

SB

125

SENATE COMMITTEE REPORT

FURTHER:

2/27/87

DATE TURNED INTO OFFICE 3/24/87

Mr. President:

FINANCE Committee considered SB 125

relating to the Alaska Marine Transportation Advisory Board.

and recommended:

replace with CS FOR SB 125 (FIN)) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
#18.5 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
Paul Frick
[Signature]
Rich Uehly (DO PASS)
[Signature]

[Signature] DO PASS
Chairman signature and recommendation

Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SB 125
Publish Date: _____

Revision Date: 03/19/87
Title: "An Act relating to the Alaska
Marine Transportation Advisory Board."
Sponsor: Duncan et al
Requestor: Uehling

Agency Affected: DOT/PF - AMHS
BRU: Marine Administration

Components: Advisory Board

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL		16.0	15.8	16.6	17.4	18.3
CONTRACTUAL		2.5	2.1	2.2	2.3	2.4
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		18.5	17.9	18.8	19.7	20.7

CAPITAL						
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REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		18.5	17.9	18.8	19.7	20.7
FEDERAL FUNDS						
OTHER						
TOTAL		18.5	17.9	18.8	19.7	20.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: George W. Davidson, Systems Director
Division: Alaska Marine Highway System

Phone: 465-3950
Date: 03/19/87

Approved by Commissioner: Mark S. Hill
Agency: Dept. of Transportation and Public Facilities

Date: 3/22/87

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 125

The proposed legislation creates an Advisory Board for the Alaska Marine Highway System, with five members to serve without compensation. Necessary costs, therefore, are limited to those of conducting the Board's meetings. After two familiarization meetings to be held in Juneau during the first three months, regular meetings will be held on a quarterly basis. The effective date is assumed to be July 1, 1987.

FY 88 COSTS

<u>Travel</u>		\$ 16.0
Transportation and per diem for five Board members	\$ 13.5	
Transportation and per diem for ANHS staff to attend Board meetings (locations other than Juneau)	2.5	
<u>Contractual Services</u>		2.5
Public Notice Advertising		
Total		\$ <u>18.5</u>

An annual inflation factor of 5% has been included beginning in FY 89. Costs have been reduced for FY 89 to reflect a total of four quarterly meetings, three to be held in Southeast Alaska and one in Southcentral.

DRAFT

Original sponsors: Duncan, Zharoff,
Jones, et al.

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 125 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Marine Transportation
7 Advisory Board."

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

9 * Section 1. AS 19.65 is amended by adding new sections to read:

10 ARTICLE 2. ALASKA MARINE TRANSPORTATION ADVISORY BOARD.

11 Sec. 19.65.100. DECLARATION OF POLICY. The state ferry system,
12 operated by the Department of Transportation and Public Facilities, is
13 a moving highway commonly known as the Alaska Marine Highway. It is
14 the purpose of AS 19.65.100 - 19.65.150 to

15 (1) provide users of the state ferry system and citizens of
16 the state with a ferry service operated and managed as a public ser-
17 vice for their benefit under a fair and reasonable tariff schedule;

18 (2) ensure that marine transportation services will be
19 provided equitably, economically, and efficiently to all users;

20 (3) make certain that the state ferry system is properly
21 developed and operated in coordination with other transportation modes
22 and services;

23 (4) provide the traveling public complete and dependable
24 marine transportation services; and

25 (5) ensure that the state ferry system is operated in the
26 public interest.

27 Sec. 19.65.110. ALASKA MARINE TRANSPORTATION ADVISORY BOARD.
28 The Alaska Marine Transportation Advisory Board is created within the
29 Department of Transportation and Public Facilities.

1 Sec. 19.65.120. MEMBERSHIP AND VACANCIES. (a) The board con-
2 sists of five members appointed by the governor. At least three
3 members must be from communities in the state served by the marine
4 highway system.

5 (b) Members serve at the pleasure of the governor for five-year
6 terms.

