

Original sponsors: Miller, Gardiner  
and Specking

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Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 528

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the division of marine transporta-  
7 tion in the Department of Public Works; and providing  
8 for an effective date."

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

10 \* Section 1. AS 19 is amended by adding a new chapter to read:

11 CHAPTER 65. ALASKA MARINE HIGHWAY ADVISORY COMMITTEE.

12 Sec. 19.65.010. ADVISORY COMMITTEE CREATED. There is created in  
13 the Department of Public Works, division of marine transportation, the  
14 Alaska Marine Highway Advisory Committee consisting of members of the  
15 traveling public in Alaska and residents of the communities served, as  
16 well as commercial users of the state ferry system and representatives  
17 of the tourism industry in the state.

18 Sec. 19.65.020. MEMBERSHIP. (a) The committee consists of

19 (1) three persons appointed by the governor who are broadly  
20 representative of the traveling public in the state and the residents of  
21 the communities served by the state ferry system;

22 (2) two persons appointed by the governor who are shippers  
23 aboard or commercial users of state ferry services, including one repre-  
24 sentative of the tourism industry in the state;

25 (3) two members of the legislature, one each appointed by the  
26 president of the senate and the speaker of the house of representatives.

27 (b) The commissioner of public works, the director of the division  
28 of marine transportation, and the director of the division of tourism in  
29 the Department of Commerce and Economic Development, or their designees,

1 shall be ex officio members of the committee, but without a vote.

2       Sec. 19.65.030. TERM OF OFFICE; VACANCIES. (a) The members of  
3 the committee appointed by the governor shall serve at his pleasure for  
4 four-year staggered terms, or until their successors are appointed and  
5 qualify. One initial gubernatorial appointee shall serve for one year,  
6 one for two years, one for three years, and two for four years; however,  
7 one four-year term shall be assigned to a public member and one to a  
8 commercial user member.

9       (b) Vacancies shall be filled in the same manner as original  
10 appointment.

11       Sec. 19.65.040. OFFICERS. The chairman and vice-chairman of the  
12 committee shall be elected from among the members of the committee  
13 appointed by the governor.

14       Sec. 19.65.050. MEETINGS; RULES OF PROCEDURE. (a) The committee  
15 shall prescribe its own rules of procedure. The committee shall meet at  
16 least once quarterly at a time and place determined by the chairman, or  
17 at other times and places as the chairman or a majority of the members  
18 of the committee consider necessary. A quorum is a majority of the  
19 committee members. The votes of the committee members shall be re-  
20 corded, and effective action requires the affirmative vote of a majority  
21 of the committee members present. No committee member may, with respect  
22 to a matter before the committee, vote for or on behalf of, or in any  
23 way exercise the vote of, another member of the committee.

24       (b) The committee shall meet either in the communities served by  
25 the state ferry system, aboard the vessels of the state ferry system, or  
26 at other places in the state to enable it to serve as an effective  
27 communications link between the public and the division of marine trans-  
28 portation, affording that public an opportunity to express its views  
29 concerning the planning, operation, management and expansion of state

1 ferry services.

2 Sec. 19.65.060. FUNCTIONS OF THE COMMITTEE. The committee shall  
3 review and make recommendations

4 (1) concerning the program budget for the operation of the  
5 division for each fiscal year before it is submitted to the department  
6 or to the governor under the Executive Budget Act (AS 37.07);

7 (2) concerning the schedule of tariffs and other charges for  
8 services provided by the division in accordance with ch. 70 of this  
9 title;

10 (3) relating to the policies, practices, procedures, general  
11 operation and management of the state ferry system, including but not  
12 limited to

13 (A) planning for, and review of, the routes, vessel  
14 schedules, types of services and facilities the division should  
15 provide to meet the needs of the traveling or using public;

16 (B) the level of staffing and funding for these pro-  
17 grams, activities, services or facilities;

18 (C) the relationship of state ferry services to tourism  
19 in the state and to other transportation services provided by the  
20 state or the publicly regulated private sector of the transporta-  
21 tion industry;

22 (4) concerning capital improvement projects and the means of  
23 managing and financing them, including both vessels and shore facili-  
24 ties, and their relationship to other transportation services and  
25 facilities; and

26 (5) concerning the naming of ferry vessels.

27 Sec. 19.65.070. ANNUAL REPORT. The committee shall make an annual  
28 report to the governor, commissioner, director and to the legislature  
and the public concerning its activities, findings and recommendations.

1 The report shall be submitted not later than 10 days after the convening  
2 of each regular session of the legislature.

3 Sec. 19.65.080. COMPENSATION. Members of the committee serve  
4 without compensation but are entitled to per diem and travel expenses as  
5 may be authorized by law for boards and commissions.

6 Sec. 19.65.090. DEFINITIONS. In this chapter

7 (1) "advisory committee" or "committee" means the Alaska  
8 Marine Highway Advisory Committee created under sec. 10 of this chapter;

9 (2) "commissioner" means the commissioner of public works;

10 (3) "department" means the Department of Public Works;

11 (4) "director" means the director of the division of marine  
12 transportation; and

13 (5) "division" means the division of marine transportation.

