

Introduced: 3/6/63  
Referred: Commerce

BY THE COMMERCE COMMITTEE  
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 162

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of air  
7 commerce; and providing for an effective  
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 02.05.050 is amended by repealing subsection  
11 (b).

12 \* Sec. 2. AS 02.05.050(d) is repealed and re-enacted to read:

13 (d) Air taxi operators. A person authorized by this  
14 chapter to engage in air commerce as an air taxi operator  
15 or who was a resident engaged in air commerce as an air  
16 taxi operator between September 1, 1959, and May 1, 1960,  
17 may engage or continue to engage in air commerce as an  
18 Alaska air taxi operator subject to the following limita-  
19 tions and conditions:

20 (1) he shall comply with all laws, rules and  
21 regulations relating to safe and adequate service, equipment,  
22 and facilities in connection with air commerce;

23 (2) he shall utilize in air commerce (A) in all  
24 areas of the state west of 138° west longitude only aircraft  
25 having a maximum gross takeoff weight of 12,500 pounds or  
26 less and (B) in all other areas in the state only aircraft  
27 having a maximum gross takeoff weight of 7,500 pounds or less.

28 Subject to the foregoing limitations a licensed air  
29 taxi operator may employ or hire pilots and may lease, rent

1 or own aircraft without limitation as to number. He may  
2 engage in air commerce between points not served by a cer-  
3 tificated carrier by filing a schedule with the commission  
4 and upon approval of the commission.

5 \* Sec. 3. AS 02.05.050 is amended by adding new subsections  
6 to read:

7 (f) Air taxi helicopter operator. (1) Any person  
8 holding an air taxi operator certificate and who used heli-  
9 copters in air commerce in Alaska between January 1, 1962  
10 and January 1, 1963, may engage or continue to engage in air  
11 commerce as an air taxi helicopter operator. No proof of  
12 public convenience and necessity or further proceedings are  
13 necessary under this subsection if application for an air  
14 taxi helicopter operator's certificate is made prior to  
15 June 30, 1963 and in accordance with the applicable pro-  
16 visions of AS 02.05.010 - AS 02.05.260. (2) An applicant  
17 for an air taxi helicopter operator's certificate who does  
18 not qualify under (1) of this subsection shall apply for a  
19 certificate as an air taxi helicopter operator in accordance  
20 with the applicable provisions of AS 02.05.010 - AS 02.05.260  
21 and shall satisfy and continue to comply with all necessary  
22 requirements of an air taxi operator.

23 (g) Contract helicopter operator. (1) Any person  
24 holding a contract operator certificate and who used heli-  
25 copters in air commerce in Alaska between January 1, 1962  
26 and January 1, 1963, may engage or continue to engage in air  
27 commerce as a contract helicopter operator. No proof of pub-  
28 lic convenience and necessity or further proceedings are  
29 necessary under this subsection if application for a contract

1 helicopter operator's certificate is made prior to June 30,  
2 1963 and in accordance with the applicable provisions of  
3 AS 02.05.010 - AS 02.05.260. (2) An applicant for a con-  
4 tract helicopter operator's certificate who does not qualify  
5 under (1) of this subsection shall apply for a certificate  
6 as a contract helicopter operator in accordance with the  
7 applicable provisions of AS 02.05.010 - AS 02.05.260 and  
8 shall satisfy and continue to comply with all necessary  
9 requirements of a contract helicopter operator.

10 \* Sec. 4. AS 02.05 is amended by adding a new section to read:

11 Sec. 02.05.055. APPLICATIONS. Unless application is  
12 made prior to June 30, 1963 for a certificate to engage or  
13 to continue to engage in air commerce under sec. 050(a),  
14 (c) and (d) of this chapter, without a hearing or findings  
15 required by secs. 070 and 080 thereof, any right granted or  
16 vested in such air carrier shall terminate.

17 \* Sec. 5. AS 02.05.070(a) is amended to read:

18 Sec. 02.05.070. APPLICATIONS FOR CERTIFICATES. (a)  
19 The commission may not consider an application for a certi-  
20 ficate unless the application is in writing, in the form  
21 required by the commission, and accompanied by a proof of  
22 service upon the interested parties as required by the com-  
23 mission. Applications for certificates shall be accompanied  
24 by the following fees:

25 (1) application for a certificate other than as a  
26 contract or certificated carrier, \$50;

27 (2) application for a certificate as a contract  
28 carrier or certificated carrier, \$100;

29 (3) application for transfer of certificate, \$25;

1                   (4) application for temporary exemption of air  
2                   carrier, \$50.

