

SB

85

<TARGET><BILL>SB 85</BILL><SUBJECT>SB
85</SUBJECT><COMM>STRA28</COMM></TARGET>

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 3/21/13

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 4/4/13

Transportation Committee considered SENATE BILL NO. 85

SB 85-EXPERIMENTAL VEHICLE PLATES

"An Act relating to experimental vehicles."

and recommends:

- be replaced with CS SB 85 (TRA) Same Title New Title
- adopt previous CS _____ (_____) Same Title New Title
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
Adm			✓	

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	FAIRCLOUGH			✓	
	French	✓			
	Bishop	✓			
CHAIR:	EGAN	✓			

ALASKA STATE LEGISLATURE

Session:

State Capitol, Room 115
Juneau, Alaska 99801-2186
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Fax: (907) 465-5241
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Senator Click Bishop

Sponsor Statement

SB 85 "An Act relating to experimental vehicles"

Cold weather vehicle testing is one of the Interior Alaska's quietest industries. Fairbanks' own Economic Development Corporation advertises the Interior as "one of the greatest places in the world for Cold Weather Testing," thereby, seeking the attention of automakers to come to Fairbanks to test their vehicles in the region's cold winter climate. However secretive these experimental vehicles are, sightings are common. Interior residents trade tales of sightings of packs of shadowy grey silhouettes whipping by in the ice fog.

Cold weather vehicle testing is a great economic driver for the Interior. Vehicles are flown in to the Fairbanks International Airport, warehouse facilities are leased, hundreds of hotel rooms are booked, local companies are hired to provide services, and many local citizens are employed over the course of the season.

The Interior is a testing ground for Mercedes, Nissan and Volkswagen Group of America, Inc. (VWGoA). In 2002, Alaska State Troopers held several of VWGoA's vehicles at Delta Junction advising them that under Alaska Statute 28.10.121, VWGoA is required to use Alaska plates since they are being operated for a commercial purpose, as defined in AS 28.90.990.

From 2002 to 2012, licensing of these test vehicles, was accomplished by paying for a one-year registration fee to use Alaska plates. Recently, however, a problem arose when VWGoA had to bring the same vehicles back for a second season of extended testing, which was required by stricter emissions regulations. Unfortunately, the one year registration has been an "informal" concession provided by a former Director of DMV. Due to the "informal" arrangement, DMV was not able to extend the one-year license without statutory authority.

SB 85 provides statutory authority for experimental vehicle plates to be issued to manufacturers or distributors for a 12-month period, with the ability for the license to be renewed for additional 12-month periods, for a maximum of 36 months.

Please join Senator Bishop in supporting this legislation.

SENATE BILL NO. 85

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY SENATOR BISHOP

Introduced: 3/21/13

Referred: Transportation, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to experimental vehicles."**

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

3 * **Section 1.** AS 28.10.181 is amended by adding a new subsection to read:

4 (hh) Experimental vehicles. A vehicle manufacturer or distributor may apply
5 for experimental vehicle plates. A plate issued under this subsection may be used only
6 on an experimental vehicle present in the state for cold-weather testing. The vehicle
7 manufacturer shall certify to the department that, at the conclusion of the cold-weather
8 testing, the experimental vehicle was destroyed or removed from the state.
9 Experimental vehicle plates issued under this subsection are valid for a 12-month
10 period and may be renewed for additional 12-month periods, up to a maximum of 36
11 months, until the cold-weather testing is complete. Notwithstanding AS 28.10.201, an
12 experimental vehicle may not be titled under this chapter. In this subsection,
13 "experimental vehicle" means a vehicle in the developmental stage that has not yet
14 reached production in the United States.

15 * **Sec. 2.** AS 28.10.201(a) is amended to read:

1 (a) Except as otherwise provided in (b) of this section or in AS 28.10.131,
2 [AND] 28.10.152, and 28.10.181(hh), every owner of a vehicle subject to registration
3 in this state shall apply for a certificate of title under this chapter.

