

HB

55

Sponsor Statement

CS HB 55(TRA)

"An Act relating to the fiscal operations of the Alaska Railroad Corporation and providing for an effective date."

The Alaska Railroad has been a symbol of Alaska's history since the early 1920's and has been operating under state ownership after being transferred from the federal government in 1985. While the railroad has continued to provide rail service for Alaska, no single financial or capital plan has been established for the railroad or its parent quasi-state owned corporation. During this 12 year span the corporation has had little state oversight. Currently, the Alaska Railroad Corporation(ARRC) is the only state owned corporation not under the Executive Budget Act (AS 37.07).

CS for House Bill 55 will make one change to the railroad and the corporation. The bill will place the Alaska Railroad under the Executive Budget Act. After numerous audit requests, OMB procurement investigations, and many Legislative Budget & Audit Committee hearings spurred by concerned community councils, the LB&A committee recommended and approved introduction of House Bill 55.

If enacted the bill will provide ARRC with the proper financial management exercised by the Governor and the Legislature by bringing the railroad corporation under AS 37.07. Under the Executive Budget Act, the railroad can apply for appropriation from the legislature to fund the operating, capital and debt service expenditures of the corporation.

Article IX of the State of Alaska Constitution states that no state entity can appropriate money without the approval of the legislature. Under the Executive Budget Act, legal questions as to the constitutionality of the Alaska Railroad Corporation to appropriate money will be put to rest.

Enactment of CS HB 55 will strengthen the financial integrity of the Alaska Railroad Corporation by securing sound procurement practices, strong financial management, and sensible Alaskan resident plans for expansion and service.

Other state corporations placed under the Executive Budget Act have benefited greatly. For example, Alaska Housing Finance Corporation was placed under the Executive Budget Act in 1995. AHFC's recent audits show high profits while maintaining a stellar service for Alaska's housing needs. Up 30% from four years ago, AHFC received a perfect score of 100% in the Federal Department of Housing & Urban Development's (HUD's) annual evaluation of the agency. HUD's perfect score recognizes that AHFC has initiated annual budgeting procedures that resulted from the Executive Budget Act review.

Concerns that politics will impede the ability of the Alaska Railroad to operate are unfounded. Under CS HB 55, the Chief Executive and the Alaska Railroad Board will still make the budgetary, capital, and operational decisions of the railroad. The ARRC board would formulate the budget while the legislature only has the opportunity to appropriate an aggregate amount. The nickel & diming that occurs with state agencies does not occur with the Permanent Fund Corporation or the Alaska Housing Finance Corporation nor would it occur with the Alaska Railroad Corporation. However, a process of communication would be established between the ARRC and the state which currently does not exist.

The CS HB 55 does not seek to privatize the railroad or in any other way diminish its existence as a public corporation of the state. The railway has become an integral part of Alaska's economy and folklore. Consequently, CS HB 55 is the right step forward to enhance the future of the railroad.

The legislation will not address every facet of the Alaska Railroad nor is it meant to. CS HB 55 will give Alaskans the ability to manage their railroad through the system of checks and balances only offered by a strong democracy and an open door policy.

MEMORANDUM

TO: Honorable Al Adams, Chairman
House Finance Committee
Alaska State Legislature

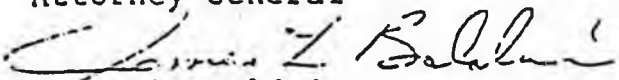
DATE: May 26, 1984

FILE NO: 366-575-84

TELEPHONE NO: 465-3600

FROM: Norman C. Gorsuch
Attorney General

SUBJECT: Appropriation of
Alaska Railroad
revenue


By: James L. Baldwin
Assistant Attorney General

Luann Cutler, on your behalf, has requested our opinion whether revenues of the Alaska Railroad must be appropriated before expenditure. Under the provisions of the Alaska Railroad Transfer Act (45 U.S.C. § 1207 -- 45 U.S.C. § 1214), "revenues generated by the state-owned railroad shall be retained and managed by the state-owned railroad for railroad and related purposes," 45 U.S.C. § 1207(a)(5).

This constitutes a dedication of revenue mandated by federal law. Even if a revenue source is dedicated for a specific purpose, amounts may not be expended by an agency within the executive branch from that revenue source unless appropriated by law. Alaska Const. art. IX, §§ 12, 13; see also, Kelley v. Hammond, C.A. No. 77-4, 1st Jud. Dist. (Alaska 1977). The important distinction of a validly dedicated revenue source is that money may not be expended for a purpose other than the Alaska Railroad, not necessarily that the money may be expended without appropriation.

