

COMMITTEE REPORT

4/26/75

SENATE

Mr. President:

Date 3-26-76

The Committee on COMMERCE has had C.HB 63 (Fin) AM creating the Department of Transportation under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

recommends ^{C.S. substitute} it DO PASS WITH ATTACHED AMENDMENT(S) ^{new title}

recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____ COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

K. K. [Signature]
[Signature]
[Signature]

Members NOT concurring in the Majority report:

Do NOT PASS This version of DOT Willis recommends:
[Signature] recommends: Don't pass any version of DOT
recommends:
recommends:
recommends:

[Signature] Chairman

A M E N D M E N T

OFFERED IN THE SENATE:

By: COMMERCE

To: SCS CS SENATE BILL No. _____

HOUSE BILL No. 63

PAGE: 8

LINE: _____

To Page 8, Line 3

after the word "municipality" delete "and to each" ✓

To Page 8, Line 4

"delete "person known to be interested" ✓

To Page 8, Line 13 ✓

after the word "facility" delete "either" ✓

To Page 8, delete lines 14, 15, 16, 17, and 18 and insert
new language to read: ✓

- (1) a resolution adopted by a majority of all the members of the governing body submitting the recommended facility to the electorate of the affected community at the next general election adopted by a majority of the qualified voters voting on the question.

To Page 8, Line 22 ✓

after the word "lives" delete the period and insert
"as determined by the commissioner."

A M E N D M E N T

OFFERED IN THE SENATE:

By: COMMERCE

To: _____ SENATE BILL No. _____

HOUSE BILL No. _____

PAGE: 10

LINE: 1 and 23 & 24

To Page 10, Line 1

✓ insert the word "through" after AS 35.10.090

To page 10 lines 23+24

after the word "facility" delete [WITHIN TWO MILES OF A
FEDERAL-AID HIGHWAY OR PROPOSED FEDERAL-AID HIGHWAY] and
insert "within two miles of a federal-aid highway or
proposed federal-aid highway"

COMMITTEE REPORT

SENATE

3/26/76

Mr. President:

Date _____

The Committee on Finance has had CSHB 63 (Fin) am
creating the Department of Transportation
under consideration. A Majority of the members of the Committee

- () recommends it DO PASS
- () recommends it DO NOT PASS
- () recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- () recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- () "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- () reports it back WITHOUT RECOMMENDATION
- () "other":

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

Chairman

COMMITTEE REPORT

4/26/75

SENATE

Mr. President:

Date 3-26-76

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() recommends it DO NOT PASS

recommends ^{C. substitute} DO PASS WITH ATTACHED AMENDMENT(S) *multiple*

recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____ COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

K. E. ...
Colette
Bradley

Members NOT concurring in the Majority report:

Do Not PASS This version of DOT Willis recommends:
3-26 recommends: Don't pass any version of DOT
recommends:
recommends:
recommends:

Kutub Chairman

AMENDMENT

OFFERED IN THE SENATE:

BY: COMMERCE

TO: SCS CS SENATE BILL No. _____

HOUSE BILL No. 63

PAGE: 8

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AMENDMENT

OFFERED IN THE SENATE:

BY: COMMERCE

TO: _____ SENATE BILL No. _____

HOUSE BILL No. _____

PAGE: 10

LINE: 1 and 23 & 24

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✓ insert the word "through" after "AS 35.10.090"

To page 10 lines 23 & 24

after the word "facility" delete [WITHIN TWO MILES OF A
FEDERAL-AID HIGHWAY OR PROPOSED FEDERAL-AID HIGHWAY] and
insert "within two miles of a federal-aid highway or
proposed federal-aid highway"

press: 3/26/76

Original sponsor: Bowman, Swanson
and Kelley

Offered: 3/26/76
Referred: Finance

Referred to Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 63

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 organization of transporta-
7 tion related functions; creating the Department of
8 Transportation; and providing for an effective
9 date."

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

11 * Section 1. FINDINGS AND PURPOSE. The legislature finds that the
12 diverse transportation needs of the state would best be served by the
13 creation of a single department for the planning, study, development,
14 management and operation of integrated, intermodal transportation systems.
15 The purpose of this department is to evaluate, plan, design, construct,
16 manage, operate and maintain all state transportation modes and systems,
17 relying on analysis of the relative advantages of different modes and
18 systems and considering their social, economic, and environmental conse-
19 quences.

20 * Sec. 2. AS 44 is amended by adding a new chapter to read:

21 CHAPTER 42. DEPARTMENT OF TRANSPORTATION.

22 Sec. 44.42.010. COMMISSIONER OF TRANSPORTATION. The principal
23 executive officer of the Department of Transportation is the commission-
24 er of transportation.

25 Sec. 44.42.020. POWERS AND DUTIES. (a) The department shall

26 (1) plan, design, and construct all state modes of transpor-
27 tation and transportation facilities;

28 (2) study existing transportation modes and facilities in
29 the state to determine how they might be improved or whether they

1 should continue to be maintained;

2 (3) study alternative means of improving transportation in
3 the state with regard to the economic costs of each alternative and
4 its environmental and social effects;

5 (4) develop a comprehensive, long-range intermodal transpor-
6 tation plan for the state;

7 (5) study alternatives to existing modes of transportation
8 in urban areas and develop plans to improve urban transportation;

9 (6) cooperate and coordinate with and enter into agreements
10 with federal, state and local government agencies and private organiza-
11 tions and persons in exercising its powers and duties;

12 (7) delegate its duties for the design and construction of
13 transportation facilities to the Department of Public Works;

14 (8) work cooperatively with the Department of Public Works
15 to assure that design and construction of transportation facilities by
16 the Department of Public Works is consistent with plans and with
17 management and operational requirements;

18 (9) manage, operate, and maintain state transportation
19 facilities, including all state highways, vessels, railroads, pipelines,
20 airports, and aviation facilities;

21 (10) study alternative means of transportation in the
22 state, considering the economic, social, and environmental impacts of
23 each alternative;

24 (11) coordinate and develop state and regional transportation
25 systems, considering deletions, additions, and the absence of altera-
26 tions;

27 (12) develop facility program plans for transportation
28 facilities required to implement the duties set out in this section,
29 including but not limited to (A) first and life-cycle cost budgets;

1 (B) functional performance criteria; and (C) schedules for completion;
2 these program plans shall be reviewed by the Department of Public
3 Works before commencement of transportation facility project designs;

4 (13) supervise and maintain all state automotive and
5 mechanical equipment, aircraft, and vessels except vessels used by the
6 Department of Fish and Game; and

7 (14) supervise aeronautics and transportation-related
8 communications inside the state, under AS 02.10.

9 (b) The department may

10 (1) engage in experimental projects relating to available
11 or future modes of transportation and any means of improving existing
12 transportation facilities and service;

13 (2) exercise the power of eminent domain, including the
14 declaration of taking as provided in AS 09.55.

15 Sec. 44.42.030. DUTIES OF DEPARTMENT OF PUBLIC WORKS; TRANSPORTA-
16 TION FACILITIES. The Department of Public Works shall design and
17 construct, or cause to be designed and constructed, only those trans-
18 portation facilities which have been planned and programmed for construc-
19 tion by the Department of Transportation. It shall cooperate with
20 that department in the hearing and planning processes described in
21 this chapter. It may turn over a transportation facility to the
22 Department of Transportation for management, operation and maintenance
23 when construction of the facility is substantially completed, subject
24 to the request of the Department of Transportation that earlier
25 occupancy or control be permitted. It shall turn over a transportation
26 facility to the Department of Transportation for management, operation
27 and maintenance when construction of the facility is entirely complete.
28 In either event, the Department of Public Works shall continue to
29 administer construction contracts during guaranty or warranty periods.

1 Sec. 44.42.040. REGULATIONS. The department may adopt regulations
2 under the Administrative Procedure Act (AS 44.62) to implement, inter-
3 pret, or make more specific its powers and duties.

4 Sec. 44.42.050. DEPARTMENTAL ORGANIZATION; ADVISORY BOARDS. (a)
5 The commissioner shall establish transportation regions within the
6 state, corresponding with the state's major physiographic regions.
7 The functions of the department within each transportation region
8 shall be performed, to the maximum extent feasible, through a regional
9 office. Each regional office shall be directed by a regional trans-
10 portation director appointed by the commissioner.

11 (b) The commissioner shall provide for the creation of regional
12 transportation advisory boards comprised of residents of the transporta-
13 tion regions established under (a) of this section. The regional
14 transportation advisory boards shall advise the commissioner and
15 shall, with the assistance of the regional transportation directors,
16 prepare recommendations on transportation-related public policy,
17 departmental operations, and capital improvements programming within
18 their respective regions. The number of members of each regional
19 transportation advisory board shall be determined by the commissioner.

20 (c) The governor shall appoint members to each regional transpor-
21 tation advisory board from lists of nominees submitted by municipalities
22 located within each transportation region and from lists of nominees
23 submitted by any interested organization which has its principal
24 office within the region. In addition, the mayor of each organized
25 borough and each home rule and first class city located within each
26 region shall appoint one member, to the board.

27 (d) In order to avoid duplication or disruption of regional
28 efforts, the commissioner may designate a non-profit, public interest,
29 regional organization as a regional transportation advisory board.

1 (e) Each regional transportation advisory board shall annually
2 elect a chairperson from among its members. The chairperson shall
3 designate the time and location of meetings of the board. Members are
4 entitled to transportation expenses and per diem established by law
5 for state boards and commissions.

6 Sec. 44.42.060. ALASKA TRANSPORTATION ADVISORY BOARD. (a)
7 There is established the Alaska Transportation Advisory Board consisting
8 of the chairpersons of each regional transportation advisory board.
9 The board shall elect a chairperson from its members. The chairperson
10 shall designate the time and location of meetings of the board.
11 Members of the board are entitled to travel expenses and per diem
12 established by law for state boards and commissions.

13 (b) The Alaska Transportation Advisory Board shall meet at least
14 once in the fall of each year to review the work of the previous year
15 and the then current state transportation plan, and make recommen-
16 dations to the commissioner regarding the plan and departmental
17 operations. The department shall provide staff support and assistance
18 to the board.

19 Sec. 44.42.070. STATE TRANSPORTATION PLAN. (a) The commissioner
20 shall develop annually a comprehensive, intermodal, long-range trans-
21 portation plan for the state. In developing and revising the state
22 plan, he shall consider means and costs of improving existing modes
23 and facilities, state and federal subsidies, and the costs and benefits
24 of new transportation modes and facilities. The plan shall be submitted
25 to the governor for his review and approval and submitted by the
26 governor to the legislature.

27 (b) In developing and revising the plan, the commissioner shall
28 seek public review and evaluation by any reasonable means and may

29 (1) consult and cooperate with officials and representatives

1 of the federal government, other governments, interstate commissions
2 and authorities, local agencies and authorities, interested corporations
3 and other organizations concerning problems affecting transportation
4 in the state; and

5 (2) request from an agency or other unit of the state
6 government or of a political subdivision of it, or from a public
7 authority, the assistance and data that may be necessary to enable the
8 commissioner to carry out his responsibilities under this section;
9 every such entity shall provide the assistance and data requested.

10 (c) Copies of the plan, as revised, shall be kept on file as a
11 public document in the office of the commissioner and at each regional
12 office of the department.

13 (d) The plan shall include a description of projects planned for
14 design and construction for the following two years. The description
15 shall include an itemization of the estimated cost for each project
16 and the total cost of all projects. The commissioner shall propose
17 and forward to the governor for his review and approval and inclusion,
18 as approved, in the capital budget a construction program which includes
19 the projects to be undertaken during the following two years, including
20 recommended project priorities. Appropriations for transportation
21 construction projects shall be included annually in the general appro-
22 priations Act.

23 Sec. 44.42.080. PUBLIC HEARINGS AND SURVEYS. (a) When a major
24 new state transportation facility or a significant extension or altera-
25 tion of an existing system or facility is proposed, the department
26 shall give notice of the proposal and of the opportunity to request a
27 public hearing to the governing body of an affected municipality and
28 residents of each affected community. The purpose of this notice is
29 to provide information to the governing body and those residents and

1 provide an opportunity for informed public review of a proposal from
2 the earliest time practicable.

3 (b) Before a final decision is made regarding a proposal, the
4 department shall give a second notice and opportunity for public
5 hearing.

6 (c) A notice given under this section shall describe the project,
7 invite written comments regarding the proposal, inform that all current
8 and relevant information regarding the proposal will be made available
9 in at least one designated location within the affected community, and
10 inform that basic information regarding the proposal will be provided
11 upon the request of any person. The notice shall also inform that a
12 public hearing will be held upon the written request of the governing
13 body of an affected municipality or of at least 20 interested residents
14 of an affected community.

15 (d) If the governing body of an affected municipality requests a
16 hearing, the hearing shall be conducted by and may take place before
17 that governing body. Otherwise the public hearing may be held by the
18 department at any convenient location. If a public hearing is held,
19 the deadline for written comment may be not earlier than 30 days after
20 the hearing.

21 (e) At a public hearing held under (a) of this section, the
22 department shall describe the proposal, identify the essential considera-
23 tions in favor of and against it, and receive comments and answer
24 questions from any interested person. In addition, at a hearing, the
25 department shall present its recommendations, to the extent they have
26 been developed, regarding the proposal, its costs and benefits, its
27 environmental and social effects, and the alternatives which have been
28 considered, including the alternative of not constructing a facility.

29 (f) The department may use other means of enabling the residents

1 of each affected community to express opinions regarding the proposal.

2 (g) Within 90 days after a hearing, the department shall prepare
3 and mail to the governing body of an affected municipality and to each
4 person known to be interested a report which summarizes the oral
5 testimony and written comments received and the results of surveys and
6 other relevant data and which informs whether and to what extent the
7 proposal has been modified as a result of public comments, surveys and
8 other relevant data.

9 (h) Within 60 days after receipt of the documents described in
10 (g) of this section, an affected community may exclude itself, withdraw
11 from, or reject the proposed new transportation system or facility or
12 the extension or alteration of an existing transportation system or
13 facility either by

14 (1) a resolution adopted by a majority of all the members
15 of the governing body; or

16 (2) a measure submitted to the electorate of the affected
17 community, either by initiative or referendum, adopted by a majority
18 of the qualified voters voting on the question.

19 (1) This section does not apply to improvements or modifications
20 to existing facilities which do not significantly affect the environment
21 nor to actions and repairs which may be necessary to meet a disaster
22 or emergency which threatens human lives.

23 (j) For the purposes of this section,

24 (1) "affected community" means a municipality or an unincor-
25 porated village of 25 or more persons which is directly served by an
26 existing facility, or where an existing facility is actually located
27 or in which a proposed facility would actually be located, or which
28 would be directly served by a proposed facility;

29 (2) "municipality" means a home rule or general law borough

1 or city, and includes a municipality unified under AS 29.68.

2 Sec. 44.42.090. GRANTS TO THE DEPARTMENT. The commissioner may
3 apply for and accept, on behalf of the state, grants from the federal
4 government or an agency of it, or from another state, a foundation, or
5 any person, for any of the functions or purposes of the department.

6 Sec. 44.42.100. LIMITATION ON TRANSPORTATION FACILITIES. (a)
7 The department shall consult with the appropriate officials of other
8 departments regarding environmental risks and economic and social
9 considerations that may arise by reason of the location, design,
10 construction or reconstruction of a transportation facility.

11 (b) No highway, transit line, highway interchange, airport or
12 other transportation corridor or facility may be built or expanded in
13 such a way as to use land from a recreation area, wildlife or waterfowl
14 refuge, historic site, forest land, wetland, game land, wilderness
15 area, public park or a critical habitat area designated as such by
16 federal, state or local government unless

17 (1) there is no feasible and prudent alternative to the use
18 of that land; and

19 (2) the corridor or facility is planned and constructed so
20 as to minimize harm to the land.

21 Sec. 44.42.900. DEFINITIONS. In this chapter, unless the context
22 requires otherwise,

23 (1) "commissioner" means the commissioner of the Department
24 of Transportation;

25 (2) "department" means the Department of Transportation;

26 (3) "transportation" or "transportation mode" includes, but
27 is not limited to, the following means of conveyance or travel, includ-
28 ing their related or auxiliary structures, facilities or services:
29 air, rail, water, highway, and pipeline; however, these terms do not

1 include facilities provided for under AS 35.10.090--35.10.120.

2 * Sec. 3. AS 02.10.080 is amended to read:

3 Sec. 02.10.080. DEPARTMENT DEFINED. As used in this chapter,
4 "department" means the state Department of Transportation [PUBLIC
5 WORKS].

6 * Sec. 4. AS 02.15.060 is amended to read:

7 Sec. 02.15.060. ESTABLISHMENT, OPERATION AND MAINTENANCE. The
8 department may plan, [ESTABLISH, CONSTRUCT, ENLARGE, IMPROVE,] maintain,
9 equip, operate, regulate, protect and police airports and air navigation
10 facilities within the state.

11 * Sec. 5. AS 02.15 is amended by adding a new section to read:

12 Sec. 02.15.065. DUTIES OF DEPARTMENT OF PUBLIC WORKS. The
13 Department of Public Works, shall design, construct, enlarge and
14 improve airports and airport facilities that are planned and programmed
15 by the Department of Transportation. It shall perform a life-cycle
16 cost analysis for each proposed airport and airport facility planned
17 by the Department of Transportation, consistent with the provisions of
18 AS 35.10.160, 35.10.180, 35.10.190, and regulations adopted by the
19 Department of Transportation.

20 * Sec. 6. AS 02.15.205 is amended to read:

21 Sec. 02.15.205. APPROVAL REQUIRED FOR AIRPORT CONSTRUCTION. (a)
22 No person may construct, reconstruct, relocate, or extend an airport,
23 airstrip, or private air facility [WITHIN TWO MILES OF A FEDERAL-AID
24 HIGHWAY OR PROPOSED FEDERAL-AID HIGHWAY] without first obtaining the
25 written approval of the commissioner of transportation [PUBLIC WORKS],
26 as provided by regulation.

27 (b) The commissioner of transportation [PUBLIC WORKS] shall not
28 approve the construction, reconstruction, relocation, or extension of
29 an airport, airstrip, or private air facility if the construction would

1 constitute a hazard to the traveling public or if the construction would
2 otherwise not be in the public interest.

3 (c) The commissioner of transportation [PUBLIC WORKS] shall
4 promulgate [RULES AND] regulations, to effectuate the purpose of this
5 section, which are consistent with standards established by partici-
6 pating federal agencies.

7 * Sec. 7. AS 02.15.260(8) is amended to read:

8 (8) "commissioner" means the commissioner of the Department
9 of Transportation [PUBLIC WORKS] of the state;

10 * Sec. 8. AS 02.15.260(9) is amended to read:

11 (9) "department" means the Department of Transportation
12 [PUBLIC WORKS];

13 * Sec. 9. AS 02.20.070 is amended to read:

14 Sec. 02.20.070. DEPARTMENT DEFINED. In this chapter "department"
15 means the Department of Transportation [PUBLIC WORKS].

16 * Sec. 10. AS 02.25.110(4) is amended to read:

17 (4) "department" means the Department of Transportation
18 [PUBLIC WORKS] of this state;

19 * Sec. 11. AS 02.35.150 is amended to read:

20 Sec. 02.35.150. "DEPARTMENT" AND "COMMISSIONER" DEFINED. In
21 this chapter, "department" means the state Department of Transportation
22 [PUBLIC WORKS]; "commissioner" means the commissioner of transportation
23 [PUBLIC WORKS].

24 * Sec. 12. AS 19.05.030 is amended to read:

25 Sec. 19.05.030. DUTIES OF DEPARTMENT. The department has the
26 following duties:

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

29 (2) employ assistants and employees;

- (3) certify and approve vouchers;
- (4) provide for a program of highway research;
- (5) prepare a budget;
- (6) review the annual highway program;
- (7) delegate its duties for the design and construction of highways and highway facilities to the Department of Public Works;
- (8) establish by regulation steps for the coordination of life-cycle analysis by the Department of Public Works for highways and highway facilities planned by the department.

* Sec. 13. AS 19.05 is amended by adding a new section to read:

Sec. 19.05.035. DUTIES OF DEPARTMENT OF PUBLIC WORKS. The Department of Public Works shall design and construct, as an agent for the Department of Transportation, highways and highway facilities planned and programmed by the Department of Transportation. It shall perform a life-cycle cost analysis for each proposed highway and highway facility planned by the Department of Transportation, consistent with the provisions of AS 35.10.160, 35.10.180, 35.10.190 and regulations adopted by the Department of Transportation.

* Sec. 14 AS 19.05.125 is amended to read:

Sec. 19.05.125. PURPOSE. The purpose of chs. 5--25 of this title is to establish in the Department of Transportation the capability for [A HIGHWAY DEPARTMENT CAPABLE OF] carrying out a highway planning, construction, and maintenance program which will provide a common defense to the United States and Alaska, a network of highways linking together cities and communities throughout the state (thereby contributing to the development of commerce and industry in the state, and aiding the extraction and utilization of its resources), and otherwise improve the economic and general welfare of the people of the state.

* Sec. 15. AS 19.05.130 is amended to read:

SCS CSHB 63

1 Sec. 19.05.130. DEFINITIONS. Unless otherwise provided, in [IN]
2 chs. 5--40 of this title

3 (1) "commissioner" means the commissioner of transportation
4 [HIGHWAYS];

5 (2) "construction" or any derivation means construction,
6 reconstruction, alteration, improvement or major repair;

7 (3) "controlled-access facility" means a highway especially
8 designed for through traffic, and over, from, or to which owners or
9 occupants of abutting land or other persons have either no right or
10 easement or only a controlled right or easement of access, light, air,
11 or view;

12 (4) "cost of change, relocation, or removal" means the entire
13 cost incurred by the utility properly attributed to the change, reloca-
14 tion, or removal of a utility after deducting any increase in the value
15 of the new facility and any salvage value derived from the old facility;

16 (5) "department" means the Department of Transportation
17 [HIGHWAYS];

18 (6) "excess lands" means land acquired by the state in
19 excess of land required for a highway, when the remaining portion of a
20 parcel of land so acquired is left in such shape or condition as to be
21 of little or no value to its owner, or to give rise to claims or
22 litigation concerning severance or other damage;

23 (7) "federal-aid primary, federal-aid secondary, and inter-
24 state system" include any highway which is a part of the federal-aid
25 systems as provided in the Federal-Aid Highway Act of 1956, and any
26 laws amending or supplementing it;

27 (8) "highway" includes a highway (whether included in
28 primary or secondary systems), road, street, trail, walk, bridge,
29 tunnel, drainage structure and other similar or related structure or

1 facility, and right-of-way thereof, and further includes a ferry
2 system, whether operated solely inside the state or to connect with a
3 Canadian highway, and any such related facility;

4 (9) "maintenance" means the preservation of each type of
5 highway, roadside structure and facility as nearly as possible in its
6 original condition as constructed, or as subsequently improved, and
7 the operation of highway facilities and services to provide satisfactory
8 and safe highways;

9 (10) "municipality" means a home rule or general law borough
10 or city, and includes a municipality unified under AS 29.68 [AN INCOR-
11 PORATED CITY OR POLITICAL SUBDIVISION] which has jurisdiction over
12 highways in its incorporated area;

13 (11) Repealed by sec. 6, ch. 233 SLA 1968.

14 (12) "utility" includes publicly, privately, and cooperative-
15 ly owned utilities;

16 (13) "encroachment" means and includes a tower, pole, pole
17 line, pipe, pipeline, driveway, private road, fence, billboard, stand
18 or building, or a structure or object of any kind which is or has been
19 placed in, on, under or over a portion of a highway or road.

20 * Sec. 16. AS 19.17.010 is amended to read:

21 Sec. 19.17.010. POSTING OF LAW. The commissioner of transporta-
22 tion [HIGHWAYS] shall place a sign near the state boundary at each
23 primary and secondary highway which informs the public of the prohibi-
24 tion against, and penalty for, highway littering and may place similar
25 signs at other locations in the state when considered necessary.

26 * Sec. 17. AS 19.20.090 is amended to read:

27 Sec. 19.20.090. HIGHWAY CONSTRUCTION NEAR AIRPORTS. (a) No
28 person may construct, reconstruct, relocate, or extend a federal-aid
29 highway within two miles of an airport, airstrip, or private air fa-

1 cility without first obtaining the written approval of the commissioner
2 of transportation [HIGHWAYS], as provided by regulation.

3 (b) The commissioner of transportation [HIGHWAYS] shall not
4 approve the construction, reconstruction, relocation, or extension of
5 a highway under this section if the construction would constitute a
6 hazard to the traveling public or if the construction would otherwise
7 not be in the public interest.

8 (c) The commissioner of transportation [HIGHWAYS] shall promulgate
9 [RULES AND] regulations, to effectuate the purpose of this section,
10 which are consistent with standards established by participating
11 federal agencies.

12 * Sec. 18. AS 19.22.030(2) is amended to read:

13 (2) "department" means the Department of Transportation
14 [HIGHWAYS].

15 * Sec. 19. AS 19.25.160(2) is amended to read:

16 (2) "interstate system" means that portion of the National
17 System of Interstate and Defense Highways located in this state, as
18 officially designated, or as may hereafter be so designated, by the
19 commissioner of transportation [HIGHWAYS], and approved by the secretary
20 of transportation (or by the secretary of commerce before the effective
21 date of the transfer of functions under Public Law 89-670 [80 Stat.
22 931]), under the provisions of Title 23, United States Code, "Highways";

23 * Sec. 20. AS 19.25.160(3) is amended to read:

24 (3) "primary system" or "secondary system" means that
25 portion of connected main highways, as officially designated, or as
26 may hereafter be so designated, by the commissioner of transportation
27 [HIGHWAYS], and approved by the secretary of transportation (or by the
28 secretary of commerce before the effective date of the transfer of
29 functions under Public Law 89-670 [80 Stat. 931]), under the provisions

1 of Title 23, United States Code, "Highways";

2 * Sec. 21. AS 19.25.160(4) is amended to read:

3 (4) "department" means the Department of Transportation
4 [HIGHWAYS].

5 * Sec. 22. AS 19.27.110(4) is amended to read:

6 (4) "interstate system" means that portion of the National
7 System of Interstate and Defense Highways located in this state, as
8 officially designated, or as may hereafter be so designated, by the
9 commissioner of transportation [HIGHWAYS], and approved by the secretary
10 of transportation (or by the secretary of commerce before the effective
11 date of the transfer of functions under Public Law 89-670 [80 Stat.
12 931]), under the provisions of Title 23, United States Code, "Highways";

13 * Sec. 23. AS 19.27.110(5) is amended to read:

14 (5) "primary system" or "secondary system" means that
15 portion of connected main highways, as officially designated, or as
16 may hereafter be so designated, by the commissioner of transportation
17 [HIGHWAYS], and approved by the secretary of transportation (or by the
18 secretary of commerce before the effective date of the transfer of
19 functions under Public Law 89-670 [80 Stat. 931]), under the provisions
20 of Title 23, United States Code, "Highways";

21 * Sec. 24. AS 19.27.110(6) is amended to read:

22 (6) "department" means the Department of Transportation
23 [HIGHWAYS].

24 * Sec. 25. AS 19.30.040(a) is amended to read:

25 (a) Upon approval of an application and agreement as to state
26 participation, the applicant resource developer shall submit to the
27 commissioner of natural resources road plans and specifications for
28 the standard of construction he believes to be necessary to develop
29 the mineral resource and protect the fish and game resources that may

1 be affected by the road construction. Plans and specifications submitted
2 by each applicant shall be forwarded by the commissioner of natural
3 resources to the commissioner of transportation [HIGHWAYS] and the
4 commissioner of fish and game and upon approval by them, the applicant
5 may proceed with construction.

6 * Sec. 26. AS 19.30.040(b) is amended to read:

7 (b) The applicant will be allowed credit for the use of his own
8 men and equipment or those of his contractor as his share of cost
9 participation. The applicant must submit documentation satisfactory
10 to the commissioner of transportation [HIGHWAYS] to support his partici-
11 pation for this credit.

12 * Sec. 27. AS 19.30.045 is amended to read:

13 Sec. 19.30.045. CANADIAN MINERALS. The state may elect, at the
14 joint discretion of the commissioners of transportation [HIGHWAYS] and
15 natural resources, to authorize participation in a similar manner, to
16 that authorized in secs. 20--40 of this chapter, in construction and
17 maintenance of developmental access roads to the Alaskan border for
18 the development of mineral resources which are in adjacent Canadian
19 lands if such access roads are the most feasible way of developing
20 those mineral resources, and if it is considered by the commissioners
21 to be in the interest of Alaska to construct the roads; however, the
22 state may participate up to \$50,000, or up to one-third of the cost of
23 construction and of the maintenance of these roads in Alaska, whichever
24 is lower.

25 * Sec. 28. AS 19.30.051 is amended to read:

26 Sec. 19.30.051. REGULATIONS. The commissioner of natural resources
27 and the commissioner of transportation [HIGHWAYS] shall adopt [PROMUL-
28 GATE RULES AND] regulations to accomplish [EFFECTUATE] the purposes of
29 secs. 20--51 of this chapter.

1 * Sec. 29. AS 19.30.070 is amended to read:

2 Sec. 19.30.070. CONTRACTS FOR CONSTRUCTION OF ROADS. The director
3 of the division of lands may contract with private persons for the
4 construction of roads to and on state lands programmed for surface
5 disposal which are not more than six miles from existing roads or
6 highways. The location of each proposed road is subject to the approval
7 of the commissioner of transportation.

8 * Sec. 30. AS 19.30.080 is amended to read:

9 Sec. 19.30.080. CONSTRUCTION STANDARDS AND MAINTENANCE. Access
10 roads constructed under secs. 60--100 of this chapter shall be of low
11 standard, not necessarily suitable for all weather use. The state is
12 not under obligation to maintain these roads. Right-of-way width
13 shall be determined by the division of lands and the Department of
14 Transportation [HIGHWAYS] if constructed outside local government
15 units which have zoning ordinances. If these roads are constructed
16 within the boundaries of local government units which have zoning
17 ordinances, the width shall conform to subdivision control ordinances
18 of the local government units. Contracts for the work shall be
19 awarded to the lowest responsible bidder qualified to contract with
20 the state.

21 * Sec. 31. AS 19.30.151(a) is amended to read:

22 (a) Upon application by a local government, local service roads
23 and trails constructed under the provisions of secs. 111--241 of this
24 chapter and located within the jurisdictional boundaries of a local
25 government, as defined in sec. 241(3) of this chapter, may be trans-
26 ferred to that local government upon approval by the Department of
27 Transportation [HIGHWAYS] and after a vote of the people in the area.
28 A local government which has assumed road powers before May 20, 1971
29 may not be required to hold an election as provided by this section.

1 * Sec. 32. AS 19.40.020(c) is amended to read:

2 (c) The contract with the participants shall include such addi-
3 tional terms and conditions as appear to be in the best interests of
4 the state. Any advance payments made under such a contract shall be
5 deposited in a special account which will be used for disbursements to
6 the contractor charged with construction of the highway. Disbursements
7 to the contractor shall be made on order of the commissioner of trans-
8 portation [HIGHWAYS] on presentation of a proper voucher or the presen-
9 tation of a voucher by an employee of the department authorized in
10 writing to certify as to such payment.

11 * Sec. 33. AS 19.40.060(2) is amended to read:

12 (2) certification by the commissioner of the Department of
13 Transportation [HIGHWAYS] that the road design and construction methods
14 will cause minimal landscape defacement or environmental degradation
15 by erosion or waste disposal;

16 * Sec. 34. AS 19.40.080(1) is amended to read:

17 (1) "department" means the Department of Transportation
18 [HIGHWAYS];

19 * Sec. 35. AS 19.60.010 is repealed and re-enacted to read:

20 CHAPTER 60. STATE FERRY SYSTEM.

21 Sec. 19.60.010. CONSTRUCTION AND OPERATION OF STATE FERRY SYSTEM.

22 (a) The department is responsible for the planning, management,
23 operation, and maintenance of state ferries and ferry terminals and
24 facilities.

25 * Sec. 36. AS 19.60 is amended by adding a new section to read:

26 Sec. 19.60.015. DUTIES OF DEPARTMENT OF PUBLIC WORKS. The
27 Department of Public Works, shall design and construct ferries and
28 ferry terminals and facilities planned and programmed for by the
29 Department of Transportation. It shall perform a life-cycle cost

1 analysis for each proposed ferry or ferry terminal facility planned by
2 the Department of Transportation, consistent with the provisions of AS
3 35.10.160, 35.10.180, 35.10.190 and with regulations adopted by the
4 Department of Transportation.

5 * Sec. 37. AS 19.60.030 is amended to read:

6 Sec. 19.60.030. REGULATIONS. The department may adopt [RULES
7 AND] regulations governing the use of ferry terminal facilities by the
8 public which it considers necessary and proper in the public interest.

9 * Sec. 38. AS 19.60.070(1) is amended to read:

10 (1) "department" means the Department of Transportation
11 [PUBLIC WORKS];

12 * Sec. 39. AS 28.01.010(d) is amended to read:

13 (d) A municipality shall erect necessary official traffic control
14 devices on streets and highways within its jurisdiction which as far
15 as practicable conform to the current edition of the Alaska Traffic
16 Manual prepared by the Department of Transportation [HIGHWAYS].

17 * Sec. 40. AS 28.05.010 is amended to read:

18 Sec. 28.05.010. POWERS AND DUTIES OF COMMISSIONER OF TRANSPORTA-
19 TION [HIGHWAYS]. The commissioner of transportation [HIGHWAYS] has
20 the following powers and duties:

21 (1) to adopt and designate a uniform standard for the
22 manufacture, display, erection, and location of all signs, signals,
23 signboards, guideposts, and other traffic devices necessary to the
24 safe and orderly guidance of traffic;

25 (2) to erect and maintain upon the public highways such
26 signs and other devices he considers necessary;

27 (3) to designate main-traveled roads and highways as arterial
28 highways as appears to him necessary;

29 (4) to order a public road or highway, or portion of it,

1 closed entirely or closed as to certain classes of vehicles when for
2 any reason the use or continued use of it would cause damage or be
3 dangerous to traffic, or when it is being constructed, altered, repaired,
4 or maintained in such a manner as to require restriction of traffic;
5 when practicable, reasonable notice of an order closing or restrict-
6 ing a road or highway shall be given to the traveling public before
7 the order becomes effective.

8 * Sec. 41. AS 28.05.020 is amended to read:

9 Sec. 28.05.020. AUTHORITY OF COMMISSIONER OF TRANSPORTATION
10 [HIGHWAYS] TO ADOPT REGULATIONS. The commissioner of transportation
11 [HIGHWAYS] may adopt [RULES AND] regulations

12 (1) preventing the restriction, obstruction, or stoppage of
13 normal traffic upon any road or highway;

14 (2) prohibiting a person from committing a wilful or careless
15 act causing injury or damage to a road, highway, trail, or bridge;

16 (3) governing the size, weight, and load limits of all
17 vehicles operating upon public roads, highways, or bridges, including
18 the issuance or withholding of special permits for excessive sizes,
19 weights, and loads; limiting or prescribing conditions of operation of
20 vehicles when necessary to assure against undue damage to the road
21 foundations, surfaces, or structures; and prescribing fees for special
22 permits.

23 * Sec. 42. AS 28.05.025 is amended to read:

24 Sec. 28.05.025. AUTHORITY OF THE DEPARTMENT OF PUBLIC SAFETY
25 [COMMERCE] TO ADOPT REGULATIONS. The Department of Public Safety
26 [COMMERCE] is responsible for the operation of motor vehicle weighing
27 stations, and the enforcement of highway weight and load limitations.
28 The department shall adopt [RULES AND] regulations necessary for the
29 operation of motor vehicle weighing stations, and regulations necessary

1 to enforce weight and load limitations on state highways.

2 * Sec. 43. AS 28.05.050 is amended to read:

3 Sec. 28.05.050. DEPARTMENT OF PUBLIC SAFETY TO PUBLISH REGULATIONS
4 AND LAWS RELATING TO VEHICLES. The Department of Public Safety shall
5 publish in pamphlet form the [RULES AND] regulations adopted under
6 authority of secs. 10--50 of this chapter, traffic laws governing the
7 operation of motor vehicles, driver's licensing and motor vehicle
8 licensing and dealer laws, and accident reporting and safety responsi-
9 bility statutes. These [RULES,] regulations[,] and laws shall be
10 distributed free of charge to the motoring public through officers or
11 agencies designated for the purpose. The cost of producing the pamphlet
12 shall be jointly shared by the Department of Transportation [HIGHWAYS]
13 and the Department of Public Safety.

14 * Sec. 44. AS 30.05.010 is amended to read:

15 Sec. 30.05.010. SUBSIDIES TO FREIGHT CARRIERS. The Department
16 of Transportation [PUBLIC WORKS] may pay a sum of money not to exceed
17 \$30,000 a year to the owner or charterer of a vessel of American
18 registry who operates the vessel as a common carrier of freight and
19 mail to and from points the Department of Transportation [PUBLIC
20 WORKS] designates.

21 * Sec. 45. AS 30.05.020 is amended to read:

22 Sec. 30.05.020. PAYMENT OF SUBSIDIES. The subsidy shall be paid
23 in the installments the Department of Transportation [PUBLIC WORKS]
24 thinks proper, after proof is submitted that the conditions of the
25 contract or subsidy are fulfilled up to the time of payment. The
26 inability to touch at a point along the route designated by the Depart-
27 ment of Transportation [PUBLIC WORKS] due to a lack of proper docking
28 or harbor facilities or to stress of weather does not prevent the
29 owner or charterer from receiving the money otherwise earned, and is

1 not a cause for reducing the amount of the subsidy. If the subsidized
2 vessel is lost, wrecked, or damaged, the Department of Transportation
3 [PUBLIC WORKS] may permit the contractor to carry out the service
4 temporarily with another vessel or ship of American registry that
5 meets with its approval.

6 * Sec. 46. AS 30.05.030 is amended to read:

7 Sec. 30.05.030. TARIFF OF RATES. The owner or charterer of the
8 vessel awarded the subsidy must adopt and publish a tariff of freight
9 rates to be approved by the Department of Transportation [PUBLIC
10 WORKS]. The tariff must be reasonable, and it is unlawful for the
11 operator of the vessel to charge more than provided for in the tariff.
12 The tariff must be published before services are performed under the
13 subsidy.

14 * Sec. 47. AS 30.05.040 is amended to read:

15 Sec. 30.05.040. REPORT BY OWNER OR CHARTERER. It is a condition
16 in awarding of the subsidy that the contractor agrees to make a report
17 under oath, in form and manner designated by the Department of Trans-
18 portation [PUBLIC WORKS] at the end of each year, giving the following
19 information:

- 20 (1) tariff sheet of freight rates for the route covered;
21 (2) total tonnage carried;
22 (3) gross earning from freight and mail service rendered,
23 segregating the two amounts;
24 (4) a statement in detail of all expenses incurred and on
25 what account, the names and addresses of all persons employed, and the
26 gross earnings and gross expense of the route covered.

27 * Sec. 48. AS 30.07.020 is amended to read:

28 Sec. 30.07.020. REGULATIONS. The Department of Transportation
29 [COMMERCE] may adopt [PROMULGATE] regulations, not in conflict with

1 federal law or regulations, which establish standards for marine
2 communications in the state.

3 * Sec. 49. AS 30.15.010 is amended to read:

4 Sec. 30.15.010. STATE GRANTS FOR PORT FACILITIES CONSTRUCTION.
5 To the extent funds are appropriated by the legislature, or from the
6 proceeds from the sale of bonds, the state may make grants to munici-
7 palities to finance a portion of the cost of constructing local,
8 regional or state port facilities. The state shall participate only
9 in those projects approved by the governor on recommendation of the
10 commissioner of transportation and the commissioner of public works.

11 * Sec. 50. AS 39.25.120 is amended by adding a new paragraph to read:

12 (9) regional transportation directors of the Department of
13 Transportation.

14 * Sec. 51. AS 41.20.050 is amended to read:

15 Sec. 41.20.050. SELECTION OF SITES. The Department of Transpor-
16 tation [PUBLIC WORKS] and the Department of Natural Resources, jointly,
17 shall select sites of ten acres or less for their historic or scenic
18 value, or for recreation beaches along waterways, roadside rests for
19 travelers resting, camping, or parking, and determine what facilities
20 are necessary or desirable at these sites. Selection of the sites for
21 roadside rests and recreation beaches shall be based upon the flow of
22 traffic and distances to and between facilities otherwise provided.
23 Insofar as possible, sites shall be located on, or adjacent to, highway
24 rights-of-way and small boat waterways. The Department of Natural
25 Resources may acquire the sites jointly selected by grant, gift, pur-
26 chase, lease, dedication or prescription and hold them in the name of
27 the state.

28 * Sec. 52. AS 41.20.060 is amended to read:

29 Sec. 41.20.060. CONSTRUCTION AND MAINTENANCE OF FACILITIES. The
SCS CSHB 63

1 Department of Public Works may construct and the Department of Natural
2 Resources may maintain facilities at scenic sites, recreation beaches
3 or roadside rests as are determined to be necessary and desirable.
4 Facilities may include, but are not limited to, access roads, camp
5 facilities, including picnic tables, fire places, and toilets, camping
6 areas or other facilities that are considered necessary and desirable
7 for the convenience and benefit of travelers and small boat operators.