3 \* Sec. 6. AS 02.05.080(a) is amended to read:

4                   Sec. 02.05.080. ISSUANCE OF CERTIFICATES   (a) Subject  
5 to the provisions of (d) of this section, the commission  
6 shall issue a certificate authorizing the applicant to en-  
7 gage in air commerce as an air taxi helicopter operator, con-  
8 tract helicopter operator, contract carrier or air taxi  
9 operator, or authorizing the whole or any part of the  
10 operation covered by an application for a certificate for a  
11 certificated carrier,

12                   (1) if the commission finds that the applicant is  
13 fit, willing and able to engage in air commerce properly and  
14 to comply with the provisions of this chapter and the rules,  
15 regulations, and requirements of the commission; and

16                   (2) if the commission finds that air commerce and  
17 the performance of it by the applicant is required by the  
18 public convenience and necessity and is consistent with the  
19 declaration of policy contained in sec. 10 of this chapter.

20 \* Sec. 7. AS 02.05.090 is amended by adding a new subsection  
21 to read:

22                   (g) The commission may by regulation provide for the  
23 date of such registration of aircraft and for the apportion-  
24 ment up to such date of the amount of registration fees pay-  
25 able based on the ratio the period when any aircraft is or  
26 could be utilized bears to the 12-month period of registra-  
27 tion.

28 \* Sec. 8. AS 02.05.100 is amended to read:

29                   Sec. 02.05.100. MODIFICATION, SUSPENSION OR REVOCATION

1 OF CERTIFICATES. Upon a petition or accusation filed by any  
2 person or the commission under the Administrative Procedure  
3 Act (AS 44.62), and after notice and opportunity for hearing,  
4 the commission by order may alter, amend, or modify a cer-  
5 tificate, in whole or in part, if the public convenience and  
6 necessity requires, and may suspend or revoke a certificate,  
7 in whole or in part, for any of the following reasons:

8 (1) [INTENTIONAL] misrepresentation of a material  
9 fact in obtaining the certificate or in furnishing other  
10 written reports or information required from time to time  
11 by the Act or the rules and regulations of the commission;

12 (2) voluntary discontinuance of operations;

13 (3) [INTENTIONAL] failure to comply at any time  
14 with a provision of this chapter or an order, rule, or regu-  
15 lation issued under this chapter;

16 (4) [INTENTIONAL] failure to comply with a term,  
17 condition or limitation of the certificate; [.]

18 (5) entering into contracts, leases, or any  
19 other arrangement with another air carrier to permit that  
20 air carrier to engage in air commerce in Alaska, whether  
21 directly or indirectly without a certificate as required  
22 by sec. 040 of this chapter;

23 (6) financial inability to continue to engage in  
24 air commerce;

25 (7) failure to comply at any time with the pro-  
26 visions of the laws, rules, regulations and orders of the  
27 United States and the state respecting safety of operation.

28 \* Sec. 9. AS 02.05.120 is amended to read:

29 Sec. 02.05.120. ABANDONMENT OR DISCONTINUANCE OF

1 SERVICE BY CERTIFICATED CARRIER. No certificated carrier  
2 [OR CARRIER EXEMPT UNDER SEC. 50(b) OF THIS CHAPTER] may  
3 abandon or discontinue a service or part of a service for  
4 which a certificate has been issued by the commission, un-  
5 less upon the application of the carrier, after notice and  
6 opportunity for hearing, the commission finds abandonment  
7 or discontinuance to be in the public interest. An interest-  
8 ed person may file with the commission a protest or memoran-  
9 dum of opposition to or in support of an abandonment. The  
10 commission may authorize temporary suspension or service in  
11 the public interest.