We acknowledge that if the railroad's function is assigned to a public corporation which is established as a political subdivision of the state, an argument can be made that railroad revenue is not a part of the state treasury, much the same as the revenues collected by municipal corporations. If this view is adopted in Alaska, railroad revenues could be expended without appropriations. To date, this view has been repudiated at the superior court level. Kelley v. Hammond, C.A. No. 77-4, 1st Jud. Dist. (Alaska 1977).

We hope this opinion answers your question.

JLB/mg

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 7, 1997

SUBJECT: Alaska Railroad Corporation (HB 55)

TO: Representative Terry Martin
Attn: Christopher Knight

FROM: Tamara Brandt Cook *TBC*
Director

You has asked me whether the Alaska Railroad Corporation may constitutionally spend revenue it generates without an appropriation. The corporation is exempted from a number of laws under AS 42.40.920(b), including the Executive Budget Act. It is far from certain to me that an exemption from the Executive Budget Act necessarily means that money involved in the exemption may be spent without an appropriation. To the extent that the state constitution requires an appropriation before money is spent, that requirement controls.

The federal Alaska Railroad Transfer Act contains a provision dedicating revenue generated by the railroad to railroad purposes. I am not convinced that a dedication of revenue, however valid under Article IX, sec. 7, places that revenue outside of the appropriation requirement of Article IX, sec. 13. It is possible that a court could conclude that, while revenue may be used only for railroad purposes, before it is so used it must be appropriated. In short, the legislature may still have the right and constitutional obligation to review proposed railroad expenditures and determine whether money will be spent for a particular railroad purpose, rather than another railroad purpose, and in what amount. The Attorney General's office has likewise concluded that a good probability exists that revenue of the Alaska Railroad Corporation is subject to appropriation before expenditure. (Memorandum, 366-575-84, May 26, 1984, copy attached)

It has been argued that money of a public corporation (like the Alaska Railroad Corporation) with an existence independent from the state is not in the state treasury and, therefore, not subject to appropriation. The Attorney General has, however, concluded that money in one public corporation (AHFC) is subject to appropriation to the extent that it is unencumbered. (Informal Opinion, 366-463-85, April 24, 1985, copy attached) That opinion was cited by the Alaska Supreme Court with approval and the court has specifically recognized that money appropriated from AHFC must be counted as "available for appropriation" for purposes of applying Art. IX, sec. 17, relating to the budget reserve fund. (*Hickel v. Cowper*, 874 P.2d 922 (Alaska 1994) footnotes 11 and 23) This conclusion of the court necessarily

Representative Terry Martin

February 7, 1997

Page 2

presupposes that the legislature does, indeed, have the power to make appropriations from AHFC's unencumbered assets. If revenues of that public corporation are subject to appropriation, it would seem quite likely that the revenues of the Alaska Railroad Corporation would also be treated as subject to appropriation by the court.

TBC:pl

97-030.plm

Enclosures

Auditor Observations

The Alaska Railroad Corporation has been under the "legislative microscope" for the last few years. The Audit Division has conducted five audits of the corporation since 1992 and has one audit in progress and another pending. Of those seven audits, two deal with rail operations, and five involve the corporation's management of real estate.

During the interim, the Legislative Budget and Audit Committee also pursued a greater understanding of the corporation and its assets. We believe that it is important that the Legislature understand the operation of the corporation and be aware of issues that impact its operation. The Legislative Budget and Audit Committee appears to be the appropriate vehicle currently available to provide that oversight.

The Alaska Railroad Corporation finds itself in an unenviable position. On one hand, it is operating under a statutory mandate to generally manage the corporation on a self-sustaining basis. On the other hand, as a corporation wholly owned by the State, the corporation must be held to certain standards of openness and public accountability. It is in this vein that we often find ourselves at odds with the corporation. We believe that as long as the corporation is owned by the public, public accountability must come first.

We also believe that the corporation can be run in an efficient manner and still uphold those public accountability standards. Management by corporate officers and policy direction by the board of directors should strive for the appropriate balance. In our opinion, we have seen recent signs of improvement in this effort by the board, primarily through our contact with the chairman. We are hopeful that the appointment of a new chief executive officer will further foster these goals.