8 * Sec. 53. AS 41.20.080 is amended to read:

9 Sec. 41.20.080. SELECTION. The Department of Natural Resources,
10 in consultation with the Departments of Fish and Game and Transportation
11 [PUBLIC WORKS], shall designate a system of wilderness trails and
12 campsites throughout the state. Significant in the selection shall be
13 the scenic, historic, natural, or cultural qualities of the areas
14 through which the trails may pass. The Department of Natural Resources
15 may acquire the trail sites jointly selected by grant, gift, purchase,
16 lease, dedication or prescription and hold them in the name of the
17 state.

18 * Sec. 54. AS 41.20.110(a) is amended to read:

19 (a) The Department of Public Works may construct and the Depart-
20 ment of Natural Resources may maintain campsites throughout the wilderne
21 trails system. Campsites may include any type of shelter or camp
22 facility considered necessary and desirable for the benefit and
23 convenience of travelers.

24 * Sec. 55. AS 44.15.010(15) is amended to read:

25 (15) Department of Transportation [HIGHWAYS].

26 * Sec. 56. AS 44.19.360 is amended to read:

27 Sec. 44.19.360. COMPOSITION. The State Geographic Board consists
28 of the commissioner [DIRECTOR] of the Department of Community and
29 Regional Affairs, the curator of the state museum, the state historical

1 librarian, the commissioner of the Department of Transportation [HIGH-
2 WAYS], the commissioner of the Department of Natural Resources, the
3 commissioner of the Department of Education, the director of the divi-
4 sion of lands, and one other person appointed by the governor.

5 * Sec. 57. AS 44.19.820(3) is amended to read:

6 (3) the commissioner of transportation [HIGHWAYS] or his
7 representative;

8 * Sec. 58. AS 44.21.020 is amended by adding a new paragraph to read:

9 (12) maintain and operate state buildings.

10 * Sec. 59. AS 44.43.020 is repealed and re-enacted to read:

11 Sec. 44.43.020. GENERAL POWERS AND DUTIES OF DEPARTMENT. The
12 Department of Public Works shall design and construct all state build-
13 ings, highways, ferries, airports, ports, harbors, railroads, pipelines,
14 and similar facilities.

15 * Sec. 60. AS 44.57.010(a) is amended to read:

16 (a) There is created the Alaska Toll Bridge Authority composed
17 of the governor, the commissioner of the Department of Transportation
18 [HIGHWAYS], the commissioner of the Department of Administration, the
19 commissioner of the Department of Public Works, and the commissioner
20 of the Department of Revenue. The Alaska Toll Bridge Authority is a
21 public corporation of the state. The authority is an instrumentality
22 of the state within the Department of Transportation [HIGHWAYS], but
23 has a legal existence independent of and separate from the state. If
24 the office of a commissioner is discontinued or abolished by law, the
25 governor shall appoint any person or officer of the state to fill the
26 vacancy resulting from the abolition or discontinuance of the office.

27 * Sec. 62. AS 44.57.140 is amended to read:

28 Sec. 44.57.140. CONSTRUCTION OF TOLL BRIDGES. Whenever in the
29 judgment of the Department of Transportation [HIGHWAYS] it is considered

1 in the best interest of the public highways of the state that a new
2 toll bridge or bridges be constructed upon a public highway and across
3 a stream, body of water, gulch, navigable water, swamp or other topo-
4 graphical formation and operated by the state, the Department of
5 Transportation [HIGHWAYS] shall submit its recommendation to that
6 effect to the Alaska Toll Bridge Authority together with preliminary
7 estimates of the cost of construction and an estimate of the amount
8 necessary to be raised for that purpose by the issuance of revenue
9 bonds, and a statement of the probable amount of money, property,
10 materials or labor to be contributed from other sources in aid of the
11 construction. If the Alaska Toll Bridge Authority concurs in the
12 recommendation of the Department of Transportation [HIGHWAYS] or on
13 its own motion determines to construct a toll bridge or toll bridges,
14 the Alaska Toll Bridge Authority shall adopt a resolution declaring
15 that public interest and necessity require the construction of the
16 toll bridge or bridges, and may thereafter issue bonds therefor as
17 provided herein.

18 * Sec. 62. AS 44.57.150 is amended to read:

19 Sec. 44.57.150. AUTHORITY TO ACQUIRE RIGHT OF WAY IN CONSTRUCTING
20 A TOLL BRIDGE. Whenever the Alaska Toll Bridge Authority authorizes
21 the construction of a toll bridge, the Department of Transportation
22 [HIGHWAYS] is empowered to secure right of way therefor and for
23 approaches thereto by gift or purchase, or by condemnation in the
24 manner provided by law for the taking of private property for public
25 highway purposes.

26 * Sec. 63. AS 44.57.170(b) is amended to read:

27 (b) When it becomes necessary for the Department of Transportation
28 [HIGHWAYS] to condemn real estate to be used in connection with a toll
29 bridge, the attorney general of the state shall represent the depart-

1 ment. In eminent domain proceedings to acquire property for any of
2 the purposes of this chapter, a toll bridge, real property, personal
3 property, franchises, rights, easements or other property or privileges
4 appurtenant thereto appropriated or dedicated to a public use or
5 purpose by a person, firm, private, public or municipal corporation,
6 borough, city, district or political subdivision of the state, may be
7 condemned and taken, and the acquisition and use as herein provided
8 for the same public use or purpose to which the property has been so
9 appropriated, dedicated, or for any other public use or purpose, shall
10 be considered a superior and permanent right and necessity, and a more
11 necessary use and purpose than the public use or purpose to which the
12 property has already been appropriated or dedicated. It is not
13 necessary in an eminent domain proceeding under this chapter to plead
14 or prove any acts or proceedings preliminary or prior to the adoption
15 of the resolution hereinbefore referred to describing the property
16 sought to be taken and directing the proceedings.

17 * Sec. 64. AS 44.65.050(c) is amended to read:

18 (c) The Department of Natural Resources and the Department of
19 Transportation [PUBLIC WORKS] may enter into agreements under this
20 chapter for the acquisition of rights of way, construction, reconstruc-
21 tion, maintenance, repair or alteration of access roads serving public
22 airports.

23 * Sec. 65. The commissioner of transportation shall replace the commis-
24 sioner of highways on all boards and commissions not expressly dealt with
25 in this Act.

26 * Sec. 66. All litigation, hearings, investigations and other proceedings
27 pending under a law amended or repealed by this Act, or in connection with
28 functions transferred by this Act, continue in effect and may be continued
29 and completed notwithstanding a transfer or amendment or repeal provided

1 for in this Act. Certificates, orders, and regulations issued or adopted
2 under authority of a law amended or repealed by this Act remain in effect
3 for the term issued, until revoked, vacated, or otherwise modified under
4 the provisions of this Act. All contracts, rights, liabilities, and obliga-
5 tions created by or under a law amended or repealed by this Act, and in
6 effect on the effective date of this Act, remain in effect notwithstanding
7 the enactment of this Act. Records, equipment, and other property of
8 agencies of the state whose functions are transferred under this Act shall
9 be transferred commensurate with the provisions of this Act.

10 * Sec. 67. All other references to the Department of Highways and to
11 the commissioner of highways in the Alaska Statutes not expressly amended
12 by or referred to in this Act shall be read as the Department of Transporta-
13 tion and the commissioner of transportation, respectively, in order to
14 implement this Act. The revisor of statutes shall prepare instructions for
15 the publisher of the Alaska Statutes so that the transfers of and changes
16 in functions made by this Act are reflected throughout the text of the
17 Alaska Statutes.

18 * Sec. 68. During Fiscal Year 1977, all appropriation items made for
19 that fiscal year and prior years for the Department of Highways and the
20 Department of Public Works may, upon approval of the governor, be appro-
21 priately transferred to implement the purposes of this Act.

22 * Sec. 69. AS 35.10.200(3); AS 44.19.700 -- 44.19.714; AS 44.33.020(9);
23 and AS 44.44 are repealed.

24 * Sec. 70. This Act takes effect July 1, 1976.
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Original sponsor: Bowman, Swanson
and Kelley

Offered: 4/23/75
Referred: Rules

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IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 63 (Finance) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act creating the Department of Transportation;
and providing for an effective date."

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

* Section 1. FINDINGS AND PURPOSE. The legislature finds that the diverse transportation needs of the state would best be served by the creation of a single department for the planning, study, construction and operation of integrated, intermodal transportation systems. The purpose of this department is to evaluate, plan, design, construct, operate and maintain all state transportation modes and systems, relying on analysis of the relative advantages of different modes and systems and considering their social, economic, and environmental consequences.

* Sec. 2. AS 44 is amended by adding a new chapter to read:

CHAPTER 42. DEPARTMENT OF TRANSPORTATION.

Sec. 44.42.010. COMMISSIONER OF TRANSPORTATION. The principal executive officer of the Department of Transportation is the commissioner of transportation.

Sec. 44.42.020. POWERS. The department may

(1) plan all state modes of transportation and transportation facilities;

(2) study existing transportation modes and facilities in the state to determine how they might be improved or whether they should continue to be maintained;

(3) study alternative means of improving transportation in the state with regard to the economic costs of each alternative and

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1 its environmental and social effects;

2 (4) develop a comprehensive long-range, intermodal trans-
3 portation plan for the state;

4 (5) study alternatives to existing modes of transportation in
5 urban areas and develop plans to improve urban transportation;

6 (6) cooperate and coordinate with and enter into agreements
7 with federal, state and local government agencies and private organiza-
8 tions and persons in exercising its powers and duties;

9 (7) engage in experimental projects relating to available or
10 future modes of transportation, and any means of improving existing
11 transportation facilities and service;

12 (8) exercise the power of eminent domain; and

13 (9) adopt regulations under the Administrative Procedure Act
14 (AS 44.62) to implement, interpret, or make more specific its powers and
15 duties.

16 Sec. 44.42.030. DUTIES. The department shall:

17 (1) plan, construct, maintain and operate state transportation
18 facilities, including all state highways, marine transportation ships
19 and facilities, docks, breakwaters, airports and navigation facilities
20 except design and construction of buildings which is the responsibility
21 of the Department of Public Works;

22 (2) study alternative means of transportation in the state,
23 considering the economic, social and environmental impacts of each
24 alternative;

25 (3) coordinate and develop state and regional transportation
26 systems, considering deletions, additions and the absence of alterations
27 and

28 (4) develop facility program plans for transportation facili-
29 ties required to implement these duties including but not limited to (A)

1 first and life cycle cost budgets; (B) functional performance criteria;
2 and (c) schedules for completion.

3 Sec. 44.42.040. DEPARTMENTAL ORGANIZATION. The commissioner may,
4 with the approval of the governor, organize the department into those
5 divisions that can most efficiently perform the functions of the depart-
6 ment.

7 Sec. 44.42.050. STATE TRANSPORTATION PLAN. (a) The commissioner
8 shall develop and keep current by periodic revision, at intervals not
9 less frequent than five years, a comprehensive intermodal long-range
10 transportation plan for the state. The state plan shall consider means
11 and costs of improving existing modes and facilities, state subsidies,
12 and the costs and benefits of new transportation modes and facilities.

13 (b) In developing and revising the plan, the commissioner shall
14 seek public review and evaluation by any reasonable means and may

15 (1) consult and cooperate with officials and representatives
16 of the federal government, other governments, interstate commissions and
17 authorities, local agencies and authorities, interested corporations and
18 other organizations concerning problems affecting transportation in the
19 state; and

20 (2) request and receive from an agency or other unit of state
21 government or of a political subdivision of it, or from a public author-
22 ity, the assistance and data that may be necessary to enable the com-
23 missioner to carry out his responsibilities under this section.

24 (c) The commission shall submit copies of proposed policies and
25 plans annually to the legislature within 10 days after the legislature
26 convenes. The legislature may approve, reject or modify the policies
27 and plans by concurrent resolution. If the legislature fails to act
28 during the legislative session the policies and plans are approved.

29 (d) Copies of the plan, as revised, shall be kept on file as a

1 public document in the office of the commissioner and at each regional
2 or district office of the department.

3 Sec. 44.42.060. PUBLIC HEARINGS AND SURVEYS. (a) When a major
4 new state transportation facility or a significant extension or altera-
5 tion of an existing system or facility is proposed, the department shall
6 give notice of the proposal and of the opportunity to request a public
7 hearing to the governing body of an affected municipality and residents
8 of each affected community. The purpose of this notice is to provide
9 information to the governing body and those residents and provide an
10 opportunity for informed public review of a proposal from the earliest
11 time practicable.

12 (b) In giving notice under this section, the notice shall describe
13 the project, invite written comments regarding the proposal, inform that
14 all current and relevant information regarding the proposal will be made
15 available in at least one designated location within the affected com-
16 munity, and inform that basic information regarding the proposal will be
17 provided upon the request of any person. The notice shall also inform
18 that a public hearing will be held upon the written request of the
19 governing body of an affected municipality or of at least 20 interested
20 residents of the affected community.

21 (c) If the governing body of an affected municipality requests a
22 hearing, the hearing shall take place before that governing body.
23 Otherwise the public hearing may be held by the department at any con-
24 venient location. If a public hearing is held, the deadline for written
25 comment may be not earlier than 30 days following the hearing.

26 (d) At a public hearing the department shall describe the proposal,
27 identify the essential considerations in favor of it, and receive com-
28 ments and answer questions from any interested person. In addition, at
29 a hearing, to the extent they have been developed, the department shall

1 present its recommendations regarding the proposal, its costs and
2 benefits, its environmental and social effects, and the alternatives
3 which have been considered including the alternative of not constructing
4 a facility.

5 (e) The department shall conduct surveys of the residents of each
6 affected community to enable the residents to express opinions regarding
7 the proposal.

8 (f) Within 90 days following a hearing the department shall pre-
9 pare and mail to the governing body of an affected municipality and to
10 each known interested person a report which summarizes the oral testimony
11 and written comments received and the results of surveys and other
12 relevant data and which informs whether and to what extent the proposal
13 has been modified as a result of public comments, surveys and other
14 relevant data.

15 (g) This section does not apply to improvements or modifications
16 to existing facilities which do not significantly affect the environment
17 nor to actions and repairs which may be necessary to meet a disaster or
18 emergency which threatens human lives.

19 (h) For purposes of this section,

20 (1) "affected community" means a municipality or an unincor-
21 porated village of 25 or more persons which is directly served by an
22 existing facility, or where an existing facility is actually located or
23 in which a proposed facility would actually be located, or which would
24 be directly served by a proposed facility;

25 (2) "municipality" means a home rule or general law borough
26 or city including but not limited to a unified municipality organized
27 under AS 29.68.

28 (i) The commissioner may adopt regulations under the Administra-
29 tive Procedure Act (AS 44.62) to implement this section.

1 Sec. 44.42.070. GRANTS TO THE DEPARTMENT. The commissioner may
2 apply for and accept, on behalf of the state, grants from the federal
3 government or an agency of it or from another state, a foundation,
4 corporation, association or individual, for any of the functions or
5 purposes of the department, and may expend the money received under this
6 section for those functions or purposes.

7 Sec. 44.42.080. LIMITATION ON TRANSPORTATION FACILITIES. The
8 department shall consult with the appropriate officials of other depart-
9 ments regarding environmental risks and economic and social considera-
10 tions that may arise by reason of the location, design, construction or
11 reconstruction of a transportation facility.

12 * Sec. 3. (a) The Department of Transportation is vested with the duties
13 and powers formerly held by the Department of Public Works relating to
14 planning, construction, maintenance and operation of transportation facili-
15 ties, including state ferries, airports and water and harbor facilities
16 except for design and construction of buildings and appurtenant structures.

17 (b) The Department of Transportation is vested with the duties and
18 powers formerly held by the Department of Highways relating to planning,
19 construction, maintenance and operation of state transportation facilities
20 including state highways, roads, bridges, traffic signs and signals, the
21 supervision and maintenance of state automotive and mechanical equipment, the
22 control of outdoor advertising visible from state highways and all other
23 duties and powers of the Department of Highways.

24 * Sec. 4. The commissioner of transportation shall replace the commis-
25 sioner of highways on the State Geographic Board, the Alaska Toll Bridge
26 Authority, the Alaska Safety Council and all other boards and commissions.

27 * Sec. 5. AS 44.19.700 - 44.19.714 and AS 44.44.010 are repealed.

28 * Sec. 6. This Act takes effect July 1, 1975.
29

ALASKA STATE LEGISLATURE

NINTH Legislature . . . FIRST Session

HOUSE BILL NO. 63 . .

By BOWMAN SWANSON
AND KELLEY

"An Act creating the Department of Transportation, and providing for an effective date."

Creating Dept. of Transportation

Introduced in the House 1/24/, 19.75

HISTORY IN THE HOUSE

19 75	Read first time and referred to Committee on
Jan 24	State Affairs and Finance
Mar 7	Reported back with recommendation that <i>State Affairs report of CS Dept. to Finance</i>
Apr 23	<i>Finance report of CS (Fin) Dept. to House</i>
Apr 25	Read second time and <i>CS (Finance) adopted amended order</i>
Apr 25	Read third time and
Apr 25	PASS ^{ad} Yeas 25 Nays 8 Absent --- Excused 4
	Effective Date Yeas Nays <i>Pass</i> Absent Excused
	Reconsideration
	PASS Yeas Nays Absent Excused
	Effective Date Yeas Nays Absent Excused
Apr 25	Reported correctly engrossed
Apr 25	Signed by Speaker
Apr 26	Sent to Senate
	<i>Frank Rosten</i> CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 75	Read first time and referred to Committee on
4 26	<i>Commerce, Finance</i>
19 76	Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Yeas Nays Absent Excused
	Effective Date Yeas Nays Absent Excused
	Reconsideration
	PASS Yeas Nays Absent Excused
	Effective Date Yeas Nays Absent Excused
	Reported correctly engrossed
	Signed by President
	Returned to House
	SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Received from Senate
	Reported correctly enrolled
	Sent to Governor
	By Governor
	Filed with Lt. Governor
	Chapter No.

STATEMENT IN OPPOSITION TO A DEPARTMENT OF TRANSPORTATION
AS PROPOSED IN SENATE CS FOR CS FOR HB 63

Submitted To Senate Finance Committee 5/26/76

The Alaska Carriers Association has made a comprehensive study of state Departments of Transportation as proposed and as now functioning in various states. From this basis, and from a careful study of HB 63 in its present form, we find it contrary to the public interest and feel that its passage would be in no way beneficial to the orderly development of Alaska's transportation facilities and functions.

Our main objection is to the unwieldy structure of one department (Transportation) doing the planning and operating and another department (Public Works) doing the designing and constructing. One of the chief complaints in the past has been lack of coordination and communication between departments. This would be a built-in problem between departments in HB 63.

There is no state DOT in the nation that has the complex structure as proposed here. The Federal DOT has expressed reservations as to its workability.

One of the recognized national authorities on highway management procedures, Mr. James Granum, has said of this Alaska DOT proposal, "The inter-relations between planning, financing, contracting, construction, payment and audit are so complex that such divided responsibilities are almost inconceivable." (See memo attached)

Our other objections to the bill include the following:

1. The charges of lack of communication and coordination between departments, and the charges of overstaffing in departments, cannot be corrected by putting a super structure on top of the present one. This is the responsibility of the governor and his department heads. It can be corrected without this major change.

2. There has been no competent management study made of the various departments involved as to manpower, procedures, and efficiency. Before creating an experimental department such a study should be authorized and completed.
3. Environmental provisions in the bill may be in conflict with established procedures in Federal Highway and environmental requirements. Adding further provisions and requirements to present regulations creates delay and confusion in attempts to build or improve any transportation facility.
4. This proposal weakens legislative authority and places more power in the hands of the governor through his approval or disapproval of all transportation proposals and through his appointees. We believe the legislature is far more responsive to public needs and should retain as much control as possible.
5. A "no-growth" concept for the state is inherent in the built-in provisions of HB 63 if the governor or DOT director wishes to follow this philosophy. This is through total control of planning and projects. Transportation could be preferentially slanted toward a single mode, whether air, water, or highway if a governor should so desire.
6. Specific provisions of the measure appear to create conflict with present laws as well as create dual authority with other government agencies such as Department of Natural Resources and Division of Lands Management. The bill creates a need for more and not less interdepartmental communication and coordination. This creates more, and not less, bureaucracy and empire-building.

7. No adequate financial impact has been determined since the many revisions to the proposal. We join with the Associated General Contractors and other organizations in opposing HB 63 in its present form. We do not oppose the concept of a state DOT, and pledge the efforts of our Association in support of a meaningful and competent study of ways to improve and develop Alaska's transportation network and facilities. However, HB 63 in its present form is not the answer.

ALASKA CARRIERS ASSOCIATION, INC.

BY L. V. Venable, Acting General Manager

LWV/ld

HIGHWAY USERS FEDERATION FOR SAFETY AND MOBILITY

INTER-OFFICE MEMORANDUM

Date March 9, 1976

To Larry Venable
From James O. Granum
Subject Alaska DOT

Per your telephone request, enclosed is information regarding other state DOT's. Note my letter of February 9, 1976 to Harold Gainer which describes the enclosures except for the one entitled "ACIR State Legislative Program." This was issued subsequent to the ACIR report "Toward More Balanced Transportation."

I think you will note that none of these provide for construction activities to be carried on by a department other than a DOT. I have checked our California files regarding new legislation establishing the California DOT, and find that functions of the old Department of Public Works relating to transportation have been folded into the California DOT which, however, remains in the Business and Transportation Agency, headed by the Governor's cabinet level Secretary. While we have not tried to keep track of current organizational developments in California, I do not believe that there has been any change in the basic responsibilities.

I cannot conceive of separate DPW handling construction of highways (along with everything else) whenever Federal aid is involved. The inter-relations between planning, financing, contracting, construction, payment and audit are so complex that such divided responsibilities are almost inconceivable. Perhaps your FHWA Division Engineer could elaborate. Good luck.

JOG:ac

cc: Owen Allen



FINANCE COMMITTEE SUBSTITUTE FOR SENATE CS FOR CS FOR HOUSE BILL 63

1. Page 4, delete (d), lines 27, 28, and 29.

2. Page 8, delete (h), lines 9 - 18 and replace with the following:

(h) Affected communities may exclude themselves, withdraw from, or reject the proposal providing that, within sixty days after the receipt of the documents described in (g) of this section, a majority of the affected communities which will be directly served by the proposal, vote to exclude themselves, withdraw from, or reject the proposed new transportation system or facility or the extension or alteration of an existing transportation facility by: a resolution, adopted by a majority of all the members of the governing body of each community, submitting the exclusion from, withdrawal from, or rejection of the proposal to the electorate of each affected community at the next general election, which is adopted by a majority of qualified voters voting on the question.

3. Page 21, delete (3), lines 16 - 22.

Page 21, delete Sec. 42, lines 24 - 29.

Page 22, delete lines 1.

Page 21, add new Sec. 42 as follows:

(7) the operation of motor vehicle weighing stations and the enforcement of size, weight, and load limitations, including the issuance or withholding of special permits and prescribing fees for special permits, based upon directives of the Department of Transportation for limiting or prescribing conditions of operation of vehicles when necessary to assure against undue damage to the road foundations, surfaces, or structures.

4. Page 26, lines 5 - 7, delete all materials and renumber remaining bill sections. (See next amendment for repeal of Alaska Safety Council. (AS 28 interim committee and Lt. Governor agree that 'council' is non-existent and that virtually all its duties are handled by Public Safety's traffic bureau.)

5. Page 29, lines 22 - 23, add AS 19.10.060(2) and AS 44.19.800 - 44.19.850.

6. Page 29, line 24, change effective date to November 1, 1976.

The Commerce Committee has had COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 63 (Finance) amended (creating the Department of Transportation) under consideration and a majority of the committee recommends it be replaced with SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 63, entitled:

CS
HB
63
(Fin)
am

"An Act relating to the organization of transportation related functions; creating the Department of Transportation; and providing for an effective date."

and that the Senate committee substitute do pass with the following amendment:

646

SENATE JOURNAL

March 26, 1976

CS
13
63
(Fin)
am

Page 8, line 3: Delete "and to each"

line 4: Delete "person known to be interested"

line 13: Delete "either"

lines 14 - 18: Delete in entirety and insert following:

(1) a resolution adopted by a majority of all the members of the governing body submitting the recommended facility to the electorate of the affected community at the next general election adopted by a majority of the qualified voters voting on the question.

line 22: After "lives" delete the period and insert "as determined by the commissioner."

Page 10, line 1: After "AS 35.10.090 delete "-" and insert "through"

Page 10, lines 23-24: Restore original language shown in brackets.

The report was signed by Senator Kerttula, Chairman, and concurred in by Senators Colletta and Bradley. Senator Willis signed "do not pass this version of DOT." Senator Ziegler signed "don't pass any version of DOT."

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 63 (Finance) amended was referred to the Finance Committee.

INTRODUCTION AND REFERENCE OF SENATE RESOLUTIONS

SJR 53 SENATE JOINT RESOLUTION NO. 53 by the Judiciary Committee,

Commending the United States Coast Guard,

was read the first time and referred to the Resources Committee.

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C - JUNEAU 99811

March 16, 1976

HB63

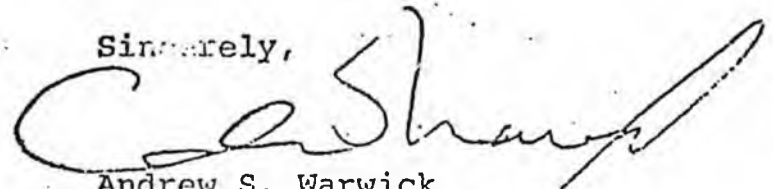
Honorable Jalmar M. Kerttula
Chairman, Senate Commerce Committee
Alaska State Legislature
Pouch V - State Capitol
Juneau, Alaska 99811

Dear Senator Kerttula:

Please find attached the fiscal note for Senate Committee Substitute for Committee Substitute for House Bill 63 which creates a Department of Transportation. This fiscal note was prepared by the Department of Administration in cooperation with the Departments of Public Works and Highways.

Please do not hesitate to call if I can be of any further assistance in this matter.

Sincerely,



Andrew S. Warwick
Commissioner

ASW/mjc
Attachment

3-18-76

I. REQUEST

Bill No. SCS CS HB 63
 Title: Department of Transportation
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Administration Program: Budget & Management

II. FISCAL DETAIL

All Transportation BRU's plus seven General

Budget Request Unit(s) Affected: Government BRU's

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	/	0 / 0	0 / 0	0 / 0	0 / 0	0 /
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Analysis on separate attachment.

IV. ATTACHMENTS

V. DATE: 3/15/81 PREPARED BY: *Ch. Shaw*
 COMMISSIONER OF ADMINISTRATION

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor: (First Legislator Named)

III. ANALYSIS

The fiscal detail indicated above is based on an incremental analysis for administration, maintenance and operation, planning, design, and construction activities but does not attempt to net out any costs associated with possible delays in these activities that might occur due to reorganization and employee resistance. It seems probable that some difficulties will occur due to unclear delineation of responsibility, altered SOP's, and employee resistance to change. The most probabilistic occurrence would be sporadic delays in construction of transportation projects. This fiscal note provides for all activities in the existing Department of Public Works and the Department of Highways except for the building maintenance function in the Division of Buildings.

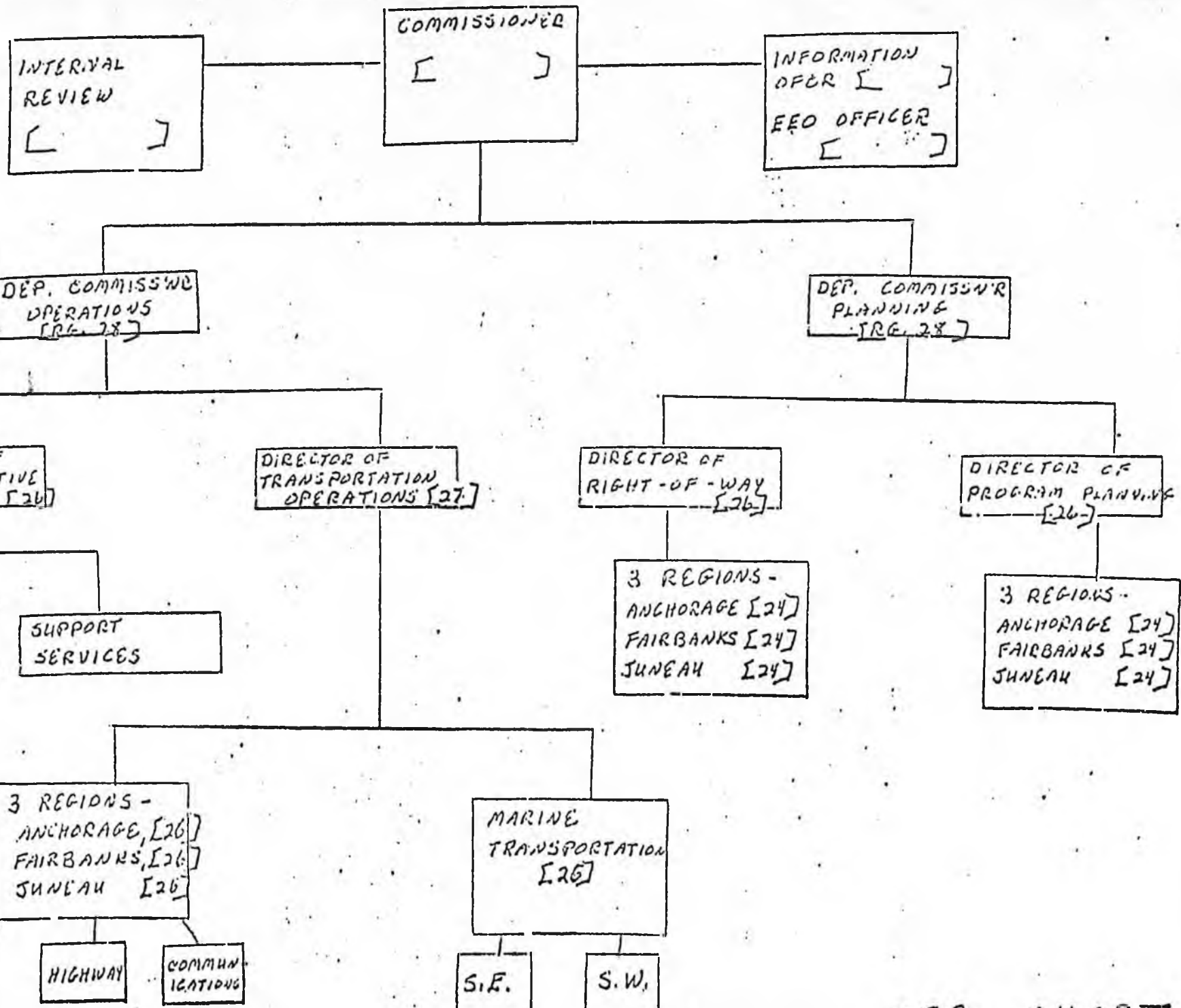
It is assumed that establishment of a Department of Transportation would result in better transportation planning and hence, a more efficient use of State resources (funds) for transportation purposes. Long-term savings should be expected to accrue due to commitment of funds to an optimal transportation mode for a given situation (heretofore unheard of) and a life cycle cost methodology that would lower maintenance and operations costs as well as user costs and costs associated with degradation of the quality of life. The concept of division of responsibilities -- DOT with planning, maintenance, and operation with Department of Public Works having design and construction -- provides a system of checks and balances that will not only insure a closer adherence to the various published transportation construction programs but should also abolish the proverbial buck-passing that occurs when a facility fails. Although it appears certain that these effects will result in substantial long-term savings, there is insufficient experience with the proposal to make it possible to quantitatively estimate the value of these benefits.

Several substantial assumptions were made in the above fiscal detail:

1. That work loads will not change appreciably for either the budgeted administrative, maintenance and operations personnel or for the non-budgeted capital improvement positions. This assumption is necessary in order to make comparisons between the existing and proposed organizations.
2. That without increased work loads, the only increases in number of positions that could be justified would be for new duties, increased emphasis on certain duties, or alleged duplication of effort caused by the split Department of Transportation concept. Since it appears clear that the intent of this bill is to enhance the planning effort in the transportation sector, it would be logical to expect some increase in positions in this area. However, since there are already approximately two hundred existing positions in the two departments that can be identified within the broad area of transportation planning, it seems unreasonable to expect increases in the number of positions for this purpose. There will have to be an increased number of positions for the internal audit function for both departments. However, this number is relatively small and can probably be supported by reclassifying some existing operating positions whose function or responsibility has been deleted by the reorganization. The only other increases that appear warranted are

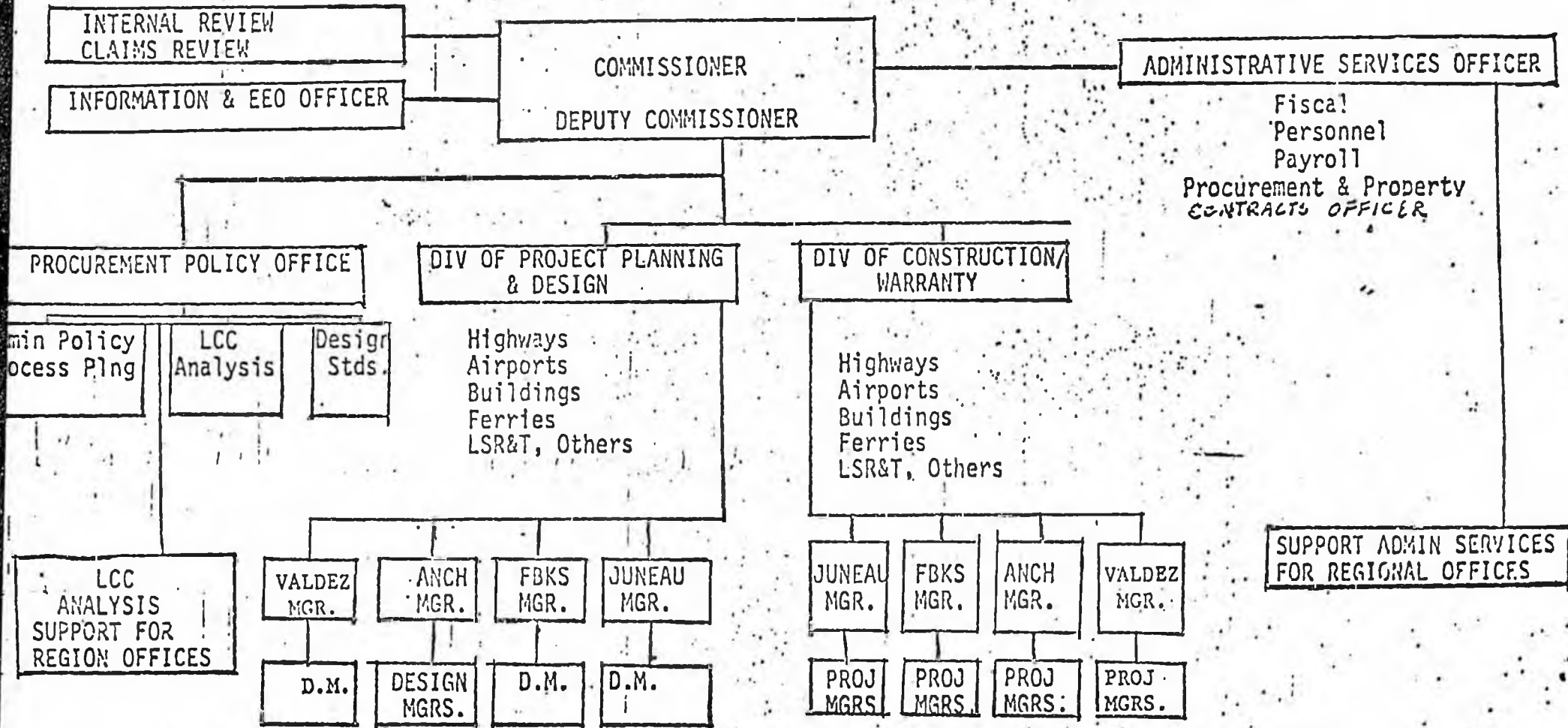
also small: a few addition CIP positions will probably be needed in design review and in planning coordination between the two departments. However, with the substantial number of CIP positions that are either sporadically unfilled or constantly vacant, it would appear that the latter small increase in staffing requirements could be handled without establishing additional new positions.

3. That reclassification of positions that are either transferred to new sections or given new duties will not require additional State funds — that is, that costs incurred due to upward reclassifications will equal savings resulting from downward reclassifications.
4. That net effect of various PCN transfers will be zero. Although a few individual positions will inevitably be transferred to new locations it is felt that positions with similar duties and pay ranges will be available, either as transferred positions from another location or existing positions, so that the actual number of employees that will have to physically change duty stations will be negligible. Hence, no funds have been requested to pay employee relocation expense.
5. That no additional administration and support positions will be necessary with the transfer of the Building Maintenance BRU to the Department of Administration.



D.O.T. ORG. CHART

DEPARTMENT OF PUBLIC WORKS
ORGANIZATIONAL CHART



FINANCE COMMITTEE SUBSTITUTE FOR SENATE CS FOR CS FOR HOUSE BILL 63

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SJR SENATE JOINT RESOLUTION NO. 53 by the Judiciary Committee,
53

Commending the United States Coast Guard,

was read the first time and referred to the Resources Committee.

FILE D.O.T.

Senator Bill Ray, Chairman
Senate Finance Committee

Dear Senator:

The President of the Associated General Contractors has asked me to deliver to you a typed speech that he made regarding SCS H.B. 63.

The Associated General Contractors are very much opposed to this bill in its present form. I think the statement will speak for itself.

Sincerely,

Mark

Mark Jensen

MY NAME IS E. W. "PETE" CASPER, I AM A RESIDENT OF ANCHORAGE AND I AM A VICE PRESIDENT AND ALASKA MANAGER FOR GREEN CONSTRUCTION COMPANY. - HOWEVER, I AM HERE TODAY REPRESENTING THE ALASKA CHAPTER OF THE ASSOCIATED GENERAL CONTRACTORS OF WHICH I AM THE CURRENT PRESIDENT, IN RESPECT TO OUR POSITION ON SENATE COMMITTEE SUBSTITUTE FOR H.B. 63.

I AM SPEAKING FOR A MAJORITY OF OUR MEMBERS.. THE INDIVIDUAL CONTRACTORS WHO HAVE AN OPPOSITE VIEW WILL APPEAR THEMSELVES, OR CONTACT YOU BY LETTER.

TWO WEEKS AGO YESTERDAY AT A SPECIAL BOARD OF DIRECTOR'S MEETING, OUR ASSOCIATION ADOPTED A MOTION WHICH SIMPLY STATES THAT "THE ALASKA AGC IS OPPOSED TO THE DEPARTMENT OF TRANSPORTATION BILL AS WRITTEN."

WE ARE NOT OPPOSED TO A DEPARTMENT OF TRANSPORTATION BILL PER SE. APPROXIMATELY 1/2 OF THE STATES NOW HAVE A D.O.T. WHICH IN ALMOST EVERY CASE HAS MERGED THE HIGHWAY, AVIATION AND MASS TRANSIT ACTIVITIES INTO ONE DEPARTMENT. MOST OF US HAVE LONG FELT THAT SOME FORM OF CONSOLIDATION IS IN ORDER, MOST PARTICULARLY BETWEEN HIGHWAYS AND AVIATION, WHERE ENGINEERING DISCIPLINES AND MAINTENANCE OPERATIONS ARE VERY SIMILAR.

OUR OPPOSITION TO THE BILL IS BASED UPON OUR OPINION THAT IT CONTAINS FEATURES THAT WILL MAKE OPERATION OF THE HIGHWAY PROGRAM SO CUMBERSOME THAT IT WILL BE ALMOST IMPOSSIBLE TO CARRY ON A CONSTRUCTIVE PROGRAM OF DEVELOPING ALASKA'S TRANSPORTATION FACILITIES - FACILITIES

WHICH ALASKA WITH ITS VAST AREA SORELY NEEDS.

THERE ARE TWO FEATURES OF THE BILL THAT ARE BOTHERSOME TO US: ONE, THE COMPLEX LAYERS OF ADVISORY BOARDS, AND SECOND, THE SEPARATION OF THE DESIGN AND CONSTRUCT FUNCTIONS TO THE PUBLIC WORKS DEPARTMENT.

COSTS OF ROAD AND AIRPORT BUILDING IS EXPENSIVE IN ALASKA. FOR THIS REASON THE NUMBER OF MILES OF NEW ROADS OR OF AIRPORTS CONSTRUCTED EACH YEAR IS GOING TO BE RELATIVELY SMALL. IT SHOULD NOT CALL FOR BIG ADVISORY BOARDS THROUGHOUT THE STATE TO GAIN ALASKA PUBLIC INPUT. THE CURRENT REQUIREMENTS FOR PUBLIC HEARINGS AND IMPACT STATEMENTS IS MORE THAN ENOUGH TO COVER THIS ASPECT. A COMPLEX PATTERN OF REGIONAL ADVISORY BOARDS DEVELOPED AT THIS TIME WILL CAUSE FRICTION, CHAOS AND DEVELOP NOTHING BUT DIALOGUE AND MORE DIALOGUE - WHILE THE PER DIEM EXPENSE GOES ON AND ON, COUPLED WITH THE LACK OF "GO AHEAD" DECISIONS AND PLANNING.

