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STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY  
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May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

House Transportation Committee,	3/28/85,	7:00 am
" " "	4/2/85,	7:00 am
" " "	4/4/85,	7:00 am
" " "	4/10/85,	7:00 am
" " "	2/12/85,	7:00 am

COMMITTEE REPORT  
HOUSE

4/24  
4/12  
HEALTH, EDUCATION  
AND SOCIAL SERVICES  
FINANCE

(7)

FURTHER: FINANCE

4/11/85

Date: \_\_\_\_\_

The Committee on TRANSPORTATION has had HB 364

"An Act relating to commercial motor vehicle licensing and safety inspections; 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 364 (TRSP)  same title
- new title
- and recommends it does pass
- AND attaches a "Letter of Intent"  New Fiscal Note Sup 55
- Zero Fiscal Note Attached
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

\_\_\_\_\_  
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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
CHAIRMAN

MARCO

THIS SAFETY INSPECTION PROGRAM IS SIMILAR TO THAT WHICH YOU ADDRESSED IN HB 133 BEFORE SPLITTING THE AIR CARRIERS FROM THE MOTOR CARRIERS.

THE PURPOSE OF THIS CHAPTER IS TO PUT THE INSPECTION OF VEHICLES IN THE PRIVATE SECTOR. THE DEPARTMENT OF SAFETY WOULD HAVE AUTHORITY TO CERTIFY THE INSPECTORS AND INSPECTION STATIONS AND BE GIVEN THE RESPONSIBILITY OF OVERSIGHT OF THE PROGRAM. THE ACTUAL INSPECTIONS WOULD BE DONE IN THE PRIVATE SECTOR.

ALTHOUGH YOU HAVE BEEN PROVIDED WITH A SECTIONAL ANALYSIS, I WOULD LIKE TO ADDRESS THE BILL ITSELF AND RELAY THE INTENT OF THE TRANSPORTATION COMMITTEE AND HOW WE CAME UP WITH SOME OF THE LANGUAGE IN THIS BILL.

SECTION 1 ALLOWS THE DIVISION OF MOTOR VEHICLE TO REFUSE THE RIGHT TO ISSUE VEHICLE REGISTRATION IF THE VEHICLE DOES NOT HAVE A

CURRENT CERTIFICATE OF INSPECTION. THIS IS ONE OF THE MOST IMPORTANT PARTS OF THE BILL SIMPLY BECAUSE IT JUST FLAT SAYS, IF YOU HAVEN'T HAD YOUR VEHICLE INSPECTED THEN YOU DON'T GET THE REGISTRATION AND WITHOUT THE REGISTRATION YOU DON'T DRIVE IT.

SECTION 2 PROVIDES A NEW CLASSIFICATION FOR A PERSON TO DRIVE A COMMERCIAL MOTOR VEHICLE. TO QUALIFY, AN APPLICANT MUST BE AT LEAST 21 YEARS OF AGE, HAVE HELD A VALID DRIVER'S LICENSE AT LEAST ONE YEAR, AND SATISFY THE DEPARTMENT'S STANDARDS FOR COMPETENCE AND FITNESS. WE DISCUSSED PUTTING INTO THE BILL THE STANDARDS FOR THE LICENSE, BUT DECIDED TO LEAVE THE SPECIFICS OF THAT TO THE DEPARTMENT IN THEIR REGULATION PROCESS. WE DID VOICE AT THE MEETINGS THAT WE EXPECT THEM TO HAVE QUALIFIED PERSONNEL GIVING THE EXAM AND THE DRIVING TEST MUST BE IN THE APPROPRIATE CLASS OF VEHICLE. FOR EXAMPLE IF THE OPERATOR IS BEING LICENSED TO DRIVE A TRACTOR OR A SEMI-TRAILER, HE SHOULD DEMONSTRATE THAT CAPABILITY ON THE ROAD TO A TESTER WITHIN THE DEPARTMENT.

WE ALSO PROVIDED FOR A GRANDFATHER CLAUSE TO INCORPORATE THE 19  
YEAR OLDS THAT PRESENTLY ARE PERMITTED TO DRIVE A COMMERCIAL MOTOR  
VEHICLE. THIS IS COVERED UNDER SECTION 4 AFTER THE DEFINITIONS  
SECTION.

SECTION 3 IS THE NEW CHAPTER WHICH ADDRESSES THE SAFETY INSPECTION  
PROGRAM.

SINCE YOU ARE FAMILIAR WITH THIS SECTION OF THE BILL I WILL BRIEFLY  
OUTLINE THE DIFFERENCES BETWEEN HB 133 (TRSP) AND THE BILL BEFORE  
YOU NOW.

UNDER SECTION 28.32.010 OF HOUSE BILL 364 TITLED "COMMERCIAL MOTOR  
VEHICLE SAFETY INSPECTIONS. THE TRANSPORTATION COMMITTEE HAS THE  
RENEWAL OF THE CERTIFICATE OF INSPECTION "AT LEAST SEMI-ANNUALLY"  
AS OPPOSED TO ONCE A YEAR.

THIS CHANGE HAS BEEN SUPPORTED BY THE ADMINISTRATION AND THE TRUCKING INDUSTRY.

WE ALSO PROVIDED IN THAT SAME SECTION, "THE OWNER MAY RENEW A CERTIFICATE OF INSPECTION AT ANY TIME DURING THE OFFICE HOUR OF THE INSPECTION STATION"

AS YOUR ANALYSIS NOTES, THIS WAS INSERTED SO THE INSPECTIONS WOULD BE DONE AT THE DISCRETION OF THE OPERATOR AND NOT SCHEDULED BY THE DEPARTMENT.

SECTION 28.32 020 ADDRESSING "EXEMPTIONS" WAS CHANGED TO EXEMPT FEDERAL GOVERNMENT VEHICLES, UNLESS THE VEHICLES IS USED TO TRANSPORT PROPERTY OF THE GENERAL PUBLIC FOR COMPENSATION IN COMPETITION WITH OTHER PERSONS...

THIS WOULD INCLUDE SUCH BUSINESSES AS FEDERAL EXPRESS, PARCEL POST, ETC.

SECTION 28.32.030 TITLED OFFICIAL COMMERCIAL MOTOR VEHICLE INSPECTION STATIONS, WE HAVE AGAIN INCLUDED LANGUAGE RELATING TO "DURING BUSINESS HOURS" WHICH THIS TIME ADDRESSES WHEN THE DEPARTMENT MAY ENTER THE INSPECTION STATION TO INSPECT IT TO SEE THAT THE REQUIREMENTS ARE BEING MET.

BOTH IN THIS SECTION AND IN THE SECTION DEALING WITH THE CERTIFICATION OF COMMERCIAL MOTOR VEHICLE INSPECTORS, WE HAVE CHANGED THE LANGUAGE DEALING WITH THE APPEAL PROCESS SHOULD AN INSPECTION STATION OR INSPECTOR HAVE A PERMIT SUSPENDED OR REVOKED.

WE SAID THAT THE PERMIT HOLDER HAS 30 DAYS AFTER SUSPENSION OR REVOCATION TO FILE A WRITTEN REQUEST WITH THE DEPARTMENT FOR A HEARING AND THE DEPARTMENT HAS 10 DAYS TO HOLD A HEARING.

OUR INTENT WAS TO GIVE THE INSPECTOR TIME TO GET HIS REQUEST TO THE DEPARTMENT FOR A HEARING, BUT WE WANTED THE DEPARTMENT TO BE

LIMITED IN THE AMOUNT OF TIME IT MUST HOLD A HEARING. IN PREVIOUS BILLS, THAT PROCESS WAS REVERSED.

THE SECTION ON DEFINITIONS HAS BEEN CHANGED SUBSTANTIALLY AFTER A GREAT DEAL OF DISCUSSION AND SUBCOMMITTEE WORK.

THE DEFINITION FOR "COMMERCIAL MOTOR VEHICLE" WAS WRITTEN WITH THE INTENT TO ADDRESS THOSE VEHICLES WHICH OPERATE ON THE STATE'S ROADS; INCLUDING SCHOOL BUSES, STATE OR LOCAL GOVERNMENT VEHICLES AND TRAILERS 5000 POUNDS OR MORE UNLADEN GROSS WEIGHT WHEN CONNECTED TO A POWER UNIT.

OUR PURPOSE OF THIS DEFINITION WAS TO REACH THOSE VEHICLES WHICH MUST BE INSPECTED. WE DIDN'T FEEL THAT STATE OR LOCAL VEHICLES SHOULD BE EXEMPT, NOR SHOULD A BUS.

AFTER DISCUSSION ON THE TRAILERS, IT WAS BROUGHT OUT THAT THE TRAILERS THAT SHOULD BE INCLUDED ARE THOSE WHICH ARE 5000 POUNDS OR

MORE, YOUR FLATBED TRAILERS THAT ARE USED IN LONG-HAUL OR LOCAL CARTAGE AND ARE A PART OF THE BRAKING SYSTEM,

THE COMMITTEE ALSO FELT IT WAS NECESSARY TO DEFINE "COMMERCIAL PURPOSES" OF WHICH THE LANGUAGE WAS TAKEN FROM ONE OF THE SENATE TRANSPORTATION COMMITTEE MEETINGS. UNFORTUNATELY, IT WAS AMENDED TO THE POINT WHERE WE FELT IT DEFEATED THE PURPOSE. OUR PURPOSE IS SAFETY, AND IF YOU DRIVE A VEHICLE OF 10,000 POUNDS OR MORE UNLADEN GROSS WEIGHT, WHETHER YOU'RE IN BUSINESS DIRECTLY OR INDIRECTLY, IT SHOULD BE INSPECTED FOR SAFETY.

THUS, THE DEFINITION FOR "COMMERCIAL PURPOSES"

OBVIOUSLY "DEPARTMENT" IS NOW DEFINED AS PUBLIC SAFETY NOT COMMERCE

AND FINALLY, OUR LAST CHANGE WAS IN THE DEFINITION OF "FREIGHT".

WE HAVE BEEN ASSURED THAT GRAVEL AND DUMP TRUCKS ARE COVERED UNDER

THIS DEFINITION. PLUS, WE HAVE DELETED [EXCLUDING GARBAGE AND  
TRASH] AS WE WANT THEM INSPECTED ALSO.

MARCO - YOU'RE ON YOUR OWN FOR AN ENDING.

MAY 02 1985

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ML ANCHORAGE AK 99504-00 403P 7ST  
PKS

PERLETTE CATZ

JUNEAU

RE: SOS-CSHB 133 - COMMERCIAL MOTOR VEHICLE LICENSING/INSPECTION  
WE, IN FOR-HIRE TRUCK TRANSPORTATION BUSINESS, ARE VIOLENTLY  
OPPOSED TO DISCRIMINATORY RE-REGULATION OF COMMON CARRIER  
TRUCKING INDUSTRY IN QUISE OF LICENSING AND SAFETY INSPECTIONS.  
WE AREN'T NECESSARILY OPPOSED TO HAVING TRUCK INSPECTION AND  
LICENSING REGULATIONS IF THEY APPLY TO ALL COMMERCIAL TRUCKS.  
WE DO OPPOSE NO MATTER TIME AND EXPENSE OF THESE INSPECTIONS IF THEY ARE  
AIMED ONLY AT THE SAFEST EQUIPMENT; NAMELY, THE COMMON  
CARRIER. THE RESULT OF SCS-CSHB 133 IS THAT, IN THE NAME OF SAFETY,  
ONLY THE SAFEST TRUCKS ARE INCLUDED IN INSPECTION AND LICENSING  
PROGRAM. CONTRACTORS, PRIVATE CARRIERS, FARMERS, GRAVEL TRUCKERS,  
ETC., ARE EXCLUDED FROM PROPOSED BILL EVEN THOUGH THEY CONSTITUTE  
A GROUP WITH A MUCH BETTER SAFETY RECORD THAN FOR-HIRE TRUCKERS.  
IT WOULD BE ABSOLUTELY NO GOOD TO SUBJECT FOR-HIRE TRUCKERS TO

PAGE 2

THE HASSLE AND EXPENSE OF INSPECTIONS WHILE AT SAME TIME EXCLUDING  
THE WORST OFFENDERS WHO ARE HAVING THE MOST ACCIDENTS. THIS BILL IS  
EQUIVALENT TO PASSING HUNTING LAWS WHICH APPLY TO ONLY NON-HUNTERS.  
WE TRUST THAT YOU WILL EITHER KILL SOS-CSHB 133 OR HAVE IT APPLY  
EQUALLY TO ALL TRUCKS.

SINCERELY YOURS,

JIM JARLEN, PRESIDENT  
LYNDEN INCORPORATED

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

1/29/85

Date FEBRUARY 20, 1985

Mr. President

The Committee on TRANSPORTATION considered SB 103

providing authority for the Department of Public Safety to regulate safety of motor carrier and air carrier operation; 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 SB 103 (TRANSPORTATION)
- new title
- same title and recommends DO PASS
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*[Signature]*  
Paul A. Griffin

MEMBERS HAVING  
OTHER RECOMMENDATIONS

*[Signature]* No Rec

*[Signature]*  
Chairman  
DO PASS  
Chairman recommendation

# Alaska State Legislature

SENATOR  
JOHN B. "JACK" COGHILL  
Chairman

Senator Jan Faiks—Vice Chairman  
Senator Mitch Abood  
Senator Paul Fischer  
Senator Joe Josephson



POUCHY  
JUNEAU, ALASKA 99811  
(907) 465-4921

## Senate Committee on Transportation

LETTER OF INTENT

To Accompany CSSB 103 (Trans)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine 1.) the effects of deregulation on air transportation service to the bush, and what measures, if any, the Legislature ought to address to ensure a minimally acceptable level of service to those areas of the state; 2.) the effects of early phase-out of the 406 Essential Air Service subsidies by the federal government on air service to rural Alaska; 3.) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program; and 4.) the efficiency and effectiveness with which the Department of Commerce and Economic Development has established a motor vehicle safety inspection program. The results of this study shall be reported to the Second Session of the Fourteenth Alaska Legislature not later than the tenth day after it convenes.

SENATE COMMITTEE ON TRANSPORTATION

A large, stylized handwritten signature in black ink, appearing to read "John B. Coghill".

Senator John B. Coghill, Chairman

## SECTIONAL ANALYSIS

FOR

### CSSB 103 (Transportation)

Section 1 amends the financial responsibility language of the initiative to include anyone carrying freight "for commercial purposes", and sets minimum insurance levels at \$200,000 for property damage; \$500,000 for bodily injury or death for motor vehicles; and \$300,000 per seat for bodily injury or death for aircraft. The section then changes "enforcement officers" to "department personnel", and allows the department to adopt procedural regulations.

Section 2 adds language to the financial responsibility section to require 30 days notice of cancellation of a policy (but exempts currently-effective policies which may not say this); sets a minimum fine of \$500 for violation of this section; and applies the section to only certain size vehicles and certain kinds of aircraft.

Section 3 establishes a certificate of compliance program for aircraft used in air commerce. A certificate would be renewed annually with a fee of \$50, and would be issued by the department if the applicant showed proof of financial responsibility and compliance with FAA requirements.

The section further requires the certificate to be displayed for boarding passengers to read, requires interstate carriers to obtain the certificate for aircraft used intrastate, and would allow the suspension or revocation of the certificate if the plane was used in commerce before the certificate was obtained. Finally, ATC-authorized carriers are "grandfathered in" until the renewal dates on their insurance policies, in order to spread the paperwork out over the year.

Section 3 then establishes a motor vehicle inspection program in Commerce. Subsection .300 would require two inspections a year, and a vehicle registration could be denied if the inspection has not been done. The commissioner is allowed to adopt regulations to implement the section, and to achieve reciprocity with the other western states.

Subsection .310 exempts U.S. government vehicles.

Subsection .320 describes how official inspection stations will be permitted by the State - if properly equipped, and with a certified inspector on staff. It allows the department to inspect a vehicle or enter an official inspection station to check on the work of an inspector. It allows the department to suspend or revoke a permit, and allows for action by the permit-holder in such case.

Subsection .330 establishes a system for certifying vehicle inspectors, allows for suspension of certification, and a process of

appeal of suspension.

Subsection .340 directs an inspector to issue a certificate of inspection if the vehicle is found to be unsafe, and to keep a record of inspections, auditable by the department.

Subsection .350 prohibits falsely representing to be an inspection station, or issuing certificates of inspection without a permit.

Subsection .360 prohibits the making or use of counterfeit certificates of inspection, or using a certificate of inspection on an unqualified vehicle.

Subsection .370 makes violation of the section a class B misdemeanor.

Subsection .380 provides definitions of "air carrier", "air commerce", "aircraft", "commercial purposes", "department", "freight", and "motor vehicle".

Section 4 provides a later effective date of July 1, 1985 for the requirement in Section 1 that aircraft operators have \$300,000 per seat insurance. This will allow some of those operators to phase in from \$100,000 to the new minimum.

Section 5 adds implementation of the financial responsibility requirements to the duties of the commissioner.

Section 6 provides an immediate effective date.

## ANALYSIS OF SB-103

### I. Background to SB-103

Public initiative #3 not only abolished the ATC, it also enacted a statute which authorized the Dept. of Public Safety to establish and enforce financial responsibility requirements for public carriers. (See AS 42.32.200 in Text of Initiative) According to the Alaska Constitution, a public initiative can be amended by the Legislature.

Thus, based upon this authority and the ability to amend, the Governor has introduced a bill which not only requires financial responsibility of carriers, but goes further to establish a method of registering the truck and airline companies. The legislative counsel has analyzed SB-103 and opinioned that it does not violate this section of the Constitution. (See Counsel's Opinion) Nevertheless, this bill has been attacked as being contrary to the letter and spirit of the initiative. (See Libertarian Objections)

### II. Effect of SB-103

SB-103 has the following features: (references are to sections of bill)

#### A. Applicability

The law applies to all commercial aircraft and to all commercial vehicles weighing over 5,000 gross tons except for government vehicles, vehicles which transports only mail, newspapers, periodicals, or small packages, school buses, other buses which carry less than sixteen passengers, and farm vehicles. (.195, .197)

#### B. Financial Responsibility & Identification

The Department of Public Safety (DPS) will establish by regulation the amount of insurance required of each commercial plane or vehicle operator. No insurance can be cancelled without first giving DPS 30 days notice. (amendments to .200)

The Alaska Air Carriers Association (AACA), however, recommends that a minimum of \$250,000 per seat of liability insurance be required of air carriers and that this amount be set by statute. (See Carrier's Opinion)

In addition to insurance, DPS by regulation may require carriers to post security bonds and shall require identification markings on all vehicles and planes. (.205, .210)

Analysis (Original Bill)

## C. Registration of Carriers

The Governor claims that these requirements will not, as did the ATC, economically regulate entry into air or motor commerce.

### 1. Intrastate Motor Carriers

Annual registration will be given to carriers who show proof of insurance, proof of bonding if required, payment of fees, and proof of compliance with applicable safety regulations. Safety compliance will be determined by mandatory inspections conducted every six months by non-uniformed DPS personnel. (.215)

### 2. Interstate Motor Carriers

Annual registration will be given to interstate carriers who show proof of ICC operating authority, proof of bonding if required, payment of fees, and proof of compliance with applicable state safety regulations. (Proof of insurance is already required for ICC authority.) (.220)

### 3. Air Carriers

Annual registration will be given to air carriers who show proof of insurance, proof of bonding if required, compliance with state and federal safety regulations. These carriers must also register each aircraft annually and pay an annual aircraft registration fee for each. (.225)

The AACA believes that the Department of Commerce, rather than DPS, would be better suited to handle air carrier registration.

## D. Enforcement & Penalties

### 1. Administrative suspension of carrier's registration

A carrier's registration may be summarily suspended (i.e. before he is afforded a hearing) if he operates his vehicle or plane without required insurance, bonding, or aircraft registration. It may be suspended after a hearing if the carrier has misrepresented his registration application, failed to pay fees, or failed to comply with other regulations. (.240)

### 2. Judicial enforcement

DPS may issue citations for violations of the law, and the state superior court may render misdemeanor convictions (fine up to \$500) or civil penalties (up to \$1000). The law also provides that vehicles and aircraft used by violators may be seized and forfeited to the state. (.245, .255)

### III. Fiscal Implications of Bill

DPS projects that it will cost a total of \$1,633,100 over the next five years to add the six employees and equipment needed for permitting, certification, bonding and insurance. Vehicle safety inspections may require additional funds. Some of the DPS positions and equipment are expected to be transferred from the ATC component so the net cost to the state will not be as high as the fiscal note suggests.

**FULL TEXT OF INITIATIVE**  
**Initiative No. 83-02**

For an Act entitled: "An Act terminating the Alaska Transportation Commission and repealing transportation laws administered by the commission; requiring persons who carry passengers or freight for hire to hold insurance or other security; and requiring the governor to lobby Congress for the repeal of the federal Jones Act."

**BE IT ENACTED BY THE PEOPLE OF THE STATE OF ALASKA:**

\* Section 1. **STATEMENT OF PURPOSE.** The people of Alaska recognize that

- (1) because of Alaska's great size and distance from markets, Alaskans must have access to efficient low-cost transportation in order for people and goods to move safely inside and outside the state;
- (2) a little-known but powerful state regulatory agency, the Alaska Transportation Commission (ATC), creates motor and air carrier monopolies by legalized price fixing and tariffs, which artificially raises shipping rates and makes consumer goods more expensive for all Alaskans;
- (3) the primary purpose of the ATC is to fix rates, not promote safety, and other government agencies can insure safety standards while allowing persons to contract freely for services;
- (4) abolishing the ATC and its anti-competitive practices will subject air carriers and trucking companies to free market competition, thereby reducing freight rates, improving service, and saving Alaskan consumers millions of dollars each year;
- (5) a federal law, known as the Jones Act, requires that ships bound for Alaska from other American ports must be built and registered in the United States and staffed with American crews, thereby granting such ships an unfair monopoly and protecting them from free market competition, which costs Alaskan consumers millions of dollars each year;
- (6) the Jones Act should be repealed, and the governor should use all appropriate means to persuade Congress to do so.

\* Section 2. AS 29.48 is amended by adding a new section to read:

**Sec. 29.48.036. REGULATION OF TRANSPORTATION CARRIERS.**

Notwithstanding AS 29.48.035(a), a municipality may not regulate an activity regarding transportation of passengers or freight for hire if the regulation conflicts with the regulation of that activity by the Alaska Transportation Commission as the regulation existed on April 1, 1983 under former AS 02.05, AS 42.07, or AS 42.10.

\* Section 3. AS 42.30 is amended by adding a new section to read:

**ARTICLE 5. RESPONSIBILITIES OF MOTOR AND AIR CARRIERS.**

**Sec. 42.30.200. FINANCIAL RESPONSIBILITY.**

(a) A person who carries passengers or freight for hire intrastate shall procure and maintain security in an amount determined by the Department of Public Safety as necessary for the reasonable protection of the public against damages or injury caused by the person.

(b) Evidence of security required under (a) of this section shall be filed with the department and must be

- (1) a policy or certificate of insurance issued by an insurer acceptable to the department; or
- (2) a bond of a surety company licensed to write surety bonds in the state; or
- (3) evidence accepted by the department, showing ability to self-insure; or
- (4) other security approved by the department.

(c) The department may authorize enforcement officers to enforce this section.

\* Section 4. AS 44.19 is amended by adding a new section to article 1 to read:

**Sec. 44.19.035. JONES ACT REPEAL.** The governor shall use best efforts and all appropriate means to persuade the United States Congress to repeal 46 U.S.C. secs. 861, et seq., known as the Jones Act. Until that Act is repealed, the governor shall publish an annual report documenting the harmful effects of the Act on Alaska commerce, and progress made towards its repeal. The report shall be submitted to the legislature no later than its convening each year.

\* Section 5. If any provision of this Act is held invalid, the remaining provisions of this Act are severable and remain in effect.

\* Section 6. AS 02.05.; AS 28.10.411(b); AS 39.25.120(c)(7); AS 39.50.200(b)(30), AS 42.07; AS 42.10; and AS 44.66.010(a)(2) are repealed.

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: SB 103  
 Title: An Act . . . to regulate safety of motor carriers . . .  
 Sponsor: Rules Committee  
 Requestor: Governor  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.  
 Program Category Affected: Public Safety  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
 Division of Measurement Standards

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES	128.5	338.5				
200 TRAVEL	10.0	30.0				
300 CONTRACTUAL	55.0	40.8				
400 SUPPLIES	2.5	3.5				
500 EQUIPMENT	15.0	8.0				
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>211.0</b>	<b>420.8</b>				

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	211.0	420.8				
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>211.0</b>	<b>420.8</b>				

POSITIONS:

FULL-TIME	7	7				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached.

Prepared By: Joseph L. Swanson, Director Phone: 345-7750  
 Division: Measurement Standards Date: 2/17/85  
 Approved by Commissioner: Loren H. Lounsbury Date: 2/19/85  
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

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

7/1/84

SB 103  
ANALYSIS

ASSUMPTIONS

This analysis was prepared with the understanding that the intent of the bill was to establish regulations and procedures to:

1. Administer the financial responsibility provisions of AS 42.30.200 - 42.30.225.
2. Administer the motor vehicle safety inspection program to be performed by private industry.

PROGRAM SUMMARY

1. Positions

New Positions:           1 Administrative Officer I  
                              2 Administrative Assistants I  
                              3 Clerk Typists III

Existing Positions:   Convert 5 existing seasonal weigh station operators to permanent full-time employees.

2. Other expenditures

Travel:                   Funds were included to provide for travel for remote locations to verify adherence to the provisions of AS 42.30 and to participate in the annual Commercial Vehicle Safety Alliance (CVSA) conference.

Contractual Services: The listed funds are required to cover the costs for communications, printing forms, certificates of compliance, certificates of inspection, permits to operate, inspection certifications, and regulations and procedures; maintenance of agency equipment, vehicle costs, and equipment rental.

Commodities:           Specified costs are for operating supplies.

Equipment:             Costs are for the acquisition of computer terminals and replacement of existing equipment.

3. The funding projections were based upon the assumption that the following equipment be transferred from the Alaska Transportation Commission:

- Wang word/data processing system with associated work stations and printer.
- telex/telecopier equipment
- typewriters
- file cabinets
- book cases
- vehicles
- desks and chairs
- copy machine

It is essential that this equipment be transferred in order for the program to function effectively for the above stated costs.

FY '85

1. POSITION TITLE ADMINISTRATIVE OFFICER I	STAFF MONTHS 3	RP NUMBER XX	PCN NUMBER M0001
2. TYPE OF POSITION PFT	ADDITIONAL 7		
3. COMPENSATION LEVEL Type of Compensation			
4. FUNDING SOURCE			
5. Salary	8,439		
6. Benefits	985		
7. Supplemental Benefits	517		
8. Fringe Benefits	1,052		
9. TOTAL FUNCTIONAL SERVICES			11.0
10. Travel			10.0
11. Contractual			55.0
12. Commodities			2.5
13. Equipment			15.0
14. Other			
15. TOTAL COST			93.5
16. RECEIPT CODE	FUNDING SOURCE		
	Federal Receipts 1002		
	C. F. Match 1003		
	General Funds 1004		
	I-A Receipts 1005		93.5
	Program Receipts 1028		
	Other		

BRD PRIORITY	UNIC. UNIT	PAGE/LINE	APPROY.	DISC/P.
	LOCATION EBA	ELECTRONIC DISTRICT	CON.	LEG.

**JUSTIFICATION**  
 This position will be responsible for supervising the administrative center of the division which will include the new statewide financial responsibility and safety programs and incorporate the existing permit program for cross-utilization of personnel.

The responsibilities will include drafting recommended procedures, monitoring program activities, analyzing results, developing corrective procedures, and reporting results to the agency head.

The position will be required to assist in the development of the regulations drafted to administer the programs and will supervise their implementation. The implementation will entail establishing and maintaining cooperative working relationship with the regulated industries, other governmental agencies, and our department. The position will also be responsible for developing and maintaining the information necessary to evaluate the results of the programs.

