

HB

342



Official Business

Alaska State Legislature

House of Representatives

House Transportation Committee

P. O. Box V
Juneau, Alaska
99811

Phone:
(907) 465-4859

March 14, 1988

COMMITTEE CALENDAR:

SB 342: "An Act relating to contracting procedures for the sale and delivery of in-bond merchandise at the international airports; and providing for an effective date."

FOR THIS MEETING, YOU HAVE BEEN GIVEN:

a folder on SB 342 that includes:

- item #1: SB 342 - both versions
- #2: fiscal note -- DOT/PF
- #3: a letter from the Governor
- #4: statutes
- #5: State Affairs: Committee Report Form and minutes

STATE OF ALASKA 1988 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSSB 342 (Trsp)
Publish Date: 2-23-88

REQUEST 2/18/88

Revision Date: _____
Title: Contracting procedures for
in-bound merchandise at Int'l Airports.
Sponsor: Governor
Requestor: Jones

Agency Affected: DOT&PF
BRU: Alaska Int'l Airport System
Airport Leasing
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: The fiscal impact of this bill is zero because it only defines alternate means by which the DOT&PF may obtain contracts for duty free concessions.

Prepared by: W. Keith Gerken *WKG* Phone: 465-3900
Division: Deputy Commissioner, Operations Date: 2/18/88

Approved by Commissioner: Mark S. Hickey *MSH* Date: 2/18/88
Agency: DOT&PF

Distribution (by preparer):

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

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 14, 1988

The Honorable Jan Faiks
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks:

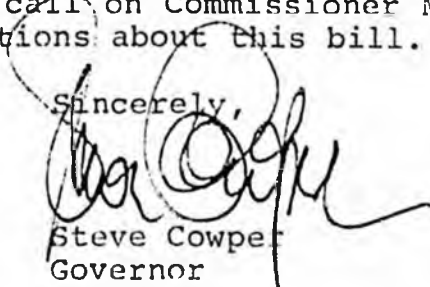
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill pertaining to contracting procedures for the sale and delivery of in-bond merchandise sold at Alaska's international airports. These transactions take place in the "duty free" shops.

This bill amends existing AS 02.15.091(d) to allow the Department of Transportation and Public Facilities (DOT/PF) to award duty free contracts through the competitive proposal mechanism. Presently, the department must offer the duty free contracts only by competitive bid and then make the contract award after considering the generation of maximum revenue for the International Airports Revenue Fund (AS 37.15.430).

While generation of revenue is a critical component of any contract involving operation of the duty free shops, giving the department flexibility to use competitive proposal procedures will possibly increase revenue and assist the state to meet other valid goals. DOT/PF would like to be able to consider such factors as space layout, kind of merchandise, level of service, minority participation plans, and demonstrated experience. DOT/PF regulations in 17 AAC 40 govern that department's competitive proposal procedures.

I believe that this measure warrants your critical scrutiny. My Administration looks forward to working with legislative committees to explain this bill in greater detail. This bill has the support of the Department of Transportation and Public Facilities. Please call on Commissioner Mark Hickey if you have additional questions about this bill.

Sincerely,



Steve Cowper
Governor

Alaska Statutes

Title 2. Aeronautics.

Chapter

- 05. Alaska Air Commerce Act of 1960 (Repealed)
- 15. Alaska Aeronautics Act of 1949 (§§ 02.15.050, 02.15.091, 02.15.102 — 02.15.114, 02.15.130, 02.15.140, 02.15.180, 02.15.210, 02.15.225, 02.15.260)
- 30. Operation of Aircraft (§§ 02.30.020 — 02.30.040)

Chapter 05. Alaska Air Commerce Act of 1960.

[Repealed, § 5 ch 104 SLA 1969; 1983 Initiative Proposal No. 2, § 6.]

Chapter 15. Alaska Aeronautics Act of 1949.

Article

- 1. Aeronautics Functions (§ 02.15.050)
- 2. State Airports (§§ 02.15.091, 02.15.102 — 02.15.114)
- 3. Airport Assistance (§§ 02.15.130, 02.15.140)
- 6. General Provisions (§§ 02.15.210, 02.15.225, 02.15.260)

Article 1. Aeronautics Functions.

Section

- 50. Miscellaneous powers and duties of department

Sec. 02.15.050. Miscellaneous powers and duties of department. (a) The department may confer with and hold joint hearings with agencies of the United States in connection with matters arising under this chapter or relating to the sound development of aeronautics.

