

HB

5/2

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

5/8/84

Date May 10, 1984

To a time certain; namely: 5/11/84

Mr. President

The Committee on TRANSPORTATION considered CSHB 512(FIN)

establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Butte Chabrenkamp

MEMBERS HAVING
OTHER RECOMMENDATIONS

Al Salmon NO RE COMMENT

AMENDMENT 1

decided on

Paopy M...
Chairman

...
Chairman recommendation

MSG 04-00050718 PRTY 1 06/04/01 13:04:44 ORIG: LA17 IN= 0003 OUT= 0049
FROM: MARCIE, AND INFO TO: POH, JUNEAU INFO
TARGET: LINK SUBJ: P O H

TO: ALL MEMBERS OF THE LEGISLATURE

FROM: BEBBY CRAIG
7200 TIMOTHY CIRCLE
ANCHORAGE 99502
H 248-6064 W 265-2651

RE: SCSCSHB 512 ARR

PLEASE APPROVE THE HB 512 FINANCE BILL. TOO MUCH MONEY AND TIME HAS BEEN SPENT TO LET THIS BILL DIE.

EOM

Sarah

FR: RICHARD R. REEDY
PO BOX 56942
NORTH POLE, 99705

RE: HB 512 RAILROAD BILL

MSG: I WOULD LIKE THIS BILL PASSED BECAUSE I AM A CONDUCTOR ON THE AK. RAILROAD. IT IS VITAL FOR TOURISM REASONS, AND WE HAUL ALOT OF COAL FOR PEOPLE IN FAIRBANKS. WITHOUT THE AK. RAILROAD WE WOULD BE CUT WITHOUT COAL, ONE LINK OF TRANSPORTATION, AND WE ALSO HAUL FOOD. IT IS A NECESSITY FOR THE STATE OF ALASKA.

Alvin

-----EOM

FROM: MARGARET RAY
808 WEST 57TH AVENUE
ANCHORAGE 99502
H 561-0720

RE: HB 512 ARR

WE WOULD LIKE FOR YOU TO CONCUR BEFORE ADJOURNMENT TODAY. OTHERWISE IT WILL COST THE TAXPAYERS A WHOLE LOT MORE MONEY IF THE SPECIAL SESSION HAS TO BE CALLED.

EOM

Alvin

MSG 84-00050303 PRY 1 06/04/84 12:35:06 ORIG: LA18 IN= 0004 OUT= 0037
FROM: PAT/MCH LIO TO: JUNEAU LIO
TARGET: LJKH SUBJ: POM

TO: ALL LEGISLATORS

FROM: WILLIAM PHELPS; 7401 BRANCHE DRIVE; ANCHORAGE, AK 99502
PHONE: 349-1373(H); 265-2470(W)

SUBJECT: HB 512

MESSAGE: I SUPPORT SCS CS HB 512(FIN).

(Part)
Dear Mr Phelps
Thank you for your support of the railroad
operating bill. As Chairman of the Senate Transportation
Committee it has been my pleasure and duty to
do everything I could to get legislation in place
that would allow us to have a railroad
that would benefit all Alaska.
Best regards
P.

FR: GORDON DEVALL
YARD MASTER, AK. RAILROAD
BOX 1329
FBX, 99701

RE: HB512 RAILROAD BILL

MSG: I BELIEVE IT IS VERY URGENT TO CONCUR ON THIS BILL, AS TOO MUCH TIME,
AND MONEY HAVE BEEN INVOLVED, NOT TO ACCEPT IT.

-----EOM

Same as above.

FR: STUART BELLANT
1755 BEAVER ROAD
FBX, 99701
479-0797

Same as above.

RE: HB512 RAILROAD BILL

MSG: PASS THIS BILL. LETS GET THIS RAILROAD. DON'T LET IT DIE.

-----EOM

FROM: EVERETT HINTON; RIFFLE STREET, WASILLA; P.O. BOX 267; WASILLA,
AK 99787
PHONE: 376-3767(H); 265-2470(W)

SUBJECT: SCS CS HB 512(FIN)

MESSAGE: I URGE YOU TO SUPPORT THIS BILL AS IS.

Same as above.

TO: ALL SENATORS
ALL REPRESENTATIVES

FR: PATRICK MCFADDEN
693 MCFADDEN LAKE
FBX, 99701
479-6437

RE: HB512 RAILROAD BILL

MSG: PLEASE SUPPORT HB512. TOO MUCH TIME AND EFFORT HAS GONE INTO THIS BILL.
WITHOUT IT, WE WOULD BE IN LIMBO. I AM A RAILROAD EMPLOYEE.

-----EOM

TO: ALL REPRESENTATIVES
ALL SENATORS

FR: ELMER MATLOCK
138 GOLD RUSH ESTATES
FBX, 99701
479-4527

RE: HB512

MSG: I AM IN FAVOR OF HB512 BECAUSE OF THE WORK PUT INTO THIS BILL, AND
BECAUSE OF THE CONSEQUENCES IF NOT PASSED.

-----EOM

TO: ALL SENATORS
ALL REPRESENTATIVES

FR: CAROLINE GRISS
PO BOX 82755
FBX, 99708

RE: HB 512 RAILROAD BILL

MSG: I URGE THE PASSING OF HB512.

-----EOM

MSC 84-90050323 PRTY 1 06/04/84 13:07:18 ORIG: LF00 IN= 0003 OUT= 0052
FROM: TRACIE/FBX TO: JUN INFO
TARGET: LJKK SUBJ: POM

TO: ALL SENATORS
ALL REPRESENTATIVES

FR: GARY ROTHING
PO BOX 10055
FBX, 99710
452-4818

Sam

RE: HB512 RAILROAD BILL

MSG: I WANT YOU TO PASS HB512. WE NEED OUR JOBS.

-----EOM

TO: ALL SENATORS
ALL REPRESENTATIVES

FR: STEVE PERKINS
2681, LOT 3
FBX, 99701
488-0372

Sam

RE: HB512 RAILROAD BILL

MSG: I AM CONCERNED ABOUT MY JOB, AND I WANT YOU TO PASS THIS BILL.

-----EOM

FR: TINA MATTIELLI
PO BOX 74884
FBX, 99701
452-2027

Sam

RE: HB512 RAILROAD BILL

MSG: I URGE THE PASSING OF HB512.

-----EOM

MSG 84-00050122 PRTY 1 06/02/84 09:35:49 ORIG: LA17 IN= 0001 OUT= 0002
FROM: MARCIE, ANC INFO TO: POM, JUNEAU INFO
TARGET: LJHK SUBJ: P O M

TO: SENATORS BENNETT, ELIASON, HALFORD, KELLY, MOSS, PETTYJOHN, RAY,
AND STURGULEWSKI

FROM: BOB LOHR
4824 EAST 20TH AVENUE
ANCHORAGE 99508
H 337-6933

RE: HB 684 SPECIAL APPROPRIATION/ALASKA POWER AUTHORITY

PLEASE MAINTAIN YOUR 'NO' VOTE ON HB 684. CONTINUING APPROPRIATIONS
ARE UNCONSTITUTIONAL AND WILL VERY LIKELY BE DECLARED SO BY THE COURTS.
THE FOUR DAM POOL INDEBTEDNESS SHOULD BE DEALT WITH CLEANLY, NOT AS PART OF
A PACKAGE DEAL. FUNDS FOR SUSITNA AND BRADLEY SHOULD BE APPROPRIATED AS
NEEDED.