FOR USE ONLY  
 KEY NUMBER

AGENCY Commerce & Economic Development

FY 86

PROGRAM  
 BRU  
 COMPONENT

Page of  
 Revised Date

REQUEST FOR  
 NEW POSITION

FY '85

1. POSITION/TITLE ADMINISTRATIVE ASSISTANT I	STAFF MONTHS 6	RP NUMBER XX	PCH NUMBER 3
2. TYPE OF POSITION PFT	ADDITION / 2		
3. COMPENSATION LEVEL Type of Compensation			
4. PURCHASE SAVINGS			
5. Salary	11,838		
6. Benefits	1,740		
7. Supplemental Benefits	726		
8. Total Benefits	1,476		
9. TOTAL PURCHASE SAVINGS	01		15.8
10. Travel	02		-0-
11. Contractual	03		-0-
12. Contingencies	04		-0-
13. Equipment	05		-0-
14. Other			
15. TOTAL COST			15.8

**JUSTIFICATION**  
 These two positions will function as the working supervisors of the financial responsibility and motor vehicle safety programs. As such, they will ensure adherence to established procedures and will be responsible for monitoring the results produced and collect data and prepare reports for management's use. They will be required to be aware of industry needs and recommend improved procedures to achieve the stated goals and objectives in an efficient and cost effective manner. As the working supervisors, they will be the initial contact person for the regulated industries when problems arise. A great deal of judgment and tact will have to be exercised to achieve the desired results with minimum disruption of the effected agencies.

RECEIPT CODE	FUNDING SOURCE
16. Federal Receipts	1002
17. C.F. Match	1003
18. General Funds	1004
19. I-A Receipts	1005
20. Program Receipts	1028
21. Other	
	15.8

FOR BEST USE ONLY  
KEY NUMBER

AGENCY Commerce & Economic Development

PROGRAM \_\_\_\_\_

DRU \_\_\_\_\_

COMPONENT \_\_\_\_\_

FY 86

Page \_\_\_\_\_ of \_\_\_\_\_  
 Revised Date \_\_\_\_\_

REQUEST FOR  
NEW POSITION

FY '85

1. POSITION/TITLE CLERK TYPIST III	2. TITLE OF POSITION PFT	3. STAFF MONTHS 12	4. RP NUMBER	5. PCH NUMBER	6. DRG PRIORITY	7. UNIT EBA	8. PAGE/LINE G	9. COY. LEG.	10. APTIDY.	11. DISAPT
<p>JUSTIFICATION            These four positions will be responsible for reviewing and processing the various documents required to administer the financial responsibility and motor vehicle safety programs. The duties will include responding to requests for program requirements information, applications, updating agency records to reflect current status of regulated agencies, and processing program information reports. These personnel will be assisting industry, wherever necessary in complying with the provisions of appropriate statutes and regulations.</p>										
5.	Salary		18,636							
6.	Benefits		3,321							
7.	Supplemental Benefits		1,142							
8.	Fringe Benefits		2,324							
9.	TOTAL FUND. COST. SERVICES			25.4						
10.	Travel			-0-						
11.	Contractual			-0-						
12.	Commodities			-0-						
13.	Equipment			-0-						
14.	Other									
15.	TOTAL COST			25.4						
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts	1002							
18.		C.F. Hatch	1003							
19.		General Funds	1004	25.4						
20.		I-A Receipts	1005							
21.		Program Receipts	1028							
		Other								

FOR BSA USE ONLY  
KEY NUMBER

AGENCY Commerce & Economic Development

FY 86

PROGRAM \_\_\_\_\_  
DRU \_\_\_\_\_  
COMPONENT \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

REQUEST FOR  
NEW POSITION





FY '86

1. POSITION TITLE <b>ADMINISTRATIVE ASSISTANT I</b>	STATE MONTHS 24	RP NUMBER	PER NUMBER
2. TITLE OF POSITION PFT	XX ADDITION		
3. COMPENSATION LEVEL 104 or Equivalent	1		
4. LOCATION	7 2		
5. Salary	49,728		
6. Benefits	7,035		
7. Supplemental Benefits	3,048		
8. Field Benefits	6,201		
9. TOTAL PERSONNEL SERVICES	01		66.0
10. Travel	02		-0-
11. Contractual	03		-0-
12. Commodities	04		-0-
13. Equipment	05		-0-
14. Other			
15. TOTAL COST			66.0

RECEIPT CODE	FUNDING SOURCE
	Federal Receipts 1002
	G.F. Hatch 1003
	General Funds 1004
	I-A Receipts 1005
	Program Receipts 1028
	Other
	66.0

FOR USE ONLY  
KEY NUMBER

**JUSTIFICATION**

These two positions will function as the working supervisors of the financial responsibility and motor vehicle safety programs. As such, they will ensure adherence to established procedures and will be responsible for monitoring the results produced and collect data and prepare reports for management's use. They will be required to be aware of industry needs and recommend improved procedures to achieve the stated goals and objectives in an efficient and cost effective manner. As the working supervisors, they will be the initial contact person for the regulated industries when problems arise. A great deal of judgment and tact will have to be exercised to achieve the desired results with minimum disruption of the effected agencies.

FINANCE STEP 12A	ORG. UNIT 6	PAGE/LINE ELECTION DISTRICT	COY. CC,	APPROV. DISAPP
ORG PRIORITY	LOCATION EDA			

AGENCY Commerce & Economic Development

PROGRAM \_\_\_\_\_

DRU \_\_\_\_\_

COMPONENT \_\_\_\_\_

**FY 86**

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

REQUEST FOR  
NEW POSITION

FY '86

1. POSITION TITLE CLERK TYPIST III	STAFF MONTHS 48	IP NUMBER	PCH NUMBER	UNAC. UNIT 8A	PAGE/LINE 6	COY.	APPROV.	DISAPPR.
2. TITLE OF POSITION PFT	XX	ADDITION		LOCATION EBA	ELECTION DISTRICT	CC.		
3. COMPENSATION LEVEL Rate in Effectuation	1							
4. FUNDING SOURCE	1	7						
5. Salary		78,288						
6. Benefits		13,402						
7. Supplemental Benefits		4,799						
8. Total Estimated Benefits		9,763						
9. Total Estimated Benefits		97,452	106.3					
10. Travel	01		-0-					
11. Contractual	02		-0-					
12. Commodities	03		-0-					
13. Equipment	04		-0-					
14. Other	05		-0-					
15. Total Cost			106.3					
16. RECEIPT CODE	FUNDING SOURCE							
17. Federal Receipts	1002							
18. C.F. Match	1003							
19. General Funds	1004							
20. I-A Receipts	1005							
21. Program Receipts	1028							
22. Other								

**JUSTIFICATION**  
 These four positions will be responsible for reviewing and processing the various documents required to administer the financial responsibility and motor vehicle safety programs. The duties will include responding to requests for program requirements information, applications, updating agency records to reflect current status of regulated agencies, and processing program information reports. These personnel will be assisting industry, wherever necessary in complying with the provisions of appropriate statutes and regulations.

FOR BSA USE ONLY  
 KEY NUMBER

AGENCY Commerce & Economic Development

PROGRAM \_\_\_\_\_

BRU \_\_\_\_\_

COMPONENT \_\_\_\_\_

FY 86

Page \_\_\_\_\_ of \_\_\_\_\_  
 Revised Date \_\_\_\_\_

REQUEST FOR  
 NEW POSITION

11/15/85

1.	POSITION TITLE	STAFF NUMBER	RP NUMBER	PCN NUMBER	MANAGE/STEP	ORG. UNIT	PAGE/LINE	APPROV.	DISBURY
2.	WEIGH STATION OPERATOR I	40			12				
3.	TYPE OF POSITION	XX	ADDITION						
4.	CONTRIBUTION LEVEL								
5.	DATE OF EXPIRATION	7/7							
6.	SALARY	90,699							
7.	BENEFITS	11,547							
8.	SUPPLEMENTAL BENEFITS	5,560							
9.	FIXED BENEFITS	11,722							
10.	TOTAL PERSONNEL SERVICES			119.5					
11.	TRAVEL			-0-					
12.	CONTRACTUAL			-0-					
13.	COMMODITIES			-0-					
14.	EQUIPMENT			-0-					
15.	OTHER								
	TOTAL COST			119.5					
16.	RECEIPT CODE	FUNDING SOURCE			PCN	LOCATION			
17.		Federal Receipts	1002		085074	Fairbanks			
18.		G.F. Hatch	1003		085078	Fairbanks			
19.		General Funds	1004		085079	Sterling			
20.		I-4 Receipts	1005	119.5	085080	Anchorage			
21.		Program Receipts	1020		08-5088	Anchorage			
		Other							

**JUSTIFICATION**  
 This proposal entails changing the status of five existing positions from permanent part-time (seasonal) to permanent full-time.

These seasonal positions are presently authorized for an average of four months each to operate the fixed weigh stations during the spring and summer peak truck traffic periods.

We recommend changing the status of the positions to PFT in FY '85, but not funding the positions until FY '86. This will allow an appropriate amount of time to establish the safety program and initiate the procedures that will generate the workload for these positions.

The inspectors will be located as follows:

- PCN LOCATION
- 085074 Fairbanks
- 085078 Fairbanks
- 085079 Sterling
- 085080 Anchorage
- 08-5088 Anchorage

The inspectors will continue to operate the fixed weigh stations during peak traffic periods and will be used to monitor the motor vehicle safety program through field verification of inspection stations and inspection personnel.

FOR B2'S USE ONLY  
 KEY NUMBER

AGENCY Commerce & Economic Development

PROGRAM \_\_\_\_\_

BRU \_\_\_\_\_

COMPONENT \_\_\_\_\_

FY 86

REQUEST FOR  
 NEW POSITION

Page \_\_\_\_\_ of \_\_\_\_\_  
 Revised Date \_\_\_\_\_

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: SB103  
 Title: "...Public Safety to reg. safety of commerical vehicles..."  
 Sponsor: \_\_\_\_\_  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Public Safety  
 Program Category Affected: Public Protection  
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles - Commercial Vehicle Safety

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
<b>OPERATING</b>						
100 PERSONAL SERVICES		250.0	250.0	250.0	250.0	250.0
200 TRAVEL		3.0	3.2	3.4	3.5	3.8
300 CONTRACTUAL		66.0	53.5	50.5	59.1	62.1
400 SUPPLIES		7.0	7.4	7.8	8.2	8.5
500 EQUIPMENT		30.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>356.0</b>	<b>314.2</b>	<b>317.5</b>	<b>320.9</b>	<b>324.5</b>

--	--	--	--	--	--	--

--	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		356.0	314.2	317.5	320.9	324.5
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>356.0</b>	<b>314.2</b>	<b>317.5</b>	<b>320.9</b>	<b>324.5</b>

POSITIONS:

EXECUTIVE		6.0	6.0	6.0	6.0	6.0
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Marcia Lynn McKenzie  
 Division: Administrative Services

Phone: 465-4349  
 Date: 1/22/85

Approved by Commissioner: Robert J. Sundberg  
 Agency: Public Safety

Date: 1/28/85

Distribution (by Agency preparing fiscal note):

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

**FISCAL NOTE**

7/1/84

## COST ANALYSIS

The following costs are for administration of permitting, certification, bonding and insurance. These costs are in addition to the positions and funding included in the Governor's budget which are for vehicle safety inspections.

Personal Services \$250.0

1	Administrative Support Center Supervisor	Range 14
4	Administrative Support Technicians	Range 12
1	Accounting Technician II	Range 14

It is anticipated that the positions, located in Anchorage, will be transferred from the ATC component, along with needed office equipment (desks, chairs, etc.). Minimal overtime and negotiated one-time compensatory payments are included.

Travel 3.0

Contractual Services 66.0

Telephone, postage, etc.	\$25.0
Printing of applications, forms, advertisements, etc.	8.0
Space Lease	15.0
Maintenance on data/word processing equipment	1.3
Copier costs	3.0
Professional fees (Dept. of Law)	12.0
Risk Management	1.7

Supplies and Materials 7.0

Office and library supplies

Equipment 30.0

Data/word processors

---

TOTAL \$356.0

For FY 87, space lease costs are transferred to the Department of Administration. A five percent annual inflation adjustment is applied beginning in FY 87.

05-12-04-06-00 (00-00-0-00-00-00) STATE OF ALASKA -- COMPONENT BUDGET SUMMARY 17:51 12/21/84

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
 CATEGORY: PUBLIC PROTECTION

PROGRAM: MOTOR VEHICLES  
 SUB-PROGRAM: COMMERCIAL VEHICLE SAFETY

----- F I S C A L Y E A R 1 9 8 5 -----

EXPENDITURES	(12) FY83 ACT	(01) FY84 ACT	(02) FY85 ATH	(03) ADJ BASE	(04) FORMULA	(05) INCREMENT	(06) REQUEST	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) S. C.	(12) BILLS	(13) LEG REC
01 PERS. SERV.				536.4			536.4	536.4					
02 TRAVEL				25.0			25.0	25.0					
03 CONTRACTUAL				100.0			100.0	100.0					
04 COMMODITIES				6.5			6.5	6.5					
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
09 TOTAL EXPEND				667.9			667.9	667.9					
10 I-A TRANSFER				46.5			46.5	46.5					
1004 GEN FUND				667.9			667.9	667.9					
15 FULL TIME				11.0			11.0	11.0					
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS				132.0			132.0	132.0					

06-12-04-05-00 (00-00-0-00-00-00) STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS 17:51 12/21/84

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
 CATEGORY: PUBLIC PROTECTION  
 PROGRAM: MOTOR VEHICLES  
 SUB-PROGRAM: COMMERCIAL VEHICLE SAFETY

OBJECT GROUP	VARIATION	DESCRIPTION
01 PERS. SERV.	536.4 100.0%	GOVERNOR ANALYSIS *****
02 TRAVEL	25.0 100.0%	GOVERNOR (\$667.9) VERSUS FY85 ATH (\$0.0)
03 CONTRACTUAL	100.0 100.0%	TRANSFER FROM THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT (DCEED),
04 COMMODITIES	6.5 100.0%	ALASKA TRANSPORTATION COMMISSION (ATC), FOR THE COMMERCIAL VEHICLE SAFETY PROGRAM \$536.4
** TOTALS	667.9 100.0%	TRANSFER FROM DCEED, ATC, FOR THE COMMERCIAL VEHICLE SAFETY PROGRAM \$25.0. TRANSFER FROM DCEED, ATC, FOR THE COMMERCIAL VEHICLE SAFETY PROGRAM \$100.0. TRANSFER FROM DCEED, ATC, FOR THE COMMERCIAL VEHICLE SAFETY PROGRAM \$6.5.

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
BUREAU ALASKA 99511  
907 465 1800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 31, 1985

SUBJECT: Senate Bill 103 as amending initiative 83-02  
TO: Senator Jack Coghill  
FROM: George W. Edwards *JWE*  
Legislative Counsel

This is in response to your research request concerning the constitutional implications of Senate Bill 103 as an amendment to initiative 83-02 regarding the termination of the Alaska Transportation Commission.

Article XI, section 6 of the Alaska Constitution states that an initiative passed into law may not be repealed by the legislature for two years. It further states that such an initiative may be amended at any time.

This legislative power to amend has been broadly defined by the Alaska supreme court as a check or balance against the initiative process lest the process otherwise result in the frustration of sound government (see Warren v. Boucher 543 P2d 731 (Alaska, 1975) and Warren v. Thomas 568 P2d 400 (Alaska, 1977)). While the amendment process may not be employed by the legislature to so emasculate an initiative as to effectively repeal it, it may legitimately be used to clarify the law or to effectuate the intent of the electorate.

In order to determine the appropriateness of an amendment to an initiative the language and intent of the initiative and the language and effect of the amendment must be considered. If the amendatory language may be interpreted not to vitiate the intent of the initiative, the court is likely to approve the legislature's right to adopt the language.

Initiative 83-02 was concerned with, among other things, abolishing the ATC for the purpose of eliminating legalized price-fixing and tariffs. It proposed that other government

COUNSEL'S OPINION RE:  
SB103 AMENDING INITIATIVE

Senator Jack Coghill  
January 31, 1985  
Page 2

agencies could insure transportation safety standards and that financial responsibility of commercial carriers should be overseen by the Department of Public Safety. Senate bill 103 does not appear to incorporate any price support or tariff provisions which would conflict with the intent of the initiative. It contains provisions concerning financial responsibility and safety which are consistent with the terms of the initiative. It goes beyond the literal terms of the initiative in requiring both bonds to protect shippers and equipment registration, but these provisions serve a rational purpose and are not in conflict with the apparent intent of the initiative.

In summary, Senate Bill 103 does not appear to violate the constitutional provision concerning the amendment of initiatives.

GWE:csh  
c2/199

Testimony prepared for the  
Senate Transportation Committee  
regarding Senate Bill 103 by  
the Alaska Air Carriers Association

February 28, 1985

Mr. Chairman and members of the Senate Transportation Committee, my name is Bob Jacobsen and I am here today on behalf of the Alaska Air Carriers - an association comprised of 115 member air service companies throughout Alaska.

I would like to begin by commending the Committee for its early review of this matter both because it is of great concern to our association and because of the February 28 deadline after which the Alaska Transportation Commission will no longer be in existence.

On Friday, I was present for the testimony of Representative Marrou regarding the intent of people who voted for the initiative which abolished A.T.C. We appreciate Representative Marrou's efforts to remove unnecessary regulatory constraints which impede free competition among air carriers. But it is also important for the Committee to recognize that among the people I know who voted in favor of the initiative, including some members of our organization, did so to express opposition to an overemphasis by A.T.C. on economic regulation and underemphasis on safety and fitness which are and should continue to be a primary concern of government. The only safe conclusion to draw when trying to figure out the intent of the initiative's supporters is that they believe in greater freedom of competition in the transportation industry and what they hope will be lower freight and passenger cost. That is the only common thread which ties the motor carriers, air carriers, and Jones Act (water) carriers together in the initiative.

We feel that it would be a mistake to conclude that Alaskans are no longer concerned with safety or that the initiative standing alone will assure that the transportation industry is as safe as possible. For this reason, we appreciate the efforts of Governor Sheffield in introducing legislation which we feel is necessary to protect public safety.

While we agree with the intent of Senate Bill 103, we do have some suggestions which we think will simplify and improve it.

AK AIR CARRIERS'  
OPINION

First, the registration, insurance provisions, and proof of FAA certification, as they apply to the air carriers are similar to the occupational licensing function of the Department of Commerce. We believe the registration of air carriers would be handled by that Department more efficiently and at lower cost than by the Department of Public Safety.

Second, the minimum liability insurance which is currently required by A.T.C. for air carriers is \$100,000 per seat (non-certificated carriers). The minimum liability insurance which must be carried by certificated carriers is \$300,000 per seat. I have been advised by an attorney in Anchorage knowledgeable in this jurisdiction that the average death settlement in 1982 was approximately \$250,000. Rather than allow the minimum liability insurance requirement to be set by regulation, we suggest you consider this and recommend that you establish it by statute.

When the federal government recently deregulated the airline industry, the same issues were addressed as those now before the committee. In the decision to sunset the Civil Aeronautics Board (C.A.B.), it was decided by Congress that the economic regulatory function of the agency would be discontinued, but that oversight of fitness and financial responsibility for certificated carriers be transferred to the federal Department of Transportation. The certification process requires an application, an operations and business plan, and a declaration of previous accidents, consumer complaints, and judgments awarded against the applicant. The application is reviewed and awarded based on fitness to operate, not upon the competitive effects of the business.

Because we recognize that the line between economic regulation and public safety - one key aspect of which is financial responsibility and fitness to operate - is not easy to define with precision; and because we also feel strongly that legislation should be in place February 28 to protect public safety, we do not believe it is possible to tackle this issue without risk of delay beyond that date. Therefore, we strongly urge the Committee to consider an amendment which would require the administration to undertake an interim study which would:

1. Examine the federal certification process for scheduled carriers to determine which aspects are desirable to incorporate in the state registration process in the interest of public safety.
2. Examine the impact of deregulation on rural air service to determine whether measures designed to insure reliability of service are necessary.

The results of this study would be reported back to the next session of the legislature with recommendations.

We also recommend to you that because of some fundamental differences between the air and trucking industries, that you divide the Governor's bill into two separate bills.

Last, Mr. Chairman, we sympathize with your task in reducing state expenditures this year to bring them in line with available revenues. In FY 85, A.T.C. was budgeted at \$1.4 million. We feel that the Governor's bill with the amendments we have suggested could be administered by the Department of Commerce for a much smaller budget.

January 25, 1985

TO: Senator Jack Coghill, Chairman, Senate Transportation Committee  
FROM: Andre Marrou, Representative, House Transportation Committee  
SUBJECT: Governor's Proposed <sup>Bill</sup> to Re-regulate Transportation

Mr. Chairman, at your request, I am submitting this memorandum to try to delineate what appears to be an effort by the Executive Branch to contravene the will of the people as expressed in the November 1984 election. In that election, the people voted to de-regulate transportation and to abolish the Alaska Transportation Commission by a vote of 116,891 to 78,663. This is a vote of approximately 60% to 40%. In fact, substantially more Alaskans voted to de-regulate transportation than voted to elect Governor Sheffield two years before.

Following a 38-page report by the Department of Commerce and Economic Development, in November 1984, after the election, and at least four memoranda by the Attorney General's Office on November 16, 23, & 20 1984 and January 8, 1985, the Governor is considering a bill approximately 16 to 24 pages in length that would re-regulate portions of the statutes that were de-regulated by the people only 2½ months ago.

The initiative repealed portions of 7 sections of Alaska Statutes, including the following 3 in their entirety:

AS 02.05 Alaska Air Commerce Act  
AS 42.07 Alaska Transportation Commission Act,  
AS 42.10 Alaska Motor Freight Carrier Act.

In the draft of the Governor's bill which I have seen, portions of AS 42.10 and AS 02.05 are re-written almost verbatim as additions to AS 42.30, Miscellaneous Regulations Governing Public Utilities and Carriers, starting with AS 42.30.195. The following is a compendium comparing the new proposed statutes with the old repealed statutes:

New AS 42.30.195 is almost a word for word combination of old AS 42.10.030 and AS 02.05.040.

New AS 42.30.197 is essentially a verbatim extract of old AS 42.10.020.

New AS 42.30.200 is as required by the initiative, except with a new section (d) added by the Governor, and a change to the language of section (a). These changes substantially increase the scope of the regulation, and further stipulates that the Department shall adopt regulations considerably in excess to that provided by the initiative.

LIBERTARIAN OBJECTIONS  
TO AMENDING INITIATIVE

New AS 42.30.205 is essentially a verbatim extract of old AS 42.10.100.

New AS 42.30.210 is a partial re-write of old AS 42.10.113.

New AS 42.30.215 is a re-write of old AS 42.10.135 and AS 42.10.140.

New AS 42.30.220 is, so far as I can tell, a total invention and a new statute, requiring registration of a motor carrier not only with the State of Alaska, but also with the federal Interstate Commerce Commission.

New AS 42.30.225 is a re-write of all or portions of old AS 02.05.075, .080, .090.

New AS 42.30.230 is evidently another new invention and proposed new statute.

New AS 42.30.235 is a re-write with small changes of old AS 42.10.110 and AS 02.05.030.

New AS 42.30.240 is a combination of minor re-writes of old AS 42.10.230 and AS 02.05.100.

New AS 42.30.245 is a virtual verbatim extract of old AS 42.07.171 and AS 42.10.391, with a little thrown in from AS 02.05.210.

Similarly, new AS 42.30.250 is an almost verbatim extract of old AS 42.10.393, with a little from AS 02.05.230. Once again, new AS 42.30.255 is almost verbatim extracted from AS 42.10.394, with a little from AS 02.05.231.

By the same token, new AS 42.30.260 is almost a direct extract of old AS 42.10.395, with a little from AS 02.05.232.

Once again, new AS 42.30.265 is almost directly extracted from old AS 42.10.398, plus some from AS 02.05.233.

The last proposed new statute is new AS 42.30.270, which is extracted essentially verbatim from the old AS 42.10.420 and AS 02.05.250.

As you can see, Mr. Chairman, the proposed Act by the Governor amounts to nothing more or less than a blatant attempt to circumvent the will of the people and re-enact legislation which the people have repealed by a substantial vote less than 3 months ago.

I might also state for the record that Section 6 of Article 11 of the Alaska Constitution provides clearly that "initiated law becomes effective 90 days after certification, is not subject to veto, and may not be repealed by the Legislature within 2 years of its effective date. It may be amended at any time."

This latter "amend" clause has been cited by the Attorney General's Office in one of the aforementioned opinions and was recommended by that office as providing broad latitude for the Alaska Transportation Commission essentially to do what they want.

For example, the Attorney General's memoranda dated November 16, 1984, states, in replying to the Alaska Transportation Commission, "You have asked if you should be using this 90-day period to wind down the ATC's affairs, with the objective of closing up shop by the initiative's effective date. As I previously indicated to you, you should be conducting business as usual, for several reasons."

Again, the Attorney General's office stated, "The Legislature may extend the initiative's effective date, revise the substance of the initiative, or both. Until you get some sense of what action, if any, the Legislature might take in the next session, you cannot depend on your laws becoming void in late February or early March. Finally, even though those laws may, in fact, be repealed 90 days after certification of the election results, they do not necessarily vanish immediately".

As you can see, Mr. Chairman, the Attorney General's office essentially encouraged the Alaska Transportation Commission to continue business as usual and, by and large to ignore the will of the people as expressed in the initiative petition passed in November 1984.

In the Attorney General's memorandum of November 23, 1984, addressed to the Governor's office, are listed repealed statutes that are to be considered for re-enactment:

"These are listed below, along with the references to other Federal Agencies which are found in AS 02.05 and other areas that should be considered if another department is to take up where the ATC leaves off."

"There are several ATC functions being repealed which should be considered for legislation. The list follows:"

"I have not attempted to draw a fine legal distinction between health and safety issues and matters of economic regulation. Many of the items listed under health and safety can be considered a form of economic regulation."

"Policymakers should decide...(whether)...to continue some type of certification/permit/registration process, bond requirements, civil and criminal penalties, weigh fees, vehicle identification, etc."

"Those regulations should be examined and consideration should be given to transferring safety and other regulations to a department with the authority to adopt and enforce them."

And again in the Attorney General's memorandum of November 29, 1984:

"The questions of which department might assume responsibility for transferred regulations...is left open at this point."

In another memorandum by the Attorney General's office, dated January 8, 1985, and addressed to the Office of the Governor, the Attorney sets out a procedure to be accomplished with the proposed new act. In fact, some of the language in that 6-page memorandum is amazing in its clarity as to how to circumvent or contravene the initiative petition as passed by the people. For example:

"The regulations setting up insurance requirements could be taken from those the ATC has currently..."

"DPS would like the authority to continue requiring carriers to be bonded, a power currently given the ATC by AS 42.10.100. As I understand it, the bonding of the business is independent of the financial responsibility requirement established for each vehicle."

"At a minimum, proposed legislation should give DPS the power to adopt regulations for motor carrier safety. Under this authority, DPS would adopt the ATC's regulations currently found..."

"DPS proposes to go a step further than merely adopting the ATC's safety regulations by implementing a semi-annual truck inspection."

"As an additional enforcement tool for the insurance and safety requirements, DPS wants to institute a registration system for both intra-state air and motor freight carriers."

"AS 42.30.220 of the attached bill draft sets up the skeleton of a registration system for both air and motor carriers operating intra-state. AS 42.30.230 re-enacts current AS 42.10.135 to provide for registration of inter-state motor carriers."

"Do you want a requirement that motor vehicles display identification for owner and registration number on the side of trucks, similar to former AS 42.10.113?"

"AS 42.10.394 and AS 02.05.231 provided for civil money penalties in certain circumstances-- should these be included in the bill and for what offenses?"

"AS 42.10.393 and AS 02.05.230 also made violations of the Motor Freight Carrier Act and Air Commerce Act of 1960 misdemeanors. Should similar provisions be included in this bill, and for what offenses? Do you want a section similar to AS 02.05.232, making each violation a separate offense?"

