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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

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ALASKA TRANSPORTATION COMMISSION

BILL ANALYSIS

SB 862: An Act relating to common carriers and contract carriers regulated by the Alaska Transportation Commission.

Senate Bill 862 would not have a fiscal impact on the Alaska Transportation Commission. The proposed amendments to AS 42.10. will not impact the Commission's workload as the amendments do not expand or reduce the Commission's responsibilities.

The passage of Senate Bill 862 would result in five amendments to AS 42.10, Alaska Motor Freight Carrier Act. Since each amendment will leave a different impact, we have elected to present our analysis on each amendment separately.

The first amendment, lines 11 through 19, page 1, basically relieves the Commission of the requirement to find special conditions exist if an application for a permit is processed in less than 30 days. The positive impact would be that the Commission could process applications for permits faster and would not be obligated to define a special condition. The negative impact could be that protestants would not be assured of the opportunity to file their petitions before the Commission acts.

The second amendment, line 23, page 1, simply deletes the words "rules and." The Commission does not see a problem with this deletion as any rules that would require compliance would be promulgated by regulation.

The third amendment, lines 3 to 8, page 2, is probably the most significant. The three elements are that specific minority-owned businesses, carriers utilizing dump type equipment and other designated carriers classified under AS 42.10.250 may be issued a permit without a showing of public convenience and necessity.

The positive aspect would be that certain minority-owned businesses, dump truck operators, and other possible classifications could be granted permits without having to prove public convenience and necessity. Such applicants would have to prove themselves financially able, properly equipped, and capable of conducting the services applied for. While this amendment would not eliminate the possibility of protests, it could limit protests to the issue of financial fitness, adequate equipment and capability to conduct services.

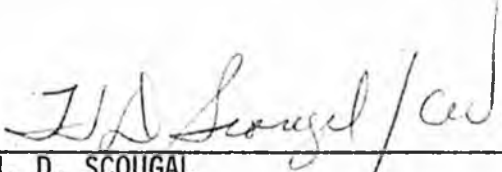
While this amendment would not deregulate these categories of applicants, the entrance of new applicants might be much easier than if they had to show public convenience and necessity for the services they wish to

perform. Currently, even if an applicant can demonstrate fitness, a permit will be denied if current permitted carriers can demonstrate that public convenience and necessity is being met by existing services.

Some people may consider that the amendment does not go far enough in guaranteeing minority-owned businesses entrance in the areas of contract carriage. The language is still permissive in that the term "may be issued" instead of "shall be issued" is used. Further, the group of minority-owned businesses is limited to those prequalified by the Small Business Administration. The amendment does not provide relief to businesses that might qualify as minority-owned by other agencies.

In the case of permits for carriers of commodities in bulk in open dump type equipment, the Commission agrees that the showing of public convenience and necessity should not be an issue when permits are granted.

The fourth and fifth amendments, line 9, page 2, repeal two sections of AS 42.10 that require operators of open dump type equipment to file and adhere to tariffs. The filing of tariffs can be especially burdensome to operators of dump type equipment. The Commission agrees with the repeal of both AS 42.10.280(a) and 42.10.310(b).


H. D. SCOUGAL
ALASKA TRANSPORTATION COMMISSION
April 2, 1982



Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

March 29, 1982

To: Senator Bill Ray, Chair
Senate Transportation Committee

From: Senator Vic Fischer *Vic*

Re: Backup information on SB 862 - Regulating Common Carriers.

SB 862 changes statutes governing the regulation of dump trucks and requirements for obtaining common carrier permits for some small businesses.

Provisions de-regulating carriers of commodities in bulk in open dump-type equipment were introduced by request from Walter Kubley, of the Alaska Transportation Commission.

According to Kubley, requests for common carrier permits to operate dump trucks are routinely granted without exception. Thus, present restrictions merely create regulatory roadblocks while serving no real public purpose. Under SB 862, current health and safety standards would remain, but the application process would be streamlined both in time and paperwork.

SB 862 also exempts carriers awarded contracts as minority owned businesses through the Small Business Administration from having to show "public convenience and necessity".

A portion of SBA contracts are set aside for minority owned business under Section 8A. These contractors are sometimes required to transport items between federal sites that require traveling over state roads, bringing them under the jurisdiction of the ATC. ATC regulations require every contractor to show public convenience and necessity. If the route is already covered by an existing common carrier, ATC cannot grant a permit to the minority contractor without extensive hearings and arguments. Since these contractors are, by their nature, very small business, the cost of fighting ATC requirements is prohibitive.

State law is presently making implementation of a federal program for minority owned small businesses difficult, if not impossible. Since this problem has affected only two applicants, as far as ATC records indicate, granting exemption should present no significant problem for current carriers.

Since the Senate State Affairs Committee is meeting at the same time as your committee, I will be unable to testify regarding this bill. I hope this memo will assist.

MSG 82-00016265 PRTY 1 03/24/92 11:15:21 ORIG: LA01 IN= 0002 OUT= 0035
FROM: CINDY, ANCH TO: JNU INFO
TARGET: LJH2 SUBJ: POM PAGE 0001

TO: SENATORS FISCHER AND STIMSON, COLLETTA, PARR, BRADLEY, KERTTULA
ALL REPRESENTATIVES

FROM: PHIL PLEASANT, 4437 E. 7TH, ANCH 99503 337-1469

BLACK BUSINESS AGAIN DENIED ACCESS TO THE FREE MARKET PLACE. REFER TO APPLICATION PERMIT TO ALASKA TRANSPORTATION COMMISSION, DOCKET #81478 MF/O IN REGARDS TO A PERMIT FOR PYE-FER TRANSPORT, FOR CONTRACT CARRIER PERMIT TO TRANSPORT GOODS FROM ELMENDORF WHICH WAS DENIED. WE NEED TO HAVE SOME LEGISLATIVE ACTION TO INSURE OUR PARTICIPATION IMMEDIATELY, POSSIBLY TOMORROW, AS WE WERE TO BEGIN OPERATIONS JAN. 2, 1982 AND ARE STILL BEING DENIED ACCESS TO THE MARKET PLACE. I AM TOLD BY THE TRANSPORTATION COMMISSION THAT REGULATIONS MUST BE CHANGED IN ORDER FOR US TO OBTAIN ACCESS TO THE MARKET PLACE.

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