EOM

Card

Dear Bob

Thanks for your POM
Reference HB 654. This bill failed 10-10.
on reconsideration announcement I was
added. After this announcement (see pg 3475 Senate
Journal) it passed 15-0 with my vote. I would
note that the announcement skewed the problem
you stated that would create a constitutional question
Please stay in touch Bob. Sincerely Pam

Alaska State Legislature

H. PAPPY MOSS, CHAIRMAN
BETTYE FAHRENKAMP, VICE CHAIRMAN
JAN FAIKS
DON GILMAN
JALMAR KERTTULA



STATE CAPITOL
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Senate Committee on Transportation

Comparison of Major Differences
between
Senate CS for CS for House Bill No. 512 (Finance) am
and
CS for House Bill No. 512 (Finance)
as passed by the House on May 7, 1984

Senate Transportation Committee
Staff Analysis
May 31, 1984

*Section 1. Legislative Findings and Purpose.

The House has an additional finding which reads: "there is vast potential in Alaska's natural resource areas and extension of the Alaska Railroad into natural resource areas is necessary for long-term economic growth."

In addition, under the corporate intent section of the findings there are some variations of the language between the two bills. Under the House bill the bonding capability of the corporation is limited to raising capital for expansion purposes. Furthermore two more sections are included in the House Bill which read: "in all job classifications, provide for the employment of women and minorities if qualified;" and, "provide for the payment of equal pay for equal work." Under the same section of the Senate bill bonds require legislative approval.

In addition, there is a new finding in the Senate Bill which restricted the railroad from using a direct appropriation for a service which would unfairly compete with private industry. There is no similar provision in the House version.

Sec. 42.40.020 Board of Directors.

The House Bill has a nine member board whereas the Senate has a seven member board. The Senate bill requires 10 years of experience for the board member who is an experienced railroad manager while the House bill requires "substantial" experience. Similarly,

the Senate bill requires at least five years of business experience of two of the board members while the House bill requires "substantial" experiences.

Sec. 42.40.040 Term of office.

The Senate bill provides for removal of the board by the governor at his pleasure while the House bill provides for removal for cause only. The removal by law as provided for in the House Bill is constitutionally suspect.

Sec. 42.40.100 Management by the Board.

Under the Senate bill the board is required to delegate certain functions to corporation management within 60 days of its first meeting while under the House bill the board may delegate to the corporation management and no time period is set.

Under the House Bill, the corporation is to use the accounting procedures of the United States Interstate Commerce Commission for Class 1 railroads, whereas in the Senate Bill, the accounting procedures standards are the same as for any comparable railroad.

Sec. 42.40.250 General Powers

The power for the security force under the House version is a much narrower version than under the Senate version. Under the House version the corporation's security force is authorized to protect property owned, managed or transported by the corporation and persons using the railroad transportation services, whereas under the Senate version, the security force is authorized to enforce municipal ordinances, state law, and corporation rules with respect to violations that occur on the property owned or managed or transported by the corporation.

Sec. 42.40.260 Annual Report.

Every five years the Senate bill requires verification of corporation initiated attempts to sell the corporation to private enterprise. (However, see House Bill Section 6.)

Sec. 42.40.270 Audits

Under the audit section, the House version requires that the auditors use the standards of the United States Interstate Commerce Commission for Class 1 railroads while the Senate version requires the standards of a comparable railroad. In addition the Senate Bill requires that the auditors determine whether an appropriation was strictly calculated in accordance with the United States Interstate Commerce Commission standards for determining rail services continuing subsidies. The House Bill contains no similar provision.

Sec. 42.40.280 State Oversight Reports.

The House bill requires oversight reports for the extension of the track and for bonds over \$5,000,000. while the Senate bill does not.

Sec. 42.40.285 Legislative Approval Required.

The House bill requires legislative approval for bonds over \$5,000,000 while the Senate bill requires approval for all bonding.

The House bill requires legislative approval for extension of the tracks more than 25 miles or five percent of the total track mileage while the Senate bill requires legislative approval for all track extension which are not a spur, industrial, team, switching or side track.

The Senate bill requires legislative approval for a lease that exceeds 35 years if it does not have a termination clause if needed for railroad purposes while the House bill does not.

Sec. 42.40.290 Long Range Program and Capital Improvement Plans.

The House bill requires that the corporation consult with affected state agencies and municipalities in preparing their long range program and capital plans while the Senate bill contains no similar provision. Also under the House version there are two separate plans, under the Senate version, both plans are to be presented in one report.

Sec. 42.40.540 Appropriations.

Under the Senate bill the corporation is required to get concurrence of the governor for an appropriation request while the House bill has no similar requirement.

Sec. 42.40.940 Sale of the Railroad.

The sale provisions are different in the two bills. Under the House version, the governor is authorized to require negotiations for the sale of the railroad, under the Senate version, the governor has the authority to go out and sell the railroad with legislative concurrence. The requirements for corporation action to sell the railroad are also different between the two bills. Under the House version there is included a requirement to solicit proposals within two years for acquisition or management of the railroad by the private sector and then report back within one year for the governor's approval and legislative ratification of a responsive proposal. If a proposal is disapproved or there is no responsive proposal, the board is required to repeat this process every two years, while the Senate version requires documentation every five years of at least three corporation initiated offers to sell the corporation to private enterprise.

(The House bill specifically states the corporation is subject to state anti-trust laws.)

Constitutional Amendment

The House version still has references to the constitutional amendment even though the amendment has failed, and the Senate Bill has deleted any reference to the constitutional amendment.

Section 7 Special Report.

The Senate bill requires the corporation to contract with an outside consultant for a report on the long term operation of the railroad and possible alternative operational options including selling to private enterprise. The House bill has no similar provision.

Section 10

The Senate bill restricts the Railroad from applying for a right-of-way across the Kobuk (Gates of the Arctic).

Alaska State Legislature

H. PAPPY MOSS, CHAIRMAN
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Senate Committee on Transportation

SENATE TRANSPORTATION COMMITTEE
Staff Analysis
Senate CS for CS for House Bill No. 512 (Finance)

May 23, 1984

*Section 1 This is a statement of legislative findings and purpose. In (a) the Legislature finds that the Alaska Railroad is an essential part of the state transportation network that may cease to be an option without state action. It also states that the railroad is necessary for long-term economic growth of the state and an essential part of the state transportation network. In (b) the purpose of the Act is stated to be the creation of an entity to operate and manage the railroad pending the transfer of the railroad to the private sector. That it will be responsible for the management of the financial and legal obligations of the railroad, will constitute a common carrier under the Interstate Commerce Commission, will have the ability to issue tax exempt obligations, carry out its responsibilities on a self-sustaining basis, and so that the best transportation can be provided supported by state investment when necessary, the railroad may be operated prudently, and borrowing by the corporation does not endanger the state's own borrowing capacity. It is also charged with protecting the railroad utility corridor.

*Section 2
Section 42.40.010

The Alaska Railroad is established as a public corporation within the Department of Commerce and Economic Development. However, Section 3 would remove the corporation from the Department of Commerce and Economic Development if the Constitutional Amendment passes.