Mr. Chairman, I should re-iterate again, that the initiative petition passed by the people in early November 1984 specifically repealed all portions of AS 42.10 Alaska Motor Freight Carrier Act and AS 02.05 Alaska Air Commerce Act of 1960. By suggesting these statutes be re-enacted in a memorandum to the Office of the Governor, the Office of the Attorney General shows arrogant and flagrant disregard for the will of the people as expressed in a free election. In my opinion, this attitude must not go unnoticed nor unheralded. If we are to maintain a degree of freedom from governmental control of our lives, then we must not allow our State Executive Branch to attempt to re-enact what the people have so soundly and so recently repealed.

*HOPEFULLY  
ALL NOTED  
YES*



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

M E M O R A N D U M

TO: John Shively  
Chief of Staff

DATE: February 19, 1985

FROM: Ben F. Harding *[Signature]*  
Special Staff Assistant  
Office of the Governor

SUBJECT: Safety Aspects of  
CSSB 103

CSSB 103, which is currently under review in the Senate Transportation Committee, is designed to provide an operating framework for intrastate aviation and trucking safety procedures following the termination of the Alaska Transportation Commission (ATC) February 28.

As the Governor mentioned in his transmittal letter on this legislation, he believes that the administrative arrangements on safety issues should be flexible, provided that basic provisions to ensure safety for the traveling public are adequately addressed.

In that regard, the committee substitute appears to meet the Governor's overall objectives. There are, however, a number of exceptions which raise questions about the adequacy of the protection to the traveling public. These concerns include the following:

1. Commercial vehicle inspections have been reduced from twice a year to a once-annually inspection. In my opinion and in that of Commissioner Sundberg, Commissioner Knapp, and Deputy Commissioner Terry Elder, a once-a-year inspection is not adequate for the protection of the motoring public.
2. The committee substitute proposes that, in lieu of State commercial vehicle inspectors, private-sector mechanics be certificated by the State to perform this function. We have no objection in supporting this approach. We are concerned, however, that certificated inspectors would be allowed to be an employee of the company whose vehicles they inspect. In the highly competitive economic environment which will result

from the deregulation, an in-house inspector's independence may be questioned since he may be viewed as having divided loyalties. (A possible solution might be the certification of mechanics at service stations or other facilities which are not owned and/or operated by transportation companies.)

3. The committee substitute does not provide a clear-cut standard for basic highway truck safety rules. This could be easily remedied by referencing federal interstate rules of the road or pertinent portions of 3 AAC 62.

4. The committee substitute provides no explanation of what procedures would be used to suspend an air carrier's certificate of compliance nor makes any distinction between suspension and revocation. There is no indication of how compliance provisions can be enforced. (The aircraft registration fees will be lost, as will fees carriers used to pay to get a certificate as a carrier in the past.)

5. The annual truck safety inspection program emphasizes the role of the inspectors but does not address the following issues:

a. There is no provision for removing trucks from the road if they lack insurance, current safety stickers, or have never been inspected, short of criminal prosecution.

b. There is no authority for the State to enforce any safety regulation or inspection requirements outside of the annual inspection forum.

c. The committee substitute emphasizes the penalties for an inspector who acts wrongly but provides no serious sanction against a company for unsafe commercial vehicle use. (We proposed that operation in violation of safety rules should be punishable by citation, or removal from the road.)

e. Buses are exempt, which is somewhat inconsistent with the overall road safety policy.

f. There is no definition or explanation of the difference between suspension and revocation of vehicle inspectors' State certification. Also, there is no provision for the registration of commercial carriers, and no authority for levying fees to cover the costs of the safety inspection. (If inspections are to be done privately, fees for this may not be appropriate.)

These points in the current draft legislation have been jointly identified by Commissioner Sundberg, Commissioner Knapp, Deputy Commissioner Terry Elder, and me. We believe that these provisions, although well-intentioned from the standpoint of insuring maximum flexibility to State government agencies and to the transportation industry, could unfortunately result in a deterioration of the present level of safety which the public in Alaska currently enjoys, both in air travel and on our highways.

The Governor has reviewed these points and asked that they be conveyed to the appropriate legislative committees as items of his concern.

MOTOR CARRIER ACT OF 1980

P.L. 96-296

[page 41]

SECTION 28. SMALL COMMUNITY SERVICE STUDY

This section reflects the Committee's concern that adequate motor carrier service to rural areas and small communities be available and available at reasonable cost. The section requires the Interstate Commerce Commission to make a full investigation of such service, and the impact thereon of this Act, and to submit a report to the President and to Congress with recommendations, no later than September 1, 1981. Such sums as are necessary to carry out the provisions of this section are authorized to be appropriated for fiscal year 1981.

The statutory language is for a study "of motor carrier service to small communities (with emphasis on communities of population 5,000 and under)". The term "emphasis" is intended to make clear that the reference to "5,000" is not intended to set a population ceiling of 5,000; that reference merely illustrates the Committee's concern for small communities and for communities off the beaten paths of transportation services. Under this yardstick, communities with a population far in excess of 5,000 may well be within the scope of the Commission's investigation and study.

A "community" may be a town, township, hamlet, or any political or geographic subdivision capable of being identified as an entity dependent on motor carrier service.

SECTION 29. INSURANCE

Section 29 amends the provision in section 10927 of title 49, which prohibits the Commission from issuing a certificate or permit unless the carrier files with the Commission a bond, insurance policy or other type of security approved by the Commission. Section 29 requires that the bond, insurance policy or other type of security must be in an amount not less than such amount as the Secretary of Transportation prescribes pursuant to, or as is required by, the provisions of section 30 of the Motor Carrier Act of 1980. The purpose of this provision is to assure that motor carriers of property providing transportation subject to the jurisdiction of the Commission maintain the minimum level of financial responsibility required by section 30 of this Act. Section 30 covers bodily injury, property damage, and environmental damage. It does not include coverage for cargo movements. Nevertheless, the Committee expects the Commission to retain regulations governing loss or damage to cargo subject to the jurisdiction of the Commission. Furthermore the Commission is to maintain proper staffing that will assure the continuation of reasonable regulation of cargo insurance, liability standards, and contracts of carriage under the law.

This provision does not change the Commission's authority with respect to motor carrier transportation of passengers.

SECTION 30. MINIMUM FINANCIAL RESPONSIBILITY FOR MOTOR CARRIERS

Section 30 establishes minimum levels of financial responsibility for persons transporting property by motor vehicles having a gross vehicle weight rating of 10,000 pounds or more. The purpose of this provision is to create additional incentives to carriers to maintain and operate their trucks in a safe manner as well as to assure that carriers maintain an appropriate level of financial responsibility.

## LEGISLATIVE HISTORY

P.L. 96-296

[page 42]

Section 30 draws a distinction between the transportation of general freight and the transportation of hazardous materials. Briefly stated, effective one year after the date of enactment, the provision requires the following minimum levels of financial responsibility: \$1,000,000 for the interstate for-hire transportation of property; \$5,000,000 for the interstate and intrastate transportation of certain extremely hazardous materials; and \$1,000,000 for the interstate and intrastate transportation of other hazardous materials. The Secretary is given the discretion to reduce the \$1,000,000 requirements to \$500,000 and to reduce the \$5,000,000 requirement to \$1,000,000 for up to two years if he or she determines that a phase-in period is appropriate. If the Secretary should provide for a full two-year phase-in period, then the minimum levels of \$1,000,000 and \$5,000,000 will take effect three years after the date of enactment. And, to reiterate, these requirements only apply to motor vehicles having a gross vehicle weight rating of 10,000 pounds or more.

The Committee has received considerable testimony on the need to establish certain minimum levels of financial responsibility for the motor carrier industry, not only during our hearings on trucking deregulation, but also during hearings on legislation relating to water pollution control, the transportation of hazardous materials, and the establishment of a "superfund" to clean up chemical spills. The Committee is convinced that establishment of minimum levels of financial responsibility to enhance safety is of sufficient importance to require direct Congressional action.

The responsibility for establishing and enforcing safety standards for interstate trucks is in the Bureau of Motor Carrier Safety (BMCS) of the Department of Transportation. Unfortunately, the present Safety Bureau program has not resulted in a satisfactory level of safety enforcement in the trucking industry. The ratio of commercial vehicles to Federal safety inspectors has been estimated by the Comptroller General of the United States to be about 32,000 to 1; the ratio of the number of carriers to investigators is about 1,300 to 1. In fact, in 1978, there were only about 125 investigators for the entire United States. It is the intent of the Committee to address these problems in the near future.

Change in the economic regulation of the motor carrier industry might have some impacts on safety. To protect against any potential impairment to safety, arguments were made that some precautions should be taken to require higher financial responsibility for motor carriers. In addition, concern was expressed that minimum financial responsibility requirements were needed whether or not any change was made in the economic regulatory scheme. Thus, the action of the Committee in increasing financial responsibility is to encourage the carriers to engage in practices and procedures that will enhance the safety of their equipment so as to afford the best protection to the public.

The problems of motor carrier safety are well illustrated by an unannounced roadside inspection by the Department of Transportation on Interstate 80 near Berwick, Pennsylvania, on August 7-11, 1978. Of the 676 vehicles inspected, the Department found that 353 (52 percent) had to be placed "out of service" for one or more violations. The principal defect was brakes. In addition, it detected 271 "hours of

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MOTOR CARRIER ACT OF 1980

P.L. 96-296

[page 43]

service" violations by drivers, and place 25 drivers out of service; 63 percent of all exempt and 55 percent of all authorized for-hire vehicles and drivers were declared out-of-service.

The carrier who wants to maintain high safety levels will be under pressure to cut his costs to meet the prices of his competitors, some of which may cut costs by operating in violation of minimum safety standards. Specifying minimum insurance levels is one way to help improve motor carrier safety. Insurance companies are equipped to evaluate the performance of the motor carriers. The premiums they assess are in direct relation to the risks they assume. Therefore, an unsafe carrier will have an increased premium, and a totally unsafe carrier may not be able to obtain the insurance necessary to operate, or at best will be at an insurance cost disadvantage. The minimum of \$1,000,000 in insurance coverage mandated by this legislation is warranted to protect the public and the environment.

The National Transportation Policy Study Commission (which consisted of six Members of the Senate, six Members of the House of Representatives, and seven public members appointed by the President) recommended, in its 1979 Report to the Congress, mandatory minimum insurance requirements of \$1,000,000. The Report stated:

As an example, all certificated motor carriers operating upon the highways should be obligated to carry adequate insurance (or proof of financial responsibility equal to such insurance to protect the public. The insurance should cover public liability, property, damage, cargo and environmental restoration—with a \$1 million for single occurrence, or another minimum amount sufficient to require periodic "on site" inspection by the insurance company, with the minimum to be updated regularly. Noncertificated motor carriers should be subject to similar standards.

The provisions in Section 30 of this Act represent a first step in implementing these recommendations.

Section 30(a) directs the Secretary of Transportation to establish regulations to become effective one year from the date of enactment to require minimal levels of financial responsibility covering public liability, property damage, and environmental restoration for the transportation of property for hire by motor vehicle in interstate commerce. The minimal level of financial responsibility that can be established by the Secretary is \$1,000,000, except that the Secretary is given the discretion to reduce this amount to as low as \$500,000 for any class of vehicles or operations for up to a two-year period if he or she finds that the reduction will not adversely affect public safety and will prevent a serious disruption in transportation service. This will allow the Secretary to phase in the requirements if he or she determines that phase-in period is necessary. Section 30(a) also provides that the \$1,000,000 minimum requirement will automatically take effect one year after the date of enactment if the Secretary has not promulgated final regulations by that date. The Committee notes that the requirements establish under section 30(a) would only apply to interstate for-hire transportation; they would not apply to intrastate transportation or private carriage.

## LEGISLATIVE HISTORY

P.L. 96-296

[page 44]

Section 30(b) directs the Secretary to establish regulations to require minimal levels of financial responsibility covering public liability, property damage, and environmental restoration for the transportation of hazardous materials in interstate or intrastate commerce. The following hazardous materials would be covered by this section: hazardous materials (as defined by the Secretary of Transportation), oil and hazardous substances (as defined by the Environmental Protection Agency) and hazardous wastes (as defined by the Environmental Protection Agency).

With respect to certain of these hazardous materials, the minimum level of financial responsibility that can be established by the Secretary is \$5,000,000. The following hazardous materials are subject to the \$5,000,000 minimum:

(1) hazardous substances (as defined by the Environmental Protection Agency) when transported in cargo tanks, portable tanks, or hopper-type vehicles with capacities in excess of 3,500 water gallons;

(2) Class A explosives, poison gas, liquefied gas, or compressed gas when transported in bulk (as defined by the Secretary); or

(3) radioactive materials when transported in large quantities (as defined by the Secretary).

With respect to the hazardous materials not subject to the \$5,000,000 minimum, the minimum level of financial responsibility that can be established by the Secretary is \$1,000,000. The Committee wants to emphasize its strong belief that many of these hazardous materials should also be subject to at least a \$5,000,000 minimum, especially hazardous materials transported in bulk. However, the Secretary was given the discretion to set the minimum level as low as \$1,000,000 in recognition of the fact that some of the materials on the Department's hazardous materials list may not require a \$5,000,000 minimum. For instance, the list included burlap bags and charcoal briquettes. These are examples of items which would not appear to require a \$5,000,000 minimum, especially when not transported in bulk.

The Secretary is given the discretion to reduce the \$5,000,000 requirement to as low as \$1,000,000 and the \$1,000,000 requirement to as low as \$500,000 for up to a two-year period if he or she finds that the reduction will not adversely affect public safety and will prevent a serious disruption in transportation service. This will allow the Secretary to phase in the requirements if he or she determines that a phase-in period is necessary. Section 30(b) also provides that the \$5,000,000 requirement and the \$1,000,000 requirement will automatically take effect one year after the date of enactment if the Secretary has not promulgated final regulations by that date.

With respect to the transportation of hazardous materials, the requirements or minimum levels of financial responsibility apply to intrastate transportation and private carriage as well as to interstate transportation. The Secretary, however, is given the discretion to reduce the \$1,000,000 requirement for vehicles transporting hazardous materials in less than bulk quantities in intrastate commerce if he or she determines that a reduction will not adversely affect public safety. This will assure that local operations dealing with only small quantities of hazardous materials will not be unduly burdened.

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# Alaska State Legislature



## House of Representatives

### Committee on Transportation

Rep. Bette Cato, Chairman

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4858

DATA: 30 April 1985

TO: LOUANN CUTLER  
HOUSE FINANCE STAFF

FROM: Rhonda Cargill *RC*  
House Transportation Staff

RE: BACK-UP MATERIAL FOR CSHB 364(TRSP)

Please find attached the following information:

°Sectional Analysis for CSHB 364(TRSP)

°Position Paper from Public Safety, April 15, 1985

°Fiscal Note, April 23, 1985, CSHB 364 (TRSP)

°Letter of Commissioner Sundberg, Public Safety, April 11, 1985  
(This is included to show that the functions of the inspection program will be under the Division of Motor Vehicles, as opposed to enforcement by the Troopers).

°Memorandum from Randall J. Moen, Legislative Counsel, April 8, 1985  
clarifying the constitutionality of the commercial motor vehicle licensing and safety inspections proposed legislation.

°Memorandum from Randall J. Moen, Legislative Counsel, April 18, 1985  
answering question as to whether fire trucks fall into the category of commercial vehicles to be inspected. According to him they do.

°House Transportation Committee Minutes of April 17 and 18 to update the back-up provided to you earlier this month.

Please let us know what materials you would like to put in the committee's packet for tomorrow's meeting, and we will be happy to duplicate those for you. The only one I know Bette wants to make certain the members are aware of is Commissioner Sundberg's letter relating to program in DMV versus under the Troopers.

# Alaska State Legislature

## House of Representatives

### Committee on Transportation



Rep. Bette Cato, Chairman

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4858

April 30, 1985

#### SECTIONAL ANALYSIS FOR CSHB 364(TRSP)

"An Act relating to commercial motor vehicle licensing and safety inspections; and providing for an effective date."

#### Section 1:

(AS 28.10.041 (a) Grounds for refusing registration)  
Requires a commercial motor vehicle to pass an inspection before the State issues or renews vehicle registration. Allows the Division of Motor Vehicle to deny issuance of a vehicle registration for vehicles without an inspection sticker. This would provide one more check to ensure inspections are being done.

#### Section 2:

(28.15.041 Classification of drivers' licenses)  
Provides a new classification for a person to drive a commercial motor vehicle. To qualify, an applicant must be at least 21 years of age, have had a valid driver's license at least one year, and satisfy the department's standards for competence and fitness.

(Please note section 4 provides a grandfather clause for those currently 19 years of age and permitted to drive a commercial motor vehicle)

#### Section 3:

New Chapter to Title 28  
28.32.010 COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS.  
(The purpose of this chapter is to put the inspection of vehicles in the private sector. The Department of Safety would have certification authority and oversight of the program).

Establishes an inspection program whereby a commercial motor vehicle may not be operated without a certificate of inspection; requires 2 inspections a year which may be done during business hours. (The administration and trucking industry feel the safety inspection program would be more effective with inspections twice a year. Concern was expressed from the Transportation committee that

the inspections be done at the discretion of the operator and not be at the scheduling of the department).

Commercial motor vehicle shall display current sticker so it is visible from the outside.

#### 28.32.020 EXEMPTIONS

Exempts U.S. government vehicles unless used to transport property of general public for compensation in competition with other persons who own or operate a commercial motor vehicle.

#### 28.32.030 OFFICIAL COMMERCIAL MOTOR VEHICLE INSPECTION STATIONS

Describes the process for permitting inspection stations; how they apply for it, must have someone on staff qualified to do the inspections, the permit can only be used at the location which it is assigned; the department can suspend or revoke a permit if necessary. Sets up a vehicle by which the permit holder whose permit has been suspended or revoked can appeal.

#### 28.32.040 CERTIFICATION OF COMMERCIAL MOTOR VEHICLE INSPECTORS

(The idea behind this is to get the inspection to the private sector through a serious state certified inspector)

Establishes a system for certifying vehicle inspectors, allows for suspension of certification and a process of appeal of suspension.

#### 28.32.050 ISSUANCE OF CERTIFICATE OF INSPECTION

Directs an inspector to issue a certificate of inspection if the vehicle is found to be safe and mechanically sound; keep a record of inspections, can be audited by the department

#### 28.32.060 FALSELY REPRESENTING TO BE AN OFFICIAL STATION

Prohibits falsely representing to be an inspection station or issuing certificates of inspection without a permit.

#### 28.32.070 COUNTERFEIT CERTIFICATES OF INSPECTION.

Prohibits making or using counterfeit certificates of inspection or using certificate of inspection on an unqualified vehicle.

#### 28,32.080 DUTIES OF COMMISSIONER.

Authorizes the Commissioner of Public Safety to adopt regulations to implement safety requirements

#### 28.32.090 VIOLATION A MISDEMEANOR.

Makes violation of the section a Class B misdemeanor (up to 90 days in jail or up to \$1000 fine, or both)

#### 28.32.900 DEFINITIONS

Provides definitions of "commercial motor vehicle", "commercial purposes", "department", and "freight".

The intent of the definition of commercial motor vehicle written as it is in the bill, is to cover vehicles operating on state's roads;

and to include school buses and state or local government vehicles; more than 10,000 pounds unladen gross weight.

Please note the inclusion of trailers (5,000 pounds or more unladen gross weight) has been added to this definition for the purpose of inspecting a trailer when it is part of the power unit or in combination. They are required to be inspected.

"Commercial purposes" definition was originally suggested at a Senate Transportation meeting by the trucking industry. Through the process it was amended and lost its originally meaning, thus, the House Transportation Committee inserted it here. The intent of this definition is that all vehicles 10,000 pounds unladen weight should be inspected.

"Freight" the amended bill deleted "[EXCLUDING GARBAGE AND TRASH]" Operators should meet same requirements as anyone else operating a heavy vehicle.

Section 4. Provides the grandfather clause for 19 years old being permitted to drive a commercial motor vehicle as previously mentioned.

Section 5. Effective immediately.

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - HB 364

April 15, 1985

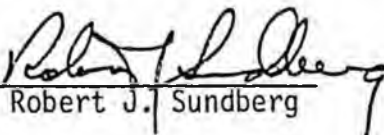
Support

HB 364 - "An Act relating to commercial motor vehicle licensing and safety inspections; and providing for an effective date."

As related to the 28.10.041(a) amendment in the bill, the Department is currently working on regulations related to a commercial motor vehicle operator's license..

This bill also addresses the need for inspection of all commercial motor vehicles over 10,000 pounds, which is much easier to enforce than an inspection program that allows for "exempt" status of certain vehicles.

To implement the inspection requirements of this bill, a unit manned by civilian personnel will be set up within the Division of Motor Vehicles.

  
Robert J. Sundberg

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: CSHB 364 (Trans)  
 Title: "Commercial Motor Vehicle  
 Licensing/Inspections"  
 Sponsor: Transportation Comm.  
 Requestor: Transportation Comm.  
 Date of Request: 04/23/85

FISCAL DETAIL

Agency Affected: Public Safety  
 Program Category Affected: \_\_\_\_\_  
Police Protection  
 BRU, Program or Subprogram(s) Affected:  
Division of Motor Vehicles

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES		111.3	116.9	122.7	128.8	135.2
200 TRAVEL		27.0	28.4	29.8	31.3	32.9
300 CONTRACTUAL		30.3	31.8	33.4	35.1	36.9
400 SUPPLIES		3.5	3.7	3.9	4.1	4.3
500 EQUIPMENT		38.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>210.1</b>	<b>180.8</b>	<b>189.8</b>	<b>199.3</b>	<b>209.3</b>
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND		210.1	180.8	189.8	199.3	209.3
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>210.1</b>	<b>180.8</b>	<b>189.8</b>	<b>199.3</b>	<b>209.3</b>

POSITIONS:

FULL-TIME		3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Marcia Lynn McKenzie  
 Division: Administrative Services

Phone: 465-4349  
 Date: 04/23/85

Approved by Commissioner: Robert J. Sundberg  
 Agency: Public Safety

Date: 4/23/85

Distribution (by Agency preparing fiscal note):

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

7/1/84

COST ANALYSIS

CSHB 364 (Transportation)

Personal Services

1	Vehicle Inspection Agent I (Anchorage)	39.0
1	Vehicle Inspection Agent I (Fairbanks)	44.5
<u>1</u>	Clerk-Typist III (Anchorage)	<u>27.8</u>

3 positions	Total	\$111.3
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Travel

Quarterly on-site monitoring of inspection stations statewide		27.0
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Contractual Services

Telephone and postage	\$ 6.0
Office equipment maintenance agreement	2.5
Printing of special forms	5.0
2 HWCF vehicles @ \$700/month per vehicle	<u>16.8</u>

Total	30.3
-------	------

Supplies

Office supplies	\$3.0
Automotive parts & lube, etc.	<u>.5</u>

Total	3.5
-------	-----

Equipment

Personal computer	\$12.5
2 HWCF vehicles	24.0
Office equipment (desks, chairs, files, etc.)	<u>1.5</u>

Total	38.0
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Grand Total	<u>\$210.1</u>
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Note: A 5% annual inflation factor has been applied to costs for FY 87 and beyond.

Cost Analysis  
CSHB 364 (Transportation)  
Page 2

Revenues

Revenues have not been estimated because there is no specific provision in the bill for license fees which might be charged to operators of commercial vehicle inspection stations. It is possible, however, that a fee could be imposed through administrative regulation. Such fees would be collected and deposited into the General Fund.

If such fees are imposed there would be an impact of accounting responsibilities. Therefore, the Clerk-Typist position should be upgraded to Administrative Assistant I in order to handle both clerical and accounting applications.

1.	POSITION TITLE Clark Typist III	STAFF MONTHS 12.0	RP NUMBER 2	PCH NUMBER 3
2.	TYPE OF POSITION PFT	ADDITION		
3.	CONTRIBUTION LEVEL			
4.	TYPE OF EXPENDITURE			
5.	PERSONAL SERVICES			
6.	Salary \$1678/month	20,136		
7.	Benefits 18.0577%	3,636		
8.	Supplemental Benefits	1,234		
9.	Fixed Benefits	2,732		
10.	TOTAL PERSONAL SERVICES			27,738
11.	Travel			
12.	Contractual			2,000
13.	Commodities			1,000
14.	Equipment			800
15.	Other			
	TOTAL COST			31,538

RANGE/STEP 8/D  
BRU PRIORITY  
BARG. UNIT G  
LOCATION Anchorage  
PAGE/LINE  
ELECTION DISTRICT  
GOV.  
LEG.  
APPROV.  
DISAPP.

JUSTIFICATION  
This position will provide clerical support to the unit monitoring commercial vehicle inspection stations. It will be responsible for preparation of certificates of compliance, correspondence, and maintenance of central files and records.

RECEIPT CODE	FUNDING SOURCE	AMOUNT
16.	Federal Receipts 1002	
17.	G.F. Match 1003	
18.	General Funds 1004	31.5
19.	I-A Receipts 1005	
20.	Program Receipts 1028	
21.	Other	

FOR B&H USE ONLY  
KEY NUMBER

AGENCY Department of Public Safety  
PROGRAM Life & Property Protection  
BRU Division of Motor Vehicles  
COMPONENT Commercial Vehicle Safety

FY 86

REQUEST FOR  
NEW POSITION

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

POSITION TITLE Vehicle Inspection Agent I		PAGE/LINE		DISAPP.				
1. TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	BRU PRIORITY 14/B	GOV.	APPROV.			
2. CONTRIBUTION LEVEL	ADDITION	PCN NUMBER	LOCATION Fairbanks	ELECTION DISTRICT	LEG.			
TYPE OF EXPENDITURE		JUSTIFICATION						
1. PERSONAL SERVICES	2	3	<p>This is a new job class. Duties will include on-site monitoring of commercial vehicle inspection stations operated by the private sector. The position will be responsible to determine if the stations are properly equipped to perform the vehicle inspections and will evaluate/certify mechanics assigned to commercial vehicle inspections. Part of the station review will include an audit of files to ensure compliance and accountability</p>					
5. Salary \$2804/month	33,648	44,519						
6. Benefits	6,076	12,000						
7. Supplemental Benefits	2,063	10,400						
8. Fixed Benefits	2,732	1,000						
9. TOTAL PERSONAL SERVICES	01	12,350						
10. Travel	02	80,269						
11. Contractual	03							
12. Commodities	04							
13. Equipment	05							
14. Other								
15. TOTAL COST								
RECEIPT CODE						FUNDING SOURCE		
16.						Federal Receipts	1002	
17.						G.F. Match	1003	
18.			General Funds	1004	80.3			
19.			I-A Receipts	1005				
20.			Program Receipts	1028				
21.			Other					

FOR B&H USE ONLY  
KEY NUMBER

**FY 86**

AGENCY Department of Public Safety  
 PROGRAM Life & Property Protection  
 BRU Division of Motor Vehicles  
 COMPONENT Commercial Vehicle Safety

Page      of       
 Revised Date     

**REQUEST FOR  
NEW POSITION**

1. POSITION TITLE Vehicle Inspection Agent I		PCN NUMBER	RANGE/STEP 14/B		BARG. UNIT G	PAGE/LINE	COV.	DISAPP.
2. TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	BRU PRIORITY		LOCATION Anchorage	ELECTION DISTRICT	LEG.	
3. CONTRIBUTION LEVEL	ADDITION		JUSTIFICATION					
4. TYPE OF EXPENDITURE		AMOUNT						
PERSONAL SERVICES								
5. Salary	\$2433/month	29,196						
6. Benefits		5,272						
7. Supplemental Benefits		1,790						
8. Fixed Benefits		2,732						
9. TOTAL PERSONAL SERVICES		38,990						
10. Travel		15,000						
11. Contractual		10,400						
12. Commodities		1,000						
13. Equipment		12,350						
14. Other								
15. TOTAL COST		77,740						
RECEIPT CODE		FUNDING SOURCE						
16.		Federal Receipts	1002					
17.		G. F. Match	1003					
18.		General Funds	1004	77.7				
19.		I-A Receipts	1005					
20.		Program Receipts	1028					
21.		Other						

This is a new job class. Duties will include on-site monitoring of commercial vehicle inspection stations operated by the private sector. The position will be responsible to determine if the stations are properly equipped to perform the vehicle inspections and will evaluate/certify mechanics assigned to commercial vehicle inspections. Part of the station review will include an audit of files to ensure compliance and accountability.