BECAUSE ALASKA IS VERY MUCH A WILDERNESS AREA, OVER-ALL TRANSPORTATION IS VITAL TO ITS GROWTH. HOWEVER, THE DECISION SHOULD COME FROM THE LEGISLATORS REPRESENTING THE WISHES OF THE PEOPLE IN THAT PARTICULAR AREA, WHETHER IT BE AN AIRPORT OR A ROAD. SCS-HB 63 GIVES THE DIRECTOR OF TRANSPORTATION AND THE GOVERNOR SUPER POWER OVER THE WISHES AND MANDATES OF THE LEGISLATORS. WE FEEL A BETTER APPROACH WOULD BE A SECTION 26-TYPE OF A TRANSPORTATION COMMISSION OR A TRANSPORTATION COMMITTEE, MADE UP OF AREA REPRESENTATION BY LEGISLATORS WHO COULD HELP PROGRAM THE FIVE-YEAR DEVELOPMENT PLAN. IF THIS WERE DONE IN COOPERATION WITH THE PROFESSIONAL

ENGINEERS, PLUS PEOPLE IN THE GOVERNOR'S OFFICE, IT COULD PROBABLY CUT DOWN MUCH FRICTION THAT MIGHT DEVELOP OTHERWISE.

THE SEPARATION OF THE DESIGN AND CONSTRUCTION FUNCTIONS TO DIFFERENT DEPARTMENTS IS OF EVEN MORE CONCERN TO OUR INDUSTRY. BECAUSE SO MUCH OF OUR HIGHWAY AND AIRPORT PROGRAM IS INVOLVED IN FEDERAL MONIES, WE THINK THAT ANY NEW PROGRAM SHOULD BE THOROUGHLY SCRUTINIZED BY THE RESPONSIBLE FEDERAL PEOPLE. THE STATE AND FEDERAL INTER-RELATIONSHIP BETWEEN PLANNING, FINANCING, DESIGNING, CONTRACTING, CONSTRUCTION, PAYMENT, AND AUDIT ARE THE BACKBONE OF THE FEDERAL DOLLARS THAT MAKE UP THE ALASKA HIGHWAY AND AVIATION YEARLY PROGRAMS.

WE HAVE YET TO FIND ANY STATE OR FEDERAL OFFICIAL WHO HAS BEEN ABLE TO SATISFACTORILY EXPLAIN TO US HOW THE MECHANICS OF THIS INTER-RELATIONSHIP IS GOING TO WORK WITH TWO OF THE MOST IMPORTANT FUNCTIONS OF OPERATION BEING PASSED ON TO A 3RD PARTY. IT CAN ONLY ADD ANOTHER LAYER OF BUREAUCRACY WHICH WILL CAUSE GREATER DELAYS IN ARRIVING AT DECISIONS AND IN THE SOLUTION OF UNEXPECTED PROBLEMS, AND, IN ALL PROBABILITY, WILL LEAD TO GREATER INTER-AGENCY FRICTION.

THIS WILL WORK TO A DETRIMENT TO US, THE CONTRACTOR, AND LIKEWISE TO THE GENERAL PUBLIC AS PROJECTS ARE DELAYED, CONSTRUCTION DETOURS ARE PROLONGED AND COSTS ARE ESCALATED.

A FURTHER POTENTIAL PROBLEM IS THE POSSIBILITY THAT THE EXISTING BILL MAY NOT BE DEEMED LEGAL UNDER TITLE 23, SECTION 302(A) OF THE

U.S. CODE WHICH STATES: "ANY STATE DESIRING TO AVAIL ITSELF OF THE PROVISIONS OF THIS TITLE SHALL HAVE A STATE HIGHWAY DEPARTMENT WHICH SHALL HAVE ADEQUATE POWERS AND BE SUITABLY EQUIPPED AND ORGANIZED TO DISCHARGE TO THE SATISFACTION OF THE SECRETARY THE DUTIES REQUIRED BY THIS TITLE."

WE WOULD LIKE TO POINT OUT THAT NO OTHER STATE DEPARTMENT OF TRANSPORTATION OR STATE HIGHWAY DEPARTMENT SEPARATES ANY OF ITS HIGHWAY FUNCTIONS. THIS FACT TENDS TO DEMONSTRATE THAT THERE CANNOT BE ANY GREAT FAULT WITH THIS SYSTEM.

TO US, IT SEEMS TOO BIG A RISK FOR ALASKA, WHICH IS FAR MORE DEPENDENT ON FEDERAL AID THAN ANY OTHER STATE, TO PIONEER SUCH A RADICAL DEPARTURE FROM PROVEN PROCEDURE, A DEPARTURE THAT COULD PUT THE FEDERAL MATCHING FUNDS IN JEOPARDY.

WE WOULD LIKE TO POINT OUT THAT GOVERNOR EGAN IN 1961 BY EXECUTIVE ORDER MOVED THE THEN DIVISION OF HIGHWAYS FROM THE DEPARTMENT OF PUBLIC WORKS TO A FULL DEPARTMENT STATUS FOR THE PURPOSE OF IMPROVING THE FLOW OF COMMUNICATION BETWEEN THE DEPARTMENT AND FEDERAL BUREAU OF PUBLIC ROADS.

THOSE OF US WHO HAVE WITNESSED THE GROWTH OF THE DEPARTMENT OF HIGHWAYS AND THE DIVISION OF AVIATION WILL REMEMBER THE CONFUSION AND CHAOS THAT EXISTED IN THE EARLY AND MID '60s.

SINCE THEN, THE DEPARTMENTS HAVE BEEN ABLE TO ATTRACT MANY QUALIFIED PROFESSIONAL ENGINEERS, AND AT THIS POINT IN TIME, THE DEPARTMENTS ARE CONSIDERED BY CONTRACTORS AS BEING AMONG THE MOST STABLE CONTRACTING AGENCIES.

COMMENTS HAVE BEEN MADE THAT ENGINEERING AND DESIGN COSTS ARE TOO HIGH ON SOME PROJECTS. THIS COULD WELL BE AND WE WOULD RECOMMEND SOME OF THE OVERHEAD BE CUT BY CONTRACTING OUT PEAK LOADS OF ENGINEERING TO PRIVATE FIRMS.

WE BELIEVE THAT NO BILL IS BETTER THAN THE CURRENT BILL AND THAT A GOOD COMMISSIONER CAN STREAMLINE THE DEPARTMENT AND MAKE IT MORE RESPONSIVE TO THE LEGISLATURE AND THE PUBLIC. IT IS A FACT THAT QUALITY LEADERSHIP IS THE ANSWER TO AN EFFICIENT OPERATION, BE IT IN GOVERNMENT OR THE PRIVATE SECTOR.

ON BEHALF OF THE ALASKA AGC, I WISH TO EXPRESS OUR APPRECIATION FOR THE OPPORTUNITY TO PRESENT OUR OPINION TO THE COMMITTEE.

May 17, 1976

Mr. Larry V. Venable
Acting General Manager
Alaska Carriers Association, Inc.
3443 Minnesota Drive
Anchorage, Alaska 99503

Dear Mr. Venable:

Never have I agreed to pass CSHB 63, the state DOT bill, out of committee in exchange for anything, let alone certain road benefits for Juneau. The newscaster, or his informant, was in serious error if that is what he reported.

When and if the Senate Finance Committee does consider the DOT bill, we will inform you so that you may be present, or send a representative, to testify.

Thank you very much for your interest.

Sincerely,

Alaska Carriers Association, Inc.

3443 MINNESOTA DRIVE
ANCHORAGE, ALASKA 99503

TELEPHONE (907) 272-0568

May 12, 1976

REFER TO FILE:

The Honorable William Ray, Chairman
Senate Finance Committee
State Capitol
Juneau, Alaska 99811

Dear Senator Ray:

A newscast this morning from Juneau was reported as stating that you had agreed to pass CS for HB 63, the State DOT bill out of your committee in exchange for certain road benefits in Juneau. At this time it is hearsay only but we do repeat our request to you and your committee that we be given an opportunity to appear before you prior to any action by the Senate Finance Committee.

The Alaska Carriers Association has many reasons for opposing the creation of a State Department of Transportation as proposed in CS for HB 63. By previous letter we have requested that our association, along with the other opponents to the bill, be permitted to testify before your committee on this measure. In our previous letter we outlined some of our objections and the dangers to the state's transportation programs if a Department were to be created as CS for HB 63 calls for.

We will not duplicate all our objections here but refer you to that letter and to our testimony before Senate Commerce Committee. This was based on expert appraisal of the bill and experiences of state DOT's and proposals for same in other states.

Our objections, and those of other opponents, are valid and involve major issues, such as the weakening of legislative control and strengthening of executive power in transportation matters. Imposing a super-agency structure on top of present departments that are allegedly over-staffed is not in the best interests of the state.

The "no growth" aspects of the environmental provisions written in to the bill, and the doubts expressed by federal agencies and highway management consultants as to the problems inherent in the proposed structure are also of concern.

We do appreciate the pressures on you and your committee in these closing days of the session but urge nevertheless that hearings be given to this measure and that we and other opponents be notified in advance and can be given a fair hearing.

Sincerely,



Alaska Carriers Association, Inc.
BY L. V. Venable, Acting General Manager

cc: All Members of Senate Finance Committee

IF YOU'VE GOT IT, IT CAME BY TRUCK

Bill, I don't know if you have seen the enclosed correspondence or not, but I feel it should receive wide distribution in the Legislature prior to any action on the D.C.T. bill. The letter from Norbert T. Tieman, Federal Highway Administrator, Washington D.C., to Governor Hammond and the testimony given by Gene Hanna, Division Administrator, FHWA Juneau, to Deputy Commissioner Holden and Mr. Freston, Assistant Attorney General, address Senate Bill #548. However, their statements are pertinent to Senate CS for CS for House Bill #63, the current rendition of the D.O.T.

The Federal administrators are hesitant to come right out and state that the proposed legislation is in violation of Title 23 as they are acting on the advice of their attorneys not to become involved in, or dictate to the State its internal affairs. However, if you read between the lines, it is very clearly spelled out that the separation of the design and construction functions from the maintenance, operations and planning functions of what is considered a viable highway agency is not acceptable to the FHWA and they are reserving their final opinion.

Should the D.O.T. become a reality as it is now proposed and the FHWA determines its organization is unacceptable, their only recourse under the law is to withhold Federal Aid funds for Highway and Ferry construction. At present, this figure sits at around some one hundred million dollars annually. I don't think that jeopardizing these funds is in the best interest of the State or our people, particularly just to promote a political plum.

When the concept of a D.O.T. to unify all modes of transportation in the State under one department was first introduced, I couldn't have been more in agreement. This seemed to be a very practical and efficient idea. But now this idea has evolved into a popularity contest at the Cabinet level with the "good guys" getting the biggest and best portion of the pie and to hell with efficiency and the taxpayer's dollar.

The D.O.T. bill now under consideration would only serve to confuse and lengthen the bureaucratic process. Employees in both the D.C.T. and DFW would become reviewers of reviewers as the paperwork is shuffled between the two departments, not to mention FHWA's all encompassing role in the administration of our Federal Aid dollars.

Another disturbing facet of the D.O.T. bill is DFW's professed desire to utilize consultant firms for design and construction activities, with the ultimate savings of 850 State jobs. While this is possible, I seriously question the economics. In the past, consultant firms have been utilized for highway construction with disastrous results. The Parks Highway is a good example. Normally productive State employees spend their time monitoring and reviewing consultant activities with no apparent savings in either time or money. In addition, there are not enough Alaska based consultant firms to take on the responsibility of our highway construction program. The obvious answer is that "South 48" firms would be enlisted and the cash flow would be directed out of the State, placing a further drain on our economy. It should be remembered that consultants in anything are not cheap. It costs X dollars to perform a service. Private industry naturally is profit motivated and the margin of profit is

automatically added on top of X dollars required to perform the service or supply the goods. My point is that unless profit sharing is instituted into the ranks, design and construction activities are best left to responsible State employees as opposed to the utilization of private consultants.

Another disturbing and completely personal concern is that it is rumored that should the D.O.T. bill pass, there will be a "blood-letting" at the director level in the Highway Department. I, fortunately, am not in jeopardy but I am concerned as these people represent a multitude of highway experience in Alaska and the wasting of this talent is inexcusable. The rumor incidentally is not hearsay but came from the Kangaroo's mouth.

For obvious reasons, this will remain unsigned as my kids have acquired the habit of eating regularly, but I and almost all of the other employees of Highways and DFI appreciate your assistance in overcoming this legislation.

CS FOR SENATE BILL No. 548

DOT LEGISLATION

General Comments:

1. The FHWA Division office is in the position to offer comments based on experience and personal opinion. Final approval authority, however, has been reserved by the Administrator per his letter to Governor Hammond dated February 5, 1976. A complete package of the DOT legislation, organizational charts of DOT and DPW, implementing regulations, and other pertinent data should accompany the request for approval. Submission should be through the Division office.
2. The organizational structure of the DOT is left to the Commissioner with the approval of the Governor (Sec. 44.42.050). The unique proposal to delegate design and construction functions of highways to DPW makes it most difficult to comment on the organizational charts proposed. Some of the concerns of the FHWA Division office regarding the final organization are:
 - a. Final decisions and authorities regarding design and construction functions for highways are reserved within DOT per the Administrator's letter.
 - b. Duplication of preliminary engineering functions and personnel should be held to a minimum. Unlike construction engineering costs which are limited to a maximum of 15 percent of the overall construction costs of the project (23 U.S.C. 121(d)), no such limitation exists for preliminary engineering studies. A policy statement on the extent of the intended use of consultants would also apply to this

area of concern.

c. Adequate staffing and expertise must be retained within DOT to perform the planning, design, and maintenance functions assigned.

3. The reorganization required under the proposed legislation will have significant and lasting impacts on the administration and operation of the highway program in Alaska. Serious study should be given to the manner and means of the proposed reorganization as it impacts on the highway program. The on-going procedures of the highway department, developed over the years, will require in-depth revisions in many areas--for instance, the Action Plan. During the formative years of the Department of Highways (1961-67), the BPR-FHWA Alaska office was afforded Regional status with a permanent staff of about 45-48 persons representing all disciplines needed for the administration of the programs. These were fully utilized in providing in-depth assistance to the State. These disciplines and staffing were reduced as the highway department gained in experience, staffing levels, and permanent organizational structures. The FHWA Division office staff now numbers 21. Although the FHWA stands ready to assist, it no longer has the capabilities to again become involved in the day-to-day operations of the highway program. Accordingly, we will require an organization and implementing regulations that allow FHWA to deal exclusively with DOT in the administration of the highway program.
4. From our own administrative viewpoint, the FHWA Division office does not endorse the concept proposed by Senate Bill No. 548 that delegates the duties for design and construction to DPW.

Specific Comments

1. Since the Administrator's letter requires final decision and authority to be reserved exclusively with DOT in matters relating to the Federal-aid highway program, we would expect that the contracting authority for this program would remain in DOT.
2. Regarding consultants, the use of consultants on Federal-aid highway projects would require FHWA approval on a project-by-project basis. We would expect the responsibility and authority to be retained in DOT.
3. The revised wording "final design" in lieu of "design" regarding the delegation of duties to DPW is a significant change from the legislation reviewed and commented on by the Administrator. We find this change, and the definition of final design, "all design requested by DOT after holding design hearings and receiving public input," desirable from FHWA's administration of the highway program. This allows FHWA to deal exclusively with DOT in the formative stages of project development.
4. In line with the retention of preliminary design function in DOT, we would expect that the major materials function would also remain in DOT with sufficient materials staffing in DPW to provide the necessary materials controls during the construction of projects.
5. The public hearing requirements outlined in Sec. 44.42.070 do not comply fully with FHWA requirements for highway projects. The conflict applies

to when the State shall hold a hearing. The number of persons impacted normally has no bearing on this determination under FHWA procedures.

6. We concur in the committee's action of deleting "privately owned land" and adding "designated" in the wording of Sec. 44.42.090(b). Serious conflicts with Federal statutes could result from privately owned land being afforded equal status to park lands and the like.

7. A definition of a long-range plan may be desirable to differentiate from the five-year highway construction program and others.

Retyped Copy for Legibility

FEDERAL HIGHWAY ADMINISTRATION

February 5, 1976

Honorable Jay Hammond
Governor of Alaska
Juneau, Alaska 99801

Dear Governor Hammond:

The Federal Highway Administration (FHWA) has reviewed the Rule's Committee's proposed substitute bill, prepared January 28, 1976, for Senate Bill 548. This substitute was discussed in detail last week by officials of this agency with your representatives, Mr. Holden, Deputy Commissioner of Public Works and Mr. Preston, Assistant Attorney General.

The substitute bill would create in Alaska a Department of Transportation with the powers to plan, design, maintain and construct all State modes of transportation and transportation facilities. The substitute bill empowers the Department of Public Works to design and construct only those transportation facilities which have been planned and programmed for construction by the Department of Transportation, and requires that the Department of Transportation shall "delegate those duties for the design and construction of highways and highway facilities to the Department of Public Works."

The Federal question involved here is whether the proposed organization of the Department of Transportation would comply with 23 U.S.C. 302(a) which states that any State desiring to avail itself of the provisions of the Federal-aid Highway program shall have a State highway department which shall have adequate powers and be suitably equipped and organized to discharge to the satisfaction of the Secretary the duties required by title 23. This provision of law has been in effect since 1921 and the legislative history evidences an attempt to provide uniformity by providing that the States have a competent highway department with which the Federal Government could deal. The substitute bill can be interpreted as creating a State transportation department with all the necessary powers to plan, maintain, operate and construct the highways of Alaska. Unfortunately, the bill also contains a provision which requires this newly created department to delegate its design and construction functions of highways to another State department. This comes quite close to violating section 302 unless the final decision and authority is reserved exclusively within the Department of Transportation for the design and construction function.

Therefore, before I can give final approval to this bill as meeting the requirements of Section 302(a), I must be assured that the subsequent delegation of the design and construction functions of highway reserves in the Department of Transportation the final approval and decision relative to these functions. Hence, this tentative approval of the substitute bill is subject to my subsequent approval of tables of organization of the two departments as they relate to Federal-aid highway work, as well as approval of the implementing regulations to be issued by the Alaska Department of Transportation.

It must be said further that this tentative approval is based in part on the unique position of the State of Alaska, as described by your representatives in attempting to coordinate and best utilize the limited resources of the State in carrying out a much needed transportation construction program in the State.

We will be happy to work with you further in this matter.

Sincerely yours,

/s/ Norbert T. Tieman
Federal Highway Administration

FEDERAL HIGHWAY ADMINISTRATION
WASHINGTON, D.C. 20590

February 5, 1976

IN REPLY REFER TO:

HCC-2

Honorable Jay S. Hammond
GOVERNOR OF ALASKA
Juneau, Alaska 99801

Dear Governor Hammond:

The Federal Highway Administration (FHWA) has reviewed the Rules Committee's proposed substitute bill, prepared January 28, 1976, for Senate Bill 543. This substitute was discussed in detail last week by officials of this agency with your representatives, Mr. Holden, Deputy Commissioner of Public Works and Mr. Preston, Assistant Attorney General.

The substitute bill would create in Alaska a Department of Transportation with the powers to plan, design, maintain and construct all State roads of transportation and transportation facilities. The substitute bill transfers the Department of Public Works to design and construct only those transportation facilities which have been planned and programmed for construction by the Department of Transportation, and requires that the Department of Transportation shall "delegate those duties for the design and construction of highways and highway facilities to the Department of Public Works."

The Federal question involved here is whether the proposed organization of the Department of Transportation would comply with 23 U.S.C. 302(a) which states that any State desiring to avail itself of the provisions of the Federal-aid highway program shall have a State highway department which shall have adequate powers and be suitably equipped and organized to discharge to the satisfaction of the Secretary the duties required by title 23. This provision of law has been in effect since 1921 and the legislative history evidences an attempt to provide uniformity by providing that the States have a competent highway department with which the Federal Government could deal. The substitute bill can be interpreted as creating a State transportation department with all the necessary powers to plan, maintain, operate and construct the highways of Alaska. Unfortunately, the bill also contains a provision which requires this newly created department to delegate its design and construction functions of highways to another State department. This comes quite close to violating section 302 unless the final decision as to whether it is exercised exclusively within the Department of Transportation for the design and construction functions.

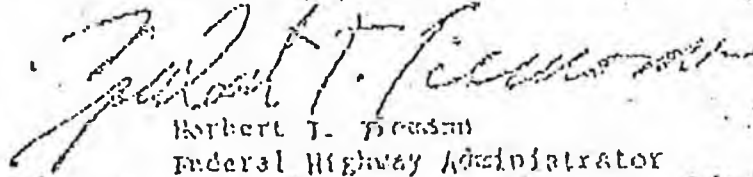
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J. S.

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It must be said further that this tentative approval is based in part on the unique position of the State of Alaska, as described by your representatives; in attempting to coordinate and best utilize the limited resources of the State in carrying out a much needed transportation construction program in the State.

We will be happy to work with you further in this matter;

Sincerely yours,



Robert T. Peaslee
Federal Highway Administrator

April 13, 1976

Mr. Larry Venable
Legislative Representative
Alaska Carriers Association, Inc.

Dear Mr. Venable:

This is to acknowledge receipt of your letter detailing the objections of the Alaska Carriers Association to SCS CSHB 63.

You may be assured your comments will be taken into consideration when the Finance Committee makes a final determination on the proposed legislation.

Sincerely,

Alaska Carriers Association, Inc.

3443 MINNESOTA DRIVE
ANCHORAGE, ALASKA 99503

TELEPHONE (907) 272-0568

REFER TO FILE:

April 6, 1976

Honorable Bill Ray
Chairman, Senate Finance Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

The Alaska Carriers Association has numerous reservations and objections to the proposed creation of a State Department of Transportation as outlined in Senate CS for CS to House Bill 63.

We are joined in our opposition by the Associated General Contractors Association and it is our understanding that organized labor is also opposing this measure.

If hearings are scheduled on this, we would appreciate advance notification so as to bring in some of our membership and to prepare further testimony. However, we can summarize here our major objections to the bill.

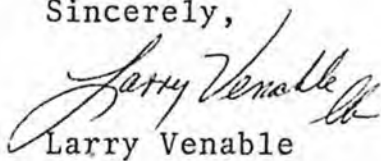
1. The proposal is an experimental one, raising doubts as to its workability or legality in handling federal funds.
2. The lengthy and detailed environmental provisions in the bill invite a "no-growth" concept, and deal with areas already covered under Federal Highway Administration and Environmental Protection Agency requirements. The result could be an overlapping and confusion of laws and procedures and an effective tool for advocates of a "no-growth" policy from both inside and outside our state.
3. Most of the objections to the present transportation structure in state government have been based on charges of over-staffing and poor communications between departments. Super-imposing a massive super agency on top of the present structures cannot and will not correct such a situation, if the charges are true.
4. Recognizing that Alaska's Governor has strong authority in all departments of state government, we are concerned at any further erosion of legislative control and authority. It is our feeling that the legislature is more responsive to public needs and wishes than a super agency controlled by the incumbent governor, whomever he may be.

The Honorable Bill Ray
April 6, 1976
Page Two

Attached is a commentary of Mr. James Granum, P.E., who is the head of the Engineering and Research Division of the National Highway Users Federation. Mr. Granum is nationally recognized as an authority on engineering administrative procedures, participates in the activities of the National Highway Research Board, and is well qualified to comment on the subject.

We will be pleased to submit further data and commentary on this bill if you so desire.

Sincerely,



Larry Venable
Legislative Representative

cc: Anchorage Office, Alaska Carriers Association
G. Harang, President, Alaska Carriers Association
Senator Poland
Senator Rader
Senator Chance
Senator Ferguson
Senator Butrovich
Senator Sackett

HIGHWAY USERS FEDERATION FOR SAFETY AND MOBILITY

INTER-OFFICE MEMORANDUM

Date March 9, 1976

To Larry Venable
From James O. Granum
Subject Alaska DOT

Per your telephone request, enclosed is information regarding other state DOT's. Note my letter of February 9, 1976 to Harold Gainer which describes the enclosures except for the one entitled "ACIR State Legislative Program." This was issued subsequent to the ACIR report "Toward More Balanced Transportation."

I think you will note that none of these provide for construction activities to be carried on by a department other than a DOT. I have checked our California files regarding new legislation establishing the California DOT, and find that functions of the old Department of Public Works relating to transportation have been folded into the California DOT which, however, remains in the Business and Transportation Agency, headed by the Governor's cabinet level Secretary. While we have not tried to keep track of current organizational developments in California, I do not believe that there has been any change in the basic responsibilities.

Note!!

I cannot conceive of separate DFW handling construction of highways (along with everything else) whenever Federal aid is involved. The inter-relationships between planning, financing, contracting, construction, payment and audit are so complex that such divided responsibilities are almost inconceivable. Perhaps your FHWA Division Engineer could elaborate. Good luck.

JOG:ac

cc: Owen Allen

JOG

Original sponsor: Bowman, Swanson
and Kelley

Offered: 3/26/76
Referred: Finance

1 IN THE HOUSE BY THE COMMERCE COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 63
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 organization of transporta-
7 tion related functions; creating the Department of
8 Transportation; and providing for an effective
9 date."

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

11 * Section 1. FINDINGS AND PURPOSE. The legislature finds that the
12 diverse transportation needs of the state would best be served by the
13 creation of a single department for the planning, study, development,
14 management and operation of integrated, intermodal transportation systems.
15 The purpose of this department is to evaluate, plan, design, construct,
16 manage, operate and maintain all state transportation modes and systems,
17 relying on analysis of the relative advantages of different modes and
18 systems and considering their social, economic, and environmental conse-
19 quences.

20 * Sec. 2. AS 44 is amended by adding a new chapter to read:

21 CHAPTER 42. DEPARTMENT OF TRANSPORTATION.

22 Sec. 44.42.010. COMMISSIONER OF TRANSPORTATION. The principal
23 executive officer of the Department of Transportation is the commission-
24 er of transportation.

25 Sec. 44.42.020. POWERS AND DUTIES. (a) The department shall

26 (1) plan, design, and construct all state modes of transpor-
27 tation and transportation facilities;

28 (2) study existing transportation modes and facilities in
29 the state to determine how they might be improved or whether they

1 should continue to be maintained;

2 (3) study alternative means of improving transportation in
3 the state with regard to the economic costs of each alternative and
4 its environmental and social effects;

5 (4) develop a comprehensive, long-range intermodal transpor-
6 tation plan for the state;

7 (5) study alternatives to existing modes of transportation
8 in urban areas and develop plans to improve urban transportation;

9 (6) cooperate and coordinate with and enter into agreements
10 with federal, state and local government agencies and private organiza-
11 tions and persons in exercising its powers and duties;

12 (7) delegate its duties for the design and construction of
13 transportation facilities to the Department of Public Works;

14 (8) work cooperatively with the Department of Public Works
15 to assure that design and construction of transportation facilities by
16 the Department of Public Works is consistent with plans and with
17 management and operational requirements;

18 (9) manage, operate, and maintain state transportation
19 facilities, including all state highways, vessels, railroads, pipelines,
20 airports, and aviation facilities;

21 (10) study alternative means of transportation in the
22 state, considering the economic, social, and environmental impacts of
23 each alternative;

24 (11) coordinate and develop state and regional transportation
25 systems, considering deletions, additions, and the absence of altera-
26 tions;

27 (12) develop facility program plans for transportation
28 facilities required to implement the duties set out in this section,
29 including but not limited to (A) first and life-cycle cost budgets;

1 (B) functional performance criteria; and (C) schedules for completion;
2 these program plans shall be reviewed by the Department of Public
3 Works before commencement of transportation facility project designs;

4 (13) supervise and maintain all state automotive and
5 mechanical equipment, aircraft, and vessels except vessels used by the
6 Department of Fish and Game; and

7 (14) supervise aeronautics and transportation-related
8 communications inside the state, under AS 02.10.

9 (b) The department may

10 (1) engage in experimental projects relating to available
11 or future modes of transportation and any means of improving existing
12 transportation facilities and service;

13 (2) exercise the power of eminent domain, including the
14 declaration of taking as provided in AS 09.55.

15 Sec. 44.42.030. DUTIES OF DEPARTMENT OF PUBLIC WORKS; TRANSPORTA-
16 TION FACILITIES. The Department of Public Works shall design and
17 construct, or cause to be designed and constructed, only those trans-
18 portation facilities which have been planned and programmed for construc-
19 tion by the Department of Transportation. It shall cooperate with
20 that department in the hearing and planning processes described in
21 this chapter. It may turn over a transportation facility to the
22 Department of Transportation for management, operation and maintenance
23 when construction of the facility is substantially completed, subject
24 to the request of the Department of Transportation that earlier
25 occupancy or control be permitted. It shall turn over a transportation
26 facility to the Department of Transportation for management, operation
27 and maintenance when construction of the facility is entirely complete.
28 In either event, the Department of Public Works shall continue to
29 administer construction contracts during guaranty or warranty periods.

1 Sec. 44.42.040. REGULATIONS. The department may adopt regulations
2 under the Administrative Procedure Act (AS 44.62) to implement, inter-
3 pret, or make more specific its powers and duties.

4 Sec. 44.42.050. DEPARTMENTAL ORGANIZATION; ADVISORY BOARDS. (a)
5 The commissioner shall establish transportation regions within the
6 state, corresponding with the state's major physiographic regions.
7 The functions of the department within each transportation region
8 shall be performed, to the maximum extent feasible, through a regional
9 office. Each regional office shall be directed by a regional trans-
10 portation director appointed by the commissioner.

11 (b) The commissioner shall provide for the creation of regional
12 transportation advisory boards comprised of residents of the transporta-
13 tion regions established under (a) of this section. The regional
14 transportation advisory boards shall advise the commissioner and
15 shall, with the assistance of the regional transportation directors,
16 prepare recommendations on transportation-related public policy,
17 departmental operations, and capital improvements programming within
18 their respective regions. The number of members of each regional
19 transportation advisory board shall be determined by the commissioner.

20 (c) The governor shall appoint members to each regional transpor-
21 tation advisory board from lists of nominees submitted by municipalities
22 located within each transportation region and from lists of nominees
23 submitted by any interested organization which has its principal
24 office within the region. In addition, the mayor of each organized
25 borough and each home rule and first class city located within each
26 region shall appoint one member, to the board.

27 (d) In order to avoid duplication or disruption of regional
28 efforts, the commissioner may designate a non-profit, public interest,
29 regional organization as a regional transportation advisory board.

1 (e) Each regional transportation advisory board shall annually
2 elect a chairperson from among its members. The chairperson shall
3 designate the time and location of meetings of the board. Members are
4 entitled to transportation expenses and per diem established by law
5 for state boards and commissions.

6 Sec. 44.42.060. ALASKA TRANSPORTATION ADVISORY BOARD. (a)
7 There is established the Alaska Transportation Advisory Board consisting
8 of the chairpersons of each regional transportation advisory board.
9 The board shall elect a chairperson from its members. The chairperson
10 shall designate the time and location of meetings of the board.
11 Members of the board are entitled to travel expenses and per diem
12 established by law for state boards and commissions.

13 (b) The Alaska Transportation Advisory Board shall meet at least
14 once in the fall of each year to review the work of the previous year
15 and the then current state transportation plan, and make recommen-
16 dations to the commissioner regarding the plan and departmental
17 operations. The department shall provide staff support and assistance
18 to the board.

19 Sec. 44.42.070. STATE TRANSPORTATION PLAN. (a) The commissioner
20 shall develop annually a comprehensive, intermodal, long-range trans-
21 portation plan for the state. In developing and revising the state
22 plan, he shall consider means and costs of improving existing modes
23 and facilities, state and federal subsidies, and the costs and benefits
24 of new transportation modes and facilities. The plan shall be submitted
25 to the governor for his review and approval and submitted by the
26 governor to the legislature.

27 (b) In developing and revising the plan, the commissioner shall
28 seek public review and evaluation by any reasonable means and may

29 (1) consult and cooperate with officials and representatives

1 of the federal government, other governments, interstate commissions
2 and authorities, local agencies and authorities, interested corporations
3 and other organizations concerning problems affecting transportation
4 in the state; and

5 (2) request from an agency or other unit of the state
6 government or of a political subdivision of it, or from a public
7 authority, the assistance and data that may be necessary to enable the
8 commissioner to carry out his responsibilities under this section;
9 every such entity shall provide the assistance and data requested.

10 (c) Copies of the plan, as revised, shall be kept on file as a
11 public document in the office of the commissioner and at each regional
12 office of the department.

13 (d) The plan shall include a description of projects planned for
14 design and construction for the following two years. The description
15 shall include an itemization of the estimated cost for each project
16 and the total cost of all projects. The commissioner shall propose
17 and forward to the governor for his review and approval and inclusion,
18 as approved, in the capital budget a construction program which includes
19 the projects to be undertaken during the following two years, including
20 recommended project priorities. Appropriations for transportation
21 construction projects shall be included annually in the general appro-
22 priations Act.

23 Sec. 44.42.080. PUBLIC HEARINGS AND SURVEYS. (a) When a major
24 new state transportation facility or a significant extension or altera-
25 tion of an existing system or facility is proposed, the department
26 shall give notice of the proposal and of the opportunity to request a
27 public hearing to the governing body of an affected municipality and
28 residents of each affected community. The purpose of this notice is
29 to provide information to the governing body and those residents and

1 provide an opportunity for informed public review of a proposal from
2 the earliest time practicable.

3 (b) Before a final decision is made regarding a proposal, the
4 department shall give a second notice and opportunity for public
5 hearing.

6 (c) A notice given under this section shall describe the project,
7 invite written comments regarding the proposal, inform that all current
8 and relevant information regarding the proposal will be made available
9 in at least one designated location within the affected community, and
10 inform that basic information regarding the proposal will be provided
11 upon the request of any person. The notice shall also inform that a
12 public hearing will be held upon the written request of the governing
13 body of an affected municipality or of at least 20 interested residents
14 of an affected community.

15 (d) If the governing body of an affected municipality requests a
16 hearing, the hearing shall be conducted by and may take place before
17 that governing body. Otherwise the public hearing may be held by the
18 department at any convenient location. If a public hearing is held,
19 the deadline for written comment may be not earlier than 30 days after
20 the hearing.

21 (e) At a public hearing held under (a) of this section, the
22 department shall describe the proposal, identify the essential considera-
23 tions in favor of and against it, and receive comments and answer
24 questions from any interested person. In addition, at a hearing, the
25 department shall present its recommendations, to the extent they have
26 been developed, regarding the proposal, its costs and benefits, its
27 environmental and social effects, and the alternatives which have been
28 considered, including the alternative of not constructing a facility.

29 (f) The department may use other means of enabling the residents

1 of each affected community to express opinions regarding the proposal.

2 (g) Within 90 days after a hearing, the department shall prepare
3 and mail to the governing body of an affected municipality and to each
4 person known to be interested a report which summarizes the oral
5 testimony and written comments received and the results of surveys and
6 other relevant data and which informs whether and to what extent the
7 proposal has been modified as a result of public comments, surveys and
8 other relevant data.

9 (h) Within 60 days after receipt of the documents described in
10 (g) of this section, an affected community may exclude itself, withdraw
11 from, or reject the proposed new transportation system or facility or
12 the extension or alteration of an existing transportation system or
13 facility either by

14 (1) a resolution adopted by a majority of all the members
15 of the governing body; or

16 (2) a measure submitted to the electorate of the affected
17 community, either by initiative or referendum, adopted by a majority
18 of the qualified voters voting on the question.

19 (i) This section does not apply to improvements or modifications
20 to existing facilities which do not significantly affect the environment
21 nor to actions and repairs which may be necessary to meet a disaster
22 or emergency which threatens human lives.

23 (j) For the purposes of this section,

24 (1) "affected community" means a municipality or an unincor-
25 porated village of 25 or more persons which is directly served by an
26 existing facility, or where an existing facility is actually located
27 or in which a proposed facility would actually be located, or which
28 would be directly served by a proposed facility;

29 (2) "municipality" means a home rule or general law borough

1 or city, and includes a municipality unified under AS 29.68.

2 Sec. 44.42.090. GRANTS TO THE DEPARTMENT. The commissioner may
3 apply for and accept, on behalf of the state, grants from the federal
4 government or an agency of it, or from another state, a foundation, or
5 any person, for any of the functions or purposes of the department.

6 Sec. 44.42.100. LIMITATION ON TRANSPORTATION FACILITIES. (a)
7 The department shall consult with the appropriate officials of other
8 departments regarding environmental risks and economic and social
9 considerations that may arise by reason of the location, design,
10 construction or reconstruction of a transportation facility.

11 (b) No highway, transit line, highway interchange, airport or
12 other transportation corridor or facility may be built or expanded in
13 such a way as to use land from a recreation area, wildlife or waterfowl
14 refuge, historic site, forest land, wetland, game land, wilderness
15 area, public park or a critical habitat area designated as such by
16 federal, state or local government unless

17 (1) there is no feasible and prudent alternative to the use
18 of that land; and

19 (2) the corridor or facility is planned and constructed so
20 as to minimize harm to the land.

21 Sec. 44.42.900. DEFINITIONS. In this chapter, unless the context
22 requires otherwise,

23 (1) "commissioner" means the commissioner of the Department
24 of Transportation;

25 (2) "department" means the Department of Transportation;

26 (3) "transportation" or "transportation mode" includes, but
27 is not limited to, the following means of conveyance or travel, includ-
28 ing their related or auxiliary structures, facilities or services:
29 air, rail, water, highway, and pipeline; however, these terms do not

1 include facilities provided for under AS 35.10.090--35.10.120.

2 * Sec. 3. AS 02.10.080 is amended to read:

3 Sec. 02.10.080. DEPARTMENT DEFINED. As used in this chapter,
4 "department" means the state Department of Transportation [PUBLIC
5 WORKS].

6 * Sec. 4. AS 02.15.060 is amended to read:

7 Sec. 02.15.060. ESTABLISHMENT, OPERATION AND MAINTENANCE. The
8 department may plan, [ESTABLISH, CONSTRUCT, ENLARGE, IMPROVE,] maintain,
9 equip, operate, regulate, protect and police airports and air navigation
10 facilities within the state.

11 * Sec. 5. AS 02.15 is amended by adding a new section to read:

12 Sec. 02.15.065. DUTIES OF DEPARTMENT OF PUBLIC WORKS. The
13 Department of Public Works, shall design, construct, enlarge and
14 improve airports and airport facilities that are planned and programmed
15 by the Department of Transportation. It shall perform a life-cycle
16 cost analysis for each proposed airport and airport facility planned
17 by the Department of Transportation, consistent with the provisions of
18 AS 35.10.160, 35.10.180, 35.10.190, and regulations adopted by the
19 Department of Transportation.

20 * Sec. 6. AS 02.15.205 is amended to read:

21 Sec. 02.15.205. APPROVAL REQUIRED FOR AIRPORT CONSTRUCTION. (a)
22 No person may construct, reconstruct, relocate, or extend an airport,
23 airstrip, or private air facility [WITHIN TWO MILES OF A FEDERAL-AID
24 HIGHWAY OR PROPOSED FEDERAL-AID HIGHWAY] without first obtaining the
25 written approval of the commissioner of transportation [PUBLIC WORKS],
26 as provided by regulation.

27 (b) The commissioner of transportation [PUBLIC WORKS] shall not
28 approve the construction, reconstruction, relocation, or extension of
29 an airport, airstrip, or private air facility if the construction would

1 constitute a hazard to the traveling public or if the construction would
2 otherwise not be in the public interest.

3 (c) The commissioner of transportation [PUBLIC WORKS] shall
4 promulgate [RULES AND] regulations, to effectuate the purpose of this
5 section, which are consistent with standards established by partici-
6 pating federal agencies.

7 * Sec. 7. AS 02.15.260(8) is amended to read:

8 (8) "commissioner" means the commissioner of the Department
9 of Transportation [PUBLIC WORKS] of the state;

10 * Sec. 8. AS 02.15.260(9) is amended to read:

11 (9) "department" means the Department of Transportation
12 [PUBLIC WORKS];

13 * Sec. 9. AS 02.20.070 is amended to read:

14 Sec. 02.20.070. DEPARTMENT DEFINED. In this chapter "department"
15 means the Department of Transportation [PUBLIC WORKS].

16 * Sec. 10. AS 02.25.110(4) is amended to read:

17 (4) "department" means the Department of Transportation
18 [PUBLIC WORKS] of this state;

19 * Sec. 11. AS 02.35.150 is amended to read:

20 Sec. 02.35.150. "DEPARTMENT" AND "COMMISSIONER" DEFINED. In
21 this chapter, "department" means the state Department of Transportation
22 [PUBLIC WORKS]; "commissioner" means the commissioner of transportation
23 [PUBLIC WORKS].

