

HB380

# HOUSE COMMITTEE REPORT

(11)

Date Referred: February 13, 1992

FURTHER REFERRALS:

Date of Committee Action: 3/27/92

The FINANCE Committee considered:

HB 380

HOUSE BILL NO. 380

CREATING MARINE HIGHWAY COMMISSION

"An Act relating to the Alaska Marine Highway Commission; relating to repair, maintenance, and reconstruction of vessels of the Alaska marine highway system; and providing for an effective date."

**RECOMMENDATIONS:**

be replaced with CS HB 380 (FIN)  the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact \_\_\_\_\_

fiscal note(s) DOTIF 2/13/92

zero fiscal note \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Mike Savane</i> <sup>McVance</sup>	<input checked="" type="checkbox"/>	<i>Cileen P. Maclean</i>		<input checked="" type="checkbox"/>	
<i>Mark Brown</i> <sup>Brown</sup>	<input checked="" type="checkbox"/>	<i>POPE (JCO. - Phillips)</i>		<input checked="" type="checkbox"/>	
<del><i>[Signature]</i></del> <sup>Koronen</sup>	<input checked="" type="checkbox"/>				
<del><i>[Signature]</i></del> <sup>Koronen</sup>	<input checked="" type="checkbox"/>				
<del><i>[Signature]</i></del> <sup>Sharp</sup>	<input checked="" type="checkbox"/>				
<del><i>[Signature]</i></del> <sup>Karson</sup>	<input checked="" type="checkbox"/>				
<del><i>[Signature]</i></del> <sup>Lilmer</sup>	<input checked="" type="checkbox"/>				
<i>Ray Brown</i>	<input checked="" type="checkbox"/>				

*Mike Savane C.P. Maclean*  
CHAIRMAN'S SIGNATURE

FISCAL NOTE

Revision Date: 01/21/92 Department Affected: DOT&PF  
Title: Alaska Marine Highway Commission BRU: Marine Management  
Sponsor: Mackie, Grussendorf Component: Support Services  
Requestor: Component Serial Number: 1224

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY93	FY94	FY95	FY96	FY97	FY98
PERSONAL SERVICES	87.6	87.6	87.6	87.6	87.6	87.6
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT	5.0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	98.1	93.1	93.1	93.1	93.1	93.1

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUNDS	98.1	93.1	93.1	93.1	93.1	93.1
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL FUNDING:	98.1	93.1	93.1	93.1	93.1	93.1

POSITIONS

FULL-TIME	1	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: N/A

ANALYSIS: (Attach a separate page if necessary)

HB 380 amends the State Procurement Code (AS 36.30) to authorize AMHS to adopt its own procurement policies and procedures. This fiscal note authorizes and funds a new position (Purchasing Agent V) to carry out these responsibilities.

Prepared by: John Halterman

Phone: 465-3950

Division: Alaska Marine Highway System

Date: January 21, 1992

Approved by Commissioner: Frank G. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: January 21, 1992

Distribution By Preparer: Leg. Finance, Leg. Sponsor, Requestor, OMB/DBR, Gov. Leg. Office, Impacted Agency(ies).

COMMITTEE COPY

CS FOR HOUSE BILL NO. 380 (FINANCE)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES MACKIE, Grussendorf, C.Davis, Kubina

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska marine highway system comprehensive plan; relating to  
2 repair, maintenance, and reconstruction of vessels, docks, and transfer facilities of the  
3 Alaska marine highway system; and providing for an effective date."

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

5 \* Section 1. AS 19.65 is amended by adding a new section to read:

6       Sec. 19.65.011. COMPREHENSIVE LONG-RANGE PLAN. The Department of  
7       Transportation and Public Facilities shall prepare a comprehensive long-range plan for the  
8       development and improvement of the Alaska marine highway system and shall revise and update  
9       the plan at least every five years. The department shall submit the comprehensive long-range  
10       plan and revisions and updates of the plan to the legislature.

11 \* Sec. 2. AS 36.30.015 is amended by adding a new subsection to read:

12       (g) The Alaska marine highway system shall adopt policies to manage the procurement  
13       of supplies, services, professional services, and construction for the repair, maintenance, and  
14       reconstruction of vessels, docking facilities, and passenger and vehicle transfer facilities of the

1 Alaska marine highway system. The policies must be based on principles of competitive  
2 procurement consistent with this chapter to satisfy the special requirements of the Alaska marine  
3 highway system as determined by the commission.