**FY 86**

AGENCY Department of Public Safety

PROGRAM Life & Property Protection

BRU Division of Motor Vehicles

COMPONENT Commercial Vehicle Safety

**REQUEST FOR  
NEW POSITION**

Page      of       
Revised Date     

FOR B&H USE ONLY  
KEY NUMBER

DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE COMMISSIONER

POUCH N  
JUNEAU, ALASKA 99811  
PHONE: 465-4322

April 11, 1985

The Honorable Bette Cato  
Chair, House Transportation Committee  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Representative Cato:

This is in response to the House Transportation Committee's Work Draft Bill related to commercial vehicle inspections, and addresses management and costs should those regulatory functions be placed in the Department of Public Safety.

Since the House previously passed legislation separating the management of mandatory insurance for commercial transportation entities, in that commercial air went to the Department of Commerce and commercial vehicles to this Department, we have incorporated the management and related costs of insurance handling of commercial vehicles in this dissertation.

As to the management, both functions would be placed in the Division of Motor Vehicles and would be handled by civilian personnel. Even at that, no one should be deluded to the fact that State Troopers and/or local law enforcement personnel will be involved in road enforcement aspects related to the requirements of safety inspections. This is a fact no matter which department the management of the noted functions fall under.

The estimated first year costs of operating the commercial vehicle safety and insurance functions are as follows:

Personnel: \$245.3

5 Inspection Station Monitors  
1 Clerk V  
1 Clerk Typist III

The inspection station monitors would include three for the Anchorage, Mat-su, and Kenai areas; one of which would be a working manager for the unit. One monitor

The Honorable  
Bette Cato

-2-

April 11, 1985

for the Fairbanks, Northpole, and Prudnoe areas, and one monitor for the Southeastern area.

The Clerk V would handle the insurance desk.

The Clerk Typist III would provide back-up support for the insurance desk as well as clerical support for both insurance and inspection activities.

Travel: \$38.0

Necessary travel/per diem costs for the monitors to cover the various inspection stations across the State.

Contractual: \$67.5

Highway working capital fund replacement, office space, telephone, utilities, printing, postage, janitorial, and office equipment rental and repair.

Supplies: \$3.5

Office supplies, fuel, lubes, and parts.

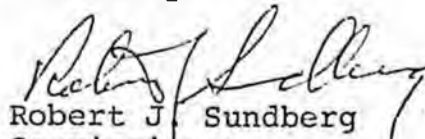
Equipment: \$87.5

Five vehicles with radios, office furniture, and personal computer.

Total: \$441.8

If this Department can be of any further assistance in this matter, please feel free to contact us.

Sincerely,

  
Robert J. Sundberg  
Commissioner

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3800

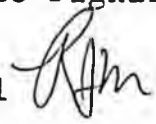
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 8, 1985

SUBJECT:           Constitutionality of Commercial Motor Vehicle  
                  Licensing and Safety Inspections  
                  (Work Order No. 14-1018)

TO:                House Transportation Committee,  
                  Representative Mike Davis and  
                  Representative Marco Pignalberi

FROM:             Randall J. Moen   
                  Legislative Counsel

You have requested a memo citing rationale and case law supporting my position in the constitutionality of the House Transportation Committee's work draft relating to commercial motor vehicle licensing and safety inspections (Work Order No. 14-1018). At issue is whether the House Transportation Committee's work draft violates Article XI, sec. 6 of the Alaska Constitution as a result of Initiative No. 83-02, which took effect February 2, 1985.

Initiative No. 83-02, among other things, terminated the Alaska Transportation Commission (ATC) and repealed transportation laws administered by the ATC. The repeal of transportation laws administered by the ATC annulled the ATC's motor carrier safety regulations (3 AAC 62). The House Transportation Committee has responded to Initiative No. 83-02 and the annulment of the ATC's motor carrier safety regulations with Work Order no. 14-1018. The question is whether Work Order 14-1018 acts as a repeal of Initiative No. 83-02 which annulled the ATC's motor carrier safety regulations.

Under Article XI, sec. 6 of the Alaska Constitution the legislature may not repeal an initiative enacted by the people through the initiative process until two years after the effective date of the initiated law. Warren v. Boucher, 543 P.2d 731, 737 (AK. 1975). At the same time, under Article XI, sec. 6, the legislature has the power to amend a law enacted by an initiative and the power to amend is

broad. ID. The legislature's power to amend an initiative is broadly defined as a check or balance against an initiative which might result in the frustration of sound government. Warren v. Thomas, 568 P.2d 400 (AK. 1977). An amendment should be used to clarify the law or to effectuate the intent of the electorate. ID.

There is no Alaska case law precisely clarifying the point at which an amendment might be so drastic as to constitute a repeal of an initiated law in violation of the Alaska Constitution. Nevertheless, the language in Thomas, supra, provides insight. The court quoted the following language from Mevers v. Board of Supervisors of Los Angeles County, 110 Cal. app. 2d 623, 243 P.2d 38, 42, (1952):

An amendment to an act operates as a repeal of its provisions to the extent they are materially changed by and rendered repugnant to, the amendatory act.

The following questions emerge as a result of case law research:

- (1) Is the House Transportation Committee work draft (Work Order no. 14-1018) a material change repugnant to Initiative No. 83-02?
- (2) Is the House Transportation Committee's work draft used as a check or balance which might result in the frustration of sound government?
- (3) Is the House Transportation Committee's work draft in keeping with the electorate's intent?

#### MATERIAL CHANGE

The House Transportation Committee's work draft creates a new comprehensive commercial motor vehicle safety inspection program. It is not a carbon copy of the former ATC motor carrier inspection regulations. The House Transportation Committee is not materially restoring the old ATC inspection requirements. Basically the House Transportation Committee work draft creates a safety inspection program, whereas before under the ATC motor carrier safety regulations an inspection program did not exist. A motor carrier was simply required to inspect its own motor carrier. Even if it could be demonstrated that the House Transportation Committee's work draft materially changes or restores the repealed law

it would have to be demonstrated that the material change or restoration is repugnant to the intent of the electorate. (See below).

#### SOUND GOVERNMENT

Commercial motor vehicle transportation safety is a legitimate concern for the legislature. If during the enactment of an initiative motor vehicle transportation safety is jeopardized, it is the responsibility of the legislature to respond. The elimination of motor carrier inspection by the initiative may be a prime example of the need for the legislature to exercise its broad constitutional right to amend an initiative which might result in the frustration of sound government.

#### ELECTORATE & INTENT

The purposes of Initiative No. 83-02 relating to the termination of the Alaska Transportation Commission and the repeal of transportation laws administered by the commission are stated in the initiative as follows:

The people of Alaska recognize that

- (1) because of Alaska's great size and distance from markets, Alaskans must have access to efficient low-cost transportation in order for people and goods to move safely inside and outside the state;
- (2) a little-known but powerful state regulatory agency, the Alaska Transportation Commission (ATC), creates motor and air carrier monopolies by legalized price fixing and tariffs, which artificially raises shipping rates and makes consumer goods more expensive for all Alaskans;
- (3) the primary purpose of the ATC is to fix rates, not promote safety, and other government agencies can insure safety standards while allowing persons to contract freely for services;
- (4) abolishing the ATC and its anti-competitive practices will subject air carriers and trucking companies to free market competition, thereby reducing freight rates, improving service, and saving Alaskan consumers millions of dollars each year;

It is apparent that the purpose of Initiative No. 83-02 was to repeal anti-competitive trade practices by the ATC in order to create better consumer prices without jeopardizing transportation safety. Consequently the House Transportation Committee's work draft is designed to enhance the electorate's intent of insuring transportation safety by creating a transportation safety inspection program. The electorate's intent is further met by having the safety inspection administered by an agency other than the ATC.

CONCLUSION

In light of Thomas, Mevers and Warren, supra, the House Transportation Committee's work draft does not violate Article XI, sec. 6 of the Alaska Constitution because it does not materially alter but rather promotes legitimate legislative measures designed to carry out, not defeat, the electorate's intent to insure transportation safety.

RJM:ojb  
J13/

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 18, 1985

SUBJECT: Inspection of fire trucks  
(CSHB 364 (Trans))

TO: Representative Bette Cato, Chair  
House Transportation Committee

FROM: Randall J. Moen *RJM*  
Legislative Counsel

You have asked in your April 18, 1985 memo regarding CSHB 364 (Trans) whether fire trucks are commercial vehicles and therefore required to obtain a certificate of inspection. The answer is yes if the fire truck is a local government vehicle or more than 10,000 pounds because under sec. 28.32.900(1) of CSHB 364 (Trans) commercial motor vehicle means a "local government vehicle" or a "truck of more than 10,000 pounds".

RJM:lmb  
L4/075

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907.465.3800

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HT 4-17-85 7am  
4-18-85 7am

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE  
LETTER OF INTENT  
For  
CSHB 133 (Finance)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine:

- 1) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program;
- 2) if the hazardous flying conditions in Alaska warrant additional safety training for pilots as a condition of state certification of compliance; and
- 3) the effects of phase out or elimination of the federal essential air service program on the reliability of air service to Alaska communities.



---

Al Adams, Chairman  
House Finance Committee

*Adopted by House 3/25/85*

HOUSE LETTER OF INTENT

# Alaska State Legislature

SENATOR  
JOHN B. "JACK" COGHILL  
Chairman

POUCH V .  
JUNEAU, ALASKA 99811  
(907) 465-4921

Senator Jan Faiks—Vice Chairman  
Senator Mitch Abond  
Senator Paul Fischer  
Senator Joe Josephson

## Senate Committee on Transportation

April 25, 1985

### MEMORANDUM

To: Finance committee members  
From: Transportation committee staff *jm*  
Re: Analysis for SCS CSHB 133 (Trans)

---

HB 133 was identical to SB 103 when the two bills were introduced by the Governor early in the session. They remained essentially the same through their first committee substitutes, and it was not until House Finance amended HB 133 substantially that the two bills diverged.

The version passed by the House deals only with air commerce, and leaves motor vehicle inspections to further study. This bill was passed by the House on Monday, March 25.

Meanwhile, SB 103 moved from the transportation committee in late February and ran into some difficulties in Senate Finance, where it remains today. Those concerns, primarily that private carriers should not become regulated upon the demise of the ATC, and that the gravel-haulers be covered by the bill, have been explored in subsequent drafts.

The intent of the Transportation CS is to put the three components of the issue - insurance, certification of aircraft, and truck inspections - back together into one bill.

\* Sec. 1 allows DMV to refuse to issue a vehicle registration if the vehicle does not have a current certificate of inspection.

\* Sec. 2 makes changes to the financial responsibility language passed by the initiative to do the following: exclude vehicles not used for commercial purposes, and include vehicles rented or leased to another to carry freight; set insurance minimums at \$200,000 for property damage, \$500,000 for bodily injury or death, and \$100,000 per seat for aircraft. This insurance requirement would be overseen by DCED. In the House Finance version, this section deals only with aircraft, and leaves motor vehicle insurance in Public Safety. The

House financial responsibility language further allows the DCED commissioner to set the insurance minimums, but mandates not less than \$200,000 per seat for bodily injury or death, and \$25,000 for property damage. The \$200,000 resulted from a floor amendment in the House on reconsideration.

\* Sec. 3 would amend the insurance language by adding sections to require 30-day notice of cancellation, and to make a violation of the insurance requirement a Class B misdemeanor, with a fine of at least \$500, and not more than \$1000. The comparable House language increases the crime to a Class A misdemeanor, with a fine of between \$1000 and \$5000.

House Finance also added language at this point to allow the department to charge and collect fees for this service - a provision that is apparently misplaced. It was intended to have been for the certification of compliance of aircraft.

\* Sec. 4 of the Senate CS establishes the certificate of compliance for aircraft, which is substantially different from the House version. The House has eliminated: The \$50.00 fee; the requirement that the certificate be displayed for boarding passengers to read; the requirement that interstate carriers obtain the certificate and the provision allowing current ATC-authorized carriers to continue to use their aircraft without certification until their insurance must be renewed. The elimination of this last provision will mean that immediately following the effective date of this Act, every air carrier will have to obtain the certificate of compliance, or fly in violation of the law.

The next portion of Sec. 4 establishes the motor vehicle safety inspection program, for which no comparable language exists in the House bill. The language of the new CS is substantially the same as that contained in our CS for SB 103, with the following modifications:

- Non-commercial users are exempted from inspection (P.4, L.29)
- Rural areas are exempted from inspection (P.5, L.2)
- The definition of "commercial purposes" is changed to exclude "activities incidental to and done in furtherance of the person's primary business" (P.8, L5)
- A definition for "vehicular way" is provided (P.8, L.20)
- School buses are included in the inspection requirement (P.8, L.21)

\* Sec. 5 provides an immediate effective date, as is also provided in the House version.

COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

3/26/85

Date APRIL 8, 1985

Mr. President

The Committee on TRANSPORTATION considered CSHB 133(Fin) am  
transportation safety and financial responsibility; 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 S CS for CSHB 133 (TRANS)

new title

same title and recommends man do pass

and attached a "LETTER OF INTENT"

NEW FISCAL NOTE

SS# 29

reports it back without recommendation

recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

1 Paul Fische

1 Joe Josephson

MEMBERS HAVING  
OTHER RECOMMENDATIONS

2 Mitch Wood Do pass if Air & truck bills are separated

3 Jimmie Miles

1 [Signature]

Chairman

DO PASS  
Chairman recommendation

# Alaska State Legislature

SENATOR  
JOHN B. "JACK" COGHILL  
Chairman

POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4921



Senator Jan Faiks—Vice Chairman  
Senator Mitch Ahood  
Senator Paul Fischer  
Senator Joe Josephson

## Senate Committee on Transportation

### MEMORANDUM

TO: Committee Members  
FROM: Senator Coghill  
DATE: February 13, 1985  
RE: CS SB 103

---

#### Sectional Analysis of 2/13 Draft of CJ for SB 103

##### Section 1

Amends th language of the initiative to set the required insurance amounts by statute at \$200,000 for property damage, \$500,000 bodily injury for motor vehicles and \$300,000 per seat bodily injury for aircraft.

Subsection (c) changes "enforcement officers" to "department personnel", and allows the department to adopt necessary regulations.

##### Section 2

Adds three new subsections to the financial responsibility section to:(d) disallow cancellation of insurance without 30 day notice to the department; (e) make a violation of the requirement to have insurance a class B misdemeanor with a minimum \$500 fine; and (f) applies the section only to certain types of vehicles and aircraft.

##### Section 3

Establishes a certification of compliance for air carriers. This establishes a certificate of compliance under DCED for air carriers. This annual certificate would be issued for each aircraft used in air commerce, and would be issued upon application and showing proof of financial responsibility and proof of compliance with FAA requirements. The certificate

would have to be displayed for boarding passengers to read, and interstate carriers would be required to obtain the certificates for the aircraft they use intrastate. The certificate could be revoked if it was shown that the aircraft had been used in commerce before the certificate was obtained; however, current ATC-authorized carriers would not have to certify their aircraft until the renewal dates on their insurance policies. This is to avoid an annual crush of renewal on the department.

Article 6 is added to AS 42.30 establishing a program of motor vehicle inspections.

.300 requires all motor vehicles to be inspected once a year, with an annually renewable certificate of inspection. The certificate would be carried in the vehicle, and stickers placed on the outside. The commissioner could adopt regulations to implement the program.

.310 exempts US government vehicles

.320 describes the process for permitting inspection stations, allows the department to monitor a station's work, and suspend or revoke the permit if necessary. A process is then established by which a suspension or revocation may be appealed.

.330 Describes the process for certifying a vehicle inspectors.

.340 Establishes a hearing board within DCED to mitigate disputed revocations and suspensions.

.350 Describes how certificates of inspection will be issued, and that a station operator will keep records, auditable by the department.

.360 prohibits falsely representing to be an official inspection station.

.370 prohibits the manufacture, issuance or use of counterfeit certificates of inspection.

.380 makes it a class B misdemeanor to violate the section.

.390 Defines "air commerce", "aircraft", "department", "freight", and "motor vehicle".

#### Section 4

Adds implementation of the financial responsibility requirements to the duties of the commissioner of DCED.

#### Section 5

Provides an immediate effective date.



Official Business

# Alaska State Legislature

## Senate

Pouch V  
State Capitol  
Juneau, Alaska 99811

### MEMORANDUM

To: Chairman Coghill  
From: Committee Staff  
Date: January 28, 1985  
Re: Committee bill on ATC

You have asked for a committee analysis of our draft bill regarding highway safety and the initiated demise of the Alaska Transportation Commission. Bearing always in mind that our opportunity here is to create a program which will effectively monitor the safe conditions of trucks on the state's highways, without violating the mandate of the people in last November's election to eliminate ATC interference in the marketplace of transportation of goods and passengers, we have had the accompanying bill drafted. It can be introduced at any time the committee thinks appropriate.

Section 1 of the draft adds language which will allow DCED to enforce weight and load restrictions currently in effect. Although this authority was transferred to DCED some time ago, the enforcement tool was apparently not transferred along with it, and DCED has been in the ineffective position of having a duty they could not enforce. Section 1 is a housekeeping measure, and has nothing to do with the repeal of the ATC.

Section 2 contains the financial responsibility language passed by the initiative, with two amendments. The first, on page 1, line 26, replaces the department of public safety with the department of commerce and economic development. The second, on page 2, line 10, authorizes the department to adopt regulations to enforce the financial responsibility section.

Section 3 adds a class B misdemeanor penalty for violations of the financial responsibility requirement. Class B misdemeanors carry a penalty of up to 90 days in jail, or up to \$1000 fine, or both.

Section 4 mandates DCED to conduct inspections at least once every six months, and allows the department to adopt regulations implementing this section. The section further allows exemptions from inspection for government owned and operated vehicles, and authorizes DCED to issue appropriate orders (such as a stop order to disallow the vehicle on the

Chairman Coghill  
January 28, 1985  
atc cmte bill, p 2

road) for enforcement, and establishes an infraction penalty for violations of the safety regulations. Finally, section 4 provides a definition for "motor vehicles" as used in this section of the statutes.

Section 5 of the bill makes changes to AS 44.33.020, duties of the commissioner of DCED, adding the aforementioned responsibilities.

Section 6 will provide an immediate effective date.

# Alaska State Legislature

## House of Representatives

### Committee on Transportation



Rep. Bette Cato, Chairman

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4858

DATE: 14 February 1985  
FROM: Representative Cato, Chairman  
TO: COMMITTEE MEMBERS  
RE: CSHB 133(TRSP) WORK DRAFT

#### Sectional Explanation:

#### Section 1: FINANCIAL RESPONSIBILITY

(a) Contains language passed by the initiative with an amendment which establishes the required amounts, by statute, for \$200,000 property damage, \$500,000 bodily injury for motor vehicles and \$300,000 per seat for bodily injury for aircraft.

It was stated on Tuesday during the committee meeting that the motor carriers would prefer to see the federal minimums used for insurance minimums in this bill which would be as follows (this would only apply to (1) and (2) of (a):

\$600,000 general liability; \$750,000 property and non-hazardous liabilities and \$5,000,000 non-hazardous liability.

The air carriers had expressed their desire for a minimum liability insurance set at \$300,000 which is the same as required by the federal government.

Both the air carriers and motor carriers desire that rather than allow minimum liability insurance requirement to be set by regulation, they recommend it be established in statute.

(b) Is a continuation of the language from the initiative.

(c) Contains language of the initiative with the amendments which change "enforcement officers" to department personnel since this bill is giving the department of Commerce the responsibility of enforcement. It also adds that the department may adopt procedural regulations to implement this section.

#### Section 2:

Adds 3 new subsections to the financial responsibility section:

(d) disallow cancellation of insurance without 30 day notice to the department. Makes it mandatory that all insurance policies provide a provision that they can not be cancelled without 30 days notice from the state. This was taken from the language used in HB 133, page 3, line 10-14 to which the air carriers agreed with and asked to be retained in this version of the bill.

(e) make a violation of the requirement to have insurance a class B misdemeanor with a minimum \$500 fine. This was added due to the concern expressed during Senate meetings. A Class B misdemeanor carries a penalty of 90 days in jail, up to \$1000 fine or both. It was preferred that a minimum level be established rather than a maximum level. The House Committee has requested an analysis or some type of guideline to determine fines and/or penalties for this violation as it was their feelings a Class B misdemeanor may not be enough. That is still underway with the Legal Services.

(f) applies the section only to certain types of vehicles and aircraft. The idea behind this was to limit the possibility of extensive rules and regulations (i.e. to include ultralights, hot air balloons, taxicabs...)

### Section 3. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS

This section was written using the air carriers recommendations.

(a) Would prohibit a person from engaging in air commerce without obtaining this certification. It would be issued upon application and proof of financial responsibility showing that they have their insurance and proof of compliance with FAA for their aircraft.

(b) This certificate shall be renewed annually.

(c) The person engaging in air commerce has to have a certificate for every aircraft he's using and must have it displayed visible to boarding passengers

(d) Federally certified interstate air carrier would also have to get the intrastate certification from the state for each aircraft they are going to use on their intrastate service

(e) If an aircraft was used before getting the certificate, it could be revoked or suspended

(f) Provides for a type of grandfather clause for people now operating under ATC authorization. They would not have to certify their aircraft until the renewal dates on their insurance policies.

This provision was added as an attempt to avoid a flood of people to the department for their renewal - it would rather allow for the process to be staggered.

### ARTICLE 6. MOTOR VEHICLE SAFETY INSPECTIONS

The purpose of Article 6 was to put the inspection of vehicles in the public sector. The State, Department of Commerce, would have the responsibility of oversight and would certify the inspection stations and audit them to make sure all was going according to plan.

Section 42.30.300 requires all motor vehicles to be inspected once a year, with an annually renewable certificate of inspection. The certificate would be carried in the vehicle, and stickers placed on the outside. The commissioner could adopt regulations to implement the program.

Section 42.30.310 EXEMPTIONS. exempts U.S. government vehicles.

Section 42.30.320. OFFICIAL INSPECTION STATIONS.

The idea behind this is to get the inspection to the private sector through a series state certified inspection stations.

Describes the process for permitting inspection stations, how they apply for it, must have someone on staff qualified to do the inspections, the permit can only be used at the location for which it's assigned; the department can suspend or revoke a permit if necessary; sets up a vehicle by which the permit holder whose permit has been suspended or revoked can appeal.

Section 40.30.330. CERTIFICATION OF VEHICLE INSPECTORS. Describes the process for certifying a vehicle inspectors

Section 40.30.340 Establishes a hearing board within the Department of Commerce to mitigate disputed revocations and suspensions

Section 40.30.350 Describes how certificates of inspection will be issued, and that a station operator will keep records, audible by the department.

Section 40.30.360 prohibits falsely representing to be an official inspection station

Section 40.30.370 prohibits the manufacture, issuance or use of counterfeit certificate of inspection.

Section 40.30.380 makes it a class B misdemeanor to violate the section.

Section 40.30.390 Defines "air commerce", "aircraft", "department", "freight" and "motor vehicle."

Motor carriers expressed in our meeting Tuesday that they would like to see (B) under motor vehicle definition deleted since the inspection exists for motor vehicles and is not necessary for trailers.

Section 4.

Adds implementation of the financial responsibility requirement to the duties of the commissioner of Commerce

Section 5.

Adds an effective date.

The motor carriers have requested the committee to consider deleting "for hire" from the language of the bill as it is their recommendation that all motor carriers engaged in commerce have the same insurance requirement rather than having "for-hire" vehicles being the only ones with this requirement. There is a fine line between private and for-hire carriers. Their recommended language for page 1, line 12 would read "person who operates as a motor carrier on the public highways" which would cover drivers of vehicles weighing over 10,000 pounds, i.e. all commercial carriers whether or not they are for hire.

Legal services is reviewing this suggestion at the present time.

that the Finance Committee consider reinstating an across-the-board contribution from all Alaskans to maintain the fund.

(Assistant Attorney General, Jim Baldwin, arrived at the meeting at this time, and Co-chairman Faiks directed that he prepare a written opinion concerning the use of Rainy Day Account moneys under the above-legislation.)

SB 103 TESTIMONY SEN. FIN.

Co-chairman Faiks announced that SB 103 (ACT PROVIDING AUTHORITY FOR THE DEPARTMENT OF PUBLIC SAFETY TO REGULATE SAFETY OF MOTOR CARRIER AND AIR CARRIER OPERATIONS) was before committee for discussion. She explained that the bill results from the initiative abolishing the Alaska Transportation Commission. It establishes an insurance section for both air and truck carriers, and sets up a safety program for all trucks weighing more than 10,000 pounds.

Senator Jack Coghill came before committee to speak to the proposed CSSB 103 (Transportation) (ACT RELATING TO TRANSPORTATION SAFETY AND FINANCIAL RESPONSIBILITY). He explained that the committee substitute represents a condensation of the Governor's original bill which was basically a lift-off of existing ATC regulations through the Dept. of Public Safety. The Senate Transportation Committee reviewed the initiative and incorporated financial responsibility and truck inspection sections within its committee substitute. Under the new version, inspections would be accomplished through licensed private-sector inspectors rather than state staff.

Senator Coghill noted that the committee substitute closely follows the dictates of the initiative. Incorporation of the interests of both air and motor carriers has produced a strong bill which will prohibit government personnel from placing stringent ATC provisions upon carriers.

The Senator directed attention to the \$171.0 fiscal note accompanying the bill which effectively transfers ATC moneys to the Dept. of Commerce.

Senator Kerttula voiced concerns regarding private-sector inspections, and asked whether individual inspectors would be bonded. Does he incur serious liabilities if he ignores inspection responsibilities? Can the state easily and quickly move against an inspector who is not performing? Senator Coghill explained that bonding requirements were incorporated in earlier drafts of the committee substitute, but not the current version. He noted, however, that the Dept. of Commerce would be monitoring inspectors. He stated that he had no objection to reinsertion of bonding requirements. He also noted that language in the bill allows the state to revoke the inspector's certificate should he not perform well.

Senator Coghill directed attention to the letter accompanying the bill and advised that the Finance Committee would be following application of the bill in the coming year and report back to the Legislature at the beginning of the second session.

Referring to inspection provision of the bill, Senator [Name] advised of his understanding that all trucks over 10,000 pounds would have to have two inspections per year. Senator [Name] directed attention to language relating to "commercial purposes" and noted that it is defined as "something for which a person receives direct monetary compensation." A farm vehicle is within the weight provision would not necessarily be inspected since it does not fall within the description of "commercial purposes." Vehicles used for delivery purposes derive indirect rather than "direct monetary compensation."

Provisions of the bill would apply to all state highway

Senator Halford asked if the bill would apply to municipal vehicles, and Senator Coghill responded, "Yes, sir." Municipal vehicles should comply with the same safety requirements as the private sector.

Co-chairman Faiks noted that "commercial purposes" appears to relate to insurance provisions of the bill and safety provisions relate to all trucks over 10,000 pounds which operate on highways.

To inquiries from Senator Halford concerning the time frame within which to comply with safety and insurance provisions of the bill, Senator Coghill answered that inspections could commence once inspectors are certified.

JOE SWANSON, Director of Measures and Standards, Dept. of Commerce, next came before committee. He explained that the bill requires that prior to receipt of registration, an individual must prove that his truck has been inspected. January 1, 1960, is the target date for inspection and subsequent registration. The contemplated legislation will commence enforcement on that date. The department intends to immediately begin establishing inspection stations and certifying inspectors. Current law requires that vehicles be inspected twice a year and the certificate of compliance must be posted on the side of the vehicle. Mr. Swanson explained that under the proposed bill all state and municipal governments fall within the safety inspection sections. All personnel in most communities within the state (as well as municipalities) are likely to request that their personnel be certified to inspect company vehicles. The language of the bill permits such certification. The availability of local mechanics will also be certified to provide inspection availability to independent operators.