24 * Sec. 12. AS 19.05.030 is amended to read:

25 Sec. 19.05.030. DUTIES OF DEPARTMENT. The department has the
26 following duties:

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

29 (2) employ assistants and employees;

- 1 (3) certify and approve vouchers;
- 2 (4) provide for a program of highway research;
- 3 (5) prepare a budget;
- 4 (6) review the annual highway program;
- 5 (7) delegate its duties for the design and construction of
- 6 highways and highway facilities to the Department of Public Works;
- 7 (8) establish by regulation steps for the coordination of
- 8 life-cycle analysis by the Department of Public Works for highways and
- 9 highway facilities planned by the department.

10 * Sec. 13. AS 19.05 is amended by adding a new section to read:

11 Sec. 19.05.035. DUTIES OF DEPARTMENT OF PUBLIC WORKS. The

12 Department of Public Works shall design and construct, as an agent for

13 the Department of Transportation, highways and highway facilities

14 planned and programmed by the Department of Transportation. It shall

15 perform a life-cycle cost analysis for each proposed highway and

16 highway facility planned by the Department of Transportation, consistent

17 with the provisions of AS 35.10.160, 35.10.180, 35.10.190 and regula-

18 tions adopted by the Department of Transportation.

19 * Sec. 14. AS 19.05.125 is amended to read:

20 Sec. 19.05.125. PURPOSE. The purpose of chs. 5--25 of this

21 title is to establish in the Department of Transportation the capability

22 for [A HIGHWAY DEPARTMENT CAPABLE OF] carrying out a highway planning,

23 construction, and maintenance program which will provide a common

24 defense to the United States and Alaska, a network of highways linking

25 together cities and communities throughout the state (thereby contribut-

26 ing to the development of commerce and industry in the state, and

27 aiding the extraction and utilization of its resources), and otherwise

28 improve the economic and general welfare of the people of the state.

29 * Sec. 15. AS 19.05.130 is amended to read:

1 Sec. 19.05.130. DEFINITIONS. Unless otherwise provided, in [IN]
2 chs. 5--40 of this title

3 (1) "commissioner" means the commissioner of transportation
4 [HIGHWAYS];

5 (2) "construction" or any derivation means construction,
6 reconstruction, alteration, improvement or major repair;

7 (3) "controlled-access facility" means a highway especially
8 designed for through traffic, and over, from, or to which owners or
9 occupants of abutting land or other persons have either no right or
10 easement or only a controlled right or easement of access, light, air,
11 or view;

12 (4) "cost of change, relocation, or removal" means the entire
13 cost incurred by the utility properly attributed to the change, reloca-
14 tion, or removal of a utility after deducting any increase in the value
15 of the new facility and any salvage value derived from the old facility;

16 (5) "department" means the Department of Transportation
17 [HIGHWAYS];

18 (6) "excess lands" means land acquired by the state in
19 excess of land required for a highway, when the remaining portion of a
20 parcel of land so acquired is left in such shape or condition as to be
21 of little or no value to its owner, or to give rise to claims or
22 litigation concerning severance or other damage;

23 (7) "federal-aid primary, federal-aid secondary, and inter-
24 state system" include any highway which is a part of the federal-aid
25 systems as provided in the Federal-Aid Highway Act of 1956, and any
26 laws amending or supplementing it;

27 (8) "highway" includes a highway (whether included in
28 primary or secondary systems), road, street, trail, walk, bridge,
29 tunnel, drainage structure and other similar or related structure or

1 facility, and right-of-way thereof, and further includes a ferry
2 system, whether operated solely inside the state or to connect with a
3 Canadian highway, and any such related facility;

4 (9) "maintenance" means the preservation of each type of
5 highway, roadside structure and facility as nearly as possible in its
6 original condition as constructed, or as subsequently improved, and
7 the operation of highway facilities and services to provide satisfactory
8 and safe highways;

9 (10) "municipality" means a home rule or general law borough
10 or city, and includes a municipality unified under AS 29.68 [AN INCOR-
11 PORATED CITY OR POLITICAL SUBDIVISION] which has jurisdiction over
12 highways in its incorporated area;

13 (11) Repealed by sec. 6, ch. 233 SLA 1968.

14 (12) "utility" includes publicly, privately, and cooperative-
15 ly owned utilities;

16 (13) "encroachment" means and includes a tower, pole, pole
17 line, pipe, pipeline, driveway, private road, fence, billboard, stand
18 or building, or a structure or object of any kind which is or has been
19 placed in, on, under or over a portion of a highway or road.

20 * Sec. 16. AS 19.17.010 is amended to read:

21 Sec. 19.17.010. POSTING OF LAW. The commissioner of transporta-
22 tion [HIGHWAYS] shall place a sign near the state boundary at each
23 primary and secondary highway which informs the public of the prohibi-
24 tion against, and penalty for, highway littering and may place similar
25 signs at other locations in the state when considered necessary.

26 * Sec. 17. AS 19.20.090 is amended to read:

27 Sec. 19.20.090. HIGHWAY CONSTRUCTION NEAR AIRPORTS. (a) No
28 person may construct, reconstruct, relocate, or extend a federal-aid
29 highway within two miles of an airport, airstrip, or private air fa-
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1 cility without first obtaining the written approval of the commissioner
2 of transportation [HIGHWAYS], as provided by regulation.

3 (b) The commissioner of transportation [HIGHWAYS] shall not
4 approve the construction, reconstruction, relocation, or extension of
5 a highway under this section if the construction would constitute a
6 hazard to the traveling public or if the construction would otherwise
7 not be in the public interest.

8 (c) The commissioner of transportation [HIGHWAYS] shall promulgate
9 [RULES AND] regulations, to effectuate the purpose of this section,
10 which are consistent with standards established by participating
11 federal agencies.

12 * Sec. 18. AS 19.22.030(2) is amended to read:

13 (2) "department" means the Department of Transportation
14 [HIGHWAYS].

15 * Sec. 19. AS 19.25.160(2) is amended to read:

16 (2) "interstate system" means that portion of the National
17 System of Interstate and Defense Highways located in this state, as
18 officially designated, or as may hereafter be so designated, by the
19 commissioner of transportation [HIGHWAYS], and approved by the secretary
20 of transportation (or by the secretary of commerce before the effective
21 date of the transfer of functions under Public Law 89-670 [80 Stat.
22 931]), under the provisions of Title 23, United States Code, "Highways";

23 * Sec. 20. AS 19.25.160(3) is amended to read:

24 (3) "primary system" or "secondary system" means that
25 portion of connected main highways, as officially designated, or as
26 may hereafter be so designated, by the commissioner of transportation
27 [HIGHWAYS], and approved by the secretary of transportation (or by the
28 secretary of commerce before the effective date of the transfer of
29 functions under Public Law 89-670 [80 Stat. 931]), under the provisions

1 of Title 23, United States Code, "Highways";

2 * Sec. 21. AS 19.25.160(4) is amended to read:

3 (4) "department" means the Department of Transportation
4 [HIGHWAYS].

5 * Sec. 22. AS 19.27.110(4) is amended to read:

6 (4) "interstate system" means that portion of the National
7 System of Interstate and Defense Highways located in this state, as
8 officially designated, or as may hereafter be so designated, by the
9 commissioner of transportation [HIGHWAYS], and approved by the secretary
10 of transportation (or by the secretary of commerce before the effective
11 date of the transfer of functions under Public Law 89-670 [80 Stat.
12 931]), under the provisions of Title 23, United States Code, "Highways";

13 * Sec. 23. AS 19.27.110(5) is amended to read:

14 (5) "primary system" or "secondary system" means that
15 portion of connected main highways, as officially designated, or as
16 may hereafter be so designated, by the commissioner of transportation
17 [HIGHWAYS], and approved by the secretary of transportation (or by the
18 secretary of commerce before the effective date of the transfer of
19 functions under Public Law 89-670 [80 Stat. 931]), under the provisions
20 of Title 23, United States Code, "Highways";

21 * Sec. 24. AS 19.27.110(6) is amended to read:

22 (6) "department" means the Department of Transportation
23 [HIGHWAYS].

24 * Sec. 25. AS 19.30.040(a) is amended to read:

25 (a) Upon approval of an application and agreement as to state
26 participation, the applicant resource developer shall submit to the
27 commissioner of natural resources road plans and specifications for
28 the standard of construction he believes to be necessary to develop
29 the mineral resource and protect the fish and game resources that may

1 be affected by the road construction. Plans and specifications submitted
2 by each applicant shall be forwarded by the commissioner of natural
3 resources to the commissioner of transportation [HIGHWAYS] and the
4 commissioner of fish and game and upon approval by them, the applicant
5 may proceed with construction.

6 * Sec. 26. AS 19.30.040(b) is amended to read:

7 (b) The applicant will be allowed credit for the use of his own
8 men and equipment or those of his contractor as his share of cost
9 participation. The applicant must submit documentation satisfactory
10 to the commissioner of transportation [HIGHWAYS] to support his partici-
11 pation for this credit.

12 * Sec. 27. AS 19.30.045 is amended to read:

13 Sec. 19.30.045. CANADIAN MINERALS. The state may elect, at the
14 joint discretion of the commissioners of transportation [HIGHWAYS] and
15 natural resources, to authorize participation in a similar manner, to
16 that authorized in secs. 20--40 of this chapter, in construction and
17 maintenance of developmental access roads to the Alaskan border for
18 the development of mineral resources which are in adjacent Canadian
19 lands if such access roads are the most feasible way of developing
20 those mineral resources, and if it is considered by the commissioners
21 to be in the interest of Alaska to construct the roads; however, the
22 state may participate up to \$50,000, or up to one-third of the cost of
23 construction and of the maintenance of these roads in Alaska, whichever
24 is lower.

25 * Sec. 28. AS 19.30.051 is amended to read:

26 Sec. 19.30.051. REGULATIONS. The commissioner of natural resources
27 and the commissioner of transportation [HIGHWAYS] shall adopt [PROMUL-
28 GATE RULES AND] regulations to accomplish [EFFECTUATE] the purposes of
29 secs. 20--51 of this chapter.

1 * Sec. 29. AS 19.30.070 is amended to read:

2 Sec. 19.30.070. CONTRACTS FOR CONSTRUCTION OF ROADS. The director
3 of the division of lands may contract with private persons for the
4 construction of roads to and on state lands programmed for surface
5 disposal which are not more than six miles from existing roads or
6 highways. The location of each proposed road is subject to the approval
7 of the commissioner of transportation.

8 * Sec. 30. AS 19.30.080 is amended to read:

9 Sec. 19.30.080. CONSTRUCTION STANDARDS AND MAINTENANCE. Access
10 roads constructed under secs. 60--100 of this chapter shall be of low
11 standard, not necessarily suitable for all weather use. The state is
12 not under obligation to maintain these roads. Right-of-way width
13 shall be determined by the division of lands and the Department of
14 Transportation [HIGHWAYS] if constructed outside local government
15 units which have zoning ordinances. If these roads are constructed
16 within the boundaries of local government units which have zoning
17 ordinances, the width shall conform to subdivision control ordinances
18 of the local government units. Contracts for the work shall be
19 awarded to the lowest responsible bidder qualified to contract with
20 the state.

21 * Sec. 31. AS 19.30.151(a) is amended to read:

22 (a) Upon application by a local government, local service roads
23 and trails constructed under the provisions of secs. 111--241 of this
24 chapter and located within the jurisdictional boundaries of a local
25 government, as defined in sec. 241(3) of this chapter, may be trans-
26 ferred to that local government upon approval by the Department of
27 Transportation [HIGHWAYS] and after a vote of the people in the area.
28 A local government which has assumed road powers before May 20, 1971
29 may not be required to hold an election as provided by this section.

1 * Sec. 32. AS 19.40.020(c) is amended to read:

2 (c) The contract with the participants shall include such addi-
3 tional terms and conditions as appear to be in the best interests of
4 the state. Any advance payments made under such a contract shall be
5 deposited in a special account which will be used for disbursements to
6 the contractor charged with construction of the highway. Disbursements
7 to the contractor shall be made on order of the commissioner of trans-
8 portation [HIGHWAYS] on presentation of a proper voucher or the presen-
9 tation of a voucher by an employee of the department authorized in
10 writing to certify as to such payment.

11 * Sec. 33. AS 19.40.060(2) is amended to read:

12 (2) certification by the commissioner of the Department of
13 Transportation [HIGHWAYS] that the road design and construction methods
14 will cause minimal landscape defacement or environmental degradation
15 by erosion or waste disposal;

16 * Sec. 34. AS 19.40.080(1) is amended to read:

17 (1) "department" means the Department of Transportation
18 [HIGHWAYS];

19 * Sec. 35. AS 19.60.010 is repealed and re-enacted to read:

20 CHAPTER 60. STATE FERRY SYSTEM.

21 Sec. 19.60.010. CONSTRUCTION AND OPERATION OF STATE FERRY SYSTEM.

22 (a) The department is responsible for the planning, management,
23 operation, and maintenance of state ferries and ferry terminals and
24 facilities.

25 * Sec. 36. AS 19.60 is amended by adding a new section to read:

26 Sec. 19.60.015. DUTIES OF DEPARTMENT OF PUBLIC WORKS. The
27 Department of Public Works, shall design and construct ferries and
28 ferry terminals and facilities planned and programmed for by the
29 Department of Transportation. It shall perform a life-cycle cost

1 analysis for each proposed ferry or ferry terminal facility planned by
2 the Department of Transportation, consistent with the provisions of AS
3 35.10.160, 35.10.180, 35.10.190 and with regulations adopted by the
4 Department of Transportation.

5 * Sec. 37. AS 19.60.030 is amended to read:

6 Sec. 19.60.030. REGULATIONS. The department may adopt [RULES
7 AND] regulations governing the use of ferry terminal facilities by the
8 public which it considers necessary and proper in the public interest.

9 * Sec. 38. AS 19.60.070(1) is amended to read:

10 (1) "department" means the Department of Transportation
11 [PUBLIC WORKS];

12 * Sec. 39. AS 28.01.010(d) is amended to read:

13 (d) A municipality shall erect necessary official traffic control
14 devices on streets and highways within its jurisdiction which as far
15 as practicable conform to the current edition of the Alaska Traffic
16 Manual prepared by the Department of Transportation [HIGHWAYS].

17 * Sec. 40. AS 28.05.010 is amended to read:

18 Sec. 28.05.010. POWERS AND DUTIES OF COMMISSIONER OF TRANSPORTA-
19 TION [HIGHWAYS]. The commissioner of transportation [HIGHWAYS] has
20 the following powers and duties:

21 (1) to adopt and designate a uniform standard for the
22 manufacture, display, erection, and location of all signs, signals,
23 signboards, guideposts, and other traffic devices necessary to the
24 safe and orderly guidance of traffic;

25 (2) to erect and maintain upon the public highways such
26 signs and other devices he considers necessary;

27 (3) to designate main-traveled roads and highways as arterial
28 highways as appears to him necessary;

29 (4) to order a public road or highway, or portion of it,
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1 closed entirely or closed as to certain classes of vehicles when for
2 any reason the use or continued use of it would cause damage or be
3 dangerous to traffic, or when it is being constructed, altered, repaired,
4 or maintained in such a manner as to require restriction of traffic;
5 whenever practicable, reasonable notice of an order closing or restrict-
6 ing a road or highway shall be given to the traveling public before
7 the order becomes effective.

8 * Sec. 41. AS 28.05.020 is amended to read:

9 Sec. 28.05.020. AUTHORITY OF COMMISSIONER OF TRANSPORTATION
10 [HIGHWAYS] TO ADOPT REGULATIONS. The commissioner of transportation
11 [HIGHWAYS] may adopt [RULES AND] regulations

12 (1) preventing the restriction, obstruction, or stoppage of
13 normal traffic upon any road or highway;

14 (2) prohibiting a person from committing a wilful or careless
15 act causing injury or damage to a road, highway, trail, or bridge;

16 (3) governing the size, weight, and load limits of all
17 vehicles operating upon public roads, highways, or bridges, including
18 the issuance or withholding of special permits for excessive sizes,
19 weights, and loads; limiting or prescribing conditions of operation of
20 vehicles when necessary to assure against undue damage to the road
21 foundations, surfaces, or structures; and prescribing fees for special
22 permits.

23 * Sec. 42. AS 28.05.025 is amended to read:

24 Sec. 28.05.025. AUTHORITY OF THE DEPARTMENT OF PUBLIC SAFETY
25 [COMMERCE] TO ADOPT REGULATIONS. The Department of Public Safety
26 [COMMERCE] is responsible for the operation of motor vehicle weighing
27 stations, and the enforcement of highway weight and load limitations.
28 The department shall adopt [RULES AND] regulations necessary for the
29 operation of motor vehicle weighing stations, and regulations necessary

1 to enforce weight and load limitations on state highways.

2 * Sec. 43. AS 28.05.050 is amended to read:

3 Sec. 28.05.050. DEPARTMENT OF PUBLIC SAFETY TO PUBLISH REGULATIONS
4 AND LAWS RELATING TO VEHICLES. The Department of Public Safety shall
5 publish in pamphlet form the [RULES AND] regulations adopted under
6 authority of secs. 10--50 of this chapter, traffic laws governing the
7 operation of motor vehicles, driver's licensing and motor vehicle
8 licensing and dealer laws, and accident reporting and safety responsi-
9 bility statutes. These [RULES,] regulations[,] and laws shall be
10 distributed free of charge to the motoring public through officers or
11 agencies designated for the purpose. The cost of producing the pamphlet
12 shall be jointly shared by the Department of Transportation [HIGHWAYS]
13 and the Department of Public Safety.

14 * Sec. 44. AS 30.05.010 is amended to read:

15 Sec. 30.05.010. SUBSIDIES TO FREIGHT CARRIERS. The Department
16 of Transportation [PUBLIC WORKS] may pay a sum of money not to exceed
17 \$30,000 a year to the owner or charterer of a vessel of American
18 registry who operates the vessel as a common carrier of freight and
19 mail to and from points the Department of Transportation [PUBLIC
20 WORKS] designates.

21 * Sec. 45. AS 30.05.020 is amended to read:

22 Sec. 30.05.020. PAYMENT OF SUBSIDIES. The subsidy shall be paid
23 in the installments the Department of Transportation [PUBLIC WORKS]
24 thinks proper, after proof is submitted that the conditions of the
25 contract or subsidy are fulfilled up to the time of payment. The
26 inability to touch at a point along the route designated by the Depart-
27 ment of Transportation [PUBLIC WORKS] due to a lack of proper docking
28 or harbor facilities or to stress of weather does not prevent the
29 owner or charterer from receiving the money otherwise earned, and is

1 not a cause for reducing the amount of the subsidy. If the subsidized
2 vessel is lost, wrecked, or damaged, the Department of Transportation
3 [PUBLIC WORKS] may permit the contractor to carry out the service
4 temporarily with another vessel or ship of American registry that
5 meets with its approval.

6 * Sec. 46. AS 30.05.030 is amended to read:

7 Sec. 30.05.030. TARIFF OF RATES. The owner or charterer of the
8 vessel awarded the subsidy must adopt and publish a tariff of freight
9 rates to be approved by the Department of Transportation [PUBLIC
10 WORKS]. The tariff must be reasonable, and it is unlawful for the
11 operator of the vessel to charge more than provided for in the tariff.
12 The tariff must be published before services are performed under the
13 subsidy.

14 * Sec. 47. AS 30.05.040 is amended to read:

15 Sec. 30.05.040. REPORT BY OWNER OR CHARTERER. It is a condition
16 in awarding of the subsidy that the contractor agrees to make a report
17 under oath, in form and manner designated by the Department of Trans-
18 portation [PUBLIC WORKS] at the end of each year, giving the following
19 information:

- 20 (1) tariff sheet of freight rates for the route covered;
21 (2) total tonnage carried;
22 (3) gross earning from freight and mail service rendered,
23 segregating the two amounts;
24 (4) a statement in detail of all expenses incurred and on
25 what account, the names and addresses of all persons employed, and the
26 gross earnings and gross expense of the route covered.

27 * Sec. 48. AS 30.07.020 is amended to read:

28 Sec. 30.07.020. REGULATIONS. The Department of Transportation
29 [COMMERCE] may adopt [PROMULGATE] regulations, not in conflict with

1 federal law or regulations, which establish standards for marine
2 communications in the state.

3 * Sec. 49. AS 30.15.010 is amended to read:

4 Sec. 30.15.010. STATE GRANTS FOR PORT FACILITIES CONSTRUCTION.
5 To the extent funds are appropriated by the legislature, or from the
6 proceeds from the sale of bonds, the state may make grants to munici-
7 palities to finance a portion of the cost of constructing local,
8 regional or state port facilities. The state shall participate only
9 in those projects approved by the governor on recommendation of the
10 commissioner of transportation and the commissioner of public works.

11 * Sec. 50. AS 39.25.120 is amended by adding a new paragraph to read:

12 (9) regional transportation directors of the Department of
13 Transportation.

14 * Sec. 51. AS 41.20.050 is amended to read:

15 Sec. 41.20.050. SELECTION OF SITES. The Department of Transpor-
16 tation [PUBLIC WORKS] and the Department of Natural Resources, jointly,
17 shall select sites of ten acres or less for their historic or scenic
18 value, or for recreation beaches along waterways, roadside rests for
19 travelers resting, camping, or parking, and determine what facilities
20 are necessary or desirable at these sites. Selection of the sites for
21 roadside rests and recreation beaches shall be based upon the flow of
22 traffic and distances to and between facilities otherwise provided.
23 Insofar as possible, sites shall be located on, or adjacent to, highway
24 rights-of-way and small boat waterways. The Department of Natural
25 Resources may acquire the sites jointly selected by grant, gift, pur-
26 chase, lease, dedication or prescription and hold them in the name of
27 the state.

28 * Sec. 52. AS 41.20.060 is amended to read:

29 Sec. 41.20.060. CONSTRUCTION AND MAINTENANCE OF FACILITIES. The

1 Department of Public Works may construct and the Department of Natural
2 Resources may maintain facilities at scenic sites, recreation beaches
3 or roadside rests as are determined to be necessary and desirable.
4 Facilities may include, but are not limited to, access roads, camp
5 facilities, including picnic tables, fire places, and toilets, camping
6 areas or other facilities that are considered necessary and desirable
7 for the convenience and benefit of travelers and small boat operators.

8 * Sec. 53. AS 41.20.080 is amended to read:

9 Sec. 41.20.080. SELECTION. The Department of Natural Resources,
10 in consultation with the Departments of Fish and Game and Transportation
11 [PUBLIC WORKS], shall designate a system of wilderness trails and
12 campsites throughout the state. Significant in the selection shall be
13 the scenic, historic, natural, or cultural qualities of the areas
14 through which the trails may pass. The Department of Natural Resources
15 may acquire the trail sites jointly selected by grant, gift, purchase,
16 lease, dedication or prescription and hold them in the name of the
17 state.

18 * Sec. 54. AS 41.20.110(a) is amended to read:

19 (a) The Department of Public Works may construct and the Depart-
20 ment of Natural Resources may maintain campsites throughout the wilderness
21 trails system. Campsites may include any type of shelter or camp
22 facility considered necessary and desirable for the benefit and
23 convenience of travelers.

24 * Sec. 55. AS 44.15.010(15) is amended to read:

25 (15) Department of Transportation [HIGHWAYS].

26 * Sec. 56. AS 44.19.360 is amended to read:

27 Sec. 44.19.360. COMPOSITION. The State Geographic Board consists
28 of the commissioner [DIRECTOR] of the Department of Community and
29 Regional Affairs, the curator of the state museum, the state historical

1 librarian, the commissioner of the Department of Transportation [HIGH-
2 WAYS], the commissioner of the Department of Natural Resources, the
3 commissioner of the Department of Education, the director of the divi-
4 sion of lands, and one other person appointed by the governor.

5 * Sec. 57. AS 44.19.820(3) is amended to read:

6 (3) the commissioner of transportation [HIGHWAYS] or his
7 representative;

8 * Sec. 58. AS 44.21.020 is amended by adding a new paragraph to read:

9 (12) maintain and operate state buildings.

10 * Sec. 59. AS 44.43.020 is repealed and re-enacted to read:

11 Sec. 44.43.020. GENERAL POWERS AND DUTIES OF DEPARTMENT. The
12 Department of Public Works shall design and construct all state build-
13 ings, highways, ferries, airports, ports, harbors, railroads, pipelines,
14 and similar facilities.

15 * Sec. 60. AS 44.57.010(a) is amended to read:

16 (a) There is created the Alaska Toll Bridge Authority composed
17 of the governor, the commissioner of the Department of Transportation
18 [HIGHWAYS], the commissioner of the Department of Administration, the
19 commissioner of the Department of Public Works, and the commissioner
20 of the Department of Revenue. The Alaska Toll Bridge Authority is a
21 public corporation of the state. The authority is an instrumentality
22 of the state within the Department of Transportation [HIGHWAYS], but
23 has a legal existence independent of and separate from the state. If
24 the office of a commissioner is discontinued or abolished by law, the
25 governor shall appoint any person or officer of the state to fill the
26 vacancy resulting from the abolition or discontinuance of the office.

27 * Sec. 62. AS 44.57.140 is amended to read:

28 Sec. 44.57.140. CONSTRUCTION OF TOLL BRIDGES. Whenever in the
29 judgment of the Department of Transportation [HIGHWAYS] it is considered

1 in the best interest of the public highways of the state that a new
2 toll bridge or bridges be constructed upon a public highway and across
3 a stream, body of water, gulch, navigable water, swamp or other topo-
4 graphical formation and operated by the state, the Department of
5 Transportation [HIGHWAYS] shall submit its recommendation to that
6 effect to the Alaska Toll Bridge Authority together with preliminary
7 estimates of the cost of construction and an estimate of the amount
8 necessary to be raised for that purpose by the issuance of revenue
9 bonds, and a statement of the probable amount of money, property,
10 materials or labor to be contributed from other sources in aid of the
11 construction. If the Alaska Toll Bridge Authority concurs in the
12 recommendation of the Department of Transportation [HIGHWAYS] or on
13 its own motion determines to construct a toll bridge or toll bridges,
14 the Alaska Toll Bridge Authority shall adopt a resolution declaring
15 that public interest and necessity require the construction of the
16 toll bridge or bridges, and may thereafter issue bonds therefor as
17 provided herein.

18 * Sec. 62. AS 44.57.150 is amended to read:

19 Sec. 44.57.150. AUTHORITY TO ACQUIRE RIGHT OF WAY IN CONSTRUCTING
20 A TOLL BRIDGE. Whenever the Alaska Toll Bridge Authority authorizes
21 the construction of a toll bridge, the Department of Transportation
22 [HIGHWAYS] is empowered to secure right of way therefor and for
23 approaches thereto by gift or purchase, or by condemnation in the
24 manner provided by law for the taking of private property for public
25 highway purposes.

26 * Sec. 63. AS 44.57.170(b) is amended to read:

27 (b) When it becomes necessary for the Department of Transportation
28 [HIGHWAYS] to condemn real estate to be used in connection with a toll
29 bridge, the attorney general of the state shall represent the depart-

1 ment. In eminent domain proceedings to acquire property for any of
2 the purposes of this chapter, a toll bridge, real property, personal
3 property, franchises, rights, easements or other property or privileges
4 appurtenant thereto appropriated or dedicated to a public use or
5 purpose by a person, firm., private, public or municipal corporation,
6 borough, city, district or political subdivision of the state, may be
7 condemned and taken, and the acquisition and use as herein provided
8 for the same public use or purpose to which the property has been so
9 appropriated, dedicated, or for any other public use or purpose, shall
10 be considered a superior and permanent right and necessity, and a more
11 necessary use and purpose than the public use or purpose to which the
12 property has already been appropriated or dedicated. It is not
13 necessary in an eminent domain proceeding under this chapter to plead
14 or prove any acts or proceedings preliminary or prior to the adoption
15 of the resolution hereinbefore referred to describing the property
16 sought to be taken and directing the proceedings.

17 * Sec. 64. AS 44.65.050(c) is amended to read:

18 (c) The Department of Natural Resources and the Department of
19 Transportation [PUBLIC WORKS] may enter into agreements under this
20 chapter for the acquisition of rights of way, construction, reconstruc-
21 tion, maintenance, repair or alteration of access roads serving public
22 airports.

23 * Sec. 65. The commissioner of transportation shall replace the commis-
24 sioner of highways on all boards and commissions not expressly dealt with
25 in this Act.

26 * Sec. 66. All litigation, hearings, investigations and other proceedings
27 pending under a law amended or repealed by this Act, or in connection with
28 functions transferred by this Act, continue in effect and may be continued
29 and completed notwithstanding a transfer or amendment or repeal provided

1 for in this Act. Certificates, orders, and regulations issued or adopted
2 under authority of a law amended or repealed by this Act remain in effect
3 for the term issued, until revoked, vacated, or otherwise modified under
4 the provisions of this Act. All contracts, rights, liabilities, and obliga-
5 tions created by or under a law amended or repealed by this Act, and in
6 effect on the effective date of this Act, remain in effect notwithstanding
7 the enactment of this Act. Records, equipment, and other property of
8 agencies of the state whose functions are transferred under this Act shall
9 be transferred commensurate with the provisions of this Act.

10 * Sec. 67. All other references to the Department of Highways and to
11 the commissioner of highways in the Alaska Statutes not expressly amended
12 by or referred to in this Act shall be read as the Department of Transporta-
13 tion and the commissioner of transportation, respectively, in order to
14 implement this Act. The revisor of statutes shall prepare instructions for
15 the publisher of the Alaska Statutes so that the transfers of and changes
16 in functions made by this Act are reflected throughout the text of the
17 Alaska Statutes.

18 * Sec. 68. During Fiscal Year 1977, all appropriation items made for
19 that fiscal year and prior years for the Department of Highways and the
20 Department of Public Works may, upon approval of the governor, be appro-
21 priately transferred to implement the purposes of this Act.

22 * Sec. 69. AS 35.10.200(3); AS 44.19.700 -- 44.19.714; AS 44.33.020(9);
23 and AS 44.44 are repealed.

24 * Sec. 70. This Act takes effect July 1, 1976.
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Original sponsor: Bowman, Swanson
and Kelley

Offered: 4/23/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 63 (Finance) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Department of Transportation;
7 and providing for an effective date."

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

9 * Section 1. FINDINGS AND PURPOSE. The legislature finds that the
10 diverse transportation needs of the state would best be served by the crea-
11 tion of a single department for the planning, study, construction and opera-
12 tion of integrated, intermodal transportation systems. The purpose of this
13 department is to evaluate, plan, design, construct, operate and maintain all
14 state transportation modes and systems, relying on analysis of the relative
15 advantages of different modes and systems and considering their social,
16 economic, and environmental consequences.

17 * Sec. 2. AS 44 is amended by adding a new chapter to read:

18 CHAPTER 42. DEPARTMENT OF TRANSPORTATION.

19 Sec. 44.42.010. COMMISSIONER OF TRANSPORTATION. The principal
20 executive officer of the Department of Transportation is the commis-
21 sioner of transportation.

22 Sec. 44.42.020. POWERS. The department may

23 (1) plan all state modes of transportation and transportation
24 facilities;

25 (2) study existing transportation modes and facilities in the
26 state to determine how they might be improved or whether they should
27 continue to be maintained;

28 (3) study alternative means of improving transportation in
29 the state with regard to the economic costs of each alternative and

1 its environmental and social effects;

2 (4) develop a comprehensive long-range, intermodal trans-
3 portation plan for the state;

4 (5) study alternatives to existing modes of transportation in
5 urban areas and develop plans to improve urban transportation;

6 (6) cooperate and coordinate with and enter into agreements
7 with federal, state and local government agencies and private organiza-
8 tions and persons in exercising its powers and duties;

9 (7) engage in experimental projects relating to available or
10 future modes of transportation, and any means of improving existing
11 transportation facilities and service;

12 (8) exercise the power of eminent domain; and

13 (9) adopt regulations under the Administrative Procedure Act
14 (AS 44.62) to implement, interpret, or make more specific its powers and
15 duties.

16 Sec. 44.42.030. DUTIES. The department shall:

17 (1) plan, construct, maintain and operate state transportation
18 facilities, including all state highways, marine transportation ships
19 and facilities, docks, breakwaters, airports and navigation facilities
20 except design and construction of buildings which is the responsibility
21 of the Department of Public Works;

22 (2) study alternative means of transportation in the state,
23 considering the economic, social and environmental impacts of each
24 alternative;

25 (3) coordinate and develop state and regional transportation
26 systems, considering deletions, additions and the absence of alterations
27 and

28 (4) develop facility program plans for transportation facili-
29 ties required to implement these duties including but not limited to (A)

1 first and life cycle cost budgets; (B) functional performance criteria;
2 and (c) schedules for completion.

3 Sec. 44.42.040. DEPARTMENTAL ORGANIZATION. The commissioner may,
4 with the approval of the governor, organize the department into those
5 divisions that can most efficiently perform the functions of the depart-
6 ment.

7 Sec 44.42.050. STATE TRANSPORTATION PLAN. (a) The commissioner
8 shall develop and keep current by periodic revision, at intervals not
9 less frequent than five years, a comprehensive intermodal long-range
10 transportation plan for the state. The state plan shall consider means
11 and costs of improving existing modes and facilities, state subsidies,
12 and the costs and benefits of new transportation modes and facilities.

13 (b) In developing and revising the plan, the commissioner shall
14 seek public review and evaluation by any reasonable means and may

15 (1) consult and cooperate with officials and representatives
16 of the federal government, other governments, interstate commissions and
17 authorities, local agencies and authorities, interested corporations and
18 other organizations concerning problems affecting transportation in the
19 state; and

20 (2) request and receive from an agency or other unit of state
21 government or of a political subdivision of it, or from a public author-
22 ity, the assistance and data that may be necessary to enable the com-
23 missioner to carry out his responsibilities under this section.

24 (c) The commission shall submit copies of proposed policies and
25 plans annually to the legislature within 10 days after the legislature
26 convenes. The legislature may approve, reject or modify the policies
27 and plans by concurrent resolution. If the legislature fails to act
28 during the legislative session the policies and plans are approved.

29 (d) Copies of the plan, as revised, shall be kept on file as a

1 public document in the office of the commissioner and at each regional
2 or district office of the department.

3 Sec. 44.42.060. PUBLIC HEARINGS AND SURVEYS. (a) When a major
4 new state transportation facility or a significant extension or altera-
5 tion of an existing system or facility is proposed, the department shall
6 give notice of the proposal and of the opportunity to request a public
7 hearing to the governing body of an affected municipality and residents
8 of each affected community. The purpose of this notice is to provide
9 information to the governing body and those residents and provide an
10 opportunity for informed public review of a proposal from the earliest
11 time practicable.

12 (b) In giving notice under this section, the notice shall describe
13 the project, invite written comments regarding the proposal, inform that
14 all current and relevant information regarding the proposal will be made
15 available in at least one designated location within the affected com-
16 munity, and inform that basic information regarding the proposal will be
17 provided upon the request of any person. The notice shall also inform
18 that a public hearing will be held upon the written request of the
19 governing body of an affected municipality or of at least 20 interested
20 residents of the affected community.

21 (c) If the governing body of an affected municipality requests a
22 hearing, the hearing shall take place before that governing body.
23 Otherwise the public hearing may be held by the department at any con-
24 venient location. If a public hearing is held, the deadline for written
25 comment may be not earlier than 30 days following the hearing.

26 (d) At a public hearing the department shall describe the proposal,
27 identify the essential considerations in favor of it, and receive com-
28 ments and answer questions from any interested person. In addition, at
29 a hearing, to the extent they have been developed, the department shall

1 present its recommendations regarding the proposal, its costs and
2 benefits, its environmental and social effects, and the alternatives
3 which have been considered including the alternative of not constructing
4 a facility.

5 (e) The department shall conduct surveys of the residents of each
6 affected community to enable the residents to express opinions regarding
7 the proposal.

8 (f) Within 90 days following a hearing the department shall pre-
9 pare and mail to the governing body of an affected municipality and to
10 each known interested person a report which summarizes the oral testimony
11 and written comments received and the results of surveys and other
12 relevant data and which informs whether and to what extent the proposal
13 has been modified as a result of public comments, surveys and other
14 relevant data.

15 (g) This section does not apply to improvements or modifications
16 to existing facilities which do not significantly affect the environment
17 nor to actions and repairs which may be necessary to meet a disaster or
18 emergency which threatens human lives.

19 (h) For purposes of this section,

20 (1) "affected community" means a municipality or an unincor-
21 porated village of 25 or more persons which is directly served by an
22 existing facility, or where an existing facility is actually located or
23 in which a proposed facility would actually be located, or which would
24 be directly served by a proposed facility;

25 (2) "municipality" means a home rule or general law borough
26 or city including but not limited to a unified municipality organized
27 under AS 29.68.

28 (1) The commissioner may adopt regulations under the Administra-
29 tive Procedure Act (AS 44.62) to implement this section.

1 Sec. 44.42.070. GRANTS TO THE DEPARTMENT. The commissioner may
2 apply for and accept, on behalf of the state, grants from the federal
3 government or an agency of it or from another state, a foundation,
4 corporation, association or individual, for any of the functions or
5 purposes of the department, and may expend the money received under this
6 section for those functions or purposes.

7 Sec. 44.42.080. LIMITATION ON TRANSPORTATION FACILITIES. The
8 department shall consult with the appropriate officials of other depart-
9 ments regarding environmental risks and economic and social considera-
10 tions that may arise by reason of the location, design, construction or
11 reconstruction of a transportation facility.

12 * Sec. 3. (a) The Department of Transportation is vested with the duties
13 and powers formerly held by the Department of Public Works relating to
14 planning, construction, maintenance and operation of transportation facili-
15 ties, including state ferries, airports and water and harbor facilities
16 except for design and construction of buildings and appurtenant structures.

17 (b) The Department of Transportation is vested with the duties and
18 powers formerly held by the Department of Highways relating to planning,
19 construction, maintenance and operation of state transportation facilities
20 including state highways, roads, bridges, traffic signs and signals, the
21 supervision and maintenance of state automotive and mechanical equipment, the
22 control of outdoor advertising visible from state highways and all other
23 duties and powers of the Department of Highways.

24 * Sec. 4. The commissioner of transportation shall replace the commis-
25 sioner of highways on the State Geographic Board, the Alaska Toll Bridge
26 Authority, the Alaska Safety Council and all other boards and commissions.

27 * Sec. 5. AS 44.19.700 - 44.19.714 and AS 44.44.010 are repealed.

28 * Sec. 6. This Act takes effect July 1, 1975.
29

Introduced: 1/24/75
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY BOWMAN AND SWANSON

2

HOUSE BILL NO. 63

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act creating the Department of Transportation; and
7 providing for an effective date."

8

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

9

* Section 1. AS 44 is amended by adding a new chapter to read:

10

CHAPTER 42. DEPARTMENT OF TRANSPORTATION.

11

Sec. 44.42.010. COMMISSIONER OF TRANSPORTATION. The principal
12 executive officer of the Department of Transportation is the commis-
13 sioner of transportation.

14

Sec. 44.42.020. POWERS AND DUTIES OF DEPARTMENT. The department
15 shall:

16

(1) coordinate and develop comprehensive, balanced trans-
17 portation policy and planning to include a long-range transportation
18 master plan for the state;

19

(2) coordinate, develop and operate a modern, safe and
20 efficient system of highway, mass transit, marine and aviation facili-
21 ties and services;

22

(3) promote and coordinate the efficient use of all available
23 and future modes of transportation;

24

(4) study commuter and urban travel and, in cooperation with
25 federal, regional and local agencies and persons, formulate and imple-
26 ment plans and programs to improve urban travel;

27

(5) study means of providing facilities for parking motor
28 vehicles so as to encourage travel by the combination of motor vehicles
29 and other modes of transportation and, in cooperation with federal,

1 regional and local agencies and persons, formulate and implement plans
2 and programs for this purpose;

3 (6) study means of improving transportation safety and for-
4 mulate and implement plans and programs and promulgate regulations for
5 this purpose;

6 (7) study the operations of existing airports, determine the
7 need for changes for those airports and the need for future airports,
8 and formulate and implement plans and programs to improve aviation
9 facilities and services;

10 (8) cooperate with federal, state and local agencies,
11 organizations, and persons performing activities relating to transporta-
12 tion;

13 (9) construct, maintain, and operate state highways, roads,
14 bridges, traffic signs and signals, ferries, airports, docks, floats,
15 breakwaters, railroads and all other state transportation facilities.

16 Sec. 44.42.030. DEPARTMENTAL ORGANIZATION. The commissioner shall
17 organize the department into the following operating divisions:

- 18 (1) division of administration;
- 19 (2) division of planning and research;
- 20 (3) division of highways;
- 21 (4) division of rail and transit;
- 22 (5) division of aviation;
- 23 (6) division of marine transportation;
- 24 (7) division of harbors.

25 Sec. 44.42.040. LONG-RANGE TRANSPORTATION MASTER PLAN. (a) The
26 commissioner shall develop a comprehensive long-range transportation
27 master plan. The planning shall consider all available and future
28 modes of transportation including, but not limited to, transportation
29 by highway, air, water and rail. The plan shall be designed to fulfill

1 the present and future needs of the state and assure development and
2 maintenance of adequate, modern, safe and efficient transportation
3 facilities and services.

