

HB 832

# STATE OF ALASKA

JAY S. HAMMOND  
GOVERNOR

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

POUCH D — JUNEAU 99811

March 16, 1976

Honorable Bob Bradley, Chairman  
House Commerce Committee  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Bradley:

Pursuant to Phil Hubbard's testimony relating to construction contractor exemptions from regulations by the Alaska Transportation Commission, I would like to reiterate the following:

Section 1 A.S. 42.10.020(4) as proposed to be amended removes the exemption of general contractors hauling for hire at a time that serious consideration is being given to the de-regulation of all operators of dump-type equipment.

Further, the removal of this exemption could be harmful to the small independent general contractor attempting to employ his assets. Construction equipment costs are high -- typically \$25,000 to \$40,000 for a dump truck depending upon capacity and other variables. Financing is only available at high interest rates and short terms of three to five years. Alaska's construction season is short and very few firms can afford to maintain idle equipment. Almost no financing is available for used equipment items unless new cost exceeds \$50,000. Financing, other than private sources, is limited to commercial banks and manufacturers or distributors through subsidiary firms. This compounds the problem of the small independent contractor.

The concern of regulated truckers is that operators of dump-type carriers are bypassing the ATC through licensure as construction contractors, merely to avoid regulation. This problem may be resolved by amending either Sec. 42.10.020(4) or Sec 42.10.420(12) as follows:

...this exemption does not apply to persons licensed as construction contractors for the purpose of evasion of this chapter, whose principal business is operating as a motor carrier of commodities in bulk in dump-type equipment; this exemption does not apply to a person who advertises or by other device which might indicate to the public that he is a motor carrier, or that he is qualified to engage in the business of operating as a motor carrier of freight or bulk-commodities for compensation or gain.

March 16, 1976

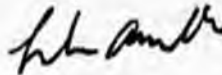
The proponents of HB 832 have indicated that operators of bulk-type dump equipment have been gaining licensure as construction contractors to avoid ATC regulation.

It is our viewpoint that something like the above would:

- A. Remedy the concern of the regulated motor carriers,  
and
- B. Preserve the exemption for small construction contractors  
needing to employ their assets.

We would appreciate receiving word of further action planned for HB 832.

Sincerely,



Langhorne A. Motley  
Commissioner

PROPOSED SPONSOR SUBSTITUTE FOR HB 832

AS 42.10.020(4) is amended to read:

(4) vehicles operated by a construction contractor while actively engaged as a construction contractor in a project of constructing, repairing or removing any kind of private or public facility. This exemption is not applicable to any vehicles used by a construction contractor for a construction contractor unless both are actively engaged on the same project.

hauling trailers only for a certain dealer and no one else, and that he had agreed to haul plaintiffs' trailer after they had been referred to him by such dealer, and there was no evidence that he undertook to serve the public generally—that within the limits of his operations he was available to everyone who desired his service, the trial judge did not

err in finding that he was not a common carrier. *Schenderline v. Robertson*, Sup. Ct. Op. No. 232 (File No 469), 394 P.2d 395 (1964)

Am. Jur. and C.J.S. references.—9 Am. Jur., Carriers, § 1 et seq.; 37 Am. Jur., Motor Transportation, § 1 et seq.; 43 Am. Jur., Public Utilities and Services, §§ 192 to 223.

13 C.J.S. Carriers §§ 2 to 14.

**Sec. 42.10.020. Exempt vehicles.** This chapter shall apply to all vehicles unless specifically exempted by this section. This chapter, except when specifically otherwise provided, does not apply to

(1) motor vehicles operated exclusively in the transportation of United States mail or in the transportation of newspapers or periodicals alone or in conjunction with an express service delivering packages not to exceed 100 pounds to any one receiver;

(2) motor vehicles owned and operated by the United States, the state, or a borough, city, town, or municipality in the state, or by a department of any of them, except when the vehicles are used to transport property of the general public for compensation in competition with other common carriers subject to this chapter, and to the extent regulation of vehicles operated by the United States is permitted by the laws of the United States;