Responding to a question from Senator Halford concerning qualifications for inspectors, Mr. Swanson explained that the bill authorizes the department to establish criteria by which individuals are measured for certification. Classification specifications for heavy duty mechanics working within DOT would most likely apply. Inspections will consist of much the same type of activity required by federal demonstration weigh station programs. No equipment other than a clipboard, pencil, and check sheet would be required. The department anticipates having 2,000 to 3,000 individuals certified throughout the state.

The department plans to take seven weigh station positions, fund them full time rather than seasonally for five months, and use them to monitor the program. The bill contains provisions allowing department monitors to inspect the work of inspectors to ensure that they are performing as they should.

Inspection stations will be numerically serialized. A truck inspected at a particular station would bear a sticker identifying that station. Should the truck be stopped by a state monitor, and it is determined that the inspection was poorly done and the truck is in poor repair, the state is authorized to pull the inspector's license.

Monitors would be located in Anchorage and Fairbanks and travel throughout the state conducting random checks on inspected vehicles.

Mr. Swanson advised of anticipated problems in the program. The state will attempt to make it function for the coming year and report back to the Transportation Committee at the beginning of the session with recommended changes. He noted specifically the potential for fraudulent inspections. The department anticipates some complaints as a result of the program and has requested \$30,000 in travel to respond to controversy. The division originally proposed a state inspection program using state inspectors.

Senator Kerttula voiced need for enactment of boilerplate language drawn from other states with workable programs rather than the contemplated one-year-trial program proposed by the instant legislation.

Senator Halford asked what portions of the fiscal note relate to the insurance provisions of the bill, and Mr. Swanson responded that the department is requesting six clerical and one supervisory position. The clerical positions will be integrated into the already existing administrative staff and the supervisor will oversee the operation. The division is also requesting two administrative assistants (range 12), one for safety and one for insurance. If the safety and insurance functions are split, the insurance section of the bill would require one administrative assistant and two clerical people. (The request for the proposed

legislation consists of conversion of seven seasonal positions to full time in addition to the seven new positions.) Responding to a question from Senator Halford concerning application of legislative provisions to all trucks over the set weight, Mr. Swanson explained that under the ATC, criteria included vehicles "for hire." If one received direct compensation for movement of a product, the vehicle fell under ATC insurance provisions. If movement of the product was incidental, the insurance portion did not apply. On the safety side, all vehicles over a certain weight fell within safety provisions except for federal, state, municipal, farm vehicles, etc. There was a substantial list of exemptions. The Transportation Committee felt that in terms of safety provisions, all vehicles using the roads should comply.

Mr. Swanson explained that in terms of insurance coverage, the legislature must decide whether it wants to expand requirements beyond those of the ATC. If the legislature retains the designation of vehicles "for hire," ATC requirements and the attendant problems remain. Alternate verbage may expand insurance requirements beyond those of ATC. Responding to a further question from Senator Halford concerning safety regulations, Mr. Swanson explained that the ATC promulgated the regulations for safety standards of vehicles (the brown book). The regulations required inspection certificates for commercial vehicles. They also required that all vehicles to be used on state highways meet safety standards. If a vehicle was stopped and found to be in poor repair, the owner could be cited under ATC regulations. Safety regulations are currently "on the books" which allow the Dept. of Public Safety to stop an unsafe vehicle. They do not differentiate between a commercial and non-commercial carrier. They simply to trucks over a set weight class. Public Safety also have enforcement authority, but only 1-1/2 people dedicated to the program. Department field personnel did audit the records of commercial carriers. Mr. Swanson advised that twice a year the department would set up a road block at a designated weight station and conduct ICC compliance inspections for all vehicles over 10,000 pounds. The department inspect non-commercial carriers for safety purposes only; there is no insurance requirement.

Co-chairman Faiks added that the department had earlier testified before the Transportation Committee that it conducted 1,400 inspections last year. There are approximately 13,000 trucks (over 10,000 pounds) operating in Alaska. While both commercial and non-commercial vehicles were inspected, the emphasis was upon commercial.

Senator Kerttula asked if the proposed Transportation committee substitute incorporates recommendations made by Ben Harding, Special Staff Assistant, in correspondence to Governor Sheffield's chief of staff, John Shively. Mr. Swanson responded that it addresses most of the comments with the exception of those on the last page.

Co-chairman Faiks advised that the bill would not move from committee at this time since it involves a controversial issue which needs careful consideration.

Discussion followed concerning problems concerning gravel hauls between the Matanuska-Susitna valley and Anchorage. Mr. Swanson advised that indications are that the amount of traffic in the area will increase yearly.

Senator Eliason posed questions concerning the cost of truck inspections for privately owned vehicles. Mr. Swanson answered that costs would probably be based on shop rates which range from \$35 to \$60 per hour. Inspections at state weigh stations average 30 minutes. Costs will most likely run from a minimum of \$30 to \$50. If a problem is found, the vehicle must be repaired and returned for subsequent inspection prior to certification. The department is using \$50 as the average. Two a year would cost most private truckers \$100. Mr. Swanson noted that large trucking firms will probably have in-house personnel to perform the inspections. The burden will be on the small independent in the private sector.

Discussion continued concerning the potential for large trucking companies employing the only inspectors for an area to take advantage of small, independent truckers. Mr. Swanson explained that in most communities there would be more than one inspection point since there is no cost or bonding involved in becoming certified. As an argument against bonding, Mr. Swanson advised that the cost of the bond would in turn increase the cost of inspections.

Senator Eliason noted that there should be a relationship between inspection requirements and the amount of use the vehicle receives. How would the department balance the need for inspections twice a year between one who uses his vehicle only once in a while and a firm or independent whose trucks are constantly on the road. Mr. Swanson responded that there is no balance. The requirement must be established and equally implied. He noted some flexibility in language requiring inspection "twice a year," rather than semi-annually (construed by the courts to mean every six months). Most haulers would probably undergo inspection before and after the hauling season.

Senator Eliason noted that in the above line of questioning he was not as concerned for those in the hauling business as much as for those who are not--those for whom the hauling exercise is incident such as a furniture store owner delivering purchases. He asked if the inspection could be related to mileage as a measure of the use of the vehicle. Mr. Swanson stated that an inspection based on mileage would probably be impossible to enforce.

Discussion followed concerning inspection requirements. Senator Eliason suggested that perhaps inspections relative to use could be based upon whether or not an individual has a business license for use of the vehicle. Mr. Swanson responded that problems in this area arise where the owner/operator has not business license. He owns the truck and leases it to someone else.

Senator Halford suggested applying inspection requirements to only those vehicles falling within the description of "commercial purposes" contained in the bill. This would relief incidental users of both inspection and insurance requirements. He voiced concern that the bill, intended to deal with the demise of the ATC, is being used to regulate an entire class of uses through twice yearly inspections. Application of the bill to commercial purpose vehicles only would reduce the fiscal note and produce simpler legislation. Those previously under ATC regulation are aware of safety and insurance requirements. There is no reason to apply the bill to all trucks over 10,000. That would extend rather than curtail government regulation.

Co-chairman Faiks distributed to members a proposed Senate Finance Committee Substitute for SB 103 accompanied by a draft fiscal note. She noted that the proposed substitute and fiscal note represent a bifurcated bill covering only insurance provisions and the funding therefor. She suggested setting up a subcommittee to review safety portions of the bill with the intent of reintroducing the safety sections as a finance committee bill at a later time. She directed members to consider her suggestion.

In closing remarks responding to Senator Halford's previous statements, Mr. Swanson stated that within the definition of "commercial purposes," an individual owning a truck in which he hauled gravel for use under the terms of a road construction project would consider the movement of the gravel as incidental to the job and outside insurance requirements. If the same definition is applied to safety requirements, the vehicle would not have to be inspected. If the contractor subcontracts the hauling to a gravel hauler who transports the product at a stated price per yard, the vehicle would fall within both the safety and insurance requirements of the bill. Safety requirements applied to all vehicles under the ATC while insurance requirements only applied to those for hire. Application of the definition to safety and insurance requirements would create instances where one truck might fall under the regulations while another might not. It complicates the situation. There is a need to cover all vehicles and then exempt appropriate areas from inspection.

Co-chairman Faiks poll members to determine how they wished to proceed at this time. Senator Halford advised of his preference for enactment of a bill limited to insurance at this time. He noted that he had no objection to a safety program provided it did not "reach out and do something new." Senator Eliason

concluded, advising that he would like to "look at" the people to be affected by the legislation in terms of whether or not they were under the ATC.

Co-chairman Faiks appointed Senators Eliason, Halford, and Kerttula as the subcommittee to work on the safety program portion of the bill. No objection having been raised, it was so ordered.

Co-chairman Faiks request that representative from the industry come before committee at this time.

T. J. Thrasher, Managing Director of the Alaska Trucking Association next appeared before committee, voicing support for separation of the insurance and safety provisions of the bill. She explained that 85% of the Association's members are common carriers and for-hire carriers directly affected by the initiative. The remaining membership is composed of private carriers, operators, and allied industry persons. The majority or approximately 135 common carriers and additional common carriers fell under the initiative.

Referring to insurance provisions, Ms. Thrasher explained that requirements represent minimum levels for third party liability. This does not include the driver, his vehicle, or his cargo. It relates to property damage and bodily injury to third parties only. Minimums contained in the bill are substantially below established federal minimums but greater than ATC requirements. Ms. Thrasher advised that the minimums would not have drastic affects upon small carriers, since insurance carriers consider exposure which includes the frequency of use when evaluating the risk. It is the Association's position the the minimums included in the bill are not high enough but acceptable.

Ms. Thrasher advised that the definition of "commercial purposes" should be expanded to include all commercial carriers rather than only those which receive direct monetary compensation for their work. This opinion is based on the fact that it doesn't matter to the injured person whether or not the carrier was for hire. The damage has been done. In some instances even gravel haulers are exempt under the definition. This occurs when owner/operators enter lease agreements with persons owning gravel. Under the arrangement, they receive wages and compensation as an employee of the gravel owner. This allows 80% of the gravel haulers to qualify as private carriers. The problem of gravel haulers in Anchorage not being covered by insurance is thus not addressed under the current definition.

(Senator Ferguson arrived at the meeting at this time.)

Ms. Thrasher requested that the committee review the definition and stressed need for timely passage of that portion of the bill since if not effected by Thursday, emergency regulations within

the Dept. of Public Safety would become effective. Subsequent legislation placing insurance provisions within the Dept. of Commerce will lead to confusion for the carriers.

Senator Halford noted three classes of carriers: private, commercial, and contract carriers whose source of income is a lease arrangement or another form of packaged deal. He concurred with the effort to "tighten the net to deal with contract carriers," but voiced disagreement with the effort to deal with every vehicle over an established weight, especially since these vehicles were not covered by the initiative. He then asked what definition would "catch" a majority of the contract carriers without catching truly private carriers. Could "commercial purposes" be defined as "transportation for which direct monetary compensation is received." This would include any entity receiving direct compensation for the transportation.

Co-chairman Faiks advised of an attorney's opinion that the existing definition is satisfactory and can be strengthened by a letter of intent (for gravel haulers).

Co-chairman Faiks explained that her office had contracted five insurance underwriters dealing with truckers and been informed that the difference between ATC minimums and the minimums contained in the bill would raise the average insurance rate for small truckers 30-55%. She expressed concern that the legislation might double or triple ATC requirements and place a financial burden on small truckers. Ms. Thrasher agreed that the bill represents an overall increase. The ATC had anticipated raising its minimums to correspond more accurately with federal requirements. The Motor Carrier Act of 1980 did not deregulate the industry but eased entry for interstate carriers made it apparent that minimum insurance requirements should be established.

Responding to inquiries from Senator Paul Fischer and Co-chairman Faiks, Ms. Thrasher ATC insurance requirements were:

Bodily injury to or death of one person, \$100,000.00

Bodily injury to or death of all persons injured or killed in any one accident, \$300,000.00.

Damage in any accident to property of others, including cargo, \$10,000.00.

Senator Eliason raised questions concerning the relationship between pending insurance requirements and statutory effective mandatory insurance requirements. Co-chairman Faiks and Senator Halford responded that proposed requirements under the bill are much higher. Senator Eliason requested that a representative from the Division of Insurance speak to the issue as well as a representative from ATC.

In her closing statement, Ms. Thrasher encouraged the committee to take prompt action on the insurance portion of the legislation since the trucking industry needs to know what its insurance requirements are going to be. Senator Halford asked if trucking and air carriers envision a benefit to passing a bill with the same requirements as the ATC just to establish whether the program will be in Commerce or Public Safety and return to deal with requirement limits at a later time? Ms. Thrasher responded, "No, . . . I encourage you to set the limit now in legislation and pass it." She stressed that the industry feels the ATC levels were too low. The federal government set its limit based on a three-year study resulting from public hearings nationwide. Limits included within the bill fall between those of ATC and the federal government and are not too high. Those involved in commerce and the movement of freight should be willing to accept insurance responsibilities.

REED STOOPS and BOB JACOBSEN, representing the Alaska Air Carriers next appeared before committee. Mr. Jacobsen advised of a feeling of discouragement that the legislation does not appear likely to pass within the needed time frame. He noted that failure to meet the deadline established by initiative places the function under that Dept. of Public Safety. The Carriers prefer that it be placed within the Dept. of Commerce.

The Carriers have attempted to work with the Governor's proposal and the transportation committees in both the House and Senate. He urged that the legislature set insurance requirements and noted that in 1982 the average death settlement in aviation-related accidents was in excess of \$250,000.00. The federally mandated per seat liability for scheduled air service is \$300,000.00. Mr. Jacobsen suggested that the legislature use federal figures when preparing state legislation.

Mr. Jacobsen also voiced need for some type of certification process requiring that non-scheduled carriers be certified by the FAA and scheduled carriers comply with CAB/DOT 401 fitness standards.

Referring to the letter of intent from the Transportation Committee, Mr. Jacobsen voiced concern for in-state effects of initiative deregulation particularly upon bush communities dependent upon aviation.

He further urged that the FAA certification process be examined in terms of whether or not a state process should be required. He noted that the legislature previously funded the Alaska Aviation Safety Foundation which was to develop curriculum to enhance judgment and decision making by pilots. The first classes will be offered next month at the Bethel Community College. This is a good program which should enhance safety factors statewide. He suggested that air carriers be required to

adhere to minimum standards established by the Safety Foundation such as sending pilots to continuing training programs.

Senator Kerttula raised questions concerning opposition to placement of the program within the Dept. of Public Safety. Mr. Jacobsen responded that air carriers are already dealing with the Dept. of Commerce. The certification involved is more in the area of insurance or occupational licensing and should be placed within Commerce in order to allow carriers to deal with a single state agency rather than two. Reed Stoops added that the initiative placed the function in Public Safety since it was viewed from the point of truck inspections rather than the clerical function of certifying that carriers had adequate insurance. For ease of administration, the function would be better placed within the Dept. of Commerce.

Senator Kerttula voiced his belief that the group sponsoring the initiative felt it was better placed in Public Safety. Senator Halford said that the combined initiative appears to be directed toward Public Safety, but since there is no in-state safety function relating to air carriers (that function is governed by the FAA) the program could be placed within Commerce.

Discussion followed concerning insurance coverage for air carriers and filing requirements for interstate aircraft.

FRANK GORUM, Inspector, Asst. to the Commissioner, Dept. of Public Safety, next appeared before committee. Senator Kerttula raised questions concerning overweight vehicles which are not "picked up" by scale house attendants, and advised that his information estimates 5 million cubic yards of overweight transport. He expressed concern regarding overweight, undermaintained equipment driving too fast. Where should inspection authority be located? Mr. Gorum responded that the department has no general report covering the issue, but the information could be obtained from citations issued for overweight vehicles which have been found to be mechanically unsafe. The Dept. has statutory and regulatory authority to stop, inspect, and sideline vehicles. Senator Halford asked if placement of the function contemplated by the legislation within the Dept. of Commerce would weaken the authority now assigned to Public Safety. Mr. Gorum responded, "No, the statutes are still there and the regulations are still there under Title 28 and 13 AAC."

Senator Halford asked if the state has compiled statistical data on the percentage of accidents on the highway involving trucks which are caused by mechanically unsafe trucks. Mr. Gorum answered that the Dept. of Transportation maintains a system whereby it logs every accident, its location, and its causation. Co-chairman Faiks advised that the statistics must be maintained for federal highway working funds. They are readily available. The Co-chairman advised that she would request the statistics.

Senator Kerttula asked if it would create an additional burden for the Dept. of Public Safety to assume the inspection functions contemplated by the legislation. Mr. Gorum responded that the Dept. of Public Safety placed \$600.0 and a request for 8 employees in its FY 86 budget for the inspection work.

Responding to a question from Senator Paul Fischer concerning emergency oversight when the ATC ceases to exist, Mr. Gorum advised that the Division of Motor Vehicles drafted regulations for review by the Attorney General. Senator Fischer asked that the committee be provided a copy of the proposed regulations.

Senator Halford raised questions concerning notification of ATC registered carriers (surface and air) regarding initiative requirements. Mr. Gorum responded that the proposed emergency regulations contemplate effecting the same insurance requirements as established by the ATC with the exception: under the ATC the requirement for property damage was \$10,000, under new mandatory insurance requirements the amount is \$25,000. The emergency regulation will require \$25,000. Most carriers have the mandated amount of insurance at this time. The regulations will have to be publicised within 10 days via the press and radio. Senator Halford suggested that Public Safety secure the ATC's mailing list and individually notify carriers by mail in addition to publication.

Co-chairman Faiks directed attention to a memorandum and proposed amendments to the portion of the legislation dealing with insurance requirements. Due to time constraints, it was agreed that the handout would be reviewed by members and discussed at a subsequent meeting.

#### ADJOURNMENT

There being nothing further to come before committee at this time, the meeting was adjourned at 10:35 a.m.

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SFC-85, #7, Side 2 (000-end)  
SFC-85, #9, Side 1 (255-end)  
SFC-85, #9, Side 2 (000-730)

M E M O R A N D U M

To: Senators Halford, Kerttula, Eliason and Faiks  
From: John Manly, A.A.,  
Transportation Committee  
Date: March 18, 1985  
Re: Proposed Finance CS for SB 103

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In brief, the changes made to the attached finance CS for SB 103 are:

pg 1, line 10: A new section 1 is inserted, to tie-in the denial of registration by DMV for uninspected vehicles in the proper place in the statutes (title 28).

pg 2, line 7: Adds language to place financial responsibility on a person who rents or leases a motor vehicle for another to carry freight, which should include gravel-haulers.

pg 3, line 5: This sentence still says the same as it did before, but was rewritten for clarity.

pg 3, line 13: The word "intrastate" is inserted.

pg 3, line 14: The weight of the motor vehicle is deleted, and is taken care of in the definition of "motor vehicle" in the definitions section.

pg 3, line 15: Two subsections are added, to make (f) consistent with the changes made to (a) above it.

pg 3, line 22: The phrase "for that aircraft" is added, to clarify that what is being certified is an aircraft, not an air commerce business.

pg 4, line 3: The phrase "shall be" is replaced by the word "is", for drafting purposes.

pg 4, line 17: The phrase "suspension or revocation" is replaced by the word "denial".

pg 4, line 18: The entire sentence is rewritten for clarity.

pg 4, line 28: The phrase "on a public highway of this state" is deleted as a redundancy: It is taken care of in the definition of "motor vehicle".

pg 4, line 28: The sentence regarding denial of vehicle registration is deleted, and properly placed in sec. 1.

pg 5, line 10: The phrase "or owned and operated by a person who uses the motor vehicle for other than commercial purposes" is inserted, to exempt certain privately-owned vehicles from inspections.

pg 5, line 22: The word "and" is added, and the phrase "and inspection stickers" is deleted as a redundancy.

pg 5, line 29: The phrase "of an operator" is deleted, as unnecessary.

pg 6, line 24: The phrase "or revoke" is added, to give the department more flexibility.

pg 6, line 28: The word "denied" is replaced with the word "revoked", to make (c) consistent with (b).

pg 8, line 9: The definition of "commercial purposes" is amended to exclude "activities incidental to and done in furtherance of the person's primary business".

Differences between House and Senate Versions of HB 133 relating  
to the Air Carriers

42.30.200 lines 5 - 9 When combined with the definitions sections, the minimum insurance requirements established by the bill would apply somewhat differently under the bills. The House definition is more inclusive in which carriers must be covered. The Senate version exempts lodge owners and others who use aircraft as part of their primary business.

AACA's preference -

Minimum insurance levels - House \$200,000 per seat  
Senate \$100,000 per seat + \$500,000  
per seat in the event of a settlement  
of \$100,000 or greater involving  
injury or death.

AACA's preference - House version if there is trade off to eliminate the "settlement penalty" provision in the Senate bill. \$100,000 per seat is also O.K. The settlement penalty provision is unworkable and should not be accepted.

Penalties House version - Class A misdemeanor  
Senate version - Class B "

AACA's preference - House version, although this is not a big deal.

42.30.200 Senate version contains sections b, c, d, and e not in House version. These are all good provisions which should be accepted by the House.

Definition of "air commerce" - in Senate bill, not in House bill - see # 1 above.

# Alaska State Legislature

## House of Representatives

### Committee on Transportation



Rep. Bette Cato, Chairman

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4858

12 MAY 1985  
CONFERENCE COMMITTEE ACTIONS ON HB 133

The Conference Committee has reached an agreement on the language to be used in House Bill 133 as follows:

We have incorporated the surface transportation language (commercial motor vehicle licensing requirements and safety inspection program) of HB 364 (Irsp) and the air transportation language of SCS CSHB 133(Fin) am S to achieve the Conference Committee Substitute for House Bill No. 133 with the following changes:

-Change the age requirement from 21 to 19 years of age for a commercial motor vehicle license; added that the applicant "has successfully completed all required driving tests and written and physical examinations. (one of the main concerns of this section expressed by the House, Senate and motor carriers, is that the most important aspect of this section is the successful completion of a proficiency test before being licensed)

-Added language in Section 2 "after January 1, 1986" is the date in which a commercial motor vehicle must have a certificate of inspection.

-Changed the reference to "department" (meaning the department of public safety) to "division" (meaning Division of Motor Vehicles) to insure that the inspection program will be enforced by DMV and not the troopers.

-Added language to the EXEMPTION section:

(2) used exclusively to transport ranch and farm products other than bulk milk. (This exempts farm vehicles other than the over 10,000 pound bulk milk trucks)

(3) customarily and historically used for commercial purposes for fewer than 20 hours a month. (This exempts those people that may only use their over 10,000 pound unladen gross weight vehicle only once or twice a year.)

-Changed and language to Section 28.32.080. DUTIES OF COMMISSIONER as follows:

The Commissioner of public safety shall adopt procedural regulations appropriate to achieve compatibility with other western

states and regulations necessary to implement the safety requirement for the commercial motor vehicle inspection program under this chapter. (This language was used to put a cap on the regulations which the division may write, plus encourage them to use the standards of the commercial motor vehicle safety alliance)

-Added language to the definition of (b) a state or local government vehicle "of more than 10,000 pound unladen gross weight..." (this was an oversight, language taken from the HB 264 Finance DRAFT)

-Added definition of "division" to mean the division of motor vehicles, Department of Public Safety as mentioned earlier.

-Changed the minimum amount for air carrier property damage in a single occurrence from \$200,000 to \$100,000. (This was the old limit set by the ATC and was changed to \$200,000 inadvertently when discussing motor carrier insurance limits)

The Conference Committee also adopted the Letter of Intent which passed the Senate when it accompanied SCS CSHB 133(Fin) am S.

The above is taken from the draft we were working on, and we expect the final form of the bill from legal services before floor session.

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE CONFERENCE COMMITTEE

2 CONFERENCE CS FOR HOUSE BILL NO. 133

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to transportation safety and finan-  
7 cial responsibility; and providing for an effective  
8 date."  
9

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

11 \* Section 1. AS 28.10.041(a) is amended by adding a new paragraph to  
12 read:

13 (9) the vehicle is without a certificate of inspection  
14 required under AS 28.32.010.

15 \* Sec. 2. AS 28.15.041 is amended by adding a new subsection to read:

16 (c) A person may not drive a commercial motor vehicle until the  
17 person applies for and is issued a license for that purpose under (a)  
18 of this section. The department may not issue a license under this  
19 subsection unless the applicant is at least 19 years of age, has held  
20 a valid driver's license at least one year, and has successfully  
21 completed all required driving tests and written and physical examina-  
22 tions. In this subsection, "commercial motor vehicle" has the meaning  
23 given in AS 28.32.900.

24 \* Sec. 3. AS 28 is amended by adding a new chapter to read:

25 CHAPTER 32. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS.

26 Sec. 28.32.010. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS. A  
27 commercial motor vehicle may not be operated after January 1, 1986  
28 without a certificate of inspection. An owner of a commercial motor  
29 vehicle shall renew a certificate of inspection at least semi-annually  
at an official inspection station under AS 28.32.030. The owner may

1 renew a certificate of inspection at any time during the office hours  
2 of the inspection station. An owner of a commercial motor vehicle  
3 shall display a current sticker of inspection visible from outside the  
4 vehicle in a location determined by the division.

5 Sec. 28.32.020. EXEMPTIONS. A commercial motor vehicle is  
6 exempt from the requirements of AS 28.32.010 if it is

7 (1) owned and operated by the federal government unless the  
8 vehicle is used to transport property of the general public for com-  
9 pensation in competition with other persons who own or operate a  
10 commercial motor vehicle subject to this chapter, and except to the  
11 extent regulation of vehicles operated by the federal government is  
12 permitted by federal law; or

13 (2) used exclusively to transport ranch and farm products.

14 *other than bulk milk, feeding*  
*other than dairy products*

15 (3) *customarily and historically used for commercial purposes for not more*  
*than 24 hrs*

16 Sec. 28.32.030. OFFICIAL COMMERCIAL MOTOR VEHICLE INSPECTION  
17 STATIONS. (a) A person may not operate an official commercial motor  
18 vehicle inspection station without a permit from the division. The  
19 division shall approve an application for permit to operate an in-  
20 spection station if

21 (1) the division determines the inspection station has  
22 proper equipment and competent personnel; and

23 (2) a commercial motor vehicle inspector certified under  
24 AS 28.32.040 is employed at the inspection station.

25 (b) After the division approves an application for a permit to  
26 operate an official inspection station under (a) of this section, it  
27 shall provide the applicant with a permit and certificates of inspec-  
28 tion.

29 (c) Upon receipt of a permit from the division under (b) of this  
section, the operator of an official commercial motor vehicle

1 inspection station shall post the permit in a conspicuous place at the  
2 location designated by the division.

3 (d) The division may enter the premises of the operator of an  
4 official commercial motor vehicle inspection station during the  
5 station's business hours to inspect the work of a certified commercial  
6 motor vehicle inspector or to determine if the operator continues to  
7 meet the requirements of this section.

8 (e) The division shall suspend or revoke a permit of an operator  
9 of an official commercial motor vehicle inspection station if the  
10 operator fails to meet the requirements of this section.

11 (f) Upon notice of suspension or revocation of a permit under  
12 (e) of this section, the operator of an official commercial motor  
13 vehicle inspection station shall immediately terminate all inspection  
14 activities and, on demand by the division, return the permit and all  
15 unissued certificates of inspection. The division shall issue a  
16 receipt for all returned certificates of inspection.

17 (g) If a permit is suspended or revoked under (e) of this sec-  
18 tion, the division shall give the holder of the permit a hearing  
19 within 10 days after receipt of a written request filed with the  
20 division within 30 days after suspension or revocation.

21 (h) A permit to operate an official commercial motor vehicle  
22 inspection station may not be assigned, transferred, or used at a  
23 location other than the location designated by the division.

24 Sec. 28.32.040. CERTIFICATION OF COMMERCIAL MOTOR VEHICLE IN-  
25 SPECTORS. (a) A person may not conduct a commercial motor vehicle  
26 inspection at an official inspection station under AS 28.32.030 unless  
27 certified as a commercial motor vehicle inspector by the division.