4 (b) In developing and revising the plan the commissioner may:

5 (1) conduct public hearings;

6 (2) consult and cooperate with officials and representatives
7 of the federal government, Canada, other states, federal interstate
8 commissions and authorities, local agencies and authorities, interested
9 corporations and other organizations concerning problems affecting
10 transportation in the state;

11 (3) request and receive from any agency or other unit of
12 state government or of any political subdivision of it, or from any
13 public authority, the assistance and data that may be necessary to
14 enable the commissioner to carry out his responsibilities under this
15 section; and

16 (4) to the extent he may consider necessary, make use of and
17 incorporate in the plan any existing long-range transportation plan,
18 survey or report developed by a public or private agency or person.

19 (c) Copies of the plan, as revised, shall be kept on file as a
20 public document in the office of the commissioner.

21 Sec. 44.42.050. STUDY OF EXISTING TRANSPORTATION FACILITIES. (a)
22 Before September 1 of each year, the commissioner shall conduct and
23 complete an investigation and report on the several modes of trans-
24 portation in the state, in which he shall evaluate the adequacy of the
25 facilities and services connected with each mode, and shall determine
26 the needs of the state transportation system.

27 (b) The commissioner may engage in experimental projects relating
28 to an available or future mode of transportation including, but not
29 limited to, high speed rail service, the development of heliports and

1 hovercraft service and any means of improving existing transportation
2 facilities and service.

3 Sec. 44.42.060. GRANTS TO THE DEPARTMENT. The commissioner
4 may apply for and accept on behalf of the state grants from the
5 federal government or an agency of it or from a foundation, corporation,
6 association or individual, for any of the functions or purposes of
7 the department, and, when authorized by a budget amendment approved
8 by the governor and the Legislative Budget and Audit Committee, may
9 expend the money so received to effect these functions and pur-
10 poses.

11 Sec. 44.42.070. LIMITATION ON TRANSPORTATION FACILITIES.

12 (a) The department shall consult with the appropriate officials
13 in the Departments of Fish and Game, Health and Social Services,
14 Natural Resources and Environmental Conservation regarding the en-
15 vironmental hazards and the conservation, sanitation, recreation and
16 social considerations that may arise by reason of the location,
17 design, construction or reconstruction of a transportation
18 facility.

19 (b) No highway, transit line, highway interchange, airport
20 or other transportation corridor or facility may be built or expanded
21 in such a way as to use the land from a recreation area, historic site,
22 state park, state forest, state critical habitat area, state game
23 sanctuary or refuge, or state wilderness park unless (1) there is
24 no feasible and prudent alternative to the use of that land; and (2)
25 the corridor or facility is planned and constructed so as to minimize
26 environmental impact to the land.

27 Sec. 44.42.080. ANNUAL REPORT. The commissioner shall submit
28 to the governor and the legislature an annual report on or before
29 January 1 of each year. The report shall include the recommendations

1 of the commissioner for legislation necessary to develop and
2 maintain a modern, efficient and well-balanced transportation
3 system.

4 * Sec. 2. AS 44.15.010 is amended by adding a new paragraph to read:

5 (18) Department of Transportation

6 * Sec. 3. TRANSFER OF FUNCTIONS. (a) The Department of Transportation
7 is hereby vested with the duties, powers and responsibilities formerly
8 exercised and held by

9 (1) the Department of Highways;

10 (2) the Commission for Northern Operations of Rail Transporta-
11 tion and Highways;

12 (3) the Department of Public Works in respect to construction,
13 maintenance and operation of state ferries, airports, docks, floats,
14 breakwaters and similar facilities.

15 (b) The following divisions are transferred as indicated:

16 (1) the division of buildings, Department of Public Works, is
17 transferred to the Department of Administration;

18 (2) the division of communications, Department of Public Works,
19 is transferred to the Department of Public Safety.

20 (c) Appropriations, records, equipment and other property of depart-
21 ments, divisions and agencies of the state designated in (a) of this sec-
22 tion are transferred to the department.

23 (d) This section does not abate or otherwise affect an action or
24 proceeding, civil or criminal, brought by or against a department, division,
25 agency, or commission designated in (a) of this section and pending on
26 January 1, 1974. Such actions or proceedings may be maintained in the same
27 manner as if the section had not taken effect.

28 (e) All applications, petitions, hearings and other proceedings pend-
29 ing on December 31, 1973 before a department, division, agency or commission

1 designated in (a) of this section shall be continued and determined by the
2 affected body.

3 (f) Appropriations and other money available to and to become available
4 to a department, division, agency or commission the functions, powers and
5 duties of which have been transferred to the department established under
6 this Act, or to any other department to which has been transferred additional
7 functions, shall be available for the objects and purposes for which appro-
8 priated or otherwise made available, subject to terms, restrictions, limita-
9 tions or other requirements imposed under this section or other state or
10 federal law.

11 (g) Regulations, rules, orders, or other acts in effect with respect
12 to a department, division, agency or commission transferred to the department
13 under this section shall continue in full force and effect until amended,
14 modified, repealed or rescinded as the commissioner determines in accordance
15 with law. Existing contracts made by a department, division or agency trans-
16 ferred to the department under this Act remain in effect according to the
17 terms of the contracts.

18 (h) The powers, duties and functions transferred to the department
19 under this section are in addition to, and not derogated by, the powers,
20 duties and functions otherwise vested in the department under this Act.

21 (i) The following statutes are modified to the extent necessary to
22 bring them into conformity with this section: AS 02.10 - 02.35; AS 19;
23 AS 28.05; AS 35; AS 36; AS 39; AS 41; AS 44.15; AS 44.19.410, 44.19.820; and
24 AS 44.57.

25 * Sec. 4. AS 44.15.010(13) and (15); AS 44.19.700 - 44.19.714; AS 44.43;
26 and AS 44.44 are repealed.

27 * Sec. 5. This Act takes effect on January 1, 1976.
28
29

FINANCE COMMITTEE SUBSTITUTE FOR SENATE CS FOR CS FOR HOUSE BILL 63

1. Page 4, delete (d), lines 27, 28, and 29.
2. Page 8, delete (h), lines 9 - 18 and replace with the following:

(h) Affected communities may exclude themselves, withdraw from, or reject the proposal providing that, within sixty days after the receipt of the documents described in (g) of this section, a majority of the affected communities which will be directly served by the proposal, vote to exclude themselves, withdraw from, or reject the proposed new transportation system or facility or the extension or alteration of an existing transportation facility by: a resolution, adopted by a majority of all the members of the governing body of each community, submitting the exclusion from, withdrawal from, or rejection of the proposal to the electorate of each affected community at the next general election, which is adopted by a majority of qualified voters voting on the question.
3. Page 21, delete (3), lines 16 - 22.

Page 21, delete Sec. 42, lines 24 - 29.

Page 22, delete lines 1.

Page 21, add new Sec. 42 as follows:

(7) the operation of motor vehicle weighing stations and the enforcement of size, weight, and load limitations, including the issuance or withholding of special permits and prescribing fees for special permits, based upon directives of the Department of Transportation for limiting or prescribing conditions of operation of vehicles when necessary to assure against undue damage to the road foundations, surfaces, or structures.
4. Page 26, lines 5 - 7, delete all materials and renumber remaining bill sections. (See next amendment for repeal of Alaska Safety Council (AS 28 interim committee and Lt. Governor agree that 'council' is non-existent and that virtually all its duties are handled by Public Safety's traffic bureau.)
5. Page 29, lines 22 - 23, add AS 19.10.060(2) and AS 44.19.800 - 44.19.850.
6. Page 29, line 24, change effective date to November 1, 1976.

Dr.

"We dream of systems so perfect that man need never be good." (T. S. Eliot)

We are a nation of problem solvers and we rely heavily on our institutions to assist in problem solving. Quite often we legislate organizations into being, or legislate theoretical solutions into being, without an adequate understanding of the forces at work in our institutions which tend to stymie our intent and stifle creative work. Legislating the solution to one problem quite often creates another,¹ because we fail to analyze the basic self-protective instincts of people and of the institutional hierarchies to which they owe their personal advancement.

It is, therefore, critical that we understand the nature of organized bureaucracies and the forces which motivate institutional organizations if we are to rely on them to further the public interest.

The ability of an institution, particularly a governmental organization, to perform effectively depends on three prime factors:

1. Policy Formulation - The ability of policy-makers (Governor, Commissioners, Legislators) to debate priorities and provide actual rather than superficial policy direction.
2. Organizational Structure - An organizational structure which provides the necessary basis for policy formulation and which provides a vehicle for the execution of public policy.
3. Motivation - The quality of the people working in the bureaucracy and their motivation towards effective performance.

POLICY FORMULATION

Alaska's strong gubernatorial system provides that the Governor and his appointed officials will formulate policies which the legislature will debate. The legislature will concur with, modify, reject, or supplant such policies and provide the funding necessary for policy implementation.

In a developing state such as Alaska, policy execution often requires the acquisition of facilities, which themselves become a visible demonstration of the political process response to constituent need. Often, the Governor and the legislature will differ over the need to provide facilities. Governors tend to be judged, both statewide and regionally, on their soundness of fiscal management and the vigor of their leadership in proposing policy. Legislators, elected to serve the interests of individual constituencies, tend to demonstrate responsiveness to their electorates in varying ways.

[1] A case in point is the Merit System, a personnel classification process which governs the qualifications required for employment and the means of advancement of employees. The Merits System was developed to minimize the effects of patronage and corruptions which were rampant in the Federal Civil Service in the late 19th century. The practical effect of that invention was to reward seniority and protect individual employment almost to the exclusion of reward for performance. We now live with the result.

Urban area legislators, representing districts (e.g. Anchorage) which are already provided with basic services (e.g. education, sewerage, communications) tend to be more "issue" oriented, concerned to debate statewide programs and priorities which affect their constituencies. Legislators who represent rural or small populations tend towards programs providing State support for basic services and/or the economies of local areas. It is felt that constituents in such areas respond to those legislators who provide tangible benefits, often monetary and, most visibly, via acquisition of facilities. This political phenomenon, derisively referred to as "pork barrel," is in fact quite often a response to perceived constituent need and will tend to override a legislator's otherwise genuine commitment to programmatic development.

Policy Formulation Supported by a Planning Process:

The ability of elected officials to provide policy direction can be enhanced by a planning process which is designed to accommodate political realities. Historically, however, planners' views have tended to clash with those of politicians because the planning discipline requires a long-range assessment while governors and particularly legislators are necessarily constrained to think in shorter terms. Consequently, those planners who enjoy relative institutional isolation from political oversight may dominate, to the frustration of politicians, while planners whose budgets are accessible to actual, rather than superficial, political scrutiny tend to submit to political direction, often to the frustration of their own perceptions.

It is argued here that a prime function of a planning process is to challenge and reaffirm program goals; then, to identify optional means of achieving these goals with the concomitant development of resource requirements necessary to implement each option. It is not a prime function of a planning process to imprison policy-makers within the personal or philosophical preferences of the planners.

Once the political process has digested, approved, modified, rejected or replaced planning options, it is the further task of the planning process to ensure, whatever the level of expenditure, and whatever the policy decided, that appropriated funds are expended in the most cost-effective fashion.

The planning process will derive its directions both from management, which perceives an impediment to effective program delivery, and from policy-makers elected on the basis of stated goals or directions. In order for the planning tool to be utilized, it is necessary for its recommendations to employ a language comprehensible to its clients, both managers, and the constituency which elects policy-makers.

Since legislators, who hold the purse-strings, must act as the servants of individual constituencies, a planning process which attempts to allocate resources on a rational basis will only achieve that measure of success granted it by a series of self-interested legislative districts, i.e. the planning process must not only speak in a language which the electorate understands, but also demonstrate to the electorate and its representatives the long and short term value of support of the process rather than its subversion.

The Impact of Independent Capital Improvements Program (C.I.P.) Funding on Policy:

When an agency has access to relatively predictable major funding sources which are independent of, and, therefore, insensitive to, the local political structure (e.g. Federal funds), it will tend to take advantage of the short-range political need of its elected overseers rather than submit to a long-range discipline, when such a course will protect its autonomy, staffing levels, and budget, as will be discussed later.

Legislators, and even governors, will tread warily when dealing with such an agency, particularly when their constituents need such amenities as roads and airports. Even though the expenditure of "free" CIP funding has an enormous impact on future operating budgets, politicians rarely fail to provide requested levels of State matching funds for Federally available construction monies because of (a) the political danger inherent in such action, and (b) individual legislator's needs to obtain CIP funds for their own districts.² Since the large Federal appropriations, particularly transportation CIP funding, are provided for construction rather than planning, management or maintenance purposes, the construction of roads and airports will tend to proceed because of political imperatives, independent of the theoretical control of the State's formal political process, or the planning effort supporting that process.

ORGANIZATIONAL STRUCTURE

Nothing inhibits policy formulation and execution so much as a bureaucracy which is insensitive to or ineffective in responding to the theoretical control mandated by the political structure. Theoretically, political and administrative control over Alaska's State departments is achieved by gubernatorial appointment of commissioners who must be confirmed by the legislature. Therefore, the criteria which influence such appointments are of prime importance, for if the appointee is ineffective or unwilling, the organization's effort will tend to be directed primarily toward the self-preservation and self-sustenance of its members. If no effective external pressure exists, the organization will achieve self-satisfactory status depending on:

1. Its insulation from executive, legislative, or public scrutiny.
2. Response to informal political pressure and its ability to satisfy the sources of such pressure.
3. The predictability of its major source or sources of funding.
4. The degree to which users of its services feel, or are in fact depend on the agency's provision of services and its flexibility of internal choice in providing service.³

[2] E.g. Alaska Department of Highways is not required to conform to the State's CIP budget cycle, either with regard to the submission of six-year plans or by the itemization of projects as to location and amount for submission to the Budget Review Committee. Its CIP request constitutes one lump sum. It prepares its own five-year plan, deviation from which is essentially left of its own discretion. Many legislators fear that should they indulge too rigorous a review of the Department's budget request or proposed spending pattern, the consequence might be that their own districts' highway projects would continually be found in the fifth year of successive five-year plans. Such a perception, real or imagined, tends to provide the agency with relative immunity from oversight.

[3] See Footnote [2].

The design of organization structures should reflect the political realities inherent in both the choice of political appointees and the self-protective nature of bureaucracies, particularly in those agencies which require the expenditure of capital improvements funds to accomplish their mission. This consideration is even more critical when the largest component of first cost (procurement price) of capital improvements is derived from funding sources which are relatively insensitive to Alaska's political structure, e.g. Federal Highway Trust Funds and Airport Development Air Program funds. For the decision to build affects not just the disbursement of first cost dollars, but also the commitment of the State Treasury to the costs of maintenance and use of such facilities over their useful lives. Although the technique known as Life Cycle Costing is yet in its formative stages, it is suspected that the following ratio provides a tentative guide: ⁴

	<u>First Cost</u> ⁵	<u>M & O Cost</u> ⁵	<u>Occupancy</u> ⁵ <u>Cost</u>	<u>Total</u>
Institutional Buildings	1	1.2	8	10.2
Hospitals	1	1.5	13.0	15.5
Highways	1	1.0	N.A.	
Ferries	1	3.0	12 ⁶	16

Political and Administrative Control:

Commissioners tend to be appointed based on a commonly shared philosophical attitude, because of political support which the appointees have provided the Governor, or because their technical abilities are seen as a vehicle by which the Governor may execute policy in a field in which he or she feels a special competence and interest. It is not necessarily true that commissioners are appointed primarily because of their managerial background.

The management task, therefore, is commonly left to the permanent civil service. Unfortunately, the merit system, which fills the bulk of senior management positions, rewards longevity of service more often than it recognizes managerial skill. Consequently, theoretical policy formulation is often frustrated in execution, not so

[4] Source: Hanscomb Associates

[5] First Cost = Total Cost of Procurement
M & O Cost = Maintenance, Operations & Minor Repair
Occupancy Cost = Cost of Use, e.g. Salaries & Services to Support the Facilities' Utilization

[6] Includes Crew Salaries & Support

much because the executives are unwilling but because due to lack of training or experience, they are unable to organize the effort required.

This administration is currently burdened with the consequences of a series of senior appointments made largely as a result of political allegiance, by prior administrations. No guarantee exists that similar criteria shall not be followed by future administrations.

The probability exists that we are currently witnessing a peculiar, rather than normal, gubernatorial exercise. The incumbent Commissioner of Highways is extremely planning oriented. In this respect, he differs remarkably from his predecessors and possibly his successors. The incumbent Commissioner of Public Works is likewise somewhat unique in his determination to promote cost-effective government. However, commissioners come and go, and, to the degree that their ideas or personal philosophies clash with the ingrained attitudes of their departments, their legacy may not long survive their inevitable departure. It is, therefore, important that a debate regarding departmental organization not center around natural personal constituencies within the administration, but rather on the degree of control which any commissioner is able to exert on his or her organization and its responsiveness to the politically mandated mission and to the provision and disbursement of funds required to accomplish that mission.

The Consequences of Insulation:

It is possible to illustrate the degree of insulation from political scrutiny attainable by an agency which receives large amounts of Federal CIP funds.

The Alaska Department of Highways, unlike every other State agency, is not required to submit requests for CIP positions to the Division of Budget and Management. The sole approval required is that of the commissioner, except for Grade 20's and above, which must be approved by the Governor's Office. The number of CIP positions available to the Department is currently 852, at a payroll cost of approximately \$16,800,000 per annum (were they all filled), at an average range 18-A.

The Department of Highways, as pointed out earlier, unlike other State agencies, does not submit a six-year CIP plan to the Division of Budget and Management to support its capital improvements requests. It prepares its own five-year plan which has historically become available in January, at the beginning of the legislative session.

Unlike other State agencies, the Department of Highways does not itemize its capital improvements requests for State funds to match Federal receipts. It does itemize a small portion of its total request, i.e., G.O. Bond funds for projects not eligible for Federal aid. The current request is as follows:

1976 G.O. Bond Issue Request to Match Federal Aid =	\$ 62,259,800 ⁷
Anticipated Federal Aid =	<u>406,535,300</u>
Total	\$468,795,100

[7] It is probably that these funds will be approved.

These funds will be dispersed essentially at the discretion of the Commissioner of Highways.

Other 1976 G.O. Bond issue requests, which are itemized, equal \$8,128,000.

The total proposed CIP expenditure is \$476,923,100 (over 50% of the total CIP budget), of which only 1.7% is itemized for review by the Budget Review Committee.

It is apparent that the current practices described, provide for less than rigorous review by elected and appointed officials, whose theoretical task it is to establish and monitor policy formulation and execution. It is possible that the current administration may be able to change some of these practices. It is also possible that the same forces which produced this internally comfortable state of affairs may cause this heavily federally funded agency to revert to current practice under future administrations.

Division of Aviation, Department of Public Works, while not as autonomous as Department of Highways, exhibits similar symptoms in its construction program which is supported largely by ADAP funds. For instance, it is extremely difficult to determine the historical basis for allocation of Federal receipts to State airport construction projects by analyzing the Division's records.

The University of Alaska's research program may provide similar examples, although not CIP-related.

Agency Response to Informal Pressure:

The ability of an agency to respond to informal political pressure, there providing it with allegiances with individual legislators, can be easily imagined when the vast bulk of its CIP effort is subject to no effective administrative or formal legislative scrutiny. Even were its long-range plan submitted to the responsible State agencies prior to submission to the legislature, such a document is not binding, except upon the will of the incumbent commissioner. He must bear the brunt of pressure from within his agency, from the supporters of the funding source, and from interested Alaskan political lobbies.

The Consequence of Predictability of Funding Sources:

When an agency responsible for planning, design, construction, management, and maintenance has a relatively predictable funding source (ADAP, Highway Trust Fund), the forces within, perhaps unconsciously, will tend to organize the expenditure of such funds to support its staffing pattern, without necessarily indulging in vigorous review to improve its modus operandi. A case in point is Division of Aviation, which currently has sufficient State G.O. Bond authorizations to match perhaps three more years of ADAP allocations.

Aviation's 1972 G.O. Bond issue contained authorization for 31 design projects for trunk and secondary airports, ranging in amounts from \$10,000 to \$30,000. Construction funding for many of these projects was contained in the 1974 G.O. Bond issue. When questioned regarding this procedure, Aviation personnel provided the following responses:

Q. Why does it take two years to design a series of small bush airports?

- A. We only have 47 design staff positions authorized. ⁸
- Q. Since somebody has already decided that these airports shall be designed and constructed, why not obtain pre-planning funds and package these design tasks into discrete groups. Allow the local professional firms six months of real time to perform the design task and put the construction funding on the 1972 G.O. Bond issue, thus saving two years of inflation.
- A. Local design firms don't usually have the capability or the expertise to design bush airports.
- Q. Is that because you don't give them the work?
- A. What we really need is a larger staff to accomplish the work faster.

Why is that not a good answer? --

As a point of interest, it is generally true that when an agency receives a relatively guaranteed Federal income, it is not so subject to lobby pressure from local professional societies through interested legislators, who themselves are dependent to a degree on the agency's allocation of projects and funds. The result tends to be the creation of large staffs of design and construction personnel (CIP positions), currently 852 positions in the Department of Highways and 228 in the Division of Aviation. ⁹ The argument is rarely heard within these agencies that certain kinds of projects may be prosecuted more



[8] Division of Aviation's ratio of design staff to construction contracts awarded is as follows:

CALENDAR YEAR: _____ 1973 _____ 1974 _____ 1975

DOLLAR VOLUME:

NUMBER OF PROJECTS:

By comparison TNH, DOWL, UNWIN & SHEBEN.

NOTE: Division of Buildings, which is not afforded the flexibility provided by regular Federal funding and which has long suffered from lack of sound management, is currently budgeted for two CIP employees who are responsible for the design management of a current program involving \$130,000,000 at 60+ sites around the State. The Division should have five times that staffing level, given the current workload.

[9] It is interesting to note that Division of Aviation and Department of Highways have as their mission the planning for, construction of, and management of two major modes of transportation. The planning function absorbs considerable State funds, while the management and maintenance function is almost entirely State supported. The construction function is very largely supported by the Federal Government. The hierarchies of these are dominated by design and construction engineers, whose existence is largely dependent on Federal, not State, funds.

cost-effectively by a greater use of private consulting firms.

The following example will illustrate the diffidence with which an in-house design bureaucracy tends to respond to external ideas. Recently, Department of Highways commenced preliminary studies on a bridge design in Southeast Alaska. The published construction cost amounted to \$15,000,000. A private consulting engineering firm, acting on its own volition, developed a design which it felt might reduce the cost to approximately \$8,000,000.

The design, developed by two former Department of Highways bridge designers, was forwarded to the Department, probably in the hope of obtaining a design contract. At first the proposal was ignored. Later, because of a personal relationship maintained by a principal of the firm, the design was informally reexamined. Successive criticisms resulted, each answered by the firm. After several weeks, during which time no formal response was received from the Department, the firm ceased its effort.

Another kind of cost inefficiency which results from an exclusive internal design effort results from the need to provide for the salaries of staff members during slack periods. For instance, it is relatively common practice for a design agency not to close its books at the conclusion of construction of a project, in order that employees may be paid through the winter months from any surplus remaining. In the absence of any budgetary or programmatic oversight, such practices are difficult to curtail, indeed they are often almost impossible to detect actuarially.

Given the relative insulation from political oversight enjoyed by agencies such as those described, it is not difficult to understand that there is small force predisposed to check their forward progress toward internal self-satisfaction. Nor is there an inbuilt counterweight to balance their collective view of the priorities and methodologies on which public funds should be expended.

Quality and Motivation of Personnel:

Civil servants are ordinary people. They bear close comparison to employees of large private institutions, e.g. banks, large manufacturers. Probably as a group they lack the aggressiveness of a small private entrepreneur, but their intelligence and competence is high. Middle managers, particularly, constantly reveal a degree of ability which belies the popular prejudice leveled at the "bureaucrat."

They do carry one distinction which separates them from private employees, in that they tend to be subject to different kinds of pressure. Any employee, if he is to carry out his mission, requires instruction and a set of management guidelines. The larger the organization, the further the employee is removed from the policy-maker, the more formal the guidelines, so that policy direction may travel the most direct route to the employee responsible for policy execution.

Procedure manuals exist. For instance, the Procedure Manual for the Department of Public Works contains such sections as "Travel and Per Diem," "Filing Instructions," and "Salary and Personnel Rules." Employees understand the rules which govern their wages and benefits. They understand that an informal code governs their behavior. However, they are rarely given instruction in how to OPERATE. There are few MANAGEMENT guidelines to accompany class specifications, so that an employee may understand the nature of his duties and the performance to be expected in the prosecution of his work. Such guidelines are generally transmitted by word-of-mouth, if at all.

The middle management employee, particularly in the CIP disciplines, sometimes draws the attention of an interested legislator or the representative of a powerful special interest. He may be blessed with a strong supervisor, director or commissioner, or he may not. If he is not, but yet he understands his mission, he may realize that the attention bestowed on him sometimes conflicts with his goal (towards effective performance). If he perceives that his director or commissioner is primarily concerned with the avoidance of conflict, then he realizes that the problem is his to solve. He will generally compromise, or temporise. Should his withdrawal or hesitancy then impair his work product, he will sometimes find the originator of the pressure in the forefront of the critics of his diminished performance. Several such incidents will teach him caution, or lead him to the shelter provided by the nearest available legislation or regulation.

The public, quite often, judges not the cause but the result.

It is the theoretical task of political appointees, commissioners and directors to receive and dispatch political pressure in order that permanent employees may effectively perform assigned duties. If such appointees abrogate such duties, civil servants are left to their own devices. Those who can cope advance. Those who cannot, retreat and retrench. Some leave in despair. For lack of leadership, the employees suffer both personally and publicly, as does their mission.

Most government workers will respond to leadership, clear guidelines, and equitable dealing. In the absence of these climatic conditions, many employees will resort to protective devices, such as self-justifying memoranda.

Most civil servants will exercise their need for self-defense until they observe that their superiors accept the responsibility for the creation of a viable working environment. If such an environment is created, they are as capable of productive work equal to that of employees in the private sector.

The Effect of Organizational Structure on Employee Effort:

The process which implements governmental CIP programs is unique in two major respects:

1. The process should require the use of a wide variety of disciplines from managers to planners, to designers, to contractors and to managers.
2. Delivery of the products requires extensive involvement with the private sector (consultants, contractors, citizen groups).

Bill, this is what you wanted

SECTIONAL ANALYSIS OF CS FOR CS FOR HOUSE BILL 63

Section 1: Self explanatory.

Section 2: AS 44 is amended to include new code sections concerning powers, duties, and organization of the DOT. .010 establishes Office of the Commissioner; .020 makes it mandatory that the Department exercise its responsibility for comprehensive planning of all modes of transportation, including surveying of existing modes and analyses of their present and future value, the development of alternatives for future transportation development, the translation of such alternatives into a statewide master plan, and the delineation of capital works projects with this master plan.

Note: In order to conform with Title 23 of U.S. Code, the Federal DOT requires that one agency in the State be responsible to the Federal Government for the disbursement of Federal Transportation funds.

Federal DOT Counsel therefore suggested that the ^{LEGISLATION} ~~Legislature~~ be designed to provide that the proposed State DOT be given all transportation powers and duties as delineated under Section 44.42.020 with delegation of design and construction to Department of Public Works. The purpose of such delegation is as follows:

- (1) the planning activity should develop options for consideration of elected officials, such that the Governor and Legislature may best represent their constituencies.
- (2) project proposals, which result from the planning process should be tested prior to funding to ensure conformance with program objectives and established policy.
- (3) the building agency should not dominate the planning function, e.g. projects should not be proposed for agency self-serving purposes.
- (4) accountability should be maximized both at the beginning and at the end of the design/construction process.

- (8) requires that DOT and DPW "work cooperatively" to assure design and construction is consistent with plans and with management and operational requirements. Such cooperation will by administrative procedure be clearly delineated. The process by which one agency instructs another and reviews the work of another is vitally important, for it is the process of transfer of responsibility which identifies sources of conflict and resolves misunderstandings. The delivery of a program plan from DOT to Public Works, the latter agency's review to ensure feasibility, and the dialogue resulting from this interaction, provide legislators, the Governor, and the respective commissioners with a clear view of the division of responsibility between agencies and allows for future evaluation of agency performance.
- (9) and (2), (3) requires the DOT to perform transportation research. Such activity is of vital significance in a state of vast distances, scattered population and resource centers, and fragile physical environment. Research in transportation modes, design and construction techniques, logistics and cost-effective processes should be vigorously pursued and adequately funded. Alaska is unique in many respects, yet the bulk of our knowledge and methodologies are derived from others outside the context of our unique conditions. In a state of small population, huge distances, and extreme climate, we practice what is preached by those who live in areas of low population, short distances, relatively mild climates, encountering

relatively simple logistics. Most of this adopted knowledge is useful, but much of it is utilized in the absence of any better. The State should help itself to the knowledge to be gleaned from expertise available, in order to best utilize available funds for the solution of unique problems.

(12) requires DPW review of first cost and LCC budgets, the program criteria and the completion schedules developed by DOT.

(4), (5), (10), and (11): Requires the Department to develop long-range transportation plans for the State and regional systems, and requires that the Department analyze alternative means for solving the State's transportation needs.

44.42.030 provides that DPW shall design and construct only those transportation facilities planned by DOT. That is, as a service department the building agency should not be empowered to propose capital expenditures on projects which provide the source for the payroll of the bulk of its employees.

The DOT, which is responsible for the planning and management of transportation facilities should be the agency which proposes the funding of such projects.

44.42.050-060 Transportation Advisory Boards - provides for the regionalization of the management of transportation modes and facilities. Public involvement will occur at the regional level through regional transportation advisory boards whose chairmen form the membership of the Alaska Transportation Advisory Board, which shall review the State transportation plan and recommend policy funding annually to the Commissioner.

44.42.070 State Transportation Plan - requires that the Commissioner develop annually a State Transportation Plan which shall be submitted to the Governor for his review and approval and then submitted to the Legislature. This section also requires that the Commissioner of Transportation shall delineate the proposed capital budget by project for the following two years with his recommended project priorities. The Governor shall review and approve or revise the proposed capital budget and include such funding in the general appropriations act for the review revision and/or approval of the Legislature.

44.42.080 Public Hearings and Surveys - describes the processes by which the public may respond to statewide and regional transportation plans and facility plans. This section also provides that the Department may use other means (e.g. surveys) to obtain public opinion.

44.42.080 (g) - Provides that should a community wish to exclude itself from a transportation system or facility it may do so by a resolution adopted by its governing body or by vote of the electorate of the affected community.

44.42.100 Limitation on Transportation Facilities - requires DOT to consult with other agencies regarding the impact of any proposed projects and protects land previously dedicated by a governmental entity for recreation or other public purpose, unless there is no feasible or prudent alternative use of that land.

Section 3 (page 10) - Section 4 (Page 21) - contain revisions to existing statutes to carry the requirements of Sections 1 and 2.

Section 42. Authority of the Department of Public Safety to adopt regulations. This transfers the operation of motor vehicle weighing stations and the enforcement of highway weight and load limitations to the Department of Public Safety.

Since the State already has a highly competent enforcement agency which is available on a 24-hour per day basis, it is considered that enforcement of laws and transportation regulations applying to the traveling public should be consolidated within the Department of Public Safety.

Section 43 (page 22) - Section 57 (page 26) - contain revisions to existing statutes to carry out the requirements of sections 1 and 2.

Section 58 (page 26) transfers the maintenance and operation of State buildings to Department of Administration for two reasons:

(1) It is considered necessary to consolidate the space management function and the building maintenance function into one department to enable adequate policy and budget development for the carrying out of these duties.

(2) It is important to inhibit the ability of the building agency to use maintenance funds to correct or conceal design and/or construction deficiencies.

Section 59 (page 26) - Section 67 (page 29) are revisions to existing statutes to carry out the requirements of sections 1 and 2.

Section 68 - empowers the Governor to allocate appropriations for Department of Highways and Department of Public Works for FY 77 and prior years to implement the purposes of this legislation.

Sec. 1. The purpose of creating a DOT under this bill is to have within one department the responsibility for planning, managing, operating, and maintaining all the State's transportation modes and facilities, but not the design and construction functions which are the responsibility of the Department of Public Works. This split responsibility increases accountability and provides the legislative awareness and involvement in the decision-making process.

Sec. 2. AS 44 is amended to include new code sections concerning powers, duties, and organization of the DOT. .010 establishes Office of Commissioner; .020 makes it mandatory that the department exercise its responsibility for comprehensive planning of all modes of transportation, including surveying of existing modes and analyses of their present and future value, the development of alternatives for future transportation development, the translation of such alternatives into a statewide master plan, and the delineation of capital works projects in keeping with this master plan.

(7) requires that DOT and DPW "work cooperatively" to assure design and construction is consistent with plans and with management and operational requirements. By statute or by clear executive order, such "cooperation" must be clearly delineated. The process by which one agency instructs another and reviews the work of another is vitally important, for it is the process of transfer of responsibility which identifies sources of conflict and resolves misunderstandings. The delivery of a program plan from DOT to Public Works, the latter agency's review to ensure feasibility, and the dialogue resulting from this interaction, provide legislators, the Governor, and the respective commissioners with a clear view of the division of responsibility between agencies and allows for future evaluation of agency performance.

(9) and (2), (3) requires the DOT to perform transportation research. Such activity is of vital significance in a state of vast distances, scattered population and resource centers, and fragile physical environment. Research in transportation modes, design and construction techniques, logistics and cost-effective processes should be vigorously pursued and adequately funded. Alaska is unique in many respects, yet the bulk of our knowledge and methodologies are derived from others outside

Sec. 1. The purpose of a DOT under this bill is to have within one department the responsibility for evaluating, planning, design, construction, operating, and maintaining all the State's transportation modes.

Sec. 2. AS 44 is amended to include new code sections concerning powers, duties, and organization of DOT. .010 allows the DOT to exercise its responsibility for comprehensive planning of all modes of transportation, including surveying of existing modes and analyses of their present and future value, the development of alternatives for future transportation development, the translation of such alternatives into a statewide master plan, and the delineation of capital works projects in keeping with this master plan.

(7) This provision as stated in SB 56 not contained in this bill.

(2) and (3) requires DOT to perform transportation research. (9) as stated in SB 543 is not contained. Specifically, it requires the study of alternative means of transportation while provisions (2) and (3) in both bills require the study of existing modes and facilities and the study of means for improving transportation.

ANALYSIS: SENATE BILL 548 (9th/2nd)
Commerce & Finance Committee
(Continued - 2)

the context of our unique conditions. In a state of small population, huge distances, and extreme climate, we practice what is preached by those who live in areas of large population, short distances, relatively mild climates, encountering relatively simple logistics. Most of this adopted knowledge is useful, but much of it is utilized in the absence of any better. The State should help itself to the knowledge to be gleaned from expertise available, in order to best utilize available funds for the solution of unique problems.

(11) requires DPW review of first cost and LCC budgets, the program criteria and the completion schedules developed by DOT.

42.030 Regulations allows the Department to adopt regulations to implement, interpret, or make more specific, its powers and duties.

42.040 Departmental Organization - Same for both bills.

42.050 (a) removes requirement for revision at a specified interval of five years.

(b)(2) requires that every unit of State Government provide necessary assistance to DOT Commissioner to carry out responsibilities defined in this legislation.

(c) requires copy of plans to be kept on file and accessible to public.

42.060 Public Hearings and Surveys - Describes the several processes by which the public may respond to master plans, regional plans, and transportation facility plans. Such processes are mandatory so that the public may inform its servants as to its desires. Recognizing that public hearings alone often provide an inadequate basis on which to base public reaction (due to dominance by people with a sectional view or vested interest). Therefore, a requirement has been included for taking surveys of affected residents. There is also a requirement that this data be published and distributed.

42.070 Self-explanatory. Same for both bills.

42.080 Limitation on transportation facilities. Requires DOT to consult with other departments regarding impact of any proposed project.

(b) places additional requirements for environmental preservation and restricts use of privately owned land.

ANALYSIS: CS for HOUSE BILL 63
(9th/1st) Rules
(Continued - 2)

Not contained in CS HB 63.

42.030 mandates that DOT plan, design, maintain, and operate all transportation facilities.

42.060 (i) falls under the section on public hearings and as such is applicable only to those provisions.

42.040 Same for both bills.

42.050 (a) periodic revision is defined as every five years maximum.

(c) eliminates section requiring legislative approval of administrative policies.

(d) same as section (c) in SB 548.

42.060 Same as SB 548.

42.070 Same for both bills.

42.080 Requires DOT to consult with other departments regarding impact of proposed projects.

(b) not contained in CS HB 63.

ANALYSIS: SENATE BILL 548 (9th/2nd)
Commerce & Finance Committee
(Continued - 3)

42.090 - Self explanatory.

Sec. 3. Describes the duties of the DOT and of the DPW relative to DOT.

(a) vests the DOT with the planning, management, maintenance, and operation (formerly DPW responsibility) of only ferries and airports.

(b) vests the DOT with the (formerly DPW responsibility) planning, management, maintenance, and operation of highways, roads, bridges, traffic signs and signals, equipment, outdoor advertising, and all other duties not related to design and construction.

(c) vests design and construction responsibility formerly held by DOH with DPW including acquisition of property and use of power of eminent domain.

(d) requires DPW to design and construct only those transportation facilities planned and programmed by DOT. Requires DPW cooperation in the hearing and planning processes. Requires DPW administration during warranty period.

(e) requires DOT and DPW to coordinate and implement the provisions of public facility procurement policy. (AS 35.10.160, 180, and 190 requires consultation with other affected agencies. Requires that DOT obtain written DPDP approval of all proposed facilities.

Sec. 4 - Self explanatory. Same for both bills.

Sec. 5 - DOT assumes responsibilities for weigh stations and enforcement of weight and load limits on highways (formerly Department of Commerce responsibility).

Sec. 6 requires Alaska Revisor of Statutes to rearrange and transfer sections to insure conformance of all changes in functions made by this act.

Sec. 7. Same for both bills.

Sec. 8. Effective date July 1, 1976.

ANALYSIS: CS for HOUSE BILL 63
(9th/1st) Rules
(Continued - 3)

Sec. 3 (a) vests the DOT with the planning, construction, maintenance, and operation of ferries and airports, water and harbor facilities (formerly DPW responsibilities), except for design and construction of building

(b) vests the DOT with planning, construction, maintenance, and operation of highways, roads, bridges, traffic signs and signals, equipment and outdoor advertising (formerly DOH responsibilities), and all other DOH responsibilities.

(c) Not contained.

(d) Not contained.

(e) Not contained.

Sec. 4. Same for both bills.

Sec. 5. Not contained as stated in SB 548; it is the same for Sec. 7 in SB 548.

Sec. 6. Not contained as stated in SB 548; it is the same as Sec. 8 in SB 548.

Sec. 7. Not contained.

Sec. 8. Not contained.

A PETITION CONCERNING

CREATION OF AN ALASKA DEPARTMENT OF TRANSPORTATION

WHEREAS transportation systems and facilities do affect in a deep and lasting way the lives of Alaskans; and

WHEREAS the citizens of Alaska are ultimately responsible for and in control of the State's activities regarding transportation; and

WHEREAS the interest of Alaskans can best be served by an open, responsive, and simplified government transportation agency that heeds decisions made by a consensus of local citizens; and

WHEREAS Governor Hammond's proposal would place partial responsibility (planning and maintenance) in a Department of Transportation, and partial responsibility (for design and construction) in the Department of Public Works; and

Whereas public interest clearly is not served by government agencies which overlap in jurisdiction, duplicate effort and have poorly defined responsibility for projects undertaken;

THEREFORE, we the undersigned strongly urge the Alaska Legislature to create a single Department of Transportation with responsibility for all phases of state transportation activity, and to maximize the public's opportunity for involvement in transportation planning.

Signature	Printed Name	Address
<i>[Handwritten Signature]</i>	KYRINA J. PIERZ	801 H ST Anch. 99501
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<i>[Handwritten Signature]</i>	Cynthia Wentworth	U.S. Fish & Wildlife 813 D S 99502
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Return to: Liz Holloway 913 West 6th Ave. Anchorage, 99501

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LEGISLATIVE REFERENCE AGENCY
POUCH Y—STATE CAPITOL
JUNEAU, ALASKA 99901

TRANSPORTATION DEPARTMENTS
IN THE
SEVERAL STATES

Informational Bulletin 74-IB-3

FEBRUARY 1974

2
The State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

201 North, State Capitol
Madison, Wisconsin 53702

Telephone Area Code 608

Reference: 266-0341

Bill Drafting: 266-3561

Dr. H. Rupert Theobald, Chief



TRANSPORTATION DEPARTMENTS IN THE SEVERAL STATES

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TRANSPORTATION DEPARTMENTS IN THE SEVERAL STATES

I. INTRODUCTION

Wisconsin was among the first half-dozen states to create a state Department of Transportation. Now, almost half the states have such a department. The Wisconsin Legislature has before it 1973 Assembly Bill 1353 to reorganize this state's transportation department. Since the proposed changes would fundamentally alter the department's structure, the bill is of considerable significance and controversy.

