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Referred: Labor & Commerce, Transportation,
Resources and Finance

5-0399A

1 IN THE SENATE BY JOSEPHSON

2 SENATE BILL NO. 68

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Railroad Corporation."

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

8 * Section 1. AS 42.40.100 is amended to read:

9 Sec. 42.40.100. MANAGEMENT BY THE BOARD. The board is respons-
10 ible for the management of the corporation but shall delegate certain
11 powers and duties to the chief executive officer in accordance with
12 AS 42.40.120. In managing the corporation the board shall

13 (1) be responsible for the management of the financial and
14 legal obligations of the Alaska Railroad;

15 (2) operate the Alaska Railroad as a common carrier subject
16 to the jurisdiction of the United States Interstate Commerce Commis-
17 sion consistent with 45 U.S.C. 1207;

18 (3) generally manage the corporation on a self-sustaining
19 basis;

20 (4) apply to the legislature for an appropriation with the
21 concurrence of the governor to be used to provide a particular service
22 that is not otherwise self-sustaining if a subsidy is required to
23 maintain that service;

24 (5) provide for safe, efficient, and economical transporta-
25 tion to meet the overall needs of the state;

26 (6) raise needed capital by issuing bonds of the corpo-
27 ration upon approval by the legislature while ensuring that borrowing
28 by the corporation does not directly or indirectly endanger the
29 state's own borrowing capacity;

1 (7) review all state and other land disposal proposals to
2 aid in planning for future development or expansion of transportation
3 services;

4 (8) ensure that the procurement procedures of the corpo-
5 ration meet accepted railroad industry standards;

6 (9) ensure that the accounting procedures of the corpo-
7 ration meet generally accepted accounting principles consistent with
8 industry standards for comparable railroads;

9 (10) maintain, or expand to the extent practicable within
10 financial resources available, the level of passenger and freight
11 service provided at the time of transfer of the railroad to the state;

12 (11) manage land, interests in land, and natural resources
13 on land held by the corporation in the best interest of the people of
14 the state; in determining the best interest of the people of the state
15 the corporation shall consider land use plans and ordinances of munic-
16 ipalities where railroad land exists, adjacent land uses, the economic
17 development and revenue generating potential of the land and natural
18 resources, and public comment received on proposed land management
19 actions;

20 (12) consult with the Department of Fish and Game to mini-
21 mize adverse effects of railroad operations upon wildlife.

22 * Sec. 2. AS 42.40.120(b) is amended to read:

23 (b) The [WITHIN 60 DAYS AFTER ITS FIRST MEETING, THE] board
24 shall delegate the following activities of the corporation to the
25 chief executive officer or other executive officers designated by the
26 board:

27 (1) leasing [SUBJECT TO AS 42.40.285 AND 42.40.350(b) AND
28 (d)], granting easements in, issuing permits for the use of, or con-
29 veying other interests in railroad land for a term not exceeding one

1 year [PROPERTY THAT DO NOT CONSTITUTE A TRANSFER OF THE CORPORATION'S
2 ENTIRE INTEREST IN LAND];

3 (2) establishing specific rates, tariffs, divisions, and
4 contract rate agreements;

5 (3) making routine changes in service levels;

6 (4) establishing procurement and accounting procedures for
7 the corporation; and

8 (5) performing procurement activities.

9 * Sec. 3. AS 42.40.120(c) is amended to read:

10 (c) Notwithstanding (a) and (b) of this section, specific board
11 approval is required for the following:

12 (1) issuing bonds upon approval by the legislature;

13 (2) mortgaging or pledging corporation assets;

14 (3) donating property or other assets belonging to the
15 corporation;

16 (4) acting as a surety or guarantor;

17 (5) adopting a long-range capital improvement and program
18 plan;

19 (6) adopting annual reports;

20 (7) effecting general, comprehensive increases and de-
21 creases in rates;

22 (8) expanding or reducing services [IN A MAJOR WAY];

23 (9) expanding the main or branch rail lines including spur,
24 industrial, team, switching or side tracks, other than performing
25 routine track alignment as necessary to maintain existing service
26 levels;

27 (10) selecting independent auditors and accountants;

28 (11) entering into collective bargaining agreements;

29 (12) adopting annual budgets;

1 (13) beginning a capital project with an estimated com-
2 pletion cost of more than \$500,000 or an estimated completion time of
3 more than one year;

4 (14) exchanging, donating, selling, or otherwise conveying
5 its entire interest in land subject to approval by the legislature;

6 (15) leasing, granting easements in or permits for, or
7 authorizing use of railroad land for a term exceeding one year;

8 (16) exercising the power of eminent domain.