28 (b) The division may suspend or revoke the certification issued  
29 to a commercial motor vehicle inspector under (a) of this section if

1 the commercial motor vehicle inspector improperly conducts inspections  
2 or fails to comply with a provision of this section.

3 (c) If a certificate is revoked or suspended under (b) of this  
4 section the division shall give a commercial motor vehicle inspector a  
5 hearing within 10 days after the receipt of a written request filed  
6 with the commissioner within 30 days after revocation or suspension.

7 Sec. 28.32.050. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A  
8 person operating an official commercial motor vehicle inspection  
9 station shall issue a certificate of inspection to the owner of a  
10 commercial motor vehicle after determining that the commercial motor  
11 vehicle is in a safe and mechanically sound condition.

12 (b) A person operating an official commercial motor vehicle  
13 inspection station shall keep a record of each inspection performed at  
14 the station. The division may audit the records of an official in-  
15 spection station at any time.

16 Sec. 28.32.060. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.

17 (a) A person may not represent a place as an official commercial  
18 motor vehicle inspection station unless the station is operating under  
19 a valid permit issued by the division under AS 28.32.030.

20 (b) A person may not issue a certificate of inspection under  
21 AS 28.32.050 unless the person holds a valid permit under AS 28.-  
22 32.030.

23 Sec. 28.32.070. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A  
24 person may not make, issue, or knowingly use an imitation or counter-  
25 feit of an official certificate of inspection.

26 (b) A person may not knowingly display or issue a certificate  
27 of inspection on a commercial motor vehicle unless the commercial  
28 motor vehicle has met the requirements of AS 28.32.050(a).

29 Sec. 28.32.080. DUTIES OF COMMISSIONER. The commissioner of

1 → public safety shall adopt necessary regulations to implement the  
2 safety requirements for the commercial motor vehicle inspection pro-  
3 gram under this chapter. *commitment*

4 Sec. 28.32.090. VIOLATION A MISDEMEANOR. A person who violates  
5 a provision of this chapter is guilty of a class B misdemeanor.

6 Sec. 28.32.900. DEFINITIONS. In this chapter,

7 (1) "commercial motor vehicle" means a vehicle used by the  
8 owner or another person for commercial purposes upon the state highway  
9 system, a vehicular way connected by another highway or vehicular way  
10 to the state highway system, or a highway or vehicular way with an  
11 average daily traffic volume greater than 499, if the vehicle is

12 (A) a school bus;

13 → (B) a state or local government vehicle; *of more than*  
14 *10,000 pounds unladen gross weight; or*

15 (C) a truck or bus of more than 10,000 pounds unladen  
16 gross weight; or

17 (D) a trailer of 5,000 pounds or more unladen gross  
18 weight attached to a vehicle described in (C) of this paragraph;

19 (2) "commercial purposes" means activities for which a  
20 person receives direct monetary compensation or activities for which a  
21 person receives no direct monetary compensation but are incidental to  
22 and done in furtherance of the person's primary business;

23 (3) "division" means the division of motor vehicles, De-  
24 partment of Public Safety.

25 \* Sec. 4. AS 28 is amended by adding a new chapter to read:

26 CHAPTER 33. COMMERCIAL MOTOR VEHICLE FINANCIAL RESPONSIBILITY.

27 Sec. 28.33.010. FINANCIAL RESPONSIBILITY. (a) A person who  
28 ? → carries passengers or freight (for hire) intrastate in a commercial  
29 motor vehicle or a person who carries freight in a motor vehicle for  
commercial purposes, or a person who rents or leases a motor vehicle

1 for the use of another to carry freight shall procure and maintain  
2 security in the following minimum amounts:

3 (1) \$200,000 for property damage in a single occurrence;

4 (2) \$500,000 for bodily injury or death in a single occur-  
5 rence.

6 (b) Evidence of security required under (a) of this section  
7 shall be filed with the department and must be

8 (1) a policy or certificate of insurance issued by an  
9 insurer acceptable to the department; or

10 (2) a bond of a surety company licensed to write surety  
11 bonds in the state; or

12 (3) evidence accepted by the department, showing ability to  
13 self-insure; or

14 (4) other security approved by the department.

15 (c) The department may authorize department personnel to enforce  
16 this section and may adopt procedural regulations necessary to imple-  
17 ment this section.

18 (d) A policy of insurance, surety bond, or other form of securi-  
19 ty may not be cancelled on less than 30 days' written notice to the  
20 department. This requirement must be clearly stated in the policy or  
21 endorsement for an insurance policy submitted as proof of financial  
22 responsibility under AS 42.30.225(a)(1). The 30-day notice period is  
23 measured from the date on which the department receives notice.

24 (e) A person who violates (a) of this section is guilty of a  
25 class B misdemeanor and is punishable by a fine of not less than \$500  
26 or more than \$1,000.

27 (f) In this section "freight" means commodities, articles, and  
28 cargo, of whatever nature or value.

29 \* Sec. 5. AS 42.30.200 is amended to read:

CCSHB 133 (10) Am. S  
w/ Standing on Financial Amendment

1           Sec. 42.30.200.   AIR CARRIER FINANCIAL RESPONSIBILITY. (a) A  
2 person who carries passengers or freight for commercial purposes  
3 [HIRE] intrastate in an aircraft shall procure and maintain security  
4 in the following minimum amounts:

5                   (1) \$150,000 per seat for bodily injury or death in a  
6 single occurrence; and

7                   ← (2) <sup>100,000</sup> \$200,000 for property damage in a single occurrence [AN  
8 AMOUNT DETERMINED BY THE DEPARTMENT OF PUBLIC SAFETY AS NECESSARY FOR  
9 THE REASONABLE PROTECTION OF THE PUBLIC AGAINST DAMAGES OR INJURY  
10 CAUSED BY THE PERSON].

11           (b) Evidence of security required under (a) of this section  
12 shall be filed with the department and must be

13                   (1) a policy or certificate of insurance issued by an  
14 insurer acceptable to the department; or

15                   (2) a bond of a surety company licensed to write surety  
16 bonds in the state; or

17                   (3) evidence accepted by the department, showing ability to  
18 self-insure; or

19                   (4) other security approved by the department.

20           (c) The department may authorize department personnel [ENFORCE-  
21 MENT OFFICERS' to enforce this section and may adopt procedural regu-  
22 lations necessary to implement this section.

23 \* Sec. 6. AS 42.30.200 is amended by adding new subsections to read:

24           (d) A policy of insurance, surety bond, or other form of secur-  
25 ity may not be cancelled on less than 30 days' written notice to the  
26 department. This requirement must be clearly stated in the policy or  
27 endorsement for an insurance policy submitted as proof of financial  
28 responsibility under AS 42.30.225(a)(1). The 30-day notice period is  
29 measured from the date on which the department receives notice.

1 (e) A person who violates (a) of this section is guilty of a  
2 class B misdemeanor and is punishable by a fine of not less than \$500  
3 or more than \$1,000.

4 \* Sec. 7. AS 42.30 is amended by adding new sections to read:

5 Sec. 42.30.225. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS.

6 (a) A person may not use an aircraft in air commerce before obtaining  
7 an annual certificate of compliance for that aircraft from the depart-  
8 ment. The department shall issue or renew a certificate of compliance  
9 upon application and presentation of

10 (1) proof of financial responsibility required under  
11 AS 42.30.200;

12 (2) proof of compliance with Federal Aviation Administra-  
13 tion requirements, and, where applicable, federal certification for  
14 scheduled airline service.

15 (b) The annual fee for a certificate of compliance is \$50. The  
16 certificate is valid for a period of 12 months following the date of  
17 certification. The certificate shall be displayed on the aircraft so  
18 that it is visible to boarding passengers.

19 (c) Use of an aircraft in air commerce before obtaining a cer-  
20 tificate of compliance required under (a) of this section may be cause  
21 for denial of the certificate.

22 (d) A person who has obtained a certificate to use an aircraft  
23 in air commerce from the Alaska Transportation Commission before the  
24 effective date of this Act is not required to obtain a certificate of  
25 compliance under (a) of this section until the date the insurance  
26 policy for the aircraft is renewed.

27 (e) The department may authorize department personnel to enforce  
28 this section and may adopt procedural regulations necessary to imple-  
29 ment this section.

1           Sec. 42.30.380. DEFINITIONS. (a) In AS 42.30.200 - 42.30.380,

2           (1) "air carrier" means a person undertaking to engage in  
3 air commerce, whether directly or indirectly, or by lease, contract,  
4 or any other arrangement, and whether over regular or irregular  
5 routes;

6           (2) "air commerce" means carriage by aircraft of persons or  
7 freight for commercial purposes or hire in intrastate commerce, in-  
8 cluding the carriage by aircraft of persons or freight that move  
9 partly by aircraft and partly by other forms of transportation;

10           (3) "aircraft" means a propeller or jet-powered device used  
11 or designed for flight in the air;

12           (4) "commercial purposes" means activities for which the  
13 person receives direct monetary compensation and does not include  
14 activities incidental to and done in furtherance of the person's  
15 primary business;

16           (5) "department" means the Department of Commerce and  
17 Economic Development;

18           (6) "freight" means commodities, articles, and cargo, of  
19 whatever nature or value, excluding garbage and trash.

20 \* Sec. 8. AS 44.33.020 is amended by adding a new paragraph to read:

21           (27) implement the safety and financial responsibility  
22 requirements for air carriers under AS 42.30.200 - 42.30.380.

23 \* Sec. 9. This Act takes effect immediately in accordance with AS 01.-  
24 10.070(c).

to the Rules Committee.

SENATE BILL NO. 300 (authorizing \$1,000,000 from the disasters; efd) and a majority of the Senate. The report was signed by the Finance Committee and concurred in by Senators Paul Sackett.

to the Rules Committee.

CS FOR HOUSE BILL NO. 60 (authorizing the operating and loan program; efd) and recommended it be passed.

BILL NO. 60 (FIN)

signed by Senator Sackett, Co-Chairman. Senators Kerttula, Halford, Paul Faiks.

was referred to the Rules Committee.

The Services Committee considered the Older Alaskans Commission; the committee recommended do pass. The report was signed by Chairman and co-chairman, Sturgulewski and Paul Sackett "no recommendation".

to the Rules Committee.

CS FOR HOUSE BILL NO. 133 (authorizing financial responsibility; efd) and recommended it be passed.

BILL NO. 133 (FIN)

HB 133 cont'd

with a majority do pass. Senator Faiks, Co-Chairman, signed "no recommendation". Senators Kerttula, Halford, Eliason, Paul Fischer, Ferguson and Sackett signed "do pass".

Finance Committee fiscal note on the Department of Commerce and Economic Development appears in Supplement No. 34.

"Letter of Intent  
SCS CS HB 133 (FIN)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine:

1. What federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program;
2. If the hazardous flying conditions in Alaska warrant additional safety training for pilots as a condition of state certification of compliance;
3. The effects of phase out or elimination of the federal essential air service program on the reliability of air service to Alaska communities; and
4. The efficiency and effectiveness with which the Department of Commerce and Economic Development has established a motor vehicle safety inspection program.

The results of this study shall be reported to the Second Session of the Fourteenth Alaska Legislature not later than the tenth day after it convenes."

CS FOR HOUSE BILL NO. 133 (FIN) was referred to the Rules Committee.

HB 140

The State Affairs Committee considered CS FOR HOUSE BILL NO. 140 (RLS) (use of teleconferencing under the Administrative Procedure Act) and a majority of the committee recommended do pass. The report was signed by Senator Abood, Chairman and concurred in by Senators DeVries, Kelly and Ray.

CS FOR HOUSE BILL NO. 140 (RLS) was referred to the Finance Committee.

Letter of Intent

Conference CS for HB 133

It is the intent of the Legislature that a study be undertaken by legislative staff to determine:

1. What federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program;
2. If the hazardous flying conditions in Alaska warrant additional safety training for pilots as a condition of state certification of compliance;
3. The effects of phase out or elimination of the federal essential air service program on the reliability of air service to Alaska communities; and
4. The efficiency and effectiveness with which the Division of Motor Vehicles in the Department of Public Safety has established a motor vehicle safety inspection program.

It is further the intent of the Legislature that commercial motor vehicles operating in the rural areas of Alaska which are not connected to the major through highways of the Railbelt are exempt from the motor vehicle safety inspection requirements of this Act.

Offered: 4/24/85  
Referred: Finance

Original sponsor: Transportation Committee

1 IN THE HOUSE BY THE TRANSPORTATION COMMITTEE  
2 CS FOR HOUSE BILL NO. 364 (Transportation)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to commercial motor vehicle licens-  
7 ing and safety inspections; and providing for an  
8 effective date."

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

10 \* Section 1. AS 28.10.041(a) is amended by adding a new paragraph to  
11 read:

12 (9) the vehicle is without a certificate of inspection  
13 required under AS 28.32.010.

14 \* Sec. 2. AS 28.15.041 is amended by adding a new subsection to read:

15 (c) A person may not drive a commercial motor vehicle until the  
16 person applies for and is issued a license for that purpose under (a)  
17 of this section. The department may not issue a license under this  
18 subsection unless the applicant is at least 21 years of age, has held  
19 a valid driver's license at least one year, and satisfies the depart-  
20 ment's standards for competence and fitness. In this subsection,  
21 "commercial motor vehicle" has the meaning given in AS 28.32.900.

22 \* Sec. 3. AS 28 is amended by adding a new chapter to read:

23 CHAPTER 32. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS.

24 *Public Safety* Sec. 28.32.010. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS. A  
25 commercial motor vehicle may not be operated without a certificate of  
26 inspection. An owner of a commercial motor vehicle shall renew a  
27 certificate of inspection at least semi-annually at an official *once a year* inspection station under AS 28.32.030. *truckers want - preferably*  
28 The owner may renew a certifi- *but will take 5 min*  
29 cate of inspection at any time during the office hours of the

1 inspection station. An owner of a commercial motor vehicle shall  
2 display a current sticker of inspection visible from outside the  
3 vehicle in a location determined by the department.

4 Sec. 28.32.020. EXEMPTIONS. A commercial motor vehicle is  
5 exempt from the requirements of AS 28.32.010 if it is owned and op-  
6 erated by the federal government unless the vehicle is used to trans-  
7 port property of the general public for compensation in competition  
8 with other persons who own or operate a commercial motor vehicle  
9 subject to this chapter, and except to the extent regulation of vehic-  
10 les operated by the federal government is permitted by federal law.

11 Sec. 28.32.030. OFFICIAL COMMERCIAL MOTOR VEHICLE INSPECTION  
12 STATIONS. (a) A person may not operate an official commercial motor  
13 vehicle inspection station without a permit from the department. The  
14 department shall approve an application for permit to operate an  
15 inspection station if

16 (1) the department determines the inspection station has  
17 proper equipment and competent personnel; and

18 (2) a commercial motor vehicle inspector certified under  
19 AS 28.32.040 is employed at the inspection station.

20 (b) After the department approves an application for a permit to  
21 operate an official inspection station under (a) of this section, it  
22 shall provide the applicant with a permit and certificates of inspec-  
23 tion.

24 (c) Upon receipt of a permit from the department under (b) of  
25 this section, the operator of an official commercial motor vehicle  
26 inspection station shall post the permit in a conspicuous place at the  
27 location designated by the department.

28 (d) The department may enter the premises of the operator of an  
29 official commercial motor vehicle inspection station during the

1 station's business hours to inspect the work of a certified commercial  
2 motor vehicle inspector or to determine if the operator continues to  
3 meet the requirements of this section.

4 (e) The department shall suspend or revoke a permit of an opera-  
5 tor of an official commercial motor vehicle inspection station if the  
6 operator fails to meet the requirements of this section.

7 (f) Upon notice of suspension or revocation of a permit under  
8 (e) of this section, the operator of an official commercial motor  
9 vehicle inspection station shall immediately terminate all inspection  
10 activities and, on demand by the department, return the permit and all  
11 unissued certificates of inspection. The department shall issue a  
12 receipt for all returned certificates of inspection.

13 (g) If a permit is suspended or revoked under (e) of this sec-  
14 tion, the department shall give the holder of the permit a hearing  
15 within 10 days after receipt of a written request filed with the  
16 department within 30 days after suspension or revocation.

17 (h) A permit to operate an official commercial motor vehicle  
18 inspection station may not be assigned, transferred, or used at a  
19 location other than the location designated by the department.

20 Sec. 28.32.040. CERTIFICATION OF COMMERCIAL MOTOR VEHICLE IN-  
21 SPECTORS. (a) A person may not conduct a commercial motor vehicle  
22 inspection at an official inspection station under AS 28.32.030 unless  
23 certified as a commercial motor vehicle inspector by the department.

24 (b) The department may suspend or revoke the certification  
25 issued to a commercial motor vehicle inspector under (a) of this  
26 section if the commercial motor vehicle inspector improperly conducts  
27 inspections or fails to comply with a provision of this section.

28 (c) If a certificate is revoked or suspended under (b) of this  
29 section the department shall give a commercial motor vehicle inspector

1 a hearing within 10 days after the receipt of a written request filed  
2 with the commissioner within 30 days after revocation or suspension.

3 Sec. 28.32.050. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A  
4 person operating an official commercial motor vehicle inspection  
5 station shall issue a certificate of inspection to the owner of a  
6 commercial motor vehicle after determining that the commercial motor  
7 vehicle is in a safe and mechanically sound condition.

8 (b) A person operating an official commercial motor vehicle  
9 inspection station shall keep a record of each inspection performed at  
10 the station and the department may audit the records of an official  
11 inspection station at any time.

12 Sec. 28.32.060. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.  
13 (a) A person may not represent a place as an official commercial  
14 motor vehicle inspection station unless the station is operating under  
15 a valid permit issued by the department under AS 28.32.030.

16 (b) A person may not issue a certificate of inspection under  
17 AS 28.32.050 unless the person holds a valid permit under  
18 AS 28.32.030.

19 Sec. 28.32.070. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A  
20 person may not make, issue, or knowingly use an imitation or counter-  
21 feit of an official certificate of inspection.

22 (b) A person may not knowingly display or issue a certificate  
23 of inspection on a commercial motor vehicle unless the commercial  
24 motor vehicle has met the requirements of AS 28.32.050(a).

25 Sec. 28.32.080. DUTIES OF COMMISSIONER. The commissioner of  
26 public safety shall adopt necessary regulations to implement the  
27 safety requirements for the commercial motor vehicle inspection  
28 program under this chapter.

29 Sec. 28.32.090. VIOLATION A MISDEMEANOR. A person who violates

1 a provision of this chapter is guilty of a class B misdemeanor.

2 Sec. 28.32.900. DEFINITIONS. In this chapter,

3 *new* (1) "commercial motor vehicle" means a vehicle used by the  
4 owner or another person for commercial purposes upon the state highway  
5 system, a vehicular way connected by another highway or vehicular way  
6 to the state highway system, or a highway or vehicular way with an  
7 average daily traffic volume greater than 499, if the vehicle is

8 (A) a school bus;

9 (B) a state or local government vehicle;

10 (C) a truck or bus of more than 10,000 pounds unladen  
11 gross weight; or

12 *new* (D) a trailer of 5,000 pounds or more unladen gross  
13 weight attached to a vehicle described in (C) of this paragraph;

14 *new* (2) "commercial purposes" means activities for which a  
15 person receives direct monetary compensation or activities for which a  
16 person receives no direct monetary compensation but are incidental to  
17 and done in furtherance of the person's primary business;

18 (3) "department" means the Department of Public Safety;

19 (4) "freight" means commodities, articles, and cargo, of  
20 whatever nature or value. *deleted [unclear] - [unclear]*

21 *delete* \* Sec. 4. EXCEPTION FOR THOSE 19 YEARS OF AGE OR OLDER AS OF JANUARY 1,  
22 1986. Notwithstanding AS 28.15.041(c) as enacted by sec. 2 of this Act, a  
23 person born on or before December 31, 1966, is eligible for a license to  
24 drive a commercial motor vehicle as defined in AS 28.32.900 if the person  
25 otherwise meets the requirements of AS 28.15.041 and regulations adopted by  
26 the commissioner of public safety under that section.

27 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.-  
28 10.070(c).

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: CSHB 364 (Fin)  
Title: Commercial Motor Vehicle

Sponsor: Finance  
Requestor: \_\_\_\_\_  
Date of Request: 5/4/85

FISCAL DETAIL

Agency Affected: Public Safety  
Program Category Affected: Police Protection

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
Division of Motor Vehicles

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL, SERVICES		90.5				
200 TRAVEL						
300 CONTRACTUAL		20.4				
400 SUPPLIES		10.0				
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>120.9</b>				

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE</b>		120.9				
----------------	--	-------	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		120.9				
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>0</b>				

POSITIONS:

FULL-TIME		3				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Personal - 2 vehicle inspection agents @ 9 months  
                   1 clerk typist @ 12 mos.  
 Travel        20.4 (will not be ready for inspections for approximately 3 months)  
 Contractual   telephone, postage, and printing 10.0

Prepared By: *Al Adams* Phone: \_\_\_\_\_  
 Division: House Finance Date: 5-4-85

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):

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

7/1/84



Finance Committee  
Oil and Gas Committee

# Alaska State Legislature

House of Representatives

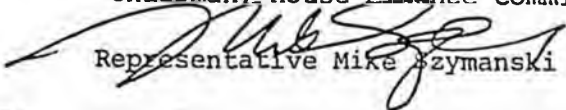
Representative Mike Szymanski

11920 Johns Road  
Anchorage, Alaska 99515  
Phone (907) 349-3373

While in Session:  
Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4978, 4979

May 3, 1985

TO: Representative Al Adams  
Chairman, House Finance Committee

FROM:  Representative Mike Szymanski

SUBJECT: CSHB 364 - motor vehicle safety

Attached please find the proposed draft which the subcommittee has prepared for CSHB 364.

Included is a fiscal note for \$120.9 for FY 86. My staff has talked with both the Department of Public Safety and the Division of Personnel and it appears that because of the new job classification which will be required for vehicle inspection agents, it will not be possible for these people to be "on the job" for at least 4 months.

Normally, it would take 6 months to create a new job classification but if it were a priority, it would take approximately 4 months. Thus, we have adjusted the positions to reflect 9 month funding and the corresponding travel was reduced to reflect this as well.

Original sponsor: Transportation Committee

1  
2 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

3 CS FOR HOUSE BILL NO. 364 (Transportation)

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 FOURTEENTH LEGISLATURE - FIRST SESSION

6 A BILL

7 For an Act entitled: "An Act relating to commercial motor vehicle licens-  
8 ing and safety inspections; and providing for an  
9 effective date."

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

11 \* Section 1. AS 28.10.041(a) is amended by adding a new paragraph to  
12 read:

13 (9) the vehicle is without a certificate of inspection  
14 required under AS 28.32.010.

15 \* Sec. 2. AS 28.15.041 is amended by adding a new subsection to read:

16 (c) A person may not drive a commercial motor vehicle until the  
17 person applies for and is issued a license for that purpose under (a)  
18 of this section. The department may not issue a license under this  
19 subsection unless the applicant is at least 21 years of age, has held  
20 a valid driver's license at least one year, and satisfies the depart-  
21 ment's standards for competence and fitness. In this subsection,  
22 "commercial motor vehicle" has the meaning given in AS 28.32.900.

23 \* Sec. 3. AS 28 is amended by adding a new chapter to read:

24 CHAPTER 32. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS.

25 Sec. 28.32.010. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS. A  
26 commercial motor vehicle may not be operated without a certificate of  
27 inspection. An owner of a commercial motor vehicle shall renew a  
28 certificate of inspection at least semi-annually at an official  
29 inspection station under AS 28.32.030. The owner may renew a certifi-  
cate of inspection at any time during the office hours of the

1  
2 inspection station. An owner of a commercial motor vehicle shall  
3 display a current sticker of inspection visible from outside the  
4 vehicle in a location determined by the department.

5 Sec. 28.32.020. EXEMPTIONS. A commercial motor vehicle is  
6 exempt from the requirements of AS 28.32.010 if it is owned and op-  
7 erated by the federal government unless the vehicle is used to trans-  
8 port property of the general public for compensation in competition  
9 with other persons who own or operate a commercial motor vehicle  
10 subject to this chapter, and except to the extent regulation of vehic-  
11 les operated by the federal government is permitted by federal law.

12 Sec. 28.32.030. OFFICIAL COMMERCIAL MOTOR VEHICLE INSPECTION  
13 STATIONS. (a) A person may not operate an official commercial motor  
14 vehicle inspection station without a permit from the department. The  
15 department shall approve an application for permit to operate an  
16 inspection station if

17 (1) the department determines the inspection station has  
18 proper equipment and competent personnel; and

19 (2) a commercial motor vehicle inspector certified under  
20 AS 28.32.040 is employed at the inspection station.

21 (b) After the department approves an application for a permit to  
22 operate an official inspection station under (a) of this section, it  
23 shall provide the applicant with a permit and certificates of inspec-  
24 tion.

25 (c) Upon receipt of a permit from the department under (b) of  
26 this section, the operator of an official commercial motor vehicle  
27 inspection station shall post the permit in a conspicuous place at the  
28 location designated by the department.

29 (d) The department may enter the premises of the operator of an  
official commercial motor vehicle inspection station during the

1  
2 station's business hours to inspect the work of a certified commercial  
3 motor vehicle inspector or to determine if the operator continues to  
4 meet the requirements of this section.

5 (e) The department shall suspend or revoke a permit of an opera-  
6 tor of an official commercial motor vehicle inspection station if the  
7 operator fails to meet the requirements of this section.

8 (f) Upon notice of suspension or revocation of a permit under  
9 (e) of this section, the operator of an official commercial motor  
10 vehicle inspection station shall immediately terminate all inspection  
11 activities and, on demand by the department, return the permit and all  
12 unissued certificates of inspection. The department shall issue a  
13 receipt for all returned certificates of inspection.

14 (g) If a permit is suspended or revoked under (e) of this sec-  
15 tion, the department shall give the holder of the permit a hearing  
16 within 10 days after receipt of a written request filed with the  
17 department within 30 days after suspension or revocation.

18 (h) A permit to operate an official commercial motor vehicle  
19 inspection station may not be assigned, transferred, or used at a  
20 location other than the location designated by the department.

21 Sec. 28.32.040. CERTIFICATION OF COMMERCIAL MOTOR VEHICLE IN-  
22 SPECTORS. (a) A person may not conduct a commercial motor vehicle  
23 inspection at an official inspection station under AS 28.32.030 unless  
24 certified as a commercial motor vehicle inspector by the department.

25 (b) The department may suspend or revoke the certification  
26 issued to a commercial motor vehicle inspector under (a) of this  
27 section if the commercial motor vehicle inspector improperly conducts  
28 inspections or fails to comply with a provision of this section.

29 (c) If a certificate is revoked or suspended under (b) of this  
section the department shall give a commercial motor vehicle inspector

1  
2 a hearing within 10 days after the receipt of a written request filed  
3 with the commissioner within 30 days after revocation or suspension.

4 Sec. 28.32.050. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A  
5 person operating an official commercial motor vehicle inspection  
6 station shall issue a certificate of inspection to the owner of a  
7 commercial motor vehicle after determining that the commercial motor  
8 vehicle is in a safe and mechanically sound condition.

9 (b) A person operating an official commercial motor vehicle  
10 inspection station shall keep a record of each inspection performed at  
11 the station and the department may audit the records of an official  
12 inspection station at any time.

13 Sec. 28.32.060. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.

14 (a) A person may not represent a place as an official commercial  
15 motor vehicle inspection station unless the station is operating under  
16 a valid permit issued by the department under AS 28.32.030.

17 (b) A person may not issue a certificate of inspection under  
18 AS 28.32.050 unless the person holds a valid permit under  
19 AS 28.32.030.

20 Sec. 28.32.070. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A  
21 person may not make, issue, or knowingly use an imitation or counter-  
22 feit of an official certificate of inspection.

23 (b) A person may not knowingly display or issue a certificate  
24 of inspection on a commercial motor vehicle unless the commercial  
25 motor vehicle has met the requirements of AS 28.32.050(a).

26 Sec. 28.32.080. DUTIES OF COMMISSIONER. The commissioner of  
27 public safety shall adopt necessary regulations to implement the  
28 safety requirements for the commercial motor vehicle inspection  
29 program under this chapter.