(3) motor vehicles not exceeding a total gross weight of 12,000 pounds, owned and operated by a rancher, farmer, or dairyman in the transportation of his own ranch, farm, or dairy products from the point of production to market or to the point of transportation to market, or of supplies, commodities, or equipment used on his own ranch, farm, or dairy. Motor vehicles operating under this classification shall be identified as farm vehicles in accordance with regulations prescribed by the commissioner of revenue;

(4) ~~vehicles operated by a construction contractor while performing such a business as defined in § 420(12) of this chapter~~ except that weight fees in an amount as provided by § 240 of this chapter shall be paid for each vehicle designed to be operated on a public highway. (§ 5 ch 166 SLA 1960; am § 4 ch 121 SLA 1961; am § 1 ch 103 SLA 1963; am § 1 ch 107 SLA 1970)

Effect of amendments.—The 1963 amendment added the present first sentence, added all of the language beginning with the word "alone" in (1) and rewrote (3).

The 1970 amendment added paragraph (4).

Legislative committee report.—For report on ch. 107, SLA 1970

(HCSCSSE 271 am H), see 1970 House Journal, p. 902. Also refer to 1970 House Journal, p. 1244 (re HCSSB 543).

Quoted in *Alaska Transp. Comm'n v. Harcock*, Sup. Ct. Op. No. 578 (File No. 1044), 458 P.2d 1012 (1969).

Am. Jur. reference.—37 Am. Jur., Motor Transportation, §§ 53 to 65.

**Sec. 42.10.030. Compliance enjoined.** It is unlawful for any per-

HB 623  
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tion of property for compensation over the public highways as a broker or forwarder;

(4) "exempt carrier" means a person operating a vehicle exempted from certain provisions of this chapter under § 20 of this chapter;

(5) "motor carrier" includes common carrier, contract carrier, private carrier and exempt carrier;

(6) "motor vehicle" means a truck, tractor, wrecker, tow car, hearse, ambulance or other self-propelled or motor-driven vehicle used upon any public highway of this state for the purpose of transporting property;

(7) "private carrier" is:

(A) a person who transports by motor vehicle, with or without compensation, property which is owned or is being bought or sold by him, or property of which he is the seller, purchaser, lessee or bailee, and the transportation is incidental to and in furtherance of some other primary business conducted by the person in good faith;

(B) a person who rents, leases, or otherwise provides a motor vehicle for the use of others in transporting passengers or property, but who does not provide, procure, or arrange for, directly, indirectly or by course of dealing, an operator for the vehicle.

(11) "property" means all commodities, articles and cargo, of whatever nature or value, excluding garbage, refuse, trash or other waste material;

(12) "construction contractor" means a contractor licensed by the state as a general contractor under AS 08.18 to engage in and who is actively and regularly engaged in the business of constructing, repairing or removing any kind of private or public facility or structure and does not include "contract carriers" authorized to transport commodities in bulk in dump-type equipment ~~unless the "contract carrier" is also actively engaged in the business of constructing, repairing or removing private or public facilities or structures as a licensed general contractor under AS 08.18.~~

(am § 1 ch 89 SLA 1971; am § 10 ch 120 SLA 1972; am § 3 ch 52 SLA 1973; am § 4 ch 76 SLA 1973)

Effect of amendments.

The 1971 amendment deleted

"trailer, semi-trailer" following "truck" in paragraph (6).

The 1972 amendment, in paragraph (12), inserted "as a general contractor under AS 08.18," inserted "and regularly," inserted "general" following "licensed," and added "under AS 08.18."

The first 1973 amendment rewrote paragraph (7).

The second 1973 amendment rewrote paragraph (11).

As the rest of the section was not affected by the amendments, it is not set out.