12 \* Sec. 10. AS 02.05.140(e) is amended to read:

13 (e) Free or reduced rates. Nothing in this chapter  
14 prohibits certificated carriers, or air taxi operators [OR  
15 CARRIERS EXEMPT UNDER SEC. 50(b) OF THIS CHAPTER] under such  
16 terms and conditions as the commission prescribes, from  
17 issuing or interchanging tickets or passes for free or re-  
18 duced rate transportation to their directors, officers,  
19 employees and retired employees and their immediate families;  
20 to witnesses and attorneys attending a legal investigation  
21 in which a carrier is involved in the proceedings; to persons  
22 injured in aircraft accidents and physicians and nurses  
23 attending those persons; to employees of the Federal Avia-  
24 tion Agency and the Post Office Department, whose carriage  
25 is authorized by the carriers under Parts 224 and 233 of  
26 the Economic Regulations of the federal Civil Aeronautics  
27 Board; and to any person or property with the object of  
28 providing relief in cases of general epidemic, pestilence,  
29 or other disaster. No carrier may provide free or reduced

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1 rate transportation to other persons or under other cir-  
2 cumstances.

3 \* Sec. 11. AS 02.05.140(f) is amended to read:

4 (f) Notice of change in tariff. No change may be  
5 made in a rate, fare, or charge, or a classification, rule,  
6 regulation, or practice affecting the rate, fare, or charge  
7 or the value of the service thereunder, specified in any  
8 effective tariff of a certificated carrier, or air taxi  
9 operator [OR CARRIER EXEMPT UNDER SEC. 50(b) OF THIS CHAP-  
10 TER], except after 30 days' notice of the proposed change fil-  
11 ed and made available to the public in accordance with (a)  
12 and (b) of this section. This notice shall plainly state  
13 the change proposed to be made and the time it will take  
14 effect. In the public interest the commission, by regula-  
15 tion or otherwise, may allow the change upon notice less  
16 than that specified in this subsection, or modify the re-  
17 quirements of this section with respect to filing and  
18 posting of tariffs, either in particular instances or by  
19 general order applicable to special or peculiar circumstances  
20 or conditions.

21 \* Sec. 12. AS 02.05.150 is amended to read:

22 Sec. 02.05.150. RATES AND SERVICE. (a) Duties of  
23 certificated carriers. Every certificated carrier [AND  
24 EVERY CARRIER EXEMPT UNDER SEC. 50(b) OF THIS CHAPTER] has  
25 the following duties:

26 (1) to provide air commerce, as authorized by its  
27 certificate, upon reasonable request and to provide reason-  
28 able through service in air commerce in connection with  
29 other carriers or with common carriers by railroad, motor

1 vehicle, express or water;

2 (2) to provide adequate and reasonable service,  
3 equipment, and facilities, in connection with air commerce;

4 (3) to establish, observe and enforce just and  
5 reasonable individual and joint rates, fares, and charges,  
6 and just and reasonable classifications, rules, regulations,  
7 and practices relating to air commerce.

8 (b) Discrimination. No certificated carrier [OR  
9 CARRIER EXEMPT UNDER SEC. 50(b) OF THIS CHAPTER] may make,  
10 give, or cause an undue or unreasonable preference or ad-  
11 vantage to a particular person, port, locality, or descrip-  
12 tion of traffic or subject a particular person, port,  
13 locality, or description of traffic to any unjust dis-  
14 crimination or an undue or unreasonable prejudice or dis-  
15 advantage.

16 (c) Power to prescribe rates and practices. If, after  
17 notice and opportunity for hearing, upon complaint or upon  
18 its own initiative, the commission is of the opinion that  
19 any individual or joint rate, fare or charge demanded,  
20 charged, collected, or received by a certificated carrier  
21 [OR A CARRIER EXEMPT UNDER SEC. 50(b) OF THIS CHAPTER] for  
22 air commerce performed by it, or any classification, rule,  
23 regulation, or practice affecting that rate, fare or charge,  
24 or the value of the service thereunder, is or will be unjust  
25 or unreasonable, unjustly discriminatory, unduly preferential  
26 or unduly prejudicial, the commission shall determine and  
27 prescribe the lawful rate, fare or charge which the carrier  
28 may thereafter demand, charge, collect or receive, or the  
29 classification, rule, regulation, or practice to be made

1 effective.

2 (d) Suspension of rates. Whenever a certificated  
3 carrier [OR A CARRIER EXEMPT UNDER SEC. 50(b) OF THIS CHAP-  
4 TER] files with the commission a tariff, other than an  
5 initial tariff, stating a new individual or joint rate, fare  
6 or charge for air commerce or a classification, rule, regu-  
7 lation, or practice affecting that rate, fare or charge, or  
8 the value of the service thereunder, the commission may,  
9 upon complaint or upon its own initiative, at once, and if  
10 it orders, without answer or other formal pleading by the  
11 carrier, but upon reasonable notice, enter upon an investi-  
12 gation concerning the lawfulness of the rate, fare or charge,  
13 or the classification, rule, regulation, or practice.