Sec. 28.32.090. VIOLATION A MISDEMEANOR. A person who violates

1  
2 a provision of this chapter is guilty of a class B misdemeanor.

3 Sec. 28.32.900. DEFINITIONS. In this chapter,

4 (1) "commercial motor vehicle" means a vehicle used by the  
5 owner or another person for commercial purposes upon the state highway  
6 system, a vehicular way connected by another highway or vehicular way  
7 to the state highway system, or a highway or vehicular way with an  
8 average daily traffic volume greater than 499, if the vehicle is

9 (A) a school bus;

10 (B) a state or local government vehicle;

11 (C) a truck or bus of more than 10,000 pounds unladen  
12 gross weight; or

13 (D) a trailer of 5,000 pounds or more unladen gross  
14 weight attached to a vehicle described in (C) of this paragraph;

15 (2) "commercial purposes" means activities for which a  
16 person receives direct monetary compensation or activities for which a  
17 person receives no direct monetary compensation but are incidental to  
18 and done in furtherance of the person's primary business;

19 (3) "department" means the Department of Public Safety;

20 (4) "freight" means commodities, articles, and cargo, of  
21 whatever nature or value.

22 \* Sec. 4. EXCEPTION FOR THOSE 19 YEARS OF AGE OR OLDER AS OF JANUARY 1,  
23 1986. Notwithstanding AS 28.15.041(c) as enacted by sec. 2 of this Act, a  
24 person born on or before December 31, 1966, is eligible for a license to  
25 drive a commercial motor vehicle as defined in AS 28.32.900 if the person  
26 otherwise meets the requirements of AS 28.15.041 and regulations adopted by  
27 the commissioner of public safety under that section.

28 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.-  
29 10.070(c).

# SENATE

## Finance Sec. 1

Allows Division of Motor Vehicles to register a motor vehicle (truck or trailer) that does not have a current inspection sticker.

## Finance Sec. 2

Amends the financial responsibility language of the initiative to set insurance minimums in statute in the following amounts:

- \$200,000 property damage;
- \$500,000 bodily injury or death;
- \$100,000 per seat bodily injury or death for aircraft, or
- \$500,000 per seat for aircraft if an operator has had a death settlement in the last 3 years.

## Finance Sec. 3

Adds provisions to require 30 days notice of cancellation of insurance policy and sets violation of the insurance requirement as a class B misdemeanor, with a fine of \$500 to \$1000.

# HOUSE

## House No Section number

No comparable language

## House Sec. 1/Sec. 2

Amends language of the initiative to remove aircraft operators from Public Safety and put in Commerce, and sets the following minimum insurance amounts for aircraft only:

- \$200,000 per seat bodily injury or death;
- \$25,000 property damage.

House version leaves motor vehicle financial responsibility to Public Safety under language of the initiative

## House Sec. 2

30 day notice of cancellation is the same; violation of the section is a class A misdemeanor with minimum \$1000 to maximum \$5000 fine. Allows department to set and collect a fee.

## Finance

### Sec. 4 CERTIFICATION OF COMPLIANCE

Air carrier certificate issued by DCED, includes the following provisions:

- Proof of insurance
- Proof of FAA compliance
- Annually renewable
- \$50 fee per aircraft
- Certificate to be displayed for boarding passengers
- Interstate carriers to obtain state certificate
- Prohibition from using aircraft in commerce before obtaining cert.
- ATC-authorized carriers may continue without certificate until their insurance must be renewed.
- DCED to enforce section/adopt regs.

## Finance

### Sec. 4 MOTOR VEHICLE SAFETY INSPECTIONS

Program administered by DCED, includes:

- Effective January 1, 1985
- Two inspections each year
- Sticker to be visible from outside
- Dept. to adopt regulations appropriate to achieve reciprocity with other states
- Exemptions: 1. Federal Gov't. 2. Use for other than commercial purposes. 3. Rural areas
- Inspection station standards
- Certified inspectors
- Issuance of certificates of inspections
- False inspection stations
- Counterfeit inspection stickers
- Violation a class B misdemeanor

## House

### Sec. 2 CERTIFICATION OF COMPLIANCE

Air carrier program in Commerce includes:

- Proof of insurance
- Proof of FAA compliance
- Annually renewable
- Prohibition from using aircraft in commerce before obtaining cert.
- DCED to enforce section/adopt regs.

Provisions deleted by House Finance:

- \$50 fee
- Certificate to be displayed for boarding passengers
- Interstate carriers to obtain state certificate
- ATC-authorized carriers may continue without certificate until their insurance must be renewed

## House

No Section number

Vehicle safety inspector section deleted

# SENATE

# HOUSE

Finance  
Sec. 4 DEFINITIONS

All definitions are the same except that Senate Finance, in the definition of "air commerce" inserted "for commercial purposes", in order to tie the definitions together.

Finance  
Sec. 5

Adds to the duties of the commissioner of commerce and economic development to cover safety and financial responsibility aspects of the bill.

Finance  
Sec. 6

Provides an immediate effective date.

House  
Sec. 3

Adds to the duties of DCED commissioner only the financial responsibility requirements of air carriers.

House  
Sec. 4

Provides an immediate effective date.

CONFERENCE COMMITTEE REPORT

DATE: 12 MAY 1985

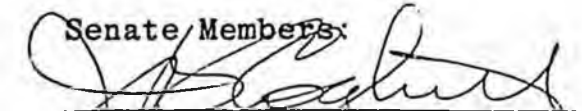
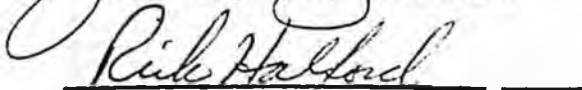
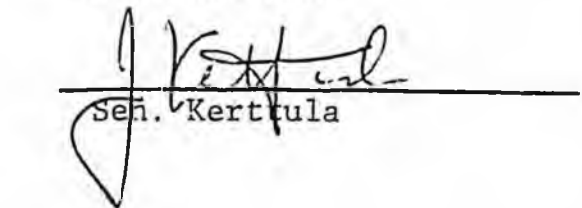
Mr. President:  
Mr. Speaker:

The \_\_\_\_\_ Conference Committee which has had  
CSHB 133(Fin)am (relating to transportation safety and  
financial responsibility; efd)  
and  
SCS CSHB 133(Fin) amS (same title)  
under consideration, recommends that



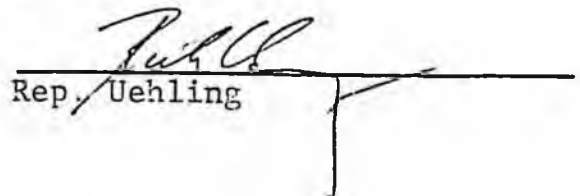
Conference Committee Substitute for  
House Bill No. 133

be adopted.

Senate Members:

  
Sen. Coghill, Chairman  
  
Sen. Halford  
  
Sen. Kerttula

House Members:

  
Rep. Cato, Chairman  
  
  
Rep. Binkley  
  
Rep. Uehling

Letter of Intent

Conference CS for HB 133

It is the intent of the Legislature that a study be undertaken by legislative staff to determine:

1. What federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program;
2. If the hazardous flying conditions in Alaska warrant additional safety training for pilots as a condition of state certification of compliance;
3. The effects of phase out or elimination of the federal essential air service program on the reliability of air service to Alaska communities; and
4. The efficiency and effectiveness with which the Division of Motor Vehicles in the Department of Public Safety has established a motor vehicle safety inspection program.

amend hb 133 pl

PROPOSED AMENDMENT

TO

PROPOSED CONFERENCE CS to HB 133

Amendment Number \_\_\_\_\_

On Page 2, Line 12

Delete the word "or"

On Page 2, Line 14, following the word "products"

Add a semi-colon (;) and the word "or"

On Page 2, Line 15,

Add a new subsection to read:

"(c) customarily and historically used for commercial purposes for fewer than 20 hours each month."

Offered: 5/1/85  
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 133 (Finance) am S

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to transportation safety and finan-  
7 cial responsibility; and providing for an effective  
8 date."

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

*SECTION 1  
OF CS HB 364 (TRSP)*

\* Section 1. AS 28.10.041(a) is amended to read:

- 11 (a) The department may refuse to register a vehicle if
- 12 (1) the application contains a false or fraudulent state-  
13 ment;
- 14 (2) the applicant fails to furnish information required by  
15 the department;
- 16 (3) the applicant is not entitled to the issuance of a  
17 certificate of title or registration under this chapter;
- 18 (4) the vehicle is determined to be mechanically unsafe to  
19 be driven or moved on a highway, vehicular way or area, or other  
20 public property in this state;
- 21 (5) the department has reasonable grounds to believe that  
22 the vehicle was stolen or fraudulently acquired or that the granting  
23 of registration would be a fraud against the rightful owner or other  
24 person having a valid lien upon the vehicle;
- 25 (6) the registration of the vehicle has been suspended or  
26 revoked for any reason under the laws of this state;
- 27 (7) the required fees, taxes, motor freight carrier fees or  
28 bus transportation fees have not been paid;
- 29 (8) the vehicle or applicant fails to comply with this

SENATE VERSION

1 chapter or regulations authorized by this section;

2 (9) the vehicle is without a certificate of inspection  
3 required under AS 42.30.300.

4 \* Sec. 2. AS 42.30.200 is amended to read:

5 Sec. 42.30.200. FINANCIAL RESPONSIBILITY. (a) A person who  
6 carries passengers or freight for hire intrastate in a motor vehicle  
7 or an aircraft, or a person who carries freight in a motor vehicle for  
8 commercial purposes, or a person who rents or leases a motor vehicle  
9 for the use of another to carry freight shall procure and maintain  
10 security in the following minimum amounts:

11 (1) \$200,000 for property damage in a single occurrence;

12 (2) \$500,000 for bodily injury or death in a single occur-  
13 rence if a person operates a motor vehicle; and

14 (3) if a person operates an aircraft, an amount per seat  
15 for bodily injury or death in a single occurrence that equals

16 (A) <sup>150,000</sup> ~~\$100,000~~; or

17 (B) ~~\$500,000 if the person has agreed to pay or has~~  
18 ~~been ordered to pay \$100,000 or more to another in order to~~

19 ~~satisfy a settlement or judgment relating to bodily injury or~~  
20 ~~death of a passenger caused by the operation of an aircraft~~

21 ~~within the preceding 3 years~~ [AN AMOUNT DETERMINED BY THE DE-  
22 PARTMENT OF PUBLIC SAFETY AS NECESSARY FOR THE REASONABLE PROTEC-  
23 TION OF THE PUBLIC AGAINST DAMAGES OR INJURY CAUSED BY THE  
24 PERSON].

25 (b) Evidence of security required under (a) of this section  
26 shall be filed with the department and must be

27 (1) a policy or certificate of insurance issued by an  
28 insurer acceptable to the department; or

29 (2) a bond of a surety company licensed to write surety

CONFERENCE  
COMMITTEE  
DISCUSSION  
9  
COPY OF  
REGS.

AS 28  
↑

} ?

1 bonds in the state; or

2 (3) evidence accepted by the department, showing ability to  
3 self-insure; or

4 (4) other security approved by the department.

5 (c) The department may authorize department personnel [ENFORCE-  
6 MENT OFFICERS] to enforce this section and may adopt procedural regu-  
7 lations necessary to implement this section.

8 \* Sec. 3. AS 42.30.200 is amended by adding new subsections to read:

9 (d) A policy of insurance, surety bond, or other form of secur-  
10 ity may not be cancelled on less than 30 days' written notice to the  
11 department. This requirement must be clearly stated in the policy or  
12 endorsement for an insurance policy submitted as proof of financial  
13 responsibility under AS 42.30.225(a)(1). The 30-day notice period is  
14 measured from the date on which the department receives notice.

15 (e) A person who violates (a) of this section is guilty of a  
16 class B misdemeanor and is punishable by a fine of not less than \$500  
17 or more than \$1,000.

18 \* Sec. 4. AS 42.30 is amended by adding new sections to read:

19 Sec. 42.30.225. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS.

20 (a) A person may not use an aircraft in air commerce before obtaining  
21 an annual certificate of compliance for that aircraft from the depart-  
22 ment. The department shall issue or renew a certificate of compliance  
23 upon application and presentation of

24 (1) proof of financial responsibility required under  
25 AS 42.30.200;

26 (2) proof of compliance with Federal Aviation Administra-  
27 tion requirements, and, where applicable, federal certification for  
28 scheduled airline service.

29 (b) The annual fee for a certificate of compliance is \$50. The

1 certificate is valid for a period of 12 months following the date of  
2 certification. The certificate shall be displayed on the aircraft so  
3 that is is visible to boarding passengers.

4 ~~(c) A federally certificated interstate air carrier that pro-~~  
5 ~~vides intrastate service between points in the state on an interstate-~~  
6 ~~or foreign route, and who uses, for that intrastate service, aircraft-~~  
7 ~~based primarily outside the state, shall also obtain a certificate of~~  
8 ~~compliance for each aircraft used in intrastate service.~~

9 (d) Use of an aircraft in air commerce before obtaining a cer-  
10 tificate of compliance required under (a) of this section may be cause  
11 for denial of the certificate.

12 (e) A person who has obtained a certificate to use an aircraft  
13 in air commerce from the Alaska Transportation Commission before the  
14 effective date of this Act is not required to obtain a certificate of  
15 compliance under (a) of this section until the date the insurance  
16 policy for the aircraft is renewed.

17 (f) The department may authorize department personnel to enforce  
18 this section and may adopt procedural regulations necessary to imple-  
19 ment this section.

20 ARTICLE 6. MOTOR VEHICLE SAFETY INSPECTIONS.

21 Sec. 42.30.300. MOTOR VEHICLE SAFETY INSPECTIONS. (a) After  
22 January 1, 1986, a motor vehicle may not be operated without a certi-  
23 ficate of inspection. An owner of a motor vehicle shall renew a  
24 certificate of inspection at least twice a year at an official in-  
25 spection station under AS 42.30.320. An owner of a motor vehicle  
26 shall display a sticker of inspection visible from outside the vehicle  
27 in a location determined by the department.

28 (b) The commissioner of commerce and economic development may  
29 adopt procedural regulations appropriate to achieve reciprocity with:

1 other western states and procedural regulations necessary to implement  
2 this section.

3 Sec. 42.30.310. EXEMPTIONS. A motor vehicle is exempt from the  
4 requirements of AS 42.30.300 if it is

5 (1) owned by the federal government;

6 (2) owned and operated by a person who uses the motor  
7 vehicle exclusively for other than commercial purposes; or

8 (3) is driven or moved on a highway, vehicular way, or a  
9 public parking place in the state that is not connected by a land  
10 highway or vehicular way to

11 (A) the land-connected state highway system, or

12 (B) a highway or vehicular way with an average daily  
13 traffic volume greater than 499.

14 Sec. 42.30.320. OFFICIAL INSPECTION STATIONS. (a) A person may  
15 not operate an inspection station without a permit from the depart-  
16 ment. The department shall approve an application for permit to  
17 operate an inspection station if

18 (1) the department determines the inspection station has  
19 proper equipment and competent personnel; and

20 (2) a certified vehicle inspector under AS 42.30.330 is  
21 employed at the inspection station.

22 (b) After the department approves an application for permit to  
23 operate an official inspection station under (a) of this section, it  
24 shall provide the applicant with a permit and certificates of inspec-  
25 tion.

26 (c) Upon receipt of a permit from the department under (a) of  
27 this section, the operator of an official inspection station shall  
28 post the permit in a conspicuous place at the location designated by  
29 the department.

1 (d) The department may inspect a moto. vehicle or enter the  
2 premises of an official inspection station at any time to inspect the  
3 work of the certified vehicle inspectors under AS 42.30.330 or to  
4 determine if the operator continues to meet the requirements of this  
5 section.

6 (e) The department shall suspend or revoke a permit of an opera-  
7 tor of an official inspection station if the operator fails to meet  
8 the requirements of this section.

9 (f) Upon notice of suspension or revocation of a permit under  
10 (e) of this section, the operator of an official inspection station  
11 shall immediately terminate all inspection activities, and on demand  
12 by the department, return the permit and all certificates of inspec-  
13 tion. The department shall issue a receipt for all returned certifi-  
14 cates of inspection.

15 (g) If a permit is suspended or revoked under (e) of this sec-  
16 tion, the department shall give an operator of an official inspection  
17 station a hearing, upon written request filed with the department  
18 within 10 days after suspension or revocation.

19 (h) A permit to operate an official inspection station may not  
20 be assigned, transferred, or used at a location other than the lo-  
21 cation designated by the department.

22 Sec. 42.30.330. CERTIFICATION OF VEHICLE INSPECTORS. (a) A  
23 person may not conduct a motor vehicle inspection at an official  
24 inspection station under AS 42.30.320 unless certified as a vehicle  
25 inspector by the department.

26 (b) The department may suspend or revoke the certification  
27 issued to a vehicle inspector under (a) of this section if the vehicle  
28 inspector improperly conducts inspections or fails to comply with a  
29 provision of this section.

1           (c) If a certificate is revoked or suspended under (b) of this  
2 section the department shall give a vehicle inspector a hearing upon  
3 written request filed with the commissioner within 10 days after  
4 denial or suspension.

5           Sec. 42.30.340. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A  
6 person operating an official inspection station shall issue a certifi-  
7 cate of inspection to the owner of a motor vehicle after determining  
8 the motor vehicle is in a safe and mechanically sound condition.

9           (b) A person operating an official inspection station shall keep  
10 a record of each inspection performed at the station, and the depart-  
11 ment may audit the records of an official inspection station at any  
12 time.

13           Sec. 42.30.350. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.

14           (a) A person may not represent a place as an official inspection  
15 station unless the station is operating under a valid permit issued by  
16 the department under AS 42.30.320.

17           (b) A person may not issue a certificate of inspection unless  
18 the person holds a valid permit under AS 42.30.320.

19           Sec. 42.30.360. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A  
20 person may not make, issue, or knowingly use an imitation or counter-  
21 feit of an official certificate of inspection.

22           (b) A person may not knowingly display or issue a certificate  
23 of inspection on a motor vehicle unless the motor vehicle has met the  
24 requirements of AS 42.30.340.

25           Sec. 42.30.370. VIOLATION A MISDEMEANOR. A person who violates  
26 a provision of AS 42.30.300 - 42.30.360 is guilty of a class B misde-  
27 meanor.

28           Sec. 42.30.380. DEFINITIONS. (a) In AS 42.30.200 - 42.30.380,

29           (1) "air carrier" means a person undertaking to engage in



1 requirements for motor vehicles and air carriers under AS 42.30.200 -  
2 42.30.380.  
3 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
4 10.070(c).

Offered: 5/1/85  
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 SENATE CS FOR CS FOR HOUSE BILL NO. 133 (Finance) am S  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to transportation safety and finan-  
7 cial responsibility; and providing for an effective  
8 date."

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

10 \* Section 1. AS 28.10.041(a) is amended by adding a new paragraph to  
11 read:

12 (9) the vehicle is without a certificate of inspection  
13 required under AS 28.32.010.

14 \* Sec. 2. AS 28.15.041 is amended by adding a new subsection to read:

15 (c) A person may not drive a commercial motor vehicle until the  
16 person applies for and is issued a license for that purpose under (a)  
17 of this section. The department may not issue a license under this  
18 subsection unless the applicant is at least <sup>19</sup>21 years of age, has held  
19 a valid driver's license at least one year, <sup>has made application and has successful</sup> and satisfies the depart-  
20 <sup>completed all required driving, written and physical examinations.</sup> ment's standards for competence and fitness. In this subsection,  
21 "commercial motor vehicle" has the meaning given in AS 28.32.900.

LANGUAGE FROM HB 364 (TRSP) w/ CHANGES AS INDICATED:

- CHANGE 21 TO 19 YRS. OF AGE
- TIGHTENED LANGUAGE "HAS... successfully completed all req"

①

4 \* Sec. 2. <sup>AS 28 is amended by adding a new section to read:</sup>  
~~AS 42.30.200 is amended to read:~~  
5 <sup>28.</sup>  
6 Sec. ~~42.30.200~~. FINANCIAL RESPONSIBILITY. (a) A person who  
7 carries passengers or freight for hire intrastate in a motor vehicle  
8 ~~[or an aircraft.]~~ or a person who carries freight in a motor vehicle for  
9 commercial purposes, or a person who rents or leases a motor vehicle  
10 for the use of another to carry freight shall procure and maintain  
11 security in the following minimum amounts:

- 12 (1) \$200,000 for property damage in a single occurrence;  
13 (2) \$500,000 for bodily injury or death in a single occur-  
14 rence if a person operates a motor vehicle; and

15 (b) Evidence of security required under (a) of this section  
16 shall be filed with the department and must be

17 (1) a policy or certificate of insurance issued by an  
18 insurer acceptable to the department; or

19 (2) a bond of a surety company licensed to write surety  
20 bonds in the state; or

21 (3) evidence accepted by the department, showing ability to  
22 self-insure; or

23 (4) other security approved by the department.

24 (c) The department may authorize department personnel [ENFORCE-  
25 MENT OFFICERS] to enforce this section and may adopt procedural regu-  
26 lations necessary to implement this section.

27 \* Sec. 3. <sup>28.</sup>  
~~AS 42.30.200~~ is amended by adding new subsections to read:

28 (d) A policy of insurance, surety bond, or other form of secur-  
29 ity may not be cancelled on less than 30 days' written notice to the  
30 department. This requirement must be clearly stated in the policy or  
31 endorsement for an insurance policy submitted as proof of financial  
32 responsibility under AS 42.30.225(a)(1). The 30-day notice period is  
33 measured from the date on which the department receives notice.

34 (e) A person who violates (a) of this section is guilty of a  
35 class B misdemeanor and is punishable by a fine of not less than \$500  
36 or more than \$1,000.  
37

23 CHAPTER 32. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS.

24 Sec. 28.32.010. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS. A  
25 commercial motor vehicle may not be operated <sup>after January 1, 1986</sup> without a certificate of  
26 inspection. An owner of a commercial motor vehicle shall renew a  
27 certificate of inspection at least semi-annually at an official  
28 inspection station under AS 28.32.030. The owner may renew a certifi-  
29 cate of inspection at any time during the office hours of the  
1 inspection station. An owner of a commercial motor vehicle shall  
2 display a current sticker of inspection visible from outside the  
3 vehicle in a location determined by the department.

4 Sec. 28.32.020. EXEMPTIONS. A commercial motor vehicle is  
5 exempt from the requirements of AS 28.32.010 if it is <sup>(a)</sup> owned and op-  
6 erated by the federal government unless the vehicle is used to trans-  
7 port property of the general public for compensation in competition  
8 with other persons who own or operate a commercial motor vehicle  
9 subject to this chapter, and except to the extent regulation of vehic-  
10 les operated by the federal government is permitted by federal law.

(b) used exclusively to transport ranch and farm products  
unless it is used to transport dairy products.

11 Sec. 28.32.030. OFFICIAL COMMERCIAL MOTOR VEHICLE INSPECTION  
12 STATIONS. (a) A person may not operate an official commercial motor  
13 vehicle inspection station without a permit from the <sup>division of motor vehicles</sup> department. The  
14 department shall approve an application for permit to operate an  
15 inspection station if

16 (1) the department determines the inspection station has  
17 proper equipment and competent personnel; and

18 (2) a commercial motor vehicle inspector certified under  
19 AS 28.32.040 is employed at the inspection station.

20 (b) After the department approves an application for a permit to  
21 operate an official inspection station under (a) of this section, it  
22 shall provide the applicant with a permit and certificates of inspec-  
23 tion.

24 (c) Upon receipt of a permit from the department under (b) of  
25 this section, the operator of an official commercial motor vehicle  
26 inspection station shall post the permit in a conspicuous place at the  
27 location designated by the department.

28 (d) The department may enter the premises of the operator of an  
29 official commercial motor vehicle inspection station during the

1 station's business hours to inspect the work of a certified commercial  
2 motor vehicle inspector or to determine if the operator continues to  
3 meet the requirements of this section.

4 (e) The department shall suspend or revoke a permit of an opera-  
5 tor of an official commercial motor vehicle inspection station if the  
6 operator fails to meet the requirements of this section.

7 (f) Upon notice of suspension or revocation of a permit under  
8 (e) of this section, the operator of an official commercial motor  
9 vehicle inspection station shall immediately terminate all inspection  
10 activities and, on demand by the department, return the permit and all  
11 unissued certificates of inspection. The department shall issue a  
12 receipt for all returned certificates of inspection.

13 (g) If a permit is suspended or revoked under (e) of this sec-  
14 tion, the department shall give the holder of the permit a hearing  
15 within 10 days after receipt of a written request filed with the  
16 department within 30 days after suspension or revocation.

17 (h) A permit to operate an official commercial motor vehicle  
18 inspection station may not be assigned, transferred, or used at a  
19 location other than the location designated by the department.

20 Sec. 28.32.040. CERTIFICATION OF COMMERCIAL MOTOR VEHICLE IN-  
21 SPECTORS. (a) A person may not conduct a commercial motor vehicle  
22 inspection at an official inspection station under AS 28.32.030 unless  
23 certified as a commercial motor vehicle inspector by the <sup>division of motor vehicles</sup> department.

24 (b) The department may suspend or revoke the certification  
25 issued to a commercial motor vehicle inspector under (a) of this  
26 section if the commercial motor vehicle inspector improperly conducts  
27 inspections or fails to comply with a provision of this section.

28 (c) If a certificate is revoked or suspended under (b) of this  
29 section the department shall give a commercial motor vehicle inspector

4

[GCHB 364(Trsp)]

1 a hearing within 10 days after the receipt of a written request filed  
2 with the commissioner within 30 days after revocation or suspension.

3 Sec. 23.32.050. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A  
4 person operating an official commercial motor vehicle inspection  
5 station shall issue a certificate of inspection to the owner of a  
6 commercial motor vehicle after determining that the commercial motor  
7 vehicle is in a safe and mechanically sound condition.

8 (b) A person operating an official commercial motor vehicle  
9 inspection station shall keep a record of each inspection performed at  
10 the station and the department may audit the records of an official  
11 inspection station at any time.

12 Sec. 28.32.060. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.  
13 (a) A person may not represent a place as an official commercial  
14 motor vehicle inspection station unless the station is operating under  
15 a valid permit issued by the department under AS 28.32.030.

16 (b) A person may not issue a certificate of inspection under  
17 AS 28.32.050 unless the person holds a valid permit under  
18 AS 28.32.030.

19 Sec. 28.32.070. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A  
20 person may not make, issue, or knowingly use an imitation or counter-  
21 feit of an official certificate of inspection.

22 (b) A person may not knowingly display or issue a certificate  
23 of inspection on a commercial motor vehicle unless the commercial  
24 motor vehicle has met the requirements of AS 28.32.050(a).

25 Sec. 28.32.080. DUTIES OF COMMISSIONER. The commissioner of  
26 public safety shall adopt necessary regulations to implement the  
27 safety requirements for the commercial motor vehicle inspection  
28 program under this chapter.

29 Sec. 28.32.090. VIOLATION A MISDEMEANOR. A person who violates  
1 a provision of this chapter is guilty of a class B misdemeanor.

↓ (4)

Sec. 28.32.900. DEFINITIONS. In this chapter,

(1) "commercial motor vehicle" means a vehicle used by the owner or another person for commercial purposes upon the state highway system, a vehicular way connected by another highway or vehicular way to the state highway system, or a highway or vehicular way with an average daily traffic volume greater than 499, if the vehicle is

(A) a school bus;

(B) a state or local government vehicle;

(C) a truck or bus of more than 10,000 pounds unladen gross weight; or

(D) a trailer of 5,000 pounds or more unladen gross weight attached to a vehicle described in (C) of this paragraph; *in this*

*section,* (2) "commercial purposes" means activities for which a person receives direct monetary compensation or activities for which a person receives no direct monetary compensation but are incidental to and done in furtherance of the person's primary business;

(3) "department" means the Department of Public Safety;

(4) "freight" means commodities, articles, and cargo, of whatever nature or value.