## Senate Rules Committee Recommendation

Dump trucks/or their replacements operated by construction contractors as of December 30, 1975; provided that construction contractors operating vehicles under the provision of this exception shall comply with the provisions of 3 AAC 64.170 excepting the provisions of 3 AAC 64.170(12) within 30 days from the effective date of this act; and further provided that in addition any contractor operating vehicles under this section shall comply with the provision of 3 AAC 64.170(12) prior to expanding his levels of dumping operations beyond those existing on December 30, 1975.

Permits construction contractors who have operated dump trucks for hire under the "contractors exemption" rule 30 days to apply for ASC operating authority without need to show public convenience and necessity.

1. GENERAL INFORMATION

AS 42.10.130 reads: (a) ". . . no common carrier, contract carrier, or temporary carrier may operate for the transportation of property for compensation in the state without a permit . . ."

AS 42.10.420 Definitions. In this chapter (only the applicable terms listed)

(2) "common carrier" includes:

(A) a person who undertakes to transport property for the general public by motor vehicle for compensation, over regular or irregular routes, on regular or irregular schedules. . .;

(B) a person who leases, rents, or provides a motor vehicle for the use of another in transporting property, and who provides, procures, or arranges for, directly or indirectly, or by course of dealing, a driver or operator for the motor vehicle or the necessary authority for the use of it on a public highway, except when the motor vehicle is leased to an authorized common carrier or contract carrier or by a construction contractor as defined in (12) of this section to another construction contractor as so defined, under rules and regulations to be prescribed by the commission;

(C) a person engaged in the business of providing, contracting for or undertaking to provide transportation of property for compensation over public highways as a broker or forwarder;

(3) "contract carrier" includes all motor vehicles not included under the term "common carrier" or "private carrier" and includes any person who under special and individual contracts or agreements transports property by motor vehicle for compensation; contract carrier includes a person engaged in the business of providing, contracting, for or, undertaking to provide transportation of property for compensation over the public highways as a broker or forwarder;

(note: as a practical matter in the hauling of bulk construction materials in dump type equipment, the "contract carrier" functions in the same manner as the "common carrier" and is subject to the same basic regulatory laws.)

(4) "exempt carrier" means a person operating a vehicle exempted from certain provisions of this chapter under Sec. 42.10.420 of this chapter;

(7) "private carrier" is a person who, in his own vehicle, transports only property owned or being bought or sold by him in good faith when the transportation is on incidental adjunct to some other established primary private business, other than transportation, owned or operated by him in good faith, and also includes all persons who rent, lease, or otherwise provide a motor vehicle for use of others in transporting property, and who, in connection therewith, do not provide, procure, or arrange for, directly, indirectly, or by course of dealing, a driver or operator for the motor vehicle.

AS 42.10.020 exempts certain vehicles and states, "This chapter shall apply to all vehicles unless specifically exempted from this section. This chapter, except when specifically or otherwise provided does not apply to (1) transportation of United States mail (2) motor vehicles operated by federal, state, borough, city or other municipalities (except where used to transport property of the general public for compensation in competition with other common carriers), (3) motor vehicles under 12,000 pounds gross weight operated by ranchers, farmers or dairymen for transportation of his own products and (4) vehicles operated by a construction contractor, while performing such a business as defined in (AS Section 42.10) 420 (12) . . . which reads:

(12) "construction contractor" means a contractor licensed by the state as a general contractor under AS 08.18 to engage in and who is actively and regularly engaged in the business of constructing, repairing or removing any kind of private or public facility or structure and does not include "contract carriers" authorized to transport commodities in bulk in dump-type equipment unless the "contract carrier" is also actively engaged in the business of constructing, repairing or removing private or public facilities or structures as a licensed general contractor under AS 08.18.