Section 42.40.020

The corporation is run by a board with seven members including the commissioners of the Departments of Transportation and Commerce. In addition, there are five public members who may not be state employees. One of the public members must have 10 years experience and one shall have been an executive official of a U.S. railroad. Except for the two public members just mentioned, all public members must be registered

Alaskan voters. With the exception of the commissioners, the board shall be confirmed by the majority of the members of each house of the legislature in joint session.

Section 42.40.030 All members required to be confirmed by the Legislature serve for staggered five year terms. Section 9 sets up how the first board of directors will serve which results in staggered terms for members that follow. All board members serve at the pleasure of the governor.

However, see Section 4 and Section 5 which amend 42.40.030 if the Constitutional Amendment passes. Under these amendments a board member could be removed only for cause.

Section 42.40.040 A vacancy on the board is filled by the governor and the appointment must be confirmed by the legislature. Despite a vacancy the board may exercise its power if it has a quorum of members.

Section 42.40.050 An appointed member of the board received \$400 for each day he is engaged in the performance of duties as a board members and partial day provisions may be established by the board. In addition, he is entitled to per diem and travel expenses.

Sec. 42.40.060 The board is to elect a chairman and vice-chairman from its membership and appoint a secretary.

Section 42.40.100 - The board is to manage the corporation according to the guidelines provided in this section. This corporation is to be generally self-sustaining, subject to the ICC consistent with the Transfer Act and provide safe, efficient and economical transportation. The board must apply to the legislature for appropriations if a service is provided which is not self-sustaining. In addition, the board is responsible for reviewing all land disposals so that future expansions of the railroad are not restricted.

Section 42.40.110 The board appoints the Chief Executive Officer of the corporation and fixes his compensation. The Chief Executive Officer of the corporation appoints other executive officers. The salaries of the executive officers appointed by the Chief Executive Officer are subject to board approval.

Section 42.40.120 By rule the board delegates duties necessary for the management of daily affairs of the corporation to the Chief Executive Officer. Within 60 days after it is established, the board must delegate certain specified activities of the corporation. Some activities are delegated but require specific board approval for final action. Specific board approval is required for projects with an estimated completion cost of \$500,000 or more or an estimated completion time of more than one year.

Section 42.40.150 Meetings of the board are public with the exception of executive sessions. The board provides by rule how notice of the

meetings shall be given. The board is required to keep minutes of the meetings.

Section 42.40.160 A quorum is established as four and an affirmative action by the board also requires five votes. The board may confer and vote by teleconferencing but may not vote by proxy.

Section 42.40.170 Executive sessions are limited to matters listed. No action may be taken at an executive session and discussion must be limited to the topic of the motion or an auxiliary subject.

Section 42.40.180 The board is to adopt rules to carry out the purposes of this chapter. It is required to give public notice 15 days before it adopts, amends, or repeals a rule. Public notice consists of publishing in at least three newspapers of statewide circulation and to persons requesting notice. Every interested party must be given one hour to testify and all relevant matter must be considered.

But see Section 6 which repeals the rule making procedure if the Constitutional Amendment passes. In its place, the new section would give all powers to adopt a rule making procedure to the board.

Section 42.40.190 The board is required to set up a process for adopting emergency rules. Emergency rules are to be limited to situations where they are necessary for the orderly operation of the corporation's facilities or programs. The requirements of 42.40.130 need not be followed but within 10 days public notice is to be given of the action. Rules adopted under this section remain in effect for no more than 120 days unless the procedures of 42.40.180 are followed.

Section 42.40.200 Sets up a procedure for challenging a rule adopted under 42.40.180(a) and 42.40.190(a) but restricts the ability to declare a rule invalid for procedural deficiency.

Section 42.40.205 Daily operation, and other management functions, are not subject to the rule making process.

Section 42.40.210 The board may, by resolution, adopt the existing rules without following the rule making procedure of 42.40.180.

Section 42.40.220 Records of the corporation are open to public inspection except the corporation may withhold certain matters from disclosure by rule if they are of a nonpublic, privileged, or proprietary nature.

Sec 42.40.230 A board member or executive officer may not participate in a decision of the corporation if he, or an immediate family member, has an interest unless their interest is remote. Interest and remote are defined and a procedure is set out for situations where the application of the section is not clear. In addition, the board shall adopt rules to further define conflict of interest and ethical rules 120 days after its first meeting.

Section 42.40.250 In addition to other powers authorized by law, the corporation may exercise certain specified general powers listed in this

section. The corporation does not have the power of eminent domain nor may it sell land.

Section 42.40.260 A report describing the operation and financial condition of the corporation during the preceding fiscal year of the railroad shall be distributed to the governor and the legislature within 90 days after the fiscal year ends. An analysis of at least three corporation initiated attempts to sell the railroad to private enterprise must be included every five years.

Section 42.40.270 The board must have the records of the corporation audited annually. Corporation records will be made available to an auditor appointed by the governor or to the legislative audit division. In addition, the board is required to have an annual performance audit conducted by a recognized railroad management expert.

Section 42.40.280. Requires a written report to the governor and the Legislature before a major change in service. In addition, a written report is also required for an appropriation if it is required for a service which is not self-sustaining.

Section 42.40.285 The corporation may not convey an entire interest in land, issue bonds, extend railroad lines or lease land over 35 years without approval by law.

Section 42.40.290 The board must adopt a long-range program and capital improvement plan. The plan covers a five year period and must be updated annually. Copies of the updated plan are to be provided to the governor and the legislature by December 1 of each year.

Section 42.40.300 The corporation may not issue stock, pay dividends, make private distributions of assets, make loans to board members or employees or engage in business for private benefit.

Section 42.40.310 The corporation may defend and indemnify a current or former employee, agent, or board member against costs incurred in connection with a civil or criminal action if the person acted in good faith on behalf of the corporation and within the scope of his official duties or powers. The corporation may purchase insurance to protect its employees, agents, and board members for actions arising out of the performance or failure of performances of duties for or employment with the corporation.

Section 42.40.350 Land acquired by the corporation is under the control of the corporation. Railroad rights-of-way or easements are railroad utility corridors. Land other than right-of-way or easements is rail land. Future railroad utility corridors must be at least 100 feet wide on both sides of the center line of the extended main or branch line, or may be less if adjoining land does not belong to the corporation. Portions of the utility corridor may be leased or rented for other transportation services if the use does not restrict other parallel uses of the utility corridor. The corporation may lease rail land for fair market value.

Section 42.40.360 The board may nominate federal land for state selection for a railroad purpose. The Commissioner of Natural Resources would acquire the land through the federal land selection process.

In addition, the board may request any state land from the Department of Natural Resources. Upon receipt of the written request the Commissioner of the Department of Natural Resources must reserve the land in the railroad's name for 180 days.

Section 42.40.370 When the railroad requests state land under the preceding section the Commissioner has 90 days to reply in writing whether or no the request has been denied, denied in part or if the request has been granted. A conveyance under this section may be for less than fair market value and, absence a reservation to the contrary, vest full ownership of surface and subsurface rights. The land may be reconveyed back to the state if it is no longer necessary for the corporation's purposes.