4 \* Sec. 3. AS 36.30.990(1) is amended to read:

5 (1) "agency"

6 (A) means a department, institution, board, commission, division,  
7 authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of  
8 the executive branch of state government;

9 (B) does not include

10 (i) the University of Alaska;

11 (ii) the Alaska State Housing Authority;

12 (iii) the Alaska Railroad Corporation;

13 (iv) the Alaska Housing Finance Corporation;

14 (v) a regional Native housing authority created under  
15 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

16 (vi) the Alaska marine highway system, in regard to the repair,  
17 maintenance, and reconstruction of vessels, docking facilities, and passenger  
18 and vehicle transfer facilities of the Alaska marine highway system;

19 (vii) the Alaska Aerospace Development Corporation;

20 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

7-LS1745M✓  
Utermohle  
3/26/92

**CS FOR HOUSE BILL NO. 380 ( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**SEVENTEENTH LEGISLATURE - SECOND SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVES MACKIE, Grussendorf, C.Davis, Kubina**

**A BILL**  
**FOR AN ACT ENTITLED**

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**3 Alaska marine highway system; and providing for an effective date."**

**4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

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**6 Sec. 19.65.011. COMPREHENSIVE LONG-RANGE PLAN. The Department of**  
**7 Transportation and Public Facilities shall prepare a comprehensive long-range plan for the**  
**8 development and improvement of the Alaska marine highway system and shall revise and update**  
**9 the plan at least every five years. The department shall submit the comprehensive long-range**  
**10 plan and revisions and updates of the plan to the legislature.**

**11 \* Sec. 2. AS 36.30.015 is amended by adding a new subsection to read:**

**12 (g) The Alaska marine highway system shall adopt policies to manage the procurement**  
**13 of supplies, services, professional services, and construction for the repair, maintenance, and**  
**14 reconstruction of vessels, docking facilities, and passenger and vehicle transfer facilities of the**

1 Alaska marine highway system. The policies must be based on principles of competitive  
2 procurement consistent with this chapter to satisfy the special requirements of the Alaska marine  
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7 authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of  
8 the executive branch of state government;

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11 (ii) the Alaska State Housing Authority;

12 (iii) the Alaska Railroad Corporation;

13 (iv) the Alaska Housing Finance Corporation;

14 (v) a regional Native housing authority created under  
15 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

16 (vi) the Alaska marine highway system, in regard to the repair,  
17 maintenance, and reconstruction of vessels, docking facilities, and passenger  
18 and vehicle transfer facilities of the Alaska marine highway system;

19 (vii) the Alaska Aerospace Development Corporation;

20 \* Sec. 4. This Act takes effect January 1, 1993.

*immediately.*

7-LS1745J ✓  
Utermohle  
3/19/92

adopted

CS FOR HOUSE BILL NO. 380 ( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES MACKIE, Grussendorf, C.Davis, Kubina

A BILL

FOR AN ACT ENTITLED

1 "An Act (relating to the Alaska Marine Highway Commission;) relating to repair,  
2 maintenance, and reconstruction of vessels, docks, and transfer facilities of the Alaska  
3 marine highway system; and providing for an effective date."

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

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

6 ARTICLE 3. ALASKA MARINE HIGHWAY COMMISSION.

7 Sec. 19.65.110. DECLARATION OF POLICY. The state ferry system, operated by the  
8 Department of Transportation and Public Facilities, is a moving highway commonly known as  
9 the Alaska marine highway system. It is the purpose of AS 19.65.110 - 19.65.170 to

10 (1) ensure that the marine highway system is operated in the public interest;

11 (2) provide continuity of management of the marine highway system to promote  
12 efficiency in operating the system;

13 (3) ensure that marine transportation services are provided equitably,  
14 economically, and efficiently to all users;

1 (4) provide users of the marine highway system and citizens of the state with a  
2 marine highway system operated and managed as a public service for their benefit under a fair  
3 and reasonable tariff schedule;

4 (5) ensure that the marine highway system is properly developed and operated in  
5 coordination with other transportation modes and services; and

6 (6) provide complete and dependable marine transportation services to the  
7 traveling public.

8 Sec. 19.65.120. ALASKA MARINE HIGHWAY COMMISSION. The Alaska Marine  
9 Highway Commission is created within the Department of Transportation and Public Facilities.

10 Sec. 19.65.130. MEMBERSHIP AND VACANCIES. (a) The commission consists of  
11 the commissioner of transportation and public facilities and six members appointed by the  
12 governor. The appointed members of the commission must be state residents who have a  
13 knowledge of the marine highway system and who have experience in business management,  
14 finance, transportation services, tourism, or engineering. At least two appointed members must  
15 be residents of Southeast Alaska, one of whom must be a resident of a rural community in  
16 Southeast Alaska, and at least one appointed member must be a resident of the Gulf of Alaska  
17 area west of Icy Cape. At least two appointed members must be appointed without regard to  
18 their place of residence in the state. One appointed member must be an on-vessel employee of  
19 the Alaska marine highway system.

20 (b) Appointed members serve for staggered five-year terms. They may be removed by  
21 the governor only for cause.

22 (c) Appointed members shall comply with the requirements of AS 39.50 (conflict of  
23 interest).

24 (d) An appointed member holds office for the term of the appointment and until a  
25 successor has been appointed and qualified. An appointed member may be reappointed.

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

28 (f) An appointed member, before serving on the commission, shall take and subscribe  
29 to an oath to faithfully perform the duties of the office. A record of the oath shall be filed with  
30 the Office of the Governor.

31 Sec. 19.65.140. COMPENSATION. The appointed members of the commission serve

1 without compensation, but are entitled to per diem and travel expenses authorized for state boards  
2 and commissions under AS 39.20.180.