AS Section 08.18.171 (2) - "Contractor" means a person who, in the pursuit of an independent business, undertakes or offers to perform, or claims to have the capacity to perform, or submits a bid for a project to construct, alter, repair, move or demolish a building, highway, road, railroad, or any type of fixed structure, including excavation and site development and erection of scaffolding; a general contractor whose business operations require the use of more than two distinct trades whose work the general contractor superintends; the terms "general contractor" and "builder" are synonymous; a "specialty contractor" is a contractor whose operations do not fall within the definition of "general contractor".

## 2. PROPOSED CHANGES

House Bill amends AS Section 42.10.420 by adding a new paragraph to read:

(13) "~~actively engaged in the business of constructing, repairing or removing private or public facilities or structures~~" means engaging in the business of ~~and taking responsibility for~~ erecting, installing, repairing or dismantling of facilities or structures as a primary business throughout the year; the term does not include hauling of structures of facilities whether disassembled or intact, nor does it include transportation of construction materials for another construction contractor.

## 3. PURPOSE OF AMENDMENT

To eliminate the existing economic hardship and operational discriminations caused to the dump truck industry by the "contractors exemptions"; to replace under regulatory laws a large part of for-hire transportation presently done by exempted dump truck operators; and put the law back as it was intended by the Alaska Motor Freight Carrier Act.

4. HISTORY OF "CONTRACTORS EXEMPTION"

During construction of the Anchorage-Fairbanks Highway the remoteness of the area created a problem of both economy and convenience best solved by the interchange of equipment. The Alaska Motor Freight Carrier Act prevented this practice but dump truck operators and contractors agreed to and sought a change in the law to permit this practice. Like other laws, times and conditions make them obsolete. The exemption of contractors from the law is certainly obsolete, if not in fact unconstitutional.

5. SOME OBVIOUS INEQUITIES TO THE DUMP TRUCK INDUSTRY CAUSED BY THE "CONTRACTORS EXEMPTION"

(1) The Alaska Transportation Commission, as respects "contract carriers", is required by law to (a) supervise and regulate every contract carrier in the state (b) to develop fair and reasonable rules and regulations (c) to assess fair and reasonable rates and charges (d) regulate accounts, service and safety of operations (e) requires filing of reports and other data and (f) supervise and regulate in all other matters affecting its (contract carrier) relationship with shipping and the general public. Violators can be fined up to \$500 and costs of prosecution.

Construction contractors owned vehicles are subject only to supervision and regulation of its safety of operation. Noncompliance subject to fine up to \$150.

(2) Contract carriers must have identification signs on each vehicle, as prescribed by law. These signs can cost up to \$80 each vehicle. Noncompliance subject to fine up to \$150.

Construction contractor exempt.

(3) Contract carrier applicants for operating authority (permits) are required to submit (a) total fees of \$90 (b) name and address (c) Alaska state business license number (d) record of affiliation with any other motor carrier in Alaska, the United States or Canada (e) type of service to be provided (f) types and amounts of insurance carried or to be acquired (g) current financial statement (h) type and number of pieces of equipment to be used (i) zones to be served (j) anticipated annual volume of business (k) experience (l) schedule of intended rates (m) prove service is essential to the public needs and interests and (n) statement he has read, understands and intends to comply with the Alaska Motor Freight Carrier Act, Alaska Administrative Code and Alaska Traffic Regulations.

Exempt specialty contractor required to submit (a) total fees of \$50 (b) name and address (c) social security number (d) type of contracting activity (e) bond in the amount of \$2000.

(4) Contract carrier subject to prescribed lease requirements. Violators subject to fine and costs of prosecution.

Construction contractor exempt.

(5) Contract carriers must carry current vehicle identification cards prescribed by state.

Construction contractor exempt.

(6) Contract carriers required to file and maintain tariff rates with commission. (see "Tariff" rate explained below). Construction contractor exempt.

"Tariff" rate explained . . . the hourly cost of operating a dump truck is based on a formula which includes costs for vehicle, taxes, license, insurance, fuel, etc., plus the actual Teamster labor rate package and an average of 950 maximum working hours per year. The resulting rate may after due process of law, become the minimum "tariff" permit holders are required to file with the Alaska Transportation Commission. This "tariff" rate then becomes the generally accepted rate used by the construction industry. It is the rate charged to the public.