Section 42.40.380 The corporation is authorized to relocate rail facilities to state land when an emergency exists. The Chief Executive Officer makes the determination that it is necessary to relocate for safe and adequate rail operations. After the relocation the corporation is required to notify the Department of Natural Resources.

Section 42.40.390 The board may develop rules governing land used by a third party. The rules are to protect the common health, safety, and welfare of the public and may not be limited by leases, contracts or other transaction.

Section 42.40.400 The corporation may vacate land acquired for railroad purposes by filing in the appropriate recording district.

Section 42.40.410 The corporation may acquire interests in federal land on its own behalf.

Section 42.40.420 The corporation may authorized municipal use of rail land. It may also authorize a walkway or trail on the utility corridor so long as parallel uses are not restricted. Before authorizing the use of either rail land or the utility corridor, the municipality must sign a hold harmless agreement and indemnify the corporation for any judgment against it for use related to the municipal use. When the corporation determines the use is inconsistent with expansion or replacement of railroad facilities the municipal use must be stopped.

Section 42.40.430 The corporation may acquire surplus property from either the federal government or the state.

Section 42.40.435 The corporation may exchange land.

Section 42.40.440 The corporation must comply with state law regarding the application of pesticides or herbicides.

Section 42.40.450 No land of the railroad may be claimed under adverse possession.

Section 42.40.500 A liability incurred by the corporation may be satisfied only from the assets of the corporation and no creditor has a right of action against the state.

Section 42.40.510 The corporation must obtain a fidelity bond for its board members and officers responsible for finances.

Section 42.40.520 The corporation is required to keep in force all manners of insurance to protect its assets, services, and employees from any potential liability. It may, however, provide for certain self-insurance retentions.

Section 42.40.530 Revenue generated by or appropriated to the corporation shall be retained and used for railroad purposes by the corporation.

Section 42.40.540 With the concurrence of the governor, the corporation may request an appropriation from the legislature to assist it in carrying out its general powers.

Section 42.49.600 - 42.49.700 Contains standard bonding provisions.

Section 42.40.705 Assets of the corporation may not be used for political purposes except matters directly concerning the operation of the corporation.

Section 42.40.710 Employees of the railroad are employees of the corporation and not of the state. Laws relating to public employees do not apply.

Section 42.40.720 The provisions of the Public Employee Relations Act do not apply. However, non-executive officials may organize and engage in collective bargaining.

Section 42.40.730 There is created a railroad labor relations agency made up of three members appointed by the governor. The agency shall perform the functions described in AS 23.40.090 - 23.40.190 which are the functions currently carried out by the state personnel board for all state employees and are listed in this bill as 42.40.740 - 42.40.840.

Section 42.40.850 Employees are permitted to strike for a limited time and may be enjoined by a court of law at the request of the corporation. After being enjoined the dispute is automatically sent to binding arbitration. The arbitrator is the same person as was the original mediator chosen under 42.40.840.

Section 42.40.860 The corporation may seek the advice of the Department of Administration on labor contract terms and may invite the Department of Administration to sit in on labor negotiations.

Section 42.40.870 With written permission the corporation may withhold employee union dues.

Section 42.40.885 The corporation may not coerce employees to refrain from or perform activities beyond those required or prohibited as part of their employment.

Section 42.40.890 Definitions for Article 8.

Section 42.40.900 Claims involving activities of the railroad shall be brought against the corporation and not against the state. The corporation board members and employees have the same immunities from liability for claims against the corporation as do other state officers. Claims against the corporation must first go through an administrative appeal process to the Department of Administration before going to court action.

Section 42.40.905 The corporation is required to give advance notice of any legal action.

Section 42.40.910 The property of the corporation and its assets are exempt from taxes and special assessments of the state or a political subdivision of the state. Bonds and notes issued by the corporation are exempt from taxation except for inheritance, transfer, and estate taxes.

Section 42.40.920 The corporation is exempt from the jurisdiction of the Alaska Transportation Commission. In addition, it is exempt from the following statutes:

The statutes are:

AS 19 - Title 19 is the statute which sets out the duties of state agencies in regard to highways and ferries and related activities.

AS 23.40 - Chapter 40 deals with the relationship between state entities and labor organizations. But see Article 8 of this legislation for Personnel and Labor Relations provisions.

AS 30.15 - Chapter 15 is concerned with state participation in port facilities and development.

AS 35 - Title 35 sets out the duties and powers of DOT&PF with regard to public facilities.

AS 37.05 - Chapter 05 is the Fiscal Procedures Act. For provisions in this legislation which replace similar provisions in the Fiscal Procedures Act see Section 1, 3(A) and (F); 42.40.100(1) and (8); 42.40.120(b)(4), (C)(11); 42.40.260; 42.40.270.

AS 37.07 - Chapter 07 contains the Executive Budget Act. For similar provisions in this legislation see 42.40.260; and 42.40.270 and 42.40.280.

AS 37.10.010 - 37.10.060 - Give the Department of Administration duties related to Public Funds.

AS 37.10.085 prohibits financial aid to corporations by state or

political subdivisions.

AS 37.20 sets out a method for the state to receive federal property. Sec. 42.40.360; 42.40.420 and 42.40.440 for comparable provisions.

AS 37.25 is the miscellaneous provisions of the public finance title.

AS 38 - Title 38 is the Public Lands statute. For similar provisions see 42.40.350; 42.40.360; 42.40.370; 42.40.380; 42.40.390; 42.40.400; 42.40.410; 42.40.420 and 42.40.430.

AS 39 - Title 39 is the public officer and employees statute. See sections 112.40.020; 42.40.030; 42.40.040; (see also Sections 3,4,5, and 6); 42.40.050; 42.40.060 and Article 8 of this Act.

AS 44.62.040 - 44.62.320 - is the Administrative Procedures Act. But see 42.40.150; 42.40.160; 42.40.170; 42.40.180; (see also Section 8); 42.40.200; 42.40.210; 42.40.220 for similar provisions contained in this Act.

Section 42.40.930 If provisions of this Act conflict with the provisions of other law, the provisions of this Act prevail. Where possible, provisions of the Act shall be construed so that they do not conflict with the Alaska Railroad Transfer Act of 1972.

Section 42.40.935 The corporation has two years to develop a plan for conforming with the state's safety statute and appropriate building codes.

Section 42.40.940 The governor, with legislative approval, may force sale of the railroad.

Section 42.40.950 The assets of the corporation revert to the state if it ceases to exist.

Section 42.40.980 Definitions of the chapter are provided.

Section 42.40.990 The short title of this chapter is the Alaska Railroad Corporation Act.

*Section 3 Amends 42.40.010 by removing the corporation from the Department of Commerce and Economic Development if the Constitutional Amendment passes.

*Section 4 Amends 42.40.030 if the Constitutional Amendment passes by removing the ability of the governor to remove board members at his pleasure.

*Section 5 Amends 42.40.030 if the Constitutional Amendment passes by adding a new section which would state specific reasons for which a governor may remove board members.

*Section 6 Repeals 42.40.180 if the Constitutional Amendment passes by adding a new section. The new section gives the board discretion in adopting a rule making process.

*Section 7 Technical amendment required by constitutional amendment.

