

Introduced: 2/14/72
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY DEGNAN, FERGUSON AND
NAUGHTON

2 HOUSE BILL NO. 666

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a state subsidy on freight shipments
7 to isolated communities; and providing for an effective
8 date."

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

10 * Section 1. AS 42 is amended by adding a new chapter to read:

11 CHAPTER 27. FREIGHT SUBSIDY FOR ISOLATED COMMUNITIES.

12 Sec. 42.27.010. LEGISLATIVE PURPOSE. It is the purpose of the
13 legislature in the passage of this chapter to provide a means whereby
14 persons located in villages which are not connected to the state
15 highway or ferry system can purchase the necessities of life without
16 having to pay as much for the shipment of the merchandise as for the
17 merchandise itself. It is recognized by the legislature that because
18 of the limited number of persons in any given isolated community and
19 because of the extreme high cost of servicing these communities on a
20 nonbulk transportation system that the only equitable means of providing
21 lower freight costs is through the granting of a state subsidy to
22 those shippers now, and in the future, who service these isolated
23 communities.

24 Sec. 42.27.020. CARRIERS ELIGIBLE. All surface or air carriers
25 providing freight service to communities in the state which are not
26 connected by either the highway or ferry system to the major commerce
27 centers in the state are eligible to apply to the commission for a
28 subsidy.

29 Sec. 42.27.030. REGULATIONS. The commission shall promulgate

1 regulations

2 (1) setting out the form and content of applications under
3 sec. 20 of this chapter;

4 (2) providing for the cancellation of subsidies if it
5 appears that the subsidy granted is not being passed on in direct
6 freight reduction costs to the person paying for the shipment;

7 (3) setting rate structures for carriers if federal law
8 does not preempt rate-setting authority;

9 (4) providing for a subsidy to eligible carriers of not
10 more than 25 per cent of the cost to the person receiving the shipment;
11 and

12 (5) providing for certification of carriers and routes
13 to the extent that federal preemption is not involved for each carrier
14 which will best serve the interest of the state and the purpose of
15 this chapter.

16 Sec. 42.27.040. DEFINITIONS. As used in this chapter "commis-
17 sion" means the Alaska Transportation Commission.

18 * Sec. 2. This Act takes effect on the day after its passage and approval
19 or on the day it becomes law without approval.
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