It is worth noting that we are in full accord with the rate making process and requirement to file a minimum rate, although at this point it begins to work against us. For example, dump truckers working under the "contractors exemption" know we cannot by law, charge less than the published tariff and because they are not required to file rates, are free to cut rates enough to get the job. It is not difficult to see who works first and longest. In another situation, the construction contractor bids a job to the public using our published "tariff" plus his profit, overhead, etc, and can then hire dump truckers working under this "contractors exemption" for less than our filed rates or lease non permitted carriers at a "cut rate". Many other such variations are used.

Since it is generally agreed that 90% of the work done by dump truckers is done for construction contractors, we can also agree that our "tariff" is generally the minimum charged to the public so in either case the public pays the same and the only benefit is to the construction contractor.

## 6. CONCLUSIONS

It is worth noting that the construction industry in this state, or at least those doing the greater part of earth moving, is comprised of large and economically powerful construction operations. Conversely, the dump truck industry is comprised generally of many small operators whose economic power is such that they cannot hope to compete with that of the large construction concerns. Case in point . . . in the Alaska Dump Truckers Association 53% of our members operate 1 dump truck, 16% own 2, 19% - 3 to 5, 9% 6 to 10 and only 4 members have more than 10 trucks.

Given this situation, large construction companies operating dump trucks under the "contractors exemption" are free to bring their economic power to bear on the small dump truck operator and force him to work at non-compensatory rates, if he was to work at all, and effectively bankrupt or otherwise strangle an industry that is important to Alaska economy. The declaration of policy under Section 42.10.010 of the Alaska Motor Freight Carrier Act cites as its purpose to provide the shippers and receivers of freight in the state with a stabilized service and rate structure; to foster sound economic conditions among the carriers which will guarantee transportation in the public interest; to promote adequate, economical and efficient service by motor carriers, and reasonable charges without

(5)

unjust discrimination, undue preferences or advantages, or unfair or destructive competitive practices; to preserve the common carrier of commodities by motor carrier in the public interest; to improve and coordinate the relations between, and transportation by and regulation of, motor carriers and other carriers so that the highways of the state may be properly developed and preserved, and the public assured of adequate, complete, dependable and stable transportation service.

Further, under Section 42.10.120 the Alaska Transportation Commission is charged to administer and enforce all provisions of this chapter and may inspect the vehicles, books, and documents of motor carriers, and the books, documents, and records of persons using the service of the carrier, for the purpose of discovering discrimination, rebates, and other information pertaining to this chapter. The commission shall prosecute violations of this chapter.

It is the feeling of this Association that the "contractors exemption" (AS Sec. 42.10.420 (12)) is inconsistent with the declared policy of the Alaska Motor Freight Carrier Act as was intended by the legislature when it was originally written and even when the "exemption" was added in 1970. As the "exemption" directly affects the dump truck industry it is our opinion that the "exemption" is unjust, unreasonable, preferential, prejudicial and that it creates an opportunity for a large segment of non-regulated carriers in Alaska to employ unfair competitive practices and to offer concessions or preferences to any shipper and thereby prejudice other users of the service. Users of dump truck service (which is 90% to construction contractors) to pit one carrier against another and could well adversely effect the economic condition of the entire industry.

Our 107 members seek to correct the unfair part of AS Sec. 42.10.420 (12) and ask your support in passage of House Bill 832.

ALASKA DUMP TRUCKERS ASSOCIATION, INC.



Richard E. Dunham  
Executive Director

RED/ld

February 23, 1976

Mr. Richard E. Dunham  
Alaska Dump Truckers, Association  
P. O. Box 4-2417  
Anchorage, Alaska 99503

Dear Mr. Dunham:

This is to notify you that the House Commerce Committee will discuss House Bill No. 832, Construction Contractor Exemption, on March 5, 1976 at 8:00 A.M. The meeting will be held in Room 623 of the Court Building.