Without going into great detail on issues we remain concerned about regarding the Alaska Railroad Corporation, we offer these summary observations and would be happy to discuss them further with any member or committee of the Legislature. They are in no particular order of significance.

- The corporation's budget is not subject to the Executive Budget Act. We see no reason why the corporation should be exempt or even whether constitutionally, it can be. Similarly, significant federal funds have been received by the corporation for capital rehabilitation and improvements without any legislative oversight.
- The corporation has shown a profit for the last two fiscal years (calendar year end). Total net income for 1996 (unaudited) and 1995 was \$8.0 million and \$7.9 million, respectively. The net income from operations represented \$4.0 million and \$4.1 million, respectively. Approximately half of the corporation's income is generated from management of its real estate. The majority of this real estate is considered non-rail use property.

**Legislative Auditor's Observations
January, 1997**

- A much talked about concern is deferred maintenance, however, little is factually known about the extent or estimated cost of that maintenance. We believe that a serious discussion needs to take place. It is possible, or even likely, that without the federal funding authorized the last two years (\$10 million per year) the railroad's income statement would look significantly different. Neither the financial statements nor the notes to the financial statements reflect any estimate of the amount of deferred maintenance.
- An observation that is important to understanding the fragile nature of the corporation's financial health is its dependence on two major customers. As disclosed in the notes to the financial statements for 1995, these two customers accounted for 45% of the corporation's revenue. The corporation's existence is dependent on those two customers.
- Through a combination of statute and corporation rules, the salary of railroad employees is confidential and therefore can not be disclosed to the public. Statute provides that the corporation may by rule designate and withhold public disclosure of matters of a privileged or proprietary nature. Statute goes on to describe matters as including personnel records. Corporation rules include salary as a personnel record.
- Alaska Statute 42.40.260(b) requires the annual report of the corporation to include an analysis of potential sale arrangements whereby the corporation may be transferred into private ownership. The corporation has not pursued sale discussions with potential or interested buyers. The corporation has gone so far as to notify interested parties that the Board of Directors is not interested in selling the railroad.
- Statute requires the corporation to have an annual performance audit conducted by a recognized railroad expert to assure that the railroad is being managed and operated effectively and efficiently. There are two reports generated from this review. A confidential report is produced for the use of railroad management. A public version of the report is issued that does not go into nearly as much detail. We recommend that the legislature annually request a confidential briefing on the detail version of the performance report.

REPRESENTATIVE
TERRY MARTIN
VICE-CHAIRMAN
BUDGET & AUDIT COMMITTEE
MEMBER
HOUSE FINANCE COMMITTEE

Alaska State Legislature



MAY 15 - JAN 15 258-8169
716 W. 4TH, SUITE 650
ANCHORAGE, AK 99504
JAN 15 - MAY 15 465-3783
STATE CAPITOL
JUNEAU, AK 99801-1182

The Honorable Tony Knowles
Governor of Alaska
State Capitol
Juneau, Alaska 99801

April 14, 1997

Dear Governor Knowles:

I have received your letter of April 10, pertaining to the Alaska Railroad and legislation currently under consideration that would affect the railroad. I appreciate your response to my earlier letter.

I was gratified that in your final paragraph, you state that you "have serious concerns that further statutory requirements will hamper its (ARRC's) autonomy and its ability to fulfill the railroad's mission without state financial assistance." You very well should have concerns, but they should be directed at the flip side of this question. That is, the ARRC has had far too much autonomy for a government-owned entity. It is my concern that we may one day find ourselves in serious jeopardy because railroad managers, making decisions as a business, obligate the people of Alaska as a whole.

I would not presume to tell you what you should do or how you should approach this question that the Legislative Budget and Audit Committee has posed in the public debate. However, the enclosed information should give you some idea of what's worrying some legislators. This includes discussions by both Governor Sheffield's attorney general at the time and Legislative legal services more recently of the constitutionality of the budgeting scheme designed by the Legislature for the ARRC. Also included is a summary of observations from the Legislative Auditor, whose duty it has been to audit certain functions and actions of the ARRC. I would also draw your attention to the fact that the ARRC is fighting eight separate Municipality of Anchorage zoning violations, using as its defense that it is an exempt state agency. At the same time, it is being sued for not following proscribed public procedures for the disposal of state property, an action it defends by claiming it is a private business.