7 (c) Members must be residents of the state and shall comply with
8 the requirements of AS 39.50 (conflict of interest).

9 (d) A member holds office for the term of the appointment and
10 until a successor has been appointed and qualified. A member may be
11 reappointed.

12 (e) A vacancy in a membership occurring other than by expiration
13 of term shall be filled in the same manner as the original appointment
14 but only for the unexpired term.

15 (f) Each member, before serving on the board, shall take and
16 subscribe to an oath to faithfully perform the duties of the office.
17 A record of the oath shall be filed with the Office of the Governor.

18 Sec. 19.65.130. COMPENSATION. The members of the board serve
19 without compensation, but are entitled to per diem and travel expenses
20 authorized by law for state boards and commissions under AS 39.20.180.

21 Sec. 19.65.140. OFFICERS, MEETINGS, AND QUORUM. (a) The mem-
22 bers shall elect one of their number as chair.

23 (b) The board shall meet at a time and place determined by the
24 chair, and at other times and places the chair, or a majority of the
25 board members, considers necessary.

26 (c) The powers of the board are vested in the members and three
27 members of the board constitute a quorum. The board may take action
28 by the affirmative vote of at least three members. A vacancy in the
29 membership of the board does not impair the right of a quorum to

1 exercise all the powers and perform all the duties of the board.

2 Sec. 19.65.150. DUTIES. The board shall

3 (1) advise and make recommendations to the commissioner of
4 transportation and public facilities regarding the operation of the
5 marine highway system, including schedules and tariffs, management,
6 and planning and construction of facilities;

7 (2) submit to the governor and the legislature before the
8 10th day of each regular legislative session a comprehensive report
9 describing the operations and expenditures of the board and including
10 a summary of recommendations made by the board under (1) of this
11 section during the preceding year;

12 (3) adopt rules of procedure; and

13 (4) hold meetings to provide an opportunity for the public
14 to comment on the operation of the state ferry system, including
15 proposed tariff increases or scheduling changes.

16 * Sec. 2. AS 39.50.200(b) is amended by adding a new paragraph to read:

17 (49) Alaska Marine Transportation Advisory Board (AS 19.65.-
18 100 - 19.65.150).

19 * Sec. 3. AS 44.66.010(a) is amended by adding a new paragraph to read:

20 (15) Alaska Marine Transportation Advisory Board -- June 30,
21 1991.

22 * Sec. 4. Initial appointments to the board shall be made under AS 39.-
23 05.055.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SB 125
Publish Date: _____

Revision Date: _____
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Marine Transportation Advisory Board."
Sponsor: Duncan et al
Requestor: Duncan et al

Agency Affected: DOT/PF - AMHS
BRU: Marine Administration
Components: Advisory Board

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL		16.0	15.8	16.6	17.4	18.3
CONTRACTUAL		14.0	10.0	10.5	11.0	11.6
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		30.0	25.8	27.1	28.4	29.9

CAPITAL						
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REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		30.0	25.8	27.1	28.4	29.9
FEDERAL FUNDS						
OTHER						
TOTAL		30.0	25.8	27.1	28.4	29.9

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: George Davidson *MSH* Phone: 465-3950
Division: Alaska Marine Highway System Date: 02/18/87

Approved by Commissioner: *[Signature]* Date: 2/24/87
Agency: Dept. of Transportation and P.E.

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 125

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FY 88 COSTS

<u>Travel</u>		\$ 16.0
Transportation and per diem for five Board members	\$ 13.5	
Transportation and per diem for AMHS staff to attend Board meetings (locations other than Juneau)	2.5	
<u>Contractual Services</u>		14.0
Room rentals for Board meetings (estimated at \$125/day)	1.5	
Public Notice Advertising	2.5	
Transcription Services	10.0	
Total		\$ 30.0

An annual inflation factor of 5% has been included beginning in FY 89. Costs have been reduced for FY 89 to reflect a total of four quarterly meetings, three to be held in Southeast Alaska and one in Southcentral.