The movement to establish departments of transportation caught on rapidly at the state level following the creation of such a department on the federal level. This interest would seem to reflect not only the trend toward state government reorganization, but also indicate a growing unease about transportation problems in our nation. The departments represent a hope that integrating the regulation of different forms of transportation might enable both the Federal Government and the states to see these problems whole and to deal with them accordingly.

What have these problems been? They have run the gamut from securing sufficient funds to meet the ever mounting use of highways and preventing drivers from killing themselves on those highways, to preserving urban bus companies and an ailing railroad industry from further deterioration and bankruptcy. Basically, the question is: How do you provide adequate services for the transportation of both goods and people? Now, with rising alarm over environmental factors and energy problems, come additional questions of how to provide these services with the least degradation of the environment and the greatest conservation of fuel.

The transportation industry is a mixture of private and public enterprise, and they intertwine in many ways. Privately owned automobiles, trucks and busses operate on publicly owned roads; privately owned railroads operate on privately owned tracks; private airlines fly in and out of public airports (often from private terminal facilities within the public airports); and urban transit systems represent a mixture of private and public ownership. Various subsidies over the years have further complicated the picture.

Traditionally, in most states, various aspects of transportation have been regulated by different agencies; and most states have had highway commissions, aeronautics commissions, public service commissions and motor vehicle departments -- or variations on them. Public service commissions came first to regulate railroads as utilities, followed by highway commissions or departments to build roads, motor vehicle departments to regulate drivers, and aeronautics agencies to promote the building of airports.

The creation of DOTs represents the first significant attempt at integration. Most DOTs have brought together two or more modes of transportation; none can be said to have brought all modes under one umbrella. Highways, airports, transportation planning and mass transit are those activities most frequently included to some degree in a department (Wisconsin's DOT includes them); railroad regulation and pipelines are the most frequently excluded.

DOTs can be organized modally, that is, with each division concerned with a particular form of transportation; functionally, with divisions crossing modal lines and dealing with some aspect common to all forms of transportation; or some combination of the two. Most tend to be primarily modal, with intermodal staff services (Wisconsin follows this trend) and with transportation planning being the most important intermodal function.

Within a department, modal divisions may be an integral part of the department structure; or, in some cases -- including Wisconsin --, certain divisions may be relatively independent and be attached to the department for administrative purposes only.

DOTs can be under the direction of a single head or under a policy-making board. Wisconsin has a single head, but a governing board for its Division of Highways.

1973 Assembly Bill 1353 would abolish the statutory Divisions of Highways and of Aeronautics and, the former independence within the structure, and replace the present Highway Commission,

which supervises the Highway Division, with a Transportation Commission, attached to the department for administrative purposes only.

At the hearings held prior to the convening of the Legislature for its 1974 floorperiod, proponents emphasized the broader outlook of a transportation commission in comparison to a highway commission and expected to provide input into transportation planning from the ground up with citizen participation via the hearing process. Opponents feared the downgrading of highways, the laying of the groundwork for highway fund diversion and the concentration of power in the commission rather than in local government.

This study will describe the present and proposed Wisconsin DOT together with the organization of DOTs in other states.

II. WISCONSIN -- PRACTICE AND PROSPECT

The Organization of the Wisconsin Department of Transportation

The Wisconsin Department of Transportation was created in 1967 as part of the overall reorganization of the executive branch of the state government. It brought together in the new agency the Motor Vehicle Department, the Highway Commission and the Aeronautics Commission.

As it is now organized, the department is headed by a Secretary of Transportation, appointed by the Governor with the advice and consent of the Senate. His staff includes an Office of Advisory Services, an Office of Information; the Bureau of Budget, Finance and Accounting, and the Bureau of Management Analysis and Audit; 3 councils: the Council on Traffic Law Enforcement, the Council on Aeronautics, and the Transportation Planning Council; and several subordinate officers.

The department is organized into five divisions: Highways, Motor Vehicles, Aeronautics, Planning, and Business Management. Each division except Highways is headed by an administrator. The motor vehicle administrator is appointed by the Governor; other administrators are appointed by the secretary. The Division of Highways is headed by the Highway Commission, comprised of three commissioners appointed by the Governor and confirmed by the Senate. The chairman serves as division administrator. The secretary and the five divisions administrators compose a Transportation Board.

The Division of Aeronautics supervises and promotes the development of publicly-owned airports throughout the state, promotes training programs for Wisconsin pilots, assists airport managers in management of their facilities, and provides services in aviation operation and education. The Division of Highways is in charge of building and maintaining the state trunk highway system and the federal system and advises municipalities and counties on local road construction. The Division of Motor Vehicles registers and licenses all drivers and maintains the state patrol. The Division of Planning collects information on state transportation needs and develops long-range plans for highways and other modes of transportation where they affect the use and need for highways. It is responsible for a comprehensive all-mode transportation plan for the state and has limited authority for planning mass transit. The Division of Business Management provides services for the department.

Unlike the typical division in the state organizational structure, which is a subordinate unit of a department, the Division of Highways and the Division of Motor Vehicles are attached to the Department of Transportation under Sec. 15.03 of the Wisconsin Statutes; that is, they are distinct units of the department, exercising their powers independently of the head of the department, but attached for administrative purposes.

The 1973 Executive Budget Act (Chapter 90, Laws of 1973) authorized the department to spend state and federal aid for planning, promotion and protection activities in the areas of highways, motor vehicles, traffic law enforcement, aeronautics, mass transit systems and for any other transportation mode as well as for ports, harbors and waterways when requested by a state, regional or municipal agency or harbor commission. The department was also authorized to engage in mass transit planning and demonstration projects.

The Proposed Reorganization of the Wisconsin DOT

1973 Assembly Bill 1353, introduced on October 26, 1973, by Representatives Vanderperren, Groshek, Grover, *et al.*, by request of the Department of Transportation, was referred to the Assembly's Committee on Highways. A hearing was held on November 29, 1973, and additional hearings have subsequently been held elsewhere in the state.

As introduced, the bill would:

1. Abolish the statutory Divisions of Highways and Aeronautics and the Highway Commission.
2. Create a Transportation Commission composed of the present Highway Commission members plus two other members to be appointed by the Governor with Senate approval.
3. Attach the commission to the department for administrative and budget purposes only under Sec. 15.03 of the statutes.
4. Allocate functions of the former divisions and of the Highway Commission to the department in general and to the new commission.
5. Make the commission responsible for intermediate single-mode transportation planning and long-range all-mode planning, including the areas of motor vehicles, highways, aircraft, airports, mass transit, railroads, pipelines, ports, harbors and waterways. To this end, it would hold hearings, review plans, goals and objectives annually and issue reports.
6. Authorize the commission to hold joint public hearings with the department relating to controlled access highways, bridges, mass transit or aeronautics projects, and require it to hold hearings before making any changes in the state highway system or adopting any intermediate or long-range plans.
7. Change the present state highway fund to the "state transportation fund."
8. Require submission of state agency and local government projects affecting transportation plans to the commission for its approval, although its findings with regard to state projects are advisory only.

III. A SURVEY OF STATE DEPARTMENTS OF TRANSPORTATION

Some 22 states now have a department of transportation: Although Hawaii led the way in 1959, most have been created in more recent years, with about half being established between 1966-1970 and half in the last three years. We will concern ourselves in this study primarily with the latter group.

Recently Enacted Laws (1971-73)

Of the most recent 12 departments of transportation established, Illinois, Maine and North Carolina enacted laws in 1971, while Massachusetts' 1969 law and Maryland's 1970 law became effective in 1971; California, Georgia, Ohio and Tennessee passed laws in 1972; and Arizona and South Dakota followed suit in 1973. The Kentucky department was established by executive order as part of a major executive branch reorganization in 1973, and -- although operational -- the reorganization must still be ratified by the General Assembly meeting in 1974. South Dakota's law was also a ratification of an executive order. Although California's Business and Transportation Agency dates back to 1961 (then called the Highway Transportation Agency), we are including it in this discussion because of the considerable changes made in 1972.

Executive head -- In each of these states the executive head of the department is a secretary, director or commissioner. They are generally appointed by the governor, but the Arizona director is appointed by the governor from a list of qualified applicants submitted by the Transportation Board. In Georgia he is appointed by the State Transportation Board.

Board authority -- Of the 12 states, 4 departments include boards of transportation. In addition, California has a State Transportation Board which is not a part of its department.

The Georgia law specifically states that the Transportation Board is the department head and establishes the general policies of the department, while the commissioner of transportation is the chief executive officer. The Arizona board establishes highway routes, awards construction contracts,

distributes funds for airport development, and advises the director. The South Dakota board has final authority on allocation of funds for construction of transportation facilities.

The California board, which maintains its own office, advises the secretary and the Legislature in forming and evaluating state policy and plans for transportation programs, reviews the director's reports and the departmental budget, and monitors the progress of the state transportation plan. The North Carolina board has exclusive authority over all highway matters, formulates policies and supervises the carrying out of highway functions by the department, and has authority over the organization of that part of the department carrying out highway functions. Illinois' Board of Highway Advisors has advisory functions on highway construction and maintenance.

The Maryland department's rather unusual structure includes a board which acts as an appeals board from departmental decisions, a Transportation Authority, which is concerned with issuing transportation revenue bonds; and a Transportation Commission which is advisory on transportation policy.

Modes -- All 12 departments include highways among their activities. All but Illinois have aeronautics functions. Eight specifically provide in their laws for transportation planning by the department. Only four departments include a motor vehicle function generally, while two others have limited duties in this area. Duties relating to mass transit, whether they involve planning only or distribution of grants for that purpose, are exercised by eight state departments, while the North Carolina department includes two state-owned railroads for administrative purposes only, and Georgia and Massachusetts include a metropolitan transit authority. Kentucky, one of the states with a mass transit function, is the only state of the 12 to attach its Railroad Commission, which exercises rate-making and regulatory functions, to the Department of Transportation, although it exercises its duties independently of the department. Miscellaneous functions which crop up among the state departments include tourist advertising (in Arizona), industrial marine and watercraft transportation (Tennessee), and waterways, including port authorities (Illinois, Maine, Maryland and Massachusetts).

Relationship of units to department -- When departments of transportation are created, the agencies transferred to the department may be absorbed into the departmental structure, becoming a subdivision of it, or they may be designated to retain some independent status. In the case of South Dakota's department, the Highway Commission was abolished, its functions were transferred to the department, but its quasi-judicial, quasi-legislative and special budgetary functions were transferred to the Board of Transportation. The Aeronautics Commission was retained for advisory purposes and to make recommendations to the board, which took over the quasi-legislative, quasi-judicial, and budgetary functions. Its other functions were absorbed into the department.

North Carolina's law transferred intact its Highway Commission (now Board of Transportation), Department of Motor Vehicles, State Ports Authority, and several other agencies to the new department, and they exercised their powers independently; other agencies' powers were transferred to the department.

As noted above, Kentucky's Railroad Commission was attached to the department "for the purpose of reporting administratively to the Governor", but remains an independent entity. Otherwise, Kentucky has an integrated structure, the law specifically stating that the secretary of transportation has exclusive control and direction of the department and exercises all authority of the previously existing agencies.

The Massachusetts structure is not quite like any other state. Its Executive Office of Transportation and Construction encompasses a department and several other agencies, most of whose heads are not appointed by the secretary but by the governor. It appears to be a rather loose federation of agencies.

The remainder of the 12 states seem to have a substantially integrated structure. Ohio, for example, provides that all duties, powers and functions of the department shall be performed under rules prescribed by the director and under his control. He has complete charge of the department.

Modal or functional organization -- The 12 departments are primarily organized along modal lines; that is, each type of transportation is the focus of a departmental subdivision. In most instances, the only major subdivision which operates across modal lines is transportation planning, which usually embraces all types of transportation. The Illinois law, however, specifically states that its basic organizational concept is functional rather than modal. It set up Offices of: Engineering

and Standards; Water Resource Management; Safety; Mass Transit; Planning, Programming and Environmental Review; Research and Development; Legislative and Public Affairs; and Administration. It thus seems to go further toward the functional principle than the other states.

The Earlier Laws (Before 1971)

Since the departments of transportation established prior to 1971 are well summarized in publications of the Highway Users Federation for Safety and Mobility ("A Status Report of State Departments of Transportation", December 1970) and the Council of State Governments ("State Departments of Transportation", August 1970), we will not describe them in detail here. These states and the dates their departments were created are: Hawaii (1959); New Jersey (1966); Florida, New York, Wisconsin (1967); Delaware (1968); Connecticut, Oregon (1969); and Pennsylvania and Rhode Island (1970).

Suffice it to say that like the departments established since 1971, the earlier DOTs are headed by a single head, whose authority varies from complete responsibility to primarily a coordinating function. None of the DOTs includes all the possible functions, and none includes pipeline transportation. All contain the state highway function and some kind of transportation planning. Most contain the responsibility for airports, mass transit, harbors and water transportation; only four include motor vehicles. Thus, the organization and functions of earlier departments do not seem to be substantially different from the pattern of the later DOTs.

Of the earlier DOTs, New York's department is one of the most noteworthy. It is organized on a functional rather than a modal basis. When the department was created, the responsibilities relating to highways, canals, the State Traffic Commission, aviation and mass transit were transferred to it and grouped into the Offices of: Management and Finance, Manpower and Employee Relations, Legal Affairs, Public Affairs, Planning and Development, and Transportation Operations. The organization is described as a "low-modal split", with units concerned with individual transportation modes existing at the lower levels in the departmental offices.

New York also appears to be the only state in this group that has transferred the regulation of private land transportation companies (including railroads, trucks and busses) from its Public Service Commission to its Department of Transportation. This was authorized by the 1970 Legislature and was carried out in 1971. It includes regulation of rates, finances and service of common and contract carriers.

Civil defense was also transferred to the department in 1971, and an Office of Natural Disaster and Civil Defense was created.

Finally, it may be of interest to note the evolution of the Department of Utilities and Transportation in the State of Washington. Although Washington does not have a transportation department, it flirted with this issue long ago. Like most states it created a Railroad Commission in the early years of this century, which subsequently became the Public Service Commission. In 1921 this was changed to the Department of Public Works and included a highway function. It was decided, however, that highways and utility regulation were unrelated, and so, in 1935, highways became the Department of Highways while utility regulation became the Department of Public Service. Public Service was split in 1945 into the Department of Transportation and the Department of Public Utilities, but these were again combined in 1949 into the current Utilities and Transportation Commission. The current commission regulates public service companies.

IV. STATE DEPARTMENTS OF TRANSPORTATION ESTABLISHED 1971-73

Agencies Established in 1973

ARIZONA Department of Transportation (Chapter 146, 1973)

Agency head. The Director is appointed by the Governor from a list of qualified applicants submitted by the Transportation Board.

Structure. The Director administers the department.

The Transportation Board (7 members appointed by the Governor, one from each of 5 transportation districts and 2 at large) distributes money from the state aviation fund for airport development, establishes state highway routes, awards construction contracts for transportation facilities, and advises director.

Divisions: Motor Vehicle, Transportation Planning, Highway, Administrative Services, Aeronautics, and Public Transit.

Responsibilities. State highways, state routes, state airports, and all state-owned transportation systems, transportation planning, motor vehicles, public transit, tourist advertising.

SOUTH DAKOTA Department of Transportation (Chapter 2, Laws of S.D., 1973)

Agency head. Secretary of Transportation is appointed by Governor, with Senate consent, to serve at his pleasure.

Structure. Secretary is head of department.

Board of Transportation (5 members appointed by Governor for 3-year terms, not all from same political party) has final authority within department on allocation of funds for construction of transportation facilities.

Division of Aeronautics is headed by a Director of Aeronautics, who is appointed by the secretary.

The Aeronautics Commission was transferred to the department by a Type 2 transfer and became the division. (The transferred agency is under the direction and control of the department head except that a board or commission transferred shall retain, and be limited to, advisory functions.) Its quasi-legislative, quasi-judicial and special budgetary powers were transferred to the Board of Transportation, but the board may not take final action regarding planning, construction and maintenance of air facilities without having received a recommendation from the commission. Other quasi-legislative and judicial functions of the commission are retained by it.

The Department of Highways was transferred by a Type 2 transfer also.

The State Highway Commission was transferred by a Type 3 transfer (It is abolished and its functions transferred to the department), but its quasi-legislative, quasi-judicial and special budgetary functions are transferred to the board.

The Motor Vehicle Reciprocity Commission was transferred by Type 3 also.

Highway Beautification Advisory Committee was transferred by Type 1 transfer (The agency is administered by the department and the secretary, but retains its quasi-judicial, quasi-legislative, advisory and other nonadministrative functions and exercises them independently of the department head).

Responsibilities. Highways, aeronautics, highway beautification.

KENTUCKY Department of Transportation (Executive Order 73-288, 1973)

Agency head. Secretary of Transportation.

Structure. Secretary heads department, has exclusive control and direction of it and exercises all authority of the previously existing agencies.

Office of Secretary of Transportation includes:

Office of Safety Coordinator, headed by an executive director; Transportation Planning Committee; Office of Transportation Planning, headed by executive director and consisting of 4 divisions: Planning, Environmental Systems, Airport, and Mass Transit, each headed by a director;

Divisions: Public Affairs, Budget, and Audit Review.

The Railroad Commission (a constitutional agency) was attached to the Office of the Secretary of Transportation for the purpose of reporting administratively to the Governor. The statutory responsibilities of the commission remain unaffected by the Executive Order.

Executive Office of Staff Services consists of:

Office of Personnel Management (including 3 divisions); Office of Administration and Operations (including 7 divisions); Office of General Counsel (including 2 divisions); Office of Computer Services (including 3 divisions).

Bureau of Highways, includes 10 offices, with divisions in each office.

Bureau of Vehicle Regulation, comprises several offices and divisions.

Responsibilities. Highways, motor vehicle regulation, aeronautics, transportation planning, mass transit, environmental systems.

Agencies Established in 1972

CALIFORNIA Department of Transportation (Chapter 1253, 1972 Regular Session; Chapter 559, 1973)

Agency head. Director of Transportation is appointed by Governor with Senate confirmation to hold office at his pleasure.

Structure. The Business and Transportation Agency is composed of 10 departments, of which 3 relate to transportation: Transportation, Highway Patrol, and Motor Vehicles.

Department of Transportation shall be organized by the director with the approval of the Governor and the Secretary of the Business and Transportation Agency, but the department shall be organized into at least 6 divisions: Highways, Aeronautics, Mass Transportation, Transportation Planning, Administrative Services, and Legal Division. The department succeeded to the duties of the former Departments of Aeronautics and of Public Works and the Office of Transportation Planning and Research.

The State Transportation Board, which is not a part of the agency or of the department, is composed of 7 members appointed by the Governor with Senate consent. It advises the secretary and the Legislature in formulating and evaluating state policy and plans for transportation programs and directs the State Transportation Board Office. reviews reports from the Director of Transportation, reviews the departmental budget, monitors progress on the state transportation plan. The State Transportation Board Office carries out the board's functions.

The State Aeronautics Board, within the department, consists of 7 members appointed by the Governor with Senate consent. It advises and assists the director in all matters relating to aeronautics.

The 1973 law created a Departmental Transportation Advisory Committee appointed by the Speaker of the Assembly and the Senate Rules Committee and consisting of 14 members (state, county and city officials, representatives of transportation planning agencies and others interested in transportation planning) to act in an advisory capacity to the department in the preparation of various reports. The department shall cooperate with and confer with the advisory committee.

NOTE: The California Business and Transportation Agency was originally created in 1961 as the Highway Transportation Agency (encompassing the Department of Public Works, the Department of Motor Vehicles, and the Highway Patrol). It subsequently became the Business and Transportation Agency, including 7 business-related departments and 4 transportation-related departments -- Motor Vehicles, Public Works, Highway Patrol, and Aeronautics. The 1972 law combined Public Works and Aeronautics to form a Department of Transportation and created the Board of Transportation outside the agency.

Responsibilities. Highways, aeronautics, mass transportation, transportation planning.

GEORGIA Department of Transportation (No. 1489, No. 1538, No. 248, Ga. Laws 1972)

Agency head. State Transportation Board is department head; commissioner is chief executive officer.

Structure. State Transportation Board members are as numerous as Congressional districts and are elected each by the members of the House of Representatives and the Senate from the counties and Senate districts comprising each Congressional district. The board establishes the general policies of the department.

The board elects the Commissioner of Transportation.

The department encompasses the functions of the former State Highway Department, the Department of Industry and Trade and its board relating to aviation, the Department of Revenue relating to motor carrier permits and motor vehicle tags, the State Department of Air Transportation and its board.

Responsibilities. Highways, airports and aviation, Metropolitan Atlanta Rapid Transit Authority, inspection of motor carrier permits and motor vehicle tags, transportation planning, technical assistance to local governing bodies to help them coordinate local plans with state plans and facilities.

OHIO Department of Transportation (Page's Ohio Rev. Code Anno. 1972 Supp. Title 55, Sec. 5500.01-07, 1973 Am.S. B. 96)

Agency head. Director of Transportation.

Structure. The director has complete charge of the department. All duties, powers, and functions conferred by law on the department and the divisions shall be performed under such rules as the director may prescribe and shall be under his control.

Divisions: Highways, Urban Mass Transportation, Transportation Planning, Aviation. Each division is headed by a deputy director, who is in the unclassified civil service and is appointed by the director.

The department succeeded to the functions of the Highway Department and those functions of the Department of Commerce relating to aviation.

Responsibilities. Highways, transportation planning, urban mass transit, aviation.

TENNESSEE Department of Transportation (Chapter 629, Tenn. Public Acts 1972, Vol. II)

Agency head. Commissioner of Transportation is appointed by the Governor to serve at his pleasure.
Structure. The commissioner, as head of the department, administers the department, appoints bureau directors with governor's approval, and promulgates departmental rules.

Bureaus: Highways, Area Mass Transit, Aeronautics, Industrial Marine and Watercraft Transportation, Planning, Business Management.

The department succeeded to the functions of the Department of Highways, the Aeronautics Commission, and the function of establishing speed limits formerly performed by the Department of Safety.

Responsibilities. Highways, mass transit, planning, aeronautics, watercraft, harbor and port facilities.

Agencies Established in 1971

ILLINOIS Department of Transportation (Public Act 77-153, Laws of Ill., 1971 Session, Vol. 1)

Agency head. Secretary of Transportation.

Structure. Secretary may create offices, divisions and administrative units and may assign functions to such subdivisions.

Offices of: Engineering and Standards; Water Resource Management; Safety; Mass Transit; Planning, Programming and Environmental Review; Research and Development; Legislative and Public Affairs; Administration.

The Board of Highway Advisors advises the department on the construction and maintenance of state highways.

Basic organization concepts are: functional rather than modal; bringing together multidiscipline analytic viewpoints; separation of the department's operation activities from its key direction and control functions; organization of top management function around the secretary, assistant secretary and under secretary-chief transportation engineer.

Responsibilities. Highways, waterways, harbors and port districts, beach - flood relief, water conservation, operation of bridges and ferries, integrated planning, coordination of plans and policies with other units of government, mass transit, motor vehicle inspection, driver safety.

MAINE Department of Transportation (Chapter 498, Laws of Maine 1971; Chapter 593, Laws of Maine Sp. Sess. 1972)

Agency head. Commissioner of Transportation is appointed by Governor with consent of Council to serve term coterminous with that of Governor.

Structure. Commissioner shall develop balanced transportation policies and planning; assist in developing transportation facilities in the state, promote use of all modes, and exercise the duties transferred to the department of the Dept. of Aeronautics; Highway Commission, Economic Advisory Board, Maine Port Authority, Advisory Committee of Ferry Service, Scenic Highway Board, and Highway Safety Committee.

Directors of bureaus are appointed by Governor with consent of Council to serve at their pleasure.

Bureaus: Transportation Planning and Services, Highways, Aeronautics, Waterways, Administration.

Division: Legal Services.

Commissioner shall create advisory committees and boards with Governor's and Council's consent to serve at his pleasure.

Commissioner was authorized to retain members of the Economic Advisory Board, Advisory Committee of Ferry Service, Scenic Highway Board and the Highway Safety Committee to serve in an advisory capacity to the department for not to exceed 2 years.

Commissioner serves on the Maine Port Authority.

Responsibilities. Highways, waterways, aeronautics, transportation planning, harbor and port facilities.

MARYLAND Department of Transportation (Chapter 526, 1970 Laws of Md. (effective 1971))

Agency head. Secretary of Transportation is appointed by Governor with Senate consent to serve at his pleasure.

Structure. Secretary is responsible for the operation of his office, may assign areas of responsibility, may reassign functions between subunits (with certain exceptions), and shall review and revise rules and regulations of all administrations, boards and commissions within the department.

The following agencies are included in the department: State Aviation Administration, Maryland Port Administration, State Public Transit Administration, State Highway Administration, State Motor Vehicle Administration, State Roads Commission, Md. Airport

Zoning Board, Airport Zoning Commission, Board of Airport Zoning Appeals, Unclassified Claim and Judgment Fund Board.

The secretary appoints the administrators with the Governor's approval to head the administrations. The state highway administrator is also the chairman of the State Roads Commission.

Board of Review, comprising 7 members appointed by the Governor with the advice of the secretary and the advice and consent of the Senate, makes recommendations to the secretary regarding the operation and administration of the department and hears and determines appeals from decisions of the secretary or of any administration or other agency within the department relating to a rule that is subject to judicial review.

Md. Transportation Authority, consisting of the secretary and 6 members appointed by the governor with Senate consent, assumed the duties of the State Roads Commission and the Md. Port Authority with regard to the issuance of revenue bonds for construction of transportation facilities and assumed control of user charges for transportation facilities and of issuance of revenue bonds for toll roads and port facilities.

Md. Transportation Commission, comprising 17 members (including 7 members of the State Roads Commission and 10 members appointed by the Governor with the advice of the secretary), was directed to study the entire transportation system of the state and advise and make recommendations to the secretary and the heads of all agencies within the department concerning transportation policy formation and program execution.

Responsibilities. Highways, aeronautics, motor vehicles, mass transit, planning, ports.

MASSACHUSETTS Executive Office of Transportation and Construction (Chapter 704, Acts & Resolves of Mass. 1969 (effective 1971))

Agency head. Secretary of Transportation and Construction is appointed by Governor to serve at his pleasure.

Structure. The secretary is one of the 9 secretaries comprising the Governor's cabinet. Each secretary has a group of state agencies under him and acts as the executive officer of the governor for accomplishing the purposes of his executive office. He is responsible for comprehensive planning, coordinating the activities under him, conducting studies to improve administration, and making recommendations to the governor, reviewing budgets of the agencies under him.

Within his office are the following state agencies: Department of Public Works, including all but a few agencies within the department; Aeronautics Commission; Mass. Bay Transportation Authority; Mass. Port Authority; Mass. Turnpike Authority; Bureau of Building Construction.

The Governor appoints: the Public Works Commission and its secretary, who acts as secretary for the Department of Public Works; Turnpike Authority; Port Authority; Parking Authority (partly); Aeronautics Commission; and Bay Transportation Authority.

The secretary appoints the director of the Bureau of Building Construction (with approval of Governor) and various assistants.

NOTE: Although created in 1969, the Executive Office of Transportation and Construction was not scheduled to become effective until 1971; hence it is included in this grouping. The secretary was to develop a new internal structure and recommend any needed legislation to accomplish this. The internal reorganization has not yet taken place as of January 31, 1974.

Responsibilities. Highways, aeronautics, ports, mass transit.

NORTH CAROLINA Department of Transportation and Highway Safety (Chapter 864, Session Laws 1971; Chapter 507, Session Laws 1973)

Agency head. Secretary of Transportation and Highway Safety appointed by Governor to serve at his pleasure.

Structure. Board of Transportation has 9 members appointed by the Governor, 3 appointed from the General Assembly, and the chairman, who is the Secretary of Transportation and Highway Safety.

The board has exclusive authority in all highway matters, shall formulate policies in carrying out highway functions assigned to the department and shall supervise the carrying out of these functions. It has authority over the organization of that part of the department carrying out highway functions and the personnel. It may delegate management functions to the secretary.

Secondary Roads Council, appointed by the Governor, adopts an annual work program for secondary roads in each county.

When created, the Governor's Highway Safety Program, the N. C. Traffic Safety Authority, the Governor's Aviation Committee, and the Vehicle Equipment Safety Compact were

transferred to the department under a Type I transfer (all powers of the agency were transferred to the new department).

As created, the State Highway Commission (now Board of Transportation), the Department of Motor Vehicles, the Board of Commissioners of Navigation and Pilotage for the Cape Fear River, the North Carolina Railroad Directors, the Atlantic and North Carolina Railroad Company, and the State Ports Authority were all transferred to the new department by a Type II transfer (the transferring intact of an existing agency, which is then administered under the direction and supervision of that department, but exercises its powers independently of the head of the department except that management functions are performed under the direction and supervision of the head).

Responsibilities. Highways, motor vehicles, highway safety, aviation, ports, railroads.

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LEGISLATIVE AGENCY

TO HOUSE FINANCE COMMITTEE

By

Walter B. Parker
Commissioner of Highways

March 29, 1975

During December and January an administrative working group was formed to develop some guidelines and recommendations for a Department of Transportation. Ten commissioners participated in this effort, along with staff from the office of the Governor, the Attorney General's office, and specialists from several departments. The results of the working group were presented to the legislature in suggested legislation which embodied several important principles which, it was hoped, embodied the concepts which Alaskans want from a DOT bill.

The principal features of this bill are:

1. The Alaska State Transportation Plan, which is not only a map of project locations, but is a comprehensive document which will embody the anticipated capital costs, maintenance costs, and operation costs, as well as anticipated benefits to the transportation system from such improvements. Impacts upon competing modes, land use implications, etc., will be carried forward in the plan.
2. Public hearings - A stringent requirement of the proposed legislation is to require the Department of Transportation to hold public meetings and hearings to discuss any proposed transportation improvement of significance. There are two hearings required. The first is in the form of a public meeting which discusses proposed "concepts" of transportation improvements. Basic strengths and weaknesses of a concept will be examined before any significant resources have been applied to the concept's development. The second public hearing is to allow public examination during the design of a transportation improvement which has been developed after being deemed practical as a result of the first hearings.

3. An inclusive statement also requires the department to file an environmental impact statement for its proposals for crossing any designated recreation area, wildlife or waterfowl refuge, an historic site, state forest land, a wetland, game land, a wilderness area, a public park, or a critical habitat area.
4. Enabling legislation should be as broad and flexible as possible providing freedom of organizational development. In a period of rapid advances in science and technology it has become increasingly important that developing regions, such as Alaska, take advantage of what is new or that they maintain flexibility in anticipation of coming changes.

The State of Alaska has been discussing the idea of a DOT for the past five years. We needed it five years ago and have suffered five years of continued inactivity in several areas because it or some similar framework has not existed. I am compelled to point out at this time that the Legislature's Interim Joint Transportation Committee, after a year's study, in their 1974 report concluded ". . . that Alaska has a very fragile, ineffective, high-cost and primitive transportation system, particularly when you get off the 'rail belt.'" Further, testimony by the committee suggested that, "The committee's bill, the Department of Transportation concept, found extensive support, especially for planning and providing (as a result of planning) a method of achieving economically feasible modes of interconnecting transportation to remote Alaska." The committee also suggested that there is "ample evidence of the need of an integrated Department of Transportation for planning through construction, not only as a tool of the present transportation program, but also to 'dovetail in' the new federal mass transportation proposals."

The urgency for creation of a DOT has never been more pronounced than at this moment.

We are facing possible demands for pipelines from both the federal and private sectors in several areas of the state. We are not one whit closer to having any capacity for dealing with these pipelines in the developmental stage than we were in 1969 when the original TAPS proposal was brought before us. The office of the state pipeline coordinator is designed to provide surveillance over the Alyeska project. It is not staffed for the kind of economic and engineering analysis that new proposals on pipelines will require.

In the area of overall ports and marine planning the state has virtually no capacity at all. Alaska's main logistical link for food, materials, and resource development is with water borne commerce. Shippers come to the state with ideas and there is no one for them to turn to for the type of port planning that is related to cargo flows and the support systems necessary for the smooth functioning of a regional port. The port of Anchorage provides many illustrations of this fact - inadequate dredging services, inadequate storage facilities, an inadequate road system to complement the port and expedite the delivery of goods.

The aviation system has been going downhill for 20 years in the bush. The only improvements have been a few airports. In the critical areas of communications, lighting, navigation aids and, most important, weather reporting, the gains have been marginal at the best for bush aviation. FAA administrators promise better things. I heard one do so last month. He resigned three days ago and his promises with him. The state capacity to develop total aviation systems tailored to our needs

and provide the FAA with our idea of a system must be developed. A catalogue of airports is not a system. The FAA has never been presented with a real state system to respond to. Neither has the CAB been presented a real system to respond to. Why must Alaska always be in a position of weakness here with no defined desires of its own in transportation?

In addition, it is mandatory that the state be in a posture that will insure that it receives all possible federal transportation dollars that it deems necessary to fulfill the goals of the state. Under the Urban Mass Transportation Administration there was available money last year for a mass transportation planner to the state to help communities in their planning and securing grants. Nothing was done because there was no Alaska Department of Transportation or other agency to petition for the funds.

The proposed allocation formulas associated with the ADAP's airport improvement program, and with the highway trust fund and general fund allocations, especially the rural transportation assistance program, suggest that the state will not be assured the share of federal transportation dollars it now receives in the period beyond 1976. An Alaska Department of Transportation will create an agency that can deal effectively with this changing process.

By combining the present planning talents in the transportation agencies in the state we can provide a minimum level of improvement. This must be buttressed by some carefully selected specialists in other areas not presently available on the state roster. Under a functional transportation organization savings could be made in administrative costs that would fund these new skills for the state.

Great tribulations beset this State on land and on sea. The problems related to the pipeline are but the whisper of future avalanches of projects dealing with energy extractions. OCS developments and continued exploration on land will create a host of related transportation problems that must be solved and that cannot be solved by the presently separated planning organizations in a timely manner.

Our resources are very thin and the problems are growing much faster than our capability to solve them. I believe that a DOT encompassing all functions of all state agencies concerned with transportation is a vital necessity now. If we delay we will continue the status quo that has brought us here to consider the creation of a Department of Transportation.

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WHAT KIND OF DOT?

In order that Alaska's resources may be best utilized to enhance the well-being of its citizens, responsive planning processes must be built for the provision of transportation, education, communication, health, and the other services necessary to support further development both in the urban and rural areas of the state.

Since the State government is providing an increasing proportion of the funding required to provide the necessary services, it should assume a concomitant share of the responsibility for the development of planning processes which will ensure their delivery.

There is currently no integrated process for the planning, delivery and management of transportation services to support community development. Various solutions to correct this deficiency have been proposed, ranging across the organizational spectrum. The simplest proposal calls for the creation of a Transportation Planning Commission, which would coordinate the efforts of the several State departments involved in various modes of transportation. The most far-reaching proposal organizationally would require the creation of a State Department of Transportation responsible for the program planning, project planning, design construction, management, and maintenance of all present and future transportation modes. A variation of this proposal would create a DOT responsible for the obtaining of funding for all transportation services and facilities, and for program planning, initial project planning, management, and maintenance of all transportation modes and facilities. Under this proposal, final project planning would be coordinated with the Department of Public Works, which would then become responsible for the design and construction of transportation facilities for the DOT. The regulation of transportation industry would remain with the Alaska Transportation Commission. Enforcement of

statutes and regulations would be performed by the Department of Public Safety.

The various proposals reflect the attitude of their proponents toward governmental organizations.

The "Commission" proposal, basically generated by some sections of the transportation industry, reflects both an awareness of the need for transportation planning and an apprehension toward large monolithic governmental entities.

The "unified" DOT proposal, supported by the Commissioner of Public Works, and others, recognizes the inherent weakness in a "commission" approach, which would, practically speaking, have little control over the various State departments. It recognizes the need for a strong planning base but fears the consequences of the creation of a "unified" DOT which, under one Commissioner, would be responsible for proposing, disposing, and managing all transportation funds and regulating transportation activity.

Given the history of large governmental organizations (e.g. Federal HEW, HUD and Defense, and Alaska's Health & Social Services) and given the tendency toward insensitivity inherent in monolithic self-contained bureaucracies, it is the position here expressed that the "check-and-balance" inherent in the "variant" DOT provides the most viable solution.

The tendency toward internal self-satisfaction and insensitivity to outside control inherent in large bureaucracies has been discussed earlier. The fuel which feeds such tendencies is money, and the degree of internal flexibility with which money can be used to sustain the private need, as opposed to the public need, for its expenditures.

It is therefore necessary to develop a functional process wherein the decision to spend large sums of public funds subject to the most

vigorous debate. Such debate will tend to occur when the natural self-defensiveness of organizations and individuals is utilized to the public advantage.

A planner, employed by the Commissioner of DOT, will propose the expenditure of public funds to a designer by the Commissioner of Public Works. Since the planning proposal will dictate the terms and conditions of the design result, the planner must be able to defend the planning prospectus and the funds allocated to execute that prospectus. If he cannot, the designer will be loath to accept the responsibility for its execution.

If they disagree as to the proposed expenditure, or the project prospectus which has generated the funding requirement, then their respective Commissioners will resolve the debate or their employer, the Governor, will do so. Since Commissioners and Governors generally dislike having their time absorbed by endless management disagreements, it will become incumbent on both planner and designer to coordinate their separate and mutual efforts.

Coordination between departments is not inherently difficult, provided the management of such coordination is clearly delineated by procedures which define the functional responsibilities of the individuals involved, and provided that sufficient resources are afforded the employees in order that they may effectively perform their respective functions.

It is rare that a large private organization proposes capital expenditures, then designs and monitors, solely internally, its own construction program. It will normally test its proposals by commissioning a "feasibility" study, usually accomplished by a consulting firm. It will then obtain the services of architects and/or contractors who will design and construct its facilities.

Chapter 216 SLA 1975 already requires the Department of Public Works to perform a similar function for all State departments, excepting the Department of Highways, by evaluating the long-term cost (not just the purchase price), on all requests for capital expenditures, including maintenance and operating costs, and the cost of use of proposed facilities, using a "Life Cycle Cost" analytical technique. Such an exercise applied to transportation facilities will enable elected officials to evaluate the merits of the proposals of program and management agencies, including DOT, prior to the commitment of public funds. Given adequate management guidelines and the development of integrated planning processes, the resultant procurement of public facilities should be programmatically relatively simple.

It is important to note that transportation services do not exist alone. The process outlined above will provide for the integration of transportation planning with the other major program and management functions of government, e.g. education, communication, and social services.



ORGANIZATION OF DEPARTMENT OF TRANSPORTATION

(By: Donald Harris, Commissioner, Department of Public Works)

The question is not whether planning and management functions should be integrated. Of course they should.

The question is how to develop organizational structures to provide:

(1) that planning activity develop options for consideration of policy-makers, such that the Governor and Legislature may best represent their constituencies.

(2) that project proposals which result from the planning process can be tested to ensure conformance with program objectives and established policy.

(3) that the building bureaucracy does not dominate the planning function, e.g. that projects are not proposed for bureaucratic self-serving reasons.

(4) accountability both at the beginning and at the end of the design/construction process.

Attached is a draft analysis of the forces at work within governmental organizations which may be either harnessed to the public benefit, or ignored to the public disadvantage.

February 3, 1976

"We dream of systems so perfect that man need never be good." (T. S. Eliot)

We are a nation of problem solvers and we rely heavily on our institutions to assist in problem solving. Quite often we legislate organizations into being, or legislate theoretical solutions into being, without an adequate understanding of the forces at work in our institutions which tend to stymie our intent and stifle creative work. Legislating the solution to one problem quite often creates another,¹ because we fail to analyze the basic self-protective instincts of people and of the institutional hierarchies to which they owe their personal advancement.

It is, therefore, critical that we understand the nature of organized bureaucracies and the forces which motivate institutional organizations if we are to rely on them to further the public interest.

The ability of an institution, particularly a governmental organization, to perform effectively depends on three prime factors:

1. Policy Formulation - The ability of policy-makers (Governor, Commissioners, Legislators) to debate priorities and provide actual rather than superficial policy direction.
2. Organizational Structure - An organizational structure which provides the necessary basis for policy formulation and which provides a vehicle for the execution of public policy.
3. Motivation - The quality of the people working in the bureaucracy and their motivation towards effective performance.

POLICY FORMULATION

Alaska's strong gubernatorial system provides that the Governor and his appointed officials will formulate policies which the legislature will debate. The legislature will concur with, modify, reject, or supplant such policies and provide the funding necessary for policy implementation.

In a developing state such as Alaska, policy execution often requires the acquisition of facilities, which themselves become a visible demonstration of the political process response to constituent need. Often, the Governor and the legislature will differ over the need to provide facilities. Governors tend to be judged, both statewide and regionally, on their soundness of fiscal management and the vigor of their leadership in proposing policy. Legislators, elected to serve the interests of individual constituencies, tend to demonstrate responsiveness to their electorates in varying ways.

[1] A case in point is the Merit System, a personnel classification process which governs the qualifications required for employment and the means of advancement of employees. The Merits System was developed to minimize the effects of patronage and corruptions which were rampant in the Federal Civil Service in the late 19th century. The practical effect of that invention was to reward seniority and protect individual employment almost to the exclusion of reward for performance. We now live with the result.