28-LS0692\U
Strasbaugh
3/26/13

CS FOR SENATE BILL NO. 85()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR BISHOP

A BILL
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6 on an experimental vehicle present in the state. The vehicle manufacturer shall certify
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P.O. Box 60669, Fairbanks, Alaska 99706, (907) 474-0061 Fax (907) 474-0085

March 28, 2013

Senator Click Bishop
State Capital Room 115
Juneau AK 99801

Dear Senator Bishop,

As President with Alaska Aerofuel, Inc I would like to voice my support of SB 85.

As an organization that assists with the testing of automotive vehicles from all over the world, I can attest to the satisfaction automotive companies have had in testing in Alaska, and more specifically the Interior. We can offer services and conditions that are difficult, if not impossible, to find in any other part of the world.

Because of this, not only our organization, but the greater community benefits from companies who choose to test in Alaska as this significantly impacts our economy by creating good-paying jobs and utilizing our service industry.

Largely because of changes in federal emissions standard, our current state regulations on vehicle registration are inhibiting automotive companies from testing in Alaska. I am very pleased to see that some of our legislative representatives have recognized this problem and have moved quickly to rectify this issue for the next cold-weather-testing season. Thank you for this and the work you do for our great state of Alaska.

Respectfully,

A handwritten signature in black ink, appearing to read "Robert J. Hawkins", written over a light-colored background.

Robert J. Hawkins
President / CEO

(907) 474-0062 office
(907) 474-0085 fax
(907) 388-0060 cell
robhawkins@alaskanaerofuel.com
www.AlaskaAerofuel.com



March 25, 2013

Senator Click Bishop
State Capitol Room 115
Juneau AK 99801

Dear Senator Bishop,

As President and CEO of the Fairbanks Economic Development Corporation, I would like to voice my support of SB 85.

For many years FEDC has marketed Alaska as the "Most Affordable, Accessible and Reliable" place to do Cold Weather Testing (CWT) in the World. Today, companies from around the world have recognized Alaska, and especially the Fairbanks area, as a prime location to cold-weather-test their products. This industry has a significant positive impact on the state and is estimated to contribute over \$500 million to the Fairbanks economy every year.

It was recently brought to my attention that Alaska regulations on vehicle registration are making it difficult, if not impossible, for some of our most loyal CWT automotive companies to continue to do CWT in our state.

I am very thankful that you have recognized this problem and have moved quickly to rectify this issue for the next CWT season. I appreciate your work and urge other legislators support your changes necessary to facilitate the continued growth of our CWT industry.

SB 85 provides a beneficial solution to all parties involved. It protects the DMV regulation that is necessary for non-experimental vehicles and allows the automotive CWT industry to continue to be a part of Alaska's growing economy.

Respectfully,

Jim Dodson
President & CEO
Fairbanks Economic Development Corporation

March 25, 2013

Senator Click Bishop
State Capital Room 115
Juneau AK 99801

Dear Senator Bishop,

As **1st Shift Supervisor** with **Kett Engineering/VW Group of America** I would like to voice my support of SB 85.

As an organization that assists with the testing of automotive vehicles from all over the world, I can attest to the satisfaction automotive companies have had in testing in Alaska, and more specifically the Interior. We can offer services and conditions that are difficult, if not impossible, to find in any other part of the world.

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Respectfully,

Jeffrey Finch
1st Shift Supervisor
Kett Engineering/VW Group of America

March 25, 2013

Senator Click Bishop
State Capital Room 115
Juneau AK 99801

Dear Senator Bishop,

As Facility Coordinator with **Kett Engineering**, I would like to voice my support of SB 85.

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Respectfully,

John Bungart
Kett Engineering
Volkswagen Group of America Wintertest Facility Coordinator
3720 Braddock St.
Fairbanks, AK 99701

Issue:

Volkswagen Group of America, Inc. ("VWGoA") has been performing its cold weather testing in Fairbanks, Alaska since 2000 (prior to Alaska, testing took place in Minnesota). From 2000-2002, the test vehicles were operated with manufacturer plates from either Michigan or Arizona.