14 \* Sec. 2. AS 19 is amended by adding a new chapter to read:

15 CHAPTER 70. ALASKA MARINE HIGHWAY TARIFF SCHEDULE.

16 Sec. 19.70.010. DECLARATION OF POLICY. The state ferry system,  
17 operated by the division of marine transportation in the Department of  
18 Public Works, its management, officers, crews, vessels, terminals,  
19 routes and other facilities and services, is a moving highway, commonly  
20 known as the Alaska Marine Highway. As such, it is a substitute for a  
21 network of roads and highways along and through the maritime areas of  
22 the state where geography makes the construction and maintenance of that  
23 network economically unfeasible, environmentally unsound, and impracti-  
24 cal from the standpoint of engineering. It is the purpose of this  
25 chapter to provide passengers, shippers, and other users of the state  
26 ferry system, as well as the taxpayers of the state, with a stable ferry  
27 service operated and managed for their benefit under a fair, just and  
28 reasonable tariff schedule and to ensure that marine transportation  
29 services will be rendered equitably, economically and efficiently to all

1 users and to the residents and communities of the state dependent on or  
2 desiring them, without unjust discrimination or undue preferences or  
3 advantages. It is also the purpose of this chapter to make certain that  
4 the state ferry system is properly developed and improved, in coordina-  
5 tion with other transportation modes and services, and to assure the  
6 traveling and using public of adequate, complete and dependable marine  
7 transportation services in all aspects. Thus, the state ferry system is  
8 uniquely affected with, and shall be managed and operated in, the public  
9 interest.

10 Sec. 19.70.020. AUTHORITY TO ESTABLISH TARIFF SCHEDULE. After  
11 public notice, hearing, and receipt of the recommendations of the Alaska  
12 Marine Highway Advisory Committee and the director of the division of  
13 marine transportation, the commissioner of public works shall establish  
14 a tariff schedule and charges for other services rendered by the state  
15 ferry system. For the purpose of fixing the tariff schedule, vehicular  
16 and passenger traffic may be classified in an appropriate, reasonable  
17 manner. The tariff schedule and other charges shall be just and reason-  
18 able and may not be unduly or improperly discriminatory or preferential.

19 Sec. 19.70.030. NOTICE AND PUBLIC HEARING. (a) No change may be  
20 made by the department in the tariff schedule, or in the classification  
21 of traffic for this purpose, or in the charges for other services  
22 rendered by the state ferry system except after at least 90 days notice  
23 to the public. Public hearings concerning the changes shall be con-  
24 ducted by the committee in all or a representative number of the com-  
25 munities served by the state ferry system, and elsewhere in the state,  
26 at times and at places convenient to the public, in the manner the  
27 committee considers appropriate.

28 (b) Notice shall be given by filing with the committee and keeping  
open for public inspection the proposed or revised tariff schedule,

1 classification of traffic, and charges for other services at the offices  
2 and terminals of the state ferry system and at other locations in the  
3 state prescribed by the committee. Notice also shall be given of the  
4 changes in the tariff schedule, traffic classification or charges for  
5 other services, and the time and location of the public hearing or hear-  
6 ings concerning them by the placement of appropriate advertisements in  
7 the news media throughout the state plainly indicating the changes to be  
8 made and when they will go into effect.

9 (c) The committee may prescribe additional means of giving notice.  
10 It may, for good cause shown, permit changes in the tariff schedule,  
11 traffic classification, or charges for other services to take effect on  
12 less than 90 days notice under those conditions the committee may pre-  
13 scribe by regulation.

14 (d) Upon the filing of a change in the tariff schedule, traffic  
15 classification, and charges for other services or upon complaint or its  
16 own motion, the committee may conduct an investigation or hearing, or  
17 both, into the justness, reasonableness and appropriateness of the  
18 change in, or the administration of, the existing tariff schedule,  
19 traffic classification, or charges for other services rendered by the  
20 state ferry system. The committee shall make its findings and recom-  
21 mendations public and shall present them to the director and to the  
22 commissioner.

23 Sec. 19.70.040. ADHERENCE TO TARIFF SCHEDULE. The department or  
24 the division may not, directly or indirectly, demand or receive a  
25 greater or lesser rate for a service provided or to be provided by it,  
26 or extend privileges or facilities for the movement of vehicular or  
27 passenger traffic over the terminals, for transportation aboard the  
28 vessels between the ports served, or for other services rendered by  
29 the state ferry system other than those specified in the tariff schedule

1 or traffic classification and filed in the manner prescribed in this  
2 chapter. The tariff schedule, traffic classification, and charges for  
3 other services rendered by the state ferry system are the lawful tariffs,  
4 classifications and charges until changed in the manner prescribed in  
5 this chapter.

6 Sec. 19.70.050. REGULATIONS. Subject to the Administrative Pro-  
7 cedure Act (AS 44.62) and the approval of the committee, the department  
8 may promulgate regulations to carry out the provisions of this chapter.

9 Sec. 19.70.060. DEFINITIONS. In this chapter

10 (1) "committee" means the Alaska Marine Highway Advisory  
11 Committee created under AS 19.65.010;

12 (2) "commissioner" means the commissioner of public works;

13 (3) "department" means the Department of Public Works;

14 (4) "director" means the director of the division of marine  
15 transportation;

16 (5) "division" means the division of marine transportation in  
17 the Department of Public Works;

18 (6) "tariff" means a schedule of fares, rates, fees or other  
19 charges for the movement of vehicular and passenger traffic over the  
20 terminals and aboard the vessels between all ports served, and for all  
21 other services rendered or provided by the state ferry system.

22 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
23 070(c).