14 Pending the investigation and the decision, the commission,  
15 by filing with the tariff, and delivering to the certifi-  
16 cated carrier [OR THE CARRIER EXEMPT UNDER SEC. 50(b) OF  
17 THIS CHAPTER] affected, a statement in writing of its rea-  
18 sons for the suspension, may suspend the operation of the  
19 rate, fare or charge, or the classification, rule, regula-  
20 tion, or practice, for a period of 90 days. If the pro-  
21 ceeding has not been concluded and a final order has not  
22 been made within the 90-day period, the commission, may  
23 from time to time extend the period of suspension for a  
24 period not exceeding 180 days in the aggregate beyond the  
25 time when the tariff would otherwise go into effect. Be-  
26 fore or after the rate, fare, charge, classification, rule,  
27 regulation, or practice goes into effect, the commission,  
28 after opportunity for hearing, may make an order with  
29 reference thereto as would be proper in a proceeding in-

stituted after the rate, fare, charge, classification, rule, regulation, or practice had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed rate, fare, charge, classification, rule, regulation or practice shall go into effect at the end of the period.

(e) Power to establish through transportation service. The commission shall, whenever required by the public convenience and necessity, after notice and hearing, upon complaint or upon its own initiative, establish through service and joint rates, fares or charges, or the maximum and minimum thereof, for air commerce performed by certificated carriers [OR CARRIERS EXEMPT UNDER SEC. 50(b) OF THIS CHAPTER], or the classification, rules, regulations, or practices affecting the rates, fares, or charges, or the value of service thereunder, and the terms and conditions under which through service shall be operated.

(f) Schedules. Certificated carriers [AND CARRIERS EXEMPT UNDER SEC. 50(b) OF THIS CHAPTER] shall publish, post and file with the commission in accordance with general or special regulations prescribed by the commission, schedules showing the time of arrival and departure of regularly scheduled aircraft engaged in air commerce.

\* Sec. 13. AS 02.05 is amended by adding a new section to read

Sec. 02.05.157. FEES FOR LATE FILING OR REGISTRATION.

Any air carrier who fails to register any aircraft, or to pay the annual registration fee, or to file within 15 days after the due date any report, insurance, or other documents or information required by the commission regulations or the

1 Act to be filed or paid within a certain time shall pay,  
2 unless waived in whole or in part by the commission, to the  
3 commission a late filing fee of \$25 for each such failure.  
4 This fee shall be in addition to and payment thereof shall  
5 not be a defense to the penalties set forth in AS 02.05.230.

6 \* Sec. 14. AS 02.05.250(4) is repealed and reenacted to read:

7 (4) "air taxi operator" means an air carrier en-  
8 gaging in air commerce who is (A) an individual who is a  
9 resident of the state and a certificated pilot with a com-  
10 mercial or airline transport rating, or (B) a partnership in  
11 which one partner is a certificated pilot with a commercial  
12 or airline transport rating and all partners are residents  
13 of the state, or (C) a corporation incorporated in this  
14 state in which 75% of the stock is owned by persons who are  
15 residents of Alaska and which employs only certificated  
16 pilots with a commercial or airline transport rating.

17 \* Sec. 15. AS 02.05.250 is amended by adding new subsections  
18 to read:

19 (6) "air taxi helicopter operator" means an air  
20 carrier who shall qualify as an air taxi operator and who  
21 uses a helicopter or helicopters in air commerce;

22 (7) "contract helicopter carrier" means an air  
23 carrier who shall qualify as a contract carrier and who  
24 uses a helicopter or helicopters in air commerce;

25 (8) "maximum gross takeoff weight" means the max-  
26 imum takeoff weight as authorized by the terms of the  
27 federal aircraft airworthiness certificate;

28 (9) "helicopter" means a kind of aircraft lifted  
29 and moved by a large propeller mounted horizontally above

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the fuselage;

(10) "contract carrier" includes all motor vehicle operators not included under the terms "common carrier, private carrier, or exempt carrier," and further includes any person who, under special and individual contracts or agreements, transports property by motor vehicle for compensation or who acts as a broker or forwarder for such person.

\* Sec. 16. This Act takes effect on June 30, 1963.