(b) The department may avail itself of the cooperation, services, records and facilities of the agencies of the United States as fully as may be practicable in the administration and enforcement of this chapter. The department shall, upon request, furnish to the agencies of the United States its cooperation, services, records and facilities, insofar as may be practicable.

(c) The department or any state or municipal police officer shall report to the appropriate agency of the United States all accidents in aeronautics in this state of which it or he is informed, and shall, insofar as practicable, preserve, protect and prevent the removal of

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§ 02.15.060

AERONAUTICS

§ 02.15.091

Sec. 02.15.060. Establishment, operation and maintenance.

NOTES TO DECISIONS

Applied in *Clark v. State*, Ct. App. Op. No. 716 (File No. A-1840), P.2d (1987).

Sec. 02.15.090. Operation and use privileges.

NOTES TO DECISIONS

Legislative intent. — By enacting AS 02.15.120, 02.15.160, and this section, the legislature intended to insure that airport facilities would be made available, on a priority basis, to that segment of society for which those facilities are designed:

Those persons operating aircraft or machinery used incidentally to the operation of aircraft. *Plancich v. State*, Sup. Ct. Op. No. 2902 (File Nos. S-97, S-98), 693 P.2d 855 (1985).

Sec. 02.15.091. Sale and delivery of in-bond merchandise at international airports. (a) As provided by (b) and (c) of this section, the department shall allow the sale and delivery of in-bond merchandise at an international airport only by an exclusive contract.

(b) While the exclusive contracts for the sale and delivery of in-bond merchandise at international airports that exist on June 15, 1982 are in effect, the department may not permit or confer a right on any other person to offer to sell, sell, or deliver in-bond merchandise at an international airport.

(c) After the exclusive contracts existing on June 15, 1982 are no longer in effect, the department shall enter into one exclusive contract and, on its expiration, additional successive exclusive contracts for the sale and delivery of in-bond merchandise at each international airport. Except under the existing and future exclusive contracts described in this section, the department may not permit or confer a right upon any person to offer to sell, sell, or deliver in-bond merchandise at an international airport.

(d) The department shall offer the exclusive contracts required by this section only by competitive bid and shall award the contracts after considering the generation of maximum revenues for the International Airports Revenue Fund established by AS 37.15.430.

(e) The department shall actively supervise the operations under each exclusive contract for the sale and delivery of in-bond merchandise in order to ensure the effectiveness of the operations. To supervise contract operations under this section, the department shall develop and implement guidelines that provide for review of the reasonableness of price schedules, quality and assortment of merchandise, and customer service.

(f) Nothing in this section applies to deliveries of in-bond merchandise as cargo to airlines. (§ 2 ch 111 SLA 1982)

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/26/88

FURTHER REFERRALS: Transportation

DATE: 3-9-88

The State Affairs Committee has considered CSSB 342(Trsp)

"An Act relating to contracting procedures for the sale and delivery of in-bond merchandise at the international airports; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 2-23-88
- zero with analysis

SIGNING DO PASS:

Scott McManus

Douglas Douley

John Wilson

Lynda Hill

D. A. ...

SIGNING OTHER RECOMMENDATIONS:

Cliff Davidson (no rec)

Terry Marton no rec.

John Wilson

 Chairman's signature

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

LEGISLATIVE REFERENCE LIBRARY

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

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

H. TRANS.

3-14-88

1:30p.m.

(to be introduced as a committee bill,
as per 3/14 meeting)

5-1763A ✓
Ford
02/02/88

file item #6



1 IN THE HOUSE

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to civil liability for voluntary
7 aircraft inspection programs."

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

9 * Section 1. AS 09.65.092 is amended to read:

0 Sec. 09.65.092. CIVIL LIABILITY FOR VOLUNTARY AIRCRAFT SAFETY
1 INSPECTION. An aircraft or power plant technician or mechanic cer-
2 tified by the Federal Aviation Administration who participates without
3 compensation in a voluntary aircraft safety inspection program is not
4 liable for civil damage resulting from an act or omission arising out
5 of the [AN] aircraft safety inspection [IN THAT] program unless the
6 act or omission constitutes gross negligence or reckless or intention-
7 al misconduct. In this section "aircraft safety inspection program"
8 includes classroom training or consultation related to aircraft safe-
9 ty.