Urban area legislators, representing districts (e.g. Anchorage) which are already provided with basic services (e.g. education, sewerage, communications) tend to be more "issue" oriented, concerned to debate statewide programs and priorities which affect their constituencies. Legislators who represent rural or small populations tend towards programs providing State support for basic services and/or the economies of local areas. It is felt that constituents in such areas respond to those legislators who provide tangible benefits, often monetary and, most visibly, via acquisition of facilities. This political phenomenon, derisively referred to as "pork barrel," is in fact quite often a response to perceived constituent need and will tend to override a legislator's otherwise genuine commitment to programmatic development.

Policy Formulation Supported by a Planning Process:

The ability of elected officials to provide policy direction can be enhanced by a planning process which is designed to accommodate political realities. Historically, however, planners' views have tended to clash with those of politicians because the planning discipline requires a long-range assessment while governors and particularly legislators are necessarily constrained to think in shorter terms. Consequently, those planners who enjoy relative institutional isolation from political oversight may dominate, to the frustration of politicians, while planners whose budgets are accessible to actual, rather than superficial, political scrutiny tend to submit to political direction, often to the frustration of their own perceptions.

It is argued here that a prime function of a planning process is to challenge and reaffirm program goals; then, to identify optional means of achieving these goals with the concomitant development of resource requirements necessary to implement each option. It is not a prime function of a planning process to imprison policy-makers within the personal or philosophical preferences of the planners.

Once the political process has digested, approved, modified, rejected or replaced planning options, it is the further task of the planning process to ensure, whatever the level of expenditure, and whatever the policy decided, that appropriated funds are expended in the most cost-effective fashion.

The planning process will derive its directions both from management, which perceives an impediment to effective program delivery, and from policy-makers elected on the basis of stated goals or directions. In order for the planning tool to be utilized, it is necessary for its recommendations to employ a language comprehensible to its clients, both managers, and the constituency which elects policy-makers.

Since legislators, who hold the purse-strings, must act as the servants of individual constituencies, a planning process which attempts to allocate resources on a rational basis will only achieve that measure of success granted it by a series of self-interested legislative districts, i.e. the planning process must not only speak in a language which the electorate understands, but also demonstrate to the electorate and its representatives the long and short term value of support of the process rather than its subversion.

The Impact of Independent Capital Improvements Program (C.I.P.) Funding on Policy:

When an agency has access to relatively predictable major funding sources which are independent of, and, therefore, insensitive to, the local political structure (e.g. Federal funds), it will tend to take advantage of the short-range political need of its elected overseers rather than submit to a long-range discipline, when such a course will protect its autonomy, staffing levels, and budget, as will be discussed later.

Legislators, and even governors, will tread warily when dealing with such an agency, particularly when their constituents need such amenities as roads and airports. Even though the expenditure of "free" CIP funding has an enormous impact on future operating budgets, politicians rarely fail to provide requested levels of State matching funds for Federally available construction monies because of (a) the political danger inherent in such action, and (b) individual legislator's needs to obtain CIP funds for their own districts.² Since the large Federal appropriations, particularly transportation CIP funding, are provided for construction rather than planning, management or maintenance purposes, the construction of roads and airports will tend to proceed because of political imperatives, independent of the theoretical control of the State's formal political process, or the planning effort supporting that process.

ORGANIZATIONAL STRUCTURE

Nothing inhibits policy formulation and execution so much as a bureaucracy which is insensitive to or ineffective in responding to the theoretical control mandated by the political structure. Theoretically, political and administrative control over Alaska's State departments is achieved by gubernatorial appointment of commissioners who must be confirmed by the legislature. Therefore, the criteria which influence such appointments are of prime importance, for if the appointee is ineffective or unwilling, the organization's effort will tend to be directed primarily toward the self-preservation and self-sustenance of its members. If no effective external pressure exists, the organization will achieve self-satisfactory status depending on:

1. Its insulation from executive, legislative, or public scrutiny.
2. Response to informal political pressure and its ability to satisfy the sources of such pressure.
3. The predictability of its major source or sources of funding.
4. The degree to which users of its services feel, or are in fact depend on the agency's provision of services and its flexibility of internal choice in providing service.³

[2] E.g. Alaska Department of Highways is not required to conform to the State's CIP budget cycle, either with regard to the submission of six-year plans or by the itemization of projects as to location and amount for submission to the Budget Review Committee. Its CIP request constitutes one lump sum. It prepares its own five-year plan, deviation from which is essentially left of its own discretion. Many legislators fear that should they indulge too rigorous a review of the Department's budget request or proposed spending pattern, the consequence might be that their own districts' highway projects would continually be found in the fifth year of successive five-year plans. Such a perception, real or imagined, tends to provide the agency with relative immunity from oversight.

[3] See Footnote [2].

The design of organization structures should reflect the political realities inherent in both the choice of political appointees and the self-protective nature of bureaucracies, particularly in those agencies which require the expenditure of capital improvements funds to accomplish their mission. This consideration is even more critical when the largest component of first cost (procurement price) of capital improvements is derived from funding sources which are relatively insensitive to Alaska's political structure, e.g. Federal Highway Trust Funds and Airport Development Air Program funds. For the decision to build affects not just the disbursement of first cost dollars, but also the commitment of the State Treasury to the costs of maintenance and use of such facilities over their useful lives. Although the technique known as Life Cycle Costing is yet in its formative stages, it is suspected that the following ratio provides a tentative guide: ⁴

	<u>First Cost</u> ⁵	<u>M & O Cost</u> ⁵	<u>Occupancy Cost</u> ⁵	<u>Total</u>
Institutional Buildings	1	1.2	8	10.2
Hospitals	1	1.5	13.0	15.5
Highways	1	1.0	N.A.	
Ferries	1	3.0	12 ⁶	16

Political and Administrative Control:

Commissioners tend to be appointed based on a commonly shared philosophical attitude, because of political support which the appointees have provided the Governor, or because their technical abilities are seen as a vehicle by which the Governor may execute policy in a field in which he or she feels a special competence and interest. It is not necessarily true that commissioners are appointed primarily because of their managerial background.

The management task, therefore, is commonly left to the permanent civil service. Unfortunately, the merit system, which fills the bulk of senior management positions, rewards longevity of service more often than it recognizes managerial skill. Consequently, theoretical policy formulation is often frustrated in execution, not so

[4] Source: Hanscomb Associates

[5] First Cost = Total Cost of Procurement
M & O Cost = Maintenance, Operations & Minor Repair
Occupancy Cost = Cost of Use, e.g. Salaries & Services to Support the Facilities' Utilization

[6] Includes Crew Salaries & Support

much because the executives are unwilling but because due to lack of training or experience, they are unable to organize the effort required.

This administration is currently burdened with the consequences of a series of senior appointments made largely as a result of political allegiance, by prior administrations. No guarantee exists that similar criteria shall not be followed by future administrations.

The probability exists that we are currently witnessing a peculiar, rather than normal, gubernatorial exercise. The incumbent Commissioner of Highways is extremely planning oriented. In this respect, he differs remarkably from his predecessors and possibly his successors. The incumbent Commissioner of Public Works is likewise somewhat unique in his determination to promote cost-effective government. However, commissioners come and go, and, to the degree that their ideas or personal philosophies clash with the ingrained attitudes of their departments, their legacy may not long survive their inevitable departure. It is, therefore, important that a debate regarding departmental organization not center around natural personal constituencies within the administration, but rather on the degree of control which any commissioner is able to exert on his or her organization and its responsiveness to the politically mandated mission and to the provision and disbursement of funds required to accomplish that mission.

The Consequences of Insulation:

It is possible to illustrate the degree of insulation from political scrutiny attainable by an agency which receives large amounts of Federal CIP funds.

The Alaska Department of Highways, unlike every other State agency, is not required to submit requests for CIP positions to the Division of Budget and Management. The sole approval required is that of the commissioner, except for Grade 20's and above, which must be approved by the Governor's Office. The number of CIP positions available to the Department is currently 852, at a payroll cost of approximately \$16,800,000 per annum (were they all filled), at an average range 18-A.

The Department of Highways, as pointed out earlier, unlike other State agencies, does not submit a six-year CIP plan to the Division of Budget and Management to support its capital improvements requests. It prepares its own five-year plan which has historically become available in January, at the beginning of the legislative session.

Unlike other State agencies, the Department of Highways does not itemize its capital improvements requests for State funds to match Federal receipts. It does itemize a small portion of its total request, i.e., G.O. Bond funds for projects not eligible for Federal aid. The current request is as follows:

1976 G.O. Bond Issue Request to Match Federal Aid =	\$ 62,259,800 ⁷
Anticipated Federal Aid =	<u>406,535,300</u>
Total	\$468,795,100

[7] It is probable that these funds will be approved.

These funds will be dispersed essentially at the discretion of the Commissioner of Highways.

Other 1976 G.O. Bond issue requests, which are itemized, equal \$8,128,000.

The total proposed CIP expenditure is \$476,923,100 (over 50% of the total CIP budget), of which only 1.7% is itemized for review by the Budget Review Committee.

It is apparent that the current practices described, provide for less than rigorous review by elected and appointed officials, whose theoretical task it is to establish and monitor policy formulation and execution. It is possible that the current administration may be able to change some of these practices. It is also possible that the same forces which produced this internally comfortable state of affairs may cause this heavily federally funded agency to revert to current practice under future administrations.

Division of Aviation, Department of Public Works, while not as autonomous as Department of Highways, exhibits similar symptoms in its construction program which is supported largely by ADAP funds. For instance, it is extremely difficult to determine the historical basis for allocation of Federal receipts to State airport construction projects by analyzing the Division's records.

The University of Alaska's research program may provide similar examples, although not CIP-related.

Agency Response to Informal Pressure:

The ability of an agency to respond to informal political pressure, there providing it with allegiances with individual legislators, can be easily imagined when the vast bulk of its CIP effort is subject to no effective administrative or formal legislative scrutiny. Even were its long-range plan submitted to the responsible State agencies prior to submission to the legislature, such a document is not binding, except upon the will of the incumbent commissioner. He must bear the brunt of pressure from within his agency, from the supporters of the funding source, and from interested Alaskan political lobbies.

The Consequence of Predictability of Funding Sources:

When an agency responsible for planning, design, construction, management, and maintenance has a relatively predictable funding source (ADAP, Highway Trust Fund), the forces within, perhaps unconsciously, will tend to organize the expenditure of such funds to support its staffing pattern, without necessarily indulging in vigorous review to improve its modus operandi. A case in point is Division of Aviation, which currently has sufficient State G.O. Bond authorizations to match perhaps three more years of ADAP allocations.

Aviation's 1972 G.O. Bond issue contained authorization for 31 design projects for trunk and secondary airports, ranging in amounts from \$10,000 to \$30,000. Construction funding for many of these projects was contained in the 1974 G.O. Bond issue. When questioned regarding this procedure, Aviation personnel provided the following responses:

Q. Why does it take two years to design a series of small bush airports?

- 8
- A. We only have 47 design staff positions authorized.
 - Z. Since somebody has already decided that these airports shall be designed and constructed, why not obtain pre-planning funds and package these design tasks into discrete groups. Allow the local professional firms six months of real time to perform the design task and put the construction funding on the 1972 G.O. Bond Issue, thus saving two years of inflation.
 - A. Local design firms don't usually have the capability or the expertise to design bush airports.
 - Q. Is that because you don't give them the work?
 - A. What we really need is a larger staff to accomplish the work faster.

As a point of interest, it is generally true that when an agency receives a relatively guaranteed Federal income, it is not so subject to lobby pressure from local professional societies through interested legislators, who themselves are dependent to a degree on the agency's allocation of projects and funds. The result tends to be the creation of large staff of design and construction personnel (CIP positions), currently 852 positions in the Department of Highways and 228 in the Division of Aviation.⁹ The argument is rarely heard within these agencies that certain kinds of projects may be prosecuted more

NOTE: Division of Buildings, which is not afforded the flexibility provided by regular Federal funding and which has long suffered from lack of sound management, is currently budgeted for two CIP employees who are responsible for the design management of a current program involving \$130,000,000 at 60+ sites around the State. The Division should have five times that staffing level, given the current workload.

[9] It is interesting to note that Division of Aviation and Department of Highways have as their mission the planning for, construction of, and management of two major modes of transportation. The planning function absorbs considerable State funds, while the management and maintenance function is almost entirely State supported. The construction function is very largely supported by the Federal Government. The hierarchies of these are dominated by design and construction engineers, whose existence is largely dependent on Federal, not State funds.

cost-effectively by a greater use of private consulting firms.

The following example will illustrate the diffidence with which an in-house design bureaucracy tends to respond to external ideas. Recently, Department of Highways commenced preliminary studies on a bridge design in Southeast Alaska. The published construction cost amounted to \$15,000,000. A private consulting engineering firm, acting on its own volition, developed a design which it felt might reduce the cost to approximately \$8,000,000.

The design, developed by two former Department of Highways bridge designers, was forwarded to the Department, probably in the hope of obtaining a design contract. At first the proposal was ignored. Later, because of a personal relationship maintained by a principal of the firm, the design was informally reexamined. Successive criticisms resulted, each answered by the firm. After several weeks, during which time no formal response was received from the Department, the firm ceased its effort.

Another kind of cost inefficiency which results from an exclusive internal design effort results from the need to provide for the salaries of staff members during slack periods. For instance, it is relatively common practice for a design agency not to close its books at the conclusion of construction of a project, in order that employees may be paid through the winter months from any surplus remaining. In the absence of any budgetary or programmatic oversight, such practices are difficult to curtail, indeed they are often almost impossible to detect actuarially.

Given the relative insulation from political oversight enjoyed by agencies such as those described, it is not difficult to understand that there is small force predisposed to check their forward progress toward internal self-satisfaction. Nor is there an inbuilt counterweight to balance their collective view of the priorities and methodologies on which public funds should be expended.

Quality and Motivation of Personnel:

Civil servants are ordinary people. They bear close comparison to employees of large private institutions, e.g. banks, large manufacturers. Probably as a group they lack the aggressiveness of a small private entrepreneur, but their intelligence and competence is high. Middle managers, particularly, constantly reveal a degree of ability which belies the popular prejudice leveled at the "bureaucrat."

They do carry one distinction which separates them from private employees, in that they tend to be subject to different kinds of pressure. Any employee, if he is to carry out his mission, requires instruction and a set of management guidelines. The larger the organization, the further the employee is removed from the policy-maker, the more formal the guidelines, so that policy direction may travel the most direct route to the employee responsible for policy execution.

Procedure manuals exist. For instance, the Procedure Manual for the Department of Public Works contains such sections as "Travel and Per Diem," "Filing Instructions," and "Salary and Personnel Rules." Employees understand the rules which govern their wages and benefits. They understand that an informal code governs their behavior. However, they are rarely given instruction in how to OPERATE. There are few MANAGEMENT guidelines to accompany class specifications, so that an employee may understand the nature of his duties and the performance to be expected in the prosecution of his work. Such guidelines are generally transmitted by word-of-mouth, if at all.

The middle management employee, particularly in the CIP disciplines, sometimes draws the attention of an interested legislator or the representative of a powerful special interest. He may be blessed with a strong supervisor, director or commissioner, or he may not. If he is not, but yet he understands his mission, he may realize that the attention bestowed on him sometimes conflicts with his goal (towards effective performance). If he perceives that his director or commissioner is primarily concerned with the avoidance of conflict, then he realizes that the problem is his to solve. He will generally compromise, or temporise. Should his withdrawal or hesitancy then impair his work product, he will sometimes find the originator of the pressure in the forefront of the critics of his diminished performance. Several such incidents will teach him caution, or lead him to the shelter provided by the nearest available legislation or regulation.

The public, quite often, judges not the cause but the result.

It is the theoretical task of political appointees, commissioners and directors to receive and dispatch political pressure in order that permanent employees may effectively perform assigned duties. If such appointees abrogate such duties, civil servants are left to their own devices. Those who can cope advance. Those who cannot, retreat and retrench. Some leave in despair. For lack of leadership, the employees suffer both personally and publicly, as does their mission.

Most government workers will respond to leadership, clear guidelines, and equitable dealing. In the absence of these climatic conditions, many employees will resort to protective devices, such as self-justifying memoranda.

Most civil servants will exercise their need for self-defense until they observe that their superiors accept the responsibility for the creation of a viable working environment. If such an environment is created, they are as capable of productive work equal to that of employees in the private sector.

The Effect of Organizational Structure on Employee Effort:

The process which implements governmental CIP programs is unique in two major respects:

1. The process should require the use of a wide variety of disciplines from managers to planners, to designers, to contractors and to managers.
2. Delivery of the products requires extensive involvement with the private sector (consultants, contractors, citizen groups).

MY NAME IS E. W. "PETE" CASPER, I AM A RESIDENT OF ANCHORAGE AND I AM A VICE PRESIDENT AND ALASKA MANAGER FOR GREEN CONSTRUCTION COMPANY. - HOWEVER, I AM HERE TODAY REPRESENTING THE ALASKA CHAPTER OF THE ASSOCIATED GENERAL CONTRACTORS OF WHICH I AM THE CURRENT PRESIDENT, IN RESPECT TO OUR POSITION ON SENATE COMMITTEE SUBSTITUTE FOR H.B. 63.

I AM SPEAKING FOR A MAJORITY OF OUR MEMBERS.. THE INDIVIDUAL CONTRACTORS WHO HAVE AN OPPOSITE VIEW WILL APPEAR THEMSELVES, OR CONTACT YOU BY LETTER.

TWO WEEKS AGO YESTERDAY AT A SPECIAL BOARD OF DIRECTORS MEETING, OUR ASSOCIATION ADOPTED A MOTION WHICH SIMPLY STATES THAT "THE ALASKA AGC IS OPPOSED TO THE DEPARTMENT OF TRANSPORTATION BILL AS WRITTEN."

WE ARE NOT OPPOSED TO A DEPARTMENT OF TRANSPORTATION BILL PER SE. APPROXIMATELY 1/2 OF THE STATES NOW HAVE A D.O.T. WHICH IN ALMOST EVERY CASE HAS MERGED THE HIGHWAY, AVIATION AND MASS TRANSIT ACTIVITIES INTO ONE DEPARTMENT. MOST OF US HAVE LONG FELT THAT SOME FORM OF CONSOLIDATION IS IN ORDER, MOST PARTICULARLY BETWEEN HIGHWAYS AND AVIATION, WHERE ENGINEERING DISCIPLINES AND MAINTENANCE OPERATIONS ARE VERY SIMILAR.

OUR OPPOSITION TO THE BILL IS BASED UPON OUR OPINION THAT IT CONTAINS FEATURES THAT WILL MAKE OPERATION OF THE HIGHWAY PROGRAM SO CUMBERSOME THAT IT WILL BE ALMOST IMPOSSIBLE TO CARRY ON A CONSTRUCTIVE PROGRAM OF DEVELOPING ALASKA'S TRANSPORTATION FACILITIES - FACILITIES

WHICH ALASKA WITH ITS VAST AREA SORELY NEEDS.

THERE ARE TWO FEATURES OF THE BILL THAT ARE BOTHERSOME TO US: ONE, THE COMPLEX LAYERS OF ADVISORY BOARDS, AND SECOND, THE SEPARATION OF THE DESIGN AND CONSTRUCT FUNCTIONS TO THE PUBLIC WORKS DEPARTMENT.

COSTS OF ROAD AND AIRPORT BUILDING IS EXPENSIVE IN ALASKA. FOR THIS REASON THE NUMBER OF MILES OF NEW ROADS OR OF AIRPORTS CONSTRUCTED EACH YEAR IS GOING TO BE RELATIVELY SMALL. IT SHOULD NOT CALL FOR BIG ADVISORY BOARDS THROUGHOUT THE STATE TO GAIN ALASKA PUBLIC INPUT. THE CURRENT REQUIREMENTS FOR PUBLIC HEARINGS AND IMPACT STATEMENTS IS MORE THAN ENOUGH TO COVER THIS ASPECT. A COMPLEX PATTERN OF REGIONAL ADVISORY BOARDS DEVELOPED AT THIS TIME WILL CAUSE FRICTION, CHAOS AND DEVLEOP NOTHING BUT DIALOGUE AND MORE DIALOGUE - WHILE THE PER DIEM EXPENSE GOES ON AND ON, COUPLED WITH THE LACK OF "GO AHEAD" DECISIONS AND PLANNING.

BECAUSE ALASKA IS VERY MUCH A WILDERNESS AREA, OVER-ALL TRANSPORTATION IS VITAL TO ITS GROWTH. HOWEVER, THE DECISION SHOULD COME FROM THE LEGISLATORS REPRESENTING THE WISHES OF THE PEOPLE IN THAT PARTICULAR AREA, WHETHER IT BE AN AIRPORT OR A ROAD. SCS-HB 63 GIVES THE DIRECTOR OF TRANSPORTATION AND THE GOVERNOR SUPER POWER OVER THE WISHES AND MANDATES OF THE LEGISLATORS. WE FEEL A BETTER APPROACH WOULD BE A SECTION 26-TYPE OF A TRANSPORTATION COMMISSION OR A TRANSPORATION COMMITTEE, MADE UP OF AREA REPRESENTATION BY LEGILATORS WHO COULD HELP PROGRAM THE FIVE-YEAR DEVELOPMENT PLAN. IF THIS WERE DONE IN COOPERATION WITH THE PROFESSIONAL

ENGINEERS, PLUS PEOPLE IN THE GOVERNOR'S OFFICE, IT COULD PROBABLY CUT DOWN MUCH FRICTION THAT MIGHT DEVELOP OTHERWISE.

THE SEPARATION OF THE DESIGN AND CONSTRUCTION FUNCTIONS TO DIFFERENT DEPARTMENTS IS OF EVEN MORE CONCERN TO OUR INDUSTRY. BECAUSE SO MUCH OF OUR HIGHWAY AND AIRPORT PROGRAM IS INVOLVED IN FEDERAL MONIES, WE THINK THAT ANY NEW PROGRAM SHOULD BE THOROUGHLY SCRUTINIZED BY THE RESPONSIBLE FEDERAL PEOPLE. THE STATE AND FEDERAL INTER-RELATIONSHIP BETWEEN PLANNING, FINANCING, DESIGNING, CONTRACTING, CONSTRUCTION, PAYMENT, AND AUDIT ARE THE BACKBONE OF THE FEDERAL DOLLARS THAT MAKE UP THE ALASKA HIGHWAY AND AVIATION YEARLY PROGRAMS.

WE HAVE YET TO FIND ANY STATE OR FEDERAL OFFICIAL WHO HAS BEEN ABLE TO SATISFACTORILY EXPLAIN TO US HOW THE MECHANICS OF THIS INTER-RELATIONSHIP IS GOING TO WORK WITH TWO OF THE MOST IMPORTANT FUNCTIONS OF OPERATION BEING PASSED ON TO A 3RD PARTY. IT CAN ONLY ADD ANOTHER LAYER OF BUREAUCRACY WHICH WILL CAUSE GREATER DELAYS IN ARRIVING AT DECISIONS AND IN THE SOLUTION OF UNEXPECTED PROBLEMS, AND, IN ALL PROBABILITY, WILL LEAD TO GREATER INTER-AGENCY FRICTION.

THIS WILL WORK TO A DETRIMENT TO US, THE CONTRACTOR, AND LIKEWISE TO THE GENERAL PUBLIC AS PROJECTS ARE DELAYED, CONSTRUCTION DETOURS ARE PROLONGED AND COSTS ARE ESCALATED.

A FURTHER POTENTIAL PROBLEM IS THE POSSIBILITY THAT THE EXISTING BILL MAY NOT BE DEEMED LEGAL UNDER TITLE 23, SECTION 302(A) OF THE

U.S. CODE WHICH STATES: "ANY STATE DESIRING TO AVAIL ITSELF OF THE PROVISIONS OF THIS TITLE SHALL HAVE A STATE HIGHWAY DEPARTMENT WHICH SHALL HAVE ADEQUATE POWERS AND BE SUITABLY EQUIPPED AND ORGANIZED TO DISCHARGE TO THE SATISFACTION OF THE SECRETARY THE DUTIES REQUIRED BY THIS TITLE."

WE WOULD LIKE TO POINT OUT THAT NO OTHER STATE DEPARTMENT OF TRANSPORTATION OR STATE HIGHWAY DEPARTMENT SEPARATES ANY OF ITS HIGHWAY FUNCTIONS. THIS FACT TENDS TO DEMONSTRATE THAT THERE CANNOT BE ANY GREAT FAULT WITH THIS SYSTEM.

TO US, IT SEEMS TOO BIG A RISK FOR ALASKA, WHICH IS FAR MORE DEPENDENT ON FEDERAL AID THAN ANY OTHER STATE, TO PIONEER SUCH A RADICAL DEPARTURE FROM PROVEN PROCEDURE, A DEPARTURE THAT COULD PUT THE FEDERAL MATCHING FUNDS IN JEOPARDY.

WE WOULD LIKE TO POINT OUT THAT GOVERNOR EGAN IN 1961 BY EXECUTIVE ORDER MOVED THE THEN DIVISION OF HIGHWAYS FROM THE DEPARTMENT OF PUBLIC WORKS TO A FULL DEPARTMENT STATUS FOR THE PURPOSE OF IMPROVING THE FLOW OF COMMUNICATION BETWEEN THE DEPARTMENT AND FEDERAL BUREAU OF PUBLIC ROADS.

THOSE OF US WHO HAVE WITNESSED THE GROWTH OF THE DEPARTMENT OF HIGHWAYS AND THE DIVISION OF AVIATION WILL REMEMBER THE CONFUSION AND CHAOS THAT EXISTED IN THE EARLY AND MID '60s.

SINCE THEN, THE DEPARTMENTS HAVE BEEN ABLE TO ATTRACT MANY QUALIFIED PROFESSIONAL ENGINEERS, AND AT THIS POINT IN TIME, THE DEPARTMENTS ARE CONSIDERED BY CONTRACTORS AS BEING AMONG THE MOST STABLE CONTRACTING AGENCIES.

COMMENTS HAVE BEEN MADE THAT ENGINEERING AND DESIGN COSTS ARE TOO HIGH ON SOME PROJECTS. THIS COULD WELL BE AND WE WOULD RECOMMEND SOME OF THE OVERHEAD BE CUT BY CONTRACTING OUT PEAK LOADS OF ENGINEERING TO PRIVATE FIRMS.

WE BELIEVE THAT NO BILL IS BETTER THAN THE CURRENT BILL AND THAT A GOOD COMMISSIONER CAN STREAMLINE THE DEPARTMENT AND MAKE IT MORE RESPONSIVE TO THE LEGISLATURE AND THE PUBLIC. IT IS A FACT THAT QUALITY LEADERSHIP IS THE ANSWER TO AN EFFICIENT OPERATION, BE IT IN GOVERNMENT OR THE PRIVATE SECTOR.

ON BEHALF OF THE ALASKA AGC, I WISH TO EXPRESS OUR APPRECIATION FOR THE OPPORTUNITY TO PRESENT OUR OPINION TO THE COMMITTEE.



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Pro Ag. e

Lon McDermott
President

Lon R. McDermott

Testimony on State of Alaska Senate C.S. for House Bill No. 63
Presented to the Senate Commerce Committee March 22, 1976

Subject: An Act relating to the organization of transportation related functions; creating the Department of Transportation and providing for an effective date.

Mr. Chairman and members of the Senate Commerce Committee:

My name is Lon McDermott. I am a citizen of the State of Alaska and reside at 390 Hamilton Avenue, Fairbanks, Alaska. I am employed as President of Alaska International Construction Co., which is a wholly owned subsidiary of Alaska International Industries. Our offices are located in Fairbanks, Alaska and our firm is licensed and does perform construction contracts throughout the State of Alaska, both as a prime contractor and in joint ventures with other Alaskan corporations. In the performance of projects I have become familiar with the present organizational structure of the State of Alaska departments that are responsible for the various phases of transportation related construction.

A.I.C. is a member firm of the Alaska Chapter of the Associated General Contractors of America and I am privileged to serve as a member of the Alaska Chapter Board of Directors and as a Vice President of the chapter. I am also an A.G.C. national committee member of the American Association of State Highway Officials-A.G.C. National Joint Cooperative Committee.

My career encompasses twenty-four years of active engagement in the construction industry, the last five of which have been in Alaska.

My purpose in appearing before this committee today is to present testimony on the proposed legislation creating a Department of Transportation for the State of Alaska.

I have thoroughly read Senate Committee substitute for House Bill No. 63 and I am of the firm opinion that its adoption by the Alaskan Legislature would be a positive action beneficial to the people of the State of Alaska and to the construction industry.

The legislation as written should provide for a more efficient, better planned and more economical utilization of State and Federal transportation funds.



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The consolidation of planning inherent in the legislation should eliminate many of the past sequential construction errors and their resultant losses in time, money and utilization of highways, airports and related facilities due to the lack of such sequential planning.

With all of the planning for State transportation embodied in one agency, guided by regional transportation advisory boards, rather than the divided responsibility we presently have, it is apparent to me that the opportunity of developing, planning and constructing of transportation projects that may be utilized free from the disruption or inconvenience caused by piecemeal construction in a particular area, by separate agencies, administering separate uncoordinated projects, is a very real and important benefit to be derived from this legislation.

I should certainly hope and expect that central planning, guided by the input provided by the regional transportation advisory boards, would eliminate such occurrences as construction of highways, followed shortly thereafter by the construction of underground utilities, or the paving of an airport by one agency at some location in the State while plans for improvements to the highway connecting that airport to the city or village it serves remain to be accomplished several years later.

At the same time the consolidation of design and construction within one agency for all modes of transportation within the State should provide for more uniform construction specifications and inspection and the resultant cost savings such uniformity would provide.

The ability of the State to utilize design and construction personnel between the various major types of transportation facilities, such as highways and airports, would obviously effect cost savings.

The ability of contractors to standardize on equipment needed to meet basically one set of construction specifications rather than several also would result in cost savings, both to the contractor and the State.

The maintenance of transportation facilities, again primarily highways and airports, presently is the source of much duplication both in manpower and equipment. This legislation would eliminate that duplication and therefore reduce costs to the State.

The present system is devoid of the check and balance features that the legislation before you provides. Presently for example, the highway department may decide to build a project. It prepares the plans, holds public hearings, advertises for bids, selects a contractor, administers the construction contract, accepts the work and then maintains the facility constructed. In many and probably most instances the project is needed,



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is well planned, is adequately designed, well constructed and well maintained. It is however done in one single department which limits input and could cause the overlooking of relevant factors.

The D.O.T. concept however provides the mechanisms to assure that not only many or probably most but that all projects completely conform to the needs and wants of the communities, citizens and businesses directly involved in the area for which the project is constructed.

The Regional Transportation Advisory Board would input its knowledge of regional transportation needs directly to the D.O.T. The D.O.T. would evaluate those needs, perform feasibility and cost studies and determine the long range intermodal effect of the individual project, and its relationship to other planned facilities such as utilities, state buildings, schools and local business development.

Once the feasibility of the programed project is determined the D.O.T. would give notice of the proposed project to the residents and the effected local government authority. Public hearings could be requested by the community affected.

If the Regional Transportation Advisory Board is competent in its recognition of local transportation needs much of the delays presently encountered, due to the public and communities involved being contacted after much time and effort has already been expended in design of proposed projects, could be eliminated.

A further condition of check and balance is provided once the D.O.T. program plans are turned over to the Department of Public Works for design and construction. Should the D.O.T. or the local Transportation Advisory Committee have overlooked or been unaware of salient factors involved in design or construction of the proposed facility, the review of the Department of Public Works design and construction personnel should isolate those problems before they become serious and costly.

Upon the completion of the design and construction phase and once the Department of Public Works is ready to turn the project over to the D.O.T. for use and maintenance, the D.O.T. is then in a position to ascertain that the facility is indeed constructed to effect the desired improvement.

All in all the proposed legislation provides for closer local input, a more thorough evaluation and design and yet a speedier method of getting the projects constructed and into use.



**ALASKA
INTERNATIONAL
CONSTRUCTION, INC.**

Page 4

P.O. Box 1410
Fairbanks, Alaska 99707
(907) 452-1271 or 456-6846
Telex: 090-35435

I should like to suggest a few minor additions and deletions to the legislation, as presently written, for your consideration:

1. On page three, Section 44.42.030 DUTIES OF DEPARTMENT OF PUBLIC WORKS: TRANSPORTATION FACILITIES. On Line 14 after the word periods I suggest a comma be inserted and the following language added "and until all construction related contractual matters are complete."

The purpose of this language would be to keep the Department of Public Works involved with the project should completion of change orders, claims, disputes on legal matters are not concluded prior to the expiration of any guaranty or warranty periods.

2. On page four, Section 44.42.050 DEPARTMENTAL ORGANIZATION: ADVISORY BOARDS. Paragraph (b), line eight.

It is my opinion that the legislation should spell out the number of members comprising the Regional Transportation Boards. I would suggest that such boards have not less than five nor more than eleven members.

3. On page five, Section 44.42.050 DEPARTMENTAL ORGANIZATION: ADVISORY BOARDS. Paragraph (e)

I believe this paragraph should provide for a minimum number of annual meetings of the Regional Advisory Board.

4. On page eight, Section 44.42.080 PUBLIC HEARINGS AND SURVEYS. Paragraph (i), line four.

I suggest a comma be inserted after the word "lines" and the following language added "as determined by the Commissioner."

5. On page nine, Section 44.42.100 LIMITATION OF TRANSPORTATION FACILITIES. Paragraph (b), line three.

I suggest that after the word "a" the following language be added "designated State, Federal or municipal."

6. On page 12, Section 19.05.035 DUTIES OF DEPARTMENT OF PUBLIC WORKS. Line two.

I suggest that after the word "construct," the following language be added "and administrate contracts."




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Page 5

I sincerely support and recommend to this committee that the proposed legislation be favorably recommended out of the Commerce Committee for further and hopefully favorable action by the State Senate.

Respectfully submitted,


Lon R. McDermott

By way of identification for the record I am James M. Dodson Jr.
Executive Director of the Alaska Air Carriers Association. I will be
very brief. At our justly concluded convention here the last week
in February, our full membership voted unanimously on the floor,
after considerable disgust during the board and the membership
meetings, to support this concept of the Department of Transportation for
the State of Alaska.

This is the present bill before us. We found that this concept, of
this organization, probably will serve us, the end user of aviation
facilities in general, primarily to a good degree. We, as you know
have had problems with the proposals in the past and find that this
concept of organization is probably in the interests of the state.
We can support it and we word for passage. We have heard that this
House Bill 63 has come out of the committee substitute for the
committee substitute be adopted. I will point out just for the
record also who the Alaska Air Carriers Association is representing.
They represent primarily what is commonly known as the Air Taxi
Operators, Contract Carriers, Helicopters and smaller operators.
We are not speaking for the five operators of the large jet
equipment, they are not our members.

There is one question that I have in regarding this committee
substitute in one place and this is more of a question to anyone
who can answer it than a comment from us because I don't know how
to take it. I don't believe that this was in the bill that came down
from the Governor's office originally. On Sec. 10.15.205, approval
required for airport construction:

- A. No person may construct, reconstruct, relocate or extend an airport, airstrip or private air facility without first obtaining the written approval of the Commissioner of Transportation as provided by regulation.

The original wordage as you will see there included in there within two miles of a Federal Lane Highway or proposed Federal Lane Highway - What I would really like to know is why we are deleting this and requiring approval by the Commissioner of Transportation for all airstrip construction and I am wondering also if someone could answer this? We are getting into a hypothetical case, of myself for instance who may want to construct a small airstrip on my homestead totally on my own private land is going to have to get the approval of the Commissioner of Transportation to put in that airstrip-Idon't believe that that is necessarily proper perhaps I'm wrong and you were talking about something else.

Senator Kertulla Commissioner Harris do you wish to --

Comm. Harris I don't have the section in mind right at this time but there is a section in the bill that uses the old language that is existing here today. This section proposes to strike. It is that pertaining amendment section. If I might go on

Senator Kertulla Go back and see if he does fore-close the question.

James M. Dodson If I am speaking correctly that is Sec. 19 which is on page 14,
Sec. 19.20.090 Highway Construction Near Airports

No person may construct, reconstruct, relocate or extend a Federal Lane Highway within two miles of an airport, airstrip or public air facility without first obtaining the written approval of the Commissioner of Transportation.

James M. Dodson Perhaps I am there. It seems inconsistent to me to take out this language and then still include it here under the highway center. This is merely a technical thing. It does bring up when you look at it like that a question that I just wanted to bring up. However, in conclusion the Alaska Air Carriers Association does support this bill. We urge its adoption and its approval and we know that we could probably have a much better situation than our transportation facility needs and currently exists/

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C - JUNEAU 99811

D.O.T.
JAY S. HAMMOND, GOVERNOR

March 16, 1976

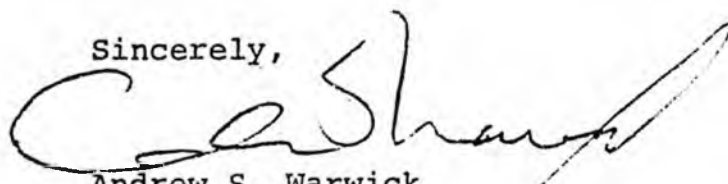
Honorable Jalmar M. Kerttula
Chairman, Senate Commerce Committee
Alaska State Legislature
Pouch V - State Capitol
Juneau, Alaska 99811

Dear Senator Kerttula:

Please find attached the fiscal note for Senate Committee Substitute for Committee Substitute for House Bill 63 which creates a Department of Transportation. This fiscal note was prepared by the Department of Administration in cooperation with the Departments of Public Works and Highways.

Please do not hesitate to call if I can be of any further assistance in this matter.

Sincerely,



Andrew S. Warwick
Commissioner

ASW/mjc
Attachment

3-18-76

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - Ninth Legislature

I. REQUEST

Bill No. SCS CS HB 63
 Title: Department of Transportation
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Administration Program: Budget & Management

II. FISCAL DETAIL

All Transportation BRU's plus seven General

Budget Request Unit(s) Affected: Government BRU's

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	/	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Analysis on separate attachment.

IV. ATTACHMENTS

V. DATE: 3/15/76 PREPARED BY: *Ch Shaul*
 COMMISSIONER OF ADMINISTRATION

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

III. ANALYSIS

The fiscal detail indicated above is based on an incremental analysis for administration, maintenance and operation, planning, design, and construction activities but does not attempt to net out any costs associated with possible delays in these activities that might occur due to reorganization and employee resistance. It seems probable that some difficulties will occur due to unclear delineation of responsibility, altered SOP's, and employee resistance to change. The most probabilistic occurrence would be sporadic delays in construction of transportation projects. This fiscal note provides for all activities in the existing Department of Public Works and the Department of Highways except for the building maintenance function in the Division of Buildings.

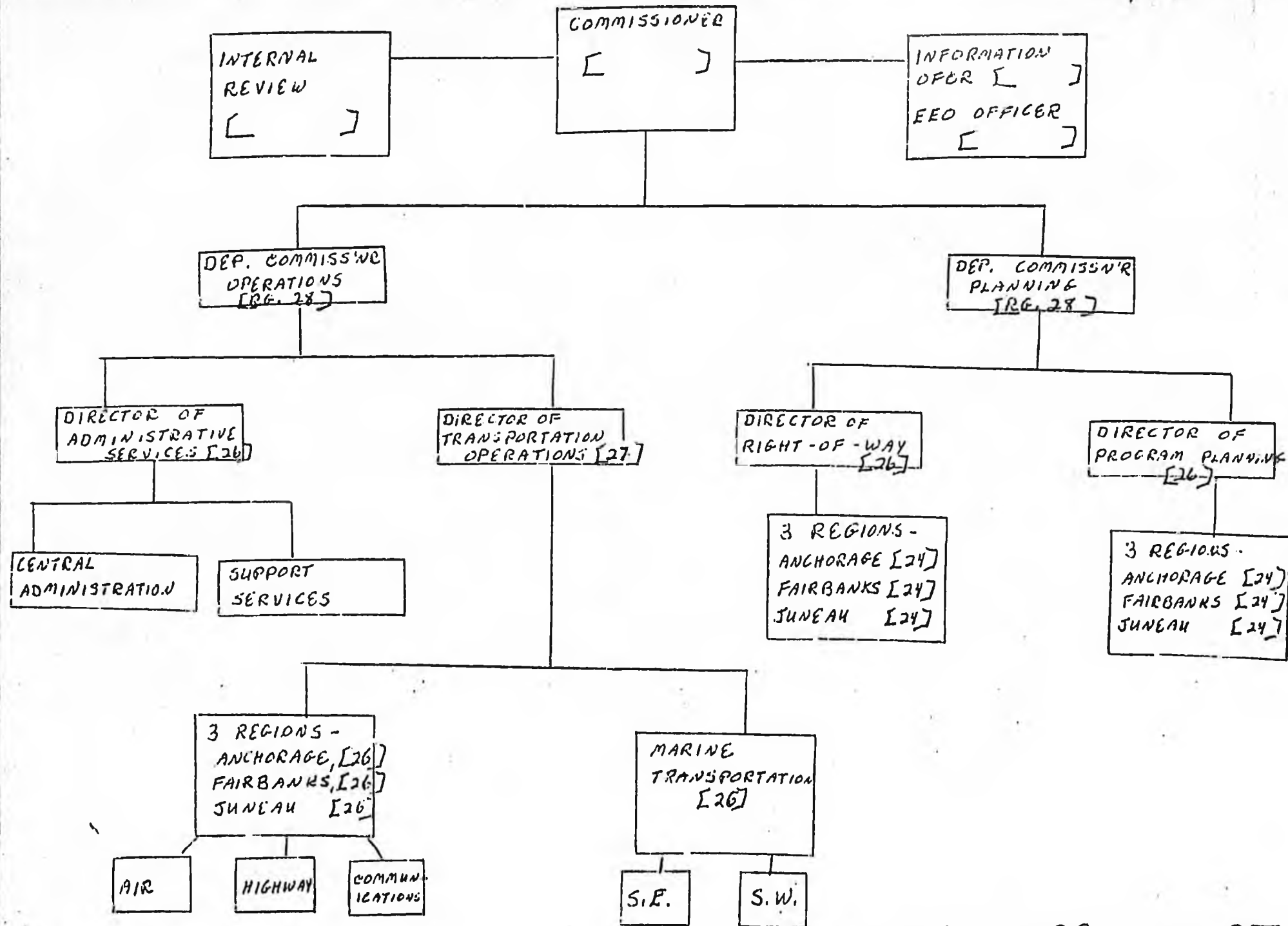
It is assumed that establishment of a Department of Transportation would result in better transportation planning and hence, a more efficient use of State resources (funds) for transportation purposes. Long-term savings should be expected to accrue due to commitment of funds to an optimal transportation mode for a given situation (heretofore unheard-of) and a life cycle cost methodology that would lower maintenance and operations costs as well as user costs and costs associated with degradation of the quality of life. The concept of division of responsibilities --DOT with planning, maintenance, and operation with Department of Public Works having design and construction -- provides a system of checks and balances that will not only insure a closer adherence to the various published transportation construction programs but should also abolish the proverbial buck-passing that occurs when a facility fails. Although it appears certain that these effects will result in substantial long-term savings, there is insufficient experience with the proposal to make it possible to quantitatively estimate the value of these benefits.