Alaska State Legislature

Senate

SENATOR RICK UEHLING

P.O. BOX V
State Capitol
Juneau, Alaska 99811

Official Business

Senate Finance
Committee

To: Senator Don Bennett
Senator John Binkley
Co-Chairmen, Senate Finance Committee

From: Senator Rick Uehling

Subject: SB 125, "An Act relating to the Alaska Marine
Transportation Advisory Board."

Date: March 23, 1987

The following changes appear in the Finance Committee
Substitute of SB 125, "An Act relating to the Alaska Marine
Transportation Advisory Board."

Page 3, Line 3. The Board shall make its recommendations to
the Commissioner of Transportation. The previous language had
the Board make its recommendations to the Governor and the
Legislature.

Page 3, Line 10. Included in the annual report to the Governor
and the Legislature would be a summary of the recommendations
made to the Commissioner of Transportation.

In addition, the new fiscal note reflects the deletion of
10,000 dollars in costs for transcription services as well as
the deletion of 1,500 dollars for room rentals. The new
fiscal note is 18,500 dollars.

1 IN THE SENATE

BY DUNCAN, ZHAROFF, JONES,
ELIASON AND SZYMANSKI

2

SENATE BILL NO. 125

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the Alaska Marine Transportation
7 Advisory Board."

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

9 * Section 1. AS 19.65 is amended by adding new sections to read:

10 ARTICLE 2. ALASKA MARINE TRANSPORTATION ADVISORY BOARD.

11 Sec. 19.65.100. DECLARATION OF POLICY. The state ferry system,
12 operated by the Department of Transportation and Public Facilities, is
13 a moving highway commonly known as the Alaska Marine Highway. It is
14 the purpose of AS 19.65.100 - 19.65.150 to

15 (1) provide users of the state ferry system and citizens of
16 the state with a ferry service operated and managed as a public ser-
17 vice for their benefit under a fair and reasonable tariff schedule;

18 (2) ensure that marine transportation services will be
19 provided equitably, economically, and efficiently to all users;

20 (3) make certain that the state ferry system is properly
21 developed and operated, in coordination with other transportation
22 modes and services;

23 (4) assure the traveling public complete and dependable
24 marine transportation services; and

25 (5) assure that the state ferry system is operated in the
26 public interest.

27 Sec. 19.65.110. ALASKA MARINE TRANSPORTATION ADVISORY BOARD.

28 The Alaska Marine Transportation Advisory Board is created within the
29 Department of Transportation and Public Facilities.

1 Sec. 19.65.120. MEMBERSHIP AND VACANCIES. (a) The board con-
2 sists of five members appointed by the governor. At least three
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4 highway system.

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8 the requirements of AS 39.50 (conflict of interest).

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10 until a successor has been appointed and qualified. A member may be
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17 A record of the oath shall be filed with the Office of the Governor.

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19 without compensation, but are entitled to per diem and travel expenses
20 authorized by law for state boards and commissions under AS 39.20.180.

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23 (b) The board shall meet at a time and place determined by the
24 chair, and at other times and places the chair, or a majority of the
25 board members, considers necessary.

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27 members of the board constitute a quorum. The board may take action
28 by the affirmative vote of at least three members. A vacancy in the
29 membership of the board does not impair the right of a quorum to

1 exercise all the powers and perform all the duties of the board.

2 Sec. 19.65.150. DUTIES. The board shall

*Commissioner
of DOT/PP Rickey
3/8/87*

3 (1) advise and make recommendations to the governor and the
4 legislature regarding the operation of the marine highway system,
5 including schedules and tariffs, management, and planning and con-
6 struction of facilities;

7 (2) submit to the governor and the legislature before the
8 10th day of each regular legislative session a comprehensive report
9 describing the operations, expenditures, and recommendations made by
10 the board during the preceding year;

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19 (15) Alaska Marine Transportation Advisory Board -- June 30,
20 1991.