3 Sec. 19.65.150. OFFICERS, MEETINGS, AND QUORUM. (a) The members of the  
4 commission shall annually elect one of their number as chair.

5 (b) The commission shall meet at a time and place determined by the chair, and at other  
6 times and places the chair, or a majority of the members, considers necessary.

7 (c) The powers of the commission are vested in the members and four members of the  
8 commission constitute a quorum. The commission may take action by the affirmative vote of  
9 at least four members. A vacancy in the membership of the commission does not impair the  
10 right of a quorum to exercise all the powers and perform all the duties of the commission.

11 Sec. 19.65.160. DUTIES. The commission shall

12 (1) recruit, select, appoint, dismiss, or suspend the director of the Alaska marine  
13 highway system;

14 (2) advise and make recommendations to the director of the Alaska marine  
15 highway system regarding the operation of the Alaska marine highway system, including

16 (A) schedules and tariffs;

17 (B) management, planning, and construction of facilities;

18 (C) replacement, refurbishing, and overhaul of vessels;

19 (D) reviews of short-term and long-term operating and capital costs;

20 (3) establish policy for the Alaska marine highway system;

21 (4) submit to the governor and the legislature before the 10th day of each regular  
22 legislative session a comprehensive report describing the operations and expenditures of the  
23 commission and including a summary of recommendations made by the commission under (2)  
24 of this section during the preceding year;

25 (5) adopt rules of procedure; and

26 (6) hold meetings to provide a timely opportunity for the public to comment on  
27 the annual operations plan of the Alaska marine highway system, including proposed tariff  
28 increases or schedule changes.

29 Sec. 19.65.170. COMPREHENSIVE LONG-RANGE PLAN. The commission, with the  
30 cooperation of the Department of Transportation and Public Facilities, shall prepare a  
31 comprehensive long-range plan for the development and improvement of the Alaska marine

1 highway system and shall revise and update the plan at least every five years. The department  
2 shall submit the comprehensive long-range plan and revisions and updates of the plan to the  
3 legislature.

4 \* Sec. 2. AS 36.30.015 is amended by adding a new subsection to read:

5 (g) The Alaska marine highway system shall adopt policies to manage the procurement  
6 of supplies, services, professional services, and construction for the repair, maintenance, and  
7 reconstruction of vessels, docking facilities, and passenger and vehicle transfer facilities of the  
8 Alaska marine highway system. The policies must be based on principles of competitive  
9 procurement consistent with this chapter to satisfy the special requirements of the Alaska marine  
10 highway system as determined by the commission.

11 \* Sec. 3. AS 36.30.990(1) is amended to read:

12 (1) "agency"

13 (A) means a department, institution, board, commission, division,  
14 authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of  
15 the executive branch of state government;

16 (B) does not include

17 (i) the University of Alaska;

18 (ii) the Alaska State Housing Authority;

19 (iii) the Alaska Railroad Corporation;

20 (iv) the Alaska Housing Finance Corporation;

21 (v) a regional Native housing authority created under  
22 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

23 (vi) the Alaska marine highway system, in regard to the repair,  
24 maintenance, and reconstruction of vessels, docking facilities, and passenger  
25 and vehicle transfer facilities of the Alaska marine highway system;

26 (vii) the Alaska Aerospace Development Corporation;

27 \* Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:

28 (54) Alaska Marine Highway Commission (AS 19.65.110 - 19.65.170).

29 \* Sec. 5. AS 44.42.040 is amended by adding a new subsection to read:

30 (b) The Alaska Marine Highway Commission shall

31 (1) appoint the director of the Alaska marine highway system;

1 (2) advise and make recommendations to the director of the Alaska marine  
2 highway system regarding the operation of the marine highway system;

3 (3) establish policy for the Alaska marine highway system.

4 \* Sec. 6. INITIAL APPOINTMENT OF MEMBERS OF THE ALASKA MARINE HIGHWAY  
5 COMMISSION. Notwithstanding AS 19.65.130(b), enacted by sec. 1 of this Act, and AS 39.05.055,  
6 the governor shall appoint the initially appointed members of the Alaska Marine Highway Commission  
7 as follows:

8 (1) one member to a one-year term;

9 (2) one member to a two-year term;

10 (3) one member to a three-year term;

11 (4) one member to a four-year term; and

12 (5) two members to a five-year term.

13 \* Sec. 7. AS 19.65.110, 19.65.120, 19.65.130, 19.65.140, 19.65.150, 19.65.160, 19.65.170,  
14 AS 39.50.200(b)(54), and AS 44.42.040(b) are repealed December 31, 1995.

15 \* Sec. 8. This Act takes effect January 1, 1993.

