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 5:22 p.m.