Sincerely,

Representative Bob Bradley  
Chairman, House Commerce Committee

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

TO: ATC

DATE: 2/15

(SENATE - HOUSE) BILL 832

RE: Construction Contractor (ademption)

Check One:

- 1. TOP PRIORITY - in favor of \_\_\_\_\_
- 2. FAVOR - in favor of, but not top priority X
- 3. OK - no definite stand \_\_\_\_\_
- 4. NOT IN FAVOR \_\_\_\_\_
- 5. TOP PRIORITY - "Strongly Opposed" \_\_\_\_\_
- 6. BILL DOES NOT PERTAIN TO DIVISION \_\_\_\_\_
- 7. Bill does not directly pertain to division, but I am interested in its progress. Keep me informed. \_\_\_\_\_

COMMENTS: (Justification must be stated for #1 - #6 above. Continue on another page if needed).

SEE ATTACHEMENT

RECEIVED  
FEB 25 1976

STATE OF ALASKA  
DEPARTMENT OF COMMERCE  
AND ECONOMIC DEVELOPMENT



Writer's Signature: [Signature]  
Writer's Title: [Signature]  
(DEADLINE 24 hours)

(Note: Please return to Information Officer/Leg. Asst., Office of the Commissioner)

AS 42.10.020(4). Instead of the broad exemption presently granted to construction contractors by this statute, the revision will allow total utilization of the vehicles operated by construction contractors operating on the same project. A substantial number of persons have obtained general contractors licenses as a free pass to transport property for other general contractors without first having obtained a permit from the Commission as other carriers have had to do. This practice imposes a financial burden on permit holders who are subject to the Motor Freight Carrier Act and promotes destructive rate cutting, non-adherence to minimum safety and insurance standards. The limited staff of the Commission's enforcement section has not been able to cope with the increased workload this caused.

AS 42.10.420(12). The present statute allows contract carriers of bulk commodities in dump type equipment, who are also construction contractors, to intermingle their two businesses and equipment. Regulations are difficult, if not impossible, to enforce unless carrier and non-carrier identities can be established. Commission orders granting authority to operate as a carrier for-hire require the separation of business records between a person's carrier and non-carrier business. This conflicts somewhat with the existing statutory language. The removal of this section will not prevent a construction contractor, who is also an authorized carrier from taking advantage of the exemption in AS 42.10.020(4).

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(C) a person engaged in the business of providing, contracting for or undertaking to provide transportation of property for compensation over public highways as a broker or forwarder;

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*See Bill Attached*

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Since it is generally agreed that 90% of the work done by dump truckers is done for construction contractors, we can also agree that our "tariff" is generally the minimum charged to the public so in either case the public pays the same and the only benefit is to the construction contractor.

## 6. CONCLUSIONS

It is worth noting that the construction industry in this state, or at least those doing the greater part of earth moving, is comprised of large and economically powerful construction operations. Conversely, the dump truck industry is comprised generally of many small operators whose economic power is such that they cannot hope to compete with that of the large construction concerns. Case in point . . . in the Alaska Dump Truckers Association 53% of our members operate 1 dump truck, 16% own 2, 19% - 3 to 5, 9% 6 to 10 and only 4 members have more than 10 trucks.

Given this situation, large construction companies operating dump trucks under the "contractors exemption" are free to bring their economic power to bear on the small dump truck operator and force him to work at non-compensatory rates, if he was to work at all, and effectively bankrupt or otherwise strangle an industry that is important to Alaska economy. The declaration of policy under Section 42.10.010 of the Alaska Motor Freight Carrier Act cites as its purpose to provide the shippers and receivers of freight in the state with a stabilized service and rate structure; to foster sound economic conditions among the carriers which will guarantee transportation in the public interest; to promote adequate, economical and efficient service by motor carriers, and reasonable charges without

unjust discrimination, undue preferences or advantages, or unfair or destructive competitive practices; to preserve the common carrier of commodities by motor carrier in the public interest; to improve and coordinate the relations between, and transportation by and regulation of, motor carriers and other carriers so that the highways of the state may be properly developed and preserved, and the public assured of adequate, complete, dependable and stable transportation service.