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NUMBER: HB 380

FISCAL NOTE

Revision Date: 01/21/92  
Title: Alaska Marine Highway Commission

Department Affected: DOT&PF  
BRU: Marine Management

Sponsor: Mackie, Grussendorf  
Requestor:

Component: Administration  
Component Serial Number: 0621

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY93	FY94	FY95	FY96	FY97	FY98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	24.2	24.2	24.2	24.2	24.2	24.2
CONTRACTUAL	3.0	3.0	3.0	3.0	3.0	3.0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING:</b>	<b>27.2</b>	<b>27.2</b>	<b>27.2</b>	<b>27.2</b>	<b>27.2</b>	<b>27.2</b>

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUNDS	27.2	27.2	27.2	27.2	27.2	27.2
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	<b>27.2</b>	<b>27.2</b>	<b>27.2</b>	<b>27.2</b>	<b>27.2</b>	<b>27.2</b>

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)

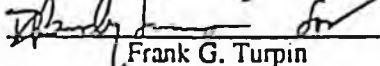
Assumes seven members of Commission. Three quarterly and one annual meeting of three days duration, minutes prepared by professional secretarial service and advertisements for each meeting.

Prepared by: John Halterman

Phone: 465-3950

Division: Alaska Marine Highway System

Date: January 21, 1992

Approved by Commissioner:   
Frank G. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: January 21, 1992

Distribution By Preparer: Leg. Finance, Leg. Sponsor, Requestor, OMB/DBR, Gov. Leg. Office, Impacted Agency(ies).

# ALASKA STATE AFL-CIO

2501 Commercial Dr.  
Anchorage, Alaska 99501  
(907) 258-6284



819 1st Ave.  
Fairbanks, Alaska 99701  
(907) 456-2030

MANO FREY  
Executive President

GARY BROOKS  
Secretary / Treasurer


March 23, 1992

TO: MEMBERS OF THE HOUSE FINANCE COMMITTEE


RE: HOUSE BILL 380

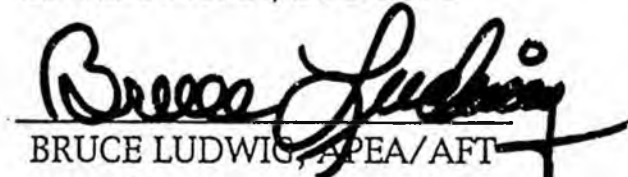
FROM: ALASKA PUBLIC EMPLOYEES COALITION

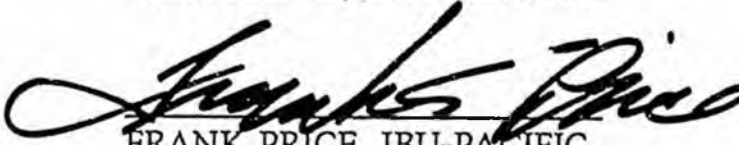
After reviewing Representative Mackie's draft Committee Substitute for HB 380 (7-LS1745\J by Utermohle) we find that the language concerning the commission's membership (page 2 line 18 and 19) takes care of our concerns regarding such.

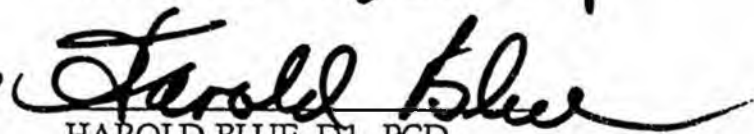
  
PAT SMUTZ, ALASKA AFL-CIO

  
ED FLANAGAN, LOCAL 71

  
BILL KELDER, ASEA/AFSCME

  
BRUCE LUDWIG, APEA/AFT

  
FRANK PRICE, IBU-PACIFIC

  
HAROLD BLUE, D1, PCD  
MEBA

REPRESENTATIVE  
JERRY MACKIE

P. O. BOX 73  
CRAIG, ALASKA 99921  
(907) 826-3008 OFFICE  
(907) 826-2930 HOME

CHAIRMAN,  
COMMUNITY & REGIONAL AFFAIRS COMMITTEE

VICE CHAIRMAN,  
TRANSPORTATION COMMITTEE

# Alaska State Legislature



## House of Representatives

WHILE IN JUNEAU  
P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4925

March 19, 1992

### MEMORANDUM

To: Rep. MacLean, Co-chair  
Rep. Navarre, Co-chair  
House Finance Committee

From: Rep. Mackie *JM*

Re: Proposed CS for HB 380, marine highway commission.

I appreciate the finance committee hearing of HB 380 on Tuesday, March 24. Attached is a draft committee substitute [CS HB 380 ( ), Utermohle 3/19/92] for your consideration.

This proposed CS makes two changes to the transportation committee version. On page 2, line 18, the employee member on the commission can be from any of the maritime bargaining units. In the trans version (same page and line), the representative is restricted to the bargaining unit with the largest number of employees, in effect the IBU. The proposed change was requested by the masters, mates, and pilots union and the marine engineers.

The other change occurs in section 7. The proposed CS restricts the 3-year sunset to the commission only. The provisions relating to the marine highway system's special procurement needs (sections 2 and 3) are dropped from the sunset condition.

REPRESENTATIVE  
JERRY MACKIE

P. O. BOX 73  
CRAIG, ALASKA 99921  
(907) 826-3008 OFFICE  
(907) 826-2930 HOME

CHAIRMAN,  
COMMUNITY & REGIONAL AFFAIRS COMMITTEE

VICE CHAIRMAN,  
TRANSPORTATION COMMITTEE

# Alaska State Legislature



WHILE IN JUNEAU  
P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4925

## House of Representatives

STATEMENT ON HB 380

BY

REP. JERRY MACKIE

I introduced HB 380, establishing the Alaska Marine Highway Commission, as a different approach to improving the marine highway system than the authority concept in HB 10.