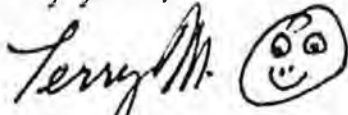
In closing, let me acknowledge that, yes, the letter forwarded on to you was a draft. So is the enclosed draft of a letter written for the signature of Mr. Dana



Governor Tony Knowles
April 14, 1997
Page 2

Pruhs. This one is evidently intended to drum up the grassroots support needed to protect the status quo at the ARRC. But I have to ask why is Mr. Sheffield going to these great lengths? What does he have to be afraid of? While he may defend himself by claiming neither this letter nor the one to you was ever accepted, the fact of the organization is that these letters would not have been drafted if someone at the ARRC was not keen on having them or something like them. The whole thing smacks of a soon-to-be-orchestrated campaign, paid for with public funds. Again, I ask the question I asked in my earlier letter: What is your policy regarding the use of state funds to attempt to steer a legitimate legislative debate?

Sincerely yours,



Rep. Terry Martin

enclosures: AG's opinion of May 26, 1984
Legal Services opinion of February 7, 1997
Auditor's observations of January 1997

cc: Attorney General Bruce Botelho
Senate President Mike Miller
House Speaker Gail Phillips
Senator Drue Pearce, Co-chair, Senate Finance
Senator Bert Sharp, Co-chair, Senate Finance
Representative Mark Hanley, Co-chair, House Finance
Representative Gene Therriault, Co-chair, House Finance
Senator Randy Phillips, Chair, Legislative Budget & Audit

TONY KNOWLES
GOVERNOR

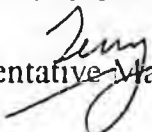


P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 10, 1997

The Honorable Terry Martin
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Representative  Martin:

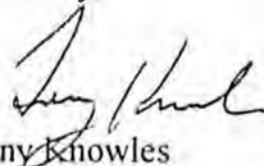
I have not received the letter purportedly written by Bill Sheffield, Chairman of the Alaska Railroad, referred to in your letter to me of March 3. It was not on letterhead and was clearly marked "Draft." I don't know how you came to have a copy, but I do not intend to respond to issues raised in a letter which I did not receive.

I can, however, certainly appreciate your distress at anyone urging me to veto a bill in which you have obviously invested considerable time and interest. I have not publicly commented on what action I might take should this bill reach my desk, nor is it my practice to announce my intention to veto a bill prior to what hopefully will be full and meaningful input, discussion, and debate in the Legislature.

However, as you know, I did veto a bill last year which called for a time-consuming study of the railroad's assets and possible sale procedures. I think the Railroad has been a success which can be attributed to the independent management and financial structure designed by the Legislature in the enabling legislation. Studies have continued to demonstrate the soundness of the railroad's performance in meeting its statutory mandates.

I realize that the bill you are now supporting, HB 55, is a different approach to the railroad than last year's bill. I do have serious concerns that further statutory requirements will hamper its autonomy and its ability to fulfill the railroad's mission without state financial assistance.

Sincerely,



Tony Knowles
Governor

February 28, 1997

Name
Address
Town

Dear [NAME]:

For the second year in a row, politicians are taking a run at one of Alaska's real success stories: The Alaska Railroad. First they wanted to sell it to an Outside company. Now they're trying to put this profitable operation under control of the bureaucrats, and cripple its ability to pay its own way.

What they can't or won't admit is that the Railroad makes money, supports itself, and spurs economic growth primarily because there are no politicians involved in its operation. Let's keep it that way.

The federal government built the Alaska Railroad more than 80 years ago as a way to open up and develop Southcentral and the Interior. In 1985, it was a government railway hampered by federal bureaucracy from fulfilling its potential. When the United States decided to sell the line, Alaska wisely stepped in and purchased this vital transportation corridor -- with three major conditions: Run the Railroad like a business, make sure it pays it own way, and keep it Alaskan.

The Alaska Railroad Corporation has done that over the last 12 years, earning a record profit in 1995 and 1996. With a mission of service and profit, the Railroad has been a creative and active business partner and an engine of growth. All without subsidy: The Alaska Railroad hasn't taken a nickel of state money to operate or maintain itself.

Now, two bills in the Alaska Legislature would drag the Railroad into the state budget bureaucracy, and pull thousands of acres of prime business real estate into the state land bureaucracy. This is progress?

