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STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-2000

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 16, 1984

SUBJECT: Commercial Air Carriers
(SB 548)

TO: Senator Pappy Moss
Chairman
Senate Transportation Committee

FROM: Tamara Brandt Cook *TBC*
Deputy Director
Division of Legal Services

Here is the section by section analysis of SB 548 that you requested.

Section 02.06.010 The Aviation Safety Commission is established. The seven members are appointed by the governor and confirmed by the legislature in joint session. They are state residents and no more than two may be from the same judicial district. One member must have at least 10 years aviation management experience in the state, one must have aviation safety inspection and enforcement experience, and one member shall be a public member. Members serve staggered terms of three years.

Section 02.06.020 Four members of the commission constitute a quorum and four affirmative votes are required for action.

Section 02.06.030 Members of the commission serve without compensation but receive per diem and travel expenses.

Section 02.06.040 A vacancy is filled by appointment by the governor and the appointment must be confirmed by the legislature. A vacancy does not impair the authority of a quorum of members to act.

Section 02.06.050 The commission shall elect a chairman and may elect other officers.

Section 02.06.060 The chairman shall call meetings at least twice each year.

Section 02.06.070 The commission must adopt regulations in accordance with the Administrative Procedure Act establishing safety requirements applicable to air carriers and ensuring that air carriers obtain and maintain adequate levels of liability insurance to protect persons using their services.

Section 02.06.100 An air carrier operating air transportation services in support of other business activities must obtain a limited air taxi certificate. Air transportation on demand service may be offered only from bases of operation named on the certificate and the carrier may engage in on demand service for a number of air hours each year that is equal to or less than 50 percent of the number of air hours performed in support of other activities. To obtain a limited air taxi certificate certain itemized information must be supplied to the commission.

Section 02.06.110 An air carrier providing only air transportation on demand service must obtain an air taxi certificate. The carrier may provide services anywhere in the state. To obtain an air taxi certificate certain itemized information must be supplied to the commission.

Section 02.06.120 An air carrier providing scheduled air transportation service must obtain a scheduled air carrier certificate. The carrier may also provide on demand service. To obtain a scheduled air carrier certificate certain itemized information must be supplied to the commission.

Section 02.06.130 The commission may issue a certificate with operations conditioned on filing omitted information if an air carrier provides all information required except a copy of its Federal Aviation Administration Air Carrier Operating Certificate or a copy of its liability insurance.

Section 02.06.140 The commission shall publish public notice of the receipt of an application for an air carrier certificate. If the commission determines that the application is complete and accurate and the applicant qualifies for certification, and if no objections are made to the application, the certificate is issued 45 days after the public notice of the application. If the commission determines that the application is incomplete or incorrect or the

applicant does not qualify for certification, or if an objection to the application is filed, the commission must give the applicant an opportunity to respond. Within 30 days after the response the commission shall issue or deny the certificate. An applicant whose air carrier certificate is denied may apply for another one.

Section 02.06.150 An aircraft used by an air carrier must be certified. Upon receipt of a copy of a current liability insurance policy covering the aircraft, the commission shall issue a certificate. The certificate must be displayed so that it is visible to boarding passengers.

Section 02.06.160 By January 31 of each year an air carrier certified under this chapter must file a report with the commission updating certain information supplied on the original application and providing information concerning the number of air hours of service provided during the previous year.

Section 02.06.170 An air carrier may give the commission notice of voluntary suspension of air transportation services and the commission shall automatically suspend the certificate for the period of time indicated in the notice, which may not exceed 12 months. An air carrier certificate automatically lapses if an air taxi or scheduled air carrier does not provide services for compensation for 12 consecutive months or if a limited air taxi does not provide services for compensation for 21 consecutive months.

Section 02.06.200 A complaint against an air carrier may be filed with the commission within 90 days after an alleged violation of state or federal law or regulation. The complainant shall supply certain information. The commission reviews each complaint and if the commission determines that a violation may have occurred, it shall request investigation of the complaint by the Department of Public Safety.

Section 02.06.210 After conducting an investigation on a complaint the Department of Public Safety shall provide a report of its finds to the commission.

Section 02.06.220 Upon receipt of the report on a complaint, the commission may refer the complaint to the Department of Law or conduct a disciplinary hearing itself.

Section 02.06.230 The commission may censure an air carrier or revoke or suspend the certificate if the board finds that the air carrier violated this chapter or a regulation adopted under it or a federal law or regulation dealing with aviation safety. The commission must immediately suspend the certificate of an air carrier if the air carrier does not have in force liability insurance, the air carrier's Federal Aviation Administration Air Carrier Operating Certificate is suspended, or the air carrier has failed to file its annual report. The commission must permanently revoke a certificate if the air carrier has not obtained liability insurance within 60 days after its insurance lapses, the air carrier's Federal Aviation Administration Air Carrier Operating Certificate is revoked or terminated, or the air carrier has failed to file its annual report within 60 days after it was due. Hearings are held under the Administrative Procedure Act.

Section 02.06.240 A person may not provide air transportation services for compensation unless the person is certified, and violation is a class A misdemeanor.

Section 02.06.250 The commission may seek an injunction to stop or prevent a person from violating this chapter.

Section 02.06.500 "Commission" is defined to mean the Aviation Safety Commission.

* Section 2 Within 30 days after the effective date of this Act the governor is required to submit names of initial members of the commission to the legislature. Some initial members serve short terms so that terms will be staggered.

* Section 3 An air carrier with a limited air operator or contract carrier certificate on the effective date of this Act issued by the ATC may apply for a limited air taxi certificate under this chapter. An air carrier with an air taxi operator or contract carrier certificate on the effective date of this Act issued by the ATC that is not limited may apply for an air taxi certificate under this chapter. An air carrier with a scheduled air carrier certificate on the effective date of this Act issued by the ATC or the Civil Aeronautics Board may apply for a scheduled air carrier certificate under this chapter.

* Section 4 The chapter dealing with certification by the ATC is repealed.

Senator Pappy Moss
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* Section 5 The Act takes effect at the beginning of the
next fiscal year.

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