\* Sec. 2. AS 42.30.200 is amended to read:

AIR CARRIER

Sec. 42.30.200. <sup>FINANCIAL RESPONSIBILITY.</sup> *Commercial Purpose* (a) A person who carries passengers or freight for ~~his~~ intrastate ~~in~~ ~~an aircraft,~~ ~~to~~ ~~operate~~ ~~or~~ ~~leases~~ ~~a~~ ~~motor~~ ~~vehicle~~ ~~for~~ ~~commercial~~ ~~purposes~~ ~~or~~ ~~a~~ ~~person~~ ~~who~~ ~~operates~~ ~~or~~ ~~leases~~ ~~a~~ ~~motor~~ ~~vehicle~~ ~~for~~ ~~the~~ ~~use~~ ~~of~~ ~~another~~ ~~to~~ ~~carry~~ ~~freight~~ shall procure and maintain security in the following minimum amounts:

(1) <sup>\$150</sup> ~~\$250,000~~ per seat for bodily injury or death in a single occurrence; and

(2) <sup>\$200,000</sup> ~~\$25,000~~ for property damage in a single occurrence.

(b) Evidence of security required under (a) of this section shall be filed with the department and must be

(1) a policy or certificate of insurance issued by an insurer acceptable to the department; or

(2) a bond of a surety company licensed to write surety bonds in the state; or

(3) evidence accepted by the department, showing ability to self-insure; or

(4) other security approved by the department.

(c) The department may authorize department personnel [ENFORCEMENT OFFICERS] to enforce this section and may adopt procedural regulations necessary to implement this section.

9 (d) A policy of insurance, surety bond, or other form of secur-  
10 ity may not be cancelled on less than 30 days' written notice to the  
11 department. This requirement must be clearly stated in the policy or  
12 endorsement for an insurance policy submitted as proof of financial  
13 responsibility under AS 42.30.225(a)(1). The 30-day notice period is  
14 measured from the date on which the department receives notice.

15 (e) A person who violates (a) of this section is guilty of a  
16 class B misdemeanor and is punishable by a fine of not less than \$500  
17 or more than \$1,000.

18 \* Sec. 4. AS 42.30 is amended by adding new sections to read:

19 Sec. 42.30.225. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS.

20 (a) A person may not use an aircraft in air commerce before obtaining  
21 an annual certificate of compliance for that aircraft from the depart-  
22 ment. The department shall issue or renew a certificate of compliance  
23 upon application and presentation of

24 (1) proof of financial responsibility required under  
25 AS 42.30.200;

26 (2) proof of compliance with Federal Aviation Administra-  
27 tion requirements, and, where applicable, federal certification for  
28 scheduled airline service.

29 (b) The annual fee for a certificate of compliance is \$50. The  
1 certificate is valid for a period of 12 months following the date of  
2 certification. The certificate shall be displayed on the aircraft so  
3 that it is visible to boarding passengers.

9 (c) Use of an aircraft in air commerce before obtaining a cer-  
10 tificate of compliance required under (a) of this section may be cause  
11 for denial of the certificate.

12 (d) A person who has obtained a certificate to use an aircraft  
13 in air commerce from the Alaska Transportation Commission before the  
14 effective date of this Act is not required to obtain a certificate of  
15 compliance under (a) of this section until the date the insurance  
16 policy for the aircraft is renewed.

17 (e) The department may authorize department personnel to enforce  
18 this section and may adopt procedural regulations necessary to imple-  
19 ment this section.

28 Sec. 42.30.380. DEFINITIONS. (a) In AS 42.30.200 - 42.30.380,

29 (1) "air carrier" means a person undertaking to engage in

1 air commerce, whether directly or indirectly, or by lease, contract,  
2 or any other arrangement, and whether over regular or irregular  
3 routes;

4 (2) "air commerce" means carriage by aircraft of persons or  
5 freight for commercial purposes or hire in intrastate commerce, in-  
6 cluding the carriage by aircraft of persons or freight that move  
7 partly by aircraft and partly by other forms of transportation.

8 (3) "aircraft" means a propeller or jet-powered device used  
9 or designed for flight in the air;

10 (4) "commercial purposes" means activities for which the  
11 person receives direct monetary compensation and does not include  
12 activities incidental to and done in furtherance of the person's  
13 primary business;

14 (5) "department" means the Department of Commerce and  
15 Economic Development;

16 (6) "freight" means commodities, articles, and cargo, of  
17 whatever nature or value, excluding garbage and trash;

28 \* Sec. 5. AS 44.33.020 is amended by adding a new paragraph to read:

29 (27) implement the safety and financial responsibility  
1 requirements for ~~motor vehicles and~~ air carriers under AS 42.30.200 -  
2 42.30.380.

3 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
4 10.070(c).

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE CONFERENCE COMMITTEE

2 CONFERENCE CS FOR HOUSE BILL NO. 133

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to transportation safety and finan-  
7 cial responsibility; and providing for an effective  
8 date."

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

10 \* Section 1. AS 28.10.041(a) is amended by adding a new paragraph to  
11 read:

12 (9) the vehicle is without a certificate of inspection  
13 required under AS 28.32.010.

14 \* Sec. 2. AS 28.15.041 is amended by adding a new subsection to read:

15 (c) A person may not drive a commercial motor vehicle until the  
16 person applies for and is issued a license for that purpose under (a)  
17 of this section. The department may not issue a license under this  
18 subsection unless the applicant is at least 19 years of age, has held  
19 a valid driver's license at least one year, and has successfully  
20 completed all required driving tests and written and physical examina-  
21 tions. In this subsection, "commercial motor vehicle" has the meaning  
22 given in AS 28.32.900.

23 \* Sec. 3. AS 28 is amended by adding a new chapter to read:

24 CHAPTER 32. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS.

25 Sec. 28.32.010. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS. A  
26 commercial motor vehicle may not be operated after January 1, 1986  
27 without a certificate of inspection. An owner of a commercial motor  
28 vehicle shall renew a certificate of inspection at least semi-annually  
29 at an official inspection station under AS 28.32.030. The owner may

1 renew a certificate of inspection at any time during the office hours  
2 of the inspection station. An owner of a commercial motor vehicle  
3 shall display a current sticker of inspection visible from outside the  
4 vehicle in a location determined by the division.

5 Sec. 28.32.020. EXEMPTIONS. A commercial motor vehicle is  
6 exempt from the requirements of AS 28.32.010 if it is

7 (1) owned and operated by the federal government unless the  
8 vehicle is used to transport property of the general public for com-  
9 pensation in competition with other persons who own or operate a  
10 commercial motor vehicle subject to this chapter, and except to the  
11 extent regulation of vehicles operated by the federal government is  
12 permitted by federal law;

13 (2) used exclusively to transport ranch and farm products  
14 other than bulk milk; or

15 (3) customarily and historically used for commercial  
16 purposes for less than 20 hours per month.

17 Sec. 28.32.030. OFFICIAL COMMERCIAL MOTOR VEHICLE INSPECTION  
18 STATIONS. (a) A person may not operate an official commercial motor  
19 vehicle inspection station without a permit from the division. The  
20 division shall approve an application for permit to operate an in-  
21 spection station if

22 (1) the division determines the inspection station has  
23 proper equipment and competent personnel; and

24 (2) a commercial motor vehicle inspector certified under  
25 AS 28.32.040 is employed at the inspection station.

26 (b) After the division approves an application for a permit to  
27 operate an official inspection station under (a) of this section, it  
28 shall provide the applicant with a permit and certificates of inspec-  
29 tion.

1 (c) Upon receipt of a permit from the division under (b) of this  
2 section, the operator of an official commercial motor vehicle inspec-  
3 tion station shall post the permit in a conspicuous place at the  
4 location designated by the division.

5 (d) The division may enter the premises of the operator of an  
6 official commercial motor vehicle inspection station during the  
7 station's business hours to inspect the work of a certified commercial  
8 motor vehicle inspector or to determine if the operator continues to  
9 meet the requirements of this section.

10 (e) The division shall suspend or revoke a permit of an operator  
11 of an official commercial motor vehicle inspection station if the  
12 operator fails to meet the requirements of this section.

13 (f) Upon notice of suspension or revocation of a permit under  
14 (e) of this section, the operator of an official commercial motor  
15 vehicle inspection station shall immediately terminate all inspection  
16 activities and, on demand by the division, return the permit and all  
17 unissued certificates of inspection. The division shall issue a  
18 receipt for all returned certificates of inspection.

19 (g) If a permit is suspended or revoked under (e) of this sec-  
20 tion, the division shall give the holder of the permit a hearing  
21 within 10 days after receipt of a written request filed with the  
22 division within 30 days after suspension or revocation.

23 (h) A permit to operate an official commercial motor vehicle  
24 inspection station may not be assigned, transferred, or used at a  
25 location other than the location designated by the division.

26 Sec. 28.32.040. CERTIFICATION OF COMMERCIAL MOTOR VEHICLE IN-  
27 SPECTORS. (a) A person may not conduct a commercial motor vehicle  
28 inspection at an official inspection station under AS 28.32.030 unless  
29 certified as a commercial motor vehicle inspector by the division.

1 (b) The division may suspend or revoke the certification issued  
2 to a commercial motor vehicle inspector under (a) of this section if  
3 the commercial motor vehicle inspector improperly conducts inspections  
4 or fails to comply with a provision of this section.

5 (c) If a certificate is revoked or suspended under (b) of this  
6 section the division shall give a commercial motor vehicle inspector a  
7 hearing within 10 days after the receipt of a written request filed  
8 with the commissioner within 30 days after revocation or suspension.

9 Sec. 28.32.050. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A  
10 person operating an official commercial motor vehicle inspection  
11 station shall issue a certificate of inspection to the owner of a  
12 commercial motor vehicle after determining that the commercial motor  
13 vehicle is in a safe and mechanically sound condition.

14 (b) A person operating an official commercial motor vehicle  
15 inspection station shall keep a record of each inspection performed at  
16 the station. The division may audit the records of an official in-  
17 spection station at any time.

18 Sec. 28.32.060. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.

19 (a) A person may not represent a place as an official commercial  
20 motor vehicle inspection station unless the station is operating under  
21 a valid permit issued by the division under AS 28.32.030.

22 (b) A person may not issue a certificate of inspection under  
23 AS 28.32.050 unless the person holds a valid permit under AS 28.-  
24 32.030.

25 Sec. 28.32.070. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A  
26 person may not make, issue, or knowingly use an imitation or counter-  
27 feit of an official certificate of inspection.

28 (b) A person may not knowingly display or issue a certificate  
29 of inspection on a commercial motor vehicle unless the commercial

motor vehicle has met the requirements of AS 28.32.050(a).

Sec. 28.32.080. DUTIES OF COMMISSIONER. The commissioner of public safety shall adopt procedural regulations appropriate to achieve compatibility with other western states and procedural regulations necessary to implement this chapter.

Sec. 28.32.090. VIOLATION A MISDEMEANOR. A person who violates a provision of this chapter is guilty of a class B misdemeanor.

Sec. 28.32.900. DEFINITIONS. In this chapter,

(1) "commercial motor vehicle" means a vehicle used by the owner or another person for commercial purposes upon a highway or vehicular way with a daily traffic volume greater than 499 that is a part of the state highway system or is connected by another highway or vehicular way to the state highway system, if the vehicle is

(A) a school bus;

(B) a state or local government vehicle of more than 10,000 pounds unladen gross weight;

(C) a truck or bus of more than 10,000 pounds unladen gross weight; or

(D) a trailer of 5,000 pounds or more unladen gross weight attached to a vehicle described in (C) of this paragraph;

(2) "commercial purposes" means activities for which a person receives direct monetary compensation or activities for which a person receives no direct monetary compensation but are incidental to and done in furtherance of the person's primary business;

(3) "division" means the division of motor vehicles, Department of Public Safety.

\* Sec. 4. AS 28 is amended by adding a new chapter to read:

CHAPTER 33. COMMERCIAL MOTOR VEHICLE FINANCIAL RESPONSIBILITY.

Sec. 28.33.010. FINANCIAL RESPONSIBILITY. (a) A person who

carries passengers or freight for hire intrastate in a commercial motor vehicle or a person who carries freight in a motor vehicle for commercial purposes, or a person who rents or leases a motor vehicle for the use of another to carry freight shall procure and maintain security in the following minimum amounts:

- (1) \$200,000 for property damage in a single occurrence;
- (2) \$500,000 for bodily injury or death in a single occurrence.

(b) Evidence of security required under (a) of this section shall be filed with the department and must be

(1) a policy or certificate of insurance issued by an insurer acceptable to the department; or

(2) a bond of a surety company licensed to write surety bonds in the state; or

(3) evidence accepted by the department, showing ability to self-insure; or

(4) other security approved by the department.

(c) The department may authorize department personnel to enforce this section and may adopt procedural regulations necessary to implement this section.

(d) A policy of insurance, surety bond, or other form of security may not be cancelled on less than 30 days' written notice to the department. This requirement must be clearly stated in the policy or endorsement for an insurance policy submitted as proof of financial responsibility under AS 42.30.225(a)(1). The 30-day notice period is measured from the date on which the department receives notice.

(e) A person who violates (a) of this section is guilty of a class B misdemeanor and is punishable by a fine of not less than \$500 or more than \$1,000.

(f) In this section "freight" means commodities, articles, and cargo, of whatever nature or value.

\* Sec. 5. AS 42.30.200 is amended to read:

Sec. 42.30.200. AIR CARRIER FINANCIAL RESPONSIBILITY. (a) A person who carries passengers or freight for commercial purposes [HIRE] intrastate in an aircraft shall procure and maintain security in the following minimum amounts:

(1) \$150,000 per seat for bodily injury or death in a single occurrence; and

(2) \$100,000 for property damage in a single occurrence [AN AMOUNT DETERMINED BY THE DEPARTMENT OF PUBLIC SAFETY AS NECESSARY FOR THE REASONABLE PROTECTION OF THE PUBLIC AGAINST DAMAGES OR INJURY CAUSED BY THE PERSON].

(b) Evidence of security required under (a) of this section shall be filed with the department and must be

(1) a policy or certificate of insurance issued by an insurer acceptable to the department; or

(2) a bond of a surety company licensed to write surety bonds in the state; or

(3) evidence accepted by the department, showing ability to self-insure; or

(4) other security approved by the department.

(c) The department may authorize department personnel [ENFORCEMENT OFFICERS] to enforce this section and may adopt procedural regulations necessary to implement this section.

\* Sec. 6. AS 42.30.200 is amended by adding new subsections to read:

(d) A policy of insurance, surety bond, or other form of security may not be cancelled on less than 30 days' written notice to the department. This requirement must be clearly stated in the policy or

endorsement for an insurance policy submitted as proof of financial responsibility under AS 42.30.225(a)(1). The 30-day notice period is measured from the date on which the department receives notice.

(e) A person who violates (a) of this section is guilty of a class B misdemeanor and is punishable by a fine of not less than \$500 or more than \$1,000.

\* Sec. 7. AS 42.30 is amended by adding new sections to read:

Sec. 42.30.225. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS.

(a) A person may not use an aircraft in air commerce before obtaining an annual certificate of compliance for that aircraft from the department. The department shall issue or renew a certificate of compliance upon application and presentation of

(1) proof of financial responsibility required under AS 42.30.200;

(2) proof of compliance with Federal Aviation Administration requirements, and, where applicable, federal certification for scheduled airline service.

(b) The annual fee for a certificate of compliance is \$50. The certificate is valid for a period of 12 months following the date of certification. The certificate shall be displayed on the aircraft so that it is visible to boarding passengers.

(c) Use of an aircraft in air commerce before obtaining a certificate of compliance required under (a) of this section may be cause for denial of the certificate.

(d) A person who has obtained a certificate to use an aircraft in air commerce from the Alaska Transportation Commission before the effective date of this Act is not required to obtain a certificate of compliance under (a) of this section until the date the insurance policy for the aircraft is renewed.

(e) The department may authorize department personnel to enforce this section and may adopt procedural regulations necessary to implement this section.

Sec. 42.30.380. DEFINITIONS. (a) In AS 42.30.200 - 42.30.380,

(1) "air carrier" means a person undertaking to engage in air commerce, whether directly or indirectly, or by lease, contract, or any other arrangement, and whether over regular or irregular routes;

(2) "air commerce" means carriage by aircraft of persons or freight for commercial purposes or hire in intrastate commerce, including the carriage by aircraft of persons or freight that move partly by aircraft and partly by other forms of transportation;

(3) "aircraft" means a propeller or jet-powered device used or designed for flight in the air;

(4) "commercial purposes" means activities for which the person receives direct monetary compensation and does not include activities incidental to and done in furtherance of the person's primary business;

(5) "department" means the Department of Commerce and Economic Development;

(6) "freight" means commodities, articles, and cargo, of whatever nature or value, excluding garbage and trash.

\* Sec. 8. AS 44.33.020 is amended by adding a new paragraph to read:

(27) implement the safety and financial responsibility requirements for air carriers under AS 42.30.200 - 42.30.380.

\* Sec. 9. This Act takes effect immediately in accordance with AS 01.-10.070(c).

STATE OF ALASKA 1985 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST Page 1 of 2

FISCAL DETAIL

Bill/Resolution No.: CSHB133 (Fin) Agency Affected: Dept. Commerce & Ec. Devel

Title: An Act relating to trans Program Category Affected: Consumer Pro-  
safety and financial responsibility tection

Sponsor: \_\_\_\_\_ BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

Requestor: \_\_\_\_\_ Measurement Standards \_\_\_\_\_

Date of Request: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>				

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE</b>	<b>-0-</b>	<b>110.1</b>				
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

POSITIONS:

FULL-TIME	<b>-0-</b>	<b>-0-</b>				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

see attachment

Prepared By: HFC Subcommittee on CSHB 133 Phone: 465-3709  
Division: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by Commissioner: \_\_\_\_\_ Date: 3-18-85  
Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

**ZERO FISCAL NOTE & ANALYSIS**

House Finance Subcommittee Analysis:

No additional General Funds are authorized to implement the duties required of the Division of Measurement Standards by this bill.

The Division of Measurement Standards currently has 39 permanent full-time positions and 9 permanent part-time positions.

The original fiscal note for HB 133, prepared by the Department, estimated 1986 cost to implement the provisions of the bill at \$110.1. Specifically, the Division will be responsible under this bill for receiving the carriers' proof of insurance and proof of FAA certification then issuing a certification that the carrier has complied with this section. It is estimated that between 225 and 250 intra-state carriers will be affected by this bill. The Division's operating budget is sufficient to absorb the additional cost.

Page 2 paragraph (f), line 18 requires the department to charge and collect fees necessary to implement this section. In accordance with this section, the department will collect costs incurred in connection with this program from the air carriers affected (estimated by the department at \$110.1). This revenue will be deposited in the General Fund.

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: CSHB 364 (Trans)  
 Title: "Commercial Motor Vehicle  
 Licensing/Inspections"  
 Sponsor: Transportation Comm.  
 Requestor: Transportation Comm.  
 Date of Request: 04/23/85

**FISCAL DETAIL**

Agency Affected: Public Safety  
 Program Category Affected: Police Protection  
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES		111.3	116.9	122.7	128.8	135.2
200 TRAVEL		27.0	28.4	29.8	31.3	32.9
300 CONTRACTUAL		30.3	31.8	33.4	35.1	36.9
400 SUPPLIES		3.5	3.7	3.9	4.1	4.3
500 EQUIPMENT		38.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>210.1</b>	<b>180.8</b>	<b>189.8</b>	<b>199.3</b>	<b>209.3</b>
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND		210.1	180.8	189.8	199.3	209.3
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>210.1</b>	<b>180.8</b>	<b>189.8</b>	<b>199.3</b>	<b>209.3</b>

**POSITIONS:**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME		3	3	3	3	3
PART-TIME						
TEMPORARY						

**ANALYSIS:** Attach a separate page if necessary

Prepared By: Marcia Lynn McKenzie  
 Division: Administrative Services  
 Approved by Commissioner: Robert J. Sundberg  
 Agency: Public Safety

Phone: 465-4349  
 Date: 04/23/85  
 Date: 4/23/85

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

COST ANALYSIS

CSHB 364 (Transportation)

<u>Personal Services</u>		
1	Vehicle Inspection Agent I (Anchorage)	39.0
1	Vehicle Inspection Agent I (Fairbanks)	44.5
1	Clerk-Typist III (Anchorage)	<u>27.8</u>
3 positions	Total	\$111.3
<u>Travel</u>		
	Quarterly on-site monitoring of inspection stations statewide	27.0
<u>Contractual Services</u>		
	Telephone and postage	\$ 6.0
	Office equipment maintenance agreement	2.5
	Printing of special forms	5.0
	2 HWCF vehicles @ \$700/month per vehicle	<u>16.8</u>
	Total	30.3
<u>Supplies</u>		
	Office supplies	\$3.0
	Automotive parts & lube, etc.	<u>.5</u>
	Total	3.5
<u>Equipment</u>		
	Personal computer	\$12.5
	2 HWCF vehicles	24.0
	Office equipment (desks, chairs, files, etc.)	<u>1.5</u>
	Total	38.0
	Grand Total	<u>\$210.1</u>

Note: A 5% annual inflation factor has been applied to costs for FY 87 and beyond.

Cost Analysis  
CSHB 364 (Transportation)  
Page 2

Revenues

Revenues have not been estimated because there is no specific provision in the bill for license fees which might be charged to operators of commercial vehicle inspection stations. It is possible, however, that a fee could be imposed through administrative regulation. Such fees would be collected and deposited into the General Fund.

If such fees are imposed there would be an impact of accounting responsibilities. Therefore, the Clerk-Typist position should be upgraded to Administrative Assistant I in order to handle both clerical and accounting applications.

1.	POSITION TITLE Clerk Typist III	STAFF MONTHS 12.0	RP NUMBER	PCN NUMBER	RANGE/STEP 8/B	BARG. UNIT G	PAGE/LINE	COV. LEG.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	ADDITION			URU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT			
3.	CONTRIBUTION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						

5.	PERSONAL SERVICES		2							
6.	Salary \$1678/month		20,136							
7.	Benefits 18,0577		3,636							
8.	Supplemental Benefits		1,234							
9.	Fixed Benefits		2,732							
10.	TOTAL PERSONAL SERVICES			27,738						
11.	Travel									
12.	Contractual			2,000						
13.	Commodities			1,000						
14.	Equipment			800						
15.	Other									
16.	TOTAL COST			31,538						

16.	RECEIPT CODE	FUNDING SOURCE	
17.		Federal Receipts 1002	
18.		G.F. Match 1003	
19.		General Funds 1004	31.5
20.		I-A Receipts 1005	
21.		Program Receipts 1028	
22.		Other	

FOR B&H USE ONLY  
KEY NUMBER -----

AGENCY Department of Public Safety  
PROGRAM Life & Property Protection  
BRU Division of Motor Vehicles  
COMPONENT Commercial Vehicle Safety

Page      of       
Revised Date     

**FY 86**

**REQUEST FOR  
NEW POSITION**

1.	POSITION TITLE Vehicle Inspection Agent I	STAFF MONTHS 12.0	RP NUMBER	PCN NUMBER	RANGE/STEP 14/B	BARG. UNIT G	PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	ADDITION	2		BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						

This is a new job class. Duties will include on-site monitoring of commercial vehicle inspection stations operated by the private sector. The position will be responsible to determine if the stations are properly equipped to perform the vehicle inspections and will evaluate/certify mechanics assigned to commercial vehicle inspections. Part of the station review will include an audit of files to ensure compliance and accountability

RECEIPT CODE	FUNDING SOURCE	AMOUNT
16.	Federal Receipts 1002	
17.	C.F. Match 1003	
18.	General Funds 1004	80.3
19.	I-A Receipts 1005	
20.	Program Receipts 1028	
21.	Other	
TOTAL COST		80,269

FOR B&H USE ONLY  
KEY NUMBER

**REQUEST FOR NEW POSITION**

AGENCY Department of Public Safety

PROGRAM Life & Property Protection

BRU Division of Motor Vehicles

COMPONENT Commercial Vehicle Safety

Page      of     

Revised Date

**FY 86**

1.	POSITION TITLE Vehicle Inspector Agent I	BARG. UNIT G	PAGE/LINE	DISAPP.
2.	TYPE OF POSITION PFT	LOCATION Anchorage	ELECTION DISTRICT	COV.
3.	STAFF MONTHS 12.0	BRU PRIORITY		LEG.
4.	CONTINUATION LEVEL 1	JUSTIFICATION		
5.	TYPE OF EXPENDITURE PERSONAL SERVICES			
6.	Salary \$2433/month			
7.	Benefits			
8.	Supplemental Benefits			
9.	Fixed Benefits			
10.	TOTAL PERSONAL SERVICES			
11.	Travel			
12.	Contractual			
13.	Commodities			
14.	Equipment			
15.	Other			
	TOTAL COST			

AMOUNT	PCN NUMBER	ADDITION	RP NUMBER
38,990		2	29,196
15,000			5,272
10,400			1,790
1,000			2,732
12,350			
77,740			

RECEIPT CODE	FUNDING SOURCE	AMOUNT
	Federal Receipts 1002	
	C.F. Match 1003	
	General Funds 1004	77.7
	I-A Receipts 1005	
	Program Receipts 1028	
	Other	

FOR B&I USE ONLY  
KEY NUMBER

This is a new job class. Duties will include on-site monitoring of commercial vehicle inspection stations operated by the private sector. The position will be responsible to determine if the stations are properly equipped to perform the vehicle inspections and will evaluate/certify mechanics assigned to commercial vehicle inspections. Part of the station review will include an audit of files to ensure compliance and accountability.

**REQUEST FOR NEW POSITION**

AGENCY Department of Public Safety

PROGRAM Life & Property Protection

BRU Division of Motor Vehicles

COMPONENT Commercial Vehicle Safety

Page      of       
 Revised Date

**FY 86**

# STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH N  
JUNEAU, ALASKA 99811  
PHONE: 465-4322

April 11, 1985

The Honorable Bette Cato  
Chair, House Transportation Committee  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Representative Cato:

This is in response to the House Transportation Committee's Work Draft Bill related to commercial vehicle inspections, and addresses management and costs should those regulatory functions be placed in the Department of Public Safety.

Since the House previously passed legislation separating the management of mandatory insurance for commercial transportation entities, in that commercial air went to the Department of Commerce and commercial vehicles to this Department, we have incorporated the management and related costs of insurance handling of commercial vehicles in this dissertation.

As to the management, both functions would be placed in the Division of Motor Vehicles and would be handled by civilian personnel. Even at that, no one should be deluded to the fact that State Troopers and/or local law enforcement personnel will be involved in road enforcement aspects related to the requirements of safety inspections. This is a fact no matter which department the management of the noted functions fall under.

The estimated first year costs of operating the commercial vehicle safety and insurance functions are as follows:

Personnel: \$245.3

5 Inspection Station Monitors  
1 Clerk V  
1 Clerk Typist III

The inspection station monitors would include three for the Anchorage, Mat-su, and Kenai areas; one of which would be a working manager for the unit. One monitor

The Honorable  
Bette Cato

-2-

April 11, 1985

for the Fairbanks, Northpole, and Prudhoe areas, and one monitor for the Southeastern area.

The Clerk V would handle the insurance desk.

The Clerk Typist III would provide back-up support for the insurance desk as well as clerical support for both insurance and inspection activities.

Travel: \$38.0

Necessary travel/per diem costs for the monitors to cover the various inspection stations across the State.

Contractual: \$67.5

Highway working capital fund replacement, office space, telephone, utilities, printing, postage, janitorial, and office equipment rental and repair.

Supplies: \$3.5

Office supplies, fuel, lubes, and parts.

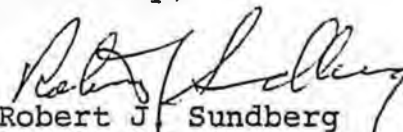
Equipment: \$87.5

Five vehicles with radios, office furniture, and personal computer.

Total: \$441.8

If this Department can be of any further assistance in this matter, please feel free to contact us.

Sincerely,

  
Robert J. Sundberg  
Commissioner