The first bill would put the Railroad into the same budget cycle -- with the same cumbersome and lengthy political process -- as state government agencies. At first glance, it's an appealing idea, especially when the rest of the state's public corporations -- the Permanent Fund, Alaska Housing Finance, and the state development bank -- operate under that system.

But the Alaska Railroad is not a passive lender or portfolio manager. It's a service business that must react to market changes and customer demand as it happens -- now, when you need it -- not when the Legislature has time to look into it. The measures before the legislature right now make it harder to sign contracts, and add a time-consuming political process to your commercial or community business with the Railroad.

The second bill would take several thousand acres of developable real estate along the line and move ^{it} into the hands of the state Department of Natural Resources. Not only would that limit the opportunities for development, it would limit the Railroad's ability to generate the revenue that makes it a self-sustaining operation.

Taken together, the current bills, if passed, would cripple an Alaska institution that has been an engine of growth for the territory and the state for more than 80 years. Help us keep the bureaucrats and politicians out of the management of the Railroad. By joining Friends of Alaska's Railroad, you can send the message to Juneau that we want to stick to the basics: Run the Railroad like a business, keep it self-sustaining, and keep it Alaskan.

As a member, you will receive updates on legislation affecting the Railroad's ability to do business, with information about whom you need to contact in Juneau and how you can reach them. You will also ensure that your voice as a business person, community leader, or concerned Alaskan will be heard over the din of politicians intent on more government in Alaska's business.

Sincerely,

Dana Pruhs
Chair
Friends of Alaska's Railroad

Cheryl - 265-2414

off net for
RR (Gov. Bill
Sheffield
& Blain))

ADSLA

265-2491

~~#1 Some on Speaker Phone~~

Others - Call our # 1-800
565-3743

- Then we will put them
on the off net if
possible.

05/06/97 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150
08:36:35 PARTICIPANT LIST (TESTIFIERS ONLY) BY:JNU
TCN:70736 SCHEDULED FOR:05/06/97 08:00 TO 10:00 FOR:ALL

PUBLIC HEARING HOUSE STATE AFFAIRS

LOCATION:ANCHORAGE

HB 55 JEFF LOWENFELS TESTIFY

LOCATION:FAIRBANKS

HB 55 MR. DONALD MCPHEE TESTIFY

HB 55 MR. DENNIS WILFER TESTIFY

HB 55 MR. DAVE JOHNSON TESTIFY

HB 55 MR. JOHN WILLIAMS TESTIFY

HB 55 MR. JOSEPH FIELDS TEST.

LOCATION:MATSU

HB 55 MR. ERNEST W. BRANNON TESTIFY

OFF NET

- 1) PHYLLIS JOHNSON
- 2) BILL SHEFFIELD
- 3) BILL HUPPERICH
- 4) BYRON HENSHAW

FAIR BANKS

HB 55 CHARLIE BODDY TESTIFY

HB 55 JOHN PINKLEY TEST.

Alaska Railroad Corporation Those Testifying on HB55

✓ Governor Bill Sheffield, Chairman, Alaska Railroad Corporation (Cell Phone In Whittier)

Phyllis Johnson, Vice President and General Counsel, Alaska Railroad Corporation

Bill Hupprich, Associate General Counsel, Alaska Railroad Corporation

✓ Brad Phillips, Phillips Cruises (Cell Phone In Whittier)

Jeff Lowenfels, Chairman, Commonwealth North and Yukon Pacific Corporation

Johne Binkley, Railroad Board Member and Former State Senator

Dennis Brandon, Vice President, Cook Inlet Region Inc.

Dennis Wilfer, CNR Pipe (Fairbanks)

Ernie Brannon, Former Mayor, Mat-Su Borough

Don McPhee, Fairbanks

Steve Mahay, Talkeetna

Maragret Branson, Seward

Frank Chapados, Fairbanks

Susie Keller, Talkeetna

John Sims, Fairbanks

Dale Lindsey, Railroad Board Member, Seward

Robert Cacy, Chief Stewart, Alaska Railroad Workers

Ed Rivera, President, Alaska Railroad Workers

Byron Henshaw, General Chairman, International Association of Machinists and
Aerospace Workers

ALASKA RAILROAD CORPORATION

P.O. Box 107500, Anchorage, Alaska, 99510

FACSIMILE COVER SHEET

**TO: Patrick Lounsbury
Representative Jeannette James Aide**

**FROM: Bill Sheffield
Chairman, ARRC Board of Directors

Executive Offices**

DATE: May 6, 1997

No. of Pages (Including cover sheet) 2

If you have any questions or problems with transmittal, please call (907)265-2414.