*Section 8 The corporation must prepare a report on the long-term operations of the railroad that is due January 1, 1988. The report shall include recommendations on the transfer of railroad operations to the private sector and a report on the vibration problem in Anchorage.

*Section 9 Members of the first board of directors serve terms that differ in length and will result in staggered terms for members that follow.

*Section 10 Existing collective bargaining agreements are to be adopted by the corporation and remain in effect for two years. Within 180 days of the first meeting the board and the unions shall establish a procedure for renegotiating the existing collective bargaining agreements.

*Section 11 Repeals 42 40.190 and 42.40.200 if the Constitutional Amendment passes.

*Section 12 The effective date of Section 3-7 and 11 is the effective date of the Constitutional Amendment should it pass.

*Section 13 Sections 1,2, and 8-10 take effect immediately.

H B

5 5 8

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 1/4/84

REQUEST
Bill/Resolution No.: N/A
Title: Local Service Roads & Trails
Sponsor: DOT&PF
Requestor: Commissioner's Office
Date of Request:

FISCAL DETAIL
Agency Affected: DOT&PF
Program Category Affected: Design & Construction
BRU, Program or Subprogram(s) Affected: Capital Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

ANALYSIS: Attach a separate page for analysis

Prepared By: John J. Simpson
Division: Standards & Technical Services Div. Phone: 789-6261
Date: 1/4/84

Approved by Commissioner: [Signature]
Agency: DOT&PF Date: 1/11/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

ANALYSIS

The proposed bill is strictly a housekeeping measure and has no fiscal impact on either the operating or capital budget. No additional positions are required.

The proposed bill revises A.S. 19.30 in two areas:

- 1) AS 19.30.127 and AS 19.30.131(a) are reworded to make allocation district boundaries coincide with DOT&PF's regional boundaries. This simplifies the allocation process of LSR&T monies.
- 2) AS 19.30.161 is reworded to require LSR&T projects constructed on a Federal-aid secondary route to be approved by the Commissioner of DOT&PF. This language change is needed to assure that Federal requirements for roadway width, design standards and right-of-way are met.

COMMITTEE REPORT

HOUSE

COMMUNITY &
REGIONAL AFFAIRS

(9)

FURTHER:

2/1/84

Date:

2/1/84

The Committee on TRANSPORTATION has had HB 558

"An Act relating to local service roads and trails; and providing for an effective date."

under consideration and recommends:

do pass do not pass

do pass with attached amendments(s)

replace with CS for HB 558 (TSP) same title new title
and recommends _____

AND attaches a "Letter of Intent" New Fiscal Note

reports it back without recommendation

Zero Fiscal Note Attached

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Mike Beard
Udellia Abrahamson
Mike Damm
M.W. Miller
Mike Zumbali
V.B. Stewart
Bette Pate

One of the kind of note
"No Fiscal NO RE"

Bette Pate

CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 1/4/84

REQUEST

Bill/Resolution No.: N/A
Title: Local Service Roads & Trails
Sponsor: DOT&PF
Requestor: Commissioner's Office
Date of Request:

FISCAL DETAIL

Agency Affected: DOT&PF
Program Category Affected: Design & Construction
BRU, Program or Subprogram(s) Affected: Capital Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
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100 PERSONAL SERVICES						
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600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

ANALYSIS: Attach a separate page for analysis

Prepared By: John J. Simpson Phone: 789-6261
Division: Standards & Technical Services Div. Date: 1/4/84

Approved by Commissioner: Date: 1/11/84
Agency: DOT&PF

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

ANALYSIS

The proposed bill is strictly a housekeeping measure and has no fiscal impact on either the operating or capital budget. No additional positions are required.

The proposed bill revises A.S. 19.30 in two areas:

- 1) AS 19.30.127 and AS 19.30.131(a) are reworded to make allocation district boundaries coincide with DOT&PF's regional boundaries. This simplifies the allocation process of LSR&T monies.
- 2) AS 19.30.161 is reworded to require LSR&T projects constructed on a Federal-aid secondary route to be approved by the Commissioner of DOT&PF. This language change is needed to assure that Federal requirements for roadway width, design standards and right-of-way are met.

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
STANDARDS AND TECHNICAL SERVICES DIVISION

BILL SHEFFIELD, GOVERNOR

P.O. Box 3-1000
Juneau, Alaska 99802

PHONE: (907) 789-0841

FEB 28 1984

February 27, 1984

Re: Local Service Roads
and Trails Program

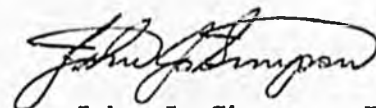
File No: 2519

House Transportation Committee
Pouch V
Juneau, Alaska 99811

Dear Sir:

The attached document gives a brief summary of the Local Service Roads and Trails (LSR&T) Program.

Sincerely,



John J. Simpson, Director
Standards and Technical
Services Division

JJS:CDK:ct

Attachment

cc: Dan Malick, Acting Deputy Commissioner, Statewide Programs

MEMORANDUM

State of Alaska
Department of Transportation & Public Facilities

TO: John J. Simpson, Director
Standards and Technical
Services Division

DATE: February 10, 1984

FILE NO: 2519

TELEPHONE NO: 789-0841

FROM: Charles D. Karella
LSR&T Engineer
DC&M Standards

SUBJECT: LSR&T Program

This program is designed to accomplish the most with the least amount of State dollars under the rules and regulations of the Alaska State Statutes, 19.30.111 - 19.30.251.

FUNDING

First Allocation	1971	\$ 6 Million
	1972	4 Million
	1974	8 Million
	1976	7 Million
	1978	15.8 Million
	1980	10 Million
Last Allocation	1983	7 Million
Total Allocation		\$60.8 Million

Projects (Dollars)

Completed or under agreement	\$54.5 Million
Reimbursements remaining	6 Million

Under the present allocation, Local Governments throughout the State share 57% of each LSR&T Bond issue. The unorganized boroughs share in the remaining 43%. Annual expenditures average to this percentage.

ANNUAL PROGRAM (Typical)

1. 150 Active Projects
50 Road Projects Completed
50 Miles of Road Completed
2000 Miles of Winter Trail Staking
Several Miles of Boardwalk
Foot Trails and Bike Paths

2. Expenditures For Typical \$6.0 Million Annual Program

Roads \$4.5 Million (75%)
Includes \$1.1 million (25%) for subdivision streets and roads.

Trail Staking	\$100,000	(2%)
Boardwalks	600,000	(10%)
Foot Trails	200,000	(3%)
Bike Paths	100,000	(2%)
Shelter Cabins	50,000	(1%)
State Maintenance Routes	250,000	(4%)
Engineering and Administration	200,000	(3%)

3. Administrative support is \$200,000 or 3%

PROGRAM PHASE OUT

During the period of time the program was in a phase-out status (1/2/82 to 7/25/83) no planning for future LSR&T projects was accomplished. As a result, it has taken some time to accelerate the program. A Statewide five-year program has now been prepared, and by the end of calendar year 1984, the program should be up to its former capability once again.

MANAGEMENT

LSR&T Managers and Project Engineers are tailored after the early Alaska bush pilots. Quite often, they have to operate by the seat of their pants, which is why this program is successful.