The seven member commission will bring continuity to the management of the marine highway system in order to achieve improvements in system operations, funding, and fleet acquisitions and replacements. It will also provide a better integration with community and private sector interests dependent on the marine highway system. In addition to appointing the director, the commission is responsible for advising and making recommendations on schedules and tariffs and conducting public meetings on system operations including proposed tariff increases or scheduling changes; management, planning and construction of facilities; replacement, refurbishing, and overhaul of vessels; and operating and capital costs. It is responsible for preparing a 5 year development and improvement plan that is submitted to legislature for review.

Another feature of HB 380 is that it allows the marine highway system to design its own procurement code to best meet the special repair, maintenance and reconstruction needs of the system. This will help decrease the extended overhaul and breakdown/repairs experience and will also produce substantial cost savings.

The two main differences between the commission approach and an authority approach is that state employees of the system are totally unaffected by HB 380 and the legislature retains its traditional funding oversight of the Alaska Marine Highway System.

February 14, 1992

Rep. Mike Navarre, Co-Chair House Finance Committee  
Rep. Eileen MacLean, Co-Chair House Finance Committee  
Rep. Mark Boyer, Vice Chair House Finance Committee  
Rep. Kay Brown, Member House Finance Committee  
Rep. George Jacko, Member House Finance Committee  
Rep. Niilo Koponen, Member House Finance Committee  
Rep. Ron Larson, Member House Finance Committee  
Rep. Fran Ulmer, Member House Finance Committee  
Rep. Ramona Barnes, Member House Finance Committee  
Rep. Randy Phillips, Member House Finance Committee  
Rep. Bert Sharp, Member House Finance Committee

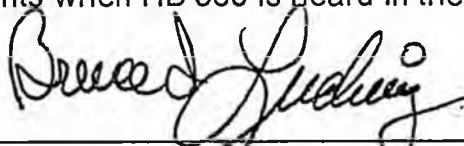
Dear House Finance Committee Member:

As representatives of approximately 90 percent of the Alaska Marine Highway System's employees, we are writing to ask your support for amendments made by the House Transportation Committee to House Bill 380. This bill was passed out of the House Transportation Committee and referred to the House Finance Committee.


As you know, legislative work to streamline the procurement regulations for the A.M.H.S. has been going on for several years. The House Transportation Committee's amendments solve this problem and address concerns of the system's employees. Accordingly, we respectfully urge your support of these amendments when HB 380 is heard in the House Finance Committee.




Frank Price, IBU-P, Alaska Region,  
AFL-CIO



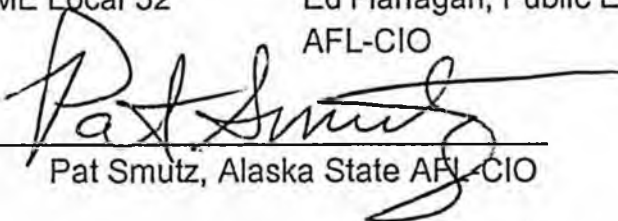
Bruce Ludwig, APEA/AFT, AFL-CIO



Jon Stables, ASEA/AFSCME Local 52  
AFL-CIO



Ed Flanagan, Public Employees Local 71  
AFL-CIO



Pat Smutz, Alaska State AFL-CIO

## INTERNATIONAL ORGANIZATION OF MASTERS, MATES &amp; PILOTS

PACIFIC MARITIME REGION

2819 First Avenue, #100 ★ Seattle, Washington 98121-1126 ★ Telephone: (206) 441-1070 ★ FAX: (206) 443-3752



February 21, 1992

REPRESENTATIVE MIKE NAVARRE, Chairman  
House Finance Committee  
Alaska State House of Representatives

fax #907-465-2278

Dear Representative Navarre:

I would like to take this opportunity to express my gratitude for your long-standing strong support for the Alaska Marine Highway System. The interest you have shown for improving our coastal communities only highway link, which is so important to the citizens and businesses in these towns, is greatly appreciated.

It has come to my attention that H.B. 380 would create an Alaska Marine Highway Commission (A.M.H.C.). I have read the legislation and feel that our organization could support this. I am concerned, however, with an amendment that was made to this legislation in its last committee of referral. This amendment is on page 2, line 18, and reads:

**AN EMPLOYEE IN THE COLLECTIVE BARGAINING UNIT WHICH REPRESENTS THE LARGEST NUMBER OF EMPLOYEES WITHIN THE ALASKA MARINE HIGHWAY SYSTEM.**

We are strongly opposed to this amendment. The purpose of this amendment is very clear, to give special treatment to the Inlandboatmen's Union of the Pacific (I.B.U.) and discriminate against the other two bargaining units on the ships. I must tell you I am very surprised by this, as we have always had an extremely close working relationship with the I.B.U. and the Marine Engineers' Beneficial Association (M.E.B.A.). I am not sure who is responsible for the creation and pushing of this amendment, but I feel it would be a great disservice to the two unions left out of the process as well as the A.M.H.C., who would be deprived of a vast wealth of experience and knowledge held by the members of the International Organization of Masters, Mates and Pilots (I.O.M.M.& P.) and the M.E.B.A. We have been sailing on these ships as long as the I.B.U. and feel we should be treated equally.