Our FAX number is (907) 268-1456

MESSAGE:

Attached are the names of several people who would like to testify on HB55 today. Thank you.

Confidentiality Notice

This transmission is intended only for the use of the person to whom it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that any disclosure, distribution, or copying of this transmission or the information in it is strictly prohibited. If you have received this transmission in error, please notify us immediately by telephone, return the original, and retain no copies. Thank you.

Our phone number is (907) 265-2403. Our fax number is (907) 268-1456.

Phyllis Johnson - Legal Council.
Bell Huppstuge - Assoc Gen
Council.

Set up off-net

MAHAY'S RIVERBOAT SERVICE



May 3, 1997

Representative James
State of Affairs Committee

Dear Representative James:

This letter is in regards to House Bill 55. I believe that if this bill is passed it would eventually destroy the profitability of the Alaska Railroad.

I have been working partners with the Alaska Railroad for the past twelve years and wish to see operations remain as they stand.

Please be of help in seeing that this bill is defeated.

Sincerely,

Steve Mahay
Owner/CEO/President

"Serving Sportfishermen Since 1977"

Box 705 • Talkeetna, Alaska 99676 • (907) 733-2223 • Fax (907) 733-2712

MARGARET A. BRANSON
P.O. BOX 271
SEWARD, AK 99664
907-224-3212

REPRESENTATIVE JEANETTE JAMES
HOUSE STATE AFFAIRS

RE: HB 55

ONCE AGAIN I MUST REGISTER MY OPPOSITION TO A BILL WHICH ATTEMPTS TO IMPOSE UNNECESSARY AND UNDESIRABLE RESTRICTIONS ON THE ALASKA RAILROAD.

THIS BILL IS DIAMETRICALLY AGAINST THE STATED MAJORITY DESIRES TO "PRIVATIZE" CORRECTIONS, THE MARINE HIGHWAY, SCHOOLS AND OTHER STATE SERVICES.

THIS BILL WOULD RESTRICT THE ABILITY OF THE ALASKA RAILROAD TO BORROW MONEY OR TO PLAN OPERATIONS BEYOND A YEAR AT A TIME.

THE RAILROAD IS A MATTER OF GREAT PRIDE TO THE MAJORITY OF ALASKANS AND THIS CONTINUING EFFORT TO TRY TO HAMPER ITS OPERATION IS EGREGIOUS.

PLEASE NOTE THAT I AM ALSO OPPOSED TO THE COMPANION BILL SB42.

AGAIN, TO PUT THE RAILROAD UNDER THE EXECUTIVE BUDGET ACT IS CONTRARY TO THE INTENT WHEN THE RAILROAD BECAME STATE OWNED, IS UNNECESSARY AND MOST UNPRODUCTIVE.

*Thank you
Margaret A. Branson*

MAY 03 '97 08:16 SEWARD MARINE SVCS.
MARGARET ANDERSON
P. O. Box 87
Seward, Alaska 99664

P.1/1

FAX NUMBER - 224-3809

PHONE - (907) 224-5571

COMPANY OR INDIVIDUAL: LEGISLATURE OF THE STATE OF ALASKA
FACSIMILE NUMBER: (907) 465 2381
DOCUMENTS TRANSMITTED: HOUSE BILL NO. 55 (TRA)
NUMBER OF PAGES INCLUDING COVER: 1
DATE & TIME FACSIMILE SENT: 8:30 A.M. 5-3-97
INDIVIDUAL SENDING FACSIMILE: MARGARET ANDERSON

OTHER NOTES: OPPOSE HOUSE BILL # 55

1. TO PRIVATIZE ALASKA RAILROAD IS NOT IN THE BEST INTERESTS OF THE STATE OF ALASKA
2. THE PRESENT ADMINISTRATION IS OPERATING THE RAILROAD in a FISCALLY RESPONSIBLE MANNER.
3. ECONOMIC DEVELOPMENT OPPORTUNITIES WILL BE GREATLY DIMINISHED.
4. IT IS NOT IN THE BEST INTERESTS OF THE STATE OF ALASKA TO SUBJECT THE ALASKA RAILROAD TO THE FLUCTUATIONS OF THE ANNUAL STATE BUDGET DEBATES.
5. THE ALASKA RAILROAD BELONGS TO ALL THE PEOPLE OF THE STATE OF ALASKA AND SHOULD REMAIN SO.