LSR&T PROGRAM 1977-1981

1. 250 road projects completed.
Average Length one mile.
Average cost \$100,000.00
2. Expenditures \$25 Million.
- 3.* \$19.0 million for road projects, includes five million for subdivision roads.
4. \$750,000 for project administration charged to projects.

*It is difficult to define subdivision roads or streets, i.e. access roads to new subdivisions can be considered an intergal part of the subdivision network or in some communities, it may be the only transportation corridor available. For this report, subdivision roads are those roads or streets within subdivisions, designated as such, by the local entity.

5. One million dollars for program support (\$200,000 per year).
6. Administered several special legislative appropriated projects; totalling in excess of a million annually.

COST COMPARISON

The cost of a project constructed under contract ranges between 25% and 200% more than a comparable project constructed with local equipment rental when available or LSR&T equipment and local hire, depending on size and location. Much of this is due to our policy of paying the prevailing community wage.

PRESENT PROGRAM

See Attached.

SUMMARY

Over 95% of all Alaskan communities have had at least one LSR&T project since the program set out to "Get the people out of the mud" in 1971.

There are many reasons why the program is successful, least of which is the maximization of State dollars. The LSR&T Program offers more to a rural community than just a finished product; it offers a learning experience. Traditionally, LSR&T has been able to offer additional benefits to the community as the program is tailored to their needs.

The LSR&T program spends a considerable amount of time administering projects funded through special Legislative appropriations and grants. In administering these projects for the Department, the program guarantees the credibility of the State in its commitment to meet the transportation needs of the bush communities.

Attachment

cc: Loren Rasmussen, Chief, DC&M Standards

CDK:ct

PROJECTS FUNDED

CENTRAL REGION June 30, 1982 to January 31, 1984

Unorganized Boroughs ⁽¹⁾	33 Projects	\$2,483,730
Bristol Bay Borough	1 Project	54,753
Municipality of Anchorage	7 Projects	1,006,596
Matanuska-Susitna Borough	1 Project	211,600
Kenai Peninsula Borough	4 Projects	337,636
Kodiak Island Borough	1 Project	18,262
City of Kenai	3 Projects	84,288
Unalaska ⁽²⁾	1 Project	25,443
TOTAL REGION	<u>18 Projects</u>	<u>\$1,738,578</u>

(1) Includes 12 projects funded with \$810,000 from 1983 allocation.

(2) Funded from 1983 allocation.

PROJECTS FUNDED

NORTHERN REGION June 30, 1982 to January 31, 1984

Unorganized Borough II	6 Projects	\$678,425
Unorganized Borough IV (N)	7 Projects	510,850
Unorganized Borough V (N)	2 Projects	56,520
Total Unorganized Boroughs	<u>15 Projects</u>	<u>\$1,245,795</u> (1)
CITY OF FAIRBANKS	(2) Projects	\$178,305
CITY OF NORTH POLE	(1) Project	11,243
Total Local Governments	<u>3 Projects</u>	<u>\$189,548</u> (2)
TOTAL REGION	18 Projects	<u>\$1,435,343</u>

(1) Includes 13 projects funded with \$1,175,000 from 1983 allocation.

(2) Includes 2 projects funded with \$164,500 from 1983 allocation.

93% of these projects were funded with 1983 allocation.

PROJECTS FUNDED

SOUTHEAST REGION June 30, 1982 to January 31, 1984

Unorganized Borough III	13 Projects	\$465,000 ⁽¹⁾
CITY OF HAINES	1 Project	\$ 34,000
CITY AND BOROUGH OF SITKA	3 Projects	251,000
CITY OF WRANGELL	1 Project	80,000
CITY OF PETERSBURG	1 Project	20,000
CITY AND BOROUGH OF JUNEAU	2 Projects	361,000
CITY OF KETCHIKAN	3 Projects	80,000
Total Local Government	<u>11 Projects</u>	<u>\$826,000</u> ⁽²⁾
TOTAL REGION	24 Projects	\$1,291,000

(1) Includes 8 projects funded with \$144,000 from 1983 allocation.

(2) Includes 6 projects funded with \$291,000 from 1983 allocation.

LOCAL SERVICE ROADS AND TRAILS PROGRAM

Primary Functions:

The Local Service Roads and Trails (LSR&T) program was established by the State Legislature in 1971 to provide for special needs to "bush" communities, rural communities and communities both within and outside of organized boroughs.

Local Service Roads and Trails was designed to aid communities in accomplishing projects that do not have the financial means nor the technical expertise to achieve alone. These projects were to be in the nature of roads, trails, bridges and boardwalks specifically. Special exceptions are considered and granted if justification is sufficient.

The LSR&T Program is wholly State funded. Wherever costs are not prohibitive, generally within organized boroughs, projects are awarded by bid contract. In the remote areas where, because of location and size of the project bid contracts cost are prohibitive, LSR&T maintains its own small fleets of equipment or rents equipment, if available, and directs the operation of the projects.

The scope of LSR&T is basically three-fold. This is particularly true for "bush" projects. It provides:

1. Needed projects to communities that have not the capabilities of accomplishing alone.
2. A source of training for construction work by employing local residents as laborers and equipment operators.
3. Provides supplemental income to communities that are single-income or subsistence oriented.

Project Limitation:

Local Service projects are confined to roads which are not part of the primary federal-aid system and are not the responsibility of corporate units or private individuals but are dedicated to public use. These projects cover wide ranging road needs. They include State recreation routes, connections between outlying villages and airports, villages and canneries, villages and port facilities, short routes needed to better integrate subdivision roads and State highways, and improvements to existing roads.

PLANNING

Five Year Program

The allocation districts are the boundaries of the Highway Department established in 1970. The larger of the five districts being the Western District, engulfing nearly half of the land mass of Alaska, is administered by the Central and Northern Regions. This split jurisdiction is strictly an economic measure.

Whenever organized boroughs whose boundaries partially overlap allocation districts, the administrative responsibility lies with the primary region.

A construction program utilizing LSR&T construction equipment, State employees, village labor, and equipment rental when available, is the primary mode of operation in the unorganized boroughs of the Central, and Northern Regions. Programming the projects in the unorganized boroughs depends on requests from local governing bodies (both submitted and solicited), available road building materials, right-of-way access, and coordination of other projects in the area.

The State equipment fleet and maintenance personnel are utilized when local equipment is not available or when a contract for the work is not feasible.

The Local Service Roads and Trails Program is a vital link in the State road network. It is the only State program established for solving local transportation needs. During a typical construction season, several miles of new road, new and reconstructed boardwalk, year around foot trails, winter trail staking, foot bridges, paved bike paths and vehicle bridges are constructed with LSR&T funds.

These and other special projects are completed each year in answer to what the LSR&T is all about, "Get the people out of the mud". This program does a lot for all the people of Alaska and is presently performing a service the people of Alaska could not do without.