Accordingly, I would like to ask you to help us in correcting this flagrant injustice. Our Government Liaison, Mr. Kubley, will be testifying in support of retracting this amendment in the next committee of referral, which is yours. Anything you might be able to do to assist us would be greatly appreciated.

Again, thank you for your support and your sensitivity to the needs and concerns of the Masters, Mates and Pilots, that take such pride in being part of the greatest fleet in the world. Best regards and good luck for a productive legislative session.

Most respectfully yours,

CAPTAIN DAVE A. BOYLE, Vice President  
Intl. Org. of Masters, Mates and Pilots, Pacific Maritime Region

cc: Rep. Ben Grussendorf, Speaker, Ak. St. House of Representatives  
Mr. Harold Blue, M.E.B.A.  
Mr. Jim Ains, Director, A.M.H.S.

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/24/92

FURTHER:

DATE TURNED INTO OFFICE: 5-6-92

The Finance Committee considered CS HB 380 (FINANCE) am  
Marine Highway Plan and Operation

and recommends:

- replace with 5 CS CS HB 380 (FINANCE)  
or  adopt previous CS (        )  
 attaches amendment(s)

- same title  
 new title  
 technical title change (HB only)

adopts          Letter of Intent

further referral to the         

- do pass  
 do not pass  
 no recommendation  
 individual recommendations

*5-6-92  
SCS (Fix)  
coming.*

**NEW FISCAL NOTES:** Dept/Date

**zero** fiscal notes         

fiscal notes         

appropriation--no fiscal note

**PREVIOUS FISCAL NOTES:** Dept/Date

**zero** fiscal notes         

fiscal notes DOTPE 98.1 1-21-92

**DO PASS:**

*[Handwritten signatures]*

1. *[Signature]*  
Co-Chair: Signature/Recommendation

**OTHER RECOMMENDATIONS:**

*[Handwritten signature]* (No Rec)

2. *[Signature]* NO Rec  
Co-Chair: Signature/Recommendation

FISCAL NOTE

Revision Date: 01/21/92  
Title: Alaska Marine Highway Commission

Department Affected: DOT&PF  
BRU: Marine Management

Sponsor: Mackie, Grussendorf  
Requestor:

Component: Support Services  
Component Serial Number: 1224

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY93	FY94	FY95	FY96	FY97	FY98
PERSONAL SERVICES	87.6	87.6	87.6	87.6	87.6	87.6
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT	5.0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	98.1	93.1	93.1	93.1	93.1	93.1

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUNDS	FY93	FY94	FY95	FY96	FY97	FY98
GENERAL FUNDS	98.1	93.1	93.1	93.1	93.1	93.1
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL FUNDING:	98.1	93.1	93.1	93.1	93.1	93.1

POSITIONS

FULL-TIME	FY93	FY94	FY95	FY96	FY97	FY98
FULL-TIME	1	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: N/A

Changes in Sen CS for CS HB 380(TRANS) have no fiscal impact. This fiscal note is appropriate.

ANALYSIS: (Attach a separate page if necessary)

4/23/92 date amm Comte Aide (initial)

HB 380 amends the State Procurement Code (AS 36.30) to authorize AMHS to adopt its own procurement policies and procedures. This fiscal note authorizes and funds a new position (Purchasing Agent V) to carry out these responsibilities.

Prepared by: John Halterman

Phone: 465-3950

Division: Alaska Marine Highway System

Date: January 21, 1992

Approved by Commissioner: Frank G. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: January 21, 1992

Changes in 905 CSHB380(FW) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.  
5-10-92 date IA Comte Aide (initial)

Leg. Sponsor, Requestor, OMB/DBR, Gov. Leg. Office, Impacted Agency(ies).

COMMITTEE COPY

*Final*

**SENATE CS FOR CS FOR HOUSE BILL NO. 380 (FINANCE)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVES MACKIE, Grussendorf, C.Davis, Kubina**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the Alaska marine highway system comprehensive plan; relating to  
2 repair, maintenance, and reconstruction of vessels, docks, and transfer facilities of the  
3 Alaska marine highway system; relating to the instate maintenance of state marine vessels;  
4 and providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 \* Section 1. AS 19.65 is amended by adding a new section to read:

7       Sec. 19.65.011. **COMPREHENSIVE LONG-RANGE PLAN.** The Department of  
8 Transportation and Public Facilities shall prepare a comprehensive long-range plan for the  
9 development and improvement of the Alaska marine highway system and shall revise and update  
10 the plan at least every five years. The department shall submit the comprehensive long-range  
11 plan and revisions and updates of the plan to the legislature.