9 * Sec. 4. AS 42.40.170(b) is amended to read:

10 (b) Only the following subjects may be discussed in an execu-
11 tive session:

12 (1) matters, the immediate knowledge of which would clearly
13 have an adverse effect upon the finances of the corporation;

14 (2) unless the person has requested to have the subjects
15 discussed in public, subjects that tend to prejudice the reputation
16 and character of a person;

17 (3) matters that, by law or municipal charter or ordinance,
18 are permitted to be kept confidential from public disclosure;

19 (4) matters pertaining to personnel;

20 (5) matters pertaining to the corporation's legal position;

21 and

22 (6) [LAND ACQUISITION OR DISPOSAL; AND

23 (7)] proprietary or other information of a type treated as
24 confidential under the standards and practices of the United States
25 Interstate Commerce Commission, including practices that protect
26 information associated with specific shippers [, DIVISIONS, AND CON-
27 TRACT RATE AGREEMENTS].

28 * Sec. 5. AS 42.40.220(b) is amended to read:

29 (b) The corporation may by rule designate and withhold public

1 disclosure of matters of a privileged or proprietary nature. Those
2 matters are [INCLUDE] personnel records, communications with and work
3 product of legal counsel, and, consistent with the standards and
4 practices of the United States Interstate Commerce Commission for the
5 protection of these matters, other information including proprietary
6 information associated with specific shippers [, DIVISIONS AND CON-
7 TRACT RATE AGREEMENTS].

8 * Sec. 6. AS 42.40.260 is amended by adding a new subsection to read:

9 (c) The annual report shall inventory land, interests in land,
10 and natural resources on land held by the corporation and shall de-
11 scribe present uses, future development plans, and known resource
12 development potential for the land, interests in land, and natural
13 resources. The annual report shall also provide information on pend-
14 ing proposals for the lease or other disposal of land, interests in
15 land, or natural resources on land held by the corporation during the
16 next year.

17 * Sec. 7. AS 42.40.285 is amended to read:

18 Sec. 42.40.285. LEGISLATIVE APPROVAL REQUIRED. Unless the
19 legislature approves the action by law, the corporation may not

20 (1) exchange, donate, sell, or otherwise convey its entire
21 interest in land;

22 (2) issue bonds;

23 (3) extend railroad lines; this paragraph does not apply to
24 a spur, industrial, team, switching or side track;

25 (4) lease land for a period in excess of 35 years [UNLESS
26 THE CORPORATION RESERVES THE RIGHT TO TERMINATE THE LEASE IF THE LAND
27 IS NEEDED FOR RAILROAD PURPOSES].

28 * Sec. 8. AS 42.40.350(c) is amended to read:

29 (c) When the board determines that the best interest of the

1 people of the state is served, the [THE] corporation may lease, sub-
2 ject to AS 42.40.285 and (d) of this section, grant easements in or
3 permits for, or otherwise authorize use of portions of rail land for a
4 term exceeding one year. At least 60 days before taking final action
5 the board shall make a written finding of fact and determination that
6 the lease, grant of an easement in or permit for, or authorization of
7 use of rail land for a term exceeding one year is in the best interest
8 of the people of the state. The board shall hold at least one public
9 hearing in a municipality affected by a land management action under
10 this subsection. However, the corporation may not convey its entire
11 interest in rail land except as provided in AS 42.40.285, 42.40.-
12 370(d), and 42.40.400.

13 * Sec. 9. AS 42.40.350(d) is amended to read:

14 (d) A lease or disposal of land [APPROVED BY THE LEGISLATURE
15 UNDER AS 42.40.285] by the corporation to a party other than the state
16 or a municipality shall be made at fair market value as determined by
17 a qualified appraiser or by competitive bid.

18 * Sec. 10. AS 42.40.350 is amended by adding a new subsection to read:

19 (e) A disposal of natural resources from land held by the corpo-
20 ration to a party other than the state or a municipality shall be made
21 by competitive bid.

22 * Sec. 11. AS 42.40.420 is amended by adding a new subsection to read:

23 (b) Upon request of a person the corporation may authorize by
24 permit the temporary, short term, or emergency use of railroad land.

25 * Sec. 12. AS 42.40 is amended by adding a new section to article 5 to
26 read:

27 Sec. 42.40.460. SALVAGE OF BIG GAME FOR HUMAN CONSUMPTION. The
28 corporation shall salvage for human consumption the meat of big game
29 animals, as defined under AS 16.30.030, killed by the operations of

1 the railroad.