Summary

I. Definition

A. Purpose

- a. To get people out of the mud
- b. Flexibility of Program
- c. To aid communities with no revenue
- d. Economy of operation

B. Type of Projects

- a. Local Service Roads
- b. Year around foot trails
- c. Winter trail staking
- d. Bicycle paths
- e. Erosion control
- f. Foot bridges
- g. Boardwalks

II. Allocation

- A. F.Y. Year Legislation (6 million proposed)
- B. Five Year Duration
- C. 50-50 Factor, Area - Population
- D. Operating Budget - Program Support
 - a. Bridge Design - Headquarters
 - b. Road Design and Advertising - Region
 - c. R/W Certification - Region
 - d. Construction Review - Region
 - e. Administration Headquarters and Region

III. Administration

- A. Allocation District - Regional Control
- B. Organized Boroughs and Home Rule Cities
 - a. Construction contract by Local Government
 - b. Local Government Labor and Equipment
- C. Unorganized Boroughs
 - a. Construction Contract by Local Government or State
 - b. Village or City Labor and Equipment
 - c. State Equipment and Village Labor
 - d. State Equipment and State Employees
 - e. State Equipment and Village State Employees

IV. Five Year Program

- A. Project Selection
 - a. Organized Boroughs, First Class Cities and Home Rule Cities
 - 1. Select their own projects
 - 2. Able to change program at will
 - b. Unorganized Boroughs
 - 1. Cities and Villages select their own projects.
 - 2. Region sets priorities within funds available.
 - 3. Regions may subfill projects with funds available on non-federal routes.

APPLICANT GUIDELINES

Nature and Purpose of Program:

To provide State assistance in the development of roads and trails on routes that are not eligible for federal-aid matching funds.

Who May Apply:

Each organized borough, first class city, and home rule city is eligible for a direct allocation, based on their population and area. All other areas are considered unorganized boroughs and are eligible for projects administered by the Department, subject to priority scheduling within the respective allocation districts.

Authorizing Legislation:

AS 19.30.111-251

Administrative Agency:

Department of Transportation and Public Facilities, State of Alaska.

Type of Assistance:

Financial and Engineering.

How Program is Financed:

100% State. Organized boroughs and home rule cities may supplement their allocation with local funding in any amount. Unorganized borough areas will be encouraged to provide local participation whenever possible. Federal and State grants can be used in conjunction with LSR&T funds.

How to Apply:

Each organized borough, first class city and home rule city may receive their allocation by submitting a five-year project program for the construction of such roads to their Regional DOT&PF Deputy Commissioner by October 1 of each year, indicating the priorities for construction on the program. When a project is approved, a project agreement will be drafted, and development of the project may proceed. No payment can be made for work done prior to execution of the project agreement.

Unorganized borough communities should provide input data for road needs in their areas to their Regional DOT&PF Deputy Commissioner, who will compile a five-year program and establish priorities for the unorganized borough projects within his jurisdiction. When a project is approved, the Department will proceed with development of the project.

MEMORANDUM

State of Alaska
Department of Transportation & Public Facilities

TO: Susan Fleishhauer
Special Assistant to the Commissioner

DATE: March 5, 1984

FILE NO: 2519

FROM: *JJS*
John J. Simpson, Director
Standards and Technical Services

TELEPHONE NO: 789-6247

SUBJECT: Legislative Request
LSR&T Program

The attached response to the legislative request dated 2/7/84, received 3/2/84, reflects the Department's stand.

JJS/CDK/lta

cc: House Transportation Committee

QUESTIONS POSED IN COMMITTEE 2/7/8
FOR DOTPF

1. Need clarification from DOTPF on why the Governor reduced the funding from last year.
2. Are there any funds left over from the \$7 million appropriated SL'83, Chapter 94?
3. What are the characteristics of the expenditures for those projects, and funding amounts?

MEMORANDUM

State of Alaska Department of Transportation & Public Facilities

TO: John J. Simpson, Director
Standards and Technical Services

DATE: March 5, 1984

FILE NO:

TELEPHONE NO: 789-6247

FROM: Charles D. Karella *CDK*
Standards LSR&T Engineer

SUBJECT: House Transportation
Inquiry

In response to questions posed in committee 2/7/84:

Question 1. Need clarification from DOT&PF on why the Governor reduced the funding from last year.

Response: The Governor reduced the funding at the request of DOT&PF. Since the SLA 1983 Allocation was not considered as a "one-time-shot-in-the-arm", the DOT&PF recommended the reduced amount and inclusion of annual funding for LSR&T in all future Capital Improvement Program.

Question 2. Are there any funds left over from the \$7 million appropriated SLA '83, Chapter 94?

Response: The attached funding status reflects \$4.3 million remaining to be obligated.

During the period of time the program was in phase-out status (1/2/82 to 7/25/83) no planning for future LSR&T projects was accomplished. As a result, it has taken some time to accelerate the program. A Statewide five-year program has now been prepared, and by the end of calendar year 1984, the program should be up to its former capability once again with the remaining funds used.

Question 3. What are the characteristics of the expenditures for these projects, and funding amounts?

Response: The following reflects the character and funding amounts for these projects: *(7m?)*

<u>Collocation Code</u>	<u>Project</u>	<u>Name</u>	<u>Funding</u>
24811560	G00001	Local Govt I	70,000.00
	G17005	RR Lease Area Paving-Whittier?	100,000.00
Collocation Totals:			170,000.00
24811561	G10114	XOT-Equipment?	250,000.00
	G10154	Newhalen Subdivision Rds	50,000.00
	G10155	New Stuyahok City Streets	100,000.00
	G10156	Shageluk Road Reconstruction	70,000.00
	G10157	Manokotak City Streets	100,000.00
	G10160	Old Kasigluk Boardwalks	40,000.00

<u>Collocation Code</u>	<u>Project</u>	<u>Name</u>	<u>Funding</u>
	G10161	Kongiganak Boardwalks	65,000.00
	G10162	Kwigillingok Boardwalk & Footbridges	70,000.00
	G10163	Mekoryuk Boardwalks	45,000.00
	G10164	Nunapitchuk Boardwalks	27,000.00
Collocation Totals:			817,000.00
24812632	G22106	City of Fairbanks'D"St. Shannon Park	153,235.00
	G27020	Tofty Rd	8,184.00
	G27023	Interior-Healy-Otto 1k Area	12,000.00
	G27026	River Road - Eagle	25,000.00
	G27034	Birch Creek Street Improvement	125,000.00
	G27035	Tok Area Access Road	100,000.00
Collocation Totals:			423,419.00
24812633	G00041	Western Div -Reconnaissance ?	10,000.00
	G20207	Mukluk Creek Bridge	50,000.00
	G47058	Winter Trail Staking	100,000.00
	G47059	Western LSR&T Equipment - ?	115,000.00
Collocation Totals:			275,000.00
24813430	G00031	Reconnaissance ?	10,000.00
	G31106	Riverside Drive - Juneau	155,946.00
	G31205	Katlian Lincoln J Davis Pave - Sitka	76,934.00
	G31307	Chilkat Lake Road - Haines Borough	24,022.00
	G31308	Six-Year Program - Haines T righ-?	10,105.00
	G32201	Petersburg-8th Gauffin & Unon	18,991.00
	G37048	Tenakee J Street Stairway	6,000.00
	G37050	Kupreanof Trail	6,500.00
	G37051	Kake Cemetery Access Road	3,665.00
	G37055	Elfin Cove Trails	35,000.00
	G37056	South Bay Access Road - Thorne Bay	25,000.00
	G37057	Angoon Housing Access	30,000.00
Collocation Totals:			402,163.00