Further, under Section 42.10.120 the Alaska Transportation Commission is charged to administer and enforce all provisions of this chapter and may inspect the vehicles, books, and documents of motor carriers, and the books, documents, and records of persons using the service of the carrier, for the purpose of discovering discrimination, rebates, and other information pertaining to this chapter. The commission shall prosecute violations of this chapter.

It is the feeling of this Association that the "contractors exemption" (AS Sec. 42.10.420 (12)) is inconsistent with the declared policy of the Alaska Motor Freight Carrier Act as was intended by the legislature when it was originally written and even when the "exemption" was added in 1970. As the "exemption" directly affects the dump truck industry it is our opinion that the "exemption" is unjust, unreasonable, preferential, prejudicial and that it creates an opportunity for a large segment of non-regulated carriers in Alaska to employ unfair competitive practices and to offer concessions or preferences to any shipper and thereby prejudice other users of the service. Users of dump truck service (which is 90% to construction contractors) to pit one carrier against another and could well adversely effect the economic condition of the entire industry.

Our 107 members seek to correct the unfair part of AS Sec. 42.10.420 (12) and ask your support in passage of House Bill 832.

ALASKA DUMP TRUCKERS ASSOCIATION, INC.



Richard E. Dunham  
Executive Director

RED/ld



**ALASKA DUMP TRUCKERS  
ASSOCIATION, INC.**

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HOUSE BILL 832

HB 832 was introduced at the request of the Alaska Dump Truckers Association for the intended purpose of seeking equal application of regulatory laws for dump truck operators.

At the time of its adoption the Alaska Motor Freight Carriers Act required all trucks operating in the State to obtain operating authority with the exception of motor vehicles:

- (1) "...operated exclusively in the transportation of United States mail...newspaper or periodicals..."
- (2) "...owned and operated by the United States, the State, or a borough, city, etc..."
- (3) "...not exceeding a total gross weight of 12,000 pounds, owned and operated by a rancher, farmer or dairyman..."

In 1970 the act was amended to exempt:

- (4) "vehicles operated by a construction contractor..."

At the present time about 50% of dump truck work is done by persons operating under the "contractors exemption" and the balance by persons holding state permits.

This situation creates economic hardship and operational discrimination for those who in good faith subscribe to the laws of the State by holding operating authority.

The persons affected by HB 832 would continue to transport their own commodities in vehicles owned and operated by them but would be required to obtain operating authority to haul for others (as was intended by the original Alaska Motor Freight Carrier Act).

The procedures for obtaining State permits is simple and generally easy to obtain. Attesting to this is the fact that during the past 18 months 28 permits were applied for and 22 were issued. Further, the following is a quote from the Alaska Transportation Commission which reflects their attitude on the matter of permits:

"Although the legislature includes some dump truck operations within certain of the economic regulatory provisions, including AS 42.10.130, it nevertheless appears that it has at the same time prescribed

virtually unlimited dump truck competition by the construction industry with the regulated carrier. The overriding mandate by the legislature appears to be that very little restriction is to be placed on availability of dump truck services to the construction industry..."

Finally, since it appears evident that persons who operate dump trucks for hire under the "contractors exemption" would have permits available to them, the principle effect of HB 832 would be the removal of a discrimination provision of law and place operators of dump trucks for hire on an equal economic and operational basis.

We ask your support by a yes vote on HB 832.

ALASKA DUMP TRUCKERS ASSOCIATION, INC.

Richard F. Dunham  
Executive Director

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