12 \* Sec. 2. AS 36.30.015 is amended by adding a new subsection to read:

13       (g) The Department of Transportation and Public Facilities shall adopt regulations to  
14 manage the procurement of supplies, services, professional services, and construction for the

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1 repair, maintenance, and reconstruction of vessels, docking facilities, and passenger and vehicle  
2 transfer facilities of the Alaska marine highway system. The regulations must be based on  
3 principles of competitive procurement consistent with this chapter to satisfy the special  
4 requirements of the Alaska marine highway system as determined by the Department of  
5 Transportation and Public Facilities.

6 \* Sec. 3. AS 36.30.990(1) is amended to read:

7 (1) "agency"

8 (A) means a department, institution, board, commission, division,  
9 authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of  
10 the executive branch of state government;

11 (B) does not include

12 (i) the University of Alaska;

13 (ii) the Alaska State Housing Authority;

14 (iii) the Alaska Railroad Corporation;

15 (iv) the Alaska Housing Finance Corporation;

16 (v) a regional Native housing authority created under  
17 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

18 (vi) the Department of Transportation and Public Facilities, in  
19 regard to the repair, maintenance, and reconstruction of vessels, docking  
20 facilities, and passenger and vehicle transfer facilities of the Alaska marine  
21 highway system;

22 (vii) the Alaska Aerospace Development Corporation;

23 \* Sec. 4. AS 36.90.050 is repealed and reenacted to read:

24 Sec. 36.90.050. MAINTENANCE OF STATE MARINE VESSELS. (a) Marine  
25 vessels owned by the state shall be maintained and repaired at a shipyard facility located  
26 in the state unless the commissioner of the department that operates the marine vessel  
27 determines in writing that there is no shipyard facility located in the state that is equipped  
28 or qualified to perform the particular maintenance or repair required, or, after taking into  
29 consideration the Alaska bidder preference set out in AS 36.30.170 and the interport  
30 differential, as determined by the Alaska marine highway system, that the proposed cost  
31 of the maintenance or repair work is unreasonable. In this subsection, "commissioner of

1 the department that operates the marine vessel" includes the president of the University  
2 of Alaska with regard to a vessel operated by the university.

3 (b) The competitive bid provisions of AS 36.30 do not apply to a contract for the  
4 maintenance or repair of a marine vessel owned by the state if the contract is awarded to  
5 a shipyard facility in the state.

6 \* Sec. 5. AS 36.90.050 is repealed August 30, 1997.

7 \* Sec. 6. Section 2, ch. 57, SLA 1986, is repealed.

8 \* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

5-6-92  
Adapted  
into  
SCS(Fix)

AMENDMENT

To: SCS CS HB 380 (TRA)  
In Senate Finance Committee  
May 5, 1992

Page 1, line 13. Delete "Alaska marine highway system" and  
insert "Department of Transportation and Public Facilities".

Page 2, line 4. After "by the", delete "Alaska ma ine highway system"  
and insert "Department of Transportation and Public Facilities".

Page 2, line 17. Delete "Alaska marine highway system" and  
insert "Department of Transportation and Public Facilities".



# Alaska State Legislature

SENATOR JIM DUNCAN

COMMITTEES:  
VICE CHAIR —  
FINANCE  
VICE CHAIR —  
STATE AFFAIRS  
RULES  
BUDGET & AUDIT  
ETHICS REFORM

## MEMORANDUM

**DATE:** April 27, 1992

**TO:** Senator Pat Pourchot, Co-Chair  
Senate Finance Committee

**FROM:** Senator Jim Duncan

**RE:** HB 380, relating to the Alaska marine highway system comprehensive plan relating to repair, maintenance, and reconstruction of vessels, docks, and transfer facilities of the Alaska marine highway system relating to the instate maintenance of state marine vessels.

I urge you to schedule HB 380, relating to the Alaska marine highway system, for a hearing as soon as possible.

This bill requires that the Department of Transportation and Public Facilities prepare a comprehensive five year development and improvement plan for the Legislature's review. It also exempts repairs, maintenance, and reconstruction of vessels, docking facilities, and passenger and vehicle transfer facilities of the Alaska marine highway system from the State procurement code.

Another feature of the bill provides preferences for use of in-state marine repair and maintenance facilities for state-owned vessels.

I urge your favorable action on HB 380.

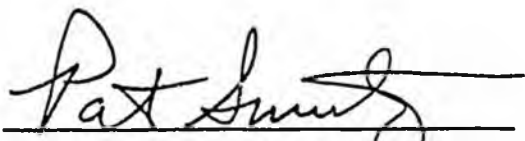
TESTIMONY OF  
 THE INLAND BOATMENS' UNION OF THE PACIFIC  
 PUBLIC EMPLOYEES LOCAL 71  
 ALASKA PUBLIC EMPLOYEES ASSOCIATION/AFT  
 ALASKA STATE EMPLOYEES ASSOCIATION  
 ALASKA AFL-CIO STATE/FED  
 ON HOUSE BILL 380  
 "THE ALASKA MARINE HIGHWAY COMMISSION"  
 BEFORE THE HOUSE TRANSPORTATION COMMITTEE  
 FEBRUARY 4, 1992

THE REPRESENTATIVES OF THE AFL-CIO UNIONS WHOSE MEMBERS MAKE UP THE WORKFORCE OF THE ALASKA MARINE HIGHWAY SYSTEM WANT TO THANK CHAIRMAN FOSTER FOR ALLOWING US TO TESTIFY ON THE PROPOSED AMENDMENTS TO HOUSE BILL 380, WHICH SEEKS TO ESTABLISH AN ALASKA MARINE HIGHWAY COMMISSION UNDER THE DEPARTMENT OF TRANSPORTATION.