21 * Sec. 4. Initial appointments to the board shall be made under AS 39.-

22 05.055.



Dept. of Transportation & Public Facilities

Position Paper

BILL NO: SB 125

TITLE: Alaska Marine Highway System
Advisory Board

APPROVED: Mark S. Hickey *MSH*
Commissioner

DATE: 3/17/87

The Department of Transportation and Public Facilities has reviewed the subject bill. We endorse the concept and will welcome the input from the Advisory Board.

The bill does contain some language which we feel would imply a role for the Advisory Board which is contrary to our desires.

On page 3, Section 19.65.150 Duties (1) directs the Board to coordinate with the Governor and Legislature. We feel a more productive approach would be to coordinate with the Governor and Commissioner through a direct contact with the Director of Alaska Marine Highway System.

Other than this one change that which we feel will provide a more useful role for the Board we support its existence and encourage support for the passage of the Bill and funding of the program.

SENATE AMENDMENT

BY Senate Transportation Committee

To: _____ SENATE BILL No. 125

To: _____ HOUSE BILL No. _____

PAGE: 1

LINE: 29

after Facchetti.

Insert a new sentence to read:

Operation of the board shall be funded out of the operating budget of the Alaska Marine Highway System.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of Feb. 19, 1987 75-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

2/12/87

DATE TURNED INTO OFFICE Feb. 27, 1987

Mr. President:

TRANSPORTATION

Committee considered SB 125

relating to ~~the~~ Alaska Marine Transportation Advisory Board.

and recommended:

[] replace with CS _____ [] same title
[] new title

[X] attached amendment(s) and

[] do pass

[] do not pass

[] no recommendation

[X] individual recommendations

[] further referral to _____

[] letter of intent adopted and attached

** Committee [X] attached or [] adopted fiscal note(s)
[] zero [X] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Tim Kelly
[Signature]

Fahrenkamp - No rec
until funding is determined

[Signature]
Chairman signature and recommendation

[X] Committee Backup Attached



Alaska State Legislature

SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811

(907) 465-4766

COMMITTEES:
FINANCE
RESOURCES
BUDGET AND AUDIT

MEMORANDUM

DATE: March 16, 1987

TO: Senator John Binkley
Co-Chairman
Senate Finance Committee

FROM: Senator Jim Duncan

SUBJECT: SB 125, Marine Transportation Advisory Board

The creation of the Marine Transportation Advisory Board will guarantee that passengers who use the Marine Highway System, along with merchants who depend on the system for freight, will have a voice in the systems level of service.

Because the Alaska Marine Highway System is used by so many people, both in South Central Alaska and in Southeast, it is imperative they have a mechanism in which their concerns are considered. As has been the case in many private sector transportation organizations, an advisory board has proven to be an entity the public can focus on that takes into consideration their real needs. It is important that a formal citizens' group review budget-induced schedule changes in the system and make recommendations on potential changes that might have less of an effect on the public. More over, citizen advisory boards tend to bring out many good ideas that will enhance an organization's ability to operate effeciently.

The Marine Transportation Advisory Board will consist of five members from which at least three come from communities served by the Alaska Marine Highway System.



Official Business

Alaska State Legislature

Senate

P.O. BOX V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

DATE: February 24, 1987

TO: Senator Lloyd Jones
Chairman
Senate Transportation Committee

FROM: Senator Jim Duncan

SUBJECT: SB 125, Marine Transportation Advisory Board

The creation of the Marine Transportation Advisory Board will guarantee that passengers who use the Marine Highway System, along with merchants who depend on the system for freight, will have a voice in the systems level of service.

Because the Alaska Marine Highway System is used by so many people, both in South Central Alaska and in Southeast, it is imperative they have a mechanism in which their concerns are considered. As has been the case in many private sector transportation organizations, an advisory board has proven to be an entity the public can focus on that takes into consideration their real needs. It is important that a formal citizens' group review budget-induced schedule changes in the system and make recommendations on potential changes that might have less of an effect on the public. More over, citizen advisory boards tend to bring out many good ideas that will enhance an organization's ability to operate effeciently.