MEMORANDUM

State of Alaska

Department of Transportation & Public Facilities

TO: Loren Rasmussen
Chief, D C & M Standards

DATE: March 5, 1984

FILE NO: 2519

TELEPHONE NO: 789-6237

FROM: Charles Karella
State LSR&T Engineer
Standards and Technical Services



SUBJECT: Chapter 94 SLA 1983
LSR&T Funding Status

	<u>Collocation</u>	<u>Amount</u>	<u>Authorized for Projects</u>	<u>2/29/84 Balance</u>
Region I Central				
Allocation District 1	24-81-1-560	\$2,287,418	170,000	2,117,418
Allocation District 4 (South)	24-81-1-561	1,145,543	860,000	285,543
Allocation District 5 (South)	24-81-1-562	60,914	-0-	60,914
	Region Total	\$3,493,875	1,030,000	2,463,875
Region II Northern				
Allocation District 2	24-81-2-632	\$1,652,336	414,246	1,238,090
Allocation District 4 (North)	24-81-2-633	887,593	275,000	612,593
Allocation District 5 (North)	24-81-2-634	256,032	56,520	199,512
	Region Total	\$2,795,961	745,766	2,050,195
Region III Southeastern	24-81-3-430	\$ 710,164	427,163	283,001
	Region Total	\$ 710,164	427,163	283,001
	Statewide Total	\$7,000,000	2,202,929	4,797,071

Attachment

CK/lta

COMMITTEE SUBSTITUTE FOR HOUSE BILL 558 (TRANSPORTATION)

- Section 1. creates allocation districts by simply saying that they are identical to DOT's operating regions.
- provides mechanism to address the problem of local governments which lie within 2 allocation districts; includes the local government within allocation district in which largest portion of the local government's land is located.
- Section 2. deletes reference .IVE allocations.
- Section 3. deletes first class cities from direct allocation. The need for this change is to provide first-class with adequate funds to construct local service roads. Presently, the law treats allocation of funds to first-class cities the same as home rule cities. Present allocations for most first class cities are not adequate to construct local service road project. This change in the law allows funding of projects for first class cities through their respective borough or unorganized borough on a priority basis.
- Section 4. deletes first class cities from direct allocation.
- Section 5. allows the use of program money on the federal-aid secondary highway system.
- Section 6. adds language to include second class cities to conform with the definition of municipality in AS 29.78.010(8). Necessary to enable political subdivision of the State to construct and maintain a project under the provisions of this act.
- adds language to the definition of local service roads to include an average daily traffic count of 400 vehicles in order to give alleviate the problem of LSR&T funds to be used on major urban roads.

HB 558
Staff
File in bills
passed out of
committee - top
drawer

January 18, 1984

DRAFT

Under the authority of art. III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the local roads and trails program. The bill makes minor amendments to existing statutes.

Section 1 repeals and reenacts AS 19.30.127. The current language establishes five allocation districts. The proposed language creates allocation districts by simply saying that they are identical to the Department of Transportation and Public Facilities' operating regions. When the local service roads and trails program was enacted in 1971 there were five highway districts within the Department of Highways. The allocation districts established in the statute coincided with those highway districts. Those allocation districts bear little relationship to the manner in which the State's highway program is administered today. There are currently three regional offices with headquarters in Anchorage, Fairbanks, and Juneau, respectively. This amendment will allow the program to be administered in a way that is consistent with the Department of Transportation and Public Facilities' current administrative structure. The amendment will enable the allocation districts to match any future changes in geographic organization of the Department.

Additionally, Section 1 of the bill provides a mechanism to address the problem of local governments which lie within two allocation districts. Subsection (b) of AS 19.30.127 will provide that the boundary between the allocation districts is to be adjusted to include the local government within the allocation district in which the largest portion of the local government's land is located.

Section 2 amends AS 19.30.131(a) by deleting the reference to five allocation districts. This amendment is necessary because of the new method of establishing the allocation districts found in Section 1 of the bill.

Section 3 amends AS 19.30.131(e) by deleting first class cities from direct allocations.

The need for this change is to provide first-class cities with adequate funds to construct local service roads. Presently, the law treats allocation of funds to first-class cities the same as home rule cities. Present allocations for most first class cities are not adequate to construct a local service road project. This change in the law allows funding of projects for first class cities through their respective borough or unorganized borough on a priority basis.

Section 4 amends AS 19.30.141 by deleting first class cities from direct allocations as explained in Section 3.

Section 5 amends AS 19.30.161 by adding language requiring the prior approval of design standards, rights-of-way, and widths for projects which are constructed on a federal-aid secondary route, even though the project will be constructed by a local government that has assumed road powers. As a general proposition under the local service roads and trails program, if a local government has assumed road powers it is responsible for the maintenance of the facility after construction. Consequently, the state has little concern over the standards. In 1981, the nature of the program changed when AS 19.30.111 was amended to allow the use of program money on the federal-aid secondary highway system. These

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facilities can be quite complicated and the state is required to comply with various standards to continue to receive federal aid for the route. It is therefore appropriate that the commissioner of DOT&PF have a right of prior approval of design standards, rights-of-way, and width.

Add Section 6 : is AS 19.30.241(3) by adding language which includes second class cities to conform with the definition of municipality in AS 29.78.010(8). This change is necessary to enable any political subdivision of the State to construct and maintain a project under the provisions of this act.

Sincerely,

Bill Sheffield

Governor

1984 LEGISLATIVE PROPOSAL REVISED JANUARY 18, 1984

(Submitted by: Standards and Technical Services)

LOCAL SERVICE ROADS & TRAILS (LSR&T) Additional legislation required:

AS 19.30.131(c) and AS 19.30.141 are reworded to delete first class cities from direct allocations.

"Remove first class cities from direct allocations"

The need for this change is to provide first-class cities with adequate funds to construct local service roads. Presently, the law treats allocation of funds to first-class cities the same as home rule cities. Present allocations for most first class cities are not adequate to construct a local service road project. This change in the law allows funding of projects for first class cities through their respective borough or unorganized borough on a priority basis.

Prior to the 1981 change in the LSR&T Act, first class cities were treated as follows:

Organized Boroughs (Local Government Administration)

First-class cities within the boundary of an organized borough which submitted proposed projects to the borough to utilize LSR&T funds were prioritized along with requests from other communities, including second-class cities.

Prioritizing projects was at the discretion of the local government involved and usually consisted of the following criteria:

1. Need
2. Involvement of a L.I.D. (Local Improvement District)
3. Viability
4. Fundability (Transportation oriented)
5. Number of past LSR&T projects
6. Amount of LSR&T funds used on past projects.

Unorganized Boroughs (DOT&PF Administration)

First-class cities within the boundary of an unorganized borough submitted proposed projects to the Regional Manager for the LSR&T Program to be included in the Annual Program Document.

These projects were reviewed and prioritized along with requests from other communities, including second-class cities utilizing the following factors:

1. Number of past projects constructed with LSR&T funds.

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2. Amount of dollars funded for LSR&T projects in the past.
3. Year of last project funded for that community.
4. Local participation in funding of project.
5. Availability of local equipment.
6. Availability of local labor.
7. Location of LSR equipment.
8. Availability of DOT&PF equipment fleet.
9. Possibility of DOT&PF contract to construct project.
10. Whether project is on the connected road system.
11. Availability of a contractor at the site of the project during the proposed time of construction.