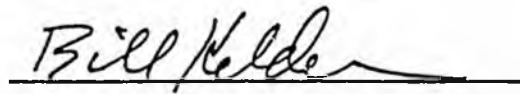
HAVING REVIEWED THE AMENDMENTS PROPOSED BY THE BILL'S SPONSOR, REP. JERRY MACKIE OF CRAIG, WE ARE IN CONCURRENCE THAT THE AMENDMENTS ARE SATISFACTORY AND SHOULD BE SUPPORTED BY OUR MEMBERS.

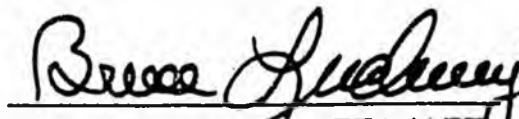
WE RESPECTFULLY REQUEST, HOWEVER, AN AMENDMENT TO SECTION 19.65.130, DEALING WITH MEMBERSHIP AND VACANCIES OF THE COMMISSION. SPECIFICALLY, WE WOULD LIKE TO SEE THIS SECTION AMENDED TO MAKE THE COMMISSIONER OF TRANSPORTATION A VOTING MEMBER OF THE ALASKA MARINE HIGHWAY COMMISSION. FURTHER, WE WOULD LIKE TO SEE ONE REPRESENTATIVE OF ORGANIZED LABOR ON THE COMMISSION, TO ENABLE THE COMMISSION THE BENEFIT OF A VOICE FROM THE WORKING MEN AND WOMEN OF THE ALASKA MARINE HIGHWAY SYSTEM. THIS MEMBER SHOULD BE A SHIPBOARD EMPLOYEE OF THE SYSTEM WHO IS CURRENTLY COVERED BY A COLLECTIVE BARGAINING AGREEMENT. THIS LABOR MEMBER OF THE COMMISSION IS TO BE SELECTED BY THE GOVERNOR FROM A LIST OF NOMINEES SUBMITTED BY THE ALASKA STATE AFL-CIO.


WITH THIS AMENDMENT, HOUSE BILL 380 HAS OUR SUPPORT AND ENDORSEMENT.

  
PAT SMUTZ, ALASKA AFL-CIO

  
DON ROULEAU, LOCAL 71

  
BILL KELDER, ASEA/AFSCME

  
BRUCE LUDWIG, APEA/AFT

  
TOM SNYDER, IBU-PACIFIC

  
FRANK PRICE, IBU-PACIFIC



*Department of Transportation  
and Public Facilities*

# POSITION PAPER

**BILL NO:** SCSCSHB 380 (TRA)

**APPROVED:**

  
Frank G. Turpin, Commissioner

**TITLE:** Marine Highway Plan & Operation

**DATE:** May 4, 1992

SCSCSHB 380 (TRA) accomplishes three important objectives:

- Establishes in statute a requirement that the Alaska Marine Highway System adopt a comprehensive long-range plan for the development and improvement of the system.
- Allows the Marine Highway System, through the Department of Transportation and Public Facilities, to adopt its own procurement regulations and creates a procurement officer position through the companion fiscal note to see that proper procedures are adhered to.
- Reauthorizes AS 36.90.060 to require that marine vessels owned by the state shall be repaired at a facility in the state, except under certain circumstances.

The Department of Transportation and Public Facilities supports the legislation as proposed. Over the years, the AMHS has had numerous problems operating under the current procurement code. The major concerns have revolved around the delays inherent in having multiple reviews of procurement requests at several levels within two departments of state government. These procedures have led to serious delays in obtaining necessary equipment and technical services. In addition, many difficulties have arisen where the agency has been required to obtain work from vendors who were only nominally capable of performing the work required. In some cases, work has had to be redone to meet the high tolerances required for marine applications.

This legislation would require AMHS, through the Department of Transportation and Public Facilities, to establish its own procurement procedures in regulation, based upon the principles of competition, taking into account the special needs of the Marine Highway System. The public notice requirements of these provisions will allow the vendor community the full opportunity to comment on the proposed procedures. In addition, the Commissioner of the Department of Transportation and Public Facilities, as head of the agency, will continue to have full authority over these activities. In this regard the bill should be amended on page 1, line 13; page 2, line 4; and page 2, line 17, to read, "the Department of Transportation and Public Facilities" rather than "the Alaska Marine Highway System."

The reauthorization of AS 36.90.050 is necessary because the current provision lapses on August 30, 1992. AMHS has worked under this statute for the last 5 years successfully and will continue to do so under this proposal.

The final provision requiring the development of long-range plan for the system represents an important step. AMHS has already developed such a plan through extensive public hearings. Under this legislation the plan would be updated every 5 years to take into account changing conditions, once again giving the public the opportunity to comment on current and future operations.

*For Further Information contact Katy McHugh at 465-3900.*