The Marine Transportation Advisory Board will consist of five members from which at least three come from communities served by the Alaska Marine Highway System.

2/16/87

JUNEAU EMPIRE

WILLIAM S. MORRIS III
Publisher

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Advertising Manager

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Office Manager

Advisory board a good idea

For years, private companies have been using citizens' advisory boards to great advantage. When they want to test "trial balloons" or when they simply want a reading on how well they are doing, they go to their advisory boards and ask. The answers they get help correct problems, prevent mistakes and improve good ideas. Above all else, the boards prove that the companies *listen* to the people they serve.

Juneau Sen. Jim Duncan has proposed incorporating this valuable private-enterprise tool into the state-run Alaska Marine Highway System. Last week he submitted a bill in the Senate that would establish a citizens' advisory board for the ferry system.

ISSUE: Advisory board proposed for state ferries

The idea is long overdue. For years, most decisions regarding the ferry system reflected the interests of either the management or the employees. The public's needs often seemed to be lost in the shuffle, even though the public pays for the ferries and uses them.

As long as it is composed of citizens who will be "plugged into" the needs and attitudes of their communities, an advisory board will help ferry managers and employees refocus their attention on the people they are serving. The board should not be composed of junior-grade bureaucrats who will have a bunch of meaningless public hearings or take it upon themselves to manipulate their positions to benefit other interests besides those of the public. That's how the ferry system got off track in the first place.

The folks who ride the ferries want friendly service, good food, convenient schedules and reasonable rates. They also want to know about their ferry system and how it works. If you gauge the system on these basics; it's obvious there is room for improvement.

A citizens' advisory board may not be the answer to all of these problems, but it would sure go a long way toward finding the answer.

Print 295

JUNEAU ENQUIRY 2/12/87

Duncan proposes ferry advisory board

CHUCK KLEESCHULTE

JUNEAU ENQUIRY

In an effort to guarantee that freight and passenger users get some relief in future schedule reductions on the Alaska Marine Highway System, Juneau Sen. Jim Duncan this morning introduced legislation setting up a citizens' advisory board. The Democrat said he believes it is important that a formal citizens' review board review budget-induced schedule changes in the ferry system and make recommendations on potential impacts that might have less of an effect on the public.

"What I see coming is a reduced

level of service, but it is important that we evaluate plans from a user's perspective so that freight and passengers get a level of service that takes their real needs into consideration," said Duncan this morning.

He said under his plan five public members - at least three from communities served by the ferry system - would be appointed by the governor. While not paid, the advisory board, which would serve five-year terms, would get per diem and be empowered by the governor to hold hearings and make recommendations on changes in the operation of the nine-vessel ferry fleet.

"It's really important given the changes coming that we make sure freight user needs are protected, plus the true needs of passengers. We need to maximize the frequency of service in Southeast and a citizens' board may help to make sure the department does that in coming up with new operating schedules," said Duncan.

On Wednesday, Sen. Lloyd Jones, R-Ketchikan, proposed that Ketchikan be the end of the state's mainline service from Seattle to improve the frequency of runs to the West Coast. Duncan said he's not in a position to support or oppose that

suggestion yet, but he said he wants to see it and other suggestions considered as an alternative to once-a-week mainline and once-a-week non-summer feeder ferry service proposed in Gov. Steve Cowper's budget for next year.

Under Cowper's original budget, ferries would sustain a \$10 million cut in their operating subsidy. About \$2 million of that was added back to pay for higher insurance costs, leaving a cut of over \$8 million in the operating subsidy for the \$85 million system. Last year, about \$30 million of its budget came from the state.

Please turn to Page 5

Ferry...

Continued from Page 1

Duncan said his bill might not pass in time to have the board be functional to help in making suggested changes to the proposed schedule that would go into effect in late September. But he said the advisory board would certainly help to gain public reaction to future schedule shifts.