Several substantial assumptions were made in the above fiscal detail:

1. That work loads will not change appreciably for either the budgeted administrative, maintenance and operations personnel or for the non-budgeted capital improvement positions. This assumption is necessary in order to make comparisons between the existing and proposed organizations.
2. That without increased work loads, the only increases in number of positions that could be justified would be for new duties, increased emphasis on certain duties, or alleged duplication of effort caused by the split Department of Transportation concept. Since it appears clear that the intent of this bill is to enhance the planning effort in the transportation sector, it would be logical to expect some increase in positions in this area. However, since there are already approximately two hundred existing positions in the two departments that can be identified within the broad area of transportation planning, it seems unreasonable to expect increases in the number of positions for this purpose. There will have to be an increased number of positions for the internal audit function for both departments. However, this number is relatively small and can probably be supported by reclassifying some existing operating positions whose function or responsibility has been deleted by the reorganization. The only other increases that appear warranted are

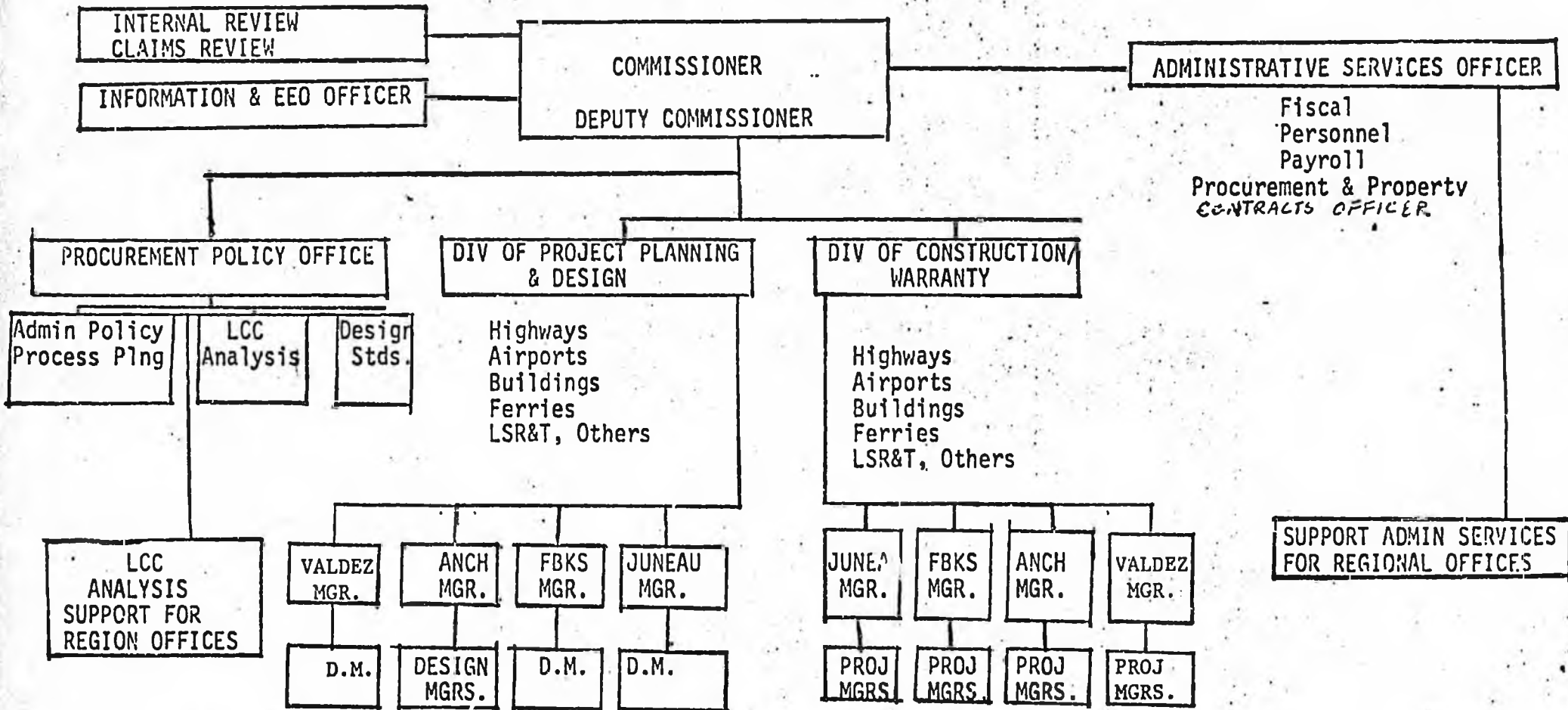
also small: a few addition CIP positions will probably be needed in design review and in planning coordination between the two departments. However, with the substantial number of CIP positions that are either sporadically unfilled or constantly vacant, it would appear that the latter small increase in staffing requirements could be handled without establishing additional new positions.

3. That reclassification of positions that are either transferred to new sections or given new duties will not require additional State funds — that is, that costs incurred due to upward reclassifications will equal savings resulting from downward reclassifications.
4. That net effect of various PCN transfers will be zero. Although a few individual positions will inevitably be transferred to new locations it is felt that positions with similar duties and pay ranges will be available, either as transferred positions from another location or existing positions, so that the actual number of employees that will have to physically change duty stations will be negligible. Hence, no funds have been requested to pay employee relocation expense.
5. That no additional administration and support positions will be necessary with the transfer of the Building Maintenance BRU to the Department of Administration.



D.O.T. ORG. CHART

DEPARTMENT OF PUBLIC WORKS
ORGANIZATIONAL CHART



MEMORANDUM

State of Alaska

TO: Honorable Jay S. Hammond
Governor

DATE: January 29, 1975

FILE NO:

TELEPHONE NO:

FROM: Donali Harris, Commissioner
Department of Public Works

SUBJECT: Department of Transportation

Reference is made to Mr. Preston's memorandum of January 23 outlining the recommendations of the DOT working group on establishment of this Department. I have recommended that the design and construction functions of all transportation facilities be established under a Department of Public Works with planning, maintenance and operation assigned to the new Department of Transportation.

Mr. Preston has fairly described the principal weaknesses of this concept. This arrangement would make communication and coordination between related functions more difficult since it would cross departmental as opposed to divisional lines.

My principal reason for recommending this division of authority is that it results in better balance between major state departments. The most frequently heard criticism of the DOT concept is the magnitude of its area of responsibility and authority and tendency toward inefficiency and unresponsiveness inherent in such a concentration of power.

I know of no way to quantitatively compare the inefficiencies which would result from my proposal vs. the consolidated DOT concept, but it is my belief that the former represents the lesser of evils.

This then becomes a rather negative approach and raises the question as to whether there is some other alternative to solving past problems that minimizes the risk of creating new ones of equal or greater magnitude. I think there may be.

We are in agreement on the following:

1. Intermodal transportation plan is mandatory.
2. Economy and efficiency of operation is a desirable goal.
3. Effected departments could stand some improvements.

Perhaps the principal objectives of a DOT can be achieved by simply strengthening and expanding the planning function in the Division of Planning under the Governor, maintaining Public Works and Highways more or less in their present form with added emphasis on inter departmental cooperation and coordination in areas of overlapping function.

The trend among the states towards DOTs says nothing about what is right for Alaska. Highways dominates the transportation picture to a far greater extent "outside" than here. Many states do not have marine transportation. Some do not even have an aeronautics or aviation organization within their state government. In no other state does air transportation assume such relative importance. Most states own and operate few if any airports. Therefore, the establishment of DOTs in other states, in addition to achieving coordinated planning, typically represents the logical alternative to maintaining equivalent departments for grossly disproportionate programs. That is not the case here. Transportation modes presently within Public Works are of sufficient importance to require substantial, continuous programs making the maintenance of the separate specialized staffing practical and efficient. If the work force is specialized in a certain mode and tailored to the work load, no efficiency will be gained by consolidation with other modes.

In assessing the potential benefits of DOT consolidation, the differences between the various modes becomes a limiting factor that needs to be recognized. The most important differences include:

1. Distinct and different federal grant programs. Even though FAA and FHWA are within the same federal DOT, there is no commonality in grant policies and procedures, design and construction specifications, etc. The paper work is a significant part of project development and requirements change continuously. Inefficiency would result in trying to stay abreast of both programs.
2. Marine Transportation and Aviation encompass an operational or management function while Highways does not. For example, Airports take on many of the aspects of small cities including utility systems, leasing, land use control, off-site zoning, fire suppression, security, etc. Over two-thirds of the active out-grants are at airports other than Anchorage and Fairbanks so this characteristic is not limited to only large airports. This generates a need for day to day administrative, fiscal and engineering support of the management function in addition to routine maintenance which does not lend itself to the functional organization contemplated within a DOT. "Outside" DOTs do not have this problem because they do not typically own or operate airports or ferry systems.

A measure of the effectiveness or responsiveness of an organizational structure is its ability to handle routine communications with other departments or the public. The bulk of inquiries directed to Public Works concern a single facility; a given dock, building, airport, etc. Such inquiries frequently cut across several areas of responsibility within a division and a timely, comprehensive response requires a coordinated effort. For example, a typical letter on an airport might complain about ruts on the runway, inquire into a lease and check on the status of a new lighting system. A response requires coordination between maintenance and operations, leasing and engineering. When these functions are all under one roof in the same division, the situation is manageable. If compiling a response required coordination between functional divisions or even

departments, it becomes a problem. Such inquiries number in the hundreds, and organization along modal lines is more able to be responsive.

These are just a few of the considerations which raise doubts as to the viability of a DOT organized along functional lines. The experience of others has limited value in passing judgment on this. If organization along functional lines is impractical, a DOT essentially becomes a means of gaining better planning at the expense of the addition of another layer of administration and a larger, less efficient less responsive governmental unit.

We suggest that the transfers and assignments agreed upon by a consensus go ahead at this time and that the DOT formulation be considered on a step-by-step basis with at least one year of continued operation of the Department of Highways and the Department of Public Works.

MEMORANDUM

State of Alaska

TO: Jay S. Hammond
Governor

DATE: January 28, 1975

FILE NO:

FROM: Avrum M. Gross
Attorney General by:
Ray C. Preston *RC*
Assistant Attorney General

TELEPHONE NO:

SUBJECT: Recommendations of the
Department of Transportation
Task Force

This memorandum is to advise of the final conclusions and legislative recommendations of the department of transportation working group chaired by Commissioner Parker. These recommendations have been reached through a succession of five meetings of the group, study of a number of draft bill proposals, and DOT bills of prior years. An outline description follows of the substance of the bill which would embody these recommendations. While there has been a solid consensus established on most issues, however, there are two important issues where in one a strong dissent exists and in the other simply a lack of consensus. These two issues will be treated first.

(1) DESIGN AND CONSTRUCTION FUNCTIONS

At the outset and throughout the several meetings of this study group. There has been an issue as to whether the design and construction functions of transportation facilities should be separated out of the new department and placed in the department of public works. Here the functional concept is that basic study, planning, and preliminary design would take place within the new department but that final design engineering and then construction itself would be the responsibility of the department of public works. Maintenance and operations of completed and existing facilities however, would again be with the new department.

On this issue, the working group has reached a consensus and recommends that the design and construction functions should not be segregated and placed within public works. The essential rationale against such a segregation follows. However, it should be noted that a strong dissent to this recommendation has been made by the Commissioner and Deputy Commissioner of public works. Attached hereto are arguments of public works in support of placing the design and construction functions within that department.

One of the most cogent reasons against such a separation is that it is inconsistent with the basic reasons for creating a new department in the first place. Where the justification and aim of a new department is toward better coordinated and more efficient transportation planning and construction, it would appear that legislating consolidation while separating out the design and construction functions is somewhat in the nature of sleight-of-hand. Further, it also appears that the design process is so closely connected with the planning process, and the construction phase with the design

function, that whatever inefficiencies may have existed in the past through segregation by transportation modes would be replaced by an intermodal concept which may not fit together in the end. Design and construction engineers should have a continuing dialogue with initial planners and with maintenance and operations personnel. They do in fact depend on each other. Severing the design and construction functions can only hinder the dialogue. Still further, it would appear that a certain amount of duplicious effort could not be avoided if the very middle of the whole process was separated into another department.

The same essential point might be amplified by considering some of the present touchstones of the transportation process. Environmental, economic and social considerations are now locked into the very beginning of planning any significant addition or alteration of the existing transportation system. Opportunity for scrutiny by the general public and interested persons is not only encouraged but required. Particular and important considerations which spring from these sources and which underly a final planning scheme should not be lost in design and construction engineering. Yet, a separation of those functions would invite a loss of such important factors in the actual construction of a facility. Specifications often are changed during the construction phase. Such changes often arise from changed conditions or unforeseen engineering factors. Yet, they should only be allowed with the same considerations in mind which brought about the final design which went to bid. Otherwise the process as a whole will fail. Thus, it is submitted that the design and construction functions are so integrally related to other identifiable parts of the whole that state interests would not be well served by artificial segregation into a separate department.

(2) THE ALASKA TRANSPORTATION COMMISSION.

No consensus was reached by the working group as to whether the Alaska Transportation Commission should be shifted in any form into the new department. Presently, the ATC is organizationally within the department of commerce. Its function is essentially the economic regulation of the transportation carriers within the state. The ATC is responsible for issuing certificates of public convenience and necessity to both air and surface transporters and in establishing tariffs for the carriers.

A number of alternative courses are involved and were considered however in studying the issue:

- (a) transferring the ATC intact into the new department without any other statutory change;
- (b) establishing the ATC as an independent body apart from any department,
- (c) leaving the ATC alone insofar as its organizational placement within the executive;

- (d) any one of the above three while re-examining and possibly reforming the structure of the ATC, its powers and duties.

The ATC itself was consulted on these issues. Chairman Robert Rucker of the commission participated in one of the group's working sessions and presented the attached memorandum. The greatest preference of the commission members would be to establish the commission as an independent body apart from any department. ^{1/}

At issue during study of the question was whether the functions of the ATC are related to the presently conceived functions of the new department. If indeed there is a functional relationship, then the rationale in favor of creating a department of transportation would entail inclusion of the ATC.

(3) RECOMMENDATIONS OF THE DOT WORKING GROUP

Taking DOT bills of prior sessions as a beginning point, the working group has now examined several drafts of its own and recommends the following provisions:

(a) Powers and Duties

The powers and duties sections would be similar to prior bills with the powers section drafted with an eye toward breadth and flexibility so as not to hamper the department in performing its functions.

(b) Organization

Like prior DOT bills what is now recommended may initially be described as a merger of the department of highways with the divisions of aviation and marine transportation of the department of public works. Unlike prior DOT bills, however, and unlike the bill already introduced by Senator Kertulla, it is recommended that divisional organization of the department be completely at the discretion of the commissioner with the approval of the governor. Especially since the power of reorganization of this kind is already constitutionally within the executive, it appears behooving not to attempt to anticipate internal organizational

^{1/} During Chairman Rucker's appearance, the issue was also raised and discussed of possibly merging the ATC with the Public Utilities Commission.

considerations which may follow initial creation of the department.

(c) State Transportation Plan

Adopting most of what in prior bills was labeled a "master" transportation plan, the group recommends inclusion of a mandate toward developing a "comprehensive intermodal long-range transportation plan for the state." The plan would be revised periodically and the department would be required to hold public hearings in developing the plan.

(d) Public Hearings

It is the consensus of the working group that the new department be required to provide opportunity for public hearings at two points in time "when a new highway or other major new state transportation facility is proposed," viz, at the point that a proposal becomes a proposal so that citizens of affected communities are informed as early as possible, and later, when its merits and alternatives are fully developed, but before any final decision is made. Hearings would be required in affected communities upon written request of twenty or more persons. "Affected community" is defined as "a community in which a facility would actually be located, directly served by the facility, or whose boundaries are within fifty miles of the proposed facility." Further this provision of the bill would also be drafted so as to greatly encourage involvement of the local governing body. Here, the local government would be given special opportunity to participate in the hearings and even become the forum for the hearings.

(e) Limitations on Transportation Facilities

Again adopting essentially the same provision which has appeared in prior DOT bills and which already exists as a limiting factor in all federal-aid projects, the working group recommends a mandate that no highway or other transportation facility may be built upon a legally established wildlife or waterfowl refuge, historical site, forest, wetland, wilderness area, public park or critical habitat area unless "(1) there is no feasible and prudent alternative to the use of such land as determined by the commissioner, and (2) the corridor or facility is planned and constructed so as to minimize harm to the land."

(f) Other

Other parts of the bill are merely technical and do not require special consideration.

Jay S. Hammond
Governor

January 23, 1975
page -5-

(4) COMPARISON WITH SB 9 (Kertulla)

SB 9 is virtually identical to what has previously been introduced as DOT bills. The largest differences between it and that now recommended is that it would establish departmental divisions based on transportation modes (aviation, highways, and marine transportation), does not contain any provision for public hearings, and would transfer the ATC intact into the new department without any other structural changes.

Attachments
c.c. Walter B Parker and
members of the DOT
working group

RCP:go

COMMENTS ON ALASKA TRANSPORTATION COMMISSION'S ROLE
IN NEW EXECUTIVE MAKEUP CONTAINING A
DEPARTMENT OF TRANSPORTATION

Problem areas and inefficiencies in present structure with Alaska Transportation Commission operating within the Department of Commerce.

1. In the past, most correspondence received in Governor's office was relayed through Commerce to the Commission for answering. Red tape delay sometimes one to two weeks.
2. Personnel matters - Certain positions must be hired through Commerce. Much delay, some cases two months.
3. Adopting regulations - AS 42.07 clearly gives the Commission the statutory authority to do so. In the past, it has been a battle royal to go through the Department of Commerce. Finally had to get assistance from Attorney General's office.
4. Budgetary matters - Probably the area of most inefficiency. Presently, Commission budget requests have to be part of Commerce Department overall budget. Never really have opportunity to explore long range savings through short term expenditures.
5. Added expense of many trips to Juneau which would not be necessary. Example: First review budget with Commerce, then a couple of weeks later, another trip to review with Governor's Budget Review Committee.

Dozens of telephone calls on matters that really shouldn't concern the Commerce Department if we were independent regulatory agency.

6. Much confusion to the public. We get many calls and visits from people who think we are the Department of Commerce. Very exasperating to them when we try to explain that Commerce is in Juneau when we are listed as within the Department of Commerce. Would probably be much worse if we were within the Department of Transportation.
7. Legal opinions have had to be routed through the Department of Commerce. Many times are very important and once was delayed thirty (30) days.

8. More red tape in travel authorization. Example: It was determined on Saturday by Governor's and Attorney General's offices that the Commission be present at hearing before the CAB. Had to secure Commerce Department approval for the trip and was delayed one-half day locating proper authorization.

Pros and Cons with the Alaska Transportation Commission being shifted intact to operate within the Department of Transportation

1. Cons - Same general duplication and budget problems as being within Commerce.
2. Pros - Probably would have closer working relationship with Divisions of Airports and Aviation, which is needed.
3. Confusion to the public will probably exist for awhile in any event. Most people don't know what the Commission does anyway.

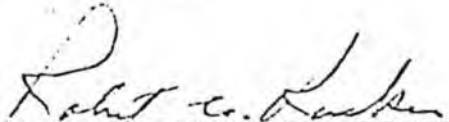
Advantages of being independent agency under Section 26 or 22 of State Constitution.

1. Eliminate one general layer of government for more efficient service to the public.
2. Present budget needs directly to Governor's Budget Review Committee and the Legislature.
3. Would be functioning directly beneath Governor's office and be more responsive to the Legislature.
4. Much closer cooperation with Governor's office in state matters before the federal agencies such as the CAB and ICC. More and more rate increases and route problems are arising which deserve a unified swift response on the part of the state.
5. Legislative proposals and testimony before the Legislature can be better coordinated with the Governor's office.

Internal structuring areas that should be considered.

1. Clearer statutory distinction of duties between the staff and the Commission, particularly when the staff appears before the Commission as a party in a proceeding.
2. In-house counsel badly needed. Part of one Assistant Attorney General simply is not sufficient to meet legal requirements of the Commission.
3. Relationship of Chairman to other Commissioners. Same pay, much more responsibility. Chairman responsible for budget and administrative duties. Nothing spelled out in AS 42.07 as to assignment of work or dockets. Can be a problem.
4. Possibility of changing statute to reflect that not more than two (2) Commissioners can be of same political party. Similar to CAB, ICC and other states. This tends to further remove politics from the regulatory function.
5. Removal of a Commissioner - I feel removal should be in the same manner as appointment and confirmation.
6. AS 42.07.021(a) presently states that, "A commissioner shall continue to hold office until his successor is appointed and qualified." (emphasis added) What does qualified mean?

Prepared by:


Robert C. Rucker, Chairman
Alaska Transportation Commission

INSTITUTE OF SOCIAL, ECONOMIC
AND GOVERNMENT RESEARCH



UNIVERSITY OF ALASKA
FAIRBANKS, ALASKA 99701

September 5, 1975

*Sent to
Sen. Kuttala*

DOT

DOT

The Honorable John Sackett
State Senator
527 3rd Avenue
Fairbanks, Alaska 99701

Dear Senator Sackett:

Attached is a copy of an article by D. Joseph Smith on state departments of transportation. In that you sponsored legislation concerned with this subject, I believe that the article may be of interest to you.

Mr. Smith is employed by the California legislature and is very knowledgeable about DOT's, having monitored their creation while employed with the U.S. DOT. Alaska, more than any other state, needs coordinated planning which takes advantage of the economics of scale for different technologies. This is because of Alaska's reliance upon so many different modes for primary transport in the different regions of the state. An Alaska Department of Transportation would address this need.

Respectfully,

Lloyd N. Pernel
Associate Professor of
Transportation & Public Works

LMP/dml

Enclosure

by D. Joseph Smith*

State Transportation in Transition

IT IS QUITE APPARENT that in government, industry, and society in general, many of the institutions that served this Nation well enough in the past do not meet the needs of today. Transportation, because of its strong association with technological advancement and with the everyday needs of a changing society, has had to be particularly sensitive in recent years to the call for institutional change. In a super-industrial society such as the United States:

Our choice of technologies (such as those involved in transportation), in short, will decisively shape the cultural styles of the future. . . . This is why technological questions can no longer be answered in technological terms alone. They are political questions. . . . This is why we cannot continue to make technological decisions in the old way. We cannot permit them to be made haphazardly, independently of one another. We cannot permit them to be dictated by short-run economic considerations alone. We cannot permit them to be made in a policy vacuum. And we cannot casually delegate responsibility for such decisions to businessmen, scientists, engineers, or administrators who are unaware of the profound consequences of their own actions.¹

There has been a tendency in an industrialized nation to "functionalize" and "specialize" most everything. In the case of transportation, development has often been broken down

into individual modes, isolated from one another. This practice was uncommonly successful, as an example, when this Nation was "getting out of the mud" in the early stages of the highway program or needed to stimulate the aviation mode to develop its full service potential. In the 1970s and beyond, however, public agencies at all levels will increasingly need to adopt broader, more flexible methods of operation. Public transportation agencies are no exception.

The purpose of this article is to describe some of the underlying forces that are causing the state transportation establishment to undergo some basic institutional changes, keying on some of the changes occurring in this area. It is suggested that these institutional changes are very timely in relation to the increasingly perceived need to get a handle on the future growth and development of our natural and man-made environment. This is especially true when one considers the constraints imposed by our limited financial resources and our limited natural resources such as oil and land.

RATIONALE FOR CHANGE

One of the most pervasive factors causing institutional change in transportation is the tide of urbanization that continues to sweep the population to residences in or near urban areas. In the census of 1970, 73.5 percent of the population was found to be living in urban areas. This rise in urbanization is generally associated in Western nations with an increasing

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¹Alvin Toffler, *Future Shock* (New York: Bantam Books, 1971), pp. 436-37.

in industrialization, which in turn necessitates a sizeable service population of commercial and governmental interests. This advanced employment mix increasingly demands a transportation system that includes jet air travel, improved mass transportation service, and a safe, efficient highway system.

More people concentrated in smaller geographic areas has meant that the complexity involved in providing transportation services has greatly increased; while the growth of the relative size of our urban areas (i.e., suburbanization) demands a tremendously increased need for more of all urban transportation services. Thus our American style of urbanization places a challenging and often conflicting set of demands on the field of transportation. These demands dictate that these new systems be adequately planned and developed as a coordinated system having as little detrimental effect as possible on the existing or planned urban fabric.

Strongly associated with the increase in the degree of urbanization has been the impact over the last decade of the one man, one vote ruling of the U.S. Supreme Court. In transportation, the phenomena of reapportionment and state government reorganization have developed support and action for improved comprehensive planning and development of the state transportation system brought about by greater representation of urban areas in the Legislatures.

One of the issues that has caused elected officials to be especially critical of traditional transportation policies has been the revolution of thought concerning the impact of transportation facilities on the environment. The environmental issue in transportation can be divided into two general categories: the long-range social, economic, aesthetic, and ecological concerns, and the immediate, short-range community disruption of relocated families and businesses. The long-range environmental concern has been supported through a framework of legislative actions such as the National Environmental Policy Act of 1969, Section 4 (f) of the Department of Transportation Act of 1966 and numerous other state, federal,

and local statutes. The administrative and judicial implementation of these laws has insured that implementing agencies must document environmental impact for public review. Short-range community disruption, on the other hand, has forced many elected officials to become directly involved in transportation decisions. With this involvement and the continuing impact of environmental legislation, state officials increasingly have realized the need for more responsive transportation institutions that have an ability and mandate to consider the broader implications of transportation investment.

As States study and consider actions on the alternatives to the traditional solutions toward providing transportation facilities in urban areas, they are finding the most promising are various forms of public or mass transportation. This intensified interest in public transit stems from two increasingly obvious realities. The first is that more highways do not always seem to be the long-run solution to urban traffic congestion. Indeed, new highway facilities sometimes generate more traffic and ultimately more congestion, especially where only a part of a planned freeway network has been implemented because of social, environmental, or economic constraints. Public transit is viewed as an alternate to the open-ended approach of building more highways, especially in urban areas where the financial, environmental, and social costs of new highways are becoming exceptionally high to individual communities and the States.

The second reality is the virtual financial collapse over the last two decades of the privately and publicly owned transit companies in this country, especially in communities of medium or small size. Largely because of the one-sided emphasis on highway investment, together with very little popular interest in public transit in the past, the local, state, and federal governments have had to financially help floundering transit companies or see this public service disappear at the same time that its potential for solving urban transportation problems is increasing.

The preoccupation of the federal and state

governments with the highway system and with air and water transportation has had a serious impact on almost all other modes of transportation in the last several decades. Examples included in the "other mode" category are bus transit, commuter rail (subway, streetcar, etc.), intercity rail transportation (freight and passenger service), intraurban freight transportation, transportation terminals or ports (freight and passenger), and such nontechnical transportation modes as walking and bicycling. The emphasis has not only led to overdevelopment of some transportation systems, but has meant a lack of research, development, and outdated regulation of the "other modes" so as to favor highway and air travel in the transportation marketplace. Thus, state action concerning these other modes has become necessary if the services they provide are to be continued.

Finally, the States have been redirecting their transportation policies and programs in response to the institutional momentum generated by the federal government. With the exception of Hawaii (1960) and New Jersey (1966), all state departments of transportation have been created since the passage of the U.S. Department of Transportation Act in 1966 and the flood of new federal transporta-

tion legislation since 1966. The table below shows the broad thrust of this reappraisal which now involves at least 37 States in one phase of action or another as of September 1974. Although the 27 States and Puerto Rico with established DOTs vary from loose coordinating structures to strong executive agencies with powerful financial tools, the States' response to federal initiatives in transportation is unmistakable.

The federal government views the improvement of state transportation capabilities favorably. The federal policy has generally been to encourage and assist, where requested, the States as they review existing transportation policies and programs. The U.S. DOT has avoided prescribing or promoting any particular type of organization or financial structure when advising the States on this subject. A prescriptive or promotional posture on the part of the U.S. DOT in this area would ignore the real differences between each State's needs in transportation.

THE STATES' RESPONSE: ORGANIZATION

With the exception of the recently established Missouri DOT, all State DOTs include the highway mode among their responsibilities. All States include their respective state aéro-

STATE DEPARTMENTS OF TRANSPORTATION

DOT Established

1. Arizona (1974)
2. California (1973)
3. Connecticut (1969)
4. Delaware (1970)
5. Florida (1967)
6. Georgia (1972)
7. Hawaii (1960)
8. Idaho (1974)
9. Illinois (1972)
10. Iowa (1974)
11. Kentucky (1973)
12. Maine (1972)
13. Maryland (1971)
14. Massachusetts (1971)
15. Michigan (1973)
16. Missouri (1974)
17. New Jersey (1966)
18. New York (1967)

19. North Carolina (1971)
20. Ohio (1972)
21. Oregon (1969)
22. Pennsylvania (1970)
23. Rhode Island (1970)
24. South Dakota (1973)
25. Tennessee (1972)
26. Virginia (1974)
27. Wisconsin (1967)
28. Puerto Rico (1973)

DOT Legislation Recently Considered

1. Alaska
2. Colorado
3. Nevada
4. Kansas
5. Minnesota

6. New Hampshire
7. Utah
8. Vermont
9. Washington
10. West Virginia

DOT Feasibility Studies Completed

1. Alaska
2. Colorado
3. Kansas
4. Louisiana
5. Minnesota
6. New Hampshire
7. Oklahoma
8. Utah
9. Vermont
10. Washington

nautics functions within the State DOT organization. All State DOTs have some responsibility in the area of mass transit, but the picture becomes quite blurred. Some State DOTs own and operate transit properties (Maryland and Rhode Island) while others are authorized only to plan or study mass transit with very limited funding and staffing. State DOTs active in this area generally help match federal transit grants, provide technical assistance to medium or small communities, and assess public transit needs for the Governor and the Legislature. Furthermore, about a dozen States have some responsibility in the area of port or marine transportation. Again, this responsibility ranges from state ownership and operation of port facilities (North Carolina, New York, and Maryland) to a rather general mandate to plan for or consider ports relative to the overall state transportation system.

It should be noted that New York is the first State to fully consolidate the development function in transportation (DOT) and the economic regulatory function in transportation (typically a Public Utilities Commission function) into one organization. Thus, regulatory decisions are in immediate and constant contact with the DOT's multimodal staff; or in other words, the regulatory side of the New York transportation program is set up to complement the development side of the program. After a couple of years of operation, this arrangement, while a large additional responsibility for New York's DOT to handle, has proven to be an important new tool in facilitating improved mass transit service and in meeting the crisis generated by the bankrupt Penn Central railroad.

A shake-up of transportation boards or commissions of various kinds has usually accompanied the establishment of State DOTs. Some of these bodies have retained important administrative responsibilities (Arizona, Georgia, and South Dakota). The trend in most States seems to be toward limiting the power of independent transportation bodies to advisory roles or sounding boards for new or controversial policies and projects. This trend

is consistent with the reorganization and modernization of state governments to make the process of governing more responsive and more clearly understood by the public. This trend also recognizes that the role of boards or commissions as blue-ribbon panels is no longer as necessary as it once was considering the high level of professionalism that the existing state transportation agencies have built up over the last 50 years.

There are three general types of organizational structures among existing State DOTs. The Connecticut DOT (the most typical) is similar to the federal DOT whereby general policy is made in the Office of the Commissioner, but the mass of planning and operations is carried out in line offices under the commissioner. Planning, research, and administration are line bureaus equal in status to modal bureaus.

Maryland is also organized with the modal administrations in separate line positions, but the difference is that the Office of the Secretary clearly consolidates all staff functions (planning, administration, etc.) above a modal identity. This type of organization allows operational functions to continue in separate modal offices while facilitating a single departmental posture when dealing with the public and elected officials. Under this approach everyone is working with one transportation plan, one transportation budget, and one set of transportation policies.

New York State has developed what is closest to the functional or low-modal approach to transportation organization. As in Maryland, the key administrative functions are in the office of the agency head while the Office of Planning and Development, Office of Operations, and Office of Transportation Regulatory Affairs are located in line positions. These offices are then divided into functional specialties. As an example, the Office of Operations is divided into functional categories dealing with construction, acquisition, maintenance, and traffic engineering and safety. The modal identity is maintained since specialists in highway design or waterway maintenance are located within multimodal

divisions dealing with design or maintenance. New York has also been somewhat successful in extending this functional organization to its district or regional transportation offices. It should be noted that New Jersey and Illinois have also adapted a functional approach to organization and many other State DOTs are noticeably evolving into functional organizations as they gain more operational experience.

FINANCING

There are presently three overall methods that have been developed to finance State DOT programs. Although these methods are often supplemented by various financial schemes, including bonding, they represent the main source of state transportation program funds.

The most typical method of funding state transportation is the "constitutionally or legislatively dedicated revenue method" whereby money collected concerning the use of a specific mode can only be used to fund the construction of that particular mode of transportation. Most States (including several States with DOTs) finance highway construction using this method and several States finance airport construction with a similarly dedicated revenue base.

The second method can be called the "general revenue method" whereby transportation user fees are taken into the state treasury like any other tax or fee and then budgeted for transportation development or any other purpose as determined by the Governor and the Legislature. Under this method (used by 21 States) transportation is viewed as one public service among all other public services and its importance is decided by elected officials on a regular basis. The diversion of transportation user fees and taxes for use on other than transportation uses varies from virtually no diversion to as much as one-third diversion.

A third method, although not typical, is the Maryland Transportation Trust Fund. Developed in conjunction with the creation of the Maryland DOT, this method allows all transportation user fees to be pooled into a single trust fund to be allocated using the following priorities:

1. The first 35 percent of certain highway user revenues automatically allocated to the Gas and Motor Vehicle Account, which is dedicated for highway use in local jurisdictions;

2. The remaining 65 percent of the highway user fees, 2 cents of the state gas tax, port docking fees, airport landing fees, toll fees, Baltimore transit revenues, and all other transportation revenue sources combined with three-fourths of one percent of the Maryland Corporate Income Tax to be dedicated to paying off the State DOT's consolidated transportation bonds. These bonds can be used to finance any type of transportation improvement; and

3. The remaining revenue available for transportation projects is proposed by the Governor and approved by the Legislature.

As more and more States become experienced in creating and administering comprehensive transportation programs, it is possible to perceive some general financial and organizational considerations that should be an important part of any deliberation concerning changes in state transportation programs.²

ACCOUNTABILITY

As discussed before, the States are moving away from "government by commissions or boards." Citizens are asking their elected officials to take charge of public affairs and make important resource and policy decisions themselves. The pressures and the complexity of modern government demand a professional responsiveness that many old state boards and commissions were never set up to accommodate.

Almost universally, State DOT officials feel that the best method in which to reflect the public interest in their activities is to be in a direct line of authority from the Governor while maintaining a close working relationship with the Legislature and locally elected offi-

²More detailed discussion about state transportation programs can be found in the following: *State Transportation Issues of the Seventies*, the Council of State Governments and U.S. Department of Transportation, Washington, D.C., August 1973. Summary of a conference cosponsored by the Council of State Governments and U.S. DOT, and hosted by the State of Maryland in September 1972 at Baltimore, Md.; *Statewide Transportation Planning*, Special Report 146, Transportation Research Board, Washington, D.C., 1974. Summary of a TRB Conference held in February 1974 in Williamsburg, Va.

cials. Under such a process, however organized, the lines of authority and therefore accountability are clear to citizens, elected officials, and State DOT personnel alike. This enables a more direct responsiveness concerning new or controversial transportation issues.

An example of this responsiveness to public needs arose during the recent Northeast rail crisis. When the impact of this crisis first became apparent to citizens and elected officials, some States in the region did not have the capability to react in a timely fashion because of a lack of legislative mandate and the necessary organizational framework. On the other hand, many of the State DOTs in the region were able to put resources and staff together to develop a state position regarding this vital transportation service almost immediately.

FLEXIBILITY

The ability to meet changing needs and priorities is stressed by State DOT officials when discussing how a State should go about reforming its transportation function. Flexibility is defined as the capability of a State DOT agency head to change his organizational or financial structure to accommodate in a timely fashion the increasing uncertainties of providing necessary transportation service.

The need for flexibility has been particularly critical in the last few years as States face abandonment of vital mass transit or railroad service, the energy crisis, and environmental problems. In addition, there are the regular demons of natural disasters, sudden industrial development, inevitable shifts in federal and state programs and priorities, and local demands for increased state funding that are more easily handled without an undue amount of red tape and time-consuming legislative delays if program flexibility is allowed.

Finally, flexibility will be helpful as States experience a general decline in the collection of gasoline taxes and other transportation user fees, combined with inflation. Public works projects are particularly hard hit by inflation because of the labor-intensive nature of such work and the importance of expensive oil in almost all facets of the industry. The eco-

nomie situation is making it harder to pay for maintenance of existing facilities and is keeping many new, large projects on the shelf with little likelihood of relief from hard-pressed taxpayers. Under these conditions, it will be necessary for States to make very tough resource allocation decisions within each mode and between the modes of transportation.

To make these resource allocation decisions most efficiently, State DOT officials will need more flexibility. As an example of financial flexibility, in 1973 the Maryland DOT had difficulty spending funds to improve the Port of Baltimore because of environmental problems. Instead of the funds being dedicated to the port project, the DOT simply shifted the funds to a much-needed local roads program. This utilized the delayed project funds, delayed or canceled the need to float a separate bond issue for the roads, and speeded the road program ahead of the drastic cost of inflation. In 1975 the reverse is true: port projects will probably be utilizing excess highway and transit funds.

New York provides a good case study of the potential of flexibility in a state transportation bureaucracy. As the DOT concept evolved in New York and other States, it became clear that to go into new program areas would be costly and time consuming, especially in recruiting, training, and paying the salaries of new staff. One of the primary reasons New York adopted a functional organization was to better utilize existing state highway and other state transportation personnel.

Under the functional organization, talented individuals on the existing payroll could be retrained and reoriented into new and often upgraded positions dealing with airports, railroads, mass transit, or ports. This reorientation generally was accomplished without a great deal of time and cost. In addition, in a nonmodal atmosphere, new programmatic initiatives were more easily achieved without a great deal of the bureaucratic and political confrontation that often must take place in a status quo organizational situation. The organizational flexibility can be especially helpful as relatively unexpected crises arise.

CONCLUSION

State government is changing at a relatively rapid pace the institutions upon which it places the responsibility of providing citizens with transportation services. The reasons for this institutional change are as varied as the needs, traditions, and circumstances of each State.

Most important to our system of government is the fact that these institutions are changing to meet changing needs in an orderly fashion, without disrupting existing state transportation programs that continue to provide needed services to the people. The changes

have not been prescribed by the federal government or any other organization, but have been accomplished by each State relative to its current transportation needs.

As the public transportation establishment faces the energy, environmental, and financial crises, and crises yet unknown, the increased responsiveness and flexibility of the new and evolving state transportation agencies can only benefit the Nation. This is particularly true as we face the new breed of crises that demand conservation and/or increased efficiency relative to limited financial and natural resources.

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