In 2002, Alaska State Highway Patrol held several of VWGoA's vehicles at Delta Junction and advised that under AK Statute Sec. 28.10.121, VWGoA is required to use Alaska plates since we operate for a commercial purpose (as defined in AK Statute Sec. 28.90.990). (Note: VWGoA's vehicles are subject to Sec. 28.10.121 because they are used for a commercial purpose even though the vehicles are not technically commercial vehicles). From 2002 through 2012, VWGoA performed cold weather testing by paying for a one (1) year registration to use Alaska plates.

Recently, VWGoA has had to bring vehicles back after the initial testing season to perform the extended testing necessitated by stricter emissions regulations. After trying to obtain registration renewals for subsequent years after the initial 1 year registration, the Alaska DMV notified VWGoA that the vehicles needed to be both registered and titled in Alaska. **Titling the vehicles in Alaska is neither possible nor desirable.**

After speaking with the Alaska DMV, I found out that the 1 year registration process was an "informal" concession provided to VWGoA by the *former* Director of the Alaskan DMV (or at least the Fairbanks office). To my knowledge, Alaska does not have a specific license or provision for "commercial purpose" vehicles temporarily located in Alaska.

VWGoA Presence in Fairbanks:

VWGoA has leased a 7,600 square foot facility in Fairbanks (3720 Braddock Street, Fairbanks, Alaska 99707) since September 2000 (current lease set to expire in September 2015). The testing season begins in mid-October and goes through March. The testing is overseen by (4) VWGoA employees/contractors from the continental US and two (2) local, full-time supervisors. In addition, VWGoA hires anywhere from 30 to 40 locals over the course of one season to perform the test driving.

The VWGoA employees from the mainland stay at the Wedgewood Resort for the entire season (minimum of 257 nights), each in their own hotel room. Visitors from plants in Mexico and

Germany also stay at the Wedgewood Resort while in town (total of about 50-60 additional hotel nights over one season).

VWGoA's test vehicles consume local fuel, so VWGoA consumes an average of over 12,000 gallon of fuel at an average price of \$4.50/gallon. A conservative estimate of VWGoA's fuel costs for its test vehicles for one season is \$55,000.

Other OEMs

Though I am still waiting to hear back from attorneys at other OEMs, our VWGoA business owner did indicate that he and his team have seen Mercedes and Nissan testing in Alaska this year using Michigan Manufacturer plates. Fairbanks' own Economic Development Corporation advertises Fairbanks as "one of the greatest places in the world for Cold Weather Testing." <http://www.investfairbanks.com/projects/cold-weather-testing>

March 25, 2013

Senator Click Bishop
State Capital Room 115
Juneau AK 99801

Dear Senator Bishop,

As a **driver with Kett Engineering**, I would like to voice my support of SB 85.

As an organization that assists with the testing of automotive vehicles from all over the world, I can attest to the satisfaction automotive companies have had in testing in Alaska, and more specifically the Interior. We can offer services and conditions that are difficult, if not impossible, to find in any other part of the world.

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Respectfully,

Heather Mossman (Heather Mossman)

Nicole Swensgard (Nicole Swensgard)

Don Wilton (DON WELTON)

March 25, 2013

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State Capital Room 115
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Respectfully,

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March 25, 2013

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Respectfully,

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March 25, 2013

Senator Click Bishop
State Capital Room 115
Juneau AK 99801

Dear Senator Bishop,

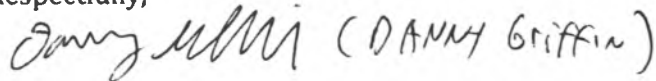
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 (DANNY GRIFFIN)

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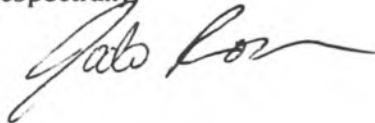
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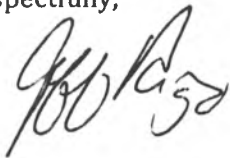
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