REPRESENTATIVE
TERRY MARTIN
VICE-CHAIRMAN
BUDGET & AUDIT COMMITTEE
MEMBER
HOUSE FINANCE COMMITTEE

Alaska State Legislature



MAY 15 - JAN 15 258-8169
716 W. 4TH, SUITE 650
ANCHORAGE, AK 99504
JAN 15 - MAY 15 465-3783
STATE CAPITOL
JUNEAU, AK 99801-1182

MEMORANDUM

TO: Representative Jeannette James, Chair
House State Affairs

FM: Representative Terry Martin *TJM*

DATE: February 26, 1997

RE: Scheduling of House Bill 55

Introduced at the request of the LB&A Committee, CS for House Bill 55(Trans) would give the Legislature and the Governor budgeting power with regards to the Alaska Railroad Corporation. At your earliest convenience could you please schedule CS HB 55(Trans), an act relating to the Alaska Railroad Corporation(ARRC) and the Executive Budget Act, for a committee hearing.

Currently, the ARRC is the only state owned agency, i.e. corporation not under AS 37.07, the Executive Budget Act. If you have any questions please feel free to call me or my aid Chris Knight at ext. 6587. Thank you for your time and I look forward to hearing from you soon.



FISCAL NOTE

STATE OF ALASKA

BILL NO. CSHB55(TRA)

1997 LEGISLATIVE SESSION

Revision Date: 25-Feb-97 Dept Affected: Natural Resources
 Title: An Act relating to the fiscal operation of BRU: Resource Development
the Alaska Railroad Corporation and to land acquired... Component: Land Development
 Sponsor: - Rules by Request of LB&A
 Requestor: (H)STA Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: \$ none

POSITIONS

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

ANALYSIS:

(Attach a separate page if necessary)

There is no anticipated fiscal impact for the Division of Land associated with the Transportation committee substitute for HB55.

Prepared by: Jane Angvik, Director *[Signature]* Phone: 269-8503
 Division: Land Date: 2/25/97
 Approved by Commissioner: *[Signature]* Date: 2-25-97
 Agency: Natural Resources

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FISCAL NOTE

STATE OF ALASKA

BILL NO. CSHB55(TRA)

1997 LEGISLATIVE SESSION

Revision Date: 25-Feb-97 Dept Affected: Natural Resources
 Title: "An Act relating to the fiscal operation of the BRU: Management and Administration
Alaska Railroad Corporation and to land acquired ... Component: Information Resource Management
 Sponsor: Rules by Request of LB&A
 Requestor: ~~HB55A~~ H(97A) Component Serial No. 427

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1006 GF/MHTIA							
Other							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	

Estimate of any current year (FY97) cost: \$ none

POSITIONS		FY98	FY99	FY00	FY01	FY02	FY03
FULL-TIME		0	0	0	0	0	0
PART-TIME		0	0	0	0	0	0
TEMPORARY		0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

There is no anticipated fiscal impact for the Information Resource Management component associated with the Transportation committee substitute for HB55.

Prepared by: Carol Carroll, Director Phone: 465-4730
 Division: Support Services Date: 25-Feb-97
 Approved by Commissioner: *Carol Carroll* Date: 2-25-97
 Agency: Natural Resources

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSHB 55 (TRA)

Revision Date: _____	Dept. Affected: <u>Department of Law</u>
Title: <u>"...relating to the fiscal operations of the Alaska Railroad Corporation and providing for an effective date."</u>	BRU: <u>Civil Division</u>
Sponsor: <u>House Rules Committee by request of LB&A</u>	Component: <u>General Legal Services</u>
Requester: <u>House Transportation</u>	COMPONENT SERIAL NO. <u>2087</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

CSHB 55 (TRA) will have no fiscal impact for the Department of Law.

Prepared by: <u>Fred Fisher</u> <i>Fred Fisher</i>	Phone: <u>465-3672</u>
Division: <u>Administrative Services Division</u>	Date: <u>2/25/97</u>
Approved by Commissioner: <u>Bruce M. Botelho</u> <i>Bruce M. Botelho</i>	Date: <u>2/25/97</u>
Agency